



# Louisiana Housing Corporation

## Board of Directors Agenda Item #6

Supplemental Resolution accepting the proposal of Cedar Rapids Bank and Trust Company for the purchase of an additional One Million Five Hundred Thousand Dollars (\$1,500,000) above the previously approved Eight Million Dollars (\$8,000,000) Multifamily Housing Revenue Bonds for Miller Roy Building located at 1001 DeSiard Street, Monroe, Ouachita Parish, Louisiana 71201 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.

**February 10, 2021**

## Miller Roy Building Monroe, LA, Louisiana Ouachita Parish

Construction Type: New Construction

Total Development Costs: \$17,982,805.00

Developer Contact: Michael C. Echols

Total Cost / Sq. Ft: \$344.50

EM Miller - Roy Developer, LLC  
1800 Riverside Drive  
Monroe, LA 71201

Total Cost /Unit: \$272,466.74

Buildings / Units: 2 / 66

### Narrative

Miller Roy Building is a proposed 66 unit, Historic Rehab/New Construction development located at 1001 DeSiard Street in Monroe, Louisiana. The development will consist of 18 1-BR units and 48 2-BR units. Due to COVID building material prices have increased by 50 to 120% depending on the material type and resiliency requirements such as flood protections, marine grade cabinetry, etc. Additional environmental mitigation costs with the restored Miller Roy to clean and remediate environmental issues drove up the cost of the historic building. Additional structural requirements from the historic revitalization have also created additional cost overruns to ensure the historic

**Reason for Requested Approval**

Approval of a supplemental resolution to increase the principal amount of bonds and tax credits in the amount of:

- \$1,500,000 in Multifamily Housing Revenue Bonds for a total of \$9,500,000.
- \$206,789 in Low Income Housing Tax Credits for a total of \$635,495.

**Project History and Previous Board Action**

Final Sale of Mortgage Revenue Bonds approved at the November 2020 Board Meeting.

Mortgage Revenue Bonds approved at the July 2020 Board Meeting.

Awarded \$7,118,594 in CDBG funds from the 2020 PRIME Funding Round at the June 2020 Board Meeting.

**Development Team**

Developer - EM Miller - Roy Developer, LLC

Syndicator - Regions Bank

Accountant - Little and Associates, LLC

Architect - Land 3 Architect, Inc.

Management Company - Latter & Blum Property Management, Inc.

Builder/Contractor - Echo Build, LLC

**Reprocessing Involves the Following Changes:**

Construction Costs	Amount
Building Acquisition	\$150,000.00
Land Acquisition	\$50,000.00
Total Hard Costs	\$12,640,320.00
Construction Contingency	\$1,264,032.00
Total Developer's Fee	\$1,785,540.00
Soft Costs / Other	\$2,590,913.00
Total Development Cost	\$18,480,805.00
Initial Reserves	(\$248,000.00)
Community Facilities Costs	(\$250,000.00)
Maximum TDC Limit	\$184,151.00
Adjusted TDC/ % of Max TDC Limi	\$17,982,805.00

Development Costs	Approved	Reprocessing	Increase/Decrease
Building Acquisition	\$150,000.00	\$150,000.00	\$0.00
Land Costs	\$50,000.00	\$50,000.00	\$0.00
Total Hard Cost	\$11,271,998.00	\$12,640,320.00	\$1,368,322.00
Construction Contingency	\$631,333.00	\$1,264,032.00	\$632,699.00
Total Developer's Fee	\$1,785,540.00	\$1,785,540.00	\$0.00
Total Soft Costs	\$1,920,057.00	\$2,590,913.00	\$670,856.00
Exclusions from TDC	(\$472,750.00)	(\$498,000.00)	(\$25,250.00)
*Adjusted TDC	\$15,336,178.00	\$17,982,805.00	\$2,646,627.00
Total Cost/Unit	\$232,366.00	\$272,467.00	\$40,101.00
Total Cost/Sqft	\$294.00	\$345.00	\$51.00

Funding Sources	Approved	Reprocessing	Increase/Decrease
CRBT	\$0.00	\$3,250,000.00	\$3,250,000.00
BWE 221 D4	\$2,500,000.00		
CDBG-DR Gap Financing Loan	\$7,118,594.00	\$7,118,594.00	\$0.00
Deferred Developer Fee	\$177,940.00	\$370,000.00	\$192,060.00
Federal Historic Tax Credits and Eq	\$1,120,079.00	\$1,219,311.00	\$99,232.00
State Historic Tax Credits and Equit	\$1,120,079.00	\$1,248,817.00	\$128,738.00
Estimated LIHTC Equity Proceeds	\$3,772,236.00	\$5,274,083.00	\$1,501,847.00
<b>Total</b>	<b>Page #3</b>	<b>\$15,808,928.00</b>	<b>\$18,480,805.00</b>
			<b>\$5,171,877.00</b>

**Unit Mix**

0 BR	1 BR	2 BR	3 BR	4 BR
18	48	0	0	

**2020 Application / 2020 PRIME NOFA Funding Round**

**Miller Roy Building - Reprocessing 4% floor no increase to the Developer as per the QAP**

<b>Total Development Cost</b>	\$	<b>18,480,805</b>
<b>Less: Acquisition:</b>		
Building	\$	(150,000)
Land	\$	(50,000)
<b>Developer Fee</b>	\$	<b>(1,785,540)</b>
<b>Reserves:</b>	\$	<b>(248,000)</b>
<b>Builder Profit/OH IOI</b>	\$	<b><u>      </u></b>
<b>Developer Fee Base</b>	\$	<b>16,247,265</b>
<b>Developer Fee Rehab</b>	15%	\$ <b>2,437,090</b>
<b>Developer Fee Acquisition</b>	5%	\$ <b><u>    </u></b> <i>not allowed for land</i>
<b>Total Allowable Developer Fee</b>	\$	<b>2,444,590</b>

## LOUISIANA HOUSING CORPORATION

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

### RESOLUTION

**A supplemental resolution accepting the proposal of Cedar Rapids Bank and Trust Company for the purchase of an additional One Million, Five Hundred Thousand Dollars (\$1,500,000) above the previously approved Eight Million Dollars (\$8,000,000) Multifamily Housing Revenue Bonds for Miller Roy located at 1001 DeSiard Street, Monroe, Ouachita Parish, Louisiana 71201 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 July 8, 2020, adopted a resolution approving and authorizing the issuance and sale of not exceeding Eight Million Dollars (\$8,000,000) of Louisiana Housing Corporation Multifamily Housing Revenue Bonds (Miller Roy Project) in one or more series to Cedar Rapids Bank and Trust Company or such other purchaser (the “**Purchaser**”) to finance a 66-unit multifamily housing facility located in Monroe, Ouachita Parish (the “**Project**”); and

**WHEREAS**, the Louisiana State Bond Commission approved Eight Million Dollars (\$8,000,000) of bonds on September 17, 2020; and

**WHEREAS**, Miller-Roy Development, LLC, a Louisiana limited liability company (the “**Taxpayer**”) has submitted an amended bond application requesting an increase of One Million, Five Hundred Thousand Dollars (\$1,500,000) above the Eight Million Dollars (\$8,000,000) to cover additional costs of the Project so that the aggregate principal amount of bonds will not exceed Nine Million, Five Hundred Thousand Dollars (\$9,500,000) (the “**Bonds**”); and

**WHEREAS**, as a consequence of the additional costs and reprocessing of the Low-Income Housing Tax Credit Application, the Project qualifies for additional low-income housing tax credits (“**LIHTCs**”) so that the aggregate amount of LIHTCs to be allowed the Project is now **Six Hundred Thirty-five Thousand, Four Hundred Ninety-five Dollars (\$635,495)**; and

**WHEREAS**, a Supplemental Notice of Sale was published on February 1, 2021 in “*The Advocate*” and in the “*The Daily Journal of Commerce*” for the sale of an aggregate amount not to exceed Nine Million, Five Hundred Thousand Dollars (\$9,500,000); and

**WHEREAS**, the LHC did meet on February 10, 2021, at 10:00 a.m., Louisiana time, for the purpose of receiving and considering the proposal of the Purchaser, and taking action with

respect to the supplemental parameter sale of not exceeding Nine Million, Five Hundred Thousand Dollars (\$9,500,000) of the Bonds pursuant thereto; and

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

**SECTION 1.** Subject to the approval by the Louisiana State Bond Commission for the additional One Million, Five Hundred Thousand Dollars (\$1,500,000) of bonds, the parameter written terms submitted this day by Cedar Rapids Bank and Trust Company for the purchase of bonds designated "Louisiana Housing Corporation Multifamily Housing Revenue Bonds (Miller Roy Project)" in on more series in the aggregate principal amount of not exceeding Nine Million, Five Hundred Thousand Dollars (\$9,500,000), 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 of the additional One Million, Five Hundred Thousand Dollars (\$1,500,000) of bonds 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. 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. 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.** 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 3.** The Bonds will be dated, will be in the denominations, be subject to redemption, 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 4.** The Project is now hereby preliminarily approved for LIHTCs in the amount of **Six Hundred Thirty-five Thousand, Four Hundred Ninety-five Dollars (\$635,495)** in accordance with the revised preliminary feasibility analysis report (the “**F&V Report**”) of the Corporation’s tax credit underwriter (the “**Tax Credit Underwriter**”) as referenced in the Underwriting Review submitted to the Board, 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 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.

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.

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 6.** 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 10<sup>th</sup> day of February 2021.

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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 “LHC”), do hereby certify that the foregoing pages constitute a true and correct copy of a resolution adopted by said Board of Directors on February 10, 2021, entitled: “A supplemental resolution accepting the proposal of Cedar Rapids Bank and Trust Company for the purchase of an additional One Million, Five Hundred Thousand Dollars (\$1,500,000) above the previously approved Eight Million Dollars (\$8,000,000) Multifamily Housing Revenue Bonds for Miller Roy located at 1001 DeSiard Street, Monroe, Ouachita Parish, Louisiana 71201 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 10<sup>th</sup> day of February 2021.

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Secretary

(SEAL)