



Board of Directors

Agenda Item #8

**Resolution approving the sale of MRB for
Pine Trace Home II**

September 13, 2017

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LOUISIANA HOUSING CORPORATION

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

RESOLUTION

A resolution accepting the proposal of Stifel Nicholas & Company, Inc. or such other purchaser as may be designated by the Developer for the purchase of not to exceed Seven Million Dollars (\$7,000,000) Multifamily Housing Revenue Bonds (Pine Trace Homes II Project located at 1200 Highland Park, 700 River Terrace and 915 East 4th Street, Bogalusa, Washington Parish, Louisiana 70427) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection with the foregoing.

WHEREAS, the Board of Directors (the “**Board**”) of the Louisiana Housing Corporation (the “**LHC** or the “**Corporation**”) on August 9, 2017, adopted a resolution approving and authorizing the issuance of not exceeding Seven Million Dollars (\$7,000,000) of Louisiana Housing Corporation Multifamily Housing Revenue Bonds (Pine Trace Homes II Project) in one or more series and authorized the publication of a Notice of Intention to Sell at Private Sale (the “**Notice**”) in connection therewith; and

WHEREAS, said bonds are being designated as “Louisiana Housing Corporation Multifamily Housing Revenue Bonds (Pine Trace Homes II Project)” in the aggregate principal amount of not to exceed Seven Million Dollars (\$7,000,000) (the “**Bonds**”) and are being issued for the purpose of providing funds to (i) pay the cost for the acquisition, construction, rehabilitation and/or equipping of a multifamily housing facility serving low and moderate income special needs households in Bogalusa, Washington Parish, Louisiana (the “**Project**”), (ii) fund such reserve accounts as may be required and (iii) pay the costs of issuance associated with the Bonds; and

WHEREAS, as set forth in said resolution, the Notice of Sale was published on September 4, 2017 in “*The Advocate*” and in the “*The Daily Journal of Commerce*” for an amount not to exceed Seven Million Dollars (\$7,000,000); and

WHEREAS, in accordance with the aforesaid resolution adopted by the LHC on August 9, 2017, the sale of the Bonds was scheduled for September 13, 2017 and

WHEREAS, the LHC did meet on September 13, 2017, at 10:00 a.m., Louisiana time, for the purpose of receiving and considering the proposal of Stifel Nicholas & Company, Inc. or such other purchaser (the “**Purchaser**”) as may be designated by Pine Trace Homes RAD II, LP, a Louisiana limited partnership (the “**Developer**”), and taking action with respect to the

parameter sale of not exceeding Seven Million Dollars (\$7,000,000) of the Bonds pursuant thereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the LHC, acting as the governing authority of said LHC, that:

SECTION 1. The parameter written terms submitted this day by Stifel Nicholas & Company, Inc. or such other purchaser as may be designated by the Developer, for the purchase of bonds designated “Louisiana Housing Corporation Multifamily Housing Revenue Bonds (Pine Trace Homes II Project)” in on more series in the aggregate principal amount of not exceeding Seven Million Dollars (\$7,000,000), at an interest rate not exceeding 12% per annum, and for a maturity not exceeding 40 years, authorized under and pursuant to the provisions of a Bond Trust Indenture (the “**Indenture**”), by and between a trustee to be determined (the “**Trustee**”), and the LHC be, and the same are hereby awarded to the Purchaser; provided, however, that the sale and delivery of the Bonds are conditioned upon approval by the State Bond Commission and compliance with any and all approvals and/or certifications required by the Louisiana Attorney General. The sale of the Bonds in accordance with said Indenture is hereby authorized and approved. The Chairman, Executive Director and/or Secretary of the Corporation are hereby authorized and directed for, on behalf of and in the name of the LHC, to execute, deliver and approve such instruments, documents and certificates as may be required or necessary, convenient or appropriate to the financing described herein, including, but not limited to, the following described documents for the Bonds on file with the LHC:

- (i) Bond Trust Indenture,
- (ii) Financing Agreement, and
- (iii) Tax Regulatory Agreement.

The aforesaid officers are additionally authorized to approve any changes in the aforementioned documents provided such changes are in accordance with Chapter 3-G of Title

40 of the Louisiana Revised Statutes of 1950, as amended, and with the approval of Counsel to the LHC or Bond Counsel. As provided in the resolution adopted by the LHC on August 9, 2017, the costs of financing the Project will be paid out of the proceeds from the sale of the Bonds, in one or more series, which shall be special, limited obligations of the LHC, payable solely out of the revenues derived by the LHC with respect to the Project for which financing is made available, and the Bonds and the interest thereon shall never constitute the debt or indebtedness of the LHC, the State of Louisiana (the “**State**”), or any political subdivision thereof within the meaning of any provision or limitation of the Constitution or statutes of the State, nor shall the same give rise to a pecuniary liability of the LHC or the State or any political subdivision thereof or a charge against their general credit or taxing power, and such limitation shall be plainly stated on the face of the Bonds.

SECTION 2. A bank is to be designated as Trustee and Paying Agent with respect to the Bonds in accordance with the provisions of the Indenture.

SECTION 3. In order to accomplish the sale of the Bonds in accordance with the terms of this resolution, either the Chairman, Executive Director and/or Secretary of the Corporation, acting on his behalf, be and they are hereby authorized and directed to execute and deliver, for and on behalf of the LHC, the Indenture in substantially the form thereof which is now before this LHC and filed with the Secretary of this Board of Directors with such revisions or changes as may be approved by Bond Counsel.

SECTION 4. The Bonds will be dated, will be in the denominations and will have all the terms set forth in the Indenture. The Bonds are limited obligations of the Corporation and will be payable solely out of the income, revenues and receipts derived from the Project and funds and accounts held under and pursuant to the Indenture and pledged therefor.

SECTION 5. The Bonds shall be subject to redemption in accordance with the Indenture.

SECTION 6. The Chairman, Executive Director and/or Secretary of the Corporation are hereby approved, authorized and directed to execute and deliver or cause to be executed and delivered all documents required to be executed on behalf of the LHC and delivered to effect delivery of the Bonds to the Purchaser or deemed by any of them necessary or advisable to implement this resolution or the Indenture, or to facilitate the sale of the Bonds.

By virtue of LHC's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval(s) resolved and set forth herein, it resolves that it understands and agrees that such approval(s) are expressly conditioned upon, and it further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges, Etc.", adopted by the Commission on July 20, 2006, as to the borrowing(s) and other matter(s) subject to the approval(s), including subsequent application and approval under said Policy of the implementation or use of any swap(s) or other product(s) or enhancement(s) covered thereby.

SECTION 7. The Chairman, Executive Director and/or Secretary of the Corporation shall cause to be executed for and on behalf of the LHC the aforementioned Bonds in accordance with the Indenture, and shall effect the delivery thereof to the Purchaser in accordance with the Indenture. The Chairman, Executive Director and/or Secretary of the Corporation of the LHC shall receive from the Purchaser for the account of the LHC the purchase price of the Bonds and shall deposit the same with the Trustee under the Indenture in accordance with the provisions thereof.

SECTION 8. This resolution shall take effect immediately.

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 September, 2017.

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 “**LHC**”), do hereby certify that the foregoing pages constitute a true and correct copy of a resolution adopted by said Board of Directors on September 13, 2017, entitled: “A resolution accepting the proposal of Stifel Nicholas & Company, Inc. or such other purchaser as may be designated by the Developer for the purchase of not to exceed Seven Million Dollars (\$7,000,000) Louisiana Housing Corporation Multifamily Housing Revenue Bonds (Pine Trace Homes II Project) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection with the foregoing.”

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the LHC on this, the 13th day of September, 2017.

Secretary

(SEAL)

Reason for Requested Approval

Requesting Final sale approval of:

- 7,000,000 in Multi-Family Mortgage Revenue Bonds

Project History and Previous Board Action

- 7,000,000 in M-F MRB's preliminarily approved at August 2017 meeting
- 474,561 in 4% Credits approved at August 2017 Meeting
- \$1,000,000.00 in HOME Funds approved at the July 2017 Board Meeting
- **Development Team** – The Bennet Group - Holly Knight. This team has produced multiple affordable developments in Louisiana.
- Property Management will be by Standard Enterprises, Inc.
- Project is a PHA Redevelopment project with the Bogalusa PHA
- Accountant – Little and Associates.
- RedStone Equity Group (Syndicator); Coats Rose Law Firm;
- Architect – DNA Workshop Architecture;

Project Specifics
Construction Costs

Rehabilitation Hard Costs	\$5,692,539.00
Total Soft Costs	\$2,819,224.00
Construction Costs	\$727,664.00
Land Costs	\$195,000.00
Building Costs	\$3,465,000.00
Reserves	(\$455,402.00)
Comm. Facility	(150,000.00)

Unit Mix

0 Bedrooms	10
1 Bedroom Units	38
2 Bedroom Units	40
3 Bedroom Units	42
4 Bedroom Units	10
Total Units	140

Development Costs:

Total Development Cost	\$ 12,749,427.00
Total Units	140
Total Buildings	70
Total Cost/Unit	\$ 91,067.34*
Total Square Feet	109,060
Total Cost/SF	\$116.90*

Funding Sources:

First Mortgage	3,880,206.00
Second Mortgage	0.00
HOME Funds	\$1,000,000.00
Deferred Developer Fee	\$294,000.00
PHA Loan	\$350,000.00
Seller Mortgage	\$3,560,000.00
Tax Credit Equity	\$ 4,270,623.00
Reserves/Comm. Facility	(\$605,402.00)
Total	\$12,749,427.00

Property Value:

Appraisal Date	5/11/2017
Est. Pre-Rehab Value	3,660,000
Year Built	1952
Occupancy Rate	65%

* Community Facility excluded from
TDC calculation

Estimated Economic Impact*

*Estimated using the National Association of Home Builders (NAHB) economic model, Qualified Allocation Plan and State Bond Commission Fee Schedules

	During Construction (One-Year Impact)	Post-Construction (Annual Impact)
Local Employment Income	\$11,060,000	\$3,360,000
Local Employment Taxes	\$1,157,800	\$617,400
Local Jobs	171	42
Zoning/Impact Fees/Permits	NA	-
SBC/MRB/Tax Credit Application Fees	\$7,500	-
MRB Closing Fees	\$7,000	-
Annual Administrative Fee	\$7,000	-
LHC Compliance Monitoring Fee	\$700	\$700

Area Demographic Profile

Source: U.S. Census Bureau, American Fact Finder

Washington Parish	
Median Household Income	\$30,705
People living in poverty	25%
People living at or above poverty	75%
Households earning \$14,999 or less	26%
Households earning \$24,999 or less	43%

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
140	40-60%	(100 Units w/PBRA)

Examples of Occupations in the 50-60% AMI Category

Source Citation: Louisiana Workforce Commission, Market Study

Construction	Bus Drivers	Management	Teachers Aid
Retail Sales	Office Clerks	Maintenance	Firefighters
Nurses	Medical Assistants	Bank Tellers	Security Guards
Wholesale Trade	Childcare Workers	Para-professionals	Administrative Assistants

Manufacturing	Professional Services
Construction	
Private Industry	Local Government