
Louisiana Housing Finance Agency



Multifamily Rental Housing Program

Loretta Wallace, Program Administrator

Louis Russell, Tax Credit Manager

March 12, 2008

Table of Contents

Memo to Commissioners.....3
Agenda.....5
Minutes from February 13, 2008 Committee Meeting7
Decision Brief –Arbor Place Apartments14
Preliminary Resolution – Arbor Place Apartments15
Project Summary -- Arbor Place Apartments19
Decision Brief – Cypress Apartments.....27
Preliminary Resolution – Cypress Apartments28
Project Summary – Cypress Apartments33
Decision Brief -- The Terraces42
Preliminary Resolution -- The Terraces43
Decision Brief – CJ Peete III46
Preliminary Resolution – CJ Peete III.....47
Decision Brief – Arbor Place Apartments (Tax Credit)50
Project Information – Arbor Place Apartments (Tax Credit)51
HANO Information.....54
Project Information (New Chateau)85
Project Information (Dolores Park Subdivision).....90
Exception/Waiver Log97

MEMORANDUM

To: Chairman Mark Madderra
Commissioner John Kennedy
Commissioner Kevin Brown
Commissioner Lisa Woodruff-White

From: Loretta Wallace, Program Administrator
Louis Russell, Tax Credit Program Manager

Date: February 29, 2008

Re: Multifamily Rental Housing Program Committee

There will be a Multifamily Rental Housing Program Committee meeting, Wednesday, March 12, 2008 at 10:00 A.M. at the Louisiana Housing Finance Agency, V. Jean Butler Board Room, located at 2415 Quail Drive, Baton Rouge, LA.

Loretta Wallace will present the following Resolution to the Board:

- A resolution accepting the proposal of Merchant Capital, L.L.C. for the purchase of not exceeding Eight Million Nine Hundred Forty Thousand Dollars (\$8,940,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (**Arbor Place Apartments Project**, located at **735 Heritage Avenue, Terrytown, Jefferson Parish, Louisiana**) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds.
- A resolution accepting the proposal of RBC Capital Markets for the purchase of not exceeding Eleven Million Dollars (\$11,000,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (**Cypress Apartments Project** located at **4249 5th Ave. South, Lake Charles, Calcasieu Parish, Louisiana**) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds.

Louis Russell will present the following Resolutions to the Board:

- Decision brief and resolution regarding waiver request of garbage disposals for **The Terraces** located at **3615 Tulane Avenue, New Orleans Louisiana, Orleans Parish**; due to the city of New Orleans

requirements of a separate line for disposals; authorizing the Louisiana Housing Finance Agency (the "Agency") staff and counsel to prepare the forms of such documents and agreements as may be necessary; and providing for other matters in connection therewith.

- A resolution approving design feature requests made by the developers of **C.J. Peete III** to combine the credit allocations of **CJ Peete I #06(2)-184** and **CJ Peete III #07/08(FA)-25**; and providing for other matters in connection therewith.
- A resolution establishing the maximum qualified basis and low-income housing credits to **Arbor Place Apartments** located at **735 Heritage Avenue, Terrytown, Jefferson Parish, Louisiana**; authorizing the Louisiana Housing Finance Agency (the "LHFA") 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 providing for other matters in connection therewith.
- HANO Update.
- Discussion (Material Change) request to change unit mix and increase the units for **New Chateau #07/08(FA)-03**.
- Discussion of requested waiver for **Dolores Park Subdivision**.
- Discussion of the Waiver Request and Exception Policy.

Other Business.

February 29, 2008

MULTIFAMILY RENTAL HOUSING COMMITTEE

A regular meeting of the Multifamily Rental Housing Program Committee will be held on Wednesday, March 12, 2008 at 10:00 A.M., at Louisiana Housing Finance Agency, V. Jean Butler Board Room, located at 2415 Quail Drive, Baton Rouge, LA by order of the Chairman.

Preliminary Agenda

1. Call to order, roll call and introduction of guests.
2. Approval of the February 13, 2008 Multi-Family Committee meeting minutes.
3. Multifamily Update
 - A resolution accepting the proposal of Merchant Capital, L.L.C. for the purchase of not exceeding Eight Million Nine Hundred Forty Thousand Dollars (\$8,940,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (**Arbor Place Apartments Project**, located at **735 Heritage Avenue, Terrytown, Jefferson Parish, Louisiana**) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds.
 - A resolution accepting the proposal of RBC Capital Markets for the purchase of not exceeding Eleven Million Dollars (\$11,000,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (**Cypress Apartments Project** located at **4249 5th Ave. South, Lake Charles, Calcasieu Parish, Louisiana**) in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds.
 - Decision brief and resolution regarding waiver request of garbage disposals for **The Terraces** located at **3615 Tulane Avenue, New Orleans Louisiana, Orleans Parish**; due to the city of New Orleans requirements of a separate line for disposals; authorizing the Louisiana Housing Finance Agency (the "Agency") staff and counsel to prepare the forms of such documents and agreements as may be necessary; and providing for other matters in connection therewith;
 - A resolution approving design feature requests made by the developers of **C.J. Peete III** to combine the credit allocations of **CJ Peete I #06(2)-**

184 and **CJ Peete III #07/08(FA)-25**; and providing for other matters in connection therewith.

- A resolution establishing the maximum qualified basis and low-income housing credits to **Arbor Place Apartments** located at **735 Heritage Avenue, Terrytown, Jefferson Parish, Louisiana**; authorizing the Louisiana Housing Finance Agency (the "LHFA") 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 providing for other matters in connection therewith.
 - HANO Update.
 - Discussion (Material Change) request to change unit mix and increase the units for **New Chateau #07/08(FA)-03**.
 - Discussion of requested waiver for **Dolores Park Subdivision**.
 - Discussion of the Waiver Request and Exception Policy.
4. Other Business.
 5. Adjournment.

Milton J. Bailey, President

If you require special services, please call Barry Brooks at (225) 763-8700 by Monday, March 10, 2008.

**Louisiana Housing Finance Agency
Multifamily/Tax Credit Meeting Minutes
Wednesday, February 13, 2008
2415 Quail Drive
Baton Rouge, LA 70808
10:30 A.M.**

Commissioners Present

Chairman Mark J. Madderra
Commissioner John N. Kennedy
Commissioner Larry Broussard
Commissioner Allison Jones
Commissioner Adell Brown

Commissioners Absent

Commissioner Kevin J. Brown
Commissioner Lisa Woodruff-White

Staff Present

Milton Bailey
Loretta Wallace
Louis Russell, Jr.
LaTosha Overton
Brenda Evans
Annie Robinson
Jayne Synder
Urshala Hamilton
Christine Bratkowski

Counsel Present

Wayne Neveu, Foley & Judell

Guests Present

Todd Little, Little & Assc. and LAAHP
Eugene Smith, Town of Arcadia- Mayor
Omar Valentine, Town of Arcadia- EDP
Dean Hart, Jr., DNC- Arcadia Village
Ashley Cleveland, Dean Hart Construction
John Godfrey, The Godfrey Firm
Matt Schwartz, The Domain Companies
Barry Palmer, Coats Rose
Judith Moran, HANO
D. Keith Howard, Crown Properties
Nnamdi Thompson, Gov't Consultants
Archie Jones, Gemini
Morise Duffin, EBRPHA
Bill Shircliff, LDG Development
Chris Dischinger
Scott Brian, LDG Development
Thom Vaccarro, NHP Foundation
Robert Whittington, Resource Foundation
Will Belton, Aamagin
James Freeman, Standard Enterprises
Thomas Latour, OCD
Matt Morrin, Enterprise
A.K. Gordon, Peltier Gardens
Mattye Gouldsby-Jones, Coats Rose
Chris Clement, HRI Properties
Gale Potts Roque, MAC-RE
Curtis Cheney, The NRP Group
Mark Turrentine, Standard Enterprises, Inc.
Pam Hammond, Elkins, PLC
Wil Jacobs, LRA
J. Kelly, Providence Community Housing
Ken Overshine, Chair
Sean Cullen, RBC Capital Market
Shawn Escoffery, NONDC

Chairman Madderra called the meeting to order at 10:55 A.M. and requested approval of the January 9, 2008 meeting minutes by his fellow Commissioners. The minutes were motioned by Commissioner Jones and seconded by Commissioner Brown and unanimously approved.

Loretta Wallace presented the following resolutions:

- A resolution accepting the proposal of Fifth Third Securities, Inc., for the purchase of not exceeding Thirty-three Million Five Hundred Thousand Dollars (\$33,500,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (**Ambassador Pointe Apartments 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.

No discussion ensued and Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Jones made the motion and Commissioner Brown made the second. The resolution was unanimously approved.

- A resolution accepting the proposal of Merchant Capital, L.L.C. for the purchase of not exceeding Eight Million Nine Hundred Forty Thousand Dollars (\$8,940,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (**Arbor Place Apartments 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.

Loretta Wallace requested that this item be deferred until the March 12, 2008 MultiFamily meeting pending review from the legal department.

- A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and/or equipping of a multifamily housing Project, authorizing not exceeding \$11,000,000 Multifamily Housing Revenue Bonds (**Cypress Apartments Project**) in one or more series; and providing for other matters in connection therewith.

Chairman Madderra asked that representatives from this project come forward and asked how the bonds on the deal were being enhanced. Thom Vaccarro of the NHP Foundation and Barry Palmer of Coats/Rose came forward and Mr. Palmer answered that this project is not a tax credit development so it is not impacted by tax credit prices. Mr. Palmer continued by stating that the project is being financed with tax exempt bonds and the bond market has improved in that interest rates have come down. The bonds will be Fannie Mae credit enhanced and they are working with RBC, the underwriter. Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Jones made the motion and Commissioner Broussard made the second. The resolution was unanimously approved.

Chairman Madderra decided to deviate slightly from the Agenda and acknowledged Mayor of Arcadia, Louisiana, Eugene Smith and asked that he come forward to discuss Arcadia Village.

Louis Russell presented the following:

- A resolution authorizing an allocation of 2008 per capita Low Income Housing Tax Credits in the amount of \$250,000 and a reduction of units for project **Arcadia Village #06-12**; authorizing the Louisiana Housing Finance Agency (the "LHFA") staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate credits to such facilities; and providing for other matters in connection therewith.

Todd Little of Little and Associates appeared before the Commissioners and stated that the award was made in November 2006. The development was approaching carryover but had not yet received environmental clearance. In February 2007, the development lost their equity commitment, which was at \$0.98 by the time it was re-priced it was down to \$0.93 and the developer tried to re-negotiate, but that attempt was unsuccessful. The problem now faced by the developer is a continued drop in credit prices and a Place In Service issue of December 2008 and investors aren't willing to come on board without a commitment from the Agency that the developer be given more time to complete the deal. Commissioner Allison Jones asked how many units were in the original project submission. Mr. Little responded that initially there were to be 28 units. Commissioner Jones further questioned whether the issues with respect to the environmental clearances had been resolved and Mr. Little responded that it had been taken care of. Mr. Little requested that the 2006 credits the project was allocated be returned in order to receive an allocation of 2008 credits to complete the project without timing issues. Mayor Smith of the Town of Arcadia came forward to impress upon the Committee the need for affordable housing in the parish. Commissioner Brown questioned the Agency's policy of the return and reallocation of credits. He also wanted to know if there was a list or log of projects that need to receive a reallocation of credits. Commissioner Broussard asked would there be any problem reallocating the credits and if not, he was in 100% support of the return and reallocation for Arcadia Village. Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Broussard made the motion and Commissioner Jones made the second. The resolution was unanimously approved.

- Presentation of proposed guidelines for Board Policy as it relates to approval of waivers/exceptions to the QAP with exception log.

Mr. Russell discussed the proposed policy recommended by staff as penalties for changes or deviations from the originally submitted tax credit application. He stated that staff checked with other HFA concerning their policies regarding deviations from the original application. Commissioner Jones stated that if the policy is adopted by the Board she would like a general statement at the beginning of the policy stating "exceptions are not routinely granted and are discouraged; and there may be a penalty involved." Commissioner Jones suggested that the second paragraph in the penalties section be moved to the policy section of the draft. She would like to add a catch all to include that other

penalties could be determined and imposed by the Board. Wayne Neveu interjected, stating that there was a constitutional problem with charging fees that are not approved by the Legislature. Chairman Madderra expressed concerns about the language used regarding the position paper potential to undermine previous, current and future QAP's. Brenda Evans stated the language was included because once guidelines are in place; developers seem to find a way to circumvent the system. Chairman Madderra suggested that this issue be deferred until the next board meeting with additional subjects regarding enforcement issues. Commissioner Brown questioned whether # 1 and #8 under policy rendered the position paper irrelevant as one states approval by the Board and the other approval of staff. He suggested that it is changed to consistent and that all requests for change will be reviewed and recommended by staff for approval by the Board of Commissioners. Milton Bailey responded by cautioning the Board in particular with the devaluation of tax credits to exercise as much flexibility as possible to help the markets current volatility. Will Belton requested that the development community be given an opportunity to be involved in the development of the Exception Policy. Commissioner Jones moved that this issue be deferred until the March meeting. Commissioner Broussard made the second and no opposition was received. Discussion ensued on the Exception/Waiver log which was included in the Board materials. Chairman Madderra requested that the Exception/Waiver Log is available in the Board materials every time a project that requests a substantial change that comes in the form of a resolution.

- A resolution denying a waiver of the disposal in the units requests made by the developers of **The Preserve, and The Crescent Club**; and providing for other matters in connection therewith;

Matt Schwartz with Domain Companies came forward and stated that a correction needed to be made as his original request including three projects; **The Preserve, The Crescent Club** and **750 Jeff Davis**. Commissioner Jones wanted to know if the developer had exhausted all options with the city in requesting a waiver. Mr. Schwartz stated that the Sewer and Water Board was the final stop. Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Jones moved to accept and approve the request of the developer and amend the resolution to include 750 Jeff Davis. Commissioner Jones made the second and the resolution was unanimously approved. Commissioner Broussard made a request to let the record reflect that he was replaced by Chairman of the Full Board, Wayne Woods as he had to start the Special Programs committee meeting.

Victor Smeltz of Volunteers of America came forward to because of a previous request to the Board for a waiver similar to the one received by Mr. Schwartz. He would like the Board to take similar action for the **The Terraces #07/08(FA)-02**. Commissioner Jones moved to amend the Agenda to take up the issue with The Terraces. Commissioner Brown wanted to know if any new information had been received by staff and until that time the issue could be deferred to the next month's meeting.

- A resolution authorizing a change in the site, and property description for **Villas at Lake Forest #07/08(FA)-08** Project; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate Credits to such facilities; and providing for other matters in connection therewith;

Bill Shircliff and Scott Brian with LDG Development discussed the request for site change. Mr. Brian stated that they were told in no uncertain terms that New Orleans East did not want a mixed development unit. They have spent a total of \$2.2 million on the acquisition of land and meeting carryover requirements. Mr. Brian stated that the new site, located between Carondelet and Barrone Street has received support from Councilmember Stacy Head and they expect no other opposition. Chairman Madderra also noted his reservations about relocating projects from one site to another. Commissioner Woods discussed his unease in bowing to political pressure on tax credit deals. He stated that he has had the opportunity to speak with Scott Brian and Kathy LaBorde, but that he had problems with developers buying sites that are properly zoned and then politics becoming involved to deny development resulting in site change requests. He also stated that he thinks the new site chosen by LDG will be successful, but he still had some reservations. Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Brown made the motion and Commissioner Jones made the second. The resolution was unanimously approved.

- HANO Update;

This item was deferred for consideration with the Full Board.

- A resolution authorizing additional tax credits and providing for other matters in connection therewith be allocated to the **St. John Berchman Manor #02(2)-151, Delille Inn #06(2)-152 and St. Martin Manor #06(2)-150** projects represented by Providence Community Housing. Any improvement in syndication of credits or reduction of the mortgage rate will inure to the benefit of the project with a corresponding reduction in credits.

Commissioner Woods stated that the credits are available and would leave the Agency in a better position. Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Woods made the motion and Commissioner Jones made the second. The resolution was unanimously approved.

- Staff report and update on project schedule deadlines;

Commissioner Kennedy questioned why certain developers haven't responded to the Agency's request for an updated project schedule. Mr. Russell replied that staff has sent letters and emails on several occasions to be sure not to omit any developer and some still have not responded. Commissioner Kennedy suggested that their delay in returning the

requested document is probably an indication that the project may be in trouble. He requested a copy of the list of those developers who had not responded.

- Discussion on potential of State Low-Income Housing Tax Credits.

This item was deferred for consideration with the Full Board.

- Discussion on falling credit prices.

This item was deferred for consideration with the Full Board.

- A resolution establishing the maximum qualified basis and low-income housing credits to **Peltier Gardens**; authorizing the Louisiana Housing Finance Agency (the "LHFA") 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 providing for other matters in connection therewith.

No discussion ensued and Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Jones made the motion and Commissioner Brown made the second. The resolution was unanimously approved.

Since there were no other issues to be heard the meeting was adjourned at 12:24 p.m.

DECISION BRIEF:

The Sale of \$8,940,000 in Multifamily Housing Revenue Bonds for Arbor Place Apartments located in Terrytown, Jefferson, Louisiana

Issue

On January 9, 2008, the Louisiana Housing Finance Agency's Board of Commissioners approved a resolution authorizing the issuance of not exceeding \$8,940,000 of Multifamily Housing Revenue Bonds for the purpose of refinancing and rehabilitating an existing 136 unit facility.

This resolution requests the Boards approval in considering the proposal of Merchant Capital, L.L.C., for the purchase of said bonds and approving the form and directing the execution of the Bond Purchase Agreement with respect to the parameter sale of not exceeding \$8,940,000.

Arbor Place Apartments is a 136 unit multi-family residential complex located at 735 Heritage Avenue, Terrytown, Jefferson Parish, Louisiana which consists of two bedroom units. Sixty-eight (68) of the 136 units will be set-aside for households whose incomes are at or below 60% of the area median income. The other sixty-eight (68) units are non-low income units.

In addition to the Bond Proceeds, other sources of funding to be utilized in the rehabilitation of this development will be \$1,254,677 from Tax Credit Equity.

Pros:

- LHFA will continue its mission of providing safe, descent and affordable housing for low to moderate-income families by utilizing its resources.
- Will enhance the housing stock for the citizens of Louisiana.

Cons: None

Recommendation:

Staff recommends approval of this request to issue Multifamily Revenue Bonds to further the mission of providing housing to the citizens of this state.

- **Deferred to Legal Committee at the February 13, 2008 Board Meeting. Approved by Allison Jones, Chairperson, Legal Committee.**
- **Approved at the February 21, 2008 State Bond Commission Meeting.**

LOUISIANA HOUSING FINANCE AGENCY

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

RESOLUTION

A resolution accepting the proposal of Merchant Capital, L.L.C. for the purchase of not exceeding Eight Million Nine Hundred Forty Thousand Dollars (\$8,940,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Arbor Place Apartments 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.

WHEREAS, the Board of Commissioners (the "Board") of the Louisiana Housing Finance Agency (the "Agency") on January 9, 2008, adopted a resolution approving and authorizing the issuance of not exceeding Eight Million Nine Hundred Forty Thousand Dollars (\$8,940,000) of Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Arbor Place Apartments 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 Finance Agency Multifamily Housing Revenue Bonds (Arbor Place Apartments Project) Series 2008" in the aggregate principal amount of not exceeding \$8,940,000 (the "Bonds"); and

WHEREAS, as set forth in said resolution, the Notice of Sale was published on January 30, 2008, in "The Advocate" and on January 28, 2008, in "The Daily Journal of Commerce" for an amount not to exceed \$8,940,000; and

WHEREAS, in accordance with the aforesaid resolution adopted by the Agency on January 9, 2008, the sale of the Bonds was scheduled for March 12, 2008; and

WHEREAS, the Agency did meet on March 12, 2008, at 10:00 a.m., Louisiana time, for the purpose of receiving and considering the proposal of Merchant Capital, L.L.C., as purchaser (the "Purchaser"), and taking action with respect to the parameter sale of not exceeding Eight Million Nine Hundred Forty Thousand Dollars (\$8,940,000) of the Bonds pursuant thereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency, acting as the governing authority of said Agency, that:

SECTION 1. The parameter written terms submitted this day by Merchant Capital, L.L.C., for the purchase of bonds designated "Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Arbor Place Apartments Project) Series 2008" in the aggregate principal amount of not exceeding \$8,940,000, at an interest rate not exceeding 12% per annum, and for a maturity not exceeding 42 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 Agency 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, Vice Chairman, President, Vice President and/or Secretary of this Board are hereby authorized and directed for, on behalf of and in the name of the Agency, 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 Agency:

- (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 the Act and with the approval of Counsel to the Agency or Bond Counsel.

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 or Vice Chairman of this Agency or the President or Vice President, acting on his behalf, be and they are hereby authorized and directed to execute and deliver, for and on behalf of the Agency, the Indenture in substantially the form thereof which is now before this Agency and filed with the Secretary of this Board of Commissioners.

SECTION 4. The Bonds will be dated, will be in the denominations and will have all the terms set forth in the Indenture.

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

SECTION 6. The Chairman, Vice Chairman, President, Vice President and/or Secretary, be and they 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 Agency and delivered to effect delivery of the Bonds to the Purchaser or deemed by any of them necessary or advisable to implement this resolution, the Indenture or the Indenture, or to facilitate the sale of the Bonds.

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

SECTION 9. This resolution shall take effect immediately.

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 12th day of March, 2008.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency"), do hereby certify that the foregoing _____ (____) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on March 12, 2008, entitled: "A resolution accepting the proposal of Merchant Capital, L.L.C. for the purchase of not exceeding Eight Million Nine Hundred Forty Thousand Dollars (\$8,940,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Arbor Place Apartments 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 Agency on this, the 12th day of March, 2008.

Secretary

(SEAL)

**LOUISIANA HOUSING FINANCE AGENCY
MULTI-FAMILY PROJECT SUMMARY**

Date: December 28, 2007

- (1) **PROJECT NAME:** Arbor Place Apartments
- (2) **AMOUNT OF BOND
ISSUE REQUESTED
(NOT TO EXCEED):** \$8,940,000
- (3) **PROJECT DESCRIPTION:**
- 1) Number of Units 136
 - 2) Total Land Area 6.6 acres
 - 3) Density: _____ # of Units per Acre
Low Rise 20 Buildings High Rise _____
 - 4) New Construction: _____
Rehabilitation: X
 - 5) Land Control: Current Legal Owner of Land:
Heritage Place Investments #1 L.L.C.

Contract to Acquire Land by March 31, 2008
(date)

or

Option to Acquire Land by _____
(date)
 - 6) Number of Parking Spaces Per Unit 2 (estimate pending final survey)
 - 7) Census tract where Project located 22051025202
 - 8) State Representative District District 86
Name of Representative Jim Tucker
 - 9) State Senatorial District District 8
Name of Senator Chris Ullo
- (4) **LOCATION:
(STREET ADDRESS OR
LEGAL DESCRIPTION OF
LAND AND PARISH):** 735 Heritage Avenue
Terrytown, Jefferson Parish
Louisiana 70056
- (5) **CONTACT PERSON
FOR PROJECT:** Kea Calame
105 Tallapoosa Street, Suite 300, Montg., AL 36104
Phone: 334/954-4458

PS-1

(6) **DEVELOPMENT TEAM:**

Developer: Summit Asset Management, L.L.C.
Montgomery, AL Contact: Jon Killough
Phone: 334/954-4458

Architect: The Hill Firm, Inc.
Fort Smith, Arkansas Contact: Paul Hill, AIA
Phone: 479/494-1808

General Contractor: TBD
Contact: _____
Phone: _____

Attorney: Crawford & Lewis, P.L.L.C.
Baton Rouge, LA Contact: Donald Cunningham, Esq.
Phone: 225/215-3033

Lending Institution
to Originate Mortgage
Loan (if known): MMA Financial, Inc.
Grapevine, Texas Contact: Timothy R. Leonhard
Phone: 817/310-5800

Provider of Credit
Enhancement on Mortgage
Loan (if known): MMA Financial, Inc. (Freddie Mac)
Grapevine, Texas Contact: Timothy R. Leonhard
Phone: 817/310-5800

Investment Banker for
Bonds Publicly Offered
(if known): Merchant Capital, L.L.C.
Montgomery, AL Contact: John Rucker
Phone: 334/834-5100

Purchaser of Bonds
for Bonds Privately
Placed (if known): N/A
Contact: _____
Phone: _____

(7) **ZONING:** R-3 (Multifamily Residential District) - awaiting
final zoning letter

(8) **UTILITIES:** Existing On-Site – Central Heating (Electric), Cooking (Electric)
Central Air Conditioning (Electric), Hot Water (Electric)

(9) **FAIR MARKET VALUE OF
PROJECT PROPERTY:** \$6,625,000
Specify date of most recent appraisal: Currently being performed

(10) FINANCIAL INFORMATION:

Amount

SOURCES OF FUNDS:

Bond Proceeds	<u>\$8,940,000</u>	<u>0.8729</u> % Dev. Cost
Other Sources (list)		
Federal LIHTC Equity	<u>\$1,254,677</u>	<u>0.1225</u> % Dev. Cost
Interest Income of Bond Proceeds	<u>\$ 38,918</u>	<u>0.0038</u> % Dev. Cost
Deferred Developer Fee	<u>\$ 8,177</u>	<u>0.0008</u> % Dev. Cost

TOTAL FUNDS \$10,241,772

LAND COSTS \$1,875,000 (est.) \$ _____ per sq. ft (acres)

BUILDING ACQUISITION COSTS (less Land costs) \$4,750,000 \$ 34,926.47 per D/U

CONSTRUCTION (or Rehabilitation Costs) \$2,244,000 \$ 16,500 per D/U

PROFESSIONAL FEES:

Amount % of Total Funds

Architectural	<u>\$60,000</u>	<u>.0059</u> %
Engineering / Construction Mgr.	<u>\$134,640</u>	<u>.0131</u> %

Legal:

Counsel to Issuer	\$ _____	_____ %
Bond Counsel	<u>\$46,805</u>	<u>.0046</u> %
Special Tax Counsel (specify firm name)	\$ _____	_____ %
<u>Balch & Bingham</u>	<u>\$35,000</u>	<u>.0034</u> %
Other Legal (specify firm & purpose)		
<u>Ballard Spahr</u>	<u>\$25,000</u>	<u>.0024</u> %
<u>(Lender counsel)</u>	\$ _____	_____ %
<u>Crawford & Lewis</u>	<u>\$5,000</u>	<u>.0005</u> %
<u>(Developer counsel)</u>	\$ _____	_____ %
<u>O'Melveny & Myers, LLP.</u>	<u>\$30,000</u>	<u>.0029</u> %
<u>(Fannie Mae counsel)</u>	\$ _____	_____ %
Total Professional Fees	<u>\$336,445</u>	<u>.0329</u> %

UNDERWRITING:

Management Fee	\$ _____
Sales Commission	<u>\$80,010 (underwriters fee)</u>
Underwriter's Counsel	<u>\$22,000</u>

Net to Underwriters \$ 102,010
 Expenses (list)
Phase I Environmental Assessment
Property Condition Report
Title Insurance / Survey/Recording
Appraisal / Market Study
Contingency/FF&E
Developer Fees
Tax Credit Fees
Accounting/Cost Certification Fees
Construction Lender Origination Fee
Freddie Mac Lender Origination Fee
Real Estate Taxes and Insurance \$ 888,314

Total Underwriting Fee/Costs: \$ 990,324
 COSTS OF ISSUANCE:
 Printing \$ _____
 Publishing/Advertising/Recording \$ _____
 Rating Expense \$ 15,000
 Letter of Credit Fees and other credit expenses \$ _____
 Consultants \$ _____
 Insurance \$ _____
 Issuer's Financing Fees \$ 8,890
 Trustee Bank's initial fee and expenses \$ 11,000
 Other:
 Bond Commission Fees \$ 11,113(including application fee and closing fee)
 Accountant Verification \$ _____
 Total Costs of Issuance \$ 46,003 \$ 338.26 per D/U
 Amount of Mortgage Requested \$ 8,940,000 % 87.29 of Total Costs

(11) **UNIT TYPES:**

68 Units

Low Income Units

Unit Type	No.	Total Sq. Ft.	No. of Unit Types Set Aside for 50% or less Area Median Income	Total Sq. Ft.	No. of Unit Types Set Aside for 60% or less Area Median Income	Total Sq. Ft.
Eff.			0	0		
1 BR						
2 BR	68	58,276			68	58,276
3 BR			0	0		
Other						
TOTAL	68	58,276				

Estimate Market Rents For Non-Low Income Units:

<u>Unit Type</u>	<u>Total Units</u>	<u>Monthly Rent Per Non-LIU</u>	<u>Annual Rent of Non-LIU's</u>
Eff.	_____	_____	_____
1 BR	_____	_____	_____
2 BR	<u>68</u>	<u>\$750</u>	<u>\$612,000</u>
3 BR	_____	_____	_____
Other	_____	_____	_____
Total	<u>68</u>	<u>\$750</u>	<u>\$ 612,000</u>

(12) **CURRENT RENTAL COSTS AND RELOCATION PLAN:**
(For Rehabilitation Projects Only)

<u>Unit Type</u>	<u>Monthly</u>	<u>Present Rent Annual</u>	<u>Sq. Ft./Month</u>
Eff.	_____	_____	_____
1 BR	_____	_____	_____
2 BR	<u>93,840</u>	<u>1,126,080</u>	<u>0.0091</u>
3 BR	_____	_____	_____
Other	_____	_____	_____
TOTAL	<u>93,840</u>	<u>1,126,080</u>	<u>0.0091</u>

Have interior and exterior photographs of Project been attached?
Yes No _____

Will any of the present tenants be displaced because of higher rents due to rehabilitation?
Yes _____ No

If yes, approximately how many? Not Applicable

Is there a relocation plan? Yes _____ No

Please briefly describe relocation plan (Submit detailed relocation plan when completed)
Currently, the project is 99% occupied. The rehabilitation plans consists of mostly exterior improvements; therefore, no tenants will be relocated during the rehabilitation process.

(13) **VACANCY RATE:** The present vacancy rate in the general market area is 4 to 5 %.

(14) **AREA MEDIAN INCOME:** Median income in area according to HUD is 52,200 (4 person).

(15) **ELECTION OF THE MINIMUM SET-ASIDE REQUIREMENT:**

The owner irrevocably elects one of the Minimum Set-Aside Requirements (Check one only):

_____ At least 20% of the rental residential units in this development are rent restricted and to be occupied by individuals whose income is 50% or less of area median gross income.

X At least 40% of the rental residential units in this development are rent restricted and to be occupied by individuals whose income is 60% or less of the area median gross income.

(16) **OPTIONAL ELECTION:**

The owner elects to occupy 15% or more of all low-income units by tenants with income of 40% or less of area median income and the average rent charged to tenants in residential market rent units is at least 300% of the average rent charged to low-income tenants: _____ Yes X No

(17) **EQUAL OPPORTUNITY:**

Do you agree to provide equal opportunity to members of minority groups and to employ such groups in the Project's development in the roles of, including but not limited to, contractor, subcontractor, employee, laborer, agent, appraiser, or supplier?

Yes X No _____

(18) **STATE BOND COMMISSION TENANT BENEFIT PROGRAM REQUIREMENTS:**

State Bond Commission Rule No. HS2-1992 provides as follows with respect to applications submitted to the State Bond Commission for new construction, acquisition and/or rehabilitation, or refunding of multifamily housing projects:

Multifamily housing applications must include defined tenant benefit programs for those units set aside for very low, low and/or moderate income families. Those applications that do not include such programs will not be docketed for consideration. Such programs may include rent differentials, special assistance programs or other specific benefit packages for the target income class.

Please include as Exhibit I a description of the Applicant's defined tenant benefit program. For your consideration, State Bond Commission Rule No. HS1-1993 provides the following definitions of income classes:

Very Low Income--households whose incomes do not exceed 50 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Low Income--households whose incomes do not exceed 80 percent of the median income for the area, as determined and adjusted from time to time by HUD.

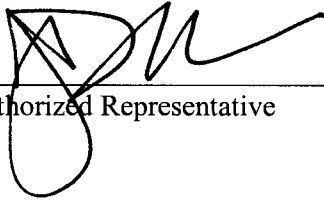
Moderate Income--households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Middle Income--households whose income are between 96 percent and 120 percent of the median income for the area, as determined and adjusted from time to time by HUD.

The schedule of income levels as published periodically by HUD will be used for purposes of this rule to determine income levels for particular areas of the state.

I certify that the information contained in this Project Summary and Application Package is true and accurate to the best of my knowledge.

Arbor Place Apartments Partners, Ltd.
PROJECT OWNER

By: 
Authorized Representative

Dated: December 28, 2007

DECISION BRIEF:

The sale of \$11,000,000 in Multifamily Housing Revenue Bonds for Cypress Apartments located in Lake Charles, Calcasieu Parish, Louisiana

Issue

On February 13, 2008, the Louisiana Housing Finance Agency's Board of Commissioners approved a resolution authorizing the issuance of not exceeding \$11,000,000 of Multifamily Housing Revenue Bonds for the purpose of refinancing and rehabilitating an existing 276 unit facility located at 4249 5th Ave. South, Lake Charles, Calcasieu Parish, Louisiana.

This resolution requests the Board's approval in considering the proposal of RBC Capital Markets, for the purchase of said bonds and approving the form and directing the execution of the Bond Purchase Agreement with respect to the parameter sale of not exceeding \$11,000,000.

One hundred-twelve (112) of the 276 rental units will be set-aside for households whose incomes are at or below 60% of the area median income which will consist of thirty-seven (37) one-bedroom units, sixty-three (63) two-bedroom units and twelve (12) three bedroom units. The non-low income units will consist of fifty-five (55) one-bedroom units, ninety-three (93) two-bedroom units; and sixteen (16) three-bedroom units.

Cypress Apartments, along with Goodwood Place and Towne Oaks, (located in Baton Rouge and approved by the Board on October 10, 2007) will allow NHP Foundation to preserve existing affordable housing stock. The three properties will be part of a pool financing to maximize resources.

Additionally, the NHP Foundation will provide services to the residents and to the community. The proceeds from the sale of the bonds will be used to refund the existing bonds and provide rehabilitation/upgrades to the properties.

Pros:

- LHFA will continue its mission of providing safe, decent and affordable housing for low to moderate-income families by utilizing its resources.
- Will enhance the housing stock for the citizens of Louisiana.

Cons: None

Recommendation:

Staff recommends approval of this request to issue Multifamily Revenue Bonds to further the mission of providing housing to the citizens of this state.

LOUISIANA HOUSING FINANCE AGENCY

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

RESOLUTION

A resolution accepting the proposal of RBC Capital Markets for the purchase of not exceeding Eleven Million Dollars (\$11,000,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Cypress Apartments 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.

WHEREAS, the Board of Commissioners (the "Board") of the Louisiana Housing Finance Agency (the "Agency") on February 13, 2008, adopted a resolution approving and authorizing the issuance of not exceeding Eleven Million Dollars (\$11,000,000) of Louisiana Housing Finance Agency Multifamily Housing Bonds (Cypress Apartments 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 Finance Agency Multifamily Housing Bonds (Cypress Apartments Project) Series 2008" in the aggregate principal amount of not exceeding \$11,000,000 (the "Bonds"); and

WHEREAS, as set forth in said resolution, the Notice of Sale was published on March 4, 2008, in "The Advocate" and in "The Daily Journal of Commerce" for an amount not to exceed \$11,000,000; and

WHEREAS, in accordance with the aforesaid resolution adopted by the Agency on February 13, 2008, the sale of the Bonds was scheduled for March 12, 2008; and

WHEREAS, the Agency did meet on March 12, 2008, at 10:00 a.m., Louisiana time, for the purpose of receiving and considering the proposal of RBC Capital Markets, as purchaser (the "Purchaser"), and taking action with respect to the parameter sale of not exceeding Eleven Million Dollars (\$11,000,000) of the Bonds pursuant thereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency, acting as the governing authority of said Agency, that:

SECTION 1. The parameter written terms submitted this day by RBC Capital Markets, for the purchase of bonds designated "Louisiana Housing Finance Agency Multifamily Housing Bonds (Cypress Apartments Project) Series 2008" in the aggregate principal amount of not exceeding \$11,000,000, at an interest rate not exceeding 12% per annum, and for a maturity not exceeding 42 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 Agency 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, Vice Chairman, President, Vice President and/or Secretary of this Board are hereby authorized and directed for, on behalf of and in the name of the Agency, 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 Agency:

- (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 the Act and with the approval of Counsel to the Agency or Bond Counsel.

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 or Vice Chairman of this Agency or the President or Vice President, acting on his behalf, be and they are hereby authorized and directed to execute and deliver, for and on behalf of the Agency, the Indenture in substantially the form thereof which is now before this Agency and filed with the Secretary of this Board of Commissioners.

SECTION 4. The Bonds will be dated, will be in the denominations and will have all the terms set forth in the Indenture.

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

SECTION 6. The Chairman, Vice Chairman, President, Vice President and/or Secretary, be and they 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 Agency and delivered to effect delivery of

the Bonds to the Purchaser or deemed by any of them necessary or advisable to implement this resolution, the Indenture or the Indenture, or to facilitate the sale of the Bonds.

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

SECTION 9. This resolution shall take effect immediately.

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 12th day of March, 2008.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency"), do hereby certify that the foregoing _____ (____) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on March 12, 2008, entitled: "A resolution accepting the proposal of RBC Capital Markets for the purchase of not exceeding Eleven Million Dollars (\$11,000,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Cypress Apartments 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 Agency on this, the 12th day of March, 2008.

Secretary

(SEAL)

**LOUISIANA HOUSING FINANCE AGENCY
MULTI-FAMILY PROJECT SUMMARY**

Date: 1-31-08

- (1) **PROJECT NAME:** Cypress Apartments
- (2) **AMOUNT OF BOND
ISSUE REQUESTED
(NOT TO EXCEED):** \$ 11,000,000.00
- (3) **PROJECT DESCRIPTION:**
- 1) Number of Units 276
 - 2) Total Land Area 18 acres
 - 3) Density: 15.3 # of Units per Acre
Low Rise X High Rise _____
 - 4) New Construction: N/A
Rehabilitation: N/A
 - 5) Land Control: Current Legal Owner of Land:
Contract to Acquire Land by 05/01/08
(date)
or
Option to Acquire Land by _____
(date)
 - 6) Number of Parking Spaces Per Unit _____
 - 7) Census tract where Project located 12.02
 - 8) State Representative District 34
Name of Representative A B Franklin
 - 9) State Senatorial District 27
Name of Senator Willie L. Mount
- (4) **LOCATION:
(STREET ADDRESS OR
LEGAL DESCRIPTION OF
LAND AND PARISH):** 4249 Fifth Ave. South
Lake Charles, LA 70607
Calcasieu Parish
- (5) **CONTACT PERSON
FOR PROJECT:** Thomas G. Vaccaro
Phone: 202-789-5300
- (6) **DEVELOPMENT TEAM:**
Developer: Preserving Louisiana's Affordable Housing V, LLC
Contact: Thomas G. Vaccaro
Phone: 202-789-5300

Architect: N/A
Contact: _____
Phone: _____

General Contractor: N/A
Contact: _____
Phone: _____

Attorney: Pierce & Bizal
Contact: Jeffrey Bizal
Phone: 504-525-1328

Lending Institution
to Originate Mortgage
Loan (if known): _____
Contact: _____
Phone: _____

Provider of Credit
Enhancement on Mortgage
Loan (if known): _____
Contact: _____
Phone: _____

Investment Banker for
Bonds Publicly Offered
(if known): RBC Capital Markets
Contact: Sean Cullen
Phone: 212-703-8245

Purchaser of Bonds
for Bonds Privately
Placed (if known): _____
Contact: _____
Phone: _____

(7) **ZONING:** _____

(8) **UTILITIES:** Existing

(9) **FAIR MARKET VALUE** \$ _____
OF PROJECT PROPERTY: Specify date of most recent appraisal: _____

(10) **FINANCIAL INFORMATION:** Amount

SOURCES OF FUNDS:

Bond Proceeds \$ 11,000,000 99 % Dev. Cost

Other Sources (list)

Taxable Bond Proceeds \$ 120,000 1 % Dev. Cost

_____ \$ _____ % Dev. Cost

_____ \$ _____ % Dev. Cost

TOTAL FUNDS \$ 11,120,000

LAND COSTS \$ 1,285,043 \$ 1.64 per sq. ft.

BUILDING ACQUISITION COSTS

(less Land costs) \$ 7,281,912 \$26,384 per D/U

CONSTRUCTION
(or Rehabilitation Costs)

\$ 1,460,000 \$5,290 per D/U

PROFESSIONAL FEES:

	<u>Amount</u>	<u>% of Total Funds</u>
Architectural	\$ <u>N/A</u>	_____ %
Engineering	\$ _____	_____ %
Legal:		
Counsel to Issuer	\$ <u>7,500</u>	<u>.07</u> %
Bond Counsel	\$ <u>30,000</u>	<u>.27</u> %
Special Tax Counsel (specify firm name)	_____	_____ %
_____	\$ _____	_____ %
Other Legal (specify firm & purpose)	_____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
_____	\$ _____	_____ %
<u>Other Professional Services</u>	\$ <u>120,000</u>	<u>.01</u> %
Total Professional Fees	\$ <u>157,500</u>	<u>.01</u> %
Escrow/Reserves	\$ <u>40,000</u>	<u>.36</u> %

UNDERWRITING:

Management Fee	\$ <u>83,400</u>
Sales Commission	\$ _____
Underwriter's Counsel	\$ <u>35,000</u>
Net to Underwriters Expenses (list)	\$ _____
_____	_____
<u>Yield Maintenance</u>	_____
_____	_____
_____	\$ <u>500,000</u>
Total Underwriting Fee:	\$ <u>618,400</u>

COSTS OF ISSUANCE:

Printing \$ 5,000

Publishing/Advertising/Recording	\$		
Rating Expense	\$	<u>15,000</u>	
Letter of Credit Fees and other credit expenses	\$	<u>201,200</u>	
Consultants	\$		
Insurance	\$		
Issuer's Financing Fees	\$	<u>11,120</u>	
Trustee Bank's initial fee and expenses	\$	<u>15,000</u>	
Other:			
Bond Commission Fees	\$	<u>12,982</u>	
Miscellaneous Rounding	\$	<u>16,843</u>	
Total Costs of Insurance	\$	<u>277,145</u>	\$1004.00 per D/U
Amount of Mortgage Requested	\$	<u>11,120,000</u>	% <u>100</u> of Total Costs

(11) **UNIT TYPES:**

<u>All (100%) Units</u>			<u>Low Income Units</u>			
<u>Unit Type</u>	<u>No.</u>	<u>Total Sq. Ft.</u>	<u>No. of Unit Types Set Aside for 50% or less Area Median Income</u>	<u>Total Sq. Ft.</u>	<u>No. of Unit Types Set Aside for 60% or less Area Median Income</u>	<u>Total Sq. Ft.</u>
1 BR	<u>92</u>	<u>52,992</u>			<u>37</u>	<u>21,312</u>
2 BR	<u>156</u>	<u>122,616</u>			<u>63</u>	<u>49,518</u>
3 BR	<u>28</u>	<u>26,880</u>			<u>12</u>	<u>11,520</u>
Other						
Total	<u>276</u>	<u>202,488</u>			<u>112</u>	<u>82,350</u>

Estimate Market Rents For Non-Low Income Units:

<u>Unit Type</u>	<u>Total Units</u>	<u>Total Monthly Rent Per Non-LIU</u>	<u>Total Annual Rent of Non-LIU's</u>
1 BR	<u>55</u>	<u>470</u>	<u>310,200</u>
2 BR	<u>93</u>	<u>570</u>	<u>636,120</u>
3 BR	<u>16</u>	<u>675</u>	<u>129,600</u>
Other			
Total	<u>164</u>	<u>1,715</u>	<u>1,075,920</u>

(12) **CURRENT RENTAL COSTS AND RELOCATION PLAN:**
 (For Acquisition and/or Rehabilitation Projects Only)

<u>Unit Type</u>	<u>Monthly</u>	<u>Present Rent Annual</u>	<u>Sq. Ft./Month</u>
Eff.	_____	_____	_____
1 BR	_____	_____	_____
2 BR	_____	_____	_____
3 BR	_____	_____	_____
Other	_____	_____	_____
TOTAL	_____	_____	_____

Have interior and exterior photographs of Project been attached?

Yes _____ No X

Will any of the present tenants be displaced because of higher rents due to rehabilitation?

Yes _____ No X

If yes, approximately how many? _____

Is there a relocation plan? Yes ___ No X ___*No relocation necessary___

Please briefly describe relocation plan (Submit detailed relocation plan when completed)

(13) **VACANCY RATE:** The present vacancy rate in the general market area is 5 %.

(14) **AREA MEDIAN INCOME:** Median income in area according to HUD is 48,700.

(15) **ELECTION OF THE MINIMUM SET-ASIDE REQUIREMENT:**

The owner irrevocably elects one of the Minimum Set-Aside Requirements (Check one only):

_____ At least 20% of the rental residential units in this development are rent restricted and to be occupied by individuals whose income is 50% or less of area median gross income.

X At least 40% of the rental residential units in this development are rent restricted and to be occupied by individuals whose income is 60% or less of the area median gross income.

(16) **OPTIONAL ELECTION:**

The owner elects to occupy 15% or more of all low-income units by tenants with income of 40% or less of area median income and the average rent charged to tenants in residential market rent units is at least 300% of the average rent charged to low-income tenants:

Yes _____ No X

(17) **EQUAL OPPORTUNITY:**

Do you agree to provide equal opportunity to members of minority groups and to employ such groups in the Project's development in the roles of, including but not limited to, contractor, subcontractor, employee, laborer, agent, appraiser, or supplier?

Yes X No _____

(18) **STATE BOND COMMISSION TENANT BENEFIT PROGRAM REQUIREMENTS:**

State Bond Commission Rule No. HS2-1993 "Rule Relative to State Bond Commission Multifamily Housing Applicants" provides as follows with respect to applications submitted to the State Bond Commission for new construction, acquisition and/or rehabilitation, or refunding of multifamily housing projects:

Multifamily housing applications must include defined tenant benefit programs for those units set aside for very low, low and/or moderate income families. Those applications that do not include such programs will not be docketed for consideration.

The staff of the State Bond Commission shall use the following criteria when evaluating defined tenant benefit programs.

A. Nonspecial Needs Multifamily Housing.

A developer shall select at a minimum two of the seven options listed below for the set-aside units.

1. Material Rent Differentials.

In order to be deemed material, a rent differential must satisfy the federal tax credit guidelines which specify that rent for set-aside unit should not exceed 30 percent of the imputed income limit for the set-aside unit.

2. Deposit Waivers and/or Application Fee Waivers.

Deposit or application fee waivers may be applied to either an application fee, a security deposit, or both.

3. Rent Cap.

Rent caps may be applied which limit the dollar and/or percentage of increase in rent upon renewal of a lease. Such rent caps must be equal to or less than one-half the scheduled rent increase for such lease renewal.

4. Rent Deferral.
Rent deferral programs would apply to those tenants which become unemployed during the term of their lease. Rent deferral programs can reschedule rent payments at reduced amounts or have a 100 percent deferral either until six months after the resident is no longer receiving unemployment compensation. This program may be funded with a reserve set aside for this specific purpose and clearly delineated in the bond documents.
5. Educational Programs or Other Socialization Programs.
These programs may include literacy or tutorial programs, re-education assistance for the unemployed or other such assistance which would increase opportunities for the targeted income class.
6. Day-care Related Programs.
These programs may either be located on site or subsidized off site day care centers. Programs may include after school care and/or supervision for the children of working parents.
7. Other such benefit programs as may be proposed by the developer, such as:
 - a. tenant security programs;
 - b. energy conservation programs.

B. Special Needs Multifamily Housing.

The commission recognizes the development of special needs housing for the elderly, disabled, homeless, etc., is essential to the welfare of the citizens of the State. Therefore, the criteria for the defined tenant benefit program shall be based on the total package to be offered to the special needs group, including, but not limited to the following:

1. Meals Programs.
Depending upon the special needs group targeted, this benefit can include one or more meals provided in a central dining area or some other meal program included as part of the total benefit package.
2. Transportation Assistance.
3. On-site Health Services.
4. Housekeeping.
5. Social Activities.
6. Trained and Certified Staff.
7. Rent Differentials.

C. Multifamily Housing in Qualified Redevelopment Areas.

The commission recognizes the importance of encouraging the redevelopment and/or revitalization of urban and inner city areas. Therefore, additional consideration will be given to the following:

1. A Qualified Redevelopment Area.
A qualified redevelopment area shall be defined by the governing authority of the local jurisdiction and as approved by the State Bond Commission.
2. Project Plan.
The project plan must include whether it is new construction or a redevelopment of an existing property. The plan must also include a defined tenant benefit package if the project targets a special income class. If the project requires the relocation of current residents, the plan must show how the relocation will be addressed.

Please include as Exhibit I a description of the Applicant's defined tenant benefit program. For your consideration, State Bond Commission Rule No. HS1-1993 provides the following definitions of income classes:

Very Low Income--households whose incomes do not exceed 50 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Low Income--households whose incomes do not exceed 80 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Moderate Income--households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Middle Income--households whose income are between 96 percent and 120 percent of the median income for the area, as determined and adjusted from time to time by HUD.

The schedule of income levels as published periodically by HUD will be used for purposes of this rule to determine income levels for particular areas of the state.

I certify that the information contained in this Project Summary and Application Package is true and accurate to the best of my knowledge.

Preserving Louisiana's Affordable Housing V, LLC
PROJECT OWNER

By: The NHP Foundation
Authorized Representative
ITS SOLE MEMBER

Dated: 01/31/08

By: Thom Vaccaro
Thom Vaccaro
ITS VICE PRESIDENT

DECISION BRIEF:

Request by The Terraces for design change: Garbage Disposals

Issue

The Agency has received a request by the developer of The Terraces to alter the design of their application.

This resolution request the Board's approval of the following requests as it affects the total cost of the development and its feasibility.

The developer is requesting a waiver to install garbage disposals in each unit. The developer selected "Dishwasher and Garbage Disposal" (10pts) in the selection criteria of the application. In correspondence to the Agency, the developer makes reference to the city of New Orleans Sewage and Water Board's requirement of separate waste lines be installed for garbage disposals.

Pros:

- The production of much needed housing in New Orleans
- Provide relief to a development that has already commenced construction
- The addition of separate waste lines for the garbage disposals would be cost prohibitive
- Will provide for better quality housing for Louisiana citizens.
- The selection criteria changes are optional as they are not mandated by the QAP.
- May prolong construction due to the increased costs.

Cons:

- LHFA Board has previously denied a similar request from another developer
- The City of N.O. has indicated that the requirement of a separate waste line for garbage disposals was a part of the code prior to Katrina and therefore should have been know by the developer

Recommendation:

Staff recommends approval of this requests to further the mission of providing the best quality housing to the citizens of this state.

LOUISIANA HOUSING FINANCE AGENCY

RESOLUTION

A resolution denying a waiver of the disposal in the units requests made by the developers of **The Terraces**; and providing for other matters in connection therewith;

WHEREAS, the staff of Louisiana Housing Finance Agency (the “Agency”) has received the following requests in connection with the projects listed below;

WHEREAS, staff has reviewed these requests and based upon the information provided, is recommending the following action for each project as indicated below;

1. **The Terraces** - Requesting a waiver to install garbage disposals in each unit. The developer selected “Dishwasher and Garbage Disposal” (10pts) in the selection criteria of the application. In correspondence to the Agency, the developer makes reference to the city of New Orleans Sewage and Water Board’s requirement of separate waste lines be installed for garbage disposals.

Staff Recommendation: Upon consideration of the information provided by the developer, and based upon similar requests made previously, staff is recommending approval of the developer’s request due to approval similar requests.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency (the "Board"), acting as the governing authority of said Agency that:

Section 1: A resolution is hereby approved that provides approval of the above enumerated recommendations of staff.

Section 2: The Agency staff and Counsel are authorized and directed to prepare such documents and agreements as may be necessary to implement the czars actions.

Section 3: The Chairman, Vice-Chairman, President, Vice-President, and or Secretary of the Agency 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 Agency, the terms of which are to be consistent with the provisions of this resolution as approved by the Agency’s counsel.

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 12th day of March 2008.

Chairman

Secretary

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Board"), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on March 12, 2008, providing approval of the recommendation submitted by staff in connection with **The Terraces**; and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 12th day of March 2008.

Secretary

(SEAL)

DECISION BRIEF:

Request by CJ Peete III for Authorization for Material Changes

<p><u>Issue</u></p> <p>CJ Peete III, LLC is requesting the Louisiana Housing Finance Agency approve the following material change requests relating to this project:</p> <p><u>Combining CJ Peete I and III</u></p> <p>CJ Peete I have been previously awarded \$1,113,323 in the 2006 2nd funding round. CJ Peete III was awarded \$7,012,377 in the 2007 Forward Allocation round. The project is requesting to combine the two projects and keep the total tax credit amount of \$8,125,700. The number of units will increase from four hundred ten (410) to four hundred sixty (460); which consist of eight three (83) one bedroom, one hundred thirty-eight (38) two bedroom, one hundred ninety-three (193) three bedroom and forty six (46) four-bedroom units.</p> <p><u>Retain all Developer Fees</u></p> <p>The developer is requesting to retain all developer fees including \$1,448,077 for CJ Peete I and \$11,108,423 for CJ Peete III for a combine total of \$12,556,500.</p> <p>The project will remain on the same tract of land as previously reported.</p>	<p><u>Pros:</u></p> <ul style="list-style-type: none">• LHFA will continue its mission of providing safe, descent and affordable housing for low to moderate-income families by utilizing its resources.• Will enhance the housing stock for the citizens of Louisiana. <p><u>Cons:</u> None</p> <p><u>Recommendation:</u></p> <p>Staff recommends approval of these requests as stated.</p>
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LOUISIANA HOUSING FINANCE AGENCY

RESOLUTION

A resolution approving design feature requests made by the developers of **C.J. Peete III**; and providing for other matters in connection therewith;

WHEREAS, the staff of LHFA has received the following requests in connection with the projects listed below;

WHEREAS, staff has reviewed these requests and based upon the information provided, is recommending the following action for each project as indicated below;

1. The project is requesting to combine the two projects and keep the total tax credit amount of \$8,125,700.
2. The number of units will increase from four hundred ten (410) to four hundred sixty (460); which consist of eight three (83) one bedroom, one hundred thirty-eight (38) two bedroom, one hundred ninety-three (193) three bedroom and forty six (46) four-bedroom units.
3. The developer is requesting to retain all developer fees including \$1,448,077 for CJ Peete I and \$11,108,423 for CJ Peete III for a combine total of \$12,556,500.

Staff Recommendation: Based on information provided by the developer, staff is recommending approval due to the Agency's mission to provide the best quality housing for citizens.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency (the "Board"), acting as the governing authority of said Agency that:

Section 1: A resolution is hereby approved that provides approval of the above enumerated recommendations of staff.

Section 2: The Agency staff and Counsel are authorized and directed to prepare such documents and agreements as may be necessary to implement such actions.

Section 3: The Chairman, Vice-Chairman , President, Vice-President, and or Secretary of the Agency 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 Agency, the terms of which are to be consistent with the provisions of this resolution as approved by the Agency's counsel.

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 12th day of March 2008.

Chairman

Secretary

STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency"), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on March 12, 2008, providing approval of the recommendation submitted by staff in connection with Passman Plaza III, The Terraces, and Renaissance Place; and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 12th day of March 2008.

Secretary

(SEAL)

DECISION BRIEF:

Allocation of \$164,616 in 4% Low Income Housing Credits for Arbor Place Apartments located in Terrytown, Jefferson Parish, Louisiana

Issue

Arbor Place Apartments Partners, LTD is requesting the Louisiana Housing Finance Agency to allocate \$164,616 in 4% Low Income Housing Credits for the construction of a one hundred thirty-six (136) 2-Bedroom multifamily facility located at 735 Heritage Avenue in Terrytown, Jefferson Parish, Louisiana. 50% of the units will be set-aside for households whose incomes are 50% to 60% of the area median income and 50% will be set-aside for market rate rents.

In addition to the Bond Proceeds, approximately \$1,580,154 of Tax-Credit Equity and \$304,342 in Deferred Developer Fees will be utilized in the rehabilitation of this development. The Total development cost of this project will be around \$10,370,800.

Mallard Crossing consists of 19 buildings containing 136 units consisting of one hundred thirty-six (136) two-bedroom units.

Pros:

- LHFA will continue its mission of providing safe, descent and affordable housing for low to moderate-income families by utilizing its resources.
- Will enhance the housing stock for the citizens of Louisiana.
- Bond Financing leveraged with Low Income housing Tax Credit (LIHTC) equity.

Cons: None

Recommendation:

Staff recommends approval of this request to issue 4% Low Income Housing Credits to further the mission of providing housing to the citizens of this state.

LOUISIANA HOUSING FINANCE AGENCY

RESOLUTION

A resolution establishing the maximum qualified basis and low-income housing credits to Arbor Place Apartments; authorizing the Louisiana Housing Finance Agency (the "LHFA") 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 providing for other matters in connection therewith.

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

WHEREAS, the LHFA approved certain application and other forms, documents and proceedings related to the Low Income Housing Tax Credits (the "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 LHFA has processed Arbor Place Apartments application 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 Arbor Place Apartments project:

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency (the "Board"), acting as the governing authority of said agency that:

SECTION 1. Arbor Place Apartments Project (the "Project") is hereby preliminarily approved for Tax Credits in the amount of One Hundred Sixty-four Thousand Six Hundred and sixteen Dollars (\$164,616), upon the preliminary feasibility analysis of Foley & Judell, L.L.P. and the information contained in the Project application.

SECTION 2. The LHFA staff, General Counsel, 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 LHFA 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.

SECTION 4. The Chairman, Vice Chairman, President Vice President and/or Secretary of the LHFA 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 LHFA, the terms of

which are to be consistent with the provisions of this resolution as approved by the LHFA 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:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 12th day of March, 2008.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Board"), do hereby certify that the foregoing three (3) pages constitute a true and correct copy of a resolution adopted by said Board on March 12, 2008, "A resolution establishing the maximum qualified basis and low-income housing credits to Arbor Place Apartments; authorizing the LHFA staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate tax credits 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 LHFA on this, the 12th day of March, 2008.

Secretary

(SEAL)

BW Cooper, 07/08(FA)-24

- The developer is adding two additional buildings to the project application. These buildings were part of the project site prior to Katrina and the developer would like to rehab these buildings.
- Developer is adding an additional 4.2 acres to original site (contiguous), a site change of approximately 12%.
- Unit target set-aside is being adjusted for Tax Credit (60% AMI or less) from 144 to 151 units and Market Rate Units from 123 to 116. The total number of units and unit mix will remain the same.
- Changes to Sources and Uses (see attached)
- Site Control Worksheet shows an increase in "Amount paid for leasehold interest" of \$2,400,000. (see attached)



Housing Authority of New Orleans

January 24, 2008

Mr. Milton Bailey, President
Louisiana Housing Finance Agency
2415 Quail Drive
Baton Rouge, LA 70808

RE: B. W. Cooper I Development (Privacy Special Projects Pool)

Dear Mr. Bailey:

Please find enclosed one original and one copy of the low-income housing tax credit application for the B. W. Cooper I Development. Also enclosed is a CD containing the electronic application. This application for the 2007-2008 GO Zone credits is sponsored by the Housing Authority of New Orleans and submitted by B. W. Cooper I, L.L.C.

The primary changes proposed in this reprocessing application include:

1. Expanding the Phase I Site Footprint
2. Adjusting the unit mix to increase the number of LIHTC units and decreasing the overall number of market units
3. Updating the Sources And Uses
4. Updating the Equity Pricing

At or before closing we anticipate replacing Lune d'Or Enterprises with Place D'Genesis as the managing member of B.W. Cooper I, LLC and admitting Keith B. Key Enterprises, LLC as a co-managing member of the ownership entity and Keith B. Key Enterprises, LLC as the developer.

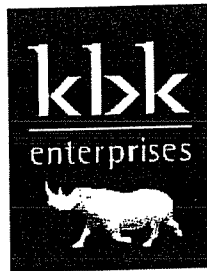
Should you have any question regarding this application, please contact Shelley Smith, President of CAHC at (504) 670-3456.

Sincerely,

Karen Cato-Turner
Executive Administrator

Enclosures

cc: Shelley Smith



January 23, 2008

Louisiana Housing Finance Agency
2415 Quail Dr.
Baton Rouge, LA 70808

This application represents a reprocessing of the October 2006 application of BW Cooper 1, LLC (BWC) for 2007-2008 GO Zone, Low Income Housing Tax Credits awarded to BWC from the Louisiana Housing Finance Agency (LHFA). While appropriate letters, certifications, and other third party information have been updated for this reprocessing application, below is a summary of the work completed to date by the Master Developer, Keith B. Key Enterprises, LLC (KBK), as well as information related to the reprocessing changes to the original Tax Credit Application.

Work Components Completed and Ongoing

Without describing in detail each item, noted below are the completed work components and ongoing tasks from the beginning of KBK's engagement in September 2007 through the date of this application:

- Four (4) design charrettes with the residents and the Resident Design Committee. Certain charrettes included in excess of 100 residents.
- Semi-monthly meetings with the BW Cooper Resident Management Corporation (RMC) Board of Directors to review progress on the design and the development
- Negotiated, contracted, and created a national and locally recognized Architecture and Engineering team, including nationally recognized architects Moody Nolan Inc. (an MBE) as Design Architect, the EDGE Group as Master Planner, and ATS Chester Engineers (an MBE) as Environmental and Geotechnical Consultant, as well as local architect Manning & Associates (an MBE), Morphy Makofsky Engineers as Civil Engineers, and Byron Stewart & Associates (an MBE) as local Construction Manager.
- Continuing and ongoing meetings with our architects and engineers regarding the Master Plan components, site plans and layouts, historic building designations, building elevations, unit plans, and interior and exterior materials selections
- Completed and presented the Master Plan (or its main elements) to the Residents, RMC, LHFA, New Orleans City Council, SHPO, HUD, HANO, OCD, and Sen. Landrieu's Office
- Notified the public and publicly displayed the Master Plan on HANO's website, with hard copies available to the BW Cooper site, HANO, and the New Orleans Public Library (Main Branch)
- Continuing meetings with SHPO and the Consulting Parties regarding the Section 106 Memorandum of Agreement items

- Completed all environmental analyses and obtained HUD Environmental Clearance
- Completed the Archaeology Survey of the property
- Completed the Historic American Buildings Survey of the property
- Completed the ALTA survey of the site
- Completed an updated Market Study of the rental units for Phase 1
- Continuing meetings with the City of New Orleans Planning Department, Permits and Zoning, and Water & Sewer Board regarding development progress and issues.
- Negotiated an updated pre-Katrina contract and began demolition on 14 buildings at the site.
- Issued and completed a bid process for a contractor to complete the remaining demolition of 52 buildings yet remaining at the site, including appropriate salvage of materials. We are in ongoing contract negotiations with the selected bidder and have begun the permit process with the City.
- Issued an RFP for the tax credit equity syndicator and/or investor to five (5) potential investors.
- Negotiated preliminary construction and permanent financing Letters of Intent with Chase Bank
- Continuing negotiation and structuring of the financial and tax structure to maximize the debt and equity sources available to the development
- Completed a draft plan with National Black Chamber of Commerce for maximizing participation of MBE, WBE, DBE, and Section 3
- Executed a Memorandum of Understanding with the RMC memorializing the committed elements of our relationship and transaction
- Soliciting, qualifying, and evaluating national and local general contractors for the development. Began preparation of a GC bid package.

Reprocessing Application Changes

Site and Site Plan Change

As documented in Tab 18, Appendix 2, this application reflects the proposed Master Plan site configuration for Phase 1, including certification of the site change land area and mapping from The EDGE Group (Master Site Planner), we are requesting LHFA approve a Site Change to the site plan put forth in the original tax credit application of BWC. The application was filed for tax credits on the Phase 1 site including 410 units on a 34.4 acre site. After consideration with the BW Cooper Resident Management Corporation (RMC) and HANO, we would like to extend the site to include an additional 4.2 acres, a site change of approximately 12%.

This additional land area, which is contiguous to the original proposed site, includes five (5) vacant residential buildings, the prior Management Office (also vacant), the prior Day Care Center (also vacant), and the existing Maintenance Facility (operating and occupied).

The Management Office was built in 1975, sustained certain damage from the storm, and is currently vacant. It comprises approximately 4300 square feet of community space.

The Day Care Center was built in 2001, operated as a day care center until the storm, and is also currently vacant. It comprises approximately 7900 square feet of community space.

The Maintenance Facility was built in 2003, sustained certain damage from the storm, has been repaired and rehabbed, and is currently serving in its intended capacity for the residents and the RMC. This facility is approximately 5500 square feet.

The RFQ space requirement for management, maintenance, and community space in Phase 1 of the BW Cooper redevelopment included 10,100 square feet, including space for a business center with at least 17 computers, internet access, copier and fax. Given the location of these buildings, their age, the minimal damage from the storm, and the need for community space in the Phase 1 redevelopment, we believe it is in the best interest of the applicant to include these spaces in the Phase 1 site and rehab them as community space. The alternative would be to tear them down and rebuild new community space. It is our opinion this is not a cost effective or efficient alternative.

This plan for these spaces has been evaluated and approved by the RMC and has been included in the Master Plan presented by the developer to HANO, HUD, SHPO, OCD, and City Council. In addition, including this additional land in Phase 1 does not impair our obligation to provide an additional 250 units in Phase 2, which also has been included in the Master Plan.

Unit Target Set-Aside

In addition, we also request a change to the unit target set-aside as filed in the original tax credit application. Based on discussions with OCD on December 28, 2007, OCD's minimum requirement for market rate units in the mixed income community is 30%. In the tax credit application, 123 units (30%) of the 410 units for Phase 1 were asserted as market rate units. During a conversation with OCD on December 28, we learned that OCD would likely also be able to count as market rate units the 7 units set aside in the tax credit application as Housing Authority units at an AMI level of 60% to 80%, making a total of 130 units of market rate (7 units over the minimum).

In an effort to maximize the Affordable Percentage for calculation of the tax credits and the tax credit equity, we would request a unit target set aside change to reflect the following:

	As Filed	As Adjusted
Housing Authority (20% AMI or less)	136	136
Tax Credit (60% AMI or less)	144	151
Housing Authority (60-80% AMI)	7	7
Market Rate	<u>123</u>	<u>116</u>
	410	410

Maximizing the Affordable Percentage is worth approximately \$1,400,000 in equity gained back for the transaction after considering the additional changes discussed below.

Schedule Change

As documented in Tab 11, HANO had previously requested a schedule change to reflect the ability of the property under new Federal Law for the Placed in Service deadline to be extended to December 31, 2010. The schedule also reflects a construction start date of July 2008, with the first units available for occupancy in October 2009.

Source & Use Changes

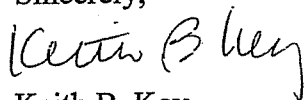
For this reprocessing application the total changes to the Source & Use for the development are well less than 1% of the total. In addition, the application includes only known changes to the Source & Use as of its filing date; there may be further changes as the development and financing process moves forward. Current changes to the Source & Use include the following:

- HANO's capital contribution to provide for payment of the ground lease was increased from \$6,400,000 to \$10,500,000. This was necessary to meet the 10% test and carryover, and was included in the accountant's opinion for the 10% test.
- Due to our ability to begin renting completed units (currently estimated to begin in October 2009), there will be cash flow available from operations of the placed-in-service units prior to completion of construction; we currently estimate this cash flow available at approximately \$594,800.
- Based on a best efforts underwriting letter from Chase Bank (Tab 19, Appendix 7), we currently anticipate the permanent Senior Note to be approximately \$9,549,500. This underwriting reflects an updated market study as of January, 2008 (Tab 22, Appendix 39). The current study found no changes in current rent levels from the prior study as of October 2006. Market rate rents in our plan have been adjusted to reflect 125% of 60% LIHTC max rents (approximately 90% of proposed market rents per the updated market study).
- Based on a best efforts underwriting letter from Chase Bank (Tab 19, Appendix 7), we currently anticipate the Construction Note to be approximately \$64,700,000. This underwriting reflects our current construction schedule, construction flow of funds, and ability to use the CDBG funding (\$27,000,000) only for housing construction.
- Based on a best efforts underwriting letter from RBC Capital Markets (Apollo Equity Partners) included in Tab 6, the total tax credit equity contribution is currently estimated at \$64,090,496. This underwriting generally reflects the following:
 - An affordable percentage adjusted to 70% from the previous 68.3% reflecting the change in unit target set aside detailed above.
 - A tax credit percentage that is now locked at 8.12%.
 - A best efforts pricing for the credits at 96 cents per credit.
- Adjustment to the insurance reserve from approximately \$4,800,000 to \$2,700,000. The reserve at this balance would still provide up to 5 years of coverage of excess property and liability insurance premiums based on current estimated premium levels in the market.

Scoring

Scoring for the application has been adjusted to 750 points from 760 points reflecting the 10-point change in "Syndication Efficiency" points related to the equity pricing reduction to 96 cents per credit.

Sincerely,



Keith B. Key
President & CEO

07/08(LFA)-024
Original

637953

Sources & Uses

Fund Sources

	\$ Amount
First Mortgage Loan Principal	\$10,118,026.00
Second Mortgage Loan Principal	\$0.00
Non-Governmental Cash Flow Notes	\$0.00
Gross Tax Credit Equity	\$69,955,099.86
Home Loan	\$0.00
CDBG Funds	\$27,000,000.00
Existing Account Balances:	
Reserve for Replacement	\$0.00
Owner Contribution:	
Deferred Developer Fee	\$0.00
Lease-Up Reserves	\$0.00
Operating Reserves	\$0.00
Other Fund Sources	
HANO Permanent Loan at AFR/HANO AHP	\$13,011,089.95
HANO Demo/Relocation Funds/Site Work	\$6,427,775.00
Other Sources Needed to Balance	\$0.00
Total Funding Sources	\$126,511,990.81

Fund Uses

	\$ Amount
Rehabilitation Hard Costs	\$0.00
Construction Hard Costs	\$66,075,006.00
Total Soft Costs	\$27,014,036.53
Acquisition Costs:	
Land Only	
Buildings Only	\$0.00
Ground Lease	\$8,100,000.00
Other Fund Uses NOT in Basis	
Demolition	\$3,734,089.00
Infrastructure w/ Contingency	\$18,370,431.28
Total Development Costs	\$123,293,562.81
Excess Syndication Costs Paid by Developer	\$0.00
Initial Operating Deficit Reserve	\$0.00
Initial Deposit to Replacement Reserve	\$0.00
Other Fund Uses	
Lease-up Reserve	\$655,356.00
Operating Reserve (capitalized)	\$1,310,713.00
Debt Service Reserve	\$815,375.00
ACC Subsidy Reserve	\$436,984.00
Total Use of Funds	\$126,511,990.81

Other Non-Fundable Costs

1: Permanent Loan Fees	\$291,180.00
2:	\$0.00
3:	\$0.00
4:	\$0.00

Sources & Uses Comments:

Soft Costs

	\$ Amount
Architect's Fee - Design	\$3,264,499.00
Architect's Fee - Supervisory	\$326,450.00
Interest During Construction	\$3,975,697.00
Taxes	\$0.00
Insurance	\$4,769,109.00
FHA Mortgage Insurance Premium	\$0.00
Examination Fee	\$0.00
Inspection Fee	\$0.00
Financing Fee	\$0.00
Title and Recording	\$0.00
Taxpayer Closing Costs	\$205,000.00
Organization	\$0.00
Cost Certification Audit Fee	\$30,000.00
Application and Tax Credit Fees	\$332,230.00
Relocation Expenses	\$180,279.00
Developer Fee (Including All Consultant Fees and Contingency FEES)	\$10,926,687.53
LHFA Third Party HOME Costs	\$0.00
Lender Legal	\$0.00
Origination Fee (Construction)	\$608,746.00
Taxpayer Counsel	\$205,000.00
Survey	\$328,000.00
Audit Fees	\$0.00
Other Costs:	
Title Insurance	\$410,000.00
Market Study	\$10,000.00
Environmental Phase I	\$20,000.00
Other Costs:	
Architectural Contingency	\$295,589.00
Marketing	\$30,000.00
Materials Testing	\$276,750.00
Permits and Water Meters	\$820,000.00
Permanent Finance Cost	\$0.00
Total Fundable Soft Costs:	\$27,014,036.53

Total Fundable Soft Costs:

5:	\$0.00
6:	\$0.00
7:	\$0.00
8:	\$0.00
Total:	\$291,180.00

Reprocess

1087297

Sources & Uses

Fund Sources

	\$ Amount
First Mortgage Loan Principal	\$9,549,491.00
Second Mortgage Loan Principal	\$13,011,090.00
Non-Governmental Cash Flow Notes	\$0.00
Gross Tax Credit Equity	\$64,090,496.00
Home Loan	\$0.00
CDBG Funds	\$27,000,000.00
Existing Account Balances:	
Reserve for Replacement	\$0.00
Owner Contribution:	
Deferred Developer Fee	\$1,906,920.00
Lease-Up Reserves	\$0.00
Operating Reserves	\$0.00
Other Fund Sources	
Cash from Operations during Construction	\$594,797.00
HANO Demo/Relocation Funds/Site Work	\$10,500,000.00
Other Sources Needed to Balance	\$0.00
Total Funding Sources	\$126,652,794.00

Sources & Uses Comments:

Soft Costs

	\$ Amount
Architect's Fee - Design	\$3,264,499.00
Architect's Fee - Supervisory	\$326,450.00
Interest During Construction	\$3,975,697.00
Taxes	\$0.00
Insurance	\$2,735,900.00
FHA Mortgage Insurance Premium	\$0.00
Examination Fee	\$0.00
Inspection Fee	\$0.00
Financing Fee	\$0.00
Title and Recording	\$0.00
Taxpayer Closing Costs	\$205,000.00
Organization	\$0.00
Cost Certification Audit Fee	\$30,000.00
Application and Tax Credit Fees	\$332,230.00
Relocation Expenses	\$180,279.00
Developer Fee (Including All Consultant Fees and Contingency FEES)	\$10,700,700.00
LHFA Third Party HOME Costs	\$0.00
Lender Legal	\$0.00
Origination Fee (Construction)	\$608,746.00
Taxpayer Counsel	\$205,000.00
Survey	\$328,000.00
Audit Fees	\$0.00
Other Costs:	
Title Insurance	\$410,000.00
Market Study	\$10,000.00
Environmental/GeoTech	\$20,000.00
Architectural Contingency	\$295,589.00
Marketing	\$30,000.00
Materials Testing	\$276,750.00
Permits and Water Meters	\$820,000.00
Permanent Finance Cost	\$0.00
Total Fundable Soft Costs:	\$24,754,840.00

Fund Uses

	\$ Amount
Rehabilitation Hard Costs	\$0.00
Construction Hard Costs	\$66,075,006.00
Total Soft Costs	\$24,754,840.00
Acquisition Costs:	
Land Only	\$0.00
Buildings Only	\$0.00
Ground Lease	\$10,500,000.00
Other Fund Uses NOT in Basis	
Demolition	\$3,734,089.00
Infrastructure w/ Contingency	\$18,370,431.00
Total Development Costs	\$123,434,366.00
Excess Syndication Costs Paid by Developer	\$0.00
Initial Operating Deficit Reserve	\$0.00
Initial Deposit to Replacement Reserve	\$0.00
Other Fund Uses	
Lease-up Reserve	\$655,356.00
Operating Reserve (capitalized)	\$1,310,713.00
MBE/WBE/Section 3 Consultant	\$815,375.00
ACC Subsidy Reserve	\$436,984.00
Total Use of Funds	\$126,652,794.00

Other Non-Fundable Costs

1. Permanent Loan Fees	\$291,180.00
2.	\$0.00
3.	\$0.00
4.	\$0.00

5.	\$0.00
6.	\$0.00
7.	\$0.00
8.	\$0.00
Total:	\$291,180.00

Original

637953

APPENDIX 2

SITE CONTROL WORKSHEET

I. Applicant must have control of the site and existing building(s) if any.

A. Please indicate the method of site control:

<input type="checkbox"/>	Purchase (please complete Section B below)
<input type="checkbox"/>	Option to Purchase (please complete Section C below)
<input checked="" type="checkbox"/>	Lease (please complete Section D below)

B. Purchase Information

Purchase Price:	<input type="text"/>
To be Paid:	<input type="text"/>
Total Cost:	\$0
Outstanding Balance:	<input type="text"/>

Site Area:	<input type="text"/>	Square Feet
Cost/S.F.:	\$0.00	
Date of Purchase:	<input type="text"/>	

C. Option Information

Option Price:	<input type="text"/>
To be Paid:	<input type="text"/>
Total Cost:	\$0
Outstanding Balance:	<input type="text"/>

Site Area:	<input type="text"/>	Square Feet
Cost/S.F.:	\$0.00	
Date of Option:	<input type="text"/>	

D. Lease Information

Amount Paid for Leasehold Interest:	\$8,100,000
Annual Ground Rent:	\$10 *
Lease Term:	99 years
Remaining Years:	99 years
Site Area:	1,339,906 Square Feet
Cost/S.F.:	\$6.05
Date of Lease:	18-Oct-06

* You must include Annual Ground Rent as a Miscellaneous Expense under Uses of Funds.

E. Attached to and made a part hereof are copies of the site control documents.

II. Complete this section if applicant does not have control of the site and existing building(s) if any.

A. What is the estimated Purchase Price for the site?

B. Provide the following information about the current legal owner:

Name	Housing Authority of New Orleans	State	LA	Zip	70122
Address	4100 Touro Street				
City	New Orleans	Fax	<input type="text"/>		
Telephone	(504) 670-3030				

III. Attached to and made a part hereof is a legal description of each parcel of land.

Reprocessed

SITE CONTROL WORKSHEET

I. Applicant must have control of the site and existing building(s) if any.

A. Please indicate the method of site control:

- Purchase (please complete Section B below)
- Option to Purchase (please complete Section C below)
- Lease (please complete Section D below)

B. Purchase Information

Purchase Price:

To be Paid:

Total Cost:

Outstanding Balance:

Site Area: Square Feet

Cost/S.F.:

Date of Purchase:

C. Option Information

Option Price:

To be Paid:

Total Cost:

Outstanding Balance:

Site Area: Square Feet

Cost/S.F.:

Date of Option:

D. Lease Information

Amount Paid for Leasehold Interest:

Annual Ground Rent: *

Lease Term: years

Remaining Years: years

Site Area: Square Feet

Cost/S.F.:

Date of Lease:

* You must include Annual Ground Rent as a Miscellaneous Expense under Uses of Funds.

E. Attached to and made a part hereof are copies of the site control documents.

II. Complete this section if applicant does not have control of the site and existing building(s) if any.

A. What is the estimated Purchase Price for the site?

B. Provide the following information about the current legal owner:

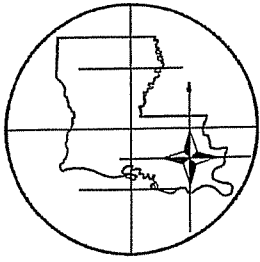
Name

Address

City State Zip

Telephone Fax

III. Attached to and made a part hereof is a legal description of each parcel of land.



KREBS

R.W. Krebs, LLC

Professional Land Surveying

P.O. Box 8641 • Metairie, Louisiana 70011-8641

local: (504)889-9616 fax: (504) 889-0916 toll free: (877)837-9014

Latitude: 30°01'05.01"N
Longitude: 090°11'20.32"W

email: richmondk@krebssurvey.com

B. W. COOPER HOUSING PROJECT LEASE AREA

SQUARE 432, 447, 507, 508 AND 510

A CERTAIN PIECE OR PORTION OF GROUND SITUATED IN THE STATE OF LOUISIANA, CITY OF NEW ORLEANS, ORLEANS PARISH, FIRST DISTRICT, BOUNDED BY ERATO ST., SOUTH PRIEUR ST., SOUTH GALVEZ ST., AND MARTIN LUTHER KING BOULEVARD, DESIGNATED AS SQUARES 432, 447, 507, 508 AND 510 AND MORE FULLY DESCRIBED AS FOLLOWS:

BEGIN AT THE INTERSECTION OF THE EASTERLY RIGHT OF WAY LINE OF SOUTH GALVEZ STREET AND THE SOUTHERLY RIGHT OF WAY LINE OF ERATO STREET, A POINT, THE POINT OF BEGINNING. MEASURE THENCE ALONG SAID SOUTHERLY LINE ON AN INTERIOR ANGLE OF 90°00'00" A DISTANCE OF 611 FEET 6 INCH AND 3 LINES TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF SOUTH PRIEUR STREET; THENCE ALONG SAID WESTERLY LINE ON AN INTERIOR ANGLE OF 90°00'00" A DISTANCE OF 524 FEET 3 INCHES AND 3 LINES TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF MARTIN LUTHER KING BOULEVARD; THENCE ALONG SAID NORTHERLY LINE ON AN INTERIOR ANGLE OF 90°00'00" A DISTANCE OF 611 FEET 6 INCH AND 3 LINES TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF SOUTH GALVEZ STREET; THENCE ALONG SAID EASTERLY LINE ON AN INTERIOR ANGLE OF 90°00'00" A DISTANCE OF 524 FEET 3 INCHES AND 3 LINES TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF ERATO STREET, THE POINT OF BEGINNING.

SQUARE 449, 462 – 465, 477, 478, 538 AND 537

A CERTAIN PIECE OR PORTION OF GROUND SITUATED IN THE STATE OF LOUISIANA, CITY OF NEW ORLEANS, ORLEANS PARISH, FIRST DISTRICT, BOUNDED BY ERATO STREET, SOUTH GALVEZ STREET, SOUTH DORGENOIS STREET, AND MARTIN LUTHER KING BOULEVARD, DESIGNATED AS SQUARE 506 AND MORE FULLY DESCRIBED AS FOLLOWS:

BEGIN AT THE INTERSECTION OF THE EASTERLY RIGHT OF WAY LINE OF SOUTH DORGENOIS STREET AND THE SOUTHERLY RIGHT OF WAY LINE OF ERATO STREET, A POINT, THE POINT OF BEGINNING. MEASURE THENCE ALONG SAID SOUTHERLY LINE ON AN INTERIOR ANGLE OF 90°00'00" A DISTANCE OF 1330 FEET 3 INCH AND 2 LINES TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF SOUTH GALVEZ STREET; THENCE ALONG SAID WESTERLY LINE ON AN INTERIOR ANGLE OF 90°00'00" A DISTANCE OF 524 FEET 3 INCHES AND 3 LINES TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF

MARTIN LUTHER KING BOULEVARD; THENCE ALONG SAID NORTHERLY LINE ON AN INTERIOR ANGLE OF 90°00'00" A DISTANCE OF 1330 FEET 3 INCH AND 3 LINES TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF SOUTH DORGENOIS STREET; THENCE ALONG SAID EASTERLY LINE ON AN INTERIOR ANGLE OF 90°00'00" A DISTANCE OF 524 FEET 3 INCHES AND 3 LINES TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF ERATO STREET, THE POINT OF BEGINNING.

→ Added and
SQUARE 539, 540, 565, 566, 568, 569, 592 AND 593

A CERTAIN PIECE OR PORTION OF GROUND SITUATED IN THE STATE OF LOUISIANA, CITY OF NEW ORLEANS, ORLEANS PARISH, FIRST DISTRICT, BOUNDED BY ERATO STREET, SOUTH MIRO STREET, EARHART BOULEVARD, AND SOUTH BROAD STREETS, DESIGNATED AS SQUARES 539, 540, 565, 566, 568, 569, 592 AND 593 AND MORE FULLY DESCRIBED AS FOLLOWS:

BEGIN AT THE INTERSECTION OF THE NORTHERLY RIGHT OF WAY LINE OF ERATO STREET AND THE EASTERLY RIGHT OF WAY LINE OF SOUTH DORGENOIS STREET, A POINT, THE POINT OF BEGINNING. MEASURE THENCE ALONG SAID EASTERLY LINE ON AN INTERIOR ANGLE OF 90°00'00" A DISTANCE OF 169 FEET 0 INCHES AND 6 LINES TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF CLIO PLACE; THENCE ALONG SAID NORTHERLY LINE ON AN INTERIOR ANGLE OF 252°22'46" A DISTANCE OF 189 FEET 6 INCHES AND 5 LINES TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF CLIO PLACE; THENCE IN A NORTHERLY DIRECTION ON AN INTERIOR ANGLE OF 107°36'20" A DISTANCE OF 210 FEET 6 INCHES AND 0 LINES TO A POINT; THENCE ON AN INTERIOR ANGLE OF 205°20'22" A DISTANCE OF 88 FEET 6 INCHES AND 5 LINES TO A POINT; THENCE ON AN INTERIOR ANGLE OF 154°34'59" A DISTANCE OF 99 FEET 6 INCHES AND 3 LINES TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF EARHART BOULEVARD; THENCE ALONG SAID NORTHERLY LINE ON AN INTERIOR ANGLE OF 90°00'00" A DISTANCE OF 1223 FEET 7 INCHES AND 5 LINES TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF EARHART BOULEVARD; THENCE IN A SOUTHERLY DIRECTION ON AN INTERIOR ANGLE OF 90°00'00" A DISTANCE OF 53 FEET 5 INCHES AND 2 LINES TO A POINT; THENCE ON AN INTERIOR ANGLE OF 127°39'50" A DISTANCE OF 105 FEET 8 INCHES AND 3 LINES TO A POINT; THENCE ON AN INTERIOR ANGLE OF 232°19'16" A DISTANCE OF 354 FEET 10 INCHES AND 4 LINES TO A POINT; THENCE ON AN INTERIOR ANGLE OF 238°35'23" A DISTANCE OF 183 FEET 11 INCHES AND 6 LINES TO A POINT; THENCE ON AN INTERIOR ANGLE OF 121°25'31" A DISTANCE OF 47 FEET 9 INCHES AND 6 LINES TO A POINT ON THE NORTHERLY RIGHT OF WAY LINE OF ERATO; THENCE ON AN INTERIOR ANGLE OF 90°00'00" A DISTANCE OF 1079 FEET 0 INCHES AND 7 LINES TO A POINT; THE POINT OF BEGINNING.

LESS AND EXCEPT

THE ABOVE DESCRIBED PROPERTIES ARE SUBJECT TO A LESS AND EXCEPT OF ANY RIGHT OF WAYS OWNED OR MAINTAINED BY THE CITY OF NEW ORLEANS.

CJ Peete III 07/08(FA)-25

- Developer would like to combine CJ Peete I and III into one project
- CJ Peete I have been awarded in the 2006 2nd funding round with \$1,113,323 in 9% tax credits. The project has 25 building with 50 units and 40% of the residents at 60% or less AMI.
- To combine the two projects will increase the number of units from 410 to 460. 83 one-bedroom, 138 two-bedroom, 193 three-bedroom, and 46 four-bedroom units.
- The project will continue to be mixed income, which will include 186 public housing units, 144 tax credit units, 130 market rate units, and 7 public housing households earning above 60% AMI units. The developer is adding a for sale component.
- The project is requesting additional tax credits for a total of \$8,125,700. Previous award amount was \$7,340,542. Developer notes previous award amount as \$7,012,377 and states the project is not requesting additional credits, just the total from both projects.
- The entire development team has changed (see attached)
- Selection criteria changes are as follows:
 - o Design Features- removed "Project will have brick/stucco exterior" and "Project will have storm windows" 10 points each.
 - o Sponsorship characteristics- removed "Contact person listed in application attended Agency sponsored Workshop" 10 points
 - o Leverage and other Considerations- Changed points from 15 to 20 points for "7% or more of total project development cost reduction"
 - o Leverage and other Considerations- Changed points from 15 to 10 points for "Ratio of Project's Intermediary Cost to Development Costs- more than 15% but less than 20%"
 - o Leverage and other Considerations- Changed points from 50 to 40 points for "Syndication Efficiency- \$9.01 to \$10.00"
 - o Total points for project are 840.

LHFA LIHTC Reprocessing Executive Summary

Introduction

The purpose of this executive summary is to outline the program for the redevelopment of the C.J. Peete site into a new mixed-income community and identify the changes from the original Low Income Housing Tax Credit (LIHTC) applications for Peete I and Peete III that are addressed in this reprocessing application to the Louisiana Housing Finance Agency (LHFA). The programmatic changes identified below influenced areas throughout the application, which includes updated sections. In addition, the reprocessing application includes updates to the market study, financial commitments, letters of support, and community notice, which expired since the initial application. These changes are proposed by Central City Partners, LLC (CCP), whose members are McCormack Baron Salazar (MBS), KAI Design & Build (KAI), and the New Orleans Neighborhood Development Collaborative (NONDC), who were selected as the master developer to redevelop C.J. Peete by the Housing Authority of New Orleans (HANO).

Development Team

Central City Partners (CCP), a joint venture made up of the Peete Redevelopment LLC between McCormack Baron Salazar (MBS) and KAI Design and Build (KAI); with the New Orleans Neighborhood Development Collaborative (NONDC) was selected by the Housing Authority of New Orleans (HANO) to redevelop the C.J. Peete Public Housing Development into a new mixed-income community of 460 multifamily-rental garden apartments and townhouses. C.J. Peete presents a rare opportunity to build an entirely new community in the Central City neighborhood with the greater community and HANO that will create catalytic neighborhood change with the redevelopment of the local schools and scattered site projects throughout the Central City neighborhood.

Reconnecting the Central City Neighborhood

The redevelopment of the C.J. Peete public housing site into a mixed-income community is a crucial component of reconnecting public housing and public housing residents to the greater Central City neighborhood. As part of an overall development implementation plan driven by public housing and other neighborhood residents, CCP with HANO, and the City of New Orleans; the Central City neighborhood will undergo a revitalization where families and individuals of all income levels will live together and build community. This comprehensive plan will include the redevelopment of C.J. Peete, new schools for public housing and other community residents, the acquisition and development of scattered site properties throughout the neighborhood, and connect children and families to supportive services.

C.J. Peete Onsite Rental

The C.J. Peete Onsite Rental Phase will include 460 mixed-income townhouses and garden units. This includes 186 public housing-LIHTC units, 144 LIHTC units, 130 market rate units, and 7 units for public housing households earning above 60% AMI. Public housing units, tax credit units and market rate units will be interspersed throughout the site. Each rental-type will have the same amenities and be indistinguishable.

Central City Schools

CCP has identified the redevelopment of Thomy Lafon Elementary School as a necessary component of the C.J. Peete redevelopment program. Over the last two years, McCormack Baron Salazar was allocated \$120 million in New Markets Tax Credits that can be used as a component of a financing strategy for the development of Lafon. Programming for the new community school will include an arts-based curriculum, community health clinic, job training classes and a neighborhood YMCA.

Central City Acquisition and Scattered Site Development

In addition to redeveloping the public housing site and neighborhood schools, CCP is redeveloping scattered site properties throughout the Central City neighborhood for homeownership opportunities and acquire strategic commercial properties as part of the comprehensive neighborhood revitalization. The commercial strategy will focus on the support of quality retail development along the Claiborne Corridor, targeted by the City Council and Office of Recovery Management as a redevelopment priority for the Central City neighborhood.

Site Design

The proposed design of the site aims to create a mixed-income community as defined by the State of Louisiana that

- maximizes the entire site while maintaining low density
- offers community, recreation and educational facilities for residents and the surrounding neighborhood
- provides rental and for-sale opportunities
- can be developed efficiently and cost-effectively

Reprocessing Changes

To create such a community will require changes to be approved by the LHFA. We understand the LHFA will have to make an internal policy decision on the proposed changes, which we consider project enhancements. MBS is available and look forward to discussing these changes with the LHFA.

Proposed changes include:

1. Combining the Peete I and Peete III projects into a single project and adding the for-sale component of the development for mixed-income consideration
2. Admitting Peete Redevelopment, LLC as a co-managing member of the ownership entity with Place D'Genesis and Central City Partners, LLC as the developer
3. Admitting McCormack Baron Ragan as the Property Manager
4. Changing the unit mix and unit sizes
5. Rehabilitating the administration/maintenance building
6. Rehabilitating the community center
7. Development of Thomy Lafon Elementary, YMCA, Health Clinic
8. Other Application Notes and Changes

1. Combining Peete I, Peete III, and Homeownership

C.J. Peete I was awarded \$1,113,323 in annual 9% LIHTC under the PHA pool in the 2006 second round of GO Zone tax credit allocations. This phase includes 50 total units of ACC/LIHTC units and project based HCV/LIHTC units. Keeping with the principles of developing a revitalized mixed-income community on the C.J. Peete site, CCP proposes combining the mixed-income 410-unit Peete III phase (awarded \$7,012,377 in the 2007/08 GO Zone credits mixed-income pool) with Peete I.

Combining the two projects will allow the entire site to be developed as a mixed-income community without isolating fifty 100%-affordable Peete I units into a segregated portion of the site. In addition, combining the two phases will streamline the development and construction process. A single project allows for the tracking of one schedule, creates a single closing, requires a single ownership entity, and eliminates the challenges of potentially having more than one LIHTC investor on the site. The new combined site is identified in a legal description in the reprocessing application.

To insure the combined C.J. Peete rental program meets the mixed-income requirements of the pool in which C.J. Peete III was awarded credits and the requirements of the piggy-back program from OCD, without changing the rental program approved by LHFA for the 2 phases, CCP is including 12 homeownership units in the reprocessing application. All for sale units are located in C.J. Peete's Central City neighborhood. The addresses of these units are below:

- 1523 Freret Street
- 1527 Freret Street
- 2331 Terpsichore Street
- 1527 Baronne Street
- 2114 Freret Street
- 2419 Terpsichore Street
- 1605 South Liberty Street
- 1616 South Liberty Street
- 1826 S. Rampart Street
- 2710 St. Andrew Street
- 2714 St. Andrew Street
- 2001 Magnolia Street

The proposed C.J. Peete program is 472 units of housing. This includes 186 public housing-LIHTC rental units, 144 LIHTC-only rental units, 130 rental units for households earning above 60% AMI, and 12 for sale units for households earning above 60% AMI.

The public housing units are tiered to respond to the requirements of both the LHFA and OCD. In response to criteria in the LIHTC application, 10% of the total units are reserved for households earning up to 20% AMI and 10% of the total units are reserved for households earning between 20% and 30% AMI. To fit the guidelines of OCD, only 157 of the public housing-LIHTC units will be reserved for households earning below

40% AMI. The remaining 29 public housing-LIHTC units are reserved for households earning between 40% - 60% AMI. See table below.

C.J. Peete III Proposed Rental Program

	1 BR	2 BR	3 BR	4 BR	Total
Up to 20% AMI (ACC/LIHTC)	8	14	20	6	48
20% - 30% AMI (ACC/LIHTC)	8	14	20	6	48
Up to 40% AMI (ACC/LIHTC)	0	26	32	3	61
40% - 60% AMI (ACC/LIHTC)	3	10	13	3	29
40% - 60% AMI (LIHTC ONLY)	38	35	55	16	144
Market	26	39	53	12	130
Total	83	138	193	46	460

Through an income tier of the public housing units and inclusion of the for sale program, the proposed C.J. Peete program fits the guidelines of the OCD piggyback program without making changes to the LIHTC program. The table below summarizes the total income mix.

C.J. Peete III Proposed Program

	Total Units	Percentage of Units
Up to 40% AMI	157	33%
40% - 60% AMI	173	37%
Above 60% AMI	142	30%
Total	472	100%

This program meets the LHFA requirement that more than 30% of units are reserved for households earning above 60% AMI, and the OCD requirement that no more than 33% of units are made available for households earning below 40% AMI.

2. Peete Redevelopment, LLC as a Co-managing Member of the Ownership Entity with Place D'Genesis and Central City Partners as the Developer

The 2006 and 2007 awards were given to C.J. Peete I, LLC and C.J. Peete III, LLC, respectively. The managing member of both of those entities was Lune D'Or Enterprises, LLC. With our reprocessing application, we request that the single combined award be granted to C.J. Peete III, LLC. The reprocessing application includes unexecuted drafts of the amended and restated articles of organization and operating agreement for C.J. Peete III, LLC. These documents will be executed after written approval from LHFA.

CCP was procured by HANO as the developer of C.J. Peete. The reprocessing application includes a draft development services agreement that replaces Crescent Affordable Housing Corporation with CCP as the developer of the project.

3. Admitting McCormack Baron Ragan as the Property Manager

McCormack Baron Ragan (MBR), an affiliate of McCormack Baron Salazar, will serve as the management agent for the C. J. Peete redevelopment. MBR is a full service management company. MBR has established a portfolio of approximately 15,000 rental units in 18 states including over ten HUD mixed-finance/mixed-income developments. A

LIHTC training certificate of an MBR staff member is included in the application as evidence of the scoring criteria.

4. Rehabilitating One Existing Residential Building into Apartments

The MOA executed by HANO with the State Historic Preservation Office (SHPO) requires the rehabilitation of the existing residential building located on Freret St. at Louisiana adjacent to the administration/maintenance building. The residential building will include ten two-bedroom townhouses. LHFA will have to approve the change of ten two-bedroom new construction units into ten two-bedroom rehab units. The hard cost for these units is less than 5% of the total development hard costs and is represented in the "Rehabilitation Costs" line item in the "New Construction Development Costs" application budget. A \$600,000 acquisition cost is included for an acquisition credits.

5. Rehabilitating the Administration/Maintenance Building

The MOA with the SHPO requires the rehabilitation of the existing administrative/maintenance building. CCP proposes to use a portion of the 5,100 square foot rehabbed building to display the history of the C.J. Peete development (required by SPHO MOA); the balance of the building will be used for office space, and property management maintenance and storage.

6. Rehabilitating the Community Center

CCP proposes rehabbing the existing 11,000 square foot community center per the request by the former C.J. Peete residents during the community design charrette and recommended in the MOA with the SHPO. The community center will house case management services, the C.J. Peete Resident Council, Neighborhood Networks, a technology center, team recreation programs, after school tutoring, social activities and community events. It is the preference of the C.J. Peete residents to use this structure as the community facility outlined in the initial Peete applications.

7. Development of Thomy Lafon Elementary, YMCA, Health Clinic

In addition to the community facilities to be developed under the C.J. Peete redevelopment program, CCP is working with the Recovery School District and Orleans Parish School Board to redevelop the vacant Thomy Lafon Elementary School that sits in the center of the Peete redevelopment site. MBS has proposed New Markets Tax Credits as leverage to the redevelopment of the 47,000 sq. ft. pre-k through 8th grade school that will include a community health clinic and shared facilities with a 25,000 sq. ft. YMCA. The local YMCA has committed to raise funds for the project. These facilities will be available as families move into the development and will serve as the anchor community amenities for the neighborhood.

8. Other Application Notes and Changes

- Applicant is not requesting additional credits and developer fee is the sum of LHFA approved developer fees from Peete I and III

- Project has less conventional debt than previous application to fund insurance escrow from operating revenue
- The project schedule is a combination of the Peete I and Peete III schedules approved by LHFA

Summary

The above recommended changes to the redevelopment of C.J. Peete are enhancements to the original program. These changes include an integrated mixed-income site, a streamlined development process, more efficient units, and additional community facilities without changing the income mix and number of units proposed in the original tax credit application submissions.

Original

114#648

Development Team

Please identify each development team member.

Managing Member/GP: Lune d'Or Enterprises

Contact: Shelley Smith Phone: (504) 670-3456

E-Mail Address: ssmith@hano.org Fax: (504) 286-8229

Fiscal Member/Partner: _____

Contact: _____ Phone: _____

Syndicator: Apollo Financial, Inc

Contact: David Urban Phone: (216) 875-2626

Attorney: Ballard Spahr Andrews & Ingersoll, LLP

Contact: Paul K. Casey, Esq Phone: (410) 528-5694

Accountant: _____

Contact: _____ Phone: _____

Construction Mortgage Lender: Chase Bank

Contact: Pauline Allen Phone: (713) 751-3805

Permanent Mortgage Lender: Chase Bank

Contact: Pauline Allen Phone: (713) 751-3805

Management Co.: Alpha Barnes Real Estate Services

Contact: Theodore Jefferson Phone: (972) 643-3240

Builder / Contractor: To be determined

Contact: _____ Phone: _____

Updated
Reprocessed

1357973

Development Team

Please identify each development team member.

Managing Member/GP: Pete Redevelopment LLC and Place D'Genesis

Contact: Vincent R. Bennett Phone: (314) 621-3400

E-Mail Address: vince.bennett@mccormackbaron.com Fax: (314) 335-2927

Fiscal Member/Partner: _____

Contact: _____ Phone: _____

Syndicator: SunAmerica Affordable Housing Partners
1999 Avenue of the Stars, Century City, Los Angeles, CA 90067

Contact: Michael Fowler Phone: (310) 772-6553

Attorney: Rosenblum Goldenbersh Silverstein and Zafft
7733 Forsyth, St. Louis, MO 63105

Contact: Carl Lang Phone: (314) 726-6868

Accountant: Rubin Brown
1 North Brentwood, St. Louis, MO 63105

Contact: Bryan Keller Phone: (314) 290-3341

Construction Mortgage Lender: SunAmerica/AIG
1999 Avenue of the Stars, Century City, Los Angeles, CA 90067

Contact: Michael Fowler Phone: (310) 772-6553

Permanent Mortgage Lender: SunAmerica/AIG
1999 Avenue of the Stars, Century City, Los Angeles, CA 90067

Contact: Michael Fowler Phone: (310) 772-6553

Management Co.: McCormack Baron Ragan Management Co.
1415 Olive Street, St. Louis, MO

Contact: Alan Ragan Phone: (314) 421-1160

Builder / Contractor: To be determined

Contact: _____ Phone: _____

Sources & Uses

Fund Sources

	\$ Amount
First Mortgage Loan Principal	\$0.00
Second Mortgage Loan Principal	\$0.00
Non-Governmental Cash Flow Notes	\$0.00
Gross Tax Credit Equity	\$12,623,737.50
Home Loan	\$0.00
Other Subsidized Government Financing	\$0.00
Existing Account Balances:	
Reserve for Replacement	\$0.00
Owner Contribution:	
Deferred Developer Fee	\$0.00
Lease-Up Reserves	\$0.00
Operating Reserves	\$0.00
Other Fund Sources	
1. HANO Loan	\$1,872,945.50
2.	\$0.00
3.	\$0.00
4.	\$0.00
5.	\$0.00
Other Sources Needed to Balance	\$0.00
Total Funding Sources	\$14,496,683.00

Sources & Uses Comments:

Soft Costs

	\$ Amount
Architect's Fee - Design	\$453,040.00
Architect's Fee - Supervisory	\$0.00
Interest During Construction	\$72,000.00
Taxes	\$10,000.00
Insurance	\$10,000.00
Mortgage Insurance Premium	\$0.00
Examination Fee	\$0.00
Inspection Fee	\$0.00
Financing Fee	\$0.00
Title and Recording	\$10,000.00
Closing Costs and Legal Fees	\$100,000.00
Organization	\$0.00
Cost Certification Audit Fee	\$0.00
Application and Tax Credit Fees	\$72,500.00
Relocation Expenses	\$0.00
Contingency Fee	\$24,652.00
Developer Fee	\$1,448,077.00
Consultant Fees	\$0.00
LHFA Third Party HOME Costs	\$0.00
Lender Legal	\$10,000.00
Origination Fee	\$5,000.00
Borrower's Counsel	\$0.00
Survey	\$40,000.00
Accounting Fees	\$20,000.00
Other	\$10,000.00
Title Insurance	\$50,000.00
Market Study	\$3,000.00
Environmental Phase I	\$10,000.00
Soft Cost Contingency	\$53,841.00
Financial Advisor	\$100,000.00
Marketing	\$10,000.00
Materials Testing	\$33,750.00
Permits and Water Meters	\$100,000.00
Insurance (project)	\$400,562.00
Total:	\$3,046,422.00

Fund Uses

	\$ Amount
Rehabilitation Costs	\$0.00
Development Costs (Hard Costs)	\$10,518,959.00
Total Soft Costs	\$3,046,422.00
Acquisition	
Cost of Land Only	\$0.00
Cost of Buildings Only	\$0.00
Cost of Other	\$600,000.00
Other Fund Uses	
1.	\$0.00
2.	\$0.00
Total Development Costs	\$14,165,381.00
Syndication Costs Paid by Developer	\$0.00
Initial Operating Deficit Reserve	\$0.00
Initial Deposit to Replacement Reserve	\$0.00
Other Fund Uses	
1. Lease-up Reserve	\$92,200.00
2. Operating Reserve	\$92,200.00
3. ACC Subsidy Reserve	\$146,902.00
4.	\$0.00
Total Use of Funds	\$14,496,683.00

Sources & Uses

11-416-18

Fund Sources

	\$ Amount
First Mortgage Loan Principal	\$10,118,026.00
Second Mortgage Loan Principal	\$0.00
Non-Governmental Cash Flow Notes	\$0.00
Gross Tax Credit Equity	\$73,471,478.78
Home Loan	\$0.00
CDBG Funds	\$27,000,000.00
Existing Account Balances:	
Reserve for Replacement	\$0.00
Owner Contribution:	
Deferred Developer Fee	\$0.00
Lease-Up Reserves	\$0.00
Operating Reserves	\$0.00
Other Fund Sources	
	\$0.00
HANO Permanent Loan at AFR/HANO AHP	\$12,679,515.01
HANO Demo/Relocation Funds/Site Work	\$5,642,080.00
	\$0.00
	\$0.00
Other Sources Needed to Balance	\$0.00
Total Funding Sources	\$128,911,099.79

Sources & Uses Comments:

Soft Costs

	\$ Amount
Architect's Fee - Design	\$3,263,371.00
Architect's Fee - Supervisory	\$326,337.00
Interest During Construction	\$4,176,498.00
Taxes	\$0.00
Insurance	\$4,864,582.00
FHA Mortgage Insurance Premium	\$0.00
Examination Fee	\$0.00
Inspection Fee	\$0.00
Financing Fee	\$0.00
Title and Recording	\$0.00
Taxpayer Closing Costs	\$205,000.00
Organization	\$0.00
Cost Certification Audit Fee	\$30,000.00
Application and Tax Credit Fees	\$333,465.00
Relocation Expenses	\$180,279.00
Developer Fee (Including All Consultant Fees and Contingency FEES)	
LHFA Third Party HOME Costs	\$0.00
Lender Legal	\$0.00
Origination Fee (Construction)	\$639,492.00
Taxpayer Counsel	\$205,000.00
Survey	\$328,000.00
Audit Fees	\$0.00
Other Costs:	
Title insurance	\$410,000.00
Market study	\$10,000.00
Environmental Phase I	\$20,000.00
Other Costs:	\$0.00
Architectural Contingency	\$295,487.00
Marketing	\$30,000.00
Materials tsetting	\$276,750.00
Permits and water meters	\$820,000.00
Permanent Financing Cost:	\$0.00
Total Fundable Soft Costs:	\$27,522,684.80

Fund Uses

	\$ Amount
Rehabilitation Hard Costs	\$0.00
Construction Hard Costs	\$66,052,442.00
Total Soft Costs	\$27,522,684.80
Acquisition Costs:	
Land Only	\$0.00
Buildings Only	\$0.00
Ground Lease	\$8,500,000.00
Other Fund Uses NOT in Basis	
Demolition	\$2,948,394.00
Infrastructure w/ Contingency	\$20,669,150.99
Total Development Costs	\$125,692,671.79
Excess Syndication Costs Paid by Developer	\$0.00
Initial Operating Deficit Reserve	\$0.00
Initial Deposit to Replacement Reserve	\$0.00
Other Fund Uses	
Lease-up reserve	\$655,356.00
Operating res. (capitalized)	\$1,310,713.00
ACC subsidy reserve	\$436,984.00
Debt Service Reserve	\$815,375.00
Total Use of Funds	\$128,911,099.79

Other Non-Fundable Costs

1: Permanent Loan Fees	\$291,180.00
2:	\$0.00
3:	\$0.00
4:	\$0.00

5:	\$0.00
6:	\$0.00
7:	\$0.00
8:	\$0.00
Total:	\$291,180.00

Reprocessing

Sources & Uses

Fund Sources

	\$ Amount
First Mortgage Loan Principal	\$1,997,000.00
Second Mortgage Loan Principal	\$0.00
Non-Governmental Cash Flow Notes	\$0.00
Gross Tax Credit Equity	\$80,370,996.25
Home Loan	\$0.00
CDBG Funds	\$27,000,000.00
Existing Account Balances:	
Reserve for Replacement	\$0.00
Owner Contribution:	
Deferred Developer Fee	\$0.00
Lease-Up Reserves	\$0.00
Operating Reserves	\$0.00
Other Fund Sources	
HANO Permanent Loan at AFR	\$9,173,000.00
HANO Acquisition Loan at 0%	\$11,900,000.00
	\$0.00
	\$0.00
	\$0.00
Other Sources Needed to Balance	\$0.00
Total Funding Sources	\$130,440,996.25

Fund Uses

	\$ Amount
Rehabilitation Hard Costs	\$0.00
Construction Hard Costs	\$77,080,619.47
Total Soft Costs	\$36,941,251.78
Acquisition Costs:	
Land Only	\$11,900,000.00
Buildings Only	\$600,000.00
Other Fund Uses NOT in Basis	
Demolition	\$2,539,125.00
Total Development Costs	\$129,060,996.25
Excess Syndication Costs Paid by Developer	\$0.00
Initial Operating Deficit Reserve	\$1,380,000.00
Initial Deposit to Replacement Reserve	\$0.00
Other Fund Uses	
Total Use of Funds	\$130,440,996.25

Other Non-Fundable Costs

1:	\$0.00
2:	\$0.00
3:	\$0.00
4:	\$0.00

Sources & Uses Comments:
 Operating Deficit Reserve on this page is actually a targeted Insurance Deficit Escrow. We expect to capitalize this as noted, and contribute to it annually, in order to protect the development against future spikes in insurance costs. A ceiling will be established, above which any excess will be distributed as surplus cash. The ACC reserve will be funded from construction period interest.

Soft Costs

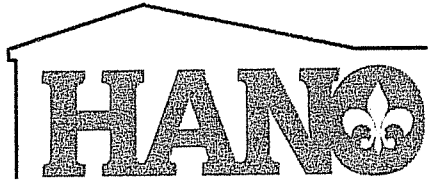
	\$ Amount
Architect's Fee - Design	\$4,856,079.03
Architect's Fee - Supervisory	\$539,564.34
Interest During Construction	\$9,099,139.21
Taxes	\$110,349.51
Insurance	\$1,890,000.00
FHA Mortgage Insurance Premium	
Examination Fee	
Inspection Fee	
Financing Fee	\$1,089,797.84
Title and Recording	\$115,000.00
Taxpayer Closing Costs	
Organization	
Cost Certification Audit Fee	
Application and Tax Credit Fees	\$406,285.00
Relocation Expenses	
Developer Fee (Including All Consultant Fees and Contingency FEES)	\$12,556,500.00
LHFA Third Party HOME Costs	
Lender Legal	
Origination Fee (Construction)	
Taxpayer Counsel	
Survey	
Audit Fees	
Other Costs:	
Professional Fees and Reports	\$400,000.00
Marketing	\$368,000.00
FFE	\$744,000.00
Leaseup Interest and Expense	\$1,425,536.86
Contingency	\$3,341,000.00
Total Fundable Soft Costs:	\$36,941,251.78

5:	\$0.00
6:	\$0.00
7:	\$0.00
8:	\$0.00
Total:	\$0.00

St. Bernard Reprocessing (Staff Summary)

Application and fees were received on January 29, 2008, including a summary of the reason(s) for re-processing request. The summary indicates that the only change is the density of the project, same # of units in smaller area. Also, they will be adding a co-member of the ownership entity/developer and changing the management member of St. Bernard I, LLC. This will be done prior to closing.

After checking the original application and the previous re-processing application, the dollar figures remain the same for all costs and LIHTC request amount. Even the legal description seems to be the same. The development design is probably the only thing that shows the changes of the area of space set aside for the residential buildings.



Housing Authority of New Orleans

January 28, 2008



Mr. Milton Bailey, President
Louisiana Housing Finance Agency
2415 Quail Drive
Baton Rouge, LA 70808

Re: St Bernard I Development (2007/2008 Reprocessing Application)

Dear Mr. Bailey:

Please find enclosed one (1) original and one (1) copy of a Reprocessing Application submitted by the Housing Authority of New Orleans (HANO) for the St. Bernard I development. Two (2) CD-ROMs containing copies of the application are also enclosed. The St. Bernard I project was awarded tax credits for 465 housing units in the 2007/08 PHA Redevelopment pool.

The primary change proposed in this reprocessing application is a revision of the legal description and site plan to reflect a reduction in the total acreage for the project. The acreage reduction leads to a slight increase in the overall density of the project. We are not proposing any changes to the total number or mix of the housing units. The new density is more reflective of the overall vision proposed by HANO's development partner. Additional details are provided in the Executive Summary.

In light of bringing aboard a new partner, Columbia Residential/Fore! Kids Foundation/Baton Rouge Area Foundation, d.b.a. St. Bernard Redevelopment, LLC, HANO will make some changes to its partnership structure at a later date. That is, Lune d'Or Enterprises will be replaced with Place D'Genesis as the managing member of St. Bernard I, LLC and admitting St. Bernard Redevelopment, LLC as a co-managing member of the ownership entity and developer. Each of these changes will occur prior to or with the financial closing for Phase I.

HANO strongly believes that these changes will enhance the overall goals of the project while streamlining the process for all parties involved. Please do not hesitate to contact me with any questions you may have about the enclosures.

On behalf of HANO, I wish to thank you reviewing the application. I look forward to proceeding with the development and revitalizing the city of New Orleans housing stock.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Cato-Turner". The signature is fluid and cursive, with a large initial "K" and a stylized "T" at the end.

Karen Cato-Turner
Executive Administrator

Enclosure(s)

cc: Shelley D. Smith

ST. BERNARD EXECUTIVE SUMMARY

The St. Bernard housing community site is bounded by Harrison on the north, Bayou St. John on the west, I-610 on the south and Paris Avenue on the East. The total site represents approximately 250 acres and contains the St. Bernard Public Housing Community site, the Imperial Drive site (owned by HANO), the school sites of Phillips Middle School and VJ Waters Elementary (owned by the Recovery School Board) and the Youth Study Center (owned by the City of New Orleans). An additional 550 acres within City Park will be addressed within this summary.

The St Bernard Redevelopment project contains several key components that make a community whole and will be completed in several phases. The first phase will consist of 465 units of mixed income rental housing. Following the successful national model, one third will be market rate; one third will be tax credit (60% AMI and below); and one third will be public housing. These buildings will be one, two and three story, New Orleans style structures. The second phase will also contain multifamily rental housing, a senior rental facility, and a retail component with residential units over retail. Phase One, Phase Two, and a High School will cover the existing St. Bernard public housing footprint. We feel that it is necessary not only to revitalize the St. Bernard site, but the entire neighborhood. To this end we are proposing a mix of senior housing, for sale units, multifamily rental, two Charter schools (K-8 and High School), a YMCA facility, an early learning center, a community library, and recreational amenities, strategically placed throughout the St. Bernard neighborhood.

The St. Bernard redevelopment will also be completed in conjunction with the City Park golf course renovation, an integral part of the overall redevelopment. The Fore!Kids Area Foundation will be responsible for this endeavor. Fore!Kids Area Foundation is a group of men and women dedicated to raising funds for children's charities. As a 501c3 corporation, Fore!Kids generates funds through the production of golf related events to support activities and programs benefiting youth. Bringing local and Real Estate experience on behalf of Fore!Kids is Gerard Barousse, Principal of Monarch Real Estate Advisors. Recreational improvements within the Park include two 18 hole championship golf courses and a 9 hole executive course in conjunction with a First Tee learning facility. Additionally, an eight field baseball complex, an eight field soccer complex and an expanded equestrian facility are included in Park improvements proposed. The residential community will be linked to City Park by a multi-use trail utilizing the Harrison Avenue Bridge to span Bayou St. John. Proceeds from the golf operation will also be used for community supportive services in the St. Bernard community.

Due to the fact that the St. Bernard public housing site had substantially more than the 465 units scheduled for replacement in Phase I, we feel that it is important to present a plan which approaches the amount of units lost on site throughout the larger St. Bernard neighborhood with a diverse mix of housing and community facilities. The overall revitalization strategy provides for the redevelopment and construction of 1,320 units consisting of up to 300 single-family, 900 multi-family and 125 units of elderly housing: comprising ACC, LIHTC, Section 8 project based / LIHTC, Lease-purchase and market-rate homeownership units. Additional housing units may be included in the overall revitalization plan through the "scattered site" properties available through HANO, as well as via properties acquired within the Bayou District Foundation's Community Development Fund. This plan has been thoughtfully developed, but with a flexible approach which can be adjusted based upon market conditions. The design of these

units will respond to the overall master plan by respecting and enhancing the existing street patterns, and creating an environment that includes both public and semi-public spaces. The buildings and internal greenspace enhance the overall development by reflecting the strong historic vocabulary of the neighborhood and city. The Plan strives to provide a unique sense of place with a strong connection to the larger community.

Who We Are

The combined vision and talents of the partnership between The Bayou District Foundation (Fore!Kids Foundation and Baton Rouge Area Foundation) and Columbia Residential propose to revitalize the St. Bernard community, to make an inspirational place where the residents can live, play and work.

Columbia Residential offers a full range of real estate investment capabilities and services. Columbia Residential experiences cover the entire spectrum of residential housing; with particular focus on multi-family housing properties. Columbia Residential uses its comprehensive resources to assist neighborhoods, non-profit CDCs, financial institutions, government entities and public housing authorities to achieve their goals of providing well-structured and high quality affordable housing communities.

Columbia Residential will serve as Master Developer for the St. Bernard Housing Redevelopment project. Columbia Residential has the staff and experience to serve as a successful developer, and has an established a strong network of consultants and partners that will support Columbia Residential in this project. As the successful developer and property manager of several beautiful mixed-income/mixed-finance properties in two states, Columbia Residential is poised to cooperate with HANO, the St. Bernard community, and other stakeholders to prove their commitment to the rebirth of New Orleans.

Fore!Kids Foundation is a New Orleans based non-profit group established in 1958, which raised over \$13,000,000 for children in New Orleans and the surrounding area, primarily through the production of the PGA Tour event, currently called the Zurich Classic. Fore!Kids' vision is to bring a mixed-income community, with schools at its center, to the St. Bernard Housing Community site, as well as to the Imperial Drive parcel, while simultaneously transforming a portion of City Park.

Baton Rouge Area Foundation is a non-profit community foundation with assets of over \$476M. BRAF, through Commercial Properties Development Corporation, its commercial development affiliate, is structured as a Private Real Estate Investment Trust and has played a significant role in the post-hurricane redevelopment efforts and made more than \$18M in grants in 2005.

Summary of Major Changes to Original Tax Credit Application

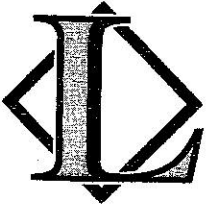
In The Housing Authority of New Orleans' (HANO) original tax credit application, the majority of the St. Bernard public housing footprint was utilized for housing only. When Columbia Residential and The Bayou District Foundation responded to HANO's request for Proposals, the vision included a more comprehensive plan. The legal description and site plan have been revised to reflect the vision described above. This change also affected the density calculation included in the original application.

	<u>Number of Units</u>	<u>Density</u>	<u>Acreage</u>
Original Application:	465 units	32.13 ac	14.47 units/acre
Reprocessing Application:	465 units	21.24 ac	21.89 units/acre

In the original application St. Bernard I was awarded 20 points for a density of at least 10 units but not more than 15 units per acre. This modification resulted in the loss of 10 points – more than 20 but less than 25 units per acre. The revised master plan and reprocessing application provides for a more viable and marketable community which serves more than just residents' housing needs.

	<u>Number of Units</u>	<u>Density</u>	<u>Acreage</u>
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LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

MEMORANDUM

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

MEMO TO: Mr. Louis Russell/Ms. Brenda Evans
FROM: Wm. Todd Little
DATE: February 4, 2008
SUBJECT: New Chateau #04/08(FA)-03 - LIHTC Development

Please find attached a letter, with attachments, from my client outlining a series of events and issues that have transpired over the course of their development. The purpose of my memorandum is to summarize the issues, as they relate to the LHFA, and formally requesting assistance from the LHFA to allow the developer to increase the size of their development.

Summarization of Facts:

New Chateau, LLC submitted an application for LIHTC for an 84 unit multifamily development located in New Orleans, La. The new 84 unit development was intended to be built in place of their former development, Chateau Ames Apartments, which was a 98 unit development destroyed by Hurricane Katrina.

In an effort to maximize the points allowed by the QAP and ensure a reservation of credits, they proposed an 84 unit development in lieu of the former 98 unit development that was destroyed. The reason for the decrease in units was to accommodate a certain number of "4-bedroom" units for an additional 15 points. Their application was the second highest scoring application in their respective pool. As part of their application, they submitted a letter from HUD-New Orleans evidencing approval of the proposed development and acknowledging that they would allow a transfer of the existing HAP contract from the former Chateau Ames Apartments (98 Units) to the proposed New Chateau Apartments (84 units). (The HUD letter is attached as an exhibit to their letter).

The New Chateau application was approved and a reservation of LIHTC's in the amount of \$1,250,000 was awarded to the development. They subsequently proceeded with the development and incurred cost sufficient to meet the 10% carryover test. They filed their 10% carryover certification and an allocation of credits under the 10% basis exception was made to the development last year.

During the closing process with their investor and lender, a written request was submitted to HUD to execute an agreement of transfer of the existing HAP contract to the new partnership. They were contacted by HUD - Washington and informed that they cannot transfer an existing HAP contract from one property to another if the unit mix and number of units were not the same. This was done despite the earlier approvals they had received from HUD - New Orleans.

Solutions to Problem:

1. There are currently two bills circulating in congress that will allow this transfer to be approved. They are HR 1227 and Senate bill S 1668. The house bill has been passed and the senate bill is

facing some resistance from Senator Vitter. It could take months for these bills to pass, which would further delay their development.

2. They could restructure their development from the proposed 84 unit development into a 96 unit development mirroring the unit mix and number of units from the former Chateau Ames Apartments. This would allow HUD to approve the transfer with no legislative action.

Summary and Request to LHFA:

In an effort to move the New Chateau development and avoid further delays that could take months to work through, they would like to request that the LHFA allow them to submit a reprocessing application for a 96 unit development, whose unit mix will mirror that of the former Chateau Ames development. In order to accommodate this, they would not be able to construct the "4 Bedroom" units reflected in their application for credits. They received 15 points for this selection criterion. By taking these points away, their application score would go from 755 points, which was their Agency approved score at the time of approval, to 740 points. ***This reduction in points would not have affected their ranking at all in the application final awards. They would rank in the exact place they did with their original score of 755.*** Although they would be making a modification to the unit mix in the New Chateau development, they would be providing an additional 14 units of affordable housing for the same amount of credits previously awarded. By approving this request, you will allow the developers of the New Chateau development to proceed with their closing and begin construction in a very short timeframe. Should the request not be granted, they would face an undeterminable delay and the project may never be done.

Formal Request:

Please grant the developers of the New Chateau Apartments approval to submit a reprocessing application which will change their unit mix from 84 units to 96 units. Upon approval of this change, a reprocessing application can be submitted within one week of such approval. We would like to request that this request be taken up at the next (February 2008) meeting of the Board of commissioners.

We can be available to explain this request to the board in detail at the next (February 2008) meeting of the Board of Commissioners. Should any additional information be needed, please let me know.

**NEW CHATEAU, L.L.C.
P.O. BOX 1795
SHREVEPORT, LOUISIANA 71166
PHONE: (318) 227-8697
FAX: (318) 424-6547**

February 4, 2008

Mr. Louis Russell/Ms. Brenda Evans
Louisiana Housing Finance Agency
2415 Quail Drive
Shreveport, Louisiana 70808

Re: New Chateau #07/08(FA)-03

Mr. Russell & Ms. Evans:

In the 2006 2nd LIHTC GO-Zone funding round, New Chateau, L.L.C. submitted an application [07/08(FA)-03] to the Louisiana Housing Finance Agency (“LHFA”) for \$1,250,000 in Low Income Housing Tax Credits (“LIHTC’s”) and consisting of 84 LIHTC multifamily housing units. Our application scored very high and was awarded \$1,227,589 of tax credits. One component of our high ranking application was the provision of a HUD Section 8 project-based HAP contract to New Chateau. New Chateau is to be constructed on the very site of the preexisting Hurricane Katrina destroyed Chateau Ames Apartments.

The destroyed Chateau Ames Apartments is a 98-unit multifamily property that has a Project-Based Section 8 HAP contract subsidizing all 98 units. During the compilation process of the New Chateau LIHTC application, we approached HUD-New Orleans (the servicer of Chateau Ames Apartments) and informed them of our desire to demolish the hurricane ravaged property of 98 units and rebuild an 84-unit property using low income housing tax credits. HUD-New Orleans was agreeable to this proposal and supported our LIHTC application.

We requested the transfer of the full HAP contract authority for the 98-unit defunct Chateau Ames Apartments to the LIHTC funded 84-unit New Chateau Apartments. HUD-New Orleans saw this as a viable solution and agreed to provide the full HAP contract authority in compliance with the data of the subject LIHTC application. As required by the LHFA, HUD provided written approval, attached hereto, that they would transfer the preexisting HAP contract (full authority) from Chateau Ames Apartments to New Chateau Apartments in compliance with the data in our application.

After we achieved 10% Carryover, we had full financing (syndication, construction financing and permanent financing) in place and prompted to close. We approached HUD to execute the agreed upon HAP contract transfer. At this point HUD-Washington D.C. contacted us and indicated a problem for them to transfer a HAP contract from one property to another

New Chateau, LLC
February 4, 2008
Page 2

when the unit mix and unit number were not equal, in spite of the existing written agreement HUD had provided.

The reason for our 84-unit application in lieu of the 98-unit was that the Scoring by LHFA favored units with more bedrooms for family housing. As it turned out, had we known that there was any problem to transfer the HAP contract we would have applied for 98 units and we would have still been awarded the tax credits and proceeded with the rebuilding of the property over a year ago. Again, our 84-unit development was approved by HUD prior to our submission of the LIHTC application to the LHFA. We have invested a lot of money and time into this process.

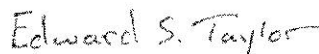
We have been seeking two solutions to enable HUD to proceed with the needed HAP transfer:

(1) HR1227 / S1668: These bills require HUD to transfer the HAP contract from one project to another if the new project receiving the transfer provides housing for the same amount or more residents. HR 1227 was passed in the United States House of Representatives and S 1668 has been introduced to the Senate subcommittee. S 1668 has been met with resistance by Senator David Vitter of Louisiana due to a public housing issue that is also addressed by this bill and of no relation to the LIHTC program. This has caused an unexpected delay for an indefinite period of time.

(2) Restructure the 84-unit LIHTC-funded New Chateau application to a 98-unit property on the same site and submit a reprocessing application to the LHFA for prompt approval. The resolution of either one of these options would allow us to begin immediate closing of our financing and construction would begin soon following.

The LHFA's approval of a reprocessing of application #07/08(FA)-03 to allow the addition of 14 units (from 84 units to 98 units) would be the most expedient path for us to follow. The altered unit mix would not include four-bedroom units, as they are not in the HUD HAP contract mix. This reprocessing change would lower our final score by fifteen points. This would change our application score from 755 to 740. This lowered score would not alter our position in the priority special pool, as the second highest scoring application. We are not requesting more tax credits for the proposed fourteen additional units. This is an excellent opportunity to eliminate further delays and allow us to proceed with rebuilding the property to provide much needed and improved housing.

Yours truly,



Edward S. Taylor
Managing Member

Enclosure



OFFICE OF MULTIFAMILY HOUSING

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

New Orleans Field Office
Hale Boggs Federal Building
500 Poydras Street, 9th Floor
New Orleans, LA 70130-3099

November 15, 2006

Mr. Louis Russell, Jr.
Louisiana Housing Finance Agency
2415 Quail Drive
Baton Rouge, LA 70808

Subject: Low Income Housing Tax Credits
New Chateau Apartments, #07/08(FA)-03
1521 Ames Blvd.
Marrero, LA 70072

Dear Mr. Russell:

The owners of New Chateau Apartments have submitted an application for Low Income Housing Tax Credits (LIHTC).

HUD will be providing the subject project with Section 8 project based assistance at the payment standards evidenced in the subject application for all subject housing units.

Should you have any questions, I may be reached at (504) 589-7236 extension 1049.

Sincerely,

Art J. Wells
Director
Louisiana Multifamily Program Center

**The Law Offices Of
ERNEST L. JOHNSON
1755 Nicholson Drive
Baton Rouge, Louisiana 70802
(225) 334-7490**

BY: EMAIL

February 26, 2008

TO: Ms. Brenda Evans
Louisiana Housing Finance Agency

RE: Dolores Park Subdivision Limited Partnership

Dear Brenda:

Pursuant to our telephone conversation of today, this letter is written as a follow up to a meeting held with President Bailey, the Mayor of Oakdale, Honorable Robert "Bobby" Abrusley, Sr., Vernon "Step" Martin and I regarding the Dolores Park Development.

The meeting was held to request an exception and/or waiver from LHFA to consider the Dolores Park Subdivision Limited Partnership as a Deconcentration Project. According to the QAP a Deconcentration Project is a project located in a census tract in which the median income of the census tract exceeds 120% of the area median income... Applications meeting this criterion received 30 points for a deconcentration of poverty project. However, according to your information the last census information show the subject tract had 115% which is 5% less than required minimum.

The request for either an exception and/or waiver is based upon the following justification:

1. Mayor Abrusley informed President Bailey that the Dolores Park Development will be intermingled in an affluent subdivision with homes valued at \$150,000.00 and above. The Mayor stated that he firmly believes that the present median income for the census tract is above the 120% area median income. He further stated that a new manufacturing plant is being developed in Oakdale which will create over 100 new jobs. The Mayor finally made a plea for more affordable housing for his constituent which is badly needed in Oakdale.
2. This plea was echoed by Step who is very familiar with the area and the need for additional affordable housing. Step also brought out the fact that we are now 2 years away from the next census which he strongly believes will show that the census tract has a medium income of more than 120% today.
3. A very important fact was brought out during the meeting which is Louisiana's great need for more affordable housing in Louisiana as a result of the thousand of hurricane displaced families who will require housing before the end of this year.

Ms. Brenda Evans
Louisiana Housing Finance Agency
February 26, 2008
Page 2

During a FEMA Housing Summit held in November of last year, we were informed that approximately 33,000 families who are displaced as a result of hurricanes Katrina and Rita will have to be moved from trailers and mobile homes this year and next year. LHFA representatives were present at the summit and assured the group of its willingness to do whatever possible to make affordable housing available by working with developers and others. (See supporting documentation attached hereto and made a part hereof).

As shown by the report presented by Mr. Rowan during the January, 2008 LHFA board meeting this development team has demonstrated its capacity and speed in building affordable housing. Thus, this request for an exception and/or waiver is made in accordance with the following policy:

1. Exceptions to QAP/Application requirements will be reviewed by staff on a case by case basis with recommendations being forwarded to the LHFA board of Commissioners.
2. Developer must clearly state why a waiver is necessary and provide the Agency with all available documentation to support position.
3. With few exceptions, all requests for changes to a project must be sent directly to staff first for review and approve. In the event the proposed change is denied, the applicant then may go to the Board for appeal.

With these facts in mind and in light of the critical need for affordable housing which exists in Louisiana, we are requesting that LHFA make a special exception to the QAP to allow consideration of the 5% point difference and the awarding of tax credits to Dolores Park Subdivision Limited Partnership as a Deconcentration Project.

Your review and approval of this request will be appreciated.

Cordially,

Ernest L. Johnson

CC: Robert Rowan
Vernon "Step" Martin

NAACP LOUISIANA STATE CONFERENCE
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December 19, 2007

Ms. Gail Tate
Lead Office of Intergovernmental Affairs
FEMA
#1 Seine Court
New Orleans, Louisiana 70114

Dear Gail:

Thank you and Mr. Josephson for inviting the NAACP to the FEMA Housing Summit to assist in developing a strategy for the park closure/resident transition process. The discussion was very helpful and it appears that all the stakeholders are willing to do whatever is necessary to help the displaced citizens relocate to permanent housing. It was good to know that Bob has already been considering a public relations campaign to inform the displaced citizens of the process in addition to work of the case workers. This has been one of the NAACP's main recommendations since the transition process started over two years ago.

In furtherance of the public information campaign, the NAACP is willing to develop a daily statewide radio program designed to broadcast FEMA and HUD information out to the impacted individuals throughout the state of Louisiana. If your organization is interested in discussing this project further, we are willing to prepare a pilot program proposal for your consideration.

Additionally, the NAACP as expressed in the Housing Summit is willing to coordinate the construction and/or renovation of 10% of the permanent housing required for the 33,000 households involved in the FEMA Relocation Program. Could you please provide us with the name of the FEMA representative in charge of this program in order for us to begin discussing the "NAACP Permanent Housing Pilot Program"?

Your continued cooperation and assistance is appreciated. With warmest personal regards, I remain

Cordially,

Ernest L. Johnson
State President



Dedicated solely to ending America's affordable housing crisis.

The Need to Transfer Households in FEMA Housing Assistance Programs to HUD's Section 8 Voucher Program

May 15, 2007

Although the recent announcement by FEMA and HUD to extend housing assistance until March 2009, and to transfer management of the rental assistance program to HUD, is a step in the right direction, it is not the best solution to the ongoing housing needs created by the hurricanes of 2005. The Administration continues to create new, complicated and complex programs rather than using existing housing programs, which are proven effective and already in place, such as the Section 8 voucher program. Rapidly rising rents that residents will have to pay in the new program could very quickly make this an impossible situation for the lowest income renters.

Since very soon after Hurricane Katrina hit, members of Congress, housing advocates, and the Bush administration itself have been calling for HUD to have a more central role in the long-term housing needs of people displaced by the disaster:

- On September 8, 2005, Senator Sarbanes requested 350,000 emergency Section 8 vouchers. An amendment to do so was adopted, through unanimous consent, by full Senate, but dropped in conference committee.
- Senator Susan Collins (R-ME), then-Chair of the Senate Committee on Homeland Security and Governmental Affairs told the Washington Post in December 2005, "I have long believed that it would have been far more effective at this stage for FEMA to have given vouchers for housing and to assist people in finding private-sector housing. I think it still is a possibility."
- In December 2005, the House Financial Services Committee approved H.R. 4100, the Hurricane Katrina Response Act by a vote of 50-9. The bill authorized \$2.5 billion of funding for emergency Section 8 vouchers, among other things.
- In February 2006, then-House Minority Leader Nancy Pelosi said, referring to the need for emergency Section 8 vouchers, "We did that successfully after Northridge earthquake in California in 1994. If it was good enough for the California earthquake, it's good enough for Katrina."
- In February 2006, the House Select Committee to Investigate the Preparation for and Response to Hurricane Katrina noted, "Use of a voucher system similar to the one administered by HUD could have prevented this mistake...FEMA failed to take full advantage of HUD's expertise and perspective on large-scale housing challenges, such as the agency's experience with voucher programs. HUD and public housing authorities have the expertise and infrastructure to help non-HUD clients during disasters."

- Also in February, the White House released its' "Lessons Learned" report. The report finds that HUD, "with extensive expertise and perspective on large-scale housing challenges and its nation-wide relationships with State public housing authorities," was mistakenly not engaged in the housing response by FEMA until "late in the effort." Noting that "HUD's expertise lies in the provision of mid and long-term housing...for those in need," the report recommends that HUD be designated the lead Federal agency for the provision of temporary housing.
- In June 2006, the House Financial Services Committee approved H.R. 5393, the Natural Disaster Housing Reform Act of 2006. The bill would establish HUD as the lead agency for long-term housing needs resulting from disasters, among other things.

Now, almost 21 months after the storm and with over 120,000 households still receiving FEMA housing assistance, switching households still receiving FEMA housing assistance to the Section 8 voucher program is more needed than ever.

The Case for Transferring FEMA Rental Assistance Households to Section 8

31,418 households continue to receive rental assistance from FEMA, down from a high of almost 700,000 households. The vast majority of these families have extremely low incomes, and many are disabled and/or elderly. In order to avoid continuing disruptions in their lives, and to offer some stability in their housing, these households should be transferred to HUD's Section 8 voucher program.

- **The Majority of Households Still Receiving FEMA Rental Assistance Are Very Poor and in Need of Continuing Housing Assistance.** More than half of all families receiving FEMA rental assistance currently reside in Houston; 73% of these families intend to stay in Houston.

- A recent survey of these households showed that:
 - 69% have annual incomes of less than \$15,000;
 - 17% have annual incomes between \$15,000 and \$24,999;
 - 44% require ongoing medical care because of a health problem/disability before the hurricanes; and
 - 39% require ongoing medical care for a chronic health problem.

- **The Section 8 voucher program requires that tenants contribute a percentage of the family's income towards their housing costs, ensuring the housing remains affordable.** The newly announced FEMA-HUD Disaster Housing Assistance Program (DHAP) would require households to begin paying \$50 towards their monthly housing costs in March

2008. Regardless of a household's income, this amount would increase by \$50 every month until the family can no longer afford the rent, or until the program expires one year later.

- **Cost Savings to the Federal Government**

FEMA initially spent \$786/month/household for rental assistance. This number is now adjusted on individual bases. Using the \$786/month figure as an average, we can estimate that FEMA spends \$29,126,802/ month for the 31,418 households still receiving FEMA rental assistance.

- This equals an annual housing cost per household of **\$9432**.
- The average annual cost per household for a Section 8 voucher is **\$7500**.

Because of the requirement under the Section 8 voucher program that a household contributes 30% of its income towards monthly rental costs, which is not required in FEMA's rental assistance program, the annual savings to the federal government of switching from FEMA rental assistance to HUD Section 8 vouchers is significant.

- **The Risk of Continuing Attrition from FEMA's Rental Assistance Program**

Although FEMA rental assistance is extended until March 2009, FEMA is currently working to 'recertify' the 31,000 households still receiving the assistance. In a May 11 letter to FEMA Director Paulison, Senator Landrieu (D-LA) said, "As has been the case with past recertification efforts, FEMA's letters ... are confusing, threatening, and may ultimately result in eligible households having their benefits interrupted or cut."

The Case for Giving Households in Trailers/Mobile Homes the Option of Receiving a Section 8 Voucher

81,650 households remain in FEMA trailers or mobile homes. Of these, about 20% are situated on group sites. We can safely assume that many of these 16,330 families were pre-disaster renters, and that most are very poor with no other housing options available to them.

- **Local Deadlines for Trailers/Mobile Homes**

FEMA's deadline for households living in trailers and mobile homes has been extended to March 2009. But in many cases the trailers sit on land leased to FEMA by local cities/parishes. These parishes and cities, seeking to have the trailers removed from their communities, have set their own deadlines for the trailers. FEMA has said it will honor local communities' deadlines over its own. Deadlines include:

- March 1 deadline in St. Tammany Parish, Slidell, Mandeville and Abita Springs, LA. Residents need a specially granted permit to stay beyond March 1;
- March 31 deadline for trailers in Jefferson Parish, LA;
- May 2 deadline in Pascagoula, MS;

- May 4 in Covington, LA.

- **"Toxic Trailers"**

The Environmental Protection Agency says that more than .1 parts per million of formaldehyde in the air can cause eye, lung and nose irritation. Formaldehyde is a known carcinogen.

- Last summer, the Sierra Club tested FEMA trailers and found that 83% of those tested had formaldehyde levels above the EPA recommended limit.
- FEMA has distributed leaflets to households living in trailers explaining that materials used in the interiors can release toxic vapors. They recommend keeping windows and doors open as much as possible.
- An article in The Nation says that Paul Nelson, of Coden, Alabama, tested his mother's FEMA trailer when, after moving into the trailer, she suddenly developed pneumonia, then congestive heart failure. Mr. Nelson found that the level of formaldehyde in his mother's trailer was 50% over the EPA's recommended limit.
- A class action lawsuit has been filed against FEMA on behalf of residents suffering from respiratory and flu-like illnesses they attribute to formaldehyde in their trailers.

LIHTC Reprocessing Applications Received Up To 2/29/2008

Count	Project No.	Project Name	Parish	Status	Original			Reprocessing			App Rec'd	App Sent to F&J	Feasible Amount	Comments
					Award	Bldgs	Units	Request	Bldgs	Units				
1	#06-14	St. Landry Place	St. Landry	APPROVED	\$300,000.00	30	30	\$300,000.00	28	28	yes	yes	\$300,000.00	Bldg & unit reduction/Project has HOME Funds (\$400,000)
2	#06-44	Oakmont Village	Rapides	APPROVED	\$299,999.00	18	36	\$299,999.00	17	34	yes	yes	\$299,999.00	Bldg & unit reduction
3	#06-46	Northern Heights	Caddo	APPROVED	\$288,025.00	20	40	\$288,025.00	40	40	yes	yes	\$288,025.00	Bldg increase
4	#06-47	Orchard Heights	Lincoln	APPROVED	\$288,025.00	20	40	\$288,025.00	40	40	yes	yes	\$288,025.00	Bldg increase
5	#06-49	Camelot Villa	Caddo	APPROVED	\$285,198.00	6	40	\$300,000.00	6	36	yes	yes	\$300,000.00	Unit decrease/Project has HOME Funds
6	#06(2)-123	Canterbury House Apts	St. Tammany	APPROVED	\$1,229,073.00	5	120	\$1,250,000.00	4	120	yes	yes	\$1,229,073.00	Bldg decrease
7	#06(2)-125	West Crowley	Acadia	No Action Needed	\$1,226,272.00	68	68		65	65	no			less than 5%
8	#06(2)-126	North Abbeville II	Vermilion	No Action Needed	\$1,064,947.00	60	60		57	57	no			Project recently received approval for site change/less than 5%
9	#06(2)-127	North Shore Subdivision	St. Tammany	APPROVED	\$1,229,631.00	4	84	\$1,249,999.50	2	84	yes	yes	\$1,228,731.00	Bldg decrease
10	#06(2)-128	St. Paul Estates	Tangipahoa	Awaiting approval	\$1,250,000.00	70	70	\$1,250,000.00	64	64	yes	yes	\$1,250,000.00	Bldg & unit decrease
11	#06(2)-129	Pine Grove	Tangipahoa	APPROVED	\$1,101,447.00	59	59	\$1,101,447.00	54	56	yes	yes	\$1,101,447.00	Developer originally requested to correct basis
12	#06(2)-134	Pine Crest	St. Tammany	APPROVED	\$1,204,021.00	4	84	\$1,249,999.50	2	84	yes	yes	\$1,204,021.00	Bldg decrease
13	#06(2)-159	South Church Point	Acadia	No Action Needed	\$735,662.00	40	40		38	38	no			less than 5%
14	#06(2)-161	South Rayne Subd.	Acadia	No Action Needed	\$968,495.00	52	52		50	50	no			less than 5%
15	#06(2)-168	Audrey Heights	St. Tammany	APPROVED	\$619,128.00	22	40	\$619,128.00	19	36	yes	yes	\$616,146.00	Bldg & unit decrease
16	#06(2)-170	Frenchmen's Creek	Calcasieu	No Action Needed	\$593,988.00	40	40	\$605,000.00	40	40	yes	yes	\$593,988.00	Developer would like to waive scattered site requirement
17	#06(2)-190	Country Lane	St. Tammany	APPROVED	\$1,168,139.00	64	64	\$1,177,272.00	60	60	yes	yes		Bldg & unit decrease
18	#06(2)-260	Flint Goodridge	Orleans	APPROVED	\$941,489.00	1	89	\$1,000,500.00	2	89	yes	yes	\$952,268.00	Developer changed unit mix
19	#06(2)(N)-333	England Drive Subd.	Rapides	No Action Needed	\$721,095.00	41	41		39	39	no			less than 5%
20	#06(2)(N)-334	Southeast Oakdale Subd.	Allen	No Action Needed	\$641,786.00	34	34		33	33	no			less than 5%
21	#06(2)(N)-338	Pecan Grove I	Rapides	APPROVED	\$717,260.00	40	40	\$750,000.00	36	36	yes	yes	\$717,260.00	Bldg & unit decrease

LIHTC Reprocessing Applications Received Up To 2/29/2008

Count	Project No.	Project Name	Parish	Status	Original			Reprocessing			App Rec'd	App Sent to F&J	Feasible Amount	Comments
					Award	Bldgs	Units	Request	Bldgs	Units				
22	#06(R)-414	Richland East Subdivision	Richland	No Action Needed	\$339,485.00	24	24		23	23	no			less than 5%
23	#06(R)-440	S Range Homes I	Tangipahoa	APPROVED	\$369,901.00	15	30	\$380,396.00	9	30	yes	yes	\$372,123.00	Bldg decrease
24	#06(R)-441	S Range Homes II	Tangipahoa	APPROVED	\$369,901.00	15	30	\$380,396.00	10	30	yes	yes	\$372,123.00	Bldg decrease
25	#06(R)-467	Bobby Smith I	Acadia	No Action Needed	\$333,939.00	24	24		23	23	no			less than 5%
26	#06(R)-468	Bobby Smith II	Acadia	No Action Needed	\$332,194.00	24	24		23	23	no			less than 5%
27	#07/08(FA)-10	The Preserve	Orleans	No Action Needed	\$1,560,899.00	1	183	\$1,566,666.00	1	183	yes	yes	\$1,566,666.00	Converted one market unit to low income
28	#07/08(FA)-11	The Crescent Club	Orleans	No Action Needed	\$1,934,044.00	2	226	\$1,941,189.00	2	228	yes	yes	\$1,941,189.00	Converted one market unit to low income
29	#07/08(FA)-13	200 Carondelet	Orleans	No Action Needed	\$1,939,337.00	1	190	\$1,939,337.00	1	190	yes	yes	\$1,939,337.00	Reduced Eligible Basis
30	#07/08(FA)-36	Levey Gardens	Orleans	APPROVED	\$250,000.00	100	100	\$250,000.00	15	100	yes	yes	\$250,000.00	Sq. Foot increase by 3%/Name Change
31	#07/08(FA)-48	Sulphur Retirement Comm.	Calcasieu	APPROVED	\$750,722.00	2	60	\$750,722.00	2	60	yes	ys	\$750,722.00	Project restructured CDBG Funds

LIHTC APPLICATIONS with MATERIAL CHANGES RECEIVED UP TO 2/29/2008

Count	Project No.	Project Name	Parish	Status	Original			Reprocessing			App. Rec'd	App. Sent to F&J	Feasible Amount	Comments
					Award	Bldgs	Units	Request	Bldgs	Units				
1	#06-15	Broadmoor Village	Tangipahoa	APPROVED	\$293,137.00	32	32	\$299,000.00	24	24	yes	yes	\$293,889.00	25% Change in units
2	#06-16	Belvedeere Estates	Tangipahoa	APPROVED	\$293,137.00	32	32	\$299,000.00	24	24	yes	yes	\$293,889.00	25% Change in units
3	#06-20	Meridian Court	Caddo	APPROVED	\$299,528.00	27	27	\$299,999.00	27	27	yes	yes	\$299,563.00	SITE CHANGE/January Board
4	#06-22	Orchard Creek	Lincoln	APPROVED	\$212,090.00	5	40	\$212,090.00	6	30	yes	yes	\$212,090.00	Project also has HOME Funds
5	#06-35	Southern Woods	EBR	DENIED	\$300,000.00	15	60		1	54	no			SITE DECREASE (43%)
6	#06(2)-165	Falstaff Apartments	Orleans	NOT APPROVED	\$1,210,755.00	7	156	\$1,210,755.00	5	147	yes	yes	\$1,210,755.00	Households in Poverty waived/Unit reduction not approved
7	#06(2)-250	Bayou Gardens	Orleans	DENIED	\$1,111,674.00	6	160		5	110	no			Requested (160 units to 110/31% Change)
8	#06(2)-303	Bywater Art Lofts	Orleans	APPROVED	\$765,000.00	5	54	\$736,191.00	1	37	yes	yes	\$736,191.00	41% Change
9	#06(2)-328	River Apartments	St. Tammany	DENIED	\$803,911.00	30	48		30	48	no			SITE CHANGE (St. Tammany to Jefferson)
10	#06(2)-330	Brickwood Apartments	Jefferson	DENIED	\$1,196,075.00	9	72		9	72	no			SITE CHANGE
11	#06(2)-331	Westover Apartments	Jefferson	DENIED	\$1,120,179.00	9	72		9	72	no			SITE CHANGE
12	#06(2)(N)-351	Passman Plaza III	Ouachita	APPROVED	\$402,930.00	10	60	NOT NECESSARY						Project built contrary to application
13	#06(R)-459	Melrose Peppermill II	EBR	AOC	\$246,807.00	5	29	\$290,000.00	5	29	yes	yes	\$228,177.00	LOT CHANGE (delete 2, add 3)
14	#07/08(FA)-02	Forest Towers II	Jefferson	APPROVED	\$3,413,506.00	2	200	\$3,413,506.00	1	200	yes	yes	\$3,413,506.00	SITE CHANGE
15	#07/08(FA)-02	The Terraces	Orleans	DENIED	\$3,413,506.00	1	200	NOT NECESSARY						Elimination of Garbage Disposals/Substitution of HVACs
16	#07/08(FA)-04	St. Joe Lofts	Orleans	APPROVED	\$1,250,000.00	2	63	\$1,250,000.00	5	61	yes	yes	\$1,250,000.00	Developer wants to split allocation
17	07/08(FA)-21	St. Bakhita	Jefferson	APPROVED	\$1,085,491.00	28	55	\$1,751,666.00	20	100	yes	yes	\$1,748,118.00	Consolidated w/ #06(R)-471, Ninth Ward (10 bldgs, 20 units, \$266,359) & #06(R)-472, Ninth Ward (13 bldgs, 25 units, \$394,509)
18	#07/08(FA)-45	The AMOS Project	Orleans	DENIED/RECAPTURED	\$1,182,756.00	70	70	\$1,182,756.00	70	70	yes	yes	\$0.00	PBRA Issues/Project is requesting \$1.05m in CDBG Funds
19	07/08(FA)-46	Renaissance Place	Orleans	APPROVED	\$ 2,576,528.00	3	307	NOT NECESSARY						Reduction of washers/dryers
20	#07/08(FA)-49	Oak Villa	Jefferson	APPROVED	\$1,250,000.00	1	80	\$1,250,000.00	1	80	yes	yes	\$1,215,756.00	Site Change

LIHTC Projects being Re-allocated under a new Credit Ceiling

Count	Project No.	New Project No.	Project Name	Parish	Original Reservation	Additional Award	Application Rec'd	Application Sent to F&J	Feasible Amount	New Reservation	Reservation Letter Sent
1	#06-73	07-04(R)	Southern Place	Evangeline	\$213,903.00	\$86,095.00	yes	yes	\$299,998.00	\$299,998.00	9/28/2007
2	#06(2)(N)-351	07-06(R)	Passman Plaza III	Ouachita	\$402,930.00	\$0.00	yes	yes	\$402,930.00	\$402,930.00	7/26/2007
3	06(R)-407	07-11(R)	St. Landry Crossing	St. Landry	\$354,000.00	\$0.00	yes	yes	\$354,000.00	\$354,000.00	11/20/2007
4	06(R)-409	07-12(R)	Hideaway Crossing	Rapides	\$354,000.00	\$0.00	yes	yes	\$354,000.00	\$354,000.00	11/20/2007