

**LOUISIANA
HOUSING
CORPORATION**

BOARD OF DIRECTORS

Agenda Item #7

**BRENDA EVANS, PROGRAM ADMINISTRATOR
LORETTA WALLACE, PROGRAM ADMINISTRATOR**

FULL BOARD MEETING MATERIALS

May 9, 2012

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DECISION BRIEF:

The sale of \$22,000,000 in Multifamily Housing Revenue Bonds and \$1,282,188 in 4% LIHTC for 1501 Canal Senior Housing located in New Orleans, Louisiana in Orleans Parish

Issue

On November 9, 2011, the Louisiana Housing Finance Agency's Board of Commissioners approved a resolution authorizing the issuance of Multifamily Housing Revenue Bonds not exceeding Twenty-Two Million Dollars (\$22,000,000.00). 1501 Canal Senior Housing is a 112 unit multifamily residential complex located at 1501 Canal Street, New Orleans, Orleans Parish, Louisiana. All of the units will be set aside for 60% or less AMI.

The first resolution requests the Board's approval in considering the proposal of JPMorgan Chase Bank, N.A., as purchaser (the "Purchaser") and taking action with respect to the parameter sale of not exceeding Twenty-Two Million Dollars (\$22,000,000.00) of the Bonds pursuant thereto. A second resolution requests the Board's approval of \$1,282,188 in Low Income Housing Tax Credits (LIHTCs).

The project was previously approved by the Louisiana Housing Finance Agency's Board of Commissioners on February 9, 2011 for the issuance of the Bonds; and on March 9, 2011 for the Tax Credits and Sale of the Bonds; and received Bond Commission approval on February 17, 2011. Due to change in the Development Team, the project was re-submitted for the issuance of the Bonds on November 9, 2011 and received Bond Commission approval on January 19, 2012 for the construction of 112 units of elderly housing in the historic Texaco building.

The previous developer, 1501 Properties, LLC opted to sell the property to the Housing Authority of New Orleans (HANO) to be part of the Choice Neighborhood redevelopment of the Iberville Housing Project. 1501 Canal Apartments (please see attachment for previous development experience), the new developer, sponsored by HANO and Historic Restoration, Inc. (HRI), will purchase the property from 1501 Properties, LLC and will redevelop the building into 112 units of elderly housing with thirteen (13) efficiency units and ninety-nine (99) one bedroom units.

In addition to the Bond Proceeds, other sources of funding to be utilized in the rehabilitation of this development will be \$10,243,893 from State and Federal Historic Tax Credit Equity; \$11,423,141 from Low-Income Housing Tax Credit Equity; and \$9,500,000 in CDBG funds, with a Total Development cost of \$33,252,033. The Bond proceeds will be used during construction and paid down with the historic credits. The imputed TDC/unit is \$197,840.54.

Unit amenities include energy-efficient appliances (including a range/oven, refrigerator, dishwasher, and microwave oven), modern window coverings, central heating and air conditioning, common laundry facility in addition to washer/dryer hookups, and high-quality, modern finishes. Other amenities include a professionally-designed fitness center, on-site management, common rooftop patio with breathtaking views, spacious lobby with contemporary furniture, original art, music, wireless internet, lounge/community room with large flat-screen TVs and seating, business center with computers and printers, personal storage units available for an additional fee, deposit waivers and/or application fee waivers and gated surface parking lot with direct access to building for an additional fee.

Pros:

- 112 units of high-quality, affordable housing will be created for the vulnerable elderly population, particularly for those elderly individuals who will be displaced in the upcoming transformation of the Iberville Housing Project.
- LHFA will continue its mission of providing safe, decent and affordable housing for low to moderate-income families by utilizing its resources.
- The recommended action will enhance the housing stock for the citizens of Louisiana.

Cons: None

Recommendation:

Staff recommends approval of this request to issue Multifamily Housing Revenue Bonds and 4% LIHTC to further the mission of providing housing to the citizens of this state.

LOUISIANA HOUSING CORPORATION

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

RESOLUTION

A resolution establishing the maximum qualified basis and low-income housing credits to 1501 Canal Senior Housing; authorizing the staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low Income Housing Tax Credits to such facilities; and providing for other matters in connection therewith.

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

WHEREAS, the Agency approved certain application and other forms, documents and proceedings related to the Low Income Housing Tax Credits ("LIHTC Program"), including credits available to projects financed with tax-exempt bonds under Section 142(d) of the Internal Revenue Code; and

WHEREAS, the Board of Commissioners of the Louisiana Housing Finance Agency, hereinafter the "Agency," was abolished at midnight on December 31, 2011 pursuant to La R.S. 40:600.4 E; and

WHEREAS, pursuant to that same provision, the powers, duties, functions, and responsibilities of the Agency's Board of Commissioners is to be assumed by the governing board of the Louisiana Housing Corporation, hereinafter "Corporation" until the Agency terminates at midnight on June 30, 2012; and

WHEREAS, the staff of the Corporation has processed the application for 1501 Canal Senior Housing 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 1501 Canal Senior Housing;

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

SECTION 1. 1501 Canal Senior Housing (the "Project") is hereby preliminarily approved for Tax Credits in the amount of one million, two hundred eighty-two thousand, one

hundred eighty-eight dollars (\$1,282,188.00) subject to the conditions of the preliminary feasibility analysis of Foley & Judell, L.L.P. and the information contained in the Project application.

SECTION 2. The staff, 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 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, Interim President of the Agency, and/or Secretary of the Corporation be and they are hereby authorized, empowered and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Agency, the terms of which are to be consistent with the provisions of this resolution as approved by counsel and LIHTC Program Counsel, Foley & Judell, L.L.P.

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

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, 9th day of May 2012.

Chairman

Secretary

**STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE**

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (the "Corporation"), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board of Directors on May 9, 2012, "A resolution establishing the maximum qualified basis and low-income housing credits to 1501 Canal Senior Housing; authorizing 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".

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 9th day of May, 2012.

Secretary

(SEAL)