

Lotus Village

Baton Rouge, Louisiana

East Baton Rouge Parish

Construction Type:	New Construction	Total Development Costs:	\$25,483,473.00
Developer Contact:	David Harms	Total Cost / Sq. Ft:	\$313.84
	Gulf Coast Housing Partnership	Total Cost /Unit:	\$219,685.11
	1626 Oretha Castle Haley Blvd., Suit		
	New Orleans, LA 70113		
Buildings / Units:	58 / 116		

Narrative

Lotus Village is a proposed 116 unit, new construction development located on two non-contiguous parcels. One parcel is bounded by Gracie Street, N. 16th Street, Spanish Town Road and Frisco Street and the second parcel is bounded by Spanish Town Road, N. 15th Street, North Street and N. 16th Street in Baton Rouge, Louisiana. The entire development will consist of 116 1-BR units.

Reason for Requested Approval

Approval of a supplemental resolution to increase the principal amount of bonds:

- \$1,500,000 in Multifamily Housing Revenue Bonds for a total of \$12,100,000

Project History and Previous Board Action

Project closed on \$11,600,000 in MRB's on March 30, 2021
Received approval of \$745,133 in LIHTC and \$12,100,000 in MRBs at the July 8, 2020 Board Meeting
Awarded \$10,000,000 in CDBG funds from the 2020 PRIME Funding Round at the June 2020 Board Meeting

Development Team

Developer - Gulf Coast Housing Partnership
Syndicator - Regions Bank
Accountant - Little and Associates, LLC
Attorney - Coats Rose
Architect - MAP Design Group, LLC
Management Company - GCHP-Management, LLC
Builder/Contractor - TBD

Reprocessing Involves the Following Changes:

Construction Costs	Amount
Land Acquisition	\$933,830.00
Total Hard Costs	\$16,293,647.00
Builder Compensation	\$1,758,699.00
Construction Contingency	\$425,622.00
Total Developer's Fee	\$2,870,000.00
Soft Costs / Other	\$3,363,675.00
Total Development Cost	\$25,645,473.00
Initial Reserves	(\$658,623.00)
Community Facilities Costs	(\$162,000.00)
Maximum TDC Limit	\$183,569.00
Adjusted TDC/ % of Max TDC Limi	\$25,483,473.00

Development Costs	Approved	Reprocessing	Increase/Decrease
Land Acquisition	\$947,088.00	\$933,830.00	(\$13,258.00)
Total Hard Costs	\$13,368,963.00	\$16,719,269.00	\$3,350,306.00
Builder Compensation	\$2,070,379.00	\$1,758,699.00	(\$311,680.00)
Total Developer's Fee	\$2,870,000.00	\$2,870,000.00	\$0.00
Soft Costs / Other	\$3,316,709.00	\$3,363,675.00	\$46,966.00
Total Development Cost	\$22,573,139.00	\$25,645,473.00	\$3,072,334.00
Initial Reserves	(\$638,686.00)	(\$658,623.00)	(\$19,937.00)
Community Facilities Costs	(\$162,000.00)	(\$162,000.00)	\$0.00
Maximum TDC Limit	\$183,569.00	\$183,569.00	\$0.00
Adjusted TDC/ % of Max TDC Limit	\$22,411,139.00	\$25,483,473.00	\$3,072,334.00

Excluded from TDC Calculation - Reserves & Community Facilities

Funding Sources	Approved	Reprocessing	Increase/Decrease
Conventional First Mortgage	\$2,667,936.00	\$2,667,936.00	\$0.00
CDBG-DR Gap Financing Loan	\$10,000,000.00	\$10,000,000.00	\$0.00
Deferred Developer Fee	\$0.00	\$1,645,824.00	\$1,645,824.00
Estimated LIHTC Equity Proceeds	\$9,155,203.00	\$10,354,569.00	\$1,199,366.00
Other	\$750,000.00	\$977,144.00	\$227,144.00
Total	\$22,573,139.00	\$25,645,473.00	\$3,072,334.00

Unit Mix

0 BR	1 BR	2 BR	3 BR	4 BR
	116			

LOUISIANA HOUSING CORPORATION

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

RESOLUTION

A resolution accepting the proposal of Cedar Rapids Bank and Trust Company for the purchase of an additional One Million, Five Hundred Thousand Dollars (\$1,500,000) of Multifamily Housing Revenue Bonds above the previously delivered Eleven Million, Six Hundred Thousand Dollars (\$11,600,000) Multifamily Housing Revenue Bonds for the Lotus Village Project situated on two noncontiguous parcels located at 1600 Gracie St. and 715 N. 16th St. in Baton Rouge, East Baton Rouge Parish, Louisiana, to finance the acquisition, construction, and equipping of the Lotus Village Project; and providing for other matters in connection with the foregoing.

WHEREAS, the Board of Directors (the “**Board**”) of the Louisiana Housing Corporation (the “**LHC** or the “**Corporation**”) on July 8, 2020, adopted a resolution approving and authorizing the issuance and sale of not exceeding Twelve Million, One Hundred Thousand Dollars (\$12,100,000) of Louisiana Housing Corporation Multifamily Housing Revenue Bonds (Lotus Village Project) (the “**Bonds**”) in one or more series to Cedar Rapids Bank and Trust Company or such other purchaser (the “**Purchaser**”) to finance a 116-unit multifamily housing facility located in Baton Rouge, East Baton Rouge Parish (the “**Project**”); and

WHEREAS, the Louisiana State Bond Commission approved Twelve Million, One Hundred Thousand Dollars (\$12,100,000) of the Bonds on August 20, 2020; and

WHEREAS, on March 30, 2021, LHC designated the Bonds as “Louisiana Housing Corporation Multifamily Housing Revenue Drawdown Bonds (Lotus Village Project)” and issued an actual principal amount of Eleven Million, Six Hundred Thousand Dollars (\$11,600,000); and

WHEREAS, Lotus Village, LP, a Louisiana limited partnership (the “**Taxpayer**”) has advised LHC that additional costs of the Project creates a risk that the Project will not satisfy the requirements of Section 42(h)(4)(B) (the “**50% Test**”) of the Internal Revenue Code (the “**Code**”) which served as the basis for LHC executing a determination letter pursuant to Section 42(m)(2)(D) of the Code approving \$1,046,518 of low-income housing tax credits (“**LIHTCs**”) as of the delivery date of and based upon the principal amount of the Bonds actually delivered; and

WHEREAS, the Taxpayer has submitted an amended bond application requesting that the Bonds issued on March 30, 2021 be increased by One Million, Five Hundred Thousand Dollars (\$1,500,000) (the “**Additional Principal**”) to cover the additional costs and to satisfy the

50% Test so that the aggregate principal amount of the amended and restated Bonds will not exceed Thirteen Million, One Hundred Thousand Dollars (\$13,100,000); and

WHEREAS, as a consequence of the additional costs and reprocessing of the Project's Low-Income Housing Tax Credit Application, the Project may be allowed low-income housing tax credits ("LIHTCs") of **One Million Two Hundred Four Thousand Nine Hundred Thirty-One Dollars (\$1,204,931)** (the "**Reprocessed LIHTCs**") pursuant to a revised determination to be executed by LHC in accordance with Section 42(m)(2)(D) of the Code; and

WHEREAS, the LHC did meet on August 10, 2022, at 10:30 a.m., Louisiana time, for the purpose of taking action with respect to the sale of the Additional Principal so that the amended and restated Bonds will not exceed Thirteen Million, One Hundred Thousand Dollars (\$13,100,000); and

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

SECTION 1. The parameter sale of One Million, Five Hundred Thousand Dollars (\$1,500,000) constituting the Additional Principal to the Bonds pursuant to the parameter written terms submitted this day by Cedar Rapids Bank and Trust Company for the purchase of the Additional Principal designated "Louisiana Housing Corporation Multifamily Housing Revenue Drawdown Bonds (Lotus Village Project)" at an interest rate not exceeding eight percent (8%) per annum, and for a maturity not exceeding 40 years, authorized under and pursuant to the provisions of a Supplemental Bond Financing Agreement (the "**Supplemental Bond Financing Agreement**") by and between the LHC and the Purchaser are hereby awarded to the Purchaser; provided, however, that the sale and delivery of the Additional Principal to the amended and restated Bonds are conditioned upon approval by the State Bond Commission of the Additional Principal and compliance with any and all approvals and/or certifications required by the Louisiana Attorney General for the Additional Principal. The sale and delivery of the Additional Principal to the Bonds in accordance with said Supplemental Bond Financing Agreement are hereby authorized and approved. The Chairman, Executive Director and/or Secretary of the

Corporation are hereby authorized and directed for, on behalf of and in the name of the LHC, to execute, deliver and approve such instruments, documents and certificates as may be required or necessary, convenient or appropriate to the financing described herein, including, but not limited to the Supplemental Bond Financing Agreement on file with the LHC.

The aforesaid officers are additionally authorized to approve any changes in the aforementioned documents provided such changes are in accordance with Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended, and with the approval of Counsel to the LHC or Bond Counsel. The costs of financing the Project will be paid out of the proceeds from the sale of the Bonds, which shall be special, limited obligations of the LHC, payable solely out of the revenues derived by the LHC with respect to the Project for which financing is made available. The Bonds containing the Additional Principal and the interest thereon shall never constitute the debt or indebtedness of the LHC, the State of Louisiana (the “**State**”), or any political subdivision thereof within the meaning of any provision or limitation of the Constitution or statutes of the State, nor shall the same give rise to a pecuniary liability of the LHC or the State or any political subdivision thereof or a charge against their general credit or taxing power, and such limitation shall be plainly stated on the face of the Bonds.

SECTION 2. In order to accomplish the sale of the Bonds in accordance with the terms of this resolution, either the Chairman, Executive Director and/or Secretary of the Corporation, acting on his behalf, be and they are hereby authorized and directed to execute and deliver, for and on behalf of the LHC, amendments to the Bond Financing Agreement in substantially the form thereof which is now before this LHC and filed with the Secretary of this Board of Directors with such revisions or changes as may be approved by Bond Counsel.

SECTION 3. The Additional Principal of the Bonds will be dated, will be in the denominations, be subject to redemption, and will have all the terms set forth in the Supplemental Bond Financing Agreement. The Bonds, including the Additional Principal, are a limited obligation of the Corporation and will be payable solely out of the income, revenues and receipts derived from the Project and funds and accounts held under and pursuant to the Bond Financing Agreement and pledged therefor.

SECTION 4. The Project is now hereby preliminarily approved for LIHTCs in the amount of **One Million Two Hundred Four Thousand Nine Hundred Thirty-One Dollars (\$1,204,931)** in accordance with the revised preliminary feasibility analysis report (the “**F&V Report**”) of the Corporation's tax credit underwriter (the “**Tax Credit Underwriter**”) as referenced in the Underwriting Review submitted to the Board, provided, however, that staff is hereby further authorized and directed to adjust such LIHTCs based upon (a) any reprocessing submitted by the taxpayer/owner and the LIHTCs recommended and approved in a supplemental F&V Report of the Underwriter and/or (b) the final audited cost certification review of the Project by the Tax Credit Underwriter following the placement in service of the Project as required by Section 42(m) of the Internal Revenue Code of 1986, as amended (the “**Code**”).

SECTION 5. The Chairman, Executive Director and/or Secretary of the Corporation are hereby approved, authorized and directed to execute and deliver or cause to be executed and delivered all documents required to be executed on behalf of the LHC and delivered to effect delivery of the Bonds with the Additional Principal to the Purchaser or deemed by any of them necessary or advisable to implement this resolution or the Supplemental Bond Financing Agreement, or to facilitate the sale of the Additional Principal of the Bonds.

The Chairman, Executive Director and/or Secretary of the Corporation shall cause to be executed for and on behalf of the LHC the aforementioned Additional Principal to the Bonds in accordance with the Supplemental Bond Financing Agreement and shall effect the delivery thereof to the Purchaser in accordance with the Supplemental Bond Financing Agreement. The Chairman, Executive Director and/or Secretary of the Corporation of the LHC shall receive from the Purchaser for the account of the LHC the purchase price of the Additional Principal to the Bonds and shall deposit the same with the Fiscal Agent under the Bond Financing Agreement in accordance with the provisions thereof.

By virtue of LHC's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval(s) resolved and set forth herein, it resolves that it understands and agrees that such approval(s) are expressly conditioned upon, and it further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Use of Swaps, or other forms of Derivative Products Hedges, Etc.", adopted by the Commission on July 20, 2006, as to the borrowing(s) and other matter(s) subject to the approval(s), including subsequent application and approval under said Policy of the implementation or use of any swap(s) or other product(s) or enhancement(s) covered thereby.

SECTION 6. That it is recognized that a real necessity exists for the employment of bond counsel in connection with the issuance of the Additional Principal to the Bonds and accordingly Butler Snow LLP, Bond Counsel, New Orleans, Louisiana, 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 Additional Principal to the Bonds is delivered, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Additional Principal to the Bonds, subject to the Attorney General's written approval of said employment and fee.

SECTION 7. This resolution shall take effect immediately.

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

YEAS:

NAYS:

ABSENT:

ABSTAIN:

And the resolution was declared adopted on this, the 10th day of August, 2022.

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 “LHC”), do hereby certify that the foregoing pages constitute a true and correct copy of a resolution adopted by said Board of Directors on August 10, 2022, entitled: “Trust Company for the purchase of an additional One Million, Five Hundred Thousand Dollars (\$1,500,000) of Multifamily Housing Revenue Bonds above the previously delivered Eleven Million, Six Hundred Thousand Dollars (\$11,600,000) Multifamily Housing Revenue Bonds for the Lotus Village Project situated on two noncontiguous parcels located at 1600 Gracie St. and 715 N. 16th St. in Baton Rouge, East Baton Rouge Parish, Louisiana, to finance the acquisition, construction, and equipping of the Lotus Village Project; and providing for other matters in connection with the foregoing.”

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the LHC on this, the 10th day of August, 2022.

Secretary

(SEAL)
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