

## The Reserve at Juban Lakes Denham Springs, Louisiana Livingston Parish

Construction Type: New Construction

Total Development Costs: \$28,910,344.00

Developer Contact: Thomas C. Delahaye

Total Cost / Sq. Ft: \$219.52

CST Land Developers, L.L.C. - Tom Delah  
7632 Lane's End  
Baton Rouge, Louisiana 70810

Total Cost /Unit: \$219,017.76

\*Excluded from TDC Calculation - Reserves

Buildings / Units: 6 / 132

### Narrative

The Reserve at Juban Lakes is a new construction multifamily development located in Denham Springs, Louisiana. The development will consist of 30 1 -BR units, 60 2-BR units, 36 3-BR units and 6 4-BR units.

**Reason for Requested Approval**

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

- \$1,555,560 in Multifamily Housing Revenue Bonds for a total of \$15,555,560.
- \$322,657 in Low Income Housing Tax Credits for a total of \$997,965.

**Project History and Previous Board Action**

Final approval of sale of \$14,000,000 in Multifamily Housing Revenue Bonds September 31, 2020  
Received approval of \$675,308 in LIHTCs and \$14,000,000 in MRBs at the July 2020 Board Meeting  
Awarded \$8,565,860 in CDBG funds from the 2020 PRIME Funding Round at the June 2020 Board Meeting

**Development Team**

Developer - CST Land Developers, L.L.C. - Tom Delahaye/Claire Reinstein  
 Syndicator - PNC Real Estate  
 Accountant - Novogradac & Company  
 Attorney - Alexander Sides, LLC  
 Architect - The Architectural Studio  
 Management Company - Merge Management  
 Builder/Contractor - Block Companies

**Reprocessing Involves the Following Changes:**

Construction Costs	Amount
Land Acquisition	\$1,710,000.00
Total Hard Costs	\$17,664,044.00
Builder Compensation	\$1,437,483.00
Construction Contingency	\$1,375,090.00
Total Developer's Fee	\$2,929,396.00
Soft Costs / Other	\$4,752,332.00
Total Development Cost	\$29,868,344.00
Initial Reserves	(\$958,000.00)
Maximum TDC Limit	\$203,676.59
Adjusted TDC	\$28,910,344.00

Development Costs	Approved	Reprocessing	Increase/Decrease
Land Acquisition	\$1,480,000.00	\$1,710,000.00	\$230,000.00
Total Hard Costs	\$16,215,000.00	\$19,101,526.00	\$2,886,526.00
Construction Contingency	\$633,600.00	\$1,375,090.00	\$741,490.00
Total Developer's Fee	\$2,929,396.00	\$2,929,396.00	\$0.00
Soft Costs	\$3,356,705.00	\$4,752,332.00	\$1,395,627.00
Total Development Costs	\$24,614,701.00	\$29,868,344.00	\$5,253,643.00
Reserves	(\$676,000.00)	(\$958,000.00)	(\$282,000.00)
*Adjusted TDC	\$23,938,701.00	\$28,910,344.00	\$4,971,643.00

\*Excluded from TDC Calculation -Reserves

Develop. Specs	Approved	Reprocess	Incr/Decr
Total Units	132	132	0
Total Buildings	6	6	0
Total Cost/Unit	\$181,354	\$219,018	\$37,664
Total Square Feet	131700	131700	0
Total Cost/Sqft	\$182	\$220	\$38

Funding Sources	Approved	Reprocessing	Increase/Decrease
PNC Loan	\$8,960,000.00		
Freddie Mac TEL	\$0.00	\$11,600,000.00	\$11,600,000.00
CDBG-DR Gap Financing Loan	\$8,565,860.00	\$9,065,860.00	\$500,000.00
Deferred Developer Fee	\$545,614.00	\$151,219.00	(\$394,395.00)
LHC NHTF Loan (Forgiven at Maturi)	\$0.00	\$500,000.00	\$500,000.00
Estimated LIHTC Equity Proceeds	\$6,144,691.00	\$8,336,165.00	\$2,191,474.00
Other	\$398,536.00	\$215,100.00	(\$183,436.00)
Total Sources of Funds	\$24,614,701.00	\$29,868,344.00	\$5,253,643.00
<b>Total</b>	<b>\$49,229,402.00</b>	<b>\$59,736,688.00</b>	<b>\$19,467,286.00</b>

**Unit Mix**

0 BR   1 BR   2 BR   3 BR   4 BR

**LOUISIANA HOUSING CORPORATION**

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

**RESOLUTION**

**A resolution accepting the proposal of PNC Bank, National Association for the purchase of an additional One Million, Five Hundred Fifty-five Thousand, Five Hundred Sixty Dollars (\$1,555,560) above the previously delivered Fourteen Million Dollars (\$14,000,000) Multifamily Housing Governmental Note for The Reserve at Juban Lakes Project located at 11020 Village Lane, Denham Springs, Livingston Parish, Louisiana 70726 to finance the acquisition, construction, and equipping of a multifamily housing development within the State of Louisiana; 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 Fourteen Million Dollars (\$14,000,000) of Louisiana Housing Corporation Multifamily Housing Revenue Bonds (The Reserve at Juban Lakes Project) (the “**Bonds**”) in one or more series to PNC Bank, National Association or such other purchaser (the “**Purchaser**”) to finance a 132-unit multifamily housing facility located in Denham Springs, Livingston Parish (the “**Project**”); and

**WHEREAS**, the Louisiana State Bond Commission approved Fourteen Million Dollars (\$14,000,000) of bonds on August 20, 2020; and

**WHEREAS**, on December 31, 2020, LHC designated the Bonds as “Louisiana Housing Corporation Multifamily Housing Governmental Note (The Reserve at Juban Lakes Project)” and issued an actual principal amount of Fourteen Million Dollars (\$14,000,000) in the form of a draw-down note (the “**Governmental Note**”); and

**WHEREAS**, The Reserve at Juban Lakes, LLC, a Louisiana limited liability company (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 Seven Hundred Seventy Thousand, Twenty-Two Dollars (\$770,022) of low-income housing tax credits (“**LIHTCs**”) as of the delivery date of and based upon the principal amount of the Governmental Note actually delivered; and

**WHEREAS**, the Taxpayer has submitted an amended bond application requesting that the Governmental Note issued on December 31, 2020 be increased by One Million, Five

Hundred Fifty-five Thousand, Five Hundred Sixty Dollars (\$1,555,560) (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 Governmental Note will not exceed Fifteen Million, Five Hundred Fifty-five Thousand ,Five Hundred Sixty Dollars (\$15,555,560); 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 **Nine Hundred, Ninety-seven Thousand, Nine Hundred Sixty-five Dollars (\$997,965)** (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 May 11, 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 Governmental Note will not exceed Fifteen Million, Five Hundred Fifty-five Thousand, Five Hundred Sixty Dollars (\$15,555,560); 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 Fifty-five Thousand, Five Hundred Sixty Dollars (\$1,555,560) of the Additional Principal to the Governmental Note pursuant to the parameter written terms submitted this day by PNC Bank, National Association for the purchase of the Additional Principal to the Governmental Note designated “Louisiana Housing Corporation Multifamily Housing Governmental Note (The Reserve at Juban Lakes 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 an amended and restated Funding Loan Agreement (the “**Funding Loan 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 Governmental Note 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 Governmental Note

in accordance with said amended Funding Loan Agreement is hereby authorized and approved. The Chairman, Executive Director and/or Secretary of the Corporation are hereby authorized and directed for, on behalf of and in the name of the LHC, to execute, deliver and approve such instruments, documents and certificates as may be required or necessary, convenient or appropriate to the financing described herein, including, but not limited to, amendments of the following described documents for the Governmental Note on file with the LHC:

- (i) Funding Loan Agreement,
- (ii) Project Loan Agreement, and
- (iii) Tax Regulatory Agreement.

The aforesaid officers are additionally authorized to approve any changes in the aforementioned documents provided such changes are in accordance with Chapter 3-G of Title 40 of the Louisiana Revised Statutes of 1950, as amended, and with the approval of Counsel to the LHC or Bond Counsel. The costs of financing the Project will be paid out of the proceeds from the sale of the amended and restated Governmental Note, 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 amended and restated Governmental Note 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 Governmental Note.

**SECTION 2.** In order to accomplish the sale of the Governmental Note 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 Funding Loan 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 amended Governmental Note will be dated, will be in the denominations, be subject to redemption, and will have all the terms set forth in the amended Funding Loan Agreement. The Governmental Note, including the Additional Principal, is 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 Funding Loan Agreement and pledged therefor.

**SECTION 4.** The Project is now hereby preliminarily approved for LIHTCs in the amount of **Nine Hundred Ninety-seven Thousand Nine Hundred Sixty-five Dollars (\$997,965)** 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 amended Governmental Note with the Additional Principal to the Purchaser or deemed by any of them necessary or advisable to implement this resolution or the amended Funding Loan Agreement, or to facilitate the sale of the Additional Principal of the Governmental Note.

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 Governmental Note in accordance with the amended Funding Loan Agreement and shall effect the delivery thereof to the Purchaser in accordance with the amended Funding Loan 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 Governmental Note and shall deposit the same with the Fiscal Agent under the Funding Loan 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 Governmental

Note 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 Governmental Note is delivered, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Additional Principal to the Governmental Note, 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 11<sup>th</sup> day of May, 2022.

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Chairman

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Secretary

**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (the “LHC”), do hereby certify that the foregoing pages constitute a true and correct copy of a resolution adopted by said Board of Directors on May 11, 2022, entitled: “A resolution accepting the proposal of PNC Bank, National Association for the purchase of an additional One Million, Five Hundred Fifty-five Thousand, Five Hundred Sixty Dollars (\$1,555,560) above the previously delivered Fourteen Million Dollars (\$14,000,000) Multifamily Housing Governmental Note for The Reserve at Juban Lakes Project located at 11020 Village Lane, Denham Springs, Livingston Parish, Louisiana 70726 to finance the acquisition, construction, and equipping of a multifamily housing development within the State of Louisiana; 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 11<sup>th</sup> day of May, 2022.

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Secretary

(SEAL)  
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