



BOARD OF DIRECTORS

Agenda Item # 5

Multifamily Committee

Chairman Guy T. Williams

August 13, 2014

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Louisiana Housing Corporation

August 6, 2014

MULTIFAMILY COMMITTEE MEETING

AGENDA

Notice is hereby given of a regular meeting of the Multifamily Committee to be held on Wednesday, August 13, 2014 @ 11:15 AM, Louisiana Housing Corporation Building, V. Jean Butler Boardroom, located at 2415 Quail Drive, Baton Rouge, Louisiana, by order of the Chairman.

1. Call to Order and Roll Call.
2. Multifamily Update.
3. Approval of the Minutes of the June 11, 2014 Committee Meeting.
4. A resolution approving a material change involving an increase in 4% tax credits to Jackson Landing North, #1112-05BF (3605 Garden Oaks Drive, New Orleans, Orleans Parish, Louisiana 70114); authorizing the Corporation staff and counsel to prepare the forms of such documents and agreements as may be necessary; and providing for other matters in connection therewith. Staff recommends approval.
5. A resolution approving a material change and the return/reallocation of Low-Income Housing Tax Credits to Cypress Parc #1112-67 (6840 Cindy Place, Orleans Parish, New Orleans, Louisiana 70127); authorizing the Corporation staff and counsel to prepare the forms of such documents and agreements as may be necessary; and providing for other matters in connection therewith. Staff recommends approval.
6. A resolution approving Recommended Strategies for Awarding HOME, CDBG and NSP Funds with Non-Competitive Low Income Housing Tax Credits; and providing for other matters in connection therewith. Staff recommends approval.
7. Program Updates.
 - Non-Closed Projects Update.
8. Other Business.
9. Adjournment.

A handwritten signature in blue ink, appearing to read "Frederick Tombar, III".

Frederick Tombar, III
LHC Executive Director

If you require special services or accommodations, please contact Board Coordinator and Secretary Barry E. Brooks at (225) 763-8773, or via email bbrooks@lhc.la.gov.

Pursuant to the provisions of LSA-R.S. 42:16, upon two-thirds vote of the members present, the Board of Directors of the Louisiana Housing Corporation may choose to enter executive session, and by this notice, the Board reserves its right to go into executive session, as provided by law.

Louisiana Housing Corporation
Multifamily Committee Meeting
Minutes 2415 Quail Drive
Baton Rouge, La
70808 June 11, 2014
11:30 a.m.

Committee Members Present

Chairman Guy T. Williams, Jr.
Mr. Larry Ferdinand
Mr. Matthew P. Ritchie
Treasurer John Kennedy (represented by Ms. Alice Washington)

Committee Members Absent

Dr. Daryl V. Burckel

Board Members Present

Mr. Mayson H. Foster
Ms. Ellen M. Lee
Mr. Willie Spears
Mr. Malcolm Young

Board Members Absent

Mr. Michael L. Airhart

Staff Present

See Attached

Guest Present

See Attached

Call to order and roll. Chairman Guy T. Williams Jr., called the meeting to order at 11:30 a.m. The roll was called and a quorum was established.

Approval of the Minutes. Board Member Mayson Foster moved to approve the April 9, 2014 Multifamily Committee minutes. Committee Member Alice Washington, representing Treasurer John Kennedy, seconded the motion, and the minutes were approved without correction.

Action Items

- *A discussion and resolution providing for approval of the **Timeline for the Release of the State's 2015 Preliminary Qualified allocation Plan** and providing for other matters in connection therewith. Staff recommends approval.*

Mr. Frederick Tombar, III, Executive Director, provided a brief overview of the timeline. Charlotte Bourgeois with LAAHP and Larry Hoss came forward to discuss the timeline. There was a discussion between Ms. Brenda Evans, Program Administrator and Board Members Ellen Lee and Matthew Ritchie regarding the timeline. Mr. Mayson Foster moved to defer consideration of the matter to the Full Board meeting, which was seconded by Mr. Guy Williams. There being no opposition, the motion to defer passed

unanimously.

- *A discussion and resolution providing for approval of the **Second Timeline for the Release of the State's 2015 Preliminary Qualified allocation Plan** and providing for other matters in connection therewith.*

Ms. Bourgeois and Metro Partner Vic Loras came forward to discuss the timeline. Board Member Willie Spears moved to defer consideration of the matter to the Full Board meeting, which was seconded by Mr. Foster. There being no opposition, the motion passed unanimously.

Other Business. None.

Adjournment. There being no further business to discuss, the meeting adjourned at 11:55 a.m.



Chairman's Summary: Multifamily Committee



- *Resolution – Jackson Landing North*
- *Dashboard – Jackson Landing North*
- *Summary – Jackson Landing North*
- *Resolution – Reprocessing to Cypress Parc*
- *Dashboard – Reprocessing to Cypress Parc*
- *Summary - Reprocessing to Cypress Parc*
- *Resolution – HOME/CDBG and NSP Awards*
- *Dashboard – LIHTC Not-Closed Projects*

LOUISIANA HOUSING CORPORATION

The following resolution was offered by Director _____ and seconded by Director _____:

RESOLUTION

A resolution authorizing and approving the issuance of an addition of one hundred eighty-seven thousand, seven hundred seventy-eight dollars (\$187,778.00) for a total reservation of eight hundred fifty-one thousand, and thirty-two dollars (\$851,032.00) in 4% Non-Competitive Low Income Housing Tax Credits to Jackson's Landing North, (3605 Garden Oaks Drive, New Orleans, Orleans Parish, Louisiana); 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 allocating and administering programs and/or resources made available pursuant to Section 42 of the Internal Revenue Code (the "Housing Tax Credit Program"); and

WHEREAS, the Corporation approved the form of certain applications, documents, agreements and proceedings related to the Housing Tax Credit Program; and

WHEREAS, Taxpayer/Owners of Jackson's Landing North, a tax-exempt bond financed project, submitted an original request for six hundred sixty-three thousand, two hundred fifty-four dollars (\$663,254.00) in 4% Low-Income Housing Tax Credits and was approved at the November 2012 Board of Directors' Meeting; and has subsequently submitted a request for an additional one hundred eighty-seven thousand, seven hundred seventy-eight dollars (\$187,778.00) in 4% credits; and

WHEREAS, staff has reviewed and recommends the request for an additional one hundred eighty-seven thousand, seven hundred seventy-eight dollars (\$187,778.00) in 4% credits for a total reservation of eight hundred fifty-one thousand, thirty-two dollars (\$851,032.00).

NOW THEREFORE BE IT RESOLVED by the Board of Directors (the "Board") of the Louisiana Housing Corporation, acting as the governing authority of said Corporation:

SECTION 1. The reservation and/or allocation of additional 4% credits in the amount of one hundred eighty-seven thousand, seven hundred seventy-eight dollars (\$187,778.00) is hereby made to the project Jackson's Landing North in the amounts specified above.

SECTION 2. The Corporation's staff and counsel are authorized and directed to prepare the forms of such documents and agreements as may be necessary to implement the Board's actions.

SECTION 3. The Chairman and Executive Director be 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 the Corporation's General Counsel and LIHTC Program Counsel, Foley & Judell, L.L.P.

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

Chairperson

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation, do hereby certify that the foregoing two (2) pages constitute a true and correct copy of the resolution adopted by said Board of Directors on August 13, 2014, entitled: “A resolution authorizing the addition of one hundred eighty-seven thousand, seven hundred seventy-eight dollars (\$187,778.00) in 4% Low Income Housing Tax Credits for a total reservation of eight hundred fifty-one thousand, thirty-two dollars (\$851,032.00) of 4% Low Income Housing Tax Credits to Jackson’s Landing North, (3605 Garden Oaks Drive, New Orleans, Orleans Parish, Louisiana); 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 13th day of August 2014.

Secretary

(SEAL)

**JACKSON'S LANDING NORTH
3605 GARDEN OAKS DRIVE, NEW ORLEANS**

Reason for Requested Reprocessing

- The developer is requesting approval of an additional \$187,778.00 in 4% non-competitive LIHTC, for a total reservation of \$851,032.00 in 4% LIHTC.
- The additional 4% credits were calculated based on the certified actual cost of the project, which are higher than anticipated with the initial credit request due to a change in scope.
- Development costs increased primarily in two areas, hard costs and financing costs due to changes in construction costs.

Project History and Previous Board Action

- **November 2012** – Previously submitted 4% tax credit application and was approved for \$663,254.00.
- **September 2012** – Jackson Landing North was approved for Multifamily Housing Revenue Bonds by the Louisiana State Bond Commission.
- The Mortgage Revenue Bonds will be issued by the Bond Commission of Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA).

Reprocessing Involves the Following Changes

- Increases in TDC by 15%
- Addition of a Third mortgage - \$1,350,000.00

	Original Application	Reprocessing	Increase/(Decrease)
1.) No. of Buildings	12	12	0
2.) No. of Units	272	272	0
3.) Avg. Unit Size (sq.ft.)	841	841	0

Project Specifics

Rehab or New Const. Costs

Total Hard Costs	\$20,534,427.00
Total Soft Costs	\$4,176,043.00
Total Costs	\$24,710,470.00

Unit Mix

1 Bedroom Units	142
2 Bedroom Units	126
3 Bedroom Units	4
4 Bedroom Units	0
Total Units	272

Note: Development Costs are exclusive of reserves.

Development Costs:	Original Application	Reprocessing	Net Increase/(Decrease)
Total Development Cost	\$21,003,121.00	\$24,710,470.00	\$3,707,349.00
Total Units	272	272	0
Total Buildings	12	12	0
Total Cost/Unit	\$77,217.00	\$90,847.32	\$13,630.32
Total Square Feet	229,002	229,002	0
Total Cost/SF	\$91.72	\$107.91	\$16.19

Funding Sources:	Original Application	Reprocessing	Net Increase/(Decrease)
Permanent First Mortgage	\$10,427,500.00	\$10,800,000.00	\$372,500.00
Permanent Second Mortgage	\$0.00	\$0.00	\$0
Gross Tax Credit Equity	\$5,968,685.00	\$7,451,765.00	\$1,483,080.00
Permanent Third Mortgage	\$0.00	\$1,350,000.00	\$1,350,000.00
Seller Note	\$5,029,000.00	\$5,000,000.00	(\$29,000.00)
Development Cash	\$850,000.00	\$289,479.00	(\$560,521.00)
Deferred Developer Fees	\$11,324.00	\$878,527.00	\$867,203.00
Reserves	(\$1,283,388.00)	(\$1,059,301.00)	(\$224,087.00)
Total Sources	\$21,003,121.00	\$24,710,470.00	\$3,707,349.00

Estimated Economic Impact*

**Estimated using the National Association of Home Builders (NAHB) economic model*

	During Construction (One-Year Impact)	Post-Construction (Annual Impact)
Local Employment Income	\$15,247,000	\$4,632,000
Local Employment Taxes	\$1,596,110	\$851,130
Local Jobs	235	58
Taxes/ Zoning/Impact Fees/Permits	\$300,000 (e)	\$150,000 (e)

Area Demographic Profile

Source: GNOCDC analysis of data from U.S. Census 2000 Summary File 3 (SF3) and 2012 American Community Survey; GNOCDC analysis of Local Employment Dynamics, U.S. Census Bureau

	Behrman Area		Orleans Parish	
	2000	2006-2010	2000	2006-2010
Median Household Income	\$39,791	\$39,944	\$37,390	\$34,361
People living in poverty	33.4%	23.3%	27.9%	24.4%
People living at or above poverty	66.6%	76.7%	66.6%	76.7%
Workers earning \$1,250/mo or less	40.3%	28.3%	33.8%	24.5%
Workers earning \$1,251 - \$3,333/mo	48.1%	50.7%	44.0%	42.5%
Workers earning more than \$3,333/mo	11.6%	21.1%	22.2%	33.0%

Occupancy Profile

Source Citation: U.S. Department of Housing and Urban Development (HUD) AMI Limits as of 12/11/2012

No. of Units	AMI	Annual Qualifying Income Limit
204	50%-60%	\$36,180
68*	PBRA	

**68 of the units will be PBRA funded*

Examples of Occupations in New Orleans in the 50-60% AMI Category

Baggage Porters and Bellhops	Bus Drivers	Hotel Clerks	Paramedics & EMTs
Nursing Aides & Orderlies	Office Clerks	Executive Secretaries	Firefighters
Retail Sales Supervisors	Teacher Assistants	Bank Tellers	Judicial Law Clerks
Tax Preparers	Childcare Workers	Security Guards	Administrative Assistants

Source Citation: Louisiana Workforce Commission, Index of Typical Wages in New Orleans

Projected Major Area Employers

Local School Systems	US Postal Service
Parish Government	

RESOLUTION SUMMARY:

Jackson's Landing North Project

Number 1112-05BF

New Orleans, Louisiana

OVERVIEW

The developer of Jackson Landing North is requesting approval of an additional \$187,778.00 in 4% LIHTC for a total of \$851,032.00 in 4% LIHTC. Originally built in 1972, the project is a 272 unit affordable housing development with 68 units subsidized by project based rental assistance contract. Increases in costs were due primarily to an elective expansion of the scope of work and asbestos removal which was found after closing. Asbestos was found in the exterior breezeway ceilings. Original testing had not included these areas. Other development costs were due to physical improvements to the buildings or labor associated with the improvements. The Development is currently complete and cost certifications have been submitted to LHC for analysis. The developer has currently spent \$22,310,188.00 based on the project's Certification of Actual Cost.

STAFF RECOMMENDATION:

Staff recommends approval of the additional tax credits for Jackson Landing North.

PROJECT DEVELOPMENT SUMMARY:

Jackson Landing North located at 3605 Garden Oaks Drive, New Orleans, (Orleans Parish) Louisiana was approved for Multifamily Housing Revenue Bonds in an amount not to exceed \$16,000,000 on September 20, 2012, by the Louisiana State Bond Commission. The Mortgage Revenue Bonds will be issued by the Bond Commission of Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA).

The rehabbed project consists of twelve (12) buildings and one (1) Accessory building. There are 272 residential units. **The unit mix consist of; One hundred and forty-two (142) one-bedroom units; one hundred and twenty-six (126) two-bedroom units; and four (4) three-bedroom units.** All two hundred and seventy-two (272) units will be set aside at 50% - 60% Area Median Income (AMI).

Project amenities include: day care center, after school tutoring, adult English as a second language classes, a tot lot, video security and police detail security (police walking the property). The units will have washers and dryers, energy efficient appliances, all new tubs, toilets and many new vanities.

DEVELOPMENT GROUP AND FINANCIAL PARTNERS

The developer is BFNO Development, LLC (James Tucker). The taxpayer contact and representative at the Board of Directors meeting for the project is Mr. David Birdsong. The developer's ownership and management experience includes: Arbor Place Apartments in Terrytown, LA; Chateau Thierry Apartments in New Orleans, LA; and The Creeks Apartments in Hammond, LA.

The project's construction will be financed through the issuance of Tax-Exempt bonds. R4 Capital purchasing the tax credits through one of its investment funds. The projected equity from the syndication of credits is \$7,451,765.

FINANCIAL ANALYSIS

<u>Funding Sources:</u>	<u>Original</u>	<u>Reprocessing</u>
First Mortgage (Merchant Capital)	\$10,427,500	\$10,800,000
Deferred Developer Fees	\$11,324	\$878,527
Tax Credit Equity	\$5,968,685	\$7,451,765
Development Cash	\$850,000	\$289,479
Seller Note	\$5,029,000	\$5,000,000
Third Mortgage	\$0.00	\$1,350,000
Other		
<u>Project Costs:</u>		
Total Development Cost:	\$21,003,121	\$24,710,470
Total Units:	272	272
Total Cost/Unit:	\$77,217	\$90,847.32
Total Square Feet:	229,002	229,002
Total Cost/SF:	\$91.72	\$107.91
<u>Construction Costs:</u>		
Rehabilitation Hard Costs:	\$6,879,565	
Construction Costs:	\$6,879,565	\$8,950,496
Land Costs:	\$680,000	\$686,236
Building Costs:	\$10,849,000	\$10,897,695
<u>Property Value:</u>		
Appraisal Date:	9/26/12	9/26/12
Pre-Rehab Value:	\$7,650,000	\$7,650,000
Post-Rehab Value	\$14,700,000	\$14,700,000
Date Property Last Sold:	March 12, 1999	March 12, 1999
Amount of Last Sale:	\$3,000,000	\$3,000,000
Current Occupancy Rate:	78%	
Positive Cash Flow (last 12 months):	Yes	

LOUISIANA HOUSING CORPORATION

The following resolution was offered by _____ and seconded by _____.

RESOLUTION

A resolution approving an extension to the project schedule, changes to the projects sources and uses and the return/reallocation of credits to Cypress Parc (6840 Cindy Place, New Orleans, Orleans Parish, Louisiana) authorizing the Corporation staff and counsel to prepare the forms of such documents and agreements as may be necessary; 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 allocating and administering programs and/or resources made available pursuant to the Section 42 of the Internal Revenue Code (the LIHTC Program);

WHEREAS, the taxpayer for Cypress Parc located at 6840 Cindy Place in New Orleans, Louisiana has submitted a request to (1) approve a delay in the project schedule greater than 180 days, (2) approve an increase in the projects sources and uses greater than 10% and (3) approve a request for return/reallocation of Low Income Housing Tax Credits due to delays experienced by the project as a result of zoning requirements and other matters; and

WHEREAS, the 2011/2012 Qualified Allocation Plan identifies a material change as delays in projects schedule or benchmark dates in excess of 180 days, a change in the projects sources greater than 10% and any change that a reasonable man would determine to be a material change in the project; and

WHEREAS, the staff of the Corporation has processed the request for Cypress Parc in accordance with the Qualified Allocation Plan and the Return/Reallocation Protocol approved at the April 2013 board meeting and is prepared, based upon the review of the request and support documentation, to recommend approval of the request to (1) delay the project schedule greater than 180 days, (2) increase the project's sources and uses by greater than 10% and (3) prepare a voluntary credit return form documenting the return of credits awarded to the project from the 2012 housing credit ceiling and allocating credits from the 2014 credit ceiling:

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

SECTION 1. Cypress Parc's (the "Project") request to 1) delay the project schedule greater than 180 days, (2)) increase the project's sources and uses by greater than 10% and (3)

return/reallocation of Low Income Housing Tax Credits is hereby approved.

SECTION 2. The staff and counsel are authorized and directed to prepare the forms of such documents and agreements as may be necessary to implement the Board's action.

SECTION 3. The Chairman and Executive Director 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:

ABSTAIN:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 13th day of August 2014.

Chairman

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 August 13, 2014, entitled, "A resolution approving an extension to the project schedule, changes to the projects sources and uses and the return/reallocation of credits to Cypress Parc (6840 Cindy Place, New Orleans, Orleans Parish, Louisiana) authorizing the Corporation staff and counsel to prepare the forms of such documents and agreements as may be necessary; 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 13th day of August 2014.

Secretary

(SEAL)

CYPRESS PARC
6840 CINDY PLACE, NEW ORLEANS EAST

Reason for Requested Reprocessing

Delays and changes in the projects sources/uses related to previous zoning issues and other delays. The developer is also requesting to return tax credits awarded from the 2012 housing credit ceiling for 2014 credits.

Project History and Previous Board Action

- **December 2011** - Cypress Parc awarded \$1M in 9% LIHTCs and \$218,089 in HOME funds during the 2011/2012 competitive funding round.
- **September 2013** – Zoning approval received from N.O. City Planning Commission.
- **October 2013** – Approval of project design changes and delays due to zoning changes.
- **April 2014** – Approval of waiver to 2011/2012 QAP security requirements.

Reprocessing Involves the Following Changes

	Original Reprocessing	Proposed Reprocessing	Increase/(Decrease)
1.) No. of Buildings	16	16	0
2.) No. of Units	62	62	0
3.) Unit Size (sq.ft.)	1203	1203	0

Project Specifics

New Construction Costs

Construction Hard Costs	\$ 7,501,773.00
Total Soft Costs	\$ 2,800,530.00
Land Costs	\$ 934,000.00

Unit Mix

1 Bedroom Units	11
2 Bedroom Units	40
3 Bedroom Units	11
Total Units	62

Development Costs:

	Approved Reprocessing	Proposed Reprocessing	Net Increase/ (Decrease)
Total Development Cost	\$10,893,241.00	\$10,836,303.00	(\$56,938.00)
Total Units	62	62	0
Total Buildings	16	16	0
Total Cost/Unit	\$169,527.00	\$174,779.00	\$5,252.00
Total Square Feet	71,779	74,586	2,807
Total Cost/SF	\$146.43	\$145.29	(\$ 1.14)
Placed in Service Date	April 2014	May 2015	

Funding Sources:

	Approved Reprocessing	Proposed Reprocessing	Net Increase/ (Decrease)
Permanent First Mortgage	\$ 1,550,000.00	\$ 1,400,000.00	(\$150,000.00)
Gross Tax Credit Equity	\$ 8,799,120.00	\$ 8,150,465.00	(\$648,655.00)
HOME/CDBG Funds	\$ 218,089.00	\$ 1,218,089.00	\$1,000,000.00
Deferred Developer Fee	\$326,032.00	\$ 67,749.00	(\$258,283.00)
Total	\$10,893,241.00	\$10,836,303.00	(\$56,938.00)

Estimated Economic Impact*

**Estimated using the National Association of Home Builders (NAHB) economic model*

	During Construction (One-Year Impact)	Post-Construction (Annual Impact)
Local Employment Income	\$ 4,900,000.00	\$ 1,400,000.00
Local Employment Taxes	\$ 512,000.00	\$273,000.00
Local Jobs	75	18
Property Tax Revenue (City of New Orleans)	\$20,700.00	\$0.00
Zoning/Impact Fees/Permits	\$188,000.00	\$0.00

Area Demographic Profile

Source: GNOCDC analysis of data from U.S. Census 2000 Summary File 3 (SF3) and 2012 American Community Survey; GNOCDC analysis of Local Employment Dynamics, U.S. Census Bureau; and ESRI Demographics 2012, Novogradac & Company LLP, June 2013

	West Lake Forest		Orleans Parish	
	2000	2010-2012	2000	2010-2012
Median Household Income	\$42,272.00	\$31,968.00	\$37,390.00	\$34,361.00
People living in poverty	27%	43%	28%	24%
People living at or above poverty	73%	57%	72%	76%
Workers earning \$1,250/mo or less	37.10%	27.80%	33.80%	24.50%
Workers earning \$1,251 - \$3,333/mo	48.10%	50.40%	44.00%	42.50%

Occupancy Profile

Source Citation: U.S. Department of Housing and Urban Development (HUD) AMI Limits as of 12/11/2012

No. of Units	AMI	Annual Qualifying Income Limit
7	30%	\$11,623
55	60%	\$39,120

Examples of Occupations in New Orleans in the 50-60% AMI Category

Baggage Porters and Bellhops	Bus Drivers	Hotel Clerks	Paramedics & EMTs
Nursing Aides & Orderlies	Office Clerks	Executive Secretaries	Firefighters
Retail Sales Supervisors	Teacher Assistants	Bank Tellers	Judicial Law Clerks
Tax Preparers	Childcare Workers	Security Guards	Administrative Assistants

Source Citation: Louisiana Workforce Commission, Index of Typical Wages in New Orleans at \$39,000/yr and below

Projected Major Area Employers

Wal-Mart	New Orleans East Hospital
Local School Systems	Lowe's
Parish Government	US Postal Service

RESOLUTION SUMMARY:

Cypress Parc

Project Number 1112-67

New Orleans, Orleans Parish, Louisiana

PROJECT OVERVIEW

- The developer of Cypress Parc has requested a reprocessing involving the following changes to the project:
 - Return in credits awarded from the 2012 credit ceiling for 2014 credits;
 - Changes in sources and uses;
 - and
 - Project schedule delays greater than 180 days.
- The above project changes are due to zoning requirements revised after the award of Low Income Housing Tax Credits (LIHTCs) to the project and other delays.

PROJECT SPECIFICS:

- Cypress Parc was previously approved and awarded \$1M in 9% LIHTCs and \$218,089 in HOME funds in December 2011 during the 2011/2012 Funding Round.
- HOME loan closed in June 2013, which will be modified to relevant changes herein.
- The project is located at 6840 Cindy Place, in the New Orleans East District.
- Developer contact is Rhett Holmes, IDP Housing and FBT Community Development Corporation.
- The project will consist of 62 units. The unit mix will include 11 one-bedroom units, 40 two-bedroom units and 11 three-bedroom units.
- 7 units will be set aside for tenants with incomes at or below 30% but greater than 20% Median Income (AMI), and 55 units will be set aside for tenants with incomes at or below 60% AMI but greater than 50% AMI.

STAFF RECOMMENDATION:

- The 2011/2012 Qualified Allocation Plan (QAP) identifies a material change as changes in residential unit design that increases or decreases by 10% or greater the number of units, unit mix, square footage of each unit, etc. and delays in a project's schedule or benchmark dates in excess of 180 days.
- According to the QAP "any change caused by a force majeure or circumstances beyond the control of the owner will not be a material change".
- Staff recommends approving the requested changes based upon the following:
 - Changes in the zoning requirements and local opposition was unforeseeable;
 - The developer has received zoning approval by the City of New Orleans for the reconfigured project;
 - The developer has invested over \$1.6 million in the project (approx. 15% of the project total development costs);
 - The successful development of the project will reduce blight in the New Orleans East.

- Staff has received updated market study by investor, and shows very strong demand
- **Developer Experience:**
 - 1500 Westwood, Elm Drive Senior Housing and Tangi Village in Louisiana; and
 - LIHTC projects located in Georgia, South Carolina, and North Carolina.
- **Marketability**
 - Market study dated September 30, 2013 prepared by Novogradic & Company indicated sufficient demand for the project.
- **Economic Impact:**
 - Based upon the attached 2010 report by NAHB , the Cypress Parc development would approximately generate:
 - One-time local impacts:
 - Local income: \$4,900,000
 - Local Taxes: \$512,000
 - Jobs: 75
 - Annually re-occurring local impacts:
 - Annually Re-occurring local impacts:
 - Local income: \$1,400,000
 - Local Taxes: \$273,000
 - Jobs: 18
- **Revenue to the City of New Orleans**
 - Taxes during construction \$20,700.00
 - Zoning/Impact Fees/Permits \$188,000.00

DEVELOPMENT GROUP AND FINANCIAL PARTNERS:

- Managing Member – Cypress Parc GP, LLC, Rhett Holmes
- Syndicator – Stratford Capital Group, LLC
- Construction Mortgage Lender – First Bank & Trust
- Permanent Mortgage Lender – First Bank & Trust
- Management Company – Latter & Blum Property Management
- Builder/Contractor – Great Southern, LLC

FINANCIAL ANALYSIS:

• Funding Sources:	Approved <u>Reprocessing</u>	Proposed <u>Reprocessing</u>
Permanent First Mortgage	\$1,550,000	\$2,121,000
Gross Tax Credit Equity	\$8,799,120	\$8,799,120
HOME Funds	\$ 218,089	\$218,089
Deferred Developer Fee	\$ 326,032	0

- **Project Costs:**

<u>Development Costs</u>	<u>Approved Reprocessing</u>	<u>Proposed Reprocessing</u>
Total Development Cost:	\$10,893,241	\$10,836,303
Total Units:	62	62
Total Buildings:	16	16
Total Cost/Unit:	\$169,527	\$174,779
Total Square Feet:	71,779	74,586
Total Cost/SF:	\$146.43	\$145.29
Place in Service Date	April 2014	May 2015
<u>Construction Costs:</u>		
Construction Hard Costs:	\$6,838,687	\$7,501,773
Total Soft Costs:	\$2,738,027	\$2,800,530
Land Costs:	\$ 934,000	\$ 934,000

LOUISIANA HOUSING CORPORATION

The following resolution was offered by Director _____ and approved by Director _____:

RESOLUTION

A resolution approving staff's recommended strategies for awarding HOME, CDBG and NSP funds; 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 has approximately \$5,500,000 in HOME funds, \$4,800,000 in CDBG funds and up to \$600,000 in NSP funds available to be used in conjunction with 4% Low Income Housing Tax Credits (LIHTC) under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") generated from a tax-exempt bond financing under Section 142(d) of the Code; and

WHEREAS, Corporation staff has recommended an initiative to allocate the HOME CDBG and NSP funds that promotes maximum utilization of the available funds giving priority to: 1) Promote the preservation of affordable housing with emphases on projects with project based Section 8 and Rural Development Projects; 2) Continued development of targeted neighborhoods previously awarded NSP funds; 3) Public Housing Authorities and 4) projects with material participation by Community Housing Development Organizations (CHDO); and

WHEREAS, The Board of Directors of the Corporation desires to approve the recommendations of staff and to authorize and direct staff and counsel to implement the allocation of HOME, CDBG and NSP funds in accordance with the limits and specification contained in the attached Draft Notice of Funding Availability (NOFA); and

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

SECTION 1. The terms, conditions and parameters for awarding HOME, CDBG and NSP funds to projects in conjunction with 4% LIHTC and LHC Bonds as contained in the Draft NOFA are hereby adopted and approved by the Board.

.SECTION 2. The Agency staff and legal counsel are authorized and directed to prepare the forms of such notices, documents and/or agreements as may be necessary to implement the strategies described in this resolution and Draft NOFA.

SECTION 3. The Chairman and Executive Director 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, 13th day of August 2014.

Chairman

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 August 13, 2014, "A resolution approving staff's recommended strategies for awarding HOME, CDBG and NSP funds; 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 13th day of August, 2014.

Secretary

(SEAL)

WHITEPAGE:

NOFA FOR
HOME/CDBG &
NSP FUNDING IS
FORTHCOMING

LIHTC NOT CLOSED PROJECTS OVERVIEW

Funding Round	Competitive Funding Round	Project Name	Current Project Status	Parish	Units Per Parcel	Units	LIHTC Allocation
2010 Bond File	No	Cypress Springs	The project is expected to close in July 17, 2014.	East Baton Rouge	1	144	\$615,697.00
2011/2012 Funding Round	Yes	Cypress Parc	A reprocessing request is being considered at the August 2014 board meeting.	Orleans	1	62	\$1,000,000.00
		Roosevelt Terrace	The project is expected to close in September 2014.	East Baton Rouge	2	40	\$600,000.00
		Pecan Villa Senior Housing	The project is expected to close in November 2014.	Lincoln	1	61	\$594,575.00
		GCHP-Esplanade Avenue	The project is expected to close by August 2014.	Orleans	1	40	\$227,800.00
2014 LIHTC Funding Round	Yes	Willow Bend	August 2014 closing	Ascension	3	64	\$1,000,000.00
		D'Ville Village Apartments	November 2014 closing			100	\$1,000,000.00
		Bayou Oaks Homes	August/September 2014 closing			68	\$749,463.00
		High School Park	December 2014 closing	Calcasieu	1	50	\$714,000.00
		DeSoto Estates	The project is experiencing a funding shortfall. The developer is continuing to seek alternate funding.	DeSoto	1	130	\$1,000,000.00
		River South	January 2015 closing	East Baton Rouge	1	46	\$647,000.00
		Austin Village	August 2014 closing	Morehouse	1	30	\$430,241.00
		Iberville On-Site Phase III	October/November 2014 closing	Orleans	1	106	\$1,000,000.00
		Pleasant Trinity Estates	November 2014 closing			50	\$900,000.00
				Totals	14	991	\$10,478,776.00

Due to project changes and/or delays, the highlighted projects are being closely monitored involving frequent or ongoing communication with the developer contact person.