



Louisiana Housing
Corporation

Board of Directors

Agenda Item #5

Resolution of intention to issue not exceeding Fourteen Million Five Hundred Thousand Dollars (\$14,500,000) Multifamily Housing Revenue Bonds for Vantage Developers, LLC in one or more series, to finance the acquisition, rehabilitation, construction and equipping of multifamily housing developments consisting of: (i) forty-nine (49) units located at 1106 Moss Street, Lafayette, Louisiana, and (ii) fifty-five units (55) located at 1600 Simcoe Street, Lafayette, Louisiana; to establish the maximum qualified basis and low-income housing tax credits to Vantage Developers, LLC; to authorize 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 to such facilities; and to provide for other matters in connection with the foregoing.

March 24, 2020

Moss & Simcoe Apts., Lafayette, LA

- Preservation Priority Project
 - Acquisition Rehab of a Multifamily Development
 - Developer Contact: Jay Ronca, Vantage Development, LLC
 - Bldgs. / Units: 49/104
 - Total Development Costs: \$26,666,744.00
 - Total Cost / Sq. Ft.: \$288.13
 - Total Cost / Unit: \$251,099.78
- *Excluded from TDC Per Unit Calculations – Reserves**

Narrative

The Moss & Simcoe properties were both constructed in the 1950s. In partnership with the LA Division of Historic Preservation, the projects will be rehab to preserve their historic nature. The properties will be renovated utilizing 4% low- income housing tax credit equity, tax- exempt bonds, seller financing, CDBG, and the Housing Authority's capital and operating reserve funds. The rehabilitation of the properties will be considered a gut-rehabilitation. The project will add a bathroom to all of the 3 and 4 bedroom units which currently have only 1 bathroom. The rehabilitation will be Certified to the National Green Building Standards which will save water, energy and improve indoor environmental quality.

TDC Increase up to 8% above the Maximum

- TDC limit \$239,629
- Actual TDC per unit calculation **\$251,099** due to the age of the units and the significant capital needs that require a larger per unit rehabilitation.
- Additional increase approximately 4.8%.

The QAP allows staff approval of up to 8% above the per unit maximum.

Reason for Requested Approval

Requesting approval of:

- \$14,500,000 in Multifamily Housing Revenue Bonds
- \$931,972 in Low Income Housing Tax Credits

Project History and Previous Board Action

- Preservation Priority Project
- Awarded \$4,352,196 in CDBG funds from the 2017 Piggyback NOFA 2nd Round
- **Development Team** – Jay Ronca, Developer - Vantage Development, L.L.C.
- Property Management - Vantage Management, LLC
- Accountant – Baker Tilly Virchow, LLP
- Syndicator - RedStone Equity Partners

Project Specifics

Construction Costs

Rehabilitation Hard Costs	\$12,155,683.00
New Construction Costs	
Total Soft Cost	\$4,156,206.00
Land Costs	
Building Costs	\$6,040,000.00
Construction Contingency	\$972,829.00
Developer Fee	\$3,342,026.00
Reserves	(\$552,367)
Community Facility	
Extraordinary Site Costs	

Unit Mix

0 Bedrooms	
1 Bedrooms	12
2 Bedroom Units	50
3 Bedroom Units	32
4 Bedroom Units	10
5 Bedroom Units	
Total Units	104

Development Costs:

Total Development Cost	\$26,666,744.00
Exclusions from TDC	(\$552,367.00)
Total	\$26,114,377.00
Total Units	104
Total Buildings	49
Total Cost/Unit	\$251,099.78
Total Square Feet	90,634
Total Cost/SF	\$288.13

Funding Sources:

1st Mortgage	\$6,618,343.00
Cash Flow Loan	\$4,026,655.00
Tax Credit Equity	\$8,480,095.00
LHC CDBG Loan	\$4,352,196.00
Other Equity/Grants	\$332,369.00
GP Acquisition Loan	\$1,948,223.00
Deferred Developer Fee	\$908,863.00
Total	\$26,666,744.00

Property Value:

Appraisal Date	5/2/2019
Est. Pre-Rehab Value	\$ 6,520,000.00
Est. Post-Rehab Value	
Year Built	1950
Occupancy Rate	100%

Excluded from TDC - Reserves

LOUISIANA HOUSING CORPORATION

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

RESOLUTION

A resolution of intention to issue not exceeding Fourteen Million Five Hundred Thousand Dollars (\$14,500,000) Multifamily Housing Revenue Bonds for Vantage Developers, LLC in one or more series, to finance the acquisition, rehabilitation, construction and equipping of multifamily housing developments consisting of: (i) forty-nine (49) units located at 1106 Moss Street, Lafayette, Louisiana, and (ii) fifty-five units (55) located at 1600 Simcoe Street, Lafayette, Louisiana; to establish the maximum qualified basis and low-income housing tax credits to Vantage Developers, LLC; to authorize 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 to such facilities; and to provide for other matters in connection therewith.

WHEREAS, the Louisiana Housing Corporation (the "Corporation") is authorized by Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority supplemental thereto, to issue revenue bonds to finance residential housing in the State of Louisiana (the "State"); and

WHEREAS, the Vantage Developers, LLC (the "Developer") listed in Schedule I hereof, has met with officials of the Corporation and has advised the Corporation of the Developer's interest in the acquisition, rehabilitation, construction and equipping of multifamily housing facilities, more particularly described in Schedule I hereto (the "Project") within the State, subject to the willingness of the Corporation to finance the Project by the issuance of revenue bonds pursuant to the Act; and

WHEREAS, the Corporation deems it necessary and advisable that it takes such action as may be required under applicable statutory provisions to authorize and issue revenue bonds in one or more series to finance the cost of the Project set forth in Schedule I hereto, together with costs incident to the authorization, issuance and sale of the bonds, the aggregate costs of the Project and costs of authorization, issuance and sale of the bonds being presently estimated to be the amount set forth in Schedule I hereto; and

WHEREAS, the Developer has stated its willingness to arrange for the acquisition, rehabilitation, construction and equipping of the Project and to enter into contracts therefor; and

WHEREAS, the income tax regulations prescribed by the Internal Revenue Service require that the issuer of tax-exempt bonds adopt a resolution with respect to such bonds or take the other similar "official action" towards the issuance of the bonds prior to the commencement of the acquisition, construction and equipping of an exempt facility bond project; and

WHEREAS, one purpose of this resolution is to satisfy the requirements of said income tax regulations with respect to the Project set forth in **Schedule I** hereto; and

WHEREAS, the Corporation has been further ordered and directed to act on behalf of 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; and

WHEREAS, the Corporation approved certain application and other forms, documents and proceedings related to the Low-Income Housing Tax Credits 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 the Project in accordance with the Qualified Allocation Plan and is prepared, based upon the preliminary feasibility analysis to recommend low-income housing tax credits ("LIHTCs") for the Project:

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

SECTION 1. Pursuant to the authority of the Act, and other constitutional and statutory authority supplemental thereto, the Project is hereby approved and the financing of the acquisition, rehabilitation, construction and equipping thereof through the issuance of revenue bonds of the Corporation pursuant to the Act is hereby authorized in one or more series, as further described in **Section 3** hereof, and in a sufficient principal amount presently estimated as set forth in **Schedule I** hereto. It is the intent of this resolution to induce the financing of the Project. This resolution is the affirmative official action of the Corporation acting by and through its Governing Authority towards the issuance of its special, limited obligation revenue bonds in accordance with the Constitution and statutes of the State and the United States Treasury Department Regulations, Section 1.150-2. It is recognized and agreed that the Developer may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) the Developer itself; (ii) any "related person" as defined in Section 147(a)(2) of the Internal Revenue Code of 1986, as amended (the "**Code**"); or (iii) any legal successor thereto, respectively, subject to approval of the Corporation's Bond Counsel, hereinafter employed.

SECTION 2. 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 Corporation, payable solely out of the revenues derived by the Corporation with respect to the Project for which financing is made available, and the bonds and the interest thereon shall never constitute obligations, either general or special of the State, or of any political subdivision of the State or give rise to a pecuniary liability of the State or of any political subdivision of the State within the meaning of any provision or limitation of the Constitution or statutes of the State. The Corporation does not have the power to pledge the general credit or taxing power of the State or of any political subdivision of the State.

SECTION 3. The issuance of not exceeding **Fourteen Million Five Hundred Thousand Dollars (\$14,500,000)** aggregate principal amount of Multifamily Housing Revenue Bonds (Vantage Developers Inc., LLC Project) in one or more series (the "**Bonds**") of the Corporation, pursuant to the Act, and other constitutional and statutory authority supplemental thereto, be and the same is hereby authorized and approved. The Bonds shall mature not later than forty (40) years from their date of issuance and shall bear interest per annum at a rate or rates not in excess of twelve percent (12%) per annum. In authorizing the issuance of the Bonds, the Corporation will make no warranty, either expressed or implied, that the proceeds of the Bonds will be sufficient to pay the cost of the Project or that the Project will be suitable for the Developer's purposes or needs. The Bonds shall be sold by the Corporation on such date as may be determined by the Chairman of the Governing Authority of the Corporation, in accordance with the requirements of the Act, and pursuant to the provisions of the Notice of Intention to Sell at Private Sale attached hereto as **Exhibit A**.

SECTION 4. The Project is hereby preliminarily approved for LIHTCs in the amount of **Nine Hundred Thirty-one Thousand Nine Hundred Seventy-two Dollars (\$931,972.00)** in accordance with the preliminary feasibility analysis report (the "**F&V Report**") of the Corporation's tax credit underwriter (the "**Tax Credit Underwriter**") attached hereto as **Exhibit B**, provided, however, that staff is hereby further authorized and directed to adjust such LIHTCs based upon (a) any reprocessing submitted by the taxpayer/owner and the LIHTCs recommended and approved in a supplemental F&V Report of the Underwriter and/or (b) the final audited cost

certification review of the Project by the Tax Credit Underwriter following the placement in service of the Project as required by Section 42(m) of the Internal Revenue Code of 1986, as amended (the "**Code**").

SECTION 5. The operation of the Project, as well as the financing of the Project, will comply with all Federal, State and local laws and regulations and the Developer will obtain all necessary approvals and permits required thereunder.

SECTION 6. The Chairman and/or Executive Director of the Governing Authority of the Corporation are authorized and directed to call for a public hearing with respect to the Project and the proposed revenue bonds to finance same in accordance with the requirements of Section 147(f) of the Code, and cause to be published appropriate notice of each public hearing in accordance with the Code.

SECTION 7. The Chairman and Executive Director of the Governing Authority of the Corporation are authorized and empowered to take any and all further action and to sign any and all documents, instruments and writings as may be necessary to carry out the purposes of this resolution and to file, on behalf of the Corporation, with any governmental board or entity having jurisdiction over the Project, such applications or requests for approval thereof as may be required by law, including an application to the Louisiana State Bond Commission for approval of the financing.

By virtue of the Corporation'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 8. All commitments by the Corporation herein with respect to the Project are subject to the condition that on or before thirty-six (36) months from the date of adoption hereof, the Corporation and the Developer shall have agreed to mutually acceptable terms for the financing documents and the sale and delivery of the Bonds or other obligations.

SECTION 9. That it is recognized that a real necessity exists for the employment of bond counsel in connection with the issuance of the Bonds and accordingly Boles Shafto, LLC ("**Bond Counsel**"), be and they are hereby employed as Bond Counsel to the Corporation to do and to perform comprehensive, legal and coordinate professional work with respect thereto. The fee to be paid Bond Counsel shall be an amount based on the Attorney General's then current Bond Counsel Fee Schedule and other guidelines for comprehensive, legal and coordinate professional work in the issuance of revenue bonds applied to the actual aggregate principal amount issued, sold, delivered and paid for at the time the Bonds are delivered, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, subject to the Attorney General's written approval of said employment and fee.

SECTION 10. The Developer will comply with all rules, regulations and reviews of the Corporation in effect or undertaken from time to time.

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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, the 24th day of March, 2020.

Chairman

Secretary

SCHEDULE I

DEVELOPER: Vantage Development, LLC & LHA Development, LLC

INITIAL OWNER/OPERATOR: Simcoe Development, LP

BOND AMOUNT: NTE \$14,500,000

<u>PROJECT NAME</u>	<u>LOCATION</u>	<u>ESTIMATED NUMBER OF UNITS</u>	<u>ESTIMATED TOTAL DEVELOPMENT COST</u>
Moss Street Development	1106 Moss Street, Lafayette, Louisiana	49	\$12,744,821
Simcoe Street Development	1600 Simcoe Street, Lafayette, Louisiana	55	\$13,921,923

I, as authorized representative of the Taxpayer, have reviewed the information above and hereby certify this Schedule I to be accurate and complete as of this date.

COMPANY:
SIMCOE DEVELOPMENT, LP

By: _____
Lowell R. Barron, II, President

EXHIBIT A

NOTICE OF INTENTION TO SELL AT PRIVATE SALE LOUISIANA HOUSING CORPORATION MULTIFAMILY HOUSING REVENUE BONDS (VANTAGE DEVELOPERS, INC., LLC PROJECT), IN ONE OR MORE SERIES

NOTICE IS HEREBY GIVEN in compliance with the provisions of Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "**Act**"), that the Louisiana Housing Corporation (the "**Corporation**"), proposes to sell its Multifamily Housing Revenue Bonds (Vantage Developers, Inc., LLC Project) Series 2020 (the "**Bonds**"), in aggregate principal amount of Fourteen Million Five Hundred Thousand Dollars (\$14,500,000) in one or more series at a rate or rates not exceeding twelve per centum (12%) per annum.

The Bonds are to be sold to finance the acquisition, rehabilitation, construction and equipping of residential rental facilities in the City of Lafayette (the "**Project**") at a meeting of the Board of Directors of the Issuer scheduled for April 8, 2020, at ten (10:00) o'clock a.m., Louisiana time, at the offices of the Louisiana Housing Corporation, 2415 Quail Drive, Baton Rouge, Louisiana 70808. The Issuer reserves the right to postpone the date, hour and place set forth above for the sale of the Bonds (without any further publication of notice of the change in the sale date, time and/or location). In the event the sale is postponed as provided above, anyone desiring written notice of the subsequent date and time which said sale is to be accomplished must request such notice from the Executive Director of the Issuer. The Bonds will be sold pursuant to the terms of a resolution to be adopted by the Issuer and a Trust Indenture (the "**Trust Indenture**") to be executed by and between the Issuer and a trustee.

The Bonds are being issued pursuant to the Act and the Trust Indenture for the purposes of (i) financing the acquisition, rehabilitation, construction and equipping of multifamily housing developments consisting of: (a) forty-nine (49) units located at 1106 Moss Street, Lafayette, Louisiana, and (b) fifty-five units (55) located at 1600 Simcoe Street, Lafayette, Louisiana; and (ii) paying the costs of issuance associated with the Bonds. The Bonds are limited obligations of the Issuer and will be payable solely out of the income, revenues and receipts derived from the funds and accounts held under and pursuant to the Trust Indenture and pledged therefor. As provided in the Act and the Trust Indenture, the Bonds do not constitute an obligation, either general or special, of the State of Louisiana, any municipality or any other political subdivision thereof.

The principal of and interest on the Bonds will be payable at the principal office of the paying agent or agents selected by the Issuer in accordance with the provisions of the Trust Indenture.

The Bonds will be dated as provided in the Trust Indenture, will bear interest at such rate or rates established at the time of sale of the Bonds, payable on such dates as set forth in the Trust Indenture, and will mature no later than forty (40) years from date of issuance.

The Bonds will be issued in fully registered form in the denominations as provided in the Trust Indenture. Bonds will be transferable as provided in the Trust Indenture.

This Notice of Sale of Bonds is being published in accordance with the requirements of the Louisiana Constitution and the Act. For a period of thirty (30) days from the date of publication hereof, any person or persons in interest shall have the right to contest the legality of this notice, the resolution any provision of the Bonds to be issued pursuant to it, the provisions securing the Bonds, and the validity of all other provisions and proceedings relating to the authorization and issuance of the Bonds. If no action or proceeding is instituted within the thirty (30) days, no person may contest the validity of the Bonds, the provisions of the resolution pursuant to which the Bonds were issued, the security of the Bonds, or the validity of any other provisions or proceedings relating to their authorization and issuance, and the Bonds shall be presumed conclusively to be legal. Thereafter no court shall have authority to inquire into such matters.

For further information relative to the Bonds and not contained in this Notice, address Coats Rose, P.C., Borrower Counsel, One Canal Place, 365 Canal Street, Suite 800, New Orleans, LA 71030.

BY ORDER OF THE BOARD OF DIRECTORS, acting as the governing authority of the Issuer.

LOUISIANA HOUSING CORPORATION

Chairman

Secretary

EXHIBIT B
F&V REPORT

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 pages constitute a true and correct copy of a resolution adopted by said Board of Directors on March 24, 2020, entitled: " A resolution of intention to issue not exceeding Fourteen Million Five Hundred Thousand Dollars (\$14,500,000) Multifamily Housing Revenue Bonds for Vantage Developers, LLC in one or more series, to finance the acquisition, rehabilitation, construction and equipping of multifamily housing developments consisting of: (i) forty-nine (49) units located at 1106 Moss Street, Lafayette, Louisiana, and (ii) fifty-five units (55) located at 1600 Simcoe Street, Lafayette, Louisiana; to establish the maximum qualified basis and low-income housing tax credits to Vantage Developers, LLC; to authorize 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 to such facilities; and to provide 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 24th day of March, 2020.

Secretary

(SEAL)