



# **Board of Directors**

## **Agenda Item #7**

**Resolution authorizing preliminary approval of  
\$9M MHRB for Twin Lakes of Leesville**

**August 12, 2012**

**Reason for Requested Approval**

Requesting approval of:

- \$9,000,000.00 in Multi-Family Mortgage Revenue Bonds

**Project History and Previous Board Action**

- **HOME Funds Awarded** – At the LHC July 8<sup>th</sup> Meeting
- **Development Team** – The Bennet Group - Holly Knight & Judy Van Dyke. This team has produced multiple affordable developments in Alabama. Property Management will be by Standard Enterprises, Inc. Project is a PHA Redevelopment project with the Leesville PHA.

**Project Specifics**

**Acquisition/Rehabilitation Costs**

Rehabilitation Hard Costs	\$6,091,206.00
Total Soft Costs	\$2,977,311.00
Construction Costs	\$922,532.00
Land Costs	\$370,000.00
Building Costs	\$ 3,630,000.00

**Unit Mix**

1 Bedrooms	72
2 Bedroom Units	72
3 Bedroom Units	41
4 Bedroom Units	9
<b>Total Units</b>	<b>194</b>

**Development Costs:**

<b>Total Development Cost</b>	<b>\$ 13,691,049*</b>
Total Units	194
Total Buildings	89
Total Cost/Unit	\$ 70,572.42
Total Square Feet	154,716
<b>Total Cost/SF</b>	<b>\$88.50</b>

**Funding Sources:**

First Mortgage	\$2,550,000.00
Second Mortgage	\$4,000,000.00
HOME Funds	\$1,500,000.00
Deferred Developer Fee	\$627,636.00
PHA Funds	\$1,670,000.00
Tax Credit Equity	\$ 4,014,826.00
Initial Reserves	(-\$371,413)
Community Facility	(\$300,000)
<b>Total</b>	<b>\$ 13,691,049</b>

**Property Value:**

Appraisal Date	4/15/15
Est. Pre-Rehab Value	\$7,455,000
Est. Post-Rehab Value	\$8,390,000
Date Property Last Sold	Pending
Year Built	1968/1986
Occupancy Rate	100%

- **TDC Calculations for per unit and square footage costs do not include community facility.**

### Estimated Economic Impact\*

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

	During Construction (One-Year Impact)	Post-Construction (Annual Impact)
Local Employment Income	\$15,326,000.00	\$4,656,000.00
Local Employment Taxes	\$1,604,380.00	\$855,540.00
Local Jobs	237	58
Zoning/Impact Fees/Permits	\$NA	-
SBC/MRB/Tax Credit Application Fees	\$12,500.00	-
MRB Closing Fees	\$9,000.00	-
Annual Administrative Fee	\$9,000.00	\$9,000.00
LHC Compliance Monitoring Fee	\$6,402.00	\$6,402.00
LHC Reprocessing Fee	\$0.00	-
<b>Total Economic Impact</b>	<b>\$16,967,282.00</b>	<b>\$5,526,942.00</b>

### Area Demographic Profile

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

Vernon Parish	
<b>Median Household Income</b>	\$46,572.00
<b>People living in poverty</b>	13.5%
<b>People living at or above poverty</b>	86.5%
<b>Households earning \$14,999 or less</b>	11.7%
<b>Households earning \$24,999 or less</b>	22.5%

### Occupancy Profile

*Source Citation: U.S. Department of Housing and Urban Development (HUD) AMI Limits as of 12/11/2012*

No. of Units	AMI	Annual Qualifying Income Limit
193	PBRA	N/A
1	Non-Revenue Units	N/A

### Examples of Occupations in the 50-60% AMI Category

Construction	Bus Drivers	Management	Paramedics	Manufacturing	Social Services
Retail Sales	Office Clerks	Maintenance	Firefighters	Construction	
Industrial/Manufacturing	Educational Services	Bank Tellers	Security Guards	Private Industry	Local Government
Wholesale Trade	Health Care Workers	Para-professionals	Administrative Assistants		

*Source Citation: Louisiana Workforce Commission, Market Study*

## LOUISIANA HOUSING CORPORATION

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

### RESOLUTION

**A Resolution authorizing the preliminary approval of the issuance of not to exceed \$9,000,000 Multifamily Housing Revenue Bonds in one or more series to finance the acquisition, rehabilitation and equipping of Twin Lakes of Leesville located at 213 Blackburn, 100 Logan Lane, 701 Wesley and 300 Campbell, Leesville, Vernon Parish, Louisiana; and providing for other matters in connection therewith.**

**WHEREAS**, Twin Lakes of Leesville, LP, a Louisiana limited partnership or its successors and assigns (the "Borrower"), intends to acquire, rehabilitate and equip four residential rental facilities in the City of Leesville containing a total of 194 living units for individuals and families of low and moderate income located as follows: 213 Blackburn; 100 Logan Lane; 701 Wesley; and 300 Campbell in the City of Leesville, Vernon Parish, Louisiana (collectively, the "Project"); and

**WHEREAS**, the Borrower has requested the Louisiana Housing Corporation (the "Corporation") to issue revenue bonds pursuant to the authority of Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority supplemental thereto, in a principal amount not to exceed \$9,000,000 (the "Bonds"), to finance a portion of the costs of the Project; and

**WHEREAS**, the Borrower wishes to proceed with the necessary actions for the structuring of its financing program relative to the Project and has requested an expression of the Corporation's conditional willingness to authorize the issuance of the Bonds; and

**WHEREAS**, the Corporation deems it necessary and advisable that it take such action as may be required under applicable statutory provisions to authorize and issue not exceeding \$9,000,000 revenue bonds in one or more series to finance a portion of the cost of the Project, together with costs incident to the authorization, issuance and sale of the bonds.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LOUISIANA HOUSING CORPORATION:**

**SECTION 1. Initial Approval.** Pursuant to the authority of the Act, and other constitutional and statutory authority supplemental thereto, the issuance of the Bonds, in one or more series pursuant to a common plan of finance, to finance the acquisition, rehabilitation and equipping of the Project is hereby initially approved in an aggregate principal amount not to exceed \$9,000,000, bearing interest at a rate or rates not to exceed three percent (3%) per annum and maturing no later than five (5) years from the date of issuance thereof. It is the intent of this resolution to induce the financing of the Project by the Borrower. This resolution is not intended to be a binding commitment of the Corporation to issue the Bonds. The Board will consider final approval of the issuance of Bonds upon a determination by the Corporation staff that the Borrower has complied with the requirements of the Act and the Corporation's Multifamily Bond Finance Program to its satisfaction. The Bonds shall be sold by the Corporation on

such date as may be determined by the Corporation, in accordance with the requirements of the Act and pursuant to the provisions of the Notice of Intention to Sell at Private Sale attached hereto as **Exhibit I**.

**SECTION 2. Bonds to be Limited Obligations.** The Bonds to be issued shall be limited special obligations of the Corporation payable solely from revenues to be received pursuant to a loan or other financing agreement in a form acceptable to the Corporation and the Borrower and shall not be a general obligation of the Corporation or the State of Louisiana or any political subdivision of the State of Louisiana.

**SECTION 3. No Personal Liability.** No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Resolution, or in any Bond, or in any document to be executed by the Corporation in connection with the issuance of the Bonds (the "Issuer Documents"), or under any judgment obtained against the Corporation or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any officer as such or board member, past, present, or future, of the Corporation, either directly or through the Corporation, or otherwise, for the payment for or to the Corporation or any receiver thereof, or for or to any holder of any Bond, or otherwise, of any sum that may be due and unpaid by the Corporation upon any of the Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to the Corporation or any receiver thereof, or for or to the owner or any holder of any Bond, or otherwise, of any sum that may remain due and unpaid upon any Bond, shall be deemed to be expressly waived and released as a condition of and consideration for the execution and delivery of the Issuer Documents and the issuance of the Bonds.

**SECTION 4. Costs and Expenses.** Subject to applicable federal tax law limitations, all costs and expenses involved in the authorization, issuance, sale and delivery of the Bonds and in providing financing for the Project, including the fees and disbursements of the original purchaser, bond counsel, counsel to the Corporation, Corporation fees, volume cap fees, and the fees of legal counsel, accountants, financial advisors and other professionals incurred by the Borrower in connection with the Project shall be paid from the Bond proceeds, or, if they are insufficient, shall be paid directly by the Borrower, and the proceedings and agreements relating thereto, as hereafter adopted and undertaken, shall so provide.

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

**SECTION 6. Further Action.** The officers of this Board of Directors and the Executive Director of the Corporation are authorized and empowered to take any and all further action and to sign any and all documents, instruments and writings as may be necessary to carry out the purposes of this resolution and to file, on behalf of the Corporation, with any governmental board of entity having jurisdiction over the Project, such applications or requests for approval thereof as may be required by law, including an application to the State Bond Commission for approval of the financing (provided that the application shall be made only in conjunction with an approving letter from the Executive Director of the Corporation).

By virtue of the Corporation's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval resolved and set forth herein, the Corporation resolves that it understands and agrees that such approvals are expressly conditioned upon, and the Corporation further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Swaps, or other forms or

Derivative Products Hedges, Etc.", adopted by the Commission on July 20, 2006, as to borrowings and other matters subject to approvals, including subsequent application and approval under said Policy of the implementation or use of any swaps or other products or enhancements covered thereby.

**SECTION 7. Public Hearing.** The Chairman of the Board of Directors and the Executive Director of the Corporation are hereby authorized and directed to hold a public hearing with respect to the Project and the financing thereof by the issuance of the Bonds and may designate a hearing officer for the purpose of holding such hearing.

**SECTION 8. Official Intent.** This resolution is a Declaration of Official Intent under U.S. Treasury Regulations for purposes of Sections 103 and 141 to 150 of the Internal Revenue Code of 1986, as amended (the "Code"). Based upon the representations of the Borrower, the Corporation reasonably expects that certain of the costs of the Project may be reimbursed with the proceeds of the Bonds. The maximum principal amount of the Bonds is expected to be approximately \$9,000,000.

**SECTION 9. Expiration.** All commitments by the Corporation herein with respect to the Project are subject to the condition that on or before 36 months from the date of adoption hereof, the Corporation and the Borrower shall have agreed to mutually acceptable terms for the financing documents and the sale and delivery of the Bonds or other obligations.

**SECTION 10. Participants to Financing.** That it is recognized that a real necessity exists for the employment of bond counsel in connection with the issuance of the Bonds and accordingly Jones Walker LLP be and they are hereby employed as bond counsel to the Corporation to do and to perform comprehensive, legal and coordinate professional work with respect thereto. The fee to be paid Bond Counsel shall be an amount based on the Attorney General's then current Bond Counsel Fee Schedule and other guidelines for comprehensive, legal and coordinate professional work in the issuance of revenue bonds applied to the actual aggregate principal amount issued, sold, delivered and paid for at the time the Bonds are delivered, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, subject to the Attorney General's written approval of said employment and fee.

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 12<sup>TH</sup> day of August, 2015.

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Chairperson

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Secretary

STATE OF LOUISIANA                    )  
  )  
PARISH OF EAST BATON ROUGE    )

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation, do hereby certify that the foregoing constitutes a true and correct copy of the resolution adopted by said Board of Directors on August 12, 2015, titled: "A Resolution authorizing the preliminary approval of the issuance of not to exceed \$9,000,000 Multifamily Housing Revenue Bonds in one or more series to finance the acquisition, rehabilitation and equipping of Twin Lakes of Leesville; 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 \_\_\_\_ day of August, 2015.

\_\_\_\_\_  
Secretary

**EXHIBIT I**  
**NOTICE OF INTENTION TO SELL AT PRIVATE SALE**  
**LOUISIANA HOUSING CORPORATION**  
**MULTIFAMILY HOUSING REVENUE BONDS**  
**(TWIN LAKES OF LEESVILLE) SERIES 2015**

NOTICE IS HEREBY GIVEN in compliance with the provisions of Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), that the Louisiana Housing Corporation (the "Corporation"), proposes to sell its Multifamily Housing Revenue Bonds (Twin Lakes of Leesville) Series 2015 (the "Bonds"), in aggregate principal amount of Nine Million Dollars (\$9,000,000) in one or more series at a rate or rates not exceeding three per centum (3%) per annum.

The Bonds are to be sold to finance the acquisition, rehabilitation and equipping of four scattered site residential rental facilities in the City of Leesville (the "Project") at a meeting of the Board of Directors of the Corporation scheduled for \_\_\_\_\_, 2015, at ten (10:00) o'clock a.m., Louisiana time, at the offices of the Louisiana Housing Corporation, 2415 Quail Drive, Baton Rouge, Louisiana 70808. The Corporation reserves the right to postpone the date, hour and place set forth above for the sale of the Bonds (without any further publication of notice of the change in the sale date, time and/or location). In the event the sale is postponed as provided above, anyone desiring written notice of the subsequent date and time which said sale is to be accomplished must request such notice from the Executive Director of the Corporation. The Bonds will be sold pursuant to the terms of a resolution to be adopted by the Corporation and a Trust Indenture (the "Indenture") to be executed by and between the Corporation and a trustee bank.

The Bonds are being issued pursuant to the Act and the Indenture for the purpose of financing the acquisition, construction and equipping of a multifamily housing project and (ii) paying the costs of issuance associated with the Bonds. The Bonds are limited obligations of the Corporation and will be payable solely out of the income, revenues and receipts derived from the funds and accounts held under and pursuant to the Indenture and pledged therefor. As provided in the Act and the Indenture, the Bonds do not constitute an obligation, either general or special, of the State of Louisiana, any municipality or any other political subdivision thereof.

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

The Bonds will be dated as provided in the Indenture, will bear interest at such rate or rates established at the time of sale of the Bonds, payable on such dates as set forth in the Indenture, and will mature no later than five (5) years from date of issuance.

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

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

For further information relative to the Bonds and not contained in this Notice, address Jones Walker LLP, Bond Counsel, Four United Plaza, 8555 United Plaza Boulevard, Baton Rouge, LA 70809.

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

LOUISIANA HOUSING CORPORATION

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Chairperson

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Secretary