



# **BOARD OF DIRECTORS**

Agenda Item #11

**Brenda Evans, Program Administrator**  
**Marjorianna Willman, Tax Credit Manager**

**December 12, 2012**

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## **RESOLUTION SUMMARY:**

**Windsor Court Apartments**

**Project Number TC2013-054BF**

**St. Gabriel, Louisiana**

### **OVERVIEW**

The developer of Windsor Court Apartments is requesting approval of \$481,110.00 in 4% LIHTC, \$1,000,000.00 in CDBG State funds and \$8,500,000.00 in Multi-family Revenue Bonds. The CDBG funds being requested from the LHC are residual funds remaining after the 2013 funding round that have been made available on a first come priority basis. Approving this request will allow the construction of the project. Disapproving the request will adversely affect the construction of 120 affordable housing units in St. Gabriel, Louisiana.

### **STAFF RECOMMENDATION:**

Staff recommends approval of \$481,110.00 in 4% LIHTC, \$1,000,000.00 in CDBG State Funds and \$8,500,000.00 in Multi-family Revenue Bonds. This recommendation is based upon review of financial statements, meetings held with developer and feasibility/viability analysis.

### **PROJECT DEVELOPMENT SUMMARY:**

Windsor Court Apartments is located at LA Hwy 74, St. Gabriel, Iberville Parish, Louisiana.

The project's approval for Multifamily Housing Revenue Bonds in an amount not to exceed \$8,500,000 will be considered on December 20, 2012 by the Louisiana State Bond Commission. The Mortgage Revenue Bonds will be issued by the Louisiana Housing Corporation.

The development was awarded \$6,132,500 of Community Development Block Grant (CDBG) funds through a competitive process conducted by Iberville Parish. The Parish advertised for Request for Developer Proposals related to the Affordable Rental Program under the OCD (Gustave/Ike) Disaster Recovery program for expansion of work force housing within the Parish. Through its process, the Loan Committee appointed to review the Developer Proposals recommended to issue a loan commitment letter in the amount of \$6,132,500 for the Windsor Courts Apartments development, located off Hwy 74, east of Plantation Subdivision, St Gabriel, Louisiana and its Developer being England Partners, LP, for the development of a 120 unit multi-family apartment development.

The project will consist of fifteen (15) buildings and one (1) Accessory building. There are 120 residential units. The unit mix consist of; fifty-six (56) two-bedroom units; sixty-two (62) three-bedroom units and two (2) other (non- revenue) three-bedroom units. Twelve (12) will be set aside for 30% or below of Area Median Income (AMI) and One hundred & Six 106 units will be set aside for 50-60 % of AMI tenants.

The units have an average square footage of (1,231) square feet. There is a community facility which provides community room, lounges, warming kitchen for meetings, a business center with computer access and access to a copy machine and fax machine. The project's amenities will include: on-site security, perimeter security fencing, security gate, swimming pool and playground. Each unit will be furnished with the following amenities: washer and dryer, ceiling fans in every bedroom and living area, internet and cable access in every bedroom and living area, blinds, stove, refrigerator, disposal and dishwasher.

### **DEVELOPMENT GROUP AND FINANCIAL PARTNERS**

The taxpayer contact and representative at the Board of Directors meeting for the project is Mr. David Strange of New Horizons Development, LLC. Developer's experience includes LIHTC developments in Mississippi, Tennessee and Louisiana.

#### **Louisiana Projects:**

| <b>Project Name</b>              | <b># of Units</b> | <b>PIS Date</b> | <b>Location</b> |
|----------------------------------|-------------------|-----------------|-----------------|
| • Carlyle Place                  | 40                | 08/13/2009      | Alexandria, LA  |
| • Stratford Manor                | 50                | 09/28/2009      | Alexandria, LA  |
| • Meadowbrook Subdivision        | 39                | 06/16/2011      | Winnsboro, LA   |
| • <u>The Gates at Riverchase</u> | 55                | 06/22/2011      | Alexandria LA   |
| <b>Total LA</b>                  | <b>184</b>        |                 |                 |

The project's construction will be financed through the issuance of Tax-Exempt bonds. R4 Capital Inc. will be purchasing the tax credits. The projected equity from the syndication of credits is \$4,329,563.

### **FINANCIAL ANALYSIS**

#### Funding Sources:

|   |             |
|---|-------------|
| First Mortgage (Centerline Capital Group) | \$4,200,000 |
| Deferred Developer Fees                   | \$634,378   |
| Tax Credit Equity                         | \$4,329,563 |
| CDBG State Funds                          | \$1,000,000 |
| Bond Proceeds                             | \$8,500,000 |
| CDBG Funds (Iberville Parish)             | \$6,132,500 |

#### Project Costs:

|                                  |              |
|----------------------------------|--------------|
| Total Development Cost:          | \$16,296,441 |
| Total Units:                     | 120          |
| Total Cost/Unit:                 | \$135,804    |
| Total Square Feet:               | 150,172      |
| Total Cost/SF:                   | \$109        |
|                                  |              |
| Total SF minus Common Buildings: | 147,736      |
| Total Cost/SF minus Commons:     | \$110        |

Construction Costs:

|                            |              |
|----------------------------|--------------|
| Rehabilitation Hard Costs: | \$0          |
| Construction Costs:        | \$12,264,116 |
| Land Costs:                | \$400,000    |
| Building Costs:            | \$0          |

Property Value:

|                                      |     |
|--------------------------------------|-----|
| Appraisal Date:                      | N/A |
| Pre-Rehab Value:                     | N/A |
| Post-Rehab Value                     | N/A |
| Date Property Last Sold:             | N/A |
| Amount of Last Sale:                 | N/A |
| Current Occupancy Rate:              | N/A |
| Positive Cash Flow (last 12 months): | N/A |

## **LOUISIANA HOUSING CORPORATION**

The following resolution was offered by Director \_\_\_\_\_ and approved by Director \_\_\_\_\_:

### **RESOLUTION**

**A resolution establishing the maximum qualified basis and low-income housing credits to Windsor Court; authorizing the staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low Income Housing Tax Credits and CDBG Funds to such facilities; and providing for other matters in connection therewith.**

**WHEREAS**, the Louisiana Housing Corporation (the "Corporation") has been ordered and directed to act on behalf of the State of Louisiana (the "State") in applying for, implementing, allocating, and administering programs, grants and/or resources made available pursuant to Section 42 of the Internal Revenue Code (the LIHTC Program); and

**WHEREAS**, the Corporation approved certain application and other forms, documents and proceedings related to the Low Income Housing Tax Credits ("LIHTC Program"), including credits available to projects financed with tax-exempt bonds under Section 142(d) of the Internal Revenue Code; and

**WHEREAS**, the staff of the Corporation has processed the application for Windsor Court in accordance with the Qualified Allocation Plan and is prepared, based upon the preliminary feasibility analysis of Foley & Judell, L.L.P., to recommend Tax Credits for Windsor Court:

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Louisiana Housing Corporation, that:

**SECTION 1.** Windsor Court (the "Project") is hereby preliminarily approved for Tax Credits in the amount of four hundred eighty-one thousand, one hundred ten dollars (\$481,110.00) and CDBG Funds in the amount of one-million dollars (\$1,000,000.00) subject to the conditions of the preliminary feasibility analysis of Foley & Judell, L.L.P. and the information contained in the Project application.

**SECTION 2.** The staff, and Foley & Judell, L.L.P., as LIHTC Program Counsel, shall establish such procedures as may be necessary to structure, cancel or reduce such Tax Credits to maintain the feasibility and viability of the Project; provided, however, that no increase in Tax Credits to any project may be made without approval of the Board.

**SECTION 3.** The staff and counsel are authorized and directed to prepare the forms of such documents and agreements as may be necessary to evidence the allocation of Tax Credits and CDBG Funds.

**SECTION 4.** The Chairman, Interim Executive Director of the Corporation, and/or Secretary of the Corporation be and they are hereby authorized, empowered and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Corporation, the terms of which are to be consistent with the provisions of this resolution as approved by counsel and LIHTC Program Counsel, Foley & Judell, L.L.P.

This resolution having been submitted to a vote, the vote thereon was as follows:

**YEAS:**

**NAYS:**

**ABSENT:**

And the resolution was declared adopted on this, 12<sup>th</sup> day of December 2012.

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Chairman

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Secretary

**STATE OF LOUISIANA  
PARISH OF EAST BATON ROUGE**

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (the "Corporation"), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board of Directors on December 12, 2012, "A resolution establishing the maximum qualified basis and low-income housing credits to Windsor Court; authorizing the staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low Income Housing Tax Credits and CDBG Funds to such facilities; and providing for other matters in connection therewith".

**IN FAITH WHEREOF**, witness my official signature and the impress of the official seal of the Corporation on this, the 12<sup>th</sup> day of December, 2012.

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Secretary

(SEAL)