



**FINAL AGENDA  
STATE BOND COMMISSION  
November 21, 2024  
8:00 AM - SENATE COMMITTEE ROOM A-B  
State Capitol Building**

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**1. Call to Order and Roll Call**

**2. Approval of the minutes of the October 17, 2024 meeting.**

**Local Governmental Units - Elections (March 29, 2025)**

**3. L24-322- Cameron Parish, Recreation District No. 5**

9.30 mills tax, 10 years, 2026-2035, operating and maintaining recreation facilities.

**Local Political Subdivisions - Loans**

**4. L24-325 - St. James Parish Council**

Not exceeding \$3,500,000 Utility System Revenue Bonds, not exceeding 5%, not exceeding 10 years, acquiring, constructing, extending and improving the waterworks system.

**Local Political Subdivisions - Bonds - Final Approval**

**5. L23-082 - Iberia and Vermilion Parishes, Town of Delcambre (DEQ Project)**

Not exceeding \$3,000,000 Taxable Sewer Revenue Bonds, not exceeding 0.95%, not exceeding 22 years, constructing and acquiring extensions, improvements and replacements to the sewer system, including equipment and fixtures.

**6. L24-326 - Iberia Parish, City of Jeanerette (DEQ Project)**

Not exceeding \$4,400,000 Taxable Sewer Revenue Bonds, not exceeding 0.95%, not exceeding 22 years, constructing, acquiring, extending and/or improving the sewer system.

**7. L24-376 - Terrebonne Parish, Terrebonne Levee and Conservation District**

Not exceeding \$33,000,000 Hurricane Recovery Revenue Bonds, not exceeding 6%, not exceeding 26 years, demolition, rehabilitation, repair, reconstruction, renovation, restoration, improvement, equipping, debris removal, cleanup and other related expenses related to past or future hurricane or tropical storm events.

**Local Political Subdivisions - Refinancings**

**8. L24-324 - St. John the Baptist Parish Council**

Not exceeding \$30,000,000 Revenue Refunding Notes, not exceeding 6%, not exceeding 10 years, refunding Hurricane Recovery Revenue Note, Series 2022A.

**9. L24-327 - Tangipahoa Parish, Recreation District No. 3**

Not exceeding \$3,600,000 Limited Tax Revenue Refunding Bonds, not exceeding 5%, mature no later than April 1, 2046, (1) refunding Limited Tax Revenue and Refunding Bonds, Series 2017 and (2) funding a debt service reserve fund, if necessary.

**Port, Harbor and/or Terminal Districts**

**10. L24-328 - Central Louisiana Regional Port**

Not exceeding \$10,000,000 Grant Anticipation Notes, not exceeding 6%, not exceeding 5 years, port improvements, including designing, developing, constructing, and equipping an electrical substation manufacturing and assembly building.

### **State Agencies, Boards and Commissions**

11. **Rescission of the motion made at the October 17, 2024 meeting to defer S24-010A - LHC (Canal Crossing Senior Apartments Project) until submission of an appraisal and the developer providing detailed explanation on costs.**
12. **S24-010B - Louisiana Housing Corporation (Canal Crossing Senior Apartments Project)**  
Not exceeding \$11,000,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 5 years, acquisition, construction, and equipping of a 49-unit multifamily housing development in New Orleans.
13. **S23-027A - Louisiana Housing Corporation (Natchitoches Thomas Apartments Project)**  
Not exceeding \$23,000,000 Revenue Bonds (\$18,000,000 Volume Cap), not exceeding 8%, not exceeding 40 years, acquiring, constructing, rehabilitating and equipping a 120-unit multifamily housing development in Natchitoches.
14. **S23-024A - Louisiana Housing Corporation (Sabine Trace Project)**  
Not exceeding \$17,000,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 8%, not exceeding 40 years, acquiring, constructing, rehabilitating, and equipping a 90-unit multifamily housing development in Merryville, Beauregard Parish.
15. **S24-027 - Louisiana Housing Corporation (The Reserve at Lapalco Place Project)**  
Not exceeding \$24,000,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 40 years, acquisition, construction, and equipping of a 144-unit multifamily housing development in Marrero.
16. **Rescission of the motion made at the October 17, 2024 meeting to defer S24-009A - LHC (Lafitte Phase VII Project) until submission of an appraisal and the developer providing detailed explanation on costs**
17. **S24-009B - Louisiana Housing Corporation (Lafitte Phase VII Project)**  
Not exceeding \$14,336,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 5 years, acquisition, construction, and equipping of a 51-unit multifamily housing development in New Orleans.

### **Political Subdivisions - Bonds**

18. **S24-044 - Louisiana Community Development Authority (Christwood Project)**  
Not exceeding \$40,000,000 Revenue and Refunding Bonds, not exceeding 7%, mature no later than December 31, 2060, **(1)** approximately \$22,395,000 Refunding Bonds, refunding Revenue and Refunding Bonds, Series 2014, **(2)** approximately \$17,605,000 Revenue Bonds, financing certain improvements at the existing Christwood retirement community in Covington, and **(3)** funding a debt service reserve fund, if necessary.

### **Costs of Issuance Reportings**

19. **L21-366B - Plaquemines Port, Harbor & Terminal District (NOLA Terminal, LLC Project)**  
Reporting on changes in costs of issuance.
20. **S21-012A - Louisiana Housing Corporation (Glen Oaks Apartments Project)**  
Reporting on changes in costs of issuance.

### **State of Louisiana**

21. **Disclosure Counsel**  
Authorization for the Director to execute an amendment to the Disclosure Counsel Contract to extend the terms of the engagement.

## Other Business

### 22. Monthly Reports

### 23. Adjourn

Notice is hereby further provided that the Commission may vote to hold an Executive Session on any agenda or other duly approved item that is exempted from discussion at an open meeting pursuant to La.R.S. 42:17.

In compliance with Americans with Disabilities Act, contact Cassie Berthelot at (225) 342-0040

To advise special assistance is needed and describe the type of assistance necessary.



**MINUTES**  
**STATE BOND COMMISSION**  
**October 17, 2024**  
**10:00 AM - Senate Committee Room A-B**  
**State Capitol Building**

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**1. Call to Order and Roll Call**

The items listed on the Agenda are incorporated and considered to be a part of the minutes herein.

Treasurer Fleming called the meeting to order. Then Ms. Snell called the roll.

**MEMBERS PRESENT:**

Ms. Angelique Freel, representing Governor Jeff Landry  
Mr. Brandon Burris, representing Lieutenant Governor Billy Nungesser  
Ms. Catherine Newsome, representing Secretary of State Nancy Landry  
Mr. Justin Lester, representing Attorney General Liz Murrill  
Senator Michael Fesi, representing the President of the Senate  
Senator Glen Womack, Chair, Senate Finance Committee  
Senator Franklin Foil, Chair, Senate Revenue and Fiscal Affairs Committee  
(Absent during discussion of Items 13 through 16, 30 through 32)  
Senator John C. "Jay" Morris III, Senator at Large  
Representative Dixon McMakin, representing the Speaker of the House  
Representative Jack McFarland, Chair, House Appropriations Committee  
(Arrived after the approval of the minutes)  
(Absent during discussion of Items 15, 16, 31 and 32)  
Representative Julie Emerson, Chair, House Ways and Means Committee  
Representative Tony Bacala, Representative at Large  
Mr. Taylor F. Barras, Commissioner of Administration  
Honorable John Fleming, MD, State Treasurer

**MEMBERS ABSENT:**

None

**2. Approval of the minutes of the September 26, 2024 meeting.**

Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the minutes were approved.



**3. L24-315- Calcasieu Parish, City of Lake Charles**

(1) 2.31 mills tax, 10 years, 2027-2036, maintenance of public buildings, streets and bridges; (2) 1.70 mills tax, 10 years, 2027-2036, maintenance of playgrounds and recreation centers and equipment; (3) 5.27 mills tax, 10 years, 2027-2036, (a) maintaining pay increases and starting salaries previously authorized for employees of the Police, Fire, Public Works, and other departments and (b) maintenance of a police three platoon system.

**Ms. Folse provided a synopsis. Senator John C. “Jay” Morris III, Senator at Large, was recused from the item. Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**Local Political Subdivisions - Cash Flow Borrowings**

**Ms. Folse provided a synopsis on Items 4 through 8.**

**4. L24-313 - Lafayette Parish Assessment District**

Not exceeding \$1,300,000 Revenue Anticipation Notes, not exceeding 6%, mature no later than March 31, 2025, current expenses.

**Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**5. L24-318 - Livingston Parish Law Enforcement District**

Not exceeding \$7,000,000 Revenue Anticipation Notes, not exceeding 6%, mature no later than July 1, 2025, current operations.

**Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**6. L24-314 - Orleans Parish School Board**

Not exceeding \$50,000,000 Revenue Anticipation Notes, not exceeding 6%, mature no later than June 29, 2025, current expenses.

**Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**7. L24-316 - St. Mary Parish, Water and Sewer Commission No. 4**

Not exceeding \$325,000 Revenue Anticipation Notes, not exceeding 7%, mature no later than November 1, 2025, current expenses.

**Representative Dixon McMakin, representing the Speaker of the House moved approval contingent upon the Commission’s budget for fiscal year ending September 30, 2025, which was scheduled to be adopted on October 16, 2024, being adopted substantially the same as the submitted draft, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was conditionally approved.**

**8. L24-321 - St. Tammany Parish, Fire Protection District No. 9**

Agenda Item # 2

Not exceeding \$100,000 Limited Tax Certificates, not exceeding 6%, mature no later than March 31, 2025, maintaining and operating fire protection and emergency medical service facilities, including the cost of obtaining water for fire protection purposes and paying charges for fire hydrant rentals and service.

**Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**Local Political Subdivisions - Loans**

**9. L24-319 - Claiborne Parish, Town of Homer (Fiscal Administrator Revolving Loan Fund)**

Not exceeding \$260,000 Promissory Note, not exceeding 4%, not exceeding 10 years, costs of fiscal administration of the Town.

**Ms. Folse provided a synopsis. Additional information was provided by Mr. Michael Waguespack, Auditor, Legislative Auditor's Office and Mr. David Greer, Fiscal Administrator, Town of Homer. After further discussion, Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**Local Political Subdivisions - Bonds - Final Approval**

**Ms. Folse provided a synopsis on Items 10 through 12.**

**10. L24-310 - East Baton Rouge Parish, Visit Baton Rouge**

Not exceeding \$7,000,000 Revenue Bonds, not exceeding 6%, not exceeding 20 years, purchasing and renovating a historical unoccupied building located in downtown Baton Rouge.

**Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**11. L24-317 - Livingston Parish, Juban Crossing Economic Development District**

Not exceeding \$57,500,000 Revenue and Refunding Bonds, not exceeding 7%, **(1)** Series A, mature no later than September 15, 2044, refunding approximately \$6,065,000 Revenue and Refunding Bonds (Road Projects), Series 2015A, **(2)** Series B, mature no later than September 15, 2044, refunding approximately \$4,025,000 Revenue and Refunding Bonds (Drainage Projects), Series 2015B, **(3)** Series C, not exceeding 30 years, **(a)** approximately \$2,250,000 Revenue Bonds (General Infrastructure Projects) and **(b)** refunding approximately \$35,525,000 Revenue and Refunding Bonds (General Infrastructure Projects), Series 2015C and **(4)** Series D, mature no later than September 15, 2044, refunding approximately \$5,505,000 Subordinate Revenue Bonds, Series 2013D, and **(5)** funding respective debt service reserve funds, if necessary.

**Senator John C. "Jay" Morris III, Senator at Large, was recused from the item. Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**12. L24-312 - St. Mary Parish, City of Franklin**

Not exceeding \$750,000 Revenue Bonds, not exceeding 6%, not exceeding 15 years, acquiring, constructing, maintaining and improving roads, drainage and other public facilities, including equipment.

**Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**13. S24-009A - Louisiana Housing Corporation (Lafitte Phase VII Project)**

Not exceeding \$14,336,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 5 years, acquisition, construction, and equipping of a 51-unit multifamily housing development in New Orleans.

Ms. Folse provided a synopsis. Senator John C. “Jay” Morris III, Senator at Large, was recused from the item. Additional information was provided by Mr. Michael J. Waguespack, Auditor, Louisiana Legislative Auditor’s Office. Mr. Paul Rainwater, Manager, Rainwater Consulting, LLC and Ms. Terri North, CEO, Providence Community Housing spoke in support. After discussion, a motion was made by Representative Tony Bacala, Representative at Large to deny Item 13. There was no second and the motion failed. A second motion was made by Representative Tony Bacala, Representative at Large to defer the Item until the November 2024 State Bond Commission meeting, seconded by Representative Dixon McMakin, representing the Speaker of the House and without objection, the item was deferred. After further discussion, Representative Tony Bacala, Representative at Large withdrew the second motion and made another motion to defer the Item until the submission of an appraisal and the developer providing detailed explanation on costs to the Bond Commission. The motion was seconded by Senator Glen Womack, Chair, Senate Finance Committee and without objection, the item was deferred.

**14. S24-010A - Louisiana Housing Corporation (Canal Crossing Senior Apartments Project)**

Not exceeding \$11,000,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 5 years, acquisition, construction, and equipping of a 49-unit multifamily housing development in New Orleans.

Ms. Folse provided a synopsis. Additional information was provided by Mr. Joseph D. Nelson, Managing Member, DNA Workshop. Mr. Ryan Bates, Bates Management, LLC & Integrity Development Partners, LLC spoke in support. After further discussion, Representative Tony Bacala, Representative at Large moved to defer Item 14 until the submission of an appraisal and the developer providing detailed explanation on costs to the Bond Commission, seconded by Senator Glen Womack, Chair, Senate Finance Committee and without objection, the item was deferred.

**15. S24-027 - Louisiana Housing Corporation (The Reserve at Lapalco Place Project)**

Not exceeding \$24,000,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 40 years, acquisition, construction, and equipping of a 144-unit multifamily housing development in Marrero.

Ms. Folse provided a synopsis. Additional information was provided by Mr. Michael J. Waguespack, Auditor, Louisiana Legislative Auditor’s Office. Mr. Brett Brinson, Attorney, Brinson Law Firm and Mr. Murray McCullough, Project Manager, CST Land Developer spoke in support. After further discussion, the item was withdrawn.

**16. S24-036 - Louisiana Housing Corporation (Parkwood Place Project)**

Not exceeding \$18,000,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 8%, not exceeding 5 years, acquisition, construction, and equipping of a 90-unit multifamily housing development in Houma.

Ms. Folse provided a synopsis. After further discussion, Representative Tony Bacala, Representative at Large moved approval, seconded by Representative Dixon McMakin, representing the Speaker of the House and without objection, the item was approved.

**17. S24-042 - Louisiana Housing Corporation**

Agenda Item # 2

(1) Not exceeding \$125,000,000 Warehousing Line of Credit, through the Federal Home Loan Bank of Dallas, not exceeding 6%, not exceeding 12 months, finance mortgage-backed securities; (2) Not exceeding \$125,000,000 Single Family Mortgage Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 40 years, finance first mortgage loans for homebuyers and finance qualified home improvement loans and qualified rehabilitation loans.

**Ms. Folse provided a synopsis. Senator John C. “Jay” Morris III, Senator at Large, was recused from the item. Representative Dixon McMakin, representing the Speaker of the House moved approval contingent upon verification of the supplemental certified resolution adopted by the Louisiana Housing Corporation authorizing the warehouse facility, which was adopted on October 9, 2024, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was conditionally approved.**

**Political Subdivisions - Bonds**

**Ms. Folse provided a synopsis on Items 18 through 20.**

**18. S24-028 - Louisiana Community Development Authority (Jefferson Parish Project)**

Not exceeding \$9,500,000 Revenue Bonds, not exceeding 7%, not exceeding 20 years, (1) improvements to public facilities, including but not limited to any furnishings, fixtures and equipment, and any other necessary governmental purposes (including payment of legal settlements) and (2) funding a reserve fund, if required.

**Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**19. S24-041 - Louisiana Community Development Authority (City of Slidell Project)**

Not exceeding \$19,820,000 Revenue Bonds, not exceeding 5.25%, not exceeding 30 years, (1) constructing and equipping a new headquarters for the Slidell Police Department, including administrative offices and jail and (2) funding a debt service reserve fund, if necessary.

**Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**20. S24-043 - Louisiana Community Development Authority (Ragin’ Cajun Facilities, Inc. – University of Louisiana at Lafayette Energy Project)**

Not exceeding \$180,000,000 Revenue Bonds, not exceeding 6% tax-exempt and 7% taxable, not exceeding 32 years, (1) acquisition, construction, renovation, improvement or repair of utility infrastructure, energy plants, buildings and related facilities on campus, (2) funding a debt service reserve fund, if necessary and (3) funding capitalized interest.

**Senator John C. “Jay” Morris III, Senator at Large, was recused from the item. Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**21. S24-024A - Office Facilities Corporation (Northwest Louisiana State Office Building Project)**

Not exceeding \$75,000,000 Lease Revenue Bonds (NSTSD), not exceeding 6%, not exceeding 30 years, (1) designing, constructing, reconstructing, furnishing and equipping of a State office building located in Shreveport, (2) funding a debt service reserve fund, if necessary and (3) funding capitalized interest, if necessary.

**Ms. Folsie provided a synopsis. Senator John C. “Jay” Morris III, Senator at Large, was recused from the item. Additional information was provided by Mr. Roger Husser, Director, Facility Planning and Control. After further discussion, Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**Ratifications and/or Amendments to Prior Approvals**

**22. L22-177A - IDB of the City of DeRidder, Louisiana, Inc. (Stine, LLC and Stine Building Investments, LLC Project)**

Amendment of a prior approval granted on July 21, 2022, to reflect change in interest rate from not exceeding 5% to not exceeding 5.5%.

**Ms. Folsie provided a synopsis. Senator John C. “Jay” Morris III, Senator at Large, was recused from the item. Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**Lines of Credit**

**Ms. Folsie provided a synopsis on Items 23 through 28.**

**23. Priority 1 - Certificate of Impossibility and Impracticality - Non-State Projects - Local Governments**

Consideration of Certificates of Impossibility or Impracticality request submitted by the Office of the Commissioner, Division of Administration, Office of the Governor, for Non-State Local Government projects in the amount of \$2,928,701 contained in Priority 1 of the current Capital Outlay Act (Act 5 of the 2024 Regular Session) and listed in the attached exhibit.

**Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**24. Priority 1 - Certificate of Impossibility and Impracticality - Non-State Projects - Non-Government Organizations**

Consideration of Certificates of Impossibility or Impracticality request submitted by the Office of the Commissioner, Division of Administration, Office of the Governor, for Non-State Non-Government Organization projects in the amount of \$1,184,790 contained in Priority 1 of the current Capital Outlay Act (Act 5 of the 2024 Regular Session) and listed in the attached exhibit.

**Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**25. Priority 1 - Rescission of Cash Lines of Credit - Non-State Projects - Local Governments** Agenda Item # 2

Consideration of a request submitted by the Office of the Commissioner, Division of Administration, Office of the Governor, issued for a rescission of a cash line of credit for a Non-State Local Government project previously approved as Priority 1 in the amount of \$2,928,701 as listed in the attached exhibit.

**Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**26. Priority 1 - Rescission of Cash Lines of Credit - Non-State Projects - Non-Government Organizations**

Consideration of a request submitted by the Office of the Commissioner, Division of Administration, Office of the Governor, issued for a rescission of a cash line of credit for a Non-State Non-Government Organization project previously approved as Priority 1 in the amount of \$1,184,790 as listed in the attached exhibit.

**Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**27. Priority 1 - Cash - State Projects**

Resolution setting forth the official intent by the State Bond Commission to reimburse Lines of Credit expenditures with proceeds of General Obligation Bonds for requests submitted by the Office of the Commissioner, Division of Administration, Office of the Governor, for granting of lines of credit and authorization to issue General Obligation Bonds in the amount of \$3,000,000 for State projects contained in Priority 1 of the current Capital Outlay Act (Act 5 of the 2024 Regular Session) and listed in the attached exhibit.

**Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**28. Priority 1 - Cash - Non-State Projects - Local Governments**

Resolution setting forth the official intent by the State Bond Commission to reimburse Lines of Credit expenditures with proceeds of General Obligation Bonds for requests submitted by the Office of the Commissioner, Division of Administration, Office of the Governor, for granting of lines of credit and authorization to issue General Obligation Bonds in the amount of \$1,700,000 for Non-State Local Government projects contained in Priority 1 of the current Capital Outlay Act (Act 5 of the 2024 Regular Session) and listed in the attached exhibit.

**Representative Dixon McMakin, representing the Speaker of the House moved approval, seconded by Senator Michael Fesi, representing the President of the Senate and without objection, the item was approved.**

**State of Louisiana**

**29. S24-020C - State of Louisiana (Gas & Fuels Tax Bonds)**

Status update.

**Ms. Folse provided a status update.**

**30. Louisiana Legislative Auditor**

Low Income Housing Tax Credit Program Recommendations.

**Ms. Folse provided a synopsis. Additional information was provided by Mr. Michael J. Waguespack, Auditor, Louisiana Legislative Auditor's Office, Ms. Victoria Hayes, Assistant Legislative Auditor & Director of Recovery, Louisiana Legislative Auditor's Office, Ms. Marjorianna Willman, Executive Director, Louisiana Housing Corporation, Mr. Stephen Dwyer, Chairman, Louisiana Housing Corporation. Mr. Paul Rainwater, Manager, Rainwater Consulting, LLC, and Ms. Terri North, CEO, Providence Community Housing.**

**31. Monthly Reports**

**Ms. Folse provided information relative to the monthly reports.**

**Ms. Folse announced the December 2024 State Bond Commission meeting was rescheduled to December 12, 2024.**

**32. Adjourn**

**On the motion of the Chairman and without any objection, the meeting was adjourned.**

(A verbatim transcript in specific order items were considered is available with the Bond Commission.)

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**STATE BOND COMMISSION**

November 21, 2024

Local Governmental Units - Elections (March 29, 2025)

**SYNOPSIS**

**APPLICATION NO:** L24-322

**ENTITY:** Cameron Parish, Recreation District No. 5

**TYPE OF REQUEST:** 9.30 Mills Ad Valorem Tax Proposition

**ANALYST:** Blaine Perrilloux

**SUBMITTED BY:**

Tom Barrett, District Attorney

**PARAMETERS:**

9.30 mills tax, 10 years, 2026-2035, operating and maintaining recreation facilities.

**LEGISLATIVE AUTHORITY:**

Article VI, Section 32  
R.S. 33:4566

**RECOMMENDATION:**

The application meets the technical requirements therefore staff recommends the proposition be presented to the voters.

**ATTACHMENTS:**

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**





## STATE BOND COMMISSION

November 21, 2024

Local Governmental Units - Elections (March 29, 2025)

### ANALYSIS SUMMARY

**APPLICATION NO:** L24-322  
**ENTITY:** Cameron Parish, Recreation District No. 5  
**TYPE OF REQUEST:** 9.30 Mills Ad Valorem Tax Proposition  
**ANALYST:** Blaine Perrilloux

#### **PROPOSITION PARAMETERS:**

9.30 mills tax, 10 years, 2026-2035, operating and maintaining recreation facilities.

Based on the current taxable assessed valuation of the District, a 9.30 mills tax will generate an estimated \$379,213 annually.

The proposed proposition has never been presented to the voters.

This is a tax to be levied in lieu of a similar 4.30 mills tax authorized at an election held on April 29, 2017, to be levied through 2027 for operating and maintaining recreation facilities.

The Notice of Election reflects the estimated cost of the election is \$18,000.



**LOUISIANA STATE BOND COMMISSION  
APPROVAL PARAMETERS - ELECTIONS**

SBC Tracking #L24-322

Agenda Item # 3

Government Unit: \* Cameron Parish Police Jury (Recreation District No. 5)

Authority to Hold a Special Election \*

Recreation District No. 5 of Cameron Parish, State of Louisiana (the "District"), on Saturday, March 29, 2025, to submit to the electors of the District the following proposition:

Proposition Language \*

Shall Recreation District No. 5, of the Parish of Cameron, Louisiana ( "District"), be authorized to levy and collect a tax of nine and three-tenths (9.30) mills on all property subject to taxation in said District ( "Tax" ) in lieu of 4.30 mills previously levied in the District per Proces Verbal adopted and dated May 18, 2017, (with \$379,212.66 estimated and reasonably expected to be collected from the levy of the Tax per annum) for a period of ten (10) years, commencing in 2026 for the purpose of operating and maintaining said District's recreation facilities constituting works of public improvement, title to which shall be in the public within and for said District?

Citation(s): \* Article VI, Sec. 32 of the Constitution of State of LA; La. R.S. 33:4566 and R.S. 33:1236(7)

As Set Forth By: \* Resolution adopted by the Cameron Parish Police Jury September 3, 2024 and a resolution adopted on September 19, 2024, by Recreation District No. 5 Board of Commissioners.

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.



**STATE BOND COMMISSION**

November 21, 2024

Local Political Subdivisions - Loans

**SYNOPSIS**

**APPLICATION NO:** L24-325

**ENTITY:** St. James Parish Council

**TYPE OF REQUEST:** \$3,500,000 Loan

**ANALYST:** Brandon Rinaudo

**SUBMITTED BY:**

Thomas G. Hessburg, Butler Snow LLP

**PARAMETERS:**

Not exceeding \$3,500,000 Utility System Revenue Bonds, not exceeding 5%, not exceeding 10 years, acquiring, constructing, extending and improving the waterworks system.

**LEGISLATIVE AUTHORITY:**

R.S. 39:1430

**RECOMMENDATION:**

The application meets the technical requirements based on the information provided, therefore staff recommends approval.

**ATTACHMENTS:**

- ❑ **Analysis Summary**
- ❑ **Approval Parameter Form**
- ❑ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

November 21, 2024

Local Political Subdivisions - Loans

**ANALYSIS SUMMARY**

**APPLICATION NO:** L24-325  
**ENTITY:** St. James Parish Council  
**TYPE OF REQUEST:** \$3,500,000 Loan  
**ANALYST:** Brandon Rinaudo

**PARAMETERS:**

Not exceeding \$3,500,000 Utility System Revenue Bonds, not exceeding 5%, not exceeding 10 years, acquiring, constructing, extending and improving the waterworks system.

Bond proceeds will be used for the purchase and installation of new automatic water meters throughout the Parish. The new meters will provide greater efficiency and better water metering practices, both of which will result in more accurate meter readings and more timely and enhanced billing collections to the Parish for water usage by its customers.

Maximum Interest Cost 5%  
Maximum Debt Service \$456,000

**Calculation of Coverage Ratio:**

Annual Net Operating Income Excluding Depreciation	\$ 912,109
Maximum Current Debt Service	\$ -
Debt Service on Proposed Issue	\$ 456,000
Coverage Ratio	2.00

\* Annual net operating income is based upon projections for FY26 provided by Steve Nosacka, Municipal Advisor, which is the first full year after full implementation of the rate increases adopted on August 21, 2024. The first increase will become effective January 1, 2025.

Outstanding Debt Secured by Same Pledge of Revenue: None

Selection Method: Private Placement  
Purchaser: First American Bank & Trust  
Terms:  
Interest Rate: Not exceeding 5%  
Maturity: Not exceeding 10 years  
Security: An irrevocable pledge and dedication of the revenues derived from the operation of the waterworks system and natural gas system (the "Combined Utility System"), after payment of the necessary costs to operate and maintain the Combined Utility System.

Staff has been provided a term sheet dated October 17, 2024, from First American Bank detailing terms of the bonds in accordance with the above parameters.

Pursuant to R.S. 39:1426, bonds sold in a private sale require approval by two-thirds of the State Bond Commission members that are present and voting.



**LOUISIANA STATE BOND COMMISSION  
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking #L24-325  
Agenda Item # 4

Applicant: \*

Parish of St. James, State of Louisiana

Parameters / Purposes: \*

Issuance of not to exceeding \$3,500,000 Utility System Revenue Bonds of the Parish of St. James, State of Louisiana, for the purpose of (i) acquiring, constructing, extending and improving the Waterworks System; and (ii) paying the costs of issuance of the Bonds. The Bonds shall bear interest at an interest rate not exceeding 5.00% per annum, and shall mature over a period not exceeding ten (10) years from the date of issuance.

The Parish of St. James now owns, operates and derives revenue from a waterworks system and a natural gas system (together, the "Combined Utility System").

Citation(s): \*

La. R.S. 39:1430

Security: \*

An irrevocable pledge and dedication of the revenues derived from the operation of the Combined Utility System, after payments of the necessary costs to operate and maintain the Combined Utility System.

As Set Forth By: \*

Resolution adopted by the Parish Council of the Parish of St. James, State of Louisiana on October 2, 2024

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION  
FEE COMPARISON WORKSHEET**

Agenda Item # 4

			\$3,500,000 L24-325 St. James Parish Council Loan November 21, 2024		\$2,375,000 L24-203 Livingston Parish, Town of Livingston Revenue Bonds July 24, 2024	
	Paid From Proceeds					
Firm/Vendor	Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond	
ISSUANCE COSTS						
Legal						
Bond Counsel	Butler Snow LLP	Y	36,275	10.36	30,438	12.82
Co-Bond Counsel				0.00		0.00
Issuer Counsel				0.00		0.00
Underwriter Counsel				0.00	20,000	8.42
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
Bank Counsel	Foley & Judell, L.L.P.	N	5,000	1.43		0.00
Trustee Counsel				0.00		0.00
Total Legal			41,275	11.79	50,438	21.24
Underwriting						
Sales Commission				0.00		0.00
Management Fees				0.00		0.00
MSRP/CUSIP/PSA				0.00		0.00
Takedown				0.00		0.00
Day Loan				0.00		0.00
Placement Fee				0.00	29,688	12.50
Total Underwriting			0	0.00	29,688	12.50
Other						
Publishing/Advertising	News Examiner-Enterprise	Y	2,000	0.57	2,500	1.05
Rating Agency(s)				0.00	10,000	4.21
Insurance				0.00		0.00
Bond Commission	SBC	Y	2,125	0.61	1,450	0.61
Issuer Financing				0.00		0.00
Municipal Advisor	Trinity Capital Resources	Y	10,500	3.00	10,688	4.50
Trustee				0.00		0.00
Escrow Agent				0.00		0.00
Paying Agent	First American Bank & Trust	Y	5,000	1.43	2,500	1.05
Feasibility Consultants				0.00		0.00
POS/OS Printing				0.00		0.00
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Miscellaneous	TBD	Y	725	0.21		0.00
Total Other			20,350	5.81	27,138	11.43
TOTAL ISSUANCE COSTS			61,625	17.61	107,264	45.16



## STATE BOND COMMISSION

November 21, 2024

Local Political Subdivisions - Bonds - Final Approval

### SYNOPSIS

**APPLICATION NO:** L23-082

**ENTITY:** Iberia and Vermilion Parishes, Town of Delcambre (DEQ Project)

**TYPE OF REQUEST:** \$3,000,000 Revenue Bonds

**ANALYST:** Brandon Rinaudo

**SUBMITTED BY:**

J. Hardy Andrews, Foley & Judell, LLP

**PARAMETERS:**

Not exceeding \$3,000,000 Taxable Sewer Revenue Bonds, not exceeding 0.95%, not exceeding 22 years, constructing and acquiring extensions, improvements and replacements to the sewer system, including equipment and fixtures.

**LEGISLATIVE AUTHORITY:**

R.S. 39:501 - 531 (R.S. 39:524)

**RECOMMENDATION:**

The application meets the technical requirements based on the information provided, therefore staff recommends approval.

**ATTACHMENTS:**

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**
- ☐ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

November 21, 2024

Local Political Subdivisions - Bonds - Final Approval

**ANALYSIS SUMMARY**

**APPLICATION NO:** L23-082  
**ENTITY:** Iberia and Vermilion Parishes, Town of Delcambre (DEQ Project)  
**TYPE OF REQUEST:** \$3,000,000 Revenue Bonds  
**ANALYST:** Brandon Rinaudo

**PARAMETERS:**

Not exceeding \$3,000,000 Taxable Sewer Revenue Bonds, not exceeding 0.95%, not exceeding 22 years, constructing and acquiring extensions, improvements and replacements to the sewer system, including equipment and fixtures.

Bond proceeds will be used for improvements to the existing sewer treatment plant to restore it to its original condition and make modifications needed to properly pump waste to wetland assimilation areas.

Maximum Interest Cost 0.95%  
 Maximum Debt Service \$165,888

**Calculation of Coverage Ratio:**

Annual Net Income Excluding Depreciation	\$ 294,085
Maximum Current Debt Service	\$ -
Debt Service on Proposed Issue	\$ 165,888
Coverage Ratio	1.77

\* Annual net income is based upon projections provided by Christie Dunn, CPA of Darnell Sikes & Frederick for FY26, which is the first full year after implementation of the rate increases adopted on November 11, 2024. The first increase will become effective December 1, 2024.

Outstanding Debt Secured by Same Pledge of Revenue: None

Selection Method: Private Placement  
 Purchaser: Department of Environmental Quality (Clean Water State Revolving Fund)  
 Terms:  
     Interest Rate Not exceeding 0.95%  
     Maturity Not exceeding 22 years  
 Security: Income and revenues derived or to be derived from the operation of the sewer system, after payment of the reasonable and necessary expenses of operating and maintaining the sewer system.

## Project Sources Include:

Town of Delcambre Funds	\$ 500,000
Bond Proceeds	\$3,000,000
<u>Water Sector Program Funds</u>	<u>\$5,000,000</u>
Total	\$8,500,000

In a letter dated March 1, 2023, DEQ committed to purchase the loan up to \$3,300,000, contingent upon satisfying all regulatory and financial requirements prior to closing the loan. In a letter dated May 21, 2024, DEQ affirmed their commitment and grant an extension for the loan-closing deadline. In an email dated November 4, 2024, DEQ concurred that the Town has demonstrated the capacity to meet debt service on the loan.

Pursuant to R.S. 39:1426(B), Bonds sold in a private sale require approval by two-thirds of the members present and voting of the State Bond Commission.





**LOUISIANA STATE BOND COMMISSION  
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking #L23-082

Agenda Item # 5

Applicant: \*

Town of Delcambre, State of Louisiana

Parameters / Purposes: \*

Authority to issue not exceeding \$3,000,000 of Taxable Sewer Revenue Bonds of the town of Delcambre, State of Louisiana, in one or more series, to mature over a period not to exceed twenty-two (22) years, bear interest at a rate not to exceed 0.95% per annum (inclusive of the DEQ administrative fee), for the purpose of constructing and acquiring extensions, improvements and replacements to the sewer system (the "Sewer System"), including equipment and fixtures therefor, a work of public improvement for the Town (the "Project").

Citation:

Part II of Chapter 4 of Subtitle II of Title 39 of the La. Revised Statutes of 1950, as amended.

Citation(s): \*

see above

Security: \*

solely from the income and revenues derived or to be derived from the operation of the Sewer System, after provision has been made for payment therefrom of all reasonable and necessary expenses of operating and maintaining the Sewer System

As Set Forth By: \*

a resolution adopted on October 9, 2023, by the Mayor and Board of Aldermen of the Town of Delcambre

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION  
FEE COMPARISON WORKSHEET**

Agenda Item # 5

		\$3,000,000 L23-082 Iberia and Vermilion Parishes, Town of Delcambre (DEQ Project) Revenue Bonds November 21, 2024		\$3,300,000 L23-166 St. Landry Parish, Town of Sunset (DEQ Project) Revenue Bonds October 19, 2023	
	Firm/Vendor	Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount      \$ Per Bond
<b>ISSUANCE COSTS</b>					
<b>Legal</b>					
Bond Counsel/DEQ Counsel	Foley & Judell, L.L.P.	Y	33,275	11.09	34,675      10.51
Co-Bond Counsel				0.00	0.00
Issuer Counsel	TBD	Y	2,750	0.92	0.00
Underwriter Counsel				0.00	0.00
Underwriter Co-Counsel				0.00	0.00
Preparation of Blue Sky Memo				0.00	0.00
Preparation of Official Statements				0.00	0.00
DEQ Counsel				0.00	0.00
Trustee Counsel				0.00	0.00
Escrow Trustee Counsel				0.00	0.00
<b>Total Legal</b>			<b>36,025</b>	<b>12.01</b>	<b>34,675      10.51</b>
<b>Other</b>					
Publishing/Advertising	Abbeville Meridional	Y	5,000	1.67	3,500      1.06
Rating Agency(s)				0.00	0.00
Insurance				0.00	0.00
Bond Commission	SBC	Y	1,825	0.61	2,005      0.61
Issuer Financing				0.00	0.00
Municipal Advisor				0.00	0.00
Trustee				0.00	0.00
Escrow Agent				0.00	0.00
Paying Agent				0.00	0.00
Feasibility Consultants				0.00	0.00
POS/OS Printing				0.00	0.00
Accounting				0.00	0.00
Account Verification				0.00	0.00
Escrow Verification				0.00	0.00
Cash Flow Verification				0.00	0.00
<b>Total Other</b>			<b>6,825</b>	<b>2.28</b>	<b>5,505      1.67</b>
<b>TOTAL ISSUANCE COSTS</b>			<b>42,850</b>	<b>14.28</b>	<b>40,180      12.18</b>



**STATE BOND COMMISSION**

November 21, 2024

Local Political Subdivisions - Bonds - Final Approval

**SYNOPSIS**

**APPLICATION NO:** L24-326

**ENTITY:** Iberia Parish, City of Jeanerette (DEQ Project)

**TYPE OF REQUEST:** \$4,400,000 Revenue Bonds

**ANALYST:** Stephanie Blanchard

**SUBMITTED BY:**

J. Hardy Andrews, Foley & Judell, LLP

**PARAMETERS:**

Not exceeding \$4,400,000 Taxable Sewer Revenue Bonds, not exceeding 0.95%, not exceeding 22 years, constructing, acquiring, extending and/or improving the sewer system.

**LEGISLATIVE AUTHORITY:**

R.S. 39:501, et seq. (R.S. 39:524)

**RECOMMENDATION:**

The application meets the technical requirements based on the information provided, therefore staff recommends approval.

**ATTACHMENTS:**

- ❑ **Analysis Summary**
- ❑ **Approval Parameter Form**
- ❑ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

November 21, 2024

Local Political Subdivisions - Bonds - Final Approval

**ANALYSIS SUMMARY**

**APPLICATION NO:** L24-326  
**ENTITY:** Iberia Parish, City of Jeanerette (DEQ Project)  
**TYPE OF REQUEST:** \$4,400,000 Revenue Bonds  
**ANALYST:** Stephanie Blanchard

**PARAMETERS:**

Not exceeding \$4,400,000 Taxable Sewer Revenue Bonds, not exceeding 0.95%, not exceeding 22 years, constructing, acquiring, extending and/or improving the sewer system.

Bond proceeds will be used for a sewer infrastructure plant and pump station improvements.

Maximum Interest Cost	0.95%
Maximum Debt Service	\$243,077

**Calculation of Coverage Ratio:**

Annual Net Operating Income Excluding Debt Service and Depreciation	\$	459,677
Maximum Current Debt Service	\$	-
Debt Service on Proposed Issue	\$	243,077
Maximum Combined New Debt Service	\$	243,077
Coverage Ratio		1.89

\* Annual net operating income is based upon projections for FY27 provided by the City in consultation with their CPA, which is the first full year after full implementation of a three-step water and sewer rate increase adopted on November 13, 2024. The first increase will become effective December 1, 2024. These projections include sewer system revenues only.

Outstanding Debt Secured by Same Pledge of Revenue: None

Selection Method: Private Placement  
Purchaser: Department of Environmental Quality (Clean Water State Revolving Fund)  
Terms:  
Interest Rate: Not exceeding 0.95%  
Maturity: Not exceeding 22 years  
Security: Income and revenues derived or to be derived from the operation of the sewer system, after payment of all reasonable and necessary expenses of operating and maintaining the system.

**Project Sources Include:**

Bond Proceeds	\$ 4,400,000
Water Sector Program	\$ 5,000,000
Capital Outlay*	<u>\$ 1,000,000</u>
Total	\$10,400,000

\* Act 465 of the 2023 Regular Legislative Session (Capital Outlay Bill) allocates \$1M in State General Fund (Non-Recurring Revenues).



## STATE BOND COMMISSION

In a letter dated March 1, 2023, DEQ committed to purchase the loan of \$4,400,000, including a maximum of \$500,000 of principal forgiveness, contingent upon satisfying all regulatory and financial requirements prior to closing the loan. In a letter dated May 21, 2024, DEQ affirmed their commitment and granted y an extension for the loan-closing deadline. In an email dated November 8, 2024, DEQ concurred the City has demonstrated the capacity to meet debt service on the loan. The coverage calculation above does not assume any principal forgiveness.

Pursuant to R.S. 39:1426(B), Bonds sold in a private sale require approval by two-thirds of the members present and voting of the State Bond Commission.



**LOUISIANA STATE BOND COMMISSION  
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # LZ40520 **Agenda Item # 6**

Applicant: \*

City of Jeanerette, State of Louisiana

Parameters / Purposes: \*

Authority to issue not exceeding \$4,400,000 of Taxable Sewer Revenue Bonds (DEQ Project) of the City of Jeanerette, State of Louisiana, in one or more series, to mature over a period not to exceed twenty-two (22) years, bear interest at a rate not to exceed 0.95% per annum (inclusive of the DEQ administrative fee), for the purpose of constructing, acquiring, extending and/or improving the sewer system.

Citation:

Part II of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended

Citation(s): \*

see above

Security: \*

solely from the income and revenues derived or to derived from the operation of the sewer system, after provision has been made for payment therefrom of all reasonable and necessary expenses of operating and maintaining the sewer system

As Set Forth By: \*

A resolution adopted on October 22, 2024, by the Mayor and Board of Aldermen of the City of Jeanerette

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION  
FEE COMPARISON WORKSHEET**

Agenda Item # 6

			\$4,400,000 L24-326 Iberia Parish, City of Jeanerette (DEQ Project) Revenue Bonds November 21, 2024		\$3,300,000 L23-166 St. Landry Parish, Town of Sunset (DEQ Project) Revenue Bonds October 19, 2023	
	Paid From Proceeds Y / N		\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
Firm/Vendor						
ISSUANCE COSTS						
Legal						
Bond/DEQ Counsel	Foley & Judell, LLP	Y	37,475	8.52	34,675	10.51
Co-Bond Counsel				0.00		0.00
Issuer Counsel	TBD	Y	2,750	0.63		0.00
Underwriter Counsel				0.00		0.00
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
Purchaser Counsel				0.00		0.00
Trustee Counsel				0.00		0.00
Total Legal			40,225	9.14	34,675	10.51
Other						
Publishing/Advertising	The Daily Iberian	Y	5,000	1.14	3,500	1.06
Rating Agency(s)				0.00		0.00
Insurance				0.00		0.00
Bond Commission	SBC	Y	2,665	0.61	2,005	0.61
Issuer Financing				0.00		0.00
Municipal Advisor				0.00		0.00
Trustee/Paying Agent				0.00		0.00
Escrow Agent				0.00		0.00
Paying Agent				0.00		0.00
Feasibility Consultants				0.00		0.00
POS/OS Printing				0.00		0.00
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Miscellaneous				0.00		0.00
Total Other			7,665	1.74	5,505	1.67
TOTAL ISSUANCE COSTS			47,890	10.88	40,180	12.18



## STATE BOND COMMISSION

November 21, 2024

Local Political Subdivisions - Bonds - Final Approval

### SYNOPSIS

**APPLICATION NO:** L24-376

**ENTITY:** Terrebonne Parish, Terrebonne Levee and Conservation District

**TYPE OF REQUEST:** \$33,000,000 Revenue Bonds

**ANALYST:** Ty DeLee

**SUBMITTED BY:**

Eric LaFleur, LaFleur & Laborde

**PARAMETERS:**

Not exceeding \$33,000,000 Hurricane Recovery Revenue Bonds, not exceeding 6%, not exceeding 26 years, demolition, rehabilitation, repair, reconstruction, renovation, restoration, improvement, equipping, debris removal, cleanup and other related expenses related to past or future hurricane or tropical storm events.

**LEGISLATIVE AUTHORITY:**

R.S. 39:1430

**RECOMMENDATION:**

The application meets the technical requirements based on the information provided, therefore staff recommends approval contingent upon verification of the certified resolution adopted on November 20, 2024, by the Board of Commissioners authorizing the incurrence of the debt.

**ATTACHMENTS:**

- ❑ **Analysis Summary**
- ❑ **Approval Parameter Form**
- ❑ **Fee Comparison Worksheet**



**STATE BOND COMMISSION**

November 21, 2024

Local Political Subdivision - Bonds - Final Approval

**ANALYSIS SUMMARY**

**APPLICATION NO:** L24-376  
**ENTITY:** Terrebonne Parish, Terrebonne Levee and Conservation District  
**TYPE OF REQUEST:** \$33,000,000 Revenue Bonds  
**ANALYST:** Ty DeLee

**PARAMETERS:**

Not exceeding \$33,000,000 Hurricane Recovery Revenue Bonds, not exceeding 6%, not exceeding 26 years, demolition, rehabilitation, repair, reconstruction, renovation, restoration, improvement, equipping, debris removal, cleanup and other related expenses related to past or future hurricane or tropical storm events.

Proceeds will be used to address an estimated \$22.4 million in near term expenditures related to storm recovery projects from Hurricanes Francine and Ida and is obligated to repay CPRA for approximately \$10 million for funds previously advanced by CPRA for District storm recovery projects.

The District has previously issued \$26.5 million in bonds for storm recovery projects, resulting in a combined anticipated \$60 million in hurricane recovery debt. The District anticipates receiving approximately \$45 million in FEMA reimbursements for the projects, with nearly \$30 million anticipated to be received in the next 18 months. Those funds may be used to pay down the hurricane recovery debt. The District intends to request flexibility from the purchaser of the bonds to allow for a restructuring or re-amortization of the remaining permanent portion of the debt after receipt of FEMA reimbursements.

**Computation of Legal Bonds Test:**

Estimated Ad Valorem Tax Revenue *	\$	4,942,512
Maximum Allowable Debt Service	75% \$	3,706,884
Maximum Current Debt Service	\$	718,550
Debt Service on Proposed Issue	\$	2,631,500
Maximum Combined New Debt Service	\$	2,698,550
Legal Bonds Test Ratio		1.37

\* Estimated Ad Valorem Tax Revenue is based on unaudited financial statements for FY 24 provided by the issuer.

Outstanding Debt Secured by Same Pledge of Revenue: Revenue Bonds, Series 2019

**Selection Method:** Private Placement  
**Purchaser:** TBD  
**Terms:**  
    Interest Rate: Not exceeding 6%  
    Maturity: Not exceeding 26 years  
**Security:** Avails of a 4.89 mills tax pursuant to La. Const. Article VI, Section 39 to be levied in perpetuity and state or federal grants, appropriations, matching funds, reimbursements or other support which will be available.

In a commitment letter dated November 11, 2024, Raymond James commits to underwrite or privately place the bonds in accordance with the above parameters.

Pursuant to R.S. 39:1426, bonds sold in a private sale require approval by two-thirds of the members present and voting of the State Bond Commission.



**LOUISIANA STATE BOND COMMISSION  
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # L24-376  
Agenda Item # 7

Applicant: \*

**Terrebonne Levee and Conservation District**

Parameters / Purposes: \*

**Bond amount not to exceed: \$33,000,000 Hurricane Recovery Revenue Bonds**

**Interest Rate not to exceed: 6.00%**

**Maturity not to exceed: 26 Years**

**Purpose:**

**Approval is requested to authorize the issuance of debt for the purpose of paying costs associated with the demolition, rehabilitation, repair, reconstruction, renovation, restoration, improvement, equipping, debris removal, cleanup and other related expenses with respect to the Issuer's assets resulting from or related to past or future hurricane or tropical storm events, including but not limited to Hurricanes Francine, Ida, Zeta, Delta, Laura and Barry.**

Citation(s): \*

**La. R.S. 39:1430**

Security: \*

**The Bonds will be payable from and secured by an irrevocable pledge and dedication of the avails of the Issuer's 4.89 mill ad valorem tax after payment of the reasonable and necessary costs and expenses of collecting and administering the Tax (the "Net Revenues of the Tax"), and state or federal grant reimbursements (the "Grants").**

As Set Forth By: \*

**Resolution by the Board of Commissioners of the Terrebonne Levee and Conservation District adopted on November 20, 2024.**

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION  
FEE COMPARISON WORKSHEET**

Agenda Item # 7

			\$33,000,000 L24-376 Terrebonne Parish, Terrebonne Levee and Conservation District Revenue Bonds November 21, 2024		\$40,000,000 S24-011 Lake Charles Harbor and Terminal District Revenue Bonds April 18, 2024	
	Firm/Vendor	Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	LaFleur & Laborde	Y	75,650	2.29	80,900	2.02
Co-Bond Counsel				0.00		0.00
Issuer Counsel				0.00		0.00
Underwriter Counsel				0.00		0.00
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
Purchaser Counsel	TBD	Y	20,000	0.61	25,000	0.63
Trustee Counsel				0.00	10,000	0.25
Total Legal			95,650	2.90	115,900	2.90
Underwriting						
Sales Commission				0.00		0.00
Management Fees				0.00		0.00
MSRP/CUSIP/PSA				0.00		0.00
Takedown				0.00		0.00
Day Loan				0.00		0.00
Placement Fee	Raymond James	Y	115,500	3.50	150,000	3.75
Total Underwriting			115,500	3.50	150,000	3.75
Other						
Publishing/Advertising	Official Journal	Y	1,500	0.05	2,500	0.06
Rating Agency(s)				0.00		0.00
Insurance				0.00		0.00
Bond Commission	SBC	Y	16,625	0.50	19,775	0.49
Issuer Financing				0.00		0.00
Municipal Advisor	Sisung Securities	Y	66,000	2.00	85,000	2.13
Trustee				0.00	10,000	0.25
Escrow Agent				0.00		0.00
Paying Agent	TBD	Y	3,000	0.09		0.00
Feasibility Consultants				0.00		0.00
POS/OS Printing				0.00		0.00
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Miscellaneous	TBD	Y	2,500	0.08	5,000	0.13
Total Other			89,625	2.72	122,275	3.06
TOTAL ISSUANCE COSTS			300,775	9.11	388,175	9.70



## STATE BOND COMMISSION

November 21, 2024

Local Political Subdivisions - Refinancings

### SYNOPSIS

**APPLICATION NO:** L24-324

**ENTITY:** St. John the Baptist Parish Council

**TYPE OF REQUEST:** \$30,000,000 Refunding Bonds

**ANALYST:** Stephanie Blanchard

**SUBMITTED BY:**

M. Jason Akers, Foley & Judell, LLP

**PARAMETERS:**

Not exceeding \$30,000,000 Revenue Refunding Notes, not exceeding 6%, not exceeding 10 years, refunding Hurricane Recovery Revenue Note, Series 2022A.

**LEGISLATIVE AUTHORITY:**

R.S. 39:501, et seq. (R.S. 39:531)

**RECOMMENDATION:**

The application meets the technical requirements based on the information provided, therefore staff recommends approval.

**ATTACHMENTS:**

- ❑ **Analysis Summary**
- ❑ **Approval Parameter Form**
- ❑ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

November 21, 2024

Local Political Subdivisions - Refinancings

**ANALYSIS SUMMARY**

**APPLICATION NO:** L24-324  
**ENTITY:** St. John the Baptist Parish Council  
**TYPE OF REQUEST:** \$30,000,000 Refunding Bonds  
**ANALYST:** Stephanie Blanchard

**PARAMETERS:**

Not exceeding \$30,000,000 Revenue Refunding Notes, not exceeding 6%, not exceeding 10 years, refunding Hurricane Recovery Revenue Note, Series 2022A.

The Parish is seeking to refinance a balloon payment due on the \$30 million Series 2022A Bonds. The bonds were originally issued to cashflow debris removal and drainage canal cleanup associated with Hurricane Ida and were structured as a short-term, interest only borrowing with a single bullet payment due on January 1, 2025. The proposed debt will amortize the balance over a 10-year period.

The Parish government had an estimated \$99 million in damages and issued a total of \$60 million in Hurricane Recovery bonds to cash flow cleanup and repairs. The Parish has received \$10.8 million in insurance proceeds and \$34.6 million in FEMA reimbursements to date, which funds have primarily been used to continue cash flowing additional cleanup. Going forward, FEMA reimbursements will be used to pay down the bonds to a remaining balance of approximately \$8 million.

Estimated Interest Cost on the Refunding Bonds	5.5%
Estimated Maximum Debt Service	\$4,325,300

**Calculation of Coverage Ratio:**

Legally Available Funds *	\$ 13,127,207
Maximum Current Debt Service	\$ 4,023,000
Debt Service on Proposed Issue	\$ 4,325,300
Maximum Combined New Debt Service	\$ 8,338,689
Coverage Ratio	1.57

\* Legally Available Funds assume no additional FEMA reimbursements and include certain Governmental Funds as indicated by the Parish's municipal advisor.

Outstanding Debt Secured by Same Pledge of Revenue Includes:  
Hurricane Recovery Revenue Notes, Series 2023

Selection Method: TBD

Purchaser: TBD

Terms:

Interest Rate Not exceeding 6%

Maturity Not exceeding 10 years

Security: All funds or revenues received or to be received to the extent legally available for the payment of debt service on the Notes, provided that no such funds or revenues shall be included which have been or are in the future legally dedicated and required for purposes inconsistent therewith by the electorate, by the terms of specific grants, by the terms of particular obligations issued or to be issued, or by operation of law.

In a letter dated October 18, 2024, Government Consultants, who serves as the Municipal Advisor to the Parish, proposes the Notes be sold via a targeted competitive process through a request for proposals. Government Consultants views the proposed plan of finance as acceptable and marketable based on current market conditions and their prior experience with direct bank placements.



**LOUISIANA STATE BOND COMMISSION  
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # L24-324  
Agenda Item # 8

Applicant: \*

Parameters / Purposes: \*

Citation(s): \*

Security: \*

As Set Forth By: \*

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION  
FEE COMPARISON WORKSHEET**

Agenda Item # 8

			\$30,000,000 L24-324		\$35,000,000 S24-025	
			St. John the Baptist Parish Council Refunding Bonds November 21, 2024		LCDA (Calcasieu Parish School Project) Refunding Bonds September 26, 2024	
	Firm/Vendor	Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Foley & Judell, LLP	Y	73,400	2.45	77,150	2.20
Co-Bond Counsel				0.00		0.00
Issuer Counsel				0.00	10,000	0.29
Underwriter or Bank Counsel	TBD	Y	15,000	0.50	10,000	0.29
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements	Foley & Judell, LLP	Y	22,000	0.73	30,000	0.86
Purchaser Counsel				0.00		0.00
Trustee Counsel				0.00	10,000	0.29
Total Legal			110,400	3.68	137,150	3.92
Underwriting						
Sales Commission				0.00		0.00
Management Fees *	Stifel	Y	232,500	7.75	169,000	4.83
MSRP/CUSIP/PSA				0.00	6,000	0.17
Takedown				0.00	122,500	3.50
Day Loan				0.00		0.00
Placement Agent Fee *	Stifel	Y	120,000	4.00		0.00
Total Underwriting			352,500	11.75	297,500	8.50
Credit Enhancement						
Bond Insurance	TBD	Y	100,000	3.33	350,000	10.00
Letter of Credit				0.00		0.00
Surety	TBD	Y	60,000	2.00		0.00
Total Credit Enhancement			160,000	5.33	350,000	10.00
Other						
Publishing/Advertising	Official Journal	Y	2,500	0.08	7,500	0.21
Rating Agency(s)	TBD	Y	35,000	1.17	40,000	1.14
Insurance				0.00		0.00
Bond Commission	SBC	Y	15,275	0.51	17,525	0.50
Issuer Financing				0.00	17,500	0.50
Municipal Advisor	Government Consultants	Y	60,000	2.00	78,750	2.25
Trustee				0.00	7,500	0.21
Escrow Trustee	TBD	Y	3,000	0.10		0.00
Paying Agent	TBD	Y	3,000	0.10		0.00
Escrow Agent				0.00	5,000	0.14
POS/OS Printing	Ideal	Y	2,000	0.07		0.00
Posting	Ideal	Y	1,500	0.05		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Miscellaneous				0.00	5,000	0.14
Total Other			122,275	4.08	178,775	5.11
TOTAL ISSUANCE COSTS			745,175	24.84	963,425	27.53

\* It has not yet been determined whether bonds will be underwritten or private placed. If they are privately placed, there will be Placement fees and if they are underwritten, there will be Underwriting fees.



## STATE BOND COMMISSION

November 21, 2024

Local Political Subdivisions - Refinancings

### SYNOPSIS

**APPLICATION NO:** L24-327

**ENTITY:** Tangipahoa Parish, Recreation District No. 3

**TYPE OF REQUEST:** \$3,600,000 Refunding Bonds

**ANALYST:** Brandon Rinaudo

**SUBMITTED BY:**

William R. Boles, Jr., Boles Shafto, LLC

**PARAMETERS:**

Not exceeding \$3,600,000 Limited Tax Revenue Refunding Bonds, not exceeding 5%, mature no later than April 1, 2046, **(1)** refunding Limited Tax Revenue and Refunding Bonds, Series 2017 and **(2)** funding a debt service reserve fund, if necessary.

**LEGISLATIVE AUTHORITY:**

R.S. 39:1441-1443

R.S. 39:1444-1456

**RECOMMENDATION:**

The application meets the technical requirements based on the information provided, therefore staff recommends approval.

**ATTACHMENTS:**

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**
- ☐ **Fee Comparison Worksheet**



**STATE BOND COMMISSION**

November 21, 2024

Local Political Subdivisions - Refinancings

**ANALYSIS SUMMARY**

**APPLICATION NO:** L24-327  
**ENTITY:** Tangipahoa Parish, Recreation District No. 3  
**TYPE OF REQUEST:** \$3,600,000 Refunding Bonds  
**ANALYST:** Brandon Rinaudo

**PARAMETERS:**

Not exceeding \$3,600,000 Limited Tax Revenue Refunding Bonds, not exceeding 5%, mature no later than April 1, 2046, **(1)** refunding Limited Tax Revenue and Refunding Bonds, Series 2017 and **(2)** funding a debt service reserve fund, if necessary.

The District is seeking approval for a current economic refunding that will provide approximately \$184,876 in gross debt service savings benefits to the District.

The Series 2017 bonds being refunded were originally issued for refunding Limited Tax Bonds, Series 2016, constructing and improving recreational facilities, and funding a reserve fund.

**Original Asset Life:**

The final maturity date of the bonds being refunded is April 1, 2046. The issuance of refunding bonds will result in the same maturity.

**Interest Rate Reduction:**

Interest rate on Outstanding Bonds *	3.2% to 5.0%
Estimated interest rate on Refunding Bonds	4.0% to 5.0%

\* The refunding analysis reflects bonds will be issued with premium and an All-Inclusive TIC of 3.92%.

**Present Value / Future Value Savings:**

Average Annual Savings	\$8,665
Estimated Total Gross Debt Service Savings	\$190,633
Prior Issue Debt Service Reserve Funds	(\$248,406)
New Debt Service Reserve Fund Deposit	\$242,650
Estimated Net Present Value Debt Service Savings	\$126,499
Net Present Value Savings as % of Refunded Principal:	3.886%

The redemption provisions reflect the bonds being refunded are callable on April 1, 2025, therefore this level of current value savings falls within SBC guidelines. Staff has been informed the bonds will be issued in January 2025, which is within 90 days of the call date, resulting in the issuance being considered as a current refunding.

Selection Method:	Negotiated
Purchaser:	Crews & Associates
Terms:	
Interest Rate	Not exceeding 5%
Maturity	No later than April 1, 2046
Security:	Avails of a 15.0 mills tax authorized at an election held on April 9, 2016, to be levied through 2045.



**LOUISIANA STATE BOND COMMISSION  
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking #L24-327

Agenda Item # 9

Applicant: \*

Recreation District No. 3 of the Parish of Tangipahoa, State of Louisiana (the "District")

Parameters / Purposes: \*

Authority to issue, sell and deliver NTE \$3,600,000 Limited Tax Revenue Refunding Bonds, in one or more series, to bear interest at a rate or rates not exceeding five percent (5.00%), to mature not later than April 1, 2046, for the purposes of: (i) refunding all or a portion of its \$3,970,000 Limited Tax Revenue and Refunding Bonds, Series 2017; (ii) funding a debt service reserve fund or paying the costs of a debt service reserve policy, if necessary, and; (iii) paying the costs of issuing the Bonds, including the costs of bond insurance, if necessary.

Citation(s): \*

Chapters 14 and 14-A of Title 39

Security: \*

The revenues of the ad valorem tax of fifteen (15) mills to be levied each year through the year 2045 within the boundaries of the District (the "Tax"), pursuant to an election held on April 9, 2016, subject to the payment of the reasonable and necessary costs and expenses of collecting and administering the Tax

As Set Forth By: \*

Resolution adopted by the District on May 14, 2024  
Resolution adopted by the Parish on June 10, 2024

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION  
FEE COMPARISON WORKSHEET**

Agenda Item # 9

			\$3,600,000 L24-327 Tangipahoa Parish, Recreation District No. 3 Refunding Bonds November 21, 2024		\$2,750,000 L24-166 DeSoto Parish, City of Mansfield Revenue Bonds June 20, 2024	
	Paid From Proceeds					
	Firm/Vendor	Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Boles Shafto, LLC	Y	36,575	10.16	32,025	11.65
Co-Bond Counsel				0.00		0.00
Issuer Counsel				0.00	2,500	0.91
Underwriter Counsel	Jones Walker	Y	25,000	6.94	9,500	3.45
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements	Boles Shafto, LLC	Y	10,000	2.78	20,000	7.27
Purchaser Counsel				0.00		0.00
Paying Agent & Trustee Counsel	TBD	Y	5,000	1.39		0.00
Total Legal			76,575	21.27	64,025	23.28
Underwriting						
Sales Commission	Crews & Associates	Y	36,000	10.00	27,000	9.82
Management Fees				0.00	11,675	4.25
MSRP/CUSIP/PSA				0.00	2,500	0.91
Day Loan				0.00	75	0.03
Placement Fee				0.00		0.00
Miscellaneous				0.00		0.00
Total Underwriting			36,000	10.00	41,250	15.00
Credit Enhancement						
Bond Insurance	TBD	Y	25,000	6.94	30,000	10.91
Letter of Credit				0.00		0.00
Surety	TBD	Y	9,555	2.65	11,000	4.00
Total Credit Enhancement			34,555	9.60	41,000	14.91
Other						
Publishing/Advertising	The Daily Star	N	3,000	0.83	2,500	0.91
Rating Agency(s)	TBD	Y	8,000	2.22	10,000	3.64
Insurance				0.00		0.00
Bond Commission	SBC	Y	2,185	0.61	1,675	0.61
Issuer Financing				0.00		0.00
Municipal Advisor	Government Consultants	Y	16,200	4.50	18,750	6.82
Trustee/Paying Agent				0.00		0.00
Escrow Trustee Agent	Hancock Whitney	Y	2,500	0.69		0.00
Paying Agent	Hancock Whitney	Y	1,500	0.42	2,500	0.91
Feasibility Consultants				0.00		0.00
POS/OS Printing				0.00	500	0.18
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Miscellaneous				0.00		0.00
Total Other			33,385	9.27	35,925	13.06
TOTAL ISSUANCE COSTS			180,515	50.14	182,200	66.25



**STATE BOND COMMISSION**

November 21, 2024

Port, Harbor and/or Terminal Districts

**SYNOPSIS**

**APPLICATION NO:** L24-328

**ENTITY:** Central Louisiana Regional Port

**TYPE OF REQUEST:** \$10,000,000 Loan

**ANALYST:** Conner Berthelot

**SUBMITTED BY:**

Brennan K. Black, Foley & Judell, LLP

**PARAMETERS:**

Not exceeding \$10,000,000 Grant Anticipation Notes, not exceeding 6%, not exceeding 5 years, port improvements, including designing, developing, constructing, and equipping an electrical substation manufacturing and assembly building.

**LEGISLATIVE AUTHORITY:**

R.S. 39:501-531 (R.S. 39:529)

**RECOMMENDATION:**

The application meets the technical requirements based on the information provided, therefore staff recommends approval.

**ATTACHMENTS:**

- ☐ **Analysis Summary**
- ☐ **Approval Parameter Form**
- ☐ **Fee Comparison Worksheet**

**STATE BOND COMMISSION**

November 21, 2024

Port, Harbor and/or Terminal Districts

**ANALYSIS SUMMARY**

**APPLICATION NO:** L24-328  
**ENTITY:** Central Louisiana Regional Port  
**TYPE OF REQUEST:** \$10,000,000 Loan  
**ANALYST:** Conner Berthelot

**PARAMETERS:**

Not exceeding \$10,000,000 Grant Anticipation Notes, not exceeding 6%, not exceeding 5 years, port improvements, including designing, developing, constructing, and equipping an electrical substation manufacturing and assembly building.

Proceeds will be used to advance funds for a DOTD Port Priority Program ("PPP") project to construct an 81,000 square foot electrical substation manufacturing and assembly building to be leased to a port tenant in Rapides Parish. In addition to the PPP grant, the Port has also received grants from the U.S. Economic Development Administration ("EDA") and the Delta Regional Authority ("DRA"). The amounts granted to the Port by each entity are listed in the table below:

Construction Estimate	DOTD Grant Contribution	EDA Grant Contribution	DRA Grant Contribution	Port Construction Contribution*
\$15,367,000	\$10,000,000	\$1,700,000	\$1,211,655	\$2,455,345

\* The Port will utilize its income, revenues, and any other lawfully available funds to pay its portion of construction costs. The Port has sufficient available fund balance to cover its portion.

The proposed debt may issue as taxable because it will finance the construction of a building which may be leased to a private entity.

**Debt Limitation Pursuant to R.S. 39:529**

Total Grants Allocated to the District	\$ 12,911,655
R.S. 39:529 Debt Limit**	95% \$ 12,266,072
Proposed Grant Anticipation Notes	77% \$ 10,000,000

\*\*Pursuant to La. R.S. 39:529, Grant Anticipation Notes shall not exceed 95% of the grants committed and appropriated to the governmental entity.

Outstanding Debt Secured by Same Pledge of Revenue: None

Selection Method: Private Placement

Purchaser: TBD

Terms:

Interest Rate Not exceeding 6%

Maturity Not exceeding 5 years

Security: A pledge of grant proceeds and any taxes, income, revenue, cash receipts, or other moneys of the public entity lawfully available therefor ("Lawfully Available Funds").

In a letter dated October 28, 2024, Government Consultants, Inc., serving as the Municipal Advisor, anticipates a direct placement for the proposed transaction. Further, they expressed that the proposed plan of finance is viewed as acceptable and marketable, and they are confident the proposed Notes will be well received by investors.

Pursuant to R.S. 39:1426, Notes sold in a private sale require approval by two-thirds of the State Bond Commission members that are present and voting.



**LOUISIANA STATE BOND COMMISSION  
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # L24-328

Agenda Item # 10

Applicant: \*

Central Louisiana Regional Port (the "District")

Parameters / Purposes: \*

Authority to issue, sell and deliver not exceeding \$10,000,000 of Grant Anticipation Notes (the "Notes"), for the purpose of (i) funding port improvements, including designing, developing, constructing, and equipping an electrical substation manufacturing and assembly building within the jurisdiction of the Issuer and (ii) paying costs of issuance of the Notes. The Notes will be issued at an interest rate not exceeding 6% per annum and shall mature no later than 5 years from the date of issuance.

Citation(s): \*

Part II of Ch 4 of Sub II of Title 39 of LA RS 1950

Security: \*

A pledge of grant proceeds and any taxes, income, revenue, cash receipts, or other moneys of the public entity lawfully available therefor ("Lawfully Available Funds").

As Set Forth By: \*

A resolution adopted by the Board of Commissioners of the District on October 23, 2024

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION  
FEE COMPARISON WORKSHEET**

Agenda Item # 10

		\$10,000,000 L24-328 Central Louisiana Regional Port Loan November 21, 2024		\$14,249,210 L24-301 Port of Iberia District Loan September 26, 2024		
	Firm/Vendor	Paid From Proceeds Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Foley & Judell, LLP	Y	51,525	5.15	59,087	4.15
Co-Bond Counsel				0.00		0.00
Issuer Counsel				0.00		0.00
Underwriter Counsel				0.00		0.00
Bank Counsel	TBD	Y	15,000	1.50	20,000	1.40
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
Purchaser Counsel				0.00		0.00
Trustee Counsel				0.00		0.00
Total Legal			66,525	6.65	79,087	5.55
Other						
Publishing/Advertising	Official Journal	Y	2,000	0.20	2,000	0.14
Rating Agency(s)				0.00		0.00
Insurance				0.00		0.00
Bond Commission	SBC	Y	5,775	0.58	7,900	0.55
Issuer Financing				0.00		0.00
Municipal Advisor	Government Consultants	Y	30,000	3.00	45,000	3.16
Trustee/Paying Agent	TBD	Y	2,500	0.25	2,500	0.18
Escrow Agent				0.00		0.00
Paying Agent				0.00		0.00
Feasibility Consultants				0.00		0.00
POS/OS Printing				0.00		0.00
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Miscellaneous				0.00		0.00
Total Other			40,275	4.03	57,400	4.03
TOTAL ISSUANCE COSTS			106,800	10.68	136,487	9.58



## STATE BOND COMMISSION

November 21, 2024

State Agencies, Boards and Commissions

### SYNOPSIS

**APPLICATION NO:** S24-010B

**ENTITY:** Louisiana Housing Corporation (Canal Crossing Senior Apartments Project)

**TYPE OF REQUEST:** \$11,000,000 Revenue Bonds (Volume Cap)

**ANALYST:** Conner Berthelot

**SUBMITTED BY:**

Wayne J. Neveu, Butler Snow, LLP

**PARAMETERS:**

Not exceeding \$11,000,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 5 years, acquisition, construction, and equipping of a 49-unit multifamily housing development in New Orleans.

**LEGISLATIVE AUTHORITY:**

R.S. 40:600.86-600.111

**RECOMMENDATION:**

The application meets the technical requirements based on the information provided. At the October 17th SBC meeting, the item was deferred until the submission of an appraisal and the developer providing detailed explanation on costs.

**ATTACHMENTS:**

- ❑ Analysis Summary
- ❑ Approval Parameter Form
- ❑ Fee Comparison Worksheet
- ❑ Additional Supporting Documentation
- ❑ Additional Supporting Documentation
- ❑ Additional Supporting Documentation



**STATE BOND COMMISSION**

November 21, 2024

State Agencies - Bonds - Final Approval

**ANALYSIS SUMMARY**

**APPLICATION NO:** S24-010B  
**ENTITY:** Louisiana Housing Corporation (Canal Crossing Senior Apartments Project)  
**TYPE OF REQUEST:** \$11,000,000 Revenue Bonds (Volume Cap)  
**ANALYST:** Conner Berthelot

**PARAMETERS:**

Not exceeding \$11,000,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 5 years, acquisition, construction, and equipping of a 49-unit multifamily housing development in New Orleans.

These bonds will be issued for the requirement that federal 4% Low Income Housing Tax Credit ("LIHTC") be funded by at least 50% of tax-exempt private activity bonds. Upon project completion and lease-up, the tax credits are awarded to the owner of the development over 10 years (tax credit period) and are non-transferable. At that time, equity provided by the tax credit investor and other sources is used to pay down the bonds and convert the debt to a 1<sup>st</sup> lien mortgage. During the tax credit period, the tax credit investor typically owns 99.99% of a project as a limited partner, while the developer owns 0.01% as the general and managing partner.

Proceeds will fund the redevelopment of a historic property at 2640 Canal Street, originally built for IBM and later used as office space for American Red Cross, into an affordable rental housing facility for seniors. The building will include 46 one-bedroom units and 3 two-bedroom units, on-site management, a computer room, CCTV cameras and two elevators. The project will be developed by Integrity Development Partners, LLC and Bates Management, LLC, led by Ryan Bates and Rhett Holmes, and construction is expected to begin in January 2025 with project completion in February 2026.

	Total	Per Unit (49)	Per Sq. Ft (45,000)
Building & Land Acquisition	\$3,100,000	\$63,265	\$69
Other Construction Hard Costs	\$10,573,750	\$215,791	\$235
<b>Hard Cost Subtotal</b>	<b>\$13,673,750</b>	<b>\$279,056</b>	<b>\$304</b>
Developer Fee	\$1,715,000	\$35,000	\$38
Construction Contingency	\$1,072,376	\$21,885	\$24
Other Soft Costs	\$1,849,801	\$37,751	\$41
<b>Total Development Costs (TDC)*</b>	<b>\$18,310,927</b>	<b>\$373,692</b>	<b>\$407</b>

\* TDC reflects a decrease of \$558,000 since original application in April, as the developer lowered cost estimates for construction, utilities, financing fees and other costs.

The attached "Cost Analysis Summary" provides a breakdown of construction and total development costs for the project relative to HUD limits. Details for construction and other costs are also attached.

The bonds shall not constitute a debt, liability or a pledge of the faith and credit of the State of Louisiana, or of any political or governmental unit thereof. The issuer has applied for an allocation from the State's Private Activity Volume Cap under Section 146 of the Internal Revenue Code of 1986.

**STATE BOND COMMISSION****Participants/Team:**

Participants of the transaction are below, and are registered with the Secretary of State to do business in the State of Louisiana and are in good standing:

- Owner and Beneficiary - Canal Crossing Senior Apartments, LP, of which 50% is owned by Integrity Investors Group, LLC and 50% is owned by Bates Management, LLC.
- Developers - Integrity Development Partners, LLC and Bates Management, LLC for which Rhett Holmes and Ryan Bates are principal officers.
- Property Manager - Integrity Management Company is a Georgia-based company that specializes in management of multifamily properties. The principal officer is Rhett Holmes.

**Sources:**

	Original	Revised
1st Permanent Mortgage Loan	\$ 855,431	\$ 1,002,683
Federal Historic Tax Credit Equity Proceeds	\$ 2,534,495	\$ 2,395,899
State Historic Tax Credit Equity Proceeds	\$ 3,285,000	\$ 3,010,032
LIHTC Equity Proceeds	\$ 6,194,001	\$ 5,895,000
Donated Materials	\$ 0	\$ 7,313
City of New Orleans CDBG Loan *	\$ 6,000,000	\$ 6,000,000
<u>Bond Proceeds **</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Sources	\$18,868,927	\$ 18,310,927

\* The City of New Orleans requires the property have an affordability period of 40 years, which is an additional 10 years over the LIHTC affordability period of 30 years.

\*\* The entity will issue the entire \$11,000,000 of requested tax-exempt bonds and, upon completion of construction, immediately pay the bonds down with the additional project sources to a balance of \$1,002,683, which converts to the 1st Permanent Mortgage Loan.

**Uses:**

	Original	Revised
Building & Land Acquisition	\$ 3,100,000	\$ 3,100,000
Construction & Rehabilitation Hard Costs	\$10,923,750	\$10,573,750
Construction Contingency	\$ 1,072,375	\$ 1,072,376
Soft Costs		
Developer Fee	\$ 1,715,000	\$ 1,715,000
<u>Other Soft Costs</u>	<u>\$ 2,057,802</u>	<u>\$ 1,849,801</u>
Total Development Cost	\$18,868,927	\$18,310,927

The Defined Tenant Benefit Package meets SBC guidelines and includes:

1. Material Rent Differentials:
  - 3 units will be occupied by households at or below 30% of the Average Median Income for Orleans Parish ("AMI").
  - An additional 8 units will be occupied by households at or below 50% of the AMI.
  - An additional 24 units will be occupied by households at or below 60% of the AMI.
  - The remaining 14 units will be occupied by households at or below 70% of the AMI.
2. Deposit Waivers and/or Application Fees: Applicant Deposit Fees will be waived for all tenants in three units to be occupied by households at or below 30% AMI.

According to the Market Study prepared by Gibson Consulting, LLC, the project should have the ability to cashflow after the construction of the units, and the site will reach a stabilized occupancy of approximately 100% within 3 months following the completion of construction. The project is expected to create approximately 45 temporary construction jobs and retain 2 permanent jobs in the local economy. The current site is 100% vacant.



# STATE BOND COMMISSION

Selection Method:	Private Placement
Purchaser:	Churchill Mortgage Investment, LLC
Terms:	
Interest Rate	Not exceeding 10%
Maturity	Not exceeding 5 years
Security:	Revenues to be derived from the Project

In a letter dated October 3, 2023, Churchill Mortgage Investment, LLC proposes terms for the proposed financing in accordance with the above parameters, subject to formal credit underwriting and approval.

Pursuant to R.S. 39:1426(B), Bonds sold in a private sale require approval by two-thirds of the members present and voting of the State Bond Commission.



**LOUISIANA STATE BOND COMMISSION  
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # S24-010B  
Agenda Item # 12

Applicant: \*

Louisiana Housing Corporation

Parameters / Purposes: \*

Authority to issue, sell and deliver not exceeding Eleven Million Dollars (\$11,000,000) of Multifamily Housing Revenue Bonds (Canal Crossing Senior Apartments Project) (the "Bonds") in one or more series at a rate not to exceed 10%, with a maturity not-to-exceed 5 years, for the purpose of providing funds to (i) finance the acquisition, construction, and equipping of a 49-unit multifamily housing development to be known as Canal Crossing Senior Apartments located in the City of New Orleans, Orleans Parish, Louisiana and (ii) pay the costs of issuance associated with the Bonds.

Citation(s): \*

Chapter 3-G of Title 40 of the Louisiana Revised St

Security: \*

income, revenues, and receipts derived from the Project

As Set Forth By: \*

Resolution adopted on February 14, 2024 by the Board of Directors of the Louisiana Housing Corporation

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION  
FEE COMPARISON WORKSHEET**

Agenda Item # 12

			\$11,000,000 S24-010B LHC (Canal Crossing Senior Apartments Project) Revenue Bonds (Volume Cap) November 21, 2024		\$11,800,000 S23-032 LHC (Galilee City Apartments Project) Revenue Bonds (Volume Cap) June 20, 2023		
	Paid		From Proceeds				
		Firm/Vendor	Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS							
Legal							
Bond Counsel		Butler Snow LLP	N	51,025	4.64	52,625	4.46
Co-Bond Counsel					0.00		0.00
Issuer Counsel					0.00		0.00
Underwriter Counsel					0.00		0.00
Underwriter Co-Counsel					0.00		0.00
Preparation of Blue Sky Memo					0.00		0.00
Preparation of Official Statements					0.00		0.00
Purchaser Counsel					0.00		0.00
Trustee Counsel		TBD	N	10,000	0.91	10,000	0.85
Total Legal				61,025	5.55	62,625	5.31
Other							
Publishing/Advertising		Louisiana Housing Corporation	N	2,000	0.18	2,000	0.17
Rating Agency(s)					0.00		0.00
Insurance					0.00		0.00
Bond Commission		SBC	N	12,850	1.17	13,730	1.16
Issuer Financing		Louisiana Housing Corporation	N	11,000	1.00	11,800	1.00
Municipal Advisor		Government Consultants	N	22,000	2.00	23,600	2.00
Trustee		TBD	N	10,000	0.91	10,000	0.85
Escrow Agent					0.00		0.00
Paying Agent					0.00		0.00
Feasibility Consultants					0.00		0.00
POS/OS Printing					0.00		0.00
Accounting					0.00		0.00
Account Verification					0.00		0.00
Escrow Verification					0.00		0.00
Miscellaneous					0.00		0.00
Total Other				57,850	5.26	61,130	5.18
TOTAL ISSUANCE COSTS				118,875	10.81	123,755	10.49
INDIRECT COSTS							
Beneficiary Organizational							
Beneficiary Counsel		Longwell Riess, LLC	N	75,000	6.82	130,000	11.02
		Integrity Development Partners, LLC/					
Development*		Bates Management, LLC	N	1,715,000	155.91	3,000,000	254.24
Title, Survey & Appraisal		Baldwin Title Company of LA	N	200,000	18.18	240,000	20.34
Consultant					0.00		0.00
Insurance					0.00		0.00
Total Beneficiary Organizational Costs				1,990,000	180.91	3,370,000	285.59
Mortgage Banking							
Lender Counsel		Norris George & Ostrow PLLC/ Butler Snow LLP	N	80,000	7.27	65,000	5.51
Mortgage Servicer Counsel					0.00		0.00
Mortgage Insurance					0.00		0.00
Examination					0.00		0.00
Financing Fee		Churchill Mortgage Investment, LLC	N	175,000	15.91	118,000	10.00
Total Mortgage Banking Costs				255,000	23.18	183,000	15.51
TOTAL INDIRECT COSTS				2,245,000	204.09	3,553,000	301.10
TOTAL ISSUANCE AND INDIRECT COSTS				2,363,875	214.90	3,676,755	311.59

\* The developer provides certain guarantees to the tax credit investor. The developer will oversee numerous aspects during the development and construction of the project. Duties of the developer include but are not limited to negotiating and executing architectural, engineering, testing or consulting of services for the facility, assisting the owner/operator in dealing with neighborhood groups, local organizations and other parties, assisting with identifying sources of financing and negotiating the terms, establishing and implementing appropriate administrative and financial controls, assisting in obtaining access to utilities and required zoning approvals and assisting in complying with all applicable present and future laws, ordinances, orders, rules, regulations and requirements.

## Cost Analysis Summary Canal Crossing Senior Apartments

<b>Parish</b>	Orleans
<b>Number of Units</b>	49
<b>Square Footage</b>	45,000

<b>Housing Construction Cost</b> (See "Hard Cost Containment" Attached)		
HUD HCC LIMIT	\$	6,655,960
Architect Estimate Total Costs	\$	10,573,750
Incremental Costs From Threshold Mandates	\$	(3,797,110)
Net Cost without Threshold Mandates	\$	6,776,640
<b>Amount Over (Under) Limit</b>	<b>\$</b>	<b>120,680</b>

<b>Total Development Cost</b> (See "Adjusted TDC Cost Containment" Attached)		
HUD TDC LIMIT	\$	10,649,536
Application TDC	\$	18,310,927
Incremental Hard Costs From Threshold Mandates	\$	(3,797,110)
Acquisition, Community Facilities & Reserves	\$	(2,652,802)
Construction Contingency due to Historic Rehab	\$	(536,188)
Financing Costs of Tax Credit & Bond Transactions	\$	(668,550)
Developer Fee	\$	(1,000,000)
Post Application Adjusted TDC	\$	9,656,277
<b>Amount Over (Under) Limit</b>	<b>\$</b>	<b>(993,259)</b>

## Hard Cost Containment

HUD HCC LIMIT	\$	6,655,960.00
Total Hard Cost Contractor W/O Thresholds	\$	6,776,640.00
<i>Delta</i>	\$	120,680

!!!!!!!

HUD HCC/SQFT Limit	\$	190.72
Total HCC W/O Thresholds/SQFT	\$	150.59
<i>Delta</i>	\$	(41.00)

form : HUD-92331-B

	TRADE ITEM	Architect Estimated Cost	Incremental Cost From Threshold Mandate	Net Cost Without Threshold Mandate
1	Concrete	\$ 85,000.00	\$ 25,000.00	\$ 60,000.00
	Abatement	\$ 500,000.00	\$ 500,000.00	
2	Masonry	\$ 75,000.00	\$ 50,000.00	\$ 25,000.00
3	Metals	\$ 100,000.00	\$ 35,000.00	\$ 65,000.00
4	Rough Carpentry			\$ -
5	Finish Carpentry	\$ 73,500.00		\$ 73,500.00
6	Waterproofing			\$ -
7	Insulation			\$ -
8	Roofing	\$ 128,655.00	\$ 28,000.00	\$ 100,655.00
9	Sheet Metal			\$ -
10	Doors	\$ 352,800.00	\$ 100,000.00	\$ 252,800.00
11	Windows	\$ 98,000.00	\$ 75,000.00	\$ 23,000.00
12	Glass	\$ 24,500.00		\$ 24,500.00
13	Lath and Plaster			\$ -
14	Drywall	\$ 546,940.00	\$ 450,000.00	\$ 96,940.00
15	Tile Work	\$ 40,425.00		\$ 40,425.00
16	Acoustical			\$ -
17	Wood Flooring	\$ 579,528.00	\$ 105,000.00	\$ 474,528.00
18	Resilient Flooring	\$ 7,520.00		\$ 7,520.00
19	Painting and Decorating	\$ 257,568.00		\$ 257,568.00
20	Specialties	\$ 122,500.00	\$ 80,000.00	\$ 42,500.00
21	Special Equipment			\$ -
22	Cabinets	\$ 539,000.00		\$ 539,000.00
23	Appliances	\$ 300,000.00		\$ 300,000.00
24	Blinds and Shades	\$ 98,000.00	\$ 75,000.00	\$ 23,000.00
25	Carpets			\$ -
26	Special Construction			\$ -

Developer Comments
Several additional costs associated with new concrete and additional concrete that would not be typically required in a traditional rehabilitation project that would be able to re-use much of the existing layout and concrete . The labor rates are also impacted higher than typical rates for concrete work given Davis Bacon Prevailing Wage Rates are required due to City of New Orleans HOME Funding as a source.
Due to State Historic and National Park Service requirements of preserving this development we must fully abate the current asbestos floor tile mastic, ceiling tile, and strip all existing windows of lead based paint for full abatement. This would not be typical in a new construction project and requires additional costs over and above a typical project. The labor rates are also impacted higher than typical rates for demo laborers given City of New Orleans Funding requiring Davis Bacon Prevailing Wage Rates and DBE participation
State Historic and National Park Service requirment of re tuck pointing masonry of existing brick
State Historic and National Park Service incremental costs. Fortified Gold incremental costs fastners & reinforcing
QAP required Fortified Gold incremental costs for Roof System requirments
QAP required door manadates both interior unit doors and fire rated exterior doors;State Historic Preservation Office and National Park Service incremental costs to meet historic compliant door requirments
QAP Window requirements and Green Certification Windows added incremental costs State Historic Preservation Office and National Park Service incremental costs to meet historic compliant window requirments (reglazing, recaulking/waterproofing, window film impact) restore and replace historic windows. City of New Orleans Davis Bacon Wage rates and DBE incremental costs
Drwayall material, tape, float - Includes new code required drywall systems and fire rated separations at ceilings, between unit seperations as required by City of New Orleans code and fire prevention. Davis Bacon Wage Rates and DBE incremental costs required due to City of New Orleans HOME Funds
State Historic Preservation Office and National Park Service Incremental Costs of mandated approved historic flooring type (LVT must be approved by Historic Office to meet requirments). Also requires Davis Bacon Wage Rates/DBE for installation requirements due to HOME funding Sources
Level 4 Finish Paint, One primer coat, two finish coats on all doors, walls, ceilings, trim, windows
State Historic required special finishes throughout interior and building envelope to restore
QAP required cabinetry and selection; Added incremental costs of Davis Bacon Wage rates for installation due to City of New Orleans Funding Source
Energy Star Appliacnes required by QAP
State Historic Preservation and National Park Services required window film impact rated on all windows, along with keeping existing windows requiring not typical blinds/shade sizing of historic windows. Added incrnental costs

	TRADE ITEM	Architect Estimated Cost	Incremental Cost From Threshold Mandate	Net Cost Without Threshold Mandate
27	Elevators	\$ 384,000.00	\$ 175,000.00	\$ 209,000.00
28	Plumbing and Hot Water	\$ 1,886,500.00	\$ 886,000.00	\$ 1,000,500.00
29	Heat and Ventilation			\$ -
30	Air Conditioning	\$ 1,094,664.00	\$ 250,000.00	\$ 844,664.00
31	Electrical	\$ 1,086,228.00	\$ 200,000.00	\$ 886,228.00
32	Sprinkler	\$ 164,580.00	\$ 65,000.00	\$ 99,580.00
33	Accessory Structures			\$ -
34	TOTAL (Structures)	\$ 8,544,908.00	\$ 3,099,000.00	\$ 5,445,908.00
35	Earthwork	\$ 55,000.00		\$ 55,000.00
36	Site Utilities	\$ 300,000.00	\$ 150,000.00	\$ 150,000.00
37	Roads and Walks			\$ -
38	Site Improvement	\$ 79,784.00		\$ 79,784.00
39	Lawns and Planting	\$ 65,308.00		\$ 65,308.00
40	Unusual Site Conditions			\$ -
41	TOTAL (Land Improvements)	\$ 500,092.00	\$ 150,000.00	\$ 350,092.00
42	General Requirements	\$ 559,500.00	\$ 194,940.00	\$ 364,560.00
43	Builder's Overhead	\$ 186,500.00	\$ 64,980.00	\$ 121,520.00
44	Builder's Profit	\$ 559,500.00	\$ 194,940.00	\$ 364,560.00
45	Architects Fee			\$ -
46	Architects Fee			\$ -
47	Other Fee	\$ 130,000.00		\$ 130,000.00
48	Bond Premium (Contractor)	\$ 93,250.00	\$ 93,250.00	\$ -
49	Misc. (Labor and Materials)			\$ -
50	TOTAL HARD COST	\$ 10,573,750.00	\$ 3,797,110.00	\$ 6,776,640.00

#### Developer Comments

Two Existing Elevators and Shafts, must remain in location due to State Historic Requirments. This is an added incremental costs, where two elevators are in one building. This is due to historic elevators must stay due to National Park Service and be made like new. Davis Baon Wage Rates required due to funding Source.

QAP requirment of water features for Resiliency and Green Certification requirements of added incremental costs. We must also use layouts based on historic footprint of building which is added incremental costs due to Historic layout. Added incremental costs from Davis Bacon Wage rates on all plumbing and DBE requirments.

QAP and Green Certification requirements of added incremтал costs to the green requirements. The HVAC system is more efficient and also more costly from a typical HVAC system that would be installed had the project not gone for tax credits with Green Certification requirments. Added incremental costs of Davis Bacon Wage rates and DBE are also required.

QAP and Green Certification requirements are added costs. The labor rates are also impacted higher than typical rates for electricians given Davis Bacon Prevailing Wage Rates are required due to City of New Orleans HOME Funding as a source.

City of New Orleans required fire supression system per code. A new sprinkler must be installed and adapted to the existing building in the new layout of the apartments and it requires more complicated runs of piping to adapt to the existing building. The labor rates are also impacted higher than typical rates for Sprinkler subs given Davis Bacon Prevailing Wage Rates are required due to City of New Orleans HOME Funding as a source.

QAP Required permeable pavers, bioswales per City of New Orleans. The existing utilities for the former building are not adequate for a new apartment building so the existing utilities must be dug up and removed and replaced. Normally, removal of the existing utilities is not a requirement for a new project but because we are re-using a historic building, it is required and adds to the cost of the building. The labor rates are also impacted higher than typical rates for site workers given Davis Bacon Prevailing Wage Rates are required due to City of New Orleans HOME Funding as a source. The City of New Orleans also has stormwater management requirments to capture the first 1.5 inch of rainfall that affects costs of site work.

QAP required Site Work of permeable Pavers. City of New Orleans requirement of Storm Water Management. Bioswales required, reasphalting of existing parking stalls. Added incremental costs.

The general requirements costs are incrementally increased by the additional costs associated with the re-use of the historic building, due to general requirements being a percentage, it would lower proportionately with the lowered costs of the construction. The labor rates are also impacted higher than typical rates given Davis Bacon Prevailing Wage Rates are required due to City of New Orleans HOME Funding as a source.

The overhead costs are incrementally increased by the additional costs associated with the re-use of the historic building, due to overhead being a percentage, it would lower proportionately with the lowered costs of the construction.

The profit costs are incrementally increased by the additional costs associated with the re-use of the historic building, due to profit being a percentage, it would lower proportionately with the lowered costs of the construction.

Must be bonded per QAP requirement



Adjusted TDC Cost Containment

Asset	Canal Crossing Senior Apartments			
Parish	Orleans	Development Type	New Construction	
Number of Units	49	Max Developer Fee	\$1,715,000	
Total Square footage	45,000	Developer Fee	\$1,715,000	
		Delta		
Maximum TDC Limit	\$ 10,649,536.00	HUD TDC/sqft Limit	\$ 305.14	
Post App. Adjusted TDC	\$ 9,656,277.00	\$ (993,259.00)	Adjusted TDC/sqft	\$ 214.58

Developer Comments

Appraisal Date : Appraisal Amount :

TDC From Revised Application \$18,310,927

Less Community Facilities Costs (\$330,000)  
Less Building Acquisition for Historic Property (\$2,000,000)

Less Reserves (\$322,802)

Adjusted TDC \$ 15,658,125.00

Less Construction Costs Due to threshold Mandates \$ (3,797,110.00)  
Less Construction Contingency (\$536,188)

Subtotal \$ 11,324,827.00

Less Costs Associated with Complex Layered Financing Enter below as negative numbers

I. Application and Allocation Fees for Bonds and Tax Credits

a. Tax Credit Application Fees	\$ (19,200.00)
b. Tax Credit Allocation Fees	\$ (36,000.00)
c. Bond Application Fees to Issuer	\$ (11,000.00)
d. Bond Application Fees to State Bond Commission	\$ (1,500.00)
e. Subordinate Loan Application Fees	\$ (10,000.00)

II. Bond Issuance Costs

a. Bond Counsel	\$ (45,000.00)
b. Bond Issuer Counsel	\$ (45,000.00)
c. Bond Issuer Financing Fee	\$ (11,000.00)
d. State Bond Commission Fee	\$ (11,350.00)
e. Trustee Fee	\$ (3,500.00)
f. Trustee Counsel Fee	\$ (12,000.00)

Developer lowered costs post application on the previous cost containment workbook submitted to SBC

HUD TDC Limit does not take into account the acquisition costs of a historic building being preserved, and repurposed which costs are absorbed by Historic Tax Credits and adhering to that program. This property is also located in a highly desired area Canal St. with access to many commercial services for elderly including hospital, transit and medical services, unlike the acquisition costs in New Orleans in less desirable market areas. Typical HUD Development deals are vacant land which is taken into account for this transaction valued at \$1MM; Total acquisition was \$3MM of which \$2MM is the existing historic property and \$1MM is land which should count towards HUD TDC limit

From Hard Cost Containment Tab

HUD Limit assumes 5% Hard Cost Contingency, Historic preservation properties require a 10% contingency per lender and investor as mandated requirement

Market Study, LHC Application Fees, NPS Application Fees, SHPO Application Fees

LHC Tax Credit Allocation Fees

PTCL Construction Lender purchasing bonds

Loan Application Fees, Construction/Bonds

Construction Lender/Bond Counsel

Bond Counsel LHC

1% Fee

SBC Fee

Trustee required Fee

Trustee Counsel

III. Subordinate Loan Closing Costs

a. Subordinate Lenders Financing Fee	\$ (11,000.00)
b. Subordinate Lender Counsel Fee	\$ (45,000.00)
c. Subordinate Loan Document Recording Costs	\$ (30,000.00)

1% of Loan fee
Perm Lender Counsel
Recording, title, endorsements required for lenders, and tax credit investor

IV. Tax Credit Equity Costs

a. Syndication Fee	\$ (50,000.00)
b. Equity Counsel Fee	\$ (50,000.00)
c. CPA Certification of 50% Test	\$ (35,000.00)
d. Tax Credit Equity Bridge Interest	\$ (192,000.00)
d. Other	\$ (50,000.00)

Tax Credit Investor Counsel
LIHTC Certification, Historic Cost Certification, CPA Fees
Accounts for bridging 50% of Fed HTC and LIHTC (which is not done in norma conventional financing where equity comes in upfront)
Architect covers the historic consulting

V. Developer Fee Associated with Complex Layered Financing

\$ (1,000,000.00)
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Developer fee is based on existing QAP limits of \$35,000 per unit allowed, this deal involves more complexity than a typical HUD deal without these funding sources, given the financing and bond structuring which includes Low income housing tax credits, City of New Orleans HOME funds, Histroric Tax Creditis. The development will take 3 years of work from beginning to completion of development. Developer also must use personal balance sheet, developer own equity to fund costs and also is required to maintain liquidity covenants and oersonal guaranties for the life of the project required by both perm lender and tax credit investor
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Total Costs Associated with Complex Layered Financing	\$ (1,668,550.00)
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Post Application Adjusted TDC	\$ 9,656,277.00
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Canal Crossing is below the HUD TDC Limits once taking into account costs not typically associated with a normal HUD deal. This involves utilizing historic tax credits, low income housing tax credits, City of New Orleans HOME funds all which have added costs to facilitate the transaction and complexity of financing the deal. Also, TDC Limits went up 11% from 2021 to 2022 and 15% from 2022 to 2023. These TDC limits are published in October and have not been published yet for 2024. Based upon going up 26% from 2021 to 2023, this is roughly 13% increase per year. To be fair , there should be an increase of 10% of the TDC Limit given this still compares 2023 TDC limits not accounting for a 2024 increase. Also, "TDC Limit" refers to the maximum amount of such funding that HUD will approve for development of specific public housing units in a given location. This is not a public housing development. Note, however, that because the TDC limit applies only to the costs of development of public housing that are paid directly with HUD public housing funds, a development may exceed the TDC limit using non-public housing funds such as CDBG, HOME, low-income housing tax credit equity, and private financing (this is per HUD directly). Canal Senior is not utilizing any HUD funding for public housing and therefore is not required to be below the HUD TDC limits, as stated directly from HUD in their regulations. Canal Senior is using private financing, low income housing tax credit equity to fund this transaction which by definition from HUD means TDC limits does not apply. From HUD "Determination of the TDC limit for a project is made by multiplying the HUD-published TDC limit applicable to each type and size public housing unit in the project, by the number of such units in the project. Non-public housing units are excluded from the calculation of TDC limits. Canal Senior is a non public housing development using private financing outlined by HUD directly showing TDC Limits are not applied to these developments.
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BATES DEVELOPMENT

## Canal Crossing Senior Apartments

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### INTEGRITY DIVERSITY PURPOSE

November 14, 2024

Via email: [SBC-Application@treasury.la.gov](mailto:SBC-Application@treasury.la.gov)

State Bond Commission

Louisiana Housing Corporation  
2415 Quail Drive  
Baton Rouge, LA 70808

**RE: State Bond Commission – Canal Crossing Senior Apartments Appraisal Valuation**

In regards to the request for an appraisal to determine the actual cost value of a Low Income Housing Development, we have prepared the following information to help explain the cost approach of appraisals for low income housing developments and the reasoning it does not accurately reflect Total Development Costs as opposed to Cost Approach Value.

The below and attached information was shared from - Novogradac a nationally respected CPA firm with expertise on tax credit development in all 50 states , Gill Group a national appraisal/valuation company who has completed and specialize in LIHTC 3<sup>rd</sup> party appraisals for HUD, Tax Exempt Bonds, Fannie/Freddie, market feasibility studies, capital needs assessments, and rent comparability studies.

If you have any further questions, please don't hesitate to contact Ryan Bates at 504-235-3676 or Rhett Holmes at 229-219-6762

Sincerely

Ryan Bates & Rhett Holmes  
Canal Crossing Senior Apartments LP  
Bates Development, LLC  
Integrity Development Partners, LLC

**From Todd Gill of Gill Group – 3<sup>rd</sup> Party National Certified Appraisal/Valuation firm who has completed thousands of LIHTC Appraisals across multiple states, rent comparability studies, market feasibility studies over 40 years specifically for Fannie Mae, Freddie Mac, HUD, RD, LIHTC, Tax Exempt Bonds:**

The first normal issue that is brought up with people unfamiliar with LIHTC new construction projects is the total construction cost versus the underlying value of the real estate. The explanation for this discrepancy in short-form is as follows: the total development cost on LIHTC (Low-Income Housing Tax Credit) projects is typically higher than the pure construction cost because of the complex financing structure involved, which includes additional layers of fees for legal work, administrative costs, syndication fees, and the need to secure multiple funding sources, all adding significant "soft costs" beyond just the physical construction of the building.

This explanation also bleeds over into the reason for the construction cost to also exceed the "appraised value via the cost approach" as seen in an appraisal report. It is important to remember the difference between the actual construction cost and the cost approach to value as seen in an appraisal. **The "construction cost" is the actual cost to build the structure and is not directly related to the actual value of the real estate.** The easiest example is building a \$3M home in a run-down area made up of \$50,000 homes. Although the cost to construct the home would still be \$3M, the cost approach to value would get a value much, much lower than the actual cost to build.

This is a similar issue with building LIHTC multi-family housing. The intent of LIHTC housing is not to maximize value or get a cash return. As a result, the location is not chosen to maximize value and can have an affect on the underlying real estate value (not as drastic as the above example, but still it can be present). Secondly, the cost to build is affected by the soft costs listed above that are not present in a typical apartment build and also drives up the actual cost to construct. **Furthermore, the rents charged at an LIHTC property are substantially less than market rents and this also drives down the cost approach to value in an appraisal** (but obviously does not correspondingly drive down the cost to build). In addition, the offsets in value for this rent deduction (favorable financing, tax credits, other forms of subsidies/grants/forgivable loans, etc.) are not directly captured in the cost approach to value. It is one of the many reasons that the cost approach to value should be given no weight in concluding value for an LIHTC apartment complex and also why the actual cost to build typically exceeds (and in some cases far exceeds) the value concluded using the cost approach in an appraisal.

**In a nutshell, LIHTC apartments (and really affordable housing in general) is not designed nor expected to be a cash generating enterprise or to provide the typical expected return on investment. It is designed to provide housing for people in need. Additionally, the actual cost to build something is not directly related to its "value" which is what the cost approach in an appraisal is attempting to capture. However, that approach is not designed or intended to capture the complexities of an LIHTC apartment build or be reflective of that type of complex value type.**

In order to accurately reflect the value of an LIHTC apartment, a much more nuanced and complex approach is needed due to the factors listed above. **In my opinion, the cost approach to value in an appraisal should be ignored for this type of project and will invariably confuse the reader as it will always be far below actual construction costs for this type of project which leads to misleading interpretations by inexperienced readers of an appraisal report.**

If you have any addition comments/questions or need anything else, please let me know.

**From Novogradac – Nationally recognized CPA firm, industry leading in all tax credit development (LIHTC, Energy Credits, Historic Credits, etc.) across all 50 states**

This information is from the Appraisal of Real Estate, 15<sup>th</sup> Edition. Essentially, total development cost is the estimated cost of the new building (direct, indirect, and developer profit) plus the land value. The cost approach in the appraisal determines the value of the new building, not just the average cost of building, so depreciation must also be included in the value by reducing the amount. In the case of LIHTC development, there is an additional deduction for lost depreciation will be a significant reduction to the cost value. The value via the cost approach for a LIHTC building by definition will be less than development cost because of the large depreciation deduction.

When a LIHTC is an acquisition/rehabilitation, the value is further reduced due to physical deterioration and potentially functional obsolescence of the building.

If the cost approach is applied perfectly, the value indications as restricted via the income approach and sales comparison approach would be similar to the cost approach value. The LIHTCs themselves fill the gap to make the deal feasible, as the value of LIHTC real estate is nowhere near the cost, under any of the three traditional approaches to determining value.

**Information Pulled directly from Deerwood Apartments Appraisal 2023 – 4% LIHTC Development in Deal Lake Charles, LA**

3. Cost Approach - an estimate of the replacement cost of all structural improvements as if new, less loss in value attributable to depreciation from all causes, plus the value of the land as if vacant.

The Cost Approach is based on the premise that the value of a property can be indicated by the current cost to construct a reproduction or replacement for the improvements minus the amount of depreciation evident in the structures from all causes plus the value of the land and entrepreneurial profit. This approach to values particularly useful for appraising new or nearly new improvements.

**Information Pulled directly From Chef Tower Appraisal 2020 – 4% LIHTC Development in New Orleans, LA.**

The Cost Approach was considered and is not developed because the proposed nature of the subject property would not be financially feasible without the use of tax credits and other subsidies. As such, a Cost Approach would not provide a credible opinion of value, and is not necessary in order to produce a credible opinion of value for the subject property.

The Sales Comparison Approach was considered and is developed because there is adequate data to develop a value estimate and this approach reflects market behavior for this property type

The Income Approach was considered and is developed because the subject is an income producing property and there is adequate data to develop a value estimate with this approach.

Cost does not equal value in the development of Affordable Housing. The value of a property after completion is not the same as any regular market deal due to the exact reasons noted above. Therefore, the cost approach which is used to determine the value of a property (not the cost to build) does not reflect accurately for low income housing deals where the value is not the same as market rate comparable developments. The LIHTC program is not in place because it is market value driven, it is in place to develop affordable housing that would otherwise not be developed. No one would develop affordable housing and cap rents voluntarily because the market costs to build and service debt does not support it, which is why incentives are in place at the Federal level to ensure affordable housing units are built.

The intent of the program is to encourage the development of affordable housing by helping to pay for the costs via tax credits in exchange for long term affordable units (capped rents), rather than charging free market rent. This shows how the value of an appraisal does not capture cost to determine long term value which is why an appraisal in the LIHTC world is not used for that reason, but instead to determine that lower capped rents can pay the long-term debt (mortgage) being provided.

### CANAL CROSSING TIMETABLE

May 4, 2023	<p>Developer Find Site and complete a Pro Forma on viability of the deal (60 Day Process)</p> <ul style="list-style-type: none"> <li>○ Determine how many units are allowed via local zoning;</li> <li>○ Determine Estimated Costs per Unit (based on prior deals, this is an estimate until contractor can review architectural plans and fully price)</li> <li>○ Determine Income/Rent Mix based on max rent restricted for 4% program</li> <li>○ Determine Total Development Costs (acquisition, construction, legal, bond costs, interest costs, reserves, developer fee, architect/engineering, environmental)</li> <li>○ Engage Architect for initial Schematic and proposed unit layout &amp; site layout</li> </ul>
June 16, 2023	<p>Negotiate Purchase Contract or Option to Purchase with building or landowner (30 Day Process)</p> <ul style="list-style-type: none"> <li>○ Deposit Earnest Money to secure building or land</li> <li>○ Engage Legal team for purchase contract</li> </ul>
June 16, 2023 – January 13, 2023	<p>Begin actual Site Due Diligence once property is under contract (6 Month Process)</p> <ul style="list-style-type: none"> <li>○ Environmental Phase 1 (30 Day Process) -</li> <li>○ Environmental Phase 2 if required based on results of Phase 1</li> <li>○ Lead/Asbestos Testing (30 day Process)</li> <li>○ If not zoned for multifamily, Developer must go through local city planning and city council approval process (this can add 60 days if zoning is not in place)</li> <li>○ If Historic submit Part 1 Application (90 Day Process; Ongoing while Environmental) – <i>August 29, 2023</i> <ul style="list-style-type: none"> <li>▪ Pay Architect to write narrative of historical significance</li> <li>▪ Pay National Park Service/State Historic Preservation Office</li> </ul> </li> <li>○ Submit Historic Part 2 Application (must have part 1 approved; Ongoing during due diligence) - <i>February 20, 2024</i> <ul style="list-style-type: none"> <li>▪ Pay Architect to submit fully drawn architectural plans to show proposed renovations, new layouts to confide with Historic Requirements</li> </ul> </li> </ul>
July 1, 2023 – February 15, 2023	<p>Submit LHC Tax Credit Application, Soft Funding Applications, Local City Funding Applications; (7 Month Process)</p> <ul style="list-style-type: none"> <li>○ Start 3<sup>rd</sup> Party Underwriting requirements of proposed Construction Lender, Permanent Lender, and Tax Credit Investor (must have LOI's commitments in order to apply for LHC or City funding) <ul style="list-style-type: none"> <li>▪ Construction Lender (example Chase Bank) has its own initial underwriting (3<sup>rd</sup> Party) of the development including costs to build, income/rents achievable, costs to operate, and long term viability of the deal.</li> <li>▪ Permanent Lender (example Churchill Stateside) has its own</li> </ul> </li> </ul>

	<p>initial underwriting (3<sup>rd</sup> Party) of the development including costs to build, income achievable, costs to operate, and long term viability of the deal.</p> <ul style="list-style-type: none"> <li>▪ Tax Credit Investor (example Capital One) has its own initial underwriting (3<sup>rd</sup> Party) of the development including costs to build, income achievable, costs to operate, and long term viability of the deal. It also confirms tax credit eligible estimated costs, and purchase pricing of the credits.</li> <li>○ Engage Market Study (3<sup>rd</sup> Party hired by LHC) – this will confirm viability of development, market needs, absorption, etc. and required as part of the LHC application – <i>February 1, 2024</i></li> <li>○ Provide 3<sup>rd</sup> Party Architect certified Letters ensuring the development will adhere to all commitments of design, ADA, construction requirements (green certification, Entergy, resiliency, fortified, etc.) <ul style="list-style-type: none"> <li>▪ Engage Architect to begin full plans for pricing with General Contractor <ul style="list-style-type: none"> <li>• Get multiple 3<sup>rd</sup> Party Contractor soft pricing to confirm budget assumptions of hard costs</li> </ul> </li> <li>▪ Provide GC with schematic plans <ul style="list-style-type: none"> <li>• Unit Type/Mix, Amenities, Playground, Site work for new street, etc.</li> </ul> </li> <li>▪ PSrovide GC with all Construction Requirements <ul style="list-style-type: none"> <li>• Davis Bacon Wages</li> <li>• DBE</li> <li>• Green Certification</li> <li>• Fortified Roofing</li> <li>• Resiliency Requirements</li> <li>• Historic Requirements</li> </ul> </li> </ul> </li> <li>○ Provide Public Notices for 4% funding applications</li> <li>○ Must satisfy all LHC Underwriting Review – <i>February 28, 2024</i> <ul style="list-style-type: none"> <li>▪ Syndication Certification</li> <li>▪ Taxpayer Certification</li> <li>▪ Zoning Evidence</li> <li>▪ Site Control</li> <li>▪ Counsel Opinion</li> <li>▪ Development Experience/Ownership Certification</li> <li>▪ Financial Feasibility <ul style="list-style-type: none"> <li>• Rent Review</li> <li>• Sources and Uses Review</li> <li>• LOI of financing partners</li> <li>• Market Study Review</li> <li>• OPEX Review</li> <li>• 15 year proforma</li> </ul> </li> <li>▪ Threshold Requirements</li> <li>▪ Developer Agreements</li> <li>▪ Management Agreements</li> <li>▪ Amenities Certified</li> <li>▪ Accessibility Certified</li> <li>▪ Defined Tenant Benefit Package</li> </ul> </li> </ul>
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January 22, 2024	Send Notice of Sale for Publication in The Advocate (BR) and The Daily Journal of Commerce
March 4, 2024	Publish Notice of Sale (7 days in advance of Sale Date) in The Advocate (BR) and The Daily Journal of Commerce
March 13, 2024	LHC March Meeting: <ul style="list-style-type: none"> <li>– Adopt Authorization and Sale Resolution with LIHTC</li> </ul>
March 19, 2024	<p>Upon completion of all the above then the project is able to go to State Bond Commission (60 day process – March 19, 2024)</p> <ul style="list-style-type: none"> <li>○ Construction Lender would have completed its own 3<sup>rd</sup> party underwriting (outside of LHC or SBC) to agree to buy the bonds upfront for the development (Chase Bank, Homebank etc.) Resolution to purchase the bonds based on their independent underwriting of the deal and the developer as well (Guarantor)</li> <li>○ Complete State Bond Commission Application <ul style="list-style-type: none"> <li>▪ Bonds Involving Construction Form</li> <li>▪ Bond Application Form</li> <li>▪ Certified Financial Disclosure Form</li> </ul> </li> </ul>
March 20, 2024	Send LHC Authorization and Sale Resolution to be published in The Advocate
March 25, 2024	Publish LHC Authorization and Sale Resolution to be published in The Advocate
April 16, 2024	Publish Notice of Public Hearing on LHC Website
May 1, 2024	LHC to hold TEFRA Public Hearing
TBD	SBC approval
TBD	Request Volume Cap Executive Order
TBD	Send TEFRA Approval to AG
TBD	TEFRA Approval received from AG
TBD	<p>Upon approval of all the items noted above including the SBC Bond Issuance Approval then the Financial Closing due diligence can begin (90-120 Day Process)</p> <ul style="list-style-type: none"> <li>○ Construction Lender Due Diligence Checklist (see sample attached; typically, over 100 items of due diligence required to close including a 3<sup>rd</sup> Party Plan &amp; Cost Review which is done by lender/investor to determine viability of costs from their perspective)</li> <li>○ Permanent Lender Due Diligence Checklist (see sample attached)</li> <li>○ Tax Credit Investor Due Diligence Checklist (see sample attached)</li> <li>○ Partnership Agreements done by Bond Counsel, Lender Counsel,</li> </ul>

	<p>Tax Credit Investor Counsel, Developer Counsel</p> <ul style="list-style-type: none"> <li>○ Loan Agreements done by Bond Counsel, Lender Counsel, Tax Credit Investor Counsel, Developer Counsel</li> <li>○ Guaranty Agreements</li> <li>○ Tax Credit Opinions (done by legal counsels)</li> <li>○ Full Bid Package from Contractor including construction schedule, construction values, bonding (AIA Contract Agreement negotiated with all legal teams)</li> <li>○ Full Architect Plans/Specs permitted with City or local agency (AIA Contract Agreement negotiated with all legal teams)</li> <li>○ Final Construction Loan Approval from Lender after satisfying all due diligence checklist items (requires Chase Bank Board Approval)</li> <li>○ Final Perm Loan Approval after satisfying all due diligence checklist items (requires lender board approval to make final commitment)</li> <li>○ Final Tax Credit Investor Approval after satisfying all due diligence checklist items (requires full tax credit investor board approval before final commitment issued to close)</li> <li>○ 3<sup>rd</sup> Party Plan Cost Review (to ensure all costs to develop are in line with comparable across varying states)</li> <li>○ 3<sup>rd</sup> Party Appraisal (to ensure the permanent mortgage can be paid by the income received; not to determine costs to develop)</li> <li>○ 3<sup>rd</sup> Party Subsidy Layering Review (to ensure a project is not over subsidized at the beginning and done once again at the completion of the project)</li> </ul> <p>-</p>
TBD	<p>Upon completion of a financial closing with all legal documents and independent reviews noted above construction begins (12-14 Month Process)</p> <ul style="list-style-type: none"> <li>○ During Construction the lender has 3<sup>rd</sup> party inspections</li> <li>○ LHC has inspections for</li> <li>○ During Construction the tax credit investors have inspections before making additional capital contributions</li> </ul>
TBD	<p>Upon Construction Completion</p> <ul style="list-style-type: none"> <li>○ All costs incurred must be reviewed and satisfied by a 3<sup>rd</sup> Party CPA Cost Certification</li> <li>○ Another Subsidy Layering Review is completed</li> <li>○ Legal Opinions for Tax Credits</li> <li>○ Reasonableness Opinions for Tax Credits</li> <li>○ For Historic Projects there is an additional separate Cost Certification in addition to the LIHTC Cost Certification</li> <li>○ Must submit Part 3 Certifying all Historic Work was completed according to the mandated standard</li> <li>○ LHC does Construction Inspection to confirm all work was completed according to construction requirements</li> <li>○ Fire Marshall Inspections</li> <li>○ City Permit Office Inspections</li> </ul>
TBD	<p>After Construction Completion you can move to permanent financing (4 Months After Completion)</p> <ul style="list-style-type: none"> <li>○ Bonds can be paid off</li> </ul>

	<ul style="list-style-type: none"> <li>○ Construction Loan will be paid off</li> <li>○ Tax Credit Investor has all money in the deal which pays down the construction debt (separate checklist of due diligence items is required; over 30 items post completion must be satisfied for Tax Credit Investor to put remaining capital into the deal, similar to before closing the deal with new updated items post completion)</li> <li>○ Must be 90% occupied for 90 Days minimum with a 1.15 DSCR</li> </ul>
TBD	<p>Ongoing Compliance (Annually)</p> <ul style="list-style-type: none"> <li>○ Annual Audits</li> <li>○ LHC Inspections Annually</li> <li>○ Tax Credit Investor 3<sup>rd</sup> Party Inspections of books and site done annually for compliance</li> <li>○ Permanent Lender 3<sup>rd</sup> Party Inspections annually on site and bookkeeping for compliance</li> </ul>

# Sample Construction/Perm Lender Checklist- PTEL Bond

Item #	Items
1	Due Diligence Instructions - see attachment to the left
2	CSG Due Diligence Forms
3	Contact Sheet
4	<b>1 Borrower/Partnership</b>
5	<b>Deerwood Apartments, LP</b>
6	<b>Legal/Formation Documents</b>
7	1.1 <del>Organizational Chart</del>
8	1.2 <del>Cert. of LP or Articles of Incorporation / Organization, plus any amendments; and including Certificate of Good Standing and Authorizing Resolutions</del>
9	1.3 <del>Initial Partnership/Operating Agreement /By-Laws plus any amendments</del>
10	1.4 Draft Amended and Restated Limited Partnership Agreement, plus any amendments and exhibits
11	1.5 Development Services Agreement
12	1.6 <del>Certificate of Foreign Qualification</del>
13	1.7 <del>Form SS-4 (EIN)</del>
14	<b>Underwriting Due Diligence</b>
15	1.8 <del>Statement of No Financial Position</del>
16	1.9 Credit Report
17	<b>2A General Partner</b>
18	<b>Deerwood Apartments GP, LLC</b>
19	<b>Legal/Formation Documents</b>
20	2A.1 <del>Cert. of LP or Articles of Incorporation / Organization, plus any amendments; and including Certificate of Good Standing and Authorizing Resolutions</del>
21	2A.2 <del>Initial Partnership/Operating Agreement /By-Laws plus any amendments</del>
22	2A.3 <del>Form SS-4 (EIN)</del>
23	<b>Underwriting Due Diligence</b>
24	2A.4 <del>Statement of No Financial Position</del>
25	2A.5 Credit Report
26	<b>2B 70% Owner of General Partner</b>
27	<b>Integrity Investors Group, LLC</b>
28	<b>Legal/Formation Documents</b>

	Item #	Items
29	2B.1	Cert. of LP or Articles of Incorporation / Organization, plus any amendments; and including Certificate of Good Standing and Authorizing Resolutions
30	2B.2	Initial Partnership/Operating Agreement /By-Laws plus any amendments
31	2B.3	Form SS-4 (EIN)
32		<b>Underwriting Due Diligence</b>
33	2B.4	ESG Due Diligence Questionnaire ("Questionnaire")
34	2B.5	Resumes/Biographies for Key Personnel
35	2B.6	Financial Statements
36	2B.7	Credit Report
37	<b>2C</b>	<b>30% Owner of General Partner</b>
38		<b>Bates Housing Investment, LLC</b>
39		<b>Legal/Formation Documents</b>
40	2C.1	Cert. of LP or Articles of Incorporation / Organization, plus any amendments; and including Certificate of Good Standing and Authorizing Resolutions
41	2C.2	Initial Partnership/Operating Agreement /By-Laws plus any amendments
42	2C.3	Form SS-4 (EIN)
43		<b>Underwriting Due Diligence</b>
44	2C.4	ESG Due Diligence Questionnaire ("Questionnaire")
45	2C.5	Resumes/Biographies for Key Personnel
46	2C.6	Financial Statements
47	2C.7	Credit Report
48	<b>3A</b>	<b>Co-Developer</b>
49		<b>Integrity Development Partners, LLC</b>
50		<b>Legal/Formation Documents</b>
51	3A.1	Cert. of LP or Articles of Incorporation / Organization, plus any amendments; and including Certificate of Good Standing and Authorizing Resolutions
52	3A.2	Initial Partnership/Operating Agreement /By-Laws plus any amendments
53	3A.3	Form SS-4 (EIN)
54		<b>Underwriting Due Diligence</b>
55	3A.4	ESG Due Diligence Questionnaire ("Questionnaire")
56	3A.5	Resumes/Biographies for Key Personnel
57	3A.6	Financial Statements

	Item #	Items
58	3A.7	Credit Report
59	<b>3B</b>	<b>Co-Developer</b>
60		<b>Bates Management, LLC</b>
61		<b>Legal/Formation Documents</b>
62	3B.1	Cert. of LP or Articles of Incorporation / Organization, plus any amendments; and including Certificate of Good Standing and Authorizing Resolutions
63	3B.2	Initial Partnership/Operating Agreement /By-Laws plus any amendments
64	3B.3	Form SS-4 (EIN)
65		<b>Underwriting Due Diligence</b>
66	3B.4	CSG Due Diligence Questionnaire ("Questionnaire")
67	3B.5	Resumes/Biographies for Key Personnel
68	3B.6	Financial Statements
69	3B.7	Credit Report
70	<b>4A</b>	<b>Guarantor – Individual</b>
71		<b>Rhett J. Holmes</b>
72	4A.1	Authorization and Waiver
73	4A.2	CSG Due Diligence Questionnaire ("Questionnaire")
74	4A.3	Resume/Description of Real Estate Experience
75	4A.4	Driver's License
76	4A.5	Last 3 years of Tax Returns
77	4A.6	Financial Statements
78	4A.7	Bank/investment account statements substantiating current liquid assets
79	4A.9	Schedule of Contingent Liabilities
80	4A.8	Schedule of Real Estate Owned
81	4A.10	Credit Report
82	<b>4B</b>	<b>100% Owner of Bates Housing Investment, LLC &amp; Guarantor – Individual</b>
83		<b>Ryan Bates</b>
84	4B.1	Authorization and Waiver
85	4B.2	CSG Due Diligence Questionnaire ("Questionnaire")
86	4B.3	Resume/Description of Real Estate Experience

	Item #	Items
87	4B.4	Driver's License
88	4B.5	Last 3 years of Tax Returns
89	4B.6	Financial Statements
90	4B.7	Bank/investment account statements substantiating current liquid assets
91	4B.8	Schedule of Real Estate Owned
92	4B.9	Schedule of Contingent Liabilities
93	4B.10	Credit Report
94	<b>4C</b>	<b>Guarantor – Entity</b>
95		<b>IDP Properties, LP</b>
96		<b>Legal/Formation Documents</b>
97	4C.1	Organizational Chart
98	4C.2	Cert. of LP or Articles of Incorporation / Organization, plus any amendments; and including Certificate of Good Standing and Authorizing Resolutions
99	4C.3	Initial Partnership/Operating Agreement /By-Laws plus any amendments
100	4C.4	Certificate of Foreign Qualification
101	4C.5	Form SS-4 (EIN)
102		<b>Underwriting Due Diligence</b>
103	4C.6	ESG Due Diligence Questionnaire (“Questionnaire”)
104	4C.7	Last 3 years of Tax Returns
105	4C.8	Resumes/Biographies for Key Personnel
106	4C.9	Financial Statements
107	4C.10	Schedule of Real Estate Owned
108	4C.11	Schedule of Contingent Liabilities
109	4C.12	Credit Report
110	<b>5</b>	<b>Property Management Company</b>
111		<b>Integrity Management Company, LLC</b>
112	5.1	Current license, if applicable in State where subject is located
113	5.2	ESG Management Agent Questionnaire
114	5.3	Resumes /Biographies of Key Personnel
115	5.4	List of Properties under Management

	Item #	Items
116	5.5	<del>Property Management Agreement / Addendum</del>
117	5.6	<del>Property Management Plan, with Staffing Schedule</del>
118	5.7	<del>Tenant Lease Agreement</del>
119	5.8	<del>Supportive / Social Services/ Tenants Services / Consulting Agreements</del>
120	6	<b>General Contractor</b>
121		<b>The McDonnel Group, LLC</b>
122	6.1	<del>Resumes/Biographies of Key Personnel</del>
123	6.2	<del>ESG Due Diligence Questionnaire</del>
124	6.3	Current license
125	6.4	<del>Financial Statements</del>
126	6.5	<del>AIA Statement of Qualifications</del>
127	6.6	<del>Construction Experience/List of Projects</del>
128	6.7	<del>Work in Progress Schedule</del>
129	6.8	Credit report
130	7	<b>Project Architect</b>
131		<b>DNA Workshop</b>
132	7.1	<del>Description of Experience</del>
133	7.2	<del>Contract/Agreement</del>
134	7.3	<del>Current License</del>
135	8A	<b>Sources of Funds - Debt</b>
136		<b>Loan Type: Construction</b>
137		<b>Lender Name: Churchill Mortgage Construction LLC</b>
138	8A.1	<del>Application</del>
139	8A.2	Tax-Exempt Loan Documents
140	8B	<b>Sources of Funds - Bonds</b>
141		<b>Bondholder/Issuer: &lt;Name&gt;</b>
142	8B.1	50% Test
143	8B.2	Bond Counsel Opinion
144	8B.3	Bond Authority Firm Commitment Letter



Item #	Items
145	8B.4 42(m) letter/certification
146	<b>8C Sources of Funds - Debt</b>
147	<b>Loan Type: Permanent</b>
148	<b>Lender Name: Churchill Mortgage Investment LLC</b>
149	8C.1 Application
150	8C.2 Commitment
151	8C.3 Loan Documents
152	<b>8D Sources of Funds - Subordinate Debt</b>
153	<b>Loan Type: Subordinate</b>
154	<b>Lender Name: CBDG Funds</b>
155	8D.1 Application
156	8D.2 Commitment
157	8D.3 Loan Documents
158	<b>8E Sources of Funds - Subordinate Debt</b>
159	<b>Loan Type: Subordinate</b>
160	<b>Lender Name: CMI ERP Loan</b>
161	8E.1 Application
162	8E.2 Commitment
163	8E.3 Loan Documents
164	<b>8F Sources of Funds - Federal Tax Credits</b>
165	8F.1 Letter of Intent/Interest
166	8F.2 Tax Credit Application [including all Exhibits/Attachments]
167	8F.3 Carryover Allocation
168	<b>9 Project Documents</b>
169	<b><i>Development Model and Supporting Documentation</i></b>
170	9.1 Source and Use Statement/Development Model
171	9.2 Utility Allowance Schedule
172	9.3 Tax Abatement/PILOT documentation, if applicable
173	9.4 Any Rent Subsidy Documentation (i.e. Section 8 HAP, Project Based Vouchers, etc.)
174	<b><i>Site Plan and Specifications</i></b>
175	9.5 Site Plan

	Item #	Items
176	9.6	Site Plan Approval Documentation
177	9.7	Full Set of Architectural/Engineering Plans
178	9.8	Specifications and/or Project Manual, if not part of Plans
179		<b>Construction Documentation</b>
180	9.9	AIA Construction Contract between Owner and General Contractor
181	9.10	Construction Budget and/or Schedule of Values
182	9.11	Construction Schedule/Timeline
183	9.12	Construction Loan Draws - 1st draw at loan closing and subsequent draws
184	9.13	Payment and Performance Bond
185	9.14	Zoning Compliance Letter
186	9.15	Conditional Use Permit Approval, if applicable
187	9.16	<input type="checkbox"/> Utility Availability letters
188	9.16a	a. Water/Sewer
189	9.16b	b. Electric
190	9.16c	c. Gas
191	10	<b>Third Party Reports</b>
192	10.1	Appraisal
193	10.2	Market Study
194	10.3	<input type="checkbox"/> Environmental, including the following as applicable:
195	10.3a	Phase I ESA
196	10.3b	Soil Gas Report
197	10.3c	Reliance Letter
198	10.4	Plan and Cost Review
199	10.5	<del>Capital Needs Assessment/Physical Needs Assessment</del>
200	10.6	Geotechnical/Soils Report
201	10.7	<del>Seismic Probable Maximum Loss (PML)</del>
202	10.8	Construction Materials Testing
203	11	<b>Acquisition Documents /Title / Survey</b>

	Item #	Items
204	11.1	Purchase and Sale Agreement
205	11.2	Warranty Deed
206	11.3	Ground Lease Documentation, if applicable
207	11.4	Title Commitment (Preliminary Title Report)
208	11.5	Pro-forma Policy and Endorsements
209	11.6	Reciprocal Use Agreements re: to adjacent properties
210	11.7	ALTA/ACSM Land Title Survey
211	<b>12</b>	<b>Insurance Coverage</b>
212		Provide existing current certificate or evidence of coverage. CMI's Insurance Consultant will reach out and work with you and your Insurance Agent to obtain the required endorsements / certificate revision verbiage.
213	12.1	Builder's Risk / Property (Hazard)
214	12.2	Borrower - General Liability / Casualty
215	12.3	General Contractor - General Liability / Casualty
216	12.4	Property Management Company - General Liability / Casualty
217	12.5	Errors and Omissions (E&O) / Professional Liability - Architect and Engineer
218	<b>13</b>	<b>Closing Documents</b>
219	13.1	Good Standing Certificates for all Entities
220	13.2	Authorizing Resolutions for all Entities
221	13.3	Federal, State, County Litigation/Lien Searches & UCC Filings for all Entities & Individuals
222	13.4	Final executed Limited Partnership Agreement, plus any amendments and exhibits
223	13.5	Building Permits or "Will Issue" Letter if permits not available by Closing
224	13.6	Wiring Instructions
225	13.7	Sources and Uses (Final at Closing)
226	13.8	Draw (including backup invoices) / Draw Schedule
227	13.9	Disbursement Schedule/Settlement Statement
228	13.1	Closing Binder for transaction



**TAX CREDIT INVESTOR - DEVELOPER CLOSING CHECKLIST (4-5-24)**

**APARTMENTS Lake  
Charles, LA**

**Anticipated Closing Date: May 2024**

WORKING PARTIES	DESCRIPTION
RBC Community Investments, LLC (RBC)	Equity Syndicator
Applegate & Thorne Thomsen (ATT)	Syndicator Legal Counsel
IDP Properties LP	Sponsor
Integrity Development Partners, LLC (IDP)	Co-Developer
Bates Management, LLC (Bates)	Co-Developer
Coleman Talley (CT)	Developer Counsel
Churchill Stateside (L)	Lender
Butler Snow (BS)	Lender's Counsel
Contractor (GC)	General Contractor
Architect (A)	Architect
Integrity Management Company, LLC of Louisiana (PM)	Property Manager
	COMMENTS
<b>1.0 OPERATING PARTNERSHIP DOCUMENTS</b>	<b>Apartments, LP</b>
1.01 FEIN Letter/W9	Rec'd; under review.
1.02 Project Organizational Chart (Entity Structure & Ownership Interests)	Rec'd; under review.
1.05 Certified Certificate of LP/Amendments	Rec'd; under review.
1.07 Existing Partnership Agreement	Rec'd; under review.
1.08 Existing Development Agreement (if applicable)	
1.09 Certified Certificate of Good Standing/Existence	
1.11 Amended & Restated Partnership Agreement/Operating Agreement/Exhibits	
1.12 Post-Closing Letter Agreement (Exhibit to 1.11 above)	
1.13 Local Law Opinion(s) (RBC Form)	
<b>2A.0 GENERAL PARTNER DOCUMENTS</b>	<b>Apartments GP, LLC</b>
2A.01 FEIN Letter/W9	Rec'd; under review.
2A.08 Certified Articles of Organization/Amendments	Rec'd; under review.
2A.09 Certified Certificate of Good Standing/Existence	
2A.11 Bylaws/Operating Agreement	
2A.12 Resolutions (RBC Form)	
2A.13 Litigation Affidavit (RBC Form)	
<b>2B.0 CO-OWNER OF GENERAL PARTNER DOCUMENTS (70%)</b>	<b>Integrity Investors Group, LLC</b>
2B.01 FEIN Letter/W9	On file.
2B.08 Certified Articles of Organization/Amendments	Please provide certified dated within 30 days of closing.
2B.09a Certified Certificate of Good Standing/Existence - GA	Please provide certified dated within 30 days of closing.
2B.09b Certified Certificate of Good Standing/Existence - LA	Did this entity get registered in LA?
2B.10 Authorization to Conduct Business in Project State - LA	Did this entity get registered in LA?
2B.11 Operating Agreement	On file.
2B.12 Resolutions (RBC Form)	
2B.13 Litigation Affidavit (RBC Form)	
<b>3.0 CO-DEVELOPER DOCUMENTS (70%)</b>	<b>Integrity Development Partners, LLC</b>
3.01 FEIN Letter/W9	On file.
3.08 Certified Articles of Incorporation/Organization/Amendments	Please provide certified dated within 30 days of closing.
3.09a Certified Certificate of Good Standing/Existence - GA	Please provide certified dated within 30 days of closing.
3.09b Certified Certificate of Good Standing/Existence - LA	
3.10 Authorization to Conduct Business in Project State - LA	
3.11 Operating Agreement	On file.
3.12 Resolutions (RBC Form)	
3.13 Litigation Affidavit (RBC Form)	
<b>4A.0 CO-OWNER OF GP (30%) / CO-DEVELOPER (30%) / GUARANTOR DOCUMENTS</b>	<b>Bates Management, LLC</b>
4A.01 FEIN Letter/W9	
4A.02 Audited Financial Statements (3 years + current year interim)	
4A.03 Federal Tax Returns (3 years)	
4A.04 Schedule of Real Estate Owned (RBC Form)	

\* Denotes longer lead time items.

	COMMENTS
4A.04a Construction Pipeline Supplement (RBC Form)	Agenda Item # 12
4A.05 Contingent Liabilities Schedule (RBC Form)	
4A.06 Verification of Liquid Assets	
4A.08 Certified Articles of Organization/Amendments	Rec'd; under review.
4A.09 Certified Certificate of Good Standing/Existence	
4A.11 Operating Agreement	On file.
4A.12 Resolutions (RBC Form)	
4A.13 Litigation Affidavit/Certificate for Individual Guarantor (RBC Form)	
<b>4B.0 GUARANTOR DOCUMENTS</b>	<b>IDP Properties, LP</b>
4B.01 FEIN Letter/W9	On file.
4B.02 Audited Financial Statements (3 years + current year interim)	Please provide BS/IS statements dated 12-31-23.
4B.03 Federal Tax Returns (3 years)	Please provide 2023 tax return when available.
4B.04 Schedule of Real Estate Owned (RBC Form)	Please provide updated schedule.
4B.04a Construction Pipeline Supplement (RBC Form)	Please provide updated schedule.
4B.05 Contingent Liabilities Schedule (RBC Form)	Please provide updated schedule.
4B.06 Verification of Liquid Assets	
4B.08 Certified Articles of Organization/Amendments	Please provide certified dated within 30 days of closing.
4B.09 Certified Certificate of Good Standing/Existence - GA	Please provide certified dated within 30 days of closing.
4B.10 Authorization to Conduct Business in Project State - LA	<i>Did this entity get registered in LA?</i>
4B.11 Operating Agreement	On file.
4B.12 Resolutions (RBC Form)	
4B.13 Litigation Affidavit/Certificate for Individual Guarantor (RBC Form)	
<b>4C.0 GUARANTOR DOCUMENTS</b>	<b>Rhett Holmes</b>
4C.01 RBC Credit Release Form	<i>Maybe able to use one on file - RBC will advise.</i>
4C.02 Personal Financial Statements (3 years + current year interim)	<i>Please provide 12-31-23 statement if available.</i>
4C.03 Federal Tax Returns (3 years)	<i>Please provide 2023 tax return when available.</i>
4C.04 Schedule of Real Estate Owned (RBC Form)	
4C.04a Construction Pipeline Supplement (RBC Form)	
4C.05 Contingent Liabilities Schedule (RBC Form)	
4C.06 Verification of Liquid Assets	
4C.13 Litigation Affidavit/Certificate for Individual Guarantor (RBC Form)	
<b>4D.0 GUARANTOR DOCUMENTS</b>	<b>Ryan Bates</b>
4D.01 RBC Credit Release Form	
4D.02 Personal Financial Statements (3 years + current year interim)	
4D.03 Federal Tax Returns (3 years)	
4D.04 Schedule of Real Estate Owned (RBC Form)	
4D.04a Construction Pipeline Supplement (RBC Form)	
4D.05 Contingent Liabilities Schedule (RBC Form)	
4D.06 Verification of Liquid Assets	
4D.13 Litigation Affidavit/Certificate for Individual Guarantor (RBC Form)	
<b>5.0 RBC BACKGROUND QUESTIONNAIRES (RBC Forms)</b>	
5.01a Questionnaire for Sponsor-Developer (IDP Properties, LP)	
5.01b Questionnaire for Sponsor-Developer (Bates Management, LLC)	
5.02a Questionnaire for Contractor (including A305 Qualification Statement)	
5.02b GC Audited Financial Statements (3 years + current year interim)	
5.02c GC Federal Tax Returns (3 years)	
5.02d Works In Progress Chart (RBC Form)	
5.03 Questionnaire for Architect	
5.04 Questionnaire for Property Manager	
<b>6.0 MARKET &amp; OPERATIONS ANALYSIS</b>	
6.01 Market Study (RBC to engage study)	RBC engaged.
6.02 Operating Expense Comps (3 comps w/staffing schedules & financials)	
6.03 MAI Appraisal	
6.04 Real Estate Tax Abatement/PILOT Agreement	
6.05 Utility Allowance Worksheet	
6.06 Quote for Permanent Property Insurance	
6.07 Supportive Services Contract/MOU/Provider Background Information	
6.08 Cost Segregation Study	<i>RBC to provide an engagement letter for signature prior to closing.</i>
<b>7.0 CONSTRUCTION DOCUMENTS</b>	
7.01 Building Permits	
7.02 Building Permit Ready Letter	

\* Denotes longer lead time items.

	COMMENTS
7.03 Additional Permits & Municipal Approvals	Agenda Item # 12
7.04 Owner/Contractor Agreement	
7.05 Payment & Performance Bond/Letter of Credit Documents/Obligee Rider	
7.06 Construction Schedule/Critical Path	
7.07 Construction Budget/Schedule of Values	
7.08a Owner/Architect Agreement	
7.08b Owner/Engineer Agreement	
7.09 Architect Certificate (RBC Form)	
7.11 Project Overall Site Plan	
7.12 Project Renderings/Elevations	Rec'd elevations; under review.
* 7.13 Project A&E Plans & Specifications	
* 7.14 Third Party Construction Cost & Document Review Report/Contract	
7.14a Reliance Letter for Lender PCR and CPM (if applicable)	
7.16 Geotechnical & Soils Reports	
7.17 Construction Materials Testing Contract (draft/proposal for closing)	
7.18 Engineer's Certificate for Earthquake Designation/PML Study (if applicable)	
7.21 Utility Will Service Letters/Evidence of Utilities	
7.22 Construction Notice to Proceed	
7.23 Noise Study (if applicable)	
<b>8.0 ENVIRONMENTAL DOCUMENTS</b>	
* 8.01 Phase I Environmental Site Assessment (site visit date within 180 days of closing)	
8.02 Phase II ESA (if applicable)	
8.02a Reliance Letter for Phase II ESA (if applicable)	
8.03 Phase I Environmental Report Reliance Letter (RBC Form)	
8.06 Radon Test Report (if site is in radon zone that requires testing)	
* 8.07 RBC Third Party Environmental Review Report	RBC to Order
8.08 Wetlands Determination Letter/Wetlands Report	
8.09 Phase 1 Environmental Consultant Professional Liability Insurance Certificate	
<b>9.0 PROPERTY MANAGEMENT DOCUMENTS</b>	
9.01 Property Management Schedule of Real Estate Managed (RBC Form)	
9.03 Property Manager FEIN Letter/W9	
9.04 Property Management Agreement	
9.05 Addendum to Property Management Agreement (RBC Form)	
9.06 Property Management Plan	
9.07 Tenant Selection Plan	
9.08 Form Lease Agreement with Tenant Income Certification Form. <i>Include HUD required addenda (if applicable).</i>	
9.13 Income Averaging Compliance Plan	
<b>10.0 PROJECT INSURANCE DOCUMENTS PER RBC REQUIREMENTS</b>	
10.01 Insurance Certificate of Owner/Partnership	
10.02 Builder's Risk Insurance/Evidence of Commercial Property Coverage	
10.03 Insurance Certificate of General Contractor	
10.04 Insurance Certificate of Architect	
10.05 Insurance Certificate of Property Manager	
10.06 Flood Insurance Certificate (if applicable)	
10.07 Insurance Certificate of Engineer	
10.08 Flood Certificate	RBC to Order
<b>11.0 REAL ESTATE DOCUMENTS</b>	
11.01 Purchase Contract/Purchase Option & Amendments/Extensions	
11.02 Copy of Deed for Property Acquisition	
11.03 Ground Lease Agreement/Memorandum of Ground Lease	
* 11.04 ALTA Survey/Plat/Legal Description	
11.05 Zoning Letter/Zoning Ordinance	
* 11.06 Title Commitment & Exception Documents	
11.07 Title Proforma/Title Insurance Policy & Endorsements	
11.08 Easement Agreements/Shared Use Agreements	
11.09 Insured Closing Letter & Wiring Instructions (Title Company)	
11.11 Closing Statement/Closing Requisition/Draw	
11.12 Commercial/Retail Space Lease Form	
<b>12.0 CONSTRUCTION LOAN DOCUMENTS</b>	
	Churchill Stateside Group TE Bonds (\$21,500,000)
12.01 Commitment Letter	Rec'd executed term sheet; under review.
12.02 Loan Documents	

\* Denotes longer lead time items.

	COMMENTS
12.03 Bond Documents	Agenda Item # 12
<b>12.0 PERMANENT LOAN DOCUMENTS</b>	<b>Churchill Stateside Group (\$7,276,000)</b>
12.01 Commitment Letter	Rec'd executed term sheet; under review.
12.02 Loan Documents	
<b>12.0 SUBORDINATE LOAN DOCUMENTS</b>	<b>Louisana Housing Corporation - CBDG (\$16,952,305)</b>
12.01 Commitment Letter	
12.02 Loan Documents	
<b>12.0 SUBORDINATE LOAN DOCUMENTS</b>	<b>Community Development Trust - ERP (\$1,200,000)</b>
12.01 Commitment Letter	
12.02 Loan Documents	
<b>15.0 TAX CREDIT DOCUMENTS</b>	
<b>15.01 Tax Credit Application &amp; Exhibits</b>	Rec'd application; please provide exhibits.
15.02 Tax Credit Reservation Letter	
15.03 Accountant's Cost Certification Package with Back-Up Documentation	
15.04 Carryover Allocation Agreement/Extensions	
15.05 Evidence of Credit Rate Lock-In	4% deal
15.06 Extended Use Agreement/LURA	
15.11 Confirm Qualified Census Tract/DDA	
<b>16.0 BOND TRANSACTION DOCUMENTS</b>	
16.01 TEFRA Notice/TEFRA Hearing (if applicable)	
16.02 50% Analysis	
16.03 Source by Use Statement	
16.04 Section 42(h) Non-Taxability Opinion from Bond Counsel	
16.05 Section 42(h) Ordinance Indicating Volume Cap Bonds	
16.07 Section 42(m)(1)(D) Certification (qualifies under QAP)	
16.08 Section 42(m)(2)(D) Certification from Allocating Agency (amount of bond financing does not exceed the amount necessary for financial viability of the project)	
16.09 8038 Form	



## STATE BOND COMMISSION

November 21, 2024

State Agencies, Boards and Commissions

### SYNOPSIS

**APPLICATION NO:** S23-027A

**ENTITY:** Louisiana Housing Corporation (Natchitoches Thomas Apartments Project)

**TYPE OF REQUEST:** \$23,000,000 Revenue Bonds (\$18,000,000 Volume Cap)

**ANALYST:** Conner Berthelot

**SUBMITTED BY:**

Wayne J. Neveu, Butler Snow, LLP

**PARAMETERS:**

Not exceeding \$23,000,000 Revenue Bonds (\$18,000,000 Volume Cap), not exceeding 8%, not exceeding 40 years, acquiring, constructing, rehabilitating and equipping a 120-unit multifamily housing development in Natchitoches.

**LEGISLATIVE AUTHORITY:**

R.S. 40:600.86-600.111

**RECOMMENDATION:**

The application meets the technical requirements based on the information provided, therefore staff recommends approval contingent upon verification of the amended certified resolution adopted on November 13, 2024, by the LHC Board of Directors authorizing the additional bonds.

**ATTACHMENTS:**

- ❑ **Analysis Summary**
- ❑ **Approval Parameter Form**
- ❑ **Fee Comparison Worksheet**
- ❑ **Additional Supporting Documentation**



**STATE BOND COMMISSION**

November 21, 2024

State Agencies - Bonds - Final Approval

**ANALYSIS SUMMARY**

**APPLICATION NO:** S23-027A  
**ENTITY:** Louisiana Housing Corporation (Natchitoches Thomas Apartments Project)  
**TYPE OF REQUEST:** \$18,000,000 Revenue Bonds (Volume Cap)  
\$5,000,000 Taxable Revenue Bonds  
**ANALYST:** Conner Berthelot

**PARAMETERS:**

Not exceeding \$23,000,000 Revenue Bonds (\$18,000,000 Volume Cap), not exceeding 8%, not exceeding 40 years, acquiring, constructing, rehabilitating and equipping a 120-unit multifamily housing development in Natchitoches.

These bonds will be issued for the requirement that federal 4% Low Income Housing Tax Credit ("LIHTC") be funded by at least 50% of tax-exempt private activity bonds. Upon project completion and lease-up, the tax credits are awarded to the owner of the development over 10 years (tax credit period) and are non-transferable. At that time, equity provided by the tax credit investor and other sources is used to pay down the bonds and convert the debt to a 1<sup>st</sup> lien mortgage. During the tax credit period, the tax credit investor typically owns 99.99% of a project as a limited partner, while the developer owns 0.01% as the general and managing partner.

This project previously received approval for \$18,000,000 Multifamily Housing Revenue Bonds (Volume Cap) at the June 14, 2023, meeting. The additional request of \$5,000,000 taxable bonds is needed due to LIHTC and CDBG funding disbursement requirements. The purchaser of the bonds (Greystone Housing Impact Investors, LP) has requested that the developers go through LHC for both the Taxable and Tax-Exempt debt. \$5,000,000 of the proposed debt will be issued as taxable in order to stay compliant with LIHTC, and CDBG funding disbursement requirements. The project received an \$18M Volume Cap allocation that expires December 5, 2024. Additionally, this project includes CDBG-DR Prime 2 funding, which is required to close by December 31, 2024.

Proceeds will fund the renovation of the 120-unit Natchitoches Thomas Apartments constructed in 1970 and currently operated under the HUD Section 8 program. The property will include on-site management, a business center, a community garden and a playground. The project will be developed by Natchitoches Thomas Apartments Preservation Developers, LLC, led by Michael Bowen. Construction is expected to begin in January 2025 with project completion in October 2026.

	Total	Per Unit (120)	Per Sq. Ft (109,948)
Building & Land Acquisition	\$9,780,000	\$81,500	\$89
Other Construction Hard Costs	\$18,698,584	\$155,822	\$170
Hard Cost Subtotal	<b>\$28,478,584</b>	<b>\$237,322</b>	<b>\$259</b>
Developer Fee	\$2,000,000	\$16,667	\$18
Construction Contingency	\$1,866,858	\$15,557	\$17
Other Soft Costs	\$5,295,093	\$44,126	\$48
Total Development Costs (TDC)	<b>\$37,640,535</b>	<b>\$313,671</b>	<b>\$342</b>

The attached "Cost Analysis Summary" provides a breakdown of construction and total development costs for the project relative to HUD limits. Details for construction and other costs are also attached.

**STATE BOND COMMISSION**

The bonds shall not constitute a debt, liability or a pledge of the faith and credit of the State of Louisiana, or of any political or governmental unit thereof. The issuer has applied and been approved for an allocation of \$18,000,000 from the State's Private Activity Volume Cap under Section 146 of the Internal Revenue Code of 1986.

Construction Type	# of Buildings	Unit Type	# of Units (sq. ft.)
Rehab	18	One Bedroom	20 (588-618 sq. ft.)
		Two Bedrooms	36 (610-827 sq. ft.)
		Three Bedrooms	44 (956-989 sq. ft.)
		Four Bedrooms	20 (1,096-1,312 sq. ft.)

**Participants/Team:**

Participants of the transaction are below and all are registered with the Secretary of State to do business in the State of Louisiana and are in good standing

- Owner and Beneficiary - Natchitoches Thomas Apartments Preservation LLC, of which Michael Bowen is the principal officer.
- Developer - Natchitoches Thomas Apartments Preservation Developers, LLC, of which Michael Bowen is the principal officer.
- Property Management - Standard Enterprises, Inc., a Louisiana corporation, formed in 1948; active developer in the tax credit affordable housing industry, having developed over 70 tax credit projects comprising over 4,500 units in Louisiana, Mississippi, Arkansas and Ohio; the Chief Executive Officer is Mark Turrentine.

**Sources:**

	Original	Revised
Permanent Mortgage Loan	\$ 6,900,000	\$ 9,267,000
CDBG-DR Prime 2 Loan	\$ 8,738,979	\$ 8,522,624
LIHTC Equity Proceeds	\$13,358,004	\$15,289,915
Seller Note	\$ 4,986,770	\$ 4,080,196
Federal Energy Credit Equity Proceeds	\$ 0	\$ 255,000
Deferred Developer Fee (projected to be paid over 2 years)	\$ 0	\$ 225,800
<u>Bond Proceeds *</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Sources	\$33,983,753	\$37,640,535

- \* The entity will issue the entire \$23,000,000 of requested bonds and, upon completion of construction, immediately pay the bonds down with the additional project sources to a balance of \$9,267,000 which converts to the Permanent Mortgage Loan.

**Uses:**

	Original	Revised
Building & Land Acquisition	\$ 9,755,000	\$ 9,780,000
Construction & Rehabilitation Hard Costs	\$18,000,000	\$18,698,584
Construction Contingency	\$ 1,800,000	\$ 1,866,858
Soft Costs		
Developer Fee	\$ 2,000,000	\$ 2,000,000
<u>Other Soft Costs</u>	<u>\$ 2,428,753</u>	<u>\$ 5,295,093</u>
Total Development Cost	\$33,983,753	\$37,640,535



## STATE BOND COMMISSION

The Defined Tenant Benefit Package meets SBC guidelines and includes:

1. Material Rent Differential:
  - 24 units will be occupied by households at or below 50% of the area median income for Natchitoches Parish ("AMI").
  - The remaining 96 units will be occupied by households at or below 60% of the AMI.
2. Deposit Waivers and/or Application Fees:
  - Deposit fees will be waived for all tenants in units to be occupied by households at or below 50% AMI.
3. Educational Programs or Other Socialization Programs:
  - GED Education, Financial Education, and after school homework help will be provided, in addition to a computer/business center with high-speed internet and life skills training.

According to the Marketability Study prepared by Bowen National Research, the project should have the ability to cashflow after the rehabilitation of the units, and the site will reach a stabilized occupancy of approximately 95% within seven months following the completion of renovations. The project is expected to create approximately 100 temporary construction jobs, create 2 permanent jobs and retain 3 additional permanent jobs in the local economy. The current site has a vacancy rate of 17.5%. Renovations will not displace current residents.

Selection Method:	Private Placement
Purchaser:	Greystone Housing Impact Investors, LP
Terms:	
Interest Rate	Not exceeding 8%
Maturity	Not exceeding 40 years
Security:	Revenues to be derived from the Project

In a letter dated October 18, 2024, Greystone Housing Impact Investors, LP, proposed terms for the purchase of the proposed bonds in accordance with the above parameters.

Pursuant to R.S. 39:1426(B), Bonds sold in a private sale require approval by two-thirds of the members present and voting of the State Bond Commission.



**LOUISIANA STATE BOND COMMISSION  
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # S23-027A

Agenda Item # 13

Applicant: \*

Louisiana Housing Corporation

Parameters / Purposes: \*

Authority to issue, sell and deliver not exceeding Twenty-Three Million Dollars (\$23,000,000) of Multifamily Housing Revenue Bonds (Natchitoches Thomas Apartments Project) (the "Bonds") in one or more series at a rate not to exceed 8%, with a maturity not-to-exceed 40 years, for the purpose of providing funds to (i) finance the acquisition, construction, rehabilitation, and equipping of a 120-unit multifamily housing development to be known as Natchitoches Thomas Apartments located in the City of Natchitoches, Natchitoches Parish, Louisiana and (ii) pay the costs of issuance associated with the Bonds.

Citation(s): \*

Chapter 3-G of Title 40 of the LA RS of 1950

Security: \*

payable solely out of the income, revenues and receipts derived from the Project

As Set Forth By: \*

Resolution adopted on May 10, 2023 and November 13, 2024 by the Board of Directors of the Louisiana Housing Corporation

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION  
FEE COMPARISON WORKSHEET**

				\$23,000,000 S23-027A		\$22,400,000 S24-004	
				LHC (Natchitoches Thomas Apartments Project)		LHC (Morningside at Joor Place Project)	
				Revenue Bonds (Volume Cap)		Revenue Bonds (Volume Cap)	
				November 21, 2024		February 15, 2024	
	Firm/Vendor	Paid From Proceeds Y / N		\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
<b>ISSUANCE COSTS</b>							
<b>Legal</b>							
Bond Counsel	Butler Snow LLP	N		63,150	2.75	62,700	2.80
Co-Bond Counsel					0.00		0.00
Issuer Counsel					0.00		0.00
Underwriter Counsel					0.00		0.00
Underwriter Co-Counsel					0.00		0.00
Preparation of Blue Sky Memo					0.00		0.00
Preparation of Official Statements					0.00		0.00
Purchaser Counsel					0.00		0.00
Trustee Counsel	TBD	N		10,000	0.43		0.00
<b>Total Legal</b>				<b>73,150</b>	<b>3.18</b>	<b>62,700</b>	<b>2.80</b>
<b>Other</b>							
Publishing/Advertising	LHC	N		2,000	0.09	2,000	0.09
Rating Agency(s)					0.00		0.00
Insurance					0.00		0.00
Bond Commission	SBC	N		26,050	1.13	25,390	1.13
Issuer Financing	LHC	N		23,000	1.00	22,400	1.00
Municipal Advisor	Government Consultants	N		46,000	2.00	44,800	2.00
Trustee	TBD	N	Agenda Item # 13	10,000	0.43		0.00
Escrow Agent					0.00		0.00
Paying Agent					0.00		0.00
Feasibility Consultants					0.00		0.00
POS/OS Printing					0.00		0.00
Accounting					0.00		0.00
Account Verification					0.00		0.00
Escrow Verification					0.00		0.00
Miscellaneous					0.00		0.00
<b>Total Other</b>				<b>107,050</b>	<b>4.65</b>	<b>94,590</b>	<b>4.22</b>
<b>TOTAL ISSUANCE COSTS</b>				<b>180,200</b>	<b>7.83</b>	<b>157,290</b>	<b>7.02</b>
<b>INDIRECT COSTS</b>							
<b>Beneficiary Organizational</b>							
Beneficiary Counsel	Watkins & Eager	N		100,000	4.35	75,000	3.26
Development*	The Transformation Company	N		2,000,000	86.96	2,500,000	108.70
Title, Survey & Appraisal	St. Charles Title, TBD, TBD	N		250,000	10.87	256,000	11.13
Consultant					0.00		0.00
Insurance					0.00		0.00
<b>Total Beneficiary Organizational Costs</b>				<b>2,350,000</b>	<b>102.17</b>	<b>2,831,000</b>	<b>123.09</b>
<b>Mortgage Banking</b>							
Lender Counsel	Coats Rose PC & Katten Muchin Rosenman LLP	N		100,000	4.35	55,000	2.39
Mortgage Servicer Counsel					0.00		0.00
Mortgage Insurance					0.00		0.00
Examination					0.00		0.00
Financing Fee	Greystone	N		230,000	10.00	100,000	4.35
<b>Total Mortgage Banking Costs</b>				<b>330,000</b>	<b>14.35</b>	<b>155,000</b>	<b>6.74</b>
<b>TOTAL INDIRECT COSTS</b>				<b>2,680,000</b>	<b>116.52</b>	<b>2,986,000</b>	<b>129.83</b>
<b>TOTAL ISSUANCE AND INDIRECT COSTS</b>				<b>2,860,200</b>	<b>124.36</b>	<b>3,143,290</b>	<b>136.85</b>

\* The developer provides certain guarantees to the tax credit investor. The developer will oversee numerous aspects during the development and construction of the project. Duties of the developer include but are not limited to negotiating and executing architectural, engineering, testing or consulting of services for the facility, assisting the owner/operator in dealing with neighborhood groups, local organizations and other parties, assisting with identifying sources of financing and negotiating the terms, establishing and implementing appropriate administrative and financial controls, assisting in obtaining access to utilities and required zoning approvals and assisting in complying with all applicable present and future laws, ordinances, orders, rules, regulations and requirements.

## Cost Analysis Summary

### Natchitoches Thomas Apartments Project

<b>Parish</b>	Natchitoches
<b>Number of Units</b>	120
<b>Square Footage</b>	109,948

<b>Housing Construction Cost (See "Hard Cost Containment" Attached)</b>		
HUD HCC LIMIT	\$	20,983,525
Architect Estimate Total Costs	\$	18,000,000
Incremental Costs From Threshold Mandates	\$	(1,262,054)
Net Cost without Threshold Mandates	\$	16,737,946
<b>Amount Over (Under) Limit</b>	<b>\$</b>	<b>(4,245,579)</b>

<b>Total Development Cost (See "Adjusted TDC Cost Containment" Attached)</b>		
HUD TDC LIMIT	\$	36,721,168
Application TDC	\$	37,640,535
Incremental Hard Costs From Threshold Mandates	\$	(1,262,054)
Acquisition, Community Facilities & Reserves	\$	(844,326)
Financing Costs of Tax Credit & Bond Transactions	\$	(567,680)
Developer Fee	\$	(1,000,000)
Post Application Adjusted TDC	\$	33,966,475
<b>Amount Over (Under) Limit</b>	<b>\$</b>	<b>(2,754,693)</b>

## Hard Cost Containment

HUD HCC LIMIT	\$	20,983,524.57
Total Hard Cost Contractor W/O Thresholds	\$	16,737,945.70
<i>Delta</i>	\$	<i>(4,245,579)</i>

HUD HCC/SQFT Limit	\$	162.41
Total HCC W/O Thresholds/SQFT	\$	152.24
<i>Delta</i>	\$	<i>(11.00)</i>

Based on form : HUD-92331-B

	TRADE ITEM	Architect Estimated Cost	Incremental Cost From Threshold Mandate	Net Cost Without Threshold Mandate
1	Concrete	\$ 234,203.00		\$ 234,203.00
2	Masonry	\$ 262,792.00	\$ 21,023.36	\$ 241,768.64
3	Metals	\$ 198,303.00		\$ 198,303.00
4	Rough Carpentry	\$ 2,230,360.00		\$ 2,230,360.00
5	Finish Carpentry	\$ 284,999.00		\$ 284,999.00
6	Waterproofing	\$ 106,484.00		\$ 106,484.00
7	Insulation	\$ 446,103.00		\$ 446,103.00
8	Roofing	\$ 316,435.00	\$ 212,011.45	\$ 104,423.55
9	Sheet Metal	\$ 86,686.00	\$ 10,402.32	\$ 76,283.68
10	Doors	\$ 792,918.00		\$ 792,918.00
11	Windows	\$ 205,637.00		\$ 205,637.00
12	Glass	\$ 33,458.00		\$ 33,458.00
13	Lath and Plaster			\$ -
14	Drywall	\$ 780,119.00		\$ 780,119.00
15	Tile Work			\$ -
16	Acoustical			\$ -
17	Wood Flooring			\$ -
18	Resilient Flooring	\$ 324,337.00		\$ 324,337.00
19	Painting and Decorating	\$ 583,417.00		\$ 583,417.00
20	Specialties	\$ 123,658.00		\$ 123,658.00
21	Special Equipment	\$ 1,311,298.00	\$ 425,215.00	\$ 886,083.00
22	Cabinets	\$ 798,374.00	\$ 63,869.92	\$ 734,504.08
23	Appliances	\$ 410,759.00	\$ 78,044.21	\$ 332,714.79
24	Blinds and Shades			\$ -
25	Carpets			\$ -
26	Special Construction	\$ 202,369.00		\$ 202,369.00
27	Elevators			\$ -
28	Plumbing and Hot Water	\$ 1,411,575.00		\$ 1,411,575.00
29	Heat and Ventilation	\$ 1,348,704.00	\$ 229,279.68	\$ 1,119,424.32
30	Air Conditioning	Included		\$ -
31	Electrical	\$ 1,087,929.00		\$ 1,087,929.00
32	SUBTOTAL (Structures)	\$ 13,580,917.00	\$ 1,039,845.94	\$ 12,541,071.06

## Developer Comments

Developer must include Fortified Gold and Enterprise Foundation requirements.
Rooftop repair due to CDBG Fortified Gold requirements. Based on CDBG Fortified Gold Requirements.
Fire Suppression system required by State Fire Marshall. Fortified Gold requirements Energy Star Appliances are required under Enterprise Green Communities.
Costs inflated by new International Standards requirements. Additional costs will be incurred as a result of Fortified Gold requirements.





## Adjusted TDC Cost Containment

Asset	Natchitoches Thomas Apartments		
Parish	Natchitoches	Development Type	\$ -
Number of Units	120	Max Developer Fee	\$6,544,504
Total Square footage	109,948	Developer Fee	\$2,000,000

		Delta		
Maximum TDC Limit	\$ 36,721,168.00		HUD TDC/sqft Limit	\$ 284.22
Post App. Adjusted TDC	\$ 33,966,474.70	\$ (2,754,693.30)	Adjusted TDC/sqft	\$ 308.93

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### Developer Comments

Appraisal Date : 1/10/2023 Appraisal Amount : \$ 9,755,000.00

TDC From Application \$37,640,535

Less Community Facilities Costs \$0  
Less Community Service Facility Costs \$0  
Less Reserves (\$844,326)

Adjusted TDC \$ 36,796,209.00

Less Construction Costs Due to threshold Mandates \$ (1,262,054.30)

Subtotal \$ 35,534,154.70

Less Costs Associated with Complex Layered Financing Enter below as negative numbers

#### I. Application and Allocation Fees for Bonds and Tax Credits

a. Tax Credit Application Fees	\$ (78,680.00)
b. Tax Credit Allocation Fees	
c. Bond Application Fees to Issuer	\$ (50,000.00)
d. Bond Application Fees to State Bond Commission	\$ (4,000.00)
e. Subordinate Loan Application Fees	

LIHTC and Market Study fees charged by LHC.
LIHTC and Market Study fees charged by LHC.
Fees charged by the state to issue bonds.
State of Louisiana fees charged to the development.

#### II. Bond Issuance Costs

a. Bond Counsel	\$ (100,000.00)
b. Bond Issuer Counsel	\$ (50,000.00)
c. Bond Issuer Financing Fee	\$ (60,000.00)
d. State Bond Commission Fee	
e. Trustee Fee	
f. Trustee Counsel Fee	

4% LIHTC requires bond counsel as part of the development team.
Additional costs for legal fee resulting to the financing structure.
State required fee for the development.

#### III. Subordinate Loan Costs

a. Subordinate Lenders Financing Fee	\$ (140,000.00)
b. Subordinate Lender Counsel Fee	
c. Subordinate Loan Document Recording Costs	

Fees charged for the use of additional funds allocated to the development.
--

#### IV. Tax Credit Equity Costs

a. Syndication Fee	\$ (60,000.00)
b. Equity Counsel Fee	
c. CPA Certification of 50% Test	\$ (25,000.00)

Additional project costs resulting from the type of financing used for the development (LIHTC)
--

d. Bridge Loan Costs		
V. Developer Fee Associated with Complex Layered Financing	\$ (1,000,000.00)	Developer Fee charged is less than amount allowed under the QAP.
VI. Other (Subject to LHC Approval)		
Total Costs Associated with Complex Layered Financing	\$ (1,567,680.00)	
Post Application Adjusted TDC	\$ 33,966,474.70	Natchitoches Thomas Apartments is below HUD's HCC and TDC cost limits after the removal of costs that are related to CDBG funds, Fortified Gold, HUD Davis Bacon, and Enterprise Green Communities requirements. Natchitoches Thomas is not public housing and is required to meet higher standards in order to remain competitive in the marketplace. In order to successfully reposition the property and address long term deferred maintenance issues a comprehensive development program is needed. This redevelopment program will also address life and safety issues that currently impact the property. The result is the need for a complex financial structure that adds costs and complexity to the transaction. Importantly private funds are raised to enhance the development and ensure long term viability.



## STATE BOND COMMISSION

November 21, 2024

State Agencies, Boards and Commissions

### SYNOPSIS

**APPLICATION NO:** S23-024A

**ENTITY:** Louisiana Housing Corporation (Sabine Trace Project)

**TYPE OF REQUEST:** \$17,000,000 Revenue Bonds (Volume Cap)

**ANALYST:** Conner Berthelot

**SUBMITTED BY:**

Wayne J. Neveu, Butler Snow, LLP

**PARAMETERS:**

Not exceeding \$17,000,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 8%, not exceeding 40 years, acquiring, constructing, rehabilitating, and equipping a 90-unit multifamily housing development in Merryville, Beauregard Parish.

**LEGISLATIVE AUTHORITY:**

R.S. 40:600.86-600.111

**RECOMMENDATION:**

The application meets the technical requirements based on the information provided, therefore staff recommends approval.

**ATTACHMENTS:**

- ❑ **Analysis Summary**
- ❑ **Approval Parameter Form**
- ❑ **Fee Comparison Worksheet**
- ❑ **Additional Supporting Documentation**

**STATE BOND COMMISSION**

November 21, 2024

State Agencies - Bonds - Final Approval

**ANALYSIS SUMMARY**

**APPLICATION NO:** S23-024A  
**ENTITY:** Louisiana Housing Corporation (Sabine Trace Project)  
**TYPE OF REQUEST:** \$17,000,000 Revenue Bonds (Volume Cap)  
**ANALYST:** Conner Berthelot

**PARAMETERS:**

Not exceeding \$17,000,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 8%, not exceeding 40 years, acquiring, constructing, rehabilitating, and equipping a 90-unit multifamily housing development in Merryville, Beauregard Parish.

These bonds will be issued for the requirement that federal 4% Low Income Housing Tax Credit ("LIHTC") be funded by at least 50% of tax-exempt private activity bonds. Upon project completion and lease-up, the tax credits are awarded to the owner of the development over 10 years (tax credit period) and are non-transferable. At that time, equity provided by the tax credit investor and other sources is used to pay down the bonds and convert the debt to a 1<sup>st</sup> lien mortgage. During the tax credit period, the tax credit investor typically owns 99.99% of a project as a limited partner, while the developer owns 0.01% as the general and managing partner.

This project previously received approval for \$12,000,000 Multifamily Housing Revenue Bonds at the June 14, 2023, SBC Meeting. Staff has been informed that the request of an additional \$5,000,000 is needed due to \$12,000,000 being insufficient to finance the costs of developing Sabine Trace according to the construction requirements of the CDBG-DR Prime 2 funding award. This application will replace the prior approval. The CDBG-DR Prime 2 funding is required to close by December 31, 2024.

Proceeds will fund the rehabilitation of the Merryville Housing Authority's 90 low-income units located at three different sites that were constructed in 1966 and 1985 and currently operate as Public Housing. The properties will include on-site management, a computer room, and a picnic area/playground. The project will be developed by Integrand Development, LLC, led by Eric C. Miller, Micah Strange, and Art Shuldt, and construction is expected to begin in January 2025, with project completion in July 2026.

	Total	Per Unit (90)	Per Sq. Ft (83,369)
Building & Land Acquisition	\$4,700,000	\$52,222	\$56
Other Construction Hard Costs	\$19,125,593	\$212,507	\$229
<b>Hard Cost Subtotal</b>	<b>\$23,825,593</b>	<b>\$264,729</b>	<b>\$286</b>
Developer Fee	\$2,000,000	\$22,222	\$24
Construction Contingency	\$1,885,000	\$20,944	\$23
Other Soft Costs	\$4,584,780	\$50,942	\$55
<b>Total Development Costs (TDC)</b>	<b>\$32,295,373</b>	<b>\$358,837</b>	<b>\$387</b>

The attached "Cost Analysis Summary" provides a breakdown of construction and total development costs for the project relative to HUD limits. Details for construction and other costs are also attached.

**STATE BOND COMMISSION**

The bonds shall not constitute a debt, liability or a pledge of the faith and credit of the State of Louisiana, or of any political or governmental unit thereof. The issuer has applied for an allocation from the State's Private Activity Volume Cap under Section 146 of the Internal Revenue Code of 1986.

Construction Type	# of Buildings	Unit Type	# of Units (sq. ft.)
Rehab	34	One Bedroom	32 (523 sq. ft.)
		Two Bedrooms	24 (713 sq. ft.)
		Three Bedrooms	28 (893 sq. ft.)
		Four Bedrooms	20 (1,036 sq. ft.)

**Participants/Team:**

Participants of the transaction are below and all are registered with the Secretary of State to do business in the State of Louisiana and are in good standing

- Owner and Beneficiary - Sabine Trace Development, LP, a subsidiary of Merryville Housing Authority, for which Debbie Doyle is a partner.
- Developer - Integrand Development, LLC; Louisiana corporation, brings together two companies: National Development of America and Housing Solutions Alliance, both with more than 20 years of experience in construction, rehabilitation, and development.; Principal officers are Eric C. Miller, Micah Strange, and Art Shuldt.
- Property Manager - NDC Asset Management, LLC headquartered in Pittsburgh, Pennsylvania; President of Operations is Jason Bartz.

**Sources:**

	Original	Revised
USDA 538 Permanent Loan	\$ 3,300,000	\$ 3,700,000
CDBG-DR Gap Financing Loan (Prime 2)	\$ 7,200,000	\$ 9,800,000
LIHTC Equity Proceeds	\$10,662,827	\$10,798,581
HUD Capital Funds Grant and Outstanding Reserves	\$ 200,000	\$ 300,000
Dallas Federal Home Loan Bank Affordable Housing Loan	\$ 750,000	\$ 2,000,000
Merryville Housing Authority Seller Take-Back Financing	\$ 3,600,000	\$ 4,700,000
Federal Energy Tax Credit Equity Proceeds	\$ 0	\$ 193,500
Deferred Developer Fee (projected to be paid over 8 years)	\$ 102,978	\$ 803,292
<u>Bond Proceeds *</u>	<u>\$ 0</u>	<u>\$ 0</u>
Total Sources	\$25,815,805	\$32,295,373

\* The entity will issue the entire \$17,000,000 of requested tax-exempt bonds and upon completion of construction, immediately pay the bonds down with the additional project sources to a balance of \$3,700,000 which converts to the USDA 538 Permanent Loan.

**Uses:**

	Original	Revised
Building & Land Acquisition	\$ 4,700,000	\$ 4,700,000
Construction & Rehabilitation Hard Costs	\$14,427,000	\$19,125,593
Construction Contingency	\$ 1,430,700	\$ 1,885,000
Soft Costs		
Developer Fee	\$ 2,000,000	\$ 2,000,000
Other Soft Costs	\$ 3,258,105	\$ 4,584,780
Total Development Cost	\$25,815,805	\$32,295,373



## STATE BOND COMMISSION

The Defined Tenant Benefit Package meets SBC guidelines and includes:

1. Material Rent Differential:
  - 5 units will be set aside for tenants who have a household income that is 30% or below the area median income for Beauregard Parish ("AMI").
  - An additional 67 units will be set aside for tenants who have a household income that is 60% or below the AMI.
  - The remaining 18 units will be set aside for tenants who have a household income that is 80% or below the AMI.
2. Educational Programs or Other Socialization Programs:
  - Social Programs: Financial Literacy and Job Readiness programs will be offered at least twice a year.

According to the Marketability Study prepared by Kinetic Valuation Group, Inc., the project should have the ability to cashflow after the rehabilitation of the units, and the site will reach a stabilized occupancy of approximately 95% within one year following the completion of renovations. The project is expected to create approximately 45 temporary construction jobs, 1 new permanent job, and retain 3 permanent jobs in the local economy. The current site has a vacancy rate of 25%. Renovations will not displace current tenants. The developer anticipates the majority of tenants will remain post renovation.

Selection Method:	Private Placement
Purchaser:	Churchill Stateside Group
Terms:	
Interest Rate	Not exceeding 8%
Maturity	Not exceeding 40 years
Security:	Revenues to be derived from the Project

In a letter dated October 31, 2024, Churchill Stateside Group expresses an interest in participating in the proposed financing and considers the project to be a suitable credit risk.

Pursuant to R.S. 39:1426(B), Bonds sold in a private sale require approval by two-thirds of the members present and voting of the State Bond Commission.



**LOUISIANA STATE BOND COMMISSION  
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # S23-024A

Agenda Item # 14

Applicant: \*

Louisiana Housing Corporation

Parameters / Purposes: \*

Authority to issue, sell and deliver not exceeding Seventeen Million Dollars (\$17,000,000) of Multifamily Housing Revenue Bonds (Sabine Trace Project) (the "Bonds") in one or more series at a rate not to exceed 8%, with a maturity not-to-exceed 40 years, for the purpose of providing funds to (i) finance the acquisition, construction, rehabilitation, and equipping of a 90-unit multifamily housing development to be known as Sabine Trace located in the City of Merryville, Beauregard Parish, Louisiana and (ii) pay the costs of issuance associated with the Bonds.

Citation(s): \*

Chapter 3-G of Title 40 of the LA RS of 1950

Security: \*

Payable out of revenues with respect to the operations of the project

As Set Forth By: \*

Resolution adopted on May 10, 2023 and October 9, 2024 by the Board of Directors of the Louisiana Housing Corporation

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION  
FEE COMPARISON WORKSHEET**

				\$17,000,000 S23-024A		\$17,500,000 S23-037	
		Paid		LHC (Sabine Trace Project)		LHC (Ridge Commons Project)	
		From		Revenue Bonds (Volume Cap)		Revenue Bonds (Volume Cap)	
		Proceeds		November 21, 2024		July 20, 2023	
Firm/Vendor		Y / N		\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
<b>ISSUANCE COSTS</b>							
<b>Legal</b>							
Bond Counsel*	Butler Snow, LLP	N		58,650	3.45	59,025	3.37
Co-Bond Counsel					0.00		0.00
Issuer Counsel					0.00		0.00
Underwriter Counsel					0.00		0.00
Underwriter Co-Counsel					0.00		0.00
Preparation of Blue Sky Memo					0.00		0.00
Preparation of Official Statements					0.00		0.00
Purchaser Counsel					0.00		0.00
Trustee Counsel	TBD	N		10,000	0.59	10,000	0.57
<b>Total Legal</b>				<b>68,650</b>	<b>4.04</b>	<b>69,025</b>	<b>3.94</b>
<b>Other</b>							
Publishing/Advertising	LHC	N		2,000	0.12	2,000	0.11
Rating Agency(s)					0.00		0.00
Insurance					0.00		0.00
Bond Commission*	SBC	N		19,450	1.14	20,000	1.14
Issuer Financing	LHC	N		17,000	1.00	17,500	1.00
Municipal Advisor	Government Consultants	N		34,000	2.00	35,000	2.00
Trustee	TBD	N	Agenda Item # 14	10,000	0.59	10,000	0.57
Escrow Agent					0.00		0.00
Paying Agent					0.00		0.00
Feasibility Consultants					0.00		0.00
POS/OS Printing					0.00		0.00
Accounting					0.00		0.00
Account Verification					0.00		0.00
Escrow Verification					0.00		0.00
Miscellaneous					0.00		0.00
<b>Total Other</b>				<b>82,450</b>	<b>4.85</b>	<b>84,500</b>	<b>4.83</b>
<b>TOTAL ISSUANCE COSTS</b>				<b>151,100</b>	<b>8.89</b>	<b>153,525</b>	<b>8.77</b>
<b>INDIRECT COSTS</b>							
<b>Beneficiary Organizational</b>							
General Counsel	Smitherman, Hill & Brice, LC	N		320,000	18.82	60,000	3.43
Development	Integrand Development, LLC	N		2,000,000	117.65	2,500,000	142.86
	Interstate Title Company, Inc.; TBD;						
Title, Survey & Appraisal	TBD	N		250,000	14.71	150,000	8.57
Consultant					0.00		0.00
Insurance					0.00		0.00
<b>Total Beneficiary Organizational Costs</b>				<b>2,570,000</b>	<b>151.18</b>	<b>2,710,000</b>	<b>154.86</b>
<b>Mortgage Banking</b>							
Lender Counsel	TBD	N		75,000	4.41	75,000	4.29
Mortgage Servicer Counsel					0.00		0.00
Mortgage Insurance					0.00		0.00
Examination					0.00		0.00
Financing Fee	Churchill	N		230,000	13.53	119,000	6.80
<b>Total Mortgage Banking Costs</b>				<b>305,000</b>	<b>17.94</b>	<b>194,000</b>	<b>11.09</b>
<b>TOTAL INDIRECT COSTS</b>				<b>2,875,000</b>	<b>169.12</b>	<b>2,904,000</b>	<b>165.94</b>
<b>TOTAL ISSUANCE AND INDIRECT COSTS</b>				<b>3,026,100</b>	<b>178.01</b>	<b>3,057,525</b>	<b>174.72</b>

\* The developer provides certain guarantees to the tax credit investor. The developer will oversee numerous aspects during the development and construction of the project. Duties of the developer include but are not limited to negotiating and executing architectural, engineering, testing or consulting of services for the facility, assisting the owner/operator in dealing with neighborhood groups, local organizations and other parties, assisting with identifying sources of financing and negotiating the terms, establishing and implementing appropriate administrative and financial controls, assisting in obtaining access to utilities and required zoning approvals and assisting in complying with all applicable present and future laws, ordinances, orders, rules, regulations and requirements.



## Cost Analysis Summary Sabine Trace Project

<b>Parish</b>	Beauregard
<b>Number of Units</b>	90
<b>Square Footage</b>	83,369

<b>Housing Construction Cost</b> (See "Hard Cost Containment" Attached)		
HUD HCC LIMIT	\$	15,424,073
Architect Estimate Total Costs	\$	18,967,929
Incremental Costs From Threshold Mandates	\$	(3,812,819)
Net Cost without Threshold Mandates	\$	15,155,110
<b>Amount Over (Under) Limit</b>	<b>\$</b>	<b>(268,964)</b>

<b>Total Development Cost</b> (See "Adjusted TDC Cost Containment" Attached)		
HUD TDC LIMIT	\$	26,992,128
Application TDC	\$	32,295,373
Incremental Hard Costs From Threshold Mandates	\$	(3,812,819)
Acquisition, Community Facilities & Reserves	\$	(1,164,940)
Construction Financing and Pro Rata Contingency	\$	(1,942,261)
Financing Costs of Tax Credit & Bond Transactions	\$	(347,402)
Developer Fee	\$	(1,000,000)
Post Application Adjusted TDC	\$	24,027,951
<b>Amount Over (Under) Limit</b>	<b>\$</b>	<b>(2,964,177)</b>

## Hard Cost Containment

HUD HCC LIMIT	\$	15,424,073.14
Total Hard Cost Contractor W/O Thresholds	\$	15,155,109.60
Delta	\$	(268,964)

HUD HCC/SQFT Limit	\$	178.11
Total HCC W/O Thresholds/SQFT	\$	181.78
Delta	\$	3.00

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Based on form : HUD-92331-B

	TRADE ITEM	Architect Estimated Cost	Incremental Cost From Threshold Mandate	Net Cost Without Threshold Mandate
1	Concrete	\$ 1,229,278.00	\$ 122,927.80	\$ 1,106,350.20
2	Masonry	\$ -		\$ -
3	Metals	\$ 71,357.00		\$ 71,357.00
4	Rough Carpentry	\$ 1,443,986.00	\$ 412,798.60	\$ 1,031,187.40
5	Finish Carpentry	\$ 847,044.00	\$ 696,544.00	\$ 150,500.00
6	Waterproofing	\$ -		\$ -
7	Insulation	\$ 359,156.00	\$ 126,288.00	\$ 232,868.00
8	Roofing	\$ 401,300.00	\$ 390,294.00	\$ 11,006.00
9	Sheet Metal	\$ 185,203.00		\$ 185,203.00
10	Doors	\$ 351,581.00		\$ 351,581.00
11	Windows	\$ 168,898.00		\$ 168,898.00
12	Glass	\$ -		\$ -
13	Lath and Plaster	\$ -		\$ -
14	Drywall	\$ 783,566.00	\$ 565,400.00	\$ 218,166.00
15	Tile Work	\$ 245,220.00		\$ 245,220.00
16	Acoustical	\$ -		\$ -
17	Wood Flooring	\$ -		\$ -
18	Resilient Flooring	\$ -		\$ -
19	Painting and Decorating	\$ 354,305.00	\$ 35,430.50	\$ 318,874.50
20	Specialties	\$ 151,394.00		\$ 151,394.00
21	Special Equipment	\$ 316,892.00		\$ 316,892.00
22	Cabinets	\$ 847,044.00		\$ 847,044.00
23	Appliances	\$ -		\$ -
24	Blinds and Shades	\$ 56,900.00		\$ 56,900.00
25	Carpets	\$ -		\$ -
26	Special Construction	\$ -		\$ -
27	Elevators	\$ -		\$ -
28	Plumbing and Hot Water	\$ 2,392,170.00	\$ 253,999.50	\$ 2,138,170.50
29	Heat and Ventilation	\$ 1,271,133.00	\$ 139,263.30	\$ 1,131,869.70
30	Air Conditioning	\$ -		\$ -
31	Electrical	\$ 1,754,126.55	\$ 251,012.66	\$ 1,503,113.90
32	SUBTOTAL (Structures)	\$ 13,230,553.55	\$ 2,993,958.36	\$ 10,236,595.20
33	Accessory Structures			\$ -
34	TOTAL (Structures)	\$ 13,230,553.55	\$ 2,993,958.36	\$ 10,236,595.20

Developer Comments
Cost increase exclusion per QAP
Fortified roof decking and tear outs for waterproofing/roof, Cost increase exclusion per QAP
Tear outs for waterproofing/roof, Cost increase exclusion per QAP
Change Closed Cell Insulation To R15 Insulation - Enterprise Green Community ("EGC")
FORTIFIED req - replace roof add anchoring system
Remove drywall to meet FORTIFIED roof tie-down req.
low VOC paint per EGC
FORTIFIED Flood proofing, Cost increase exclusion per QAP
FORTIFIED raised units, Cost increase exclusion per QAP
EGC req, Cost increase exclusion per QAP

	TRADE ITEM	Architect Estimated Cost	Incremental Cost From Threshold Mandate	Net Cost Without Threshold Mandate
35	Earthwork	\$ 602,809.00		\$ 602,809.00
36	Site Utilities	\$ 892,541.00		\$ 892,541.00
37	Roads and Walks	\$ 45,690.00		\$ 45,690.00
38	Site Improvement	\$ 143,231.00		\$ 143,231.00
39	Lawns and Planting	\$ 88,500.00		\$ 88,500.00
40	Unusual Site Conditions	\$ 1,449,620.00	\$ 95,000.00	\$ 1,354,620.00
41	TOTAL (Land Improvements)	\$ 3,222,391.00	\$ 95,000.00	\$ 3,127,391.00
42	General Requirements	\$ 992,136.00	\$ 224,511.68	\$ 767,624.32
43	Builder's Overhead	\$ 330,712.00	\$ 74,837.23	\$ 255,874.77
44	Builder's Profit	\$ 992,136.00	\$ 224,511.68	\$ 767,624.32
45	Architects Fee	\$ -		\$ -
46	Architects Fee			\$ -
47	Other Fee			\$ -
48	Bond Premium (Contractor)	\$ 200,000.00	\$ 200,000.00	\$ -
49	Misc. (Labor and Materials)			\$ -
50	<b>TOTAL HARD COST</b>	<b>\$ 18,967,928.55</b>	<b>\$ 3,812,818.95</b>	<b>\$ 15,155,109.60</b>

Developer Comments
demo and abatement less EGC mandated recycling
% decrease from mandate removal, exclusions
% decrease from mandate removal, exclusions
% decrease from mandate removal, exclusions
Must be bonded per QAP requirement

## Adjusted TDC Cost Containment

Asset	Sabine Trace (Site A, B, & C)		
Parish	Beauregard	Development Type	
Number of Units	90	Max Developer Fee	\$6,693,958
Total Square footage	83,369	Developer Fee	\$2,000,000

	Delta		
Maximum TDC Limit	\$ 26,992,128.00	HUD TDC/sqft Limit	\$ 311.69
Post App. Adjusted TDC	\$ 24,027,951.05	Adjusted TDC/sqft	\$ 288.21

### Developer Comments

Appraisal Date : 10/29/2021 Appraisal Amount : \$ 4,700,000.00

TDC From Application \$32,295,373

Less Community Facilities Costs (\$483,000)  
Less Community Service Facility Costs \$0  
Less Reserves (\$681,940)

Adjusted TDC \$ 31,130,433.00

Less Construction Costs Due to threshold Mandates \$ (3,812,818.95)

Subtotal \$ 27,317,614.05

Less Costs Associated with Complex Layered Financing Enter below as negative numbers

#### I. Application and Allocation Fees for Bonds and Tax Credits

a. Tax Credit Application Fees \$ (10,800.00)  
b. Tax Credit Allocation Fees \$ (63,857.00)  
c. Bond Application Fees to Issuer \$ (3,600.00)  
d. Bond Application Fees to State Bond Commission \$ (1,500.00)  
e. Subordinate Loan Application Fees \$ (10,000.00)

Market Study, LHC Application Fee  
LHC Tax Credit Allocation Fees  
Construction Lender purchasing bonds  
Loan Application Fees, Construction/Bonds

#### II. Bond Issuance Costs

a. Bond Counsel \$ (50,000.00)  
b. Bond Issuer Counsel \$ (50,000.00)  
c. Bond Issuer Financing Fee \$ (12,000.00)  
d. State Bond Commission Fee \$ (13,500.00)  
e. Trustee Fee \$ (9,000.00)  
f. Trustee Counsel Fee \$ (1,500.00)

Construction Lender/Bond Counsel  
Bond Counsel LHC  
1% Fee  
SBC Fee  
Trustee required fee  
trustee counsel

#### III. Subordinate Loan Costs

a. Subordinate Lenders Financing Fee \$ (21,645.00)

Loan Fee

b. Subordinate Lender Counsel Fee	\$ (10,000.00)	Perm Lender Counsel
c. Subordinate Loan Document Recording Costs	\$ (30,000.00)	Recording, title, endorsements required for lenders, and tax credit investor
<b>IV. Tax Credit Equity Costs</b>		
a. Syndication Fee	\$ (25,000.00)	
b. Equity Counsel Fee	\$ (10,000.00)	Tax Credit Investor Counsel
c. CPA Certification of 50% Test	\$ (25,000.00)	LIHTC Certification, CPA Fees
d. Bridge Loan Costs		
<b>V. Developer Fee Associated with Complex Layered Financing</b>	\$ (1,000,000.00)	Developer fee is based on existing QAP limits of \$35,000 per unit allowed, this deal involves more complexity than a typical HUD deal without these funding sources, given the financing and bond structuring which includes Low income housing tax credits, AHP grant funds from FHLB Dallas, PRIME II funds, among other soft financing sources. Developer also must use personal balance sheet, developer own equity to fund costs and also is required to maintain liquidity covenants and personal guaranties for the life of the project required by both perm lender and tax credit investor.
<b>VI. Other (Subject to LHC Approval)</b>	\$ (1,942,261.00)	Construction Financing Costs and Pro Rata Contingency
<b>Total Costs Associated with Complex Layered Financing</b>	\$ (3,289,663.00)	
<b>Post Application Adjusted TDC</b>	\$ 24,027,951.05	



## STATE BOND COMMISSION

November 21, 2024

State Agencies, Boards and Commissions

### SYNOPSIS

**APPLICATION NO:** S24-027

**ENTITY:** Louisiana Housing Corporation (The Reserve at Lapalco Place Project)

**TYPE OF REQUEST:** \$24,000,000 Revenue Bonds (Volume Cap)

**ANALYST:** Conner Berthelot

**SUBMITTED BY:**

Wayne J. Neveu, Butler Snow, LLP

**PARAMETERS:**

Not exceeding \$24,000,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 40 years, acquisition, construction, and equipping of a 144-unit multifamily housing development in Marrero.

**LEGISLATIVE AUTHORITY:**

R.S. 40:600.86-600.111

**RECOMMENDATION:**

The application meets the technical requirements based on the information provided, therefore staff recommends approval.

**ATTACHMENTS:**

- ❑ Analysis Summary
- ❑ Approval Parameter Form
- ❑ Fee Comparison Worksheet
- ❑ Additional Supporting Documentation
- ❑ Additional Supporting Documentation
- ❑ Additional Supporting Documentation
- ❑ Additional Supporting Documentation

**STATE BOND COMMISSION**

November 21, 2024

State Agencies - Bonds - Final Approval

**ANALYSIS SUMMARY**

**APPLICATION NO:** S24-027  
**ENTITY:** Louisiana Housing Corporation (The Reserve at Lapalco Place Project)  
**TYPE OF REQUEST:** \$24,000,000 Revenue Bonds (Volume Cap)  
**ANALYST:** Conner Berthelot

**PARAMETERS:**

Not exceeding \$24,000,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 40 years, acquisition, construction, and equipping of a 144-unit multifamily housing development in Marrero.

These bonds will be issued for the requirement that federal 4% Low Income Housing Tax Credit ("LIHTC") be funded by at least 50% of tax-exempt private activity bonds. Upon project completion and lease-up, the tax credits are awarded to the owner of the development over 10 years (tax credit period) and are non-transferable. At that time, equity provided by the tax credit investor and other sources is used to pay down the bonds and convert the debt to a 1<sup>st</sup> lien mortgage. During the tax credit period, the tax credit investor typically owns 99.99% of a project as a limited partner, while the developer owns 0.01% as the general and managing partner.

Bond proceeds will fund construction of a new affordable rental housing facility on Lapalco Boulevard in Marrero. The property will include a club house, resident lounge area, swimming pool and dog park. The project will be developed by CST Multifamily Group, led by Thomas Delahaye, and construction is expected to begin in January 2025, with project completion in August 2026. This project includes CDBG-DR Prime 3 funding, which is required to close by June 30, 2025.

	Total	Per Unit (144)	Per Sq. Ft (143,743)
Building & Land Acquisition	\$1,550,000	\$10,764	\$11
Other Construction Hard Costs	\$31,056,875	\$215,673	\$216
<b>Hard Cost Subtotal</b>	<b>\$32,606,875</b>	<b>\$226,437</b>	<b>\$227</b>
Developer Fee	\$5,159,610	\$35,831	\$36
Construction Contingency	\$1,401,305	\$9,731	\$10
Other Soft Costs	\$8,613,573	\$59,816	\$60
<b>Total Development Costs (TDC)</b>	<b>\$47,781,363</b>	<b>\$331,815</b>	<b>\$332</b>

The attached "Cost Analysis Summary" provides a breakdown of construction and total development costs for the project relative to HUD limits. Details for construction and other costs are also attached.

The bonds shall not constitute a debt, liability or a pledge of the faith and credit of the State of Louisiana, or of any political or governmental unit thereof. The issuer has applied for an allocation from the State's Private Activity Volume Cap under Section 146 of the Internal Revenue Code of 1986.

**STATE BOND COMMISSION**

Construction Type	# of Buildings	Unit Type	# of Units (sq. ft.)
New	6	One Bedroom	36 (657 sq. ft.)
		Two Bedrooms	48 (845 sq. ft.)
		Three Bedrooms	36 (1,105 sq. ft.)
		Four Bedrooms	24 (1,402 sq. ft.)

**Participants/Team:**

Participants of the transaction are below, and are registered with the Secretary of State to do business in the State of Louisiana and are in good standing:

- Owner and Beneficiary - The Reserve at Lapalco Place, LLC
- Developer - CST Land Developers, LLC
- Property Manager - CST Multifamily Group, LLC

The principal officer of The Reserve at Lapalco Place, LLC is Thomas C. Delahaye. Delahaye is also the President and CEO of both CST Land Developers, LLC, and CST Multifamily Group, LLC. Delahaye has over 15 years of experience in multi-family housing development, having developed numerous affordable and mixed income developments

**Sources:**

1 <sup>st</sup> Lien Permanent Mortgage Loan	\$ 16,448,364
CDBG-Disaster Recovery Prime 3 Loan	\$ 14,381,566
LIHTC Equity Proceeds	\$ 13,909,043
Managing Member Equity + Construction Period Income (soft loan)	\$ 120,668
Federal Energy STAR Tax Credit Equity Proceeds	\$ 298,800
Deferred Developer Fee (projected to be paid over 9 years)	\$ 2,622,922
Bond Proceeds *	\$ 0
<b>Total Sources</b>	<b>\$ 47,781,363</b>

\* The entity will issue the entire \$24,000,000 of requested tax-exempt bonds and, upon completion of construction and satisfaction of permanent loan conversion conditions, the Owner will immediately pay the bonds down with the additional project sources to a balance of \$16,448,364 which constitutes the 1<sup>st</sup> Lien Permanent Mortgage Loan.

The Defined Tenant Benefit Package meets SBC guidelines and includes:

1. Material Rent Differential: 100% of units will have rents that will not exceed 30% of the imputed income of tenants.
  - 6 units will be set aside for tenants who have a household income that is 20% or below the area median income for Jefferson Parish. ("AMI")
  - An additional 28 units will be set aside for tenants who have a household income that is 30% or below the AMI.
  - An additional 28 units will be set aside for tenants who have a household income that is 50% or below the AMI.
  - An additional 28 units will be set aside for tenants who have a household income that is 60% or below the AMI.
  - An additional 24 units will be set aside for tenants who have a household income that is 70% or below the AMI.
  - The remaining 30 units will be set aside for tenants who have a household income that is 80% or below the AMI.
2. Educational Programs: The site would offer financial and budgeting seminars to help residents gain better control of their finances and better organize their spending and savings.





## STATE BOND COMMISSION

According to the Marketability Study prepared by Vogt Strategic Insights, the project should have the ability to cashflow after the construction of the units, and the site will reach a stabilized occupancy of approximately 95% within 9 months following the completion of construction. The project is expected to create approximately 32 temporary construction jobs and create 4 permanent jobs in the local economy.

Selection Method:	Private Placement
Purchaser:	Boston Capital Finance, LLC
Terms:	
Interest Rate	Not exceeding 10%
Maturity	Not exceeding 40 years
Security:	Revenues to be derived from the Project

In a letter dated June 10, 2024, Boston Capital Finance, LLC proposed terms for the purchase of the proposed bonds in accordance with the above parameters.

Pursuant to R.S. 39:1426(B), Bonds sold in a private sale require approval by two-thirds of the members present and voting of the State Bond Commission.



**LOUISIANA STATE BOND COMMISSION**  
**APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # S24-027

Agenda Item # 15

Applicant: \*

Louisiana Housing Corporation

Parameters / Purposes: \*

Authority to issue, sell and deliver not exceeding Twenty-Four Million Dollars (\$24,000,000) of Multifamily Housing Revenue Bonds (The Reserve at Lapalco Place Project) (the "Bonds") in one or more series at a rate not to exceed 10%, with a maturity not-to-exceed 40 years, for the purpose of providing funds to (i) finance the acquisition, construction, and equipping of a 144-unit multifamily housing development to be known as The Reserve at Lapalco Place located in the City of Marrero, Jefferson Parish, Louisiana and (ii) pay the costs of issuance associated with the Bonds.

Citation(s): \*

Chapter 3-G of Title 40 of the LA RS of 1950

Security: \*

income, revenues, and receipts derived from the Project

As Set Forth By: \*

Resolution adopted on August 14, 2024 by the Board of Directors of the Louisiana Housing Corporation

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION  
FEE COMPARISON WORKSHEET**

Agenda Item # 15

				\$24,000,000 S24-027		\$21,350,000 S23-033	
				LHC (The Reserve at Lapalco Place Project) Revenue Bonds (Volume Cap) November 21, 2024		LHC (Lakeside Garden Apartments Project) Revenue Bonds (Volume Cap) July 20, 2023	
		Paid	From				
		Proceeds					
Firm/Vendor		Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond	
<b>ISSUANCE COSTS</b>							
<b>Legal</b>							
Bond Counsel	Butler Snow LLP	N	63,900	2.66	61,913	2.90	
Co-Bond Counsel				0.00		0.00	
Issuer Counsel				0.00		0.00	
Underwriter Counsel				0.00		0.00	
Underwriter Co-Counsel				0.00		0.00	
Preparation of Blue Sky Memo				0.00		0.00	
Preparation of Official Statements				0.00		0.00	
Purchaser Counsel				0.00		0.00	
Trustee Counsel	TBD	N	10,000	0.42	10,000	0.47	
<b>Total Legal</b>			<b>73,900</b>	<b>3.08</b>	<b>71,913</b>	<b>3.37</b>	
<b>Other</b>							
Publishing/Advertising	LHC	N	2,000	0.08	2,000	0.09	
Rating Agency(s)				0.00		0.00	
Insurance				0.00		0.00	
Bond Commission	SBC	N	27,150	1.13	24,235	1.14	
Issuer Financing	LHC	N	24,000	1.00	21,350	1.00	
Municipal Advisor	Government Consultants, Inc	N	48,000	2.00	42,700	2.00	
Trustee	TBD	N	11,500	0.48	10,000	0.47	
Escrow Agent				0.00		0.00	
Paying Agent				0.00		0.00	
Feasibility Consultants				0.00		0.00	
POS/OS Printing				0.00		0.00	
Accounting				0.00		0.00	
Account Verification				0.00		0.00	
Escrow Verification				0.00		0.00	
Miscellaneous				0.00		0.00	
<b>Total Other</b>			<b>112,650</b>	<b>4.69</b>	<b>100,285</b>	<b>4.70</b>	
<b>TOTAL ISSUANCE COSTS</b>			<b>186,550</b>	<b>7.77</b>	<b>172,198</b>	<b>8.07</b>	
<b>INDIRECT COSTS</b>							
<b>Beneficiary Organizational</b>							
Beneficiary Counsel	Brinson Law	N	80,000	3.33	110,000	5.15	
Development*	CST Land Developers, LLC	N	5,159,610	214.98	3,000,000	140.52	
Title, Survey & Appraisal	Southern Woods Title/TBD/TBD	N	267,000	11.13	180,000	8.43	
Consultant				0.00		0.00	
Insurance				0.00		0.00	
<b>Total Beneficiary Organizational Costs</b>			<b>5,506,610</b>	<b>229.44</b>	<b>3,290,000</b>	<b>154.10</b>	
<b>Mortgage Banking</b>							
Lender Counsel	TBD	N	75,000	3.13	65,000	3.04	
Mortgage Servicer Counsel				0.00		0.00	
Mortgage Insurance				0.00		0.00	
Examination				0.00		0.00	
Financing Fee				0.00	213,500	10.00	
<b>Total Mortgage Banking Costs</b>			<b>75,000</b>	<b>3.13</b>	<b>278,500</b>	<b>13.04</b>	
<b>TOTAL INDIRECT COSTS</b>			<b>5,581,610</b>	<b>232.57</b>	<b>3,568,500</b>	<b>167.14</b>	
<b>TOTAL ISSUANCE AND INDIRECT COSTS</b>			<b>5,768,160</b>	<b>240.34</b>	<b>3,740,698</b>	<b>175.21</b>	

\* The developer provides certain guarantees to the tax credit investor. The developer will oversee numerous aspects during the development and construction of the project. Duties of the developer include but are not limited to negotiating and executing architectural, engineering, testing or consulting services for the facility, assisting the owner/operator in dealing with neighborhood groups, local organizations and other parties, assisting with identifying sources of financing and negotiating the terms, establishing and implementing appropriate administrative and financial controls, assisting in obtaining access to utilities and required zoning approvals and assisting in complying with all applicable present and future laws, ordinances, orders, rules, regulations and requirements.

## Cost Analysis Summary

### The Reserve at Lapalco Place Project

<b>Parish</b>	Jefferson
<b>Number of Units</b>	144
<b>Square Footage</b>	143,743

<b>Housing Construction Cost (See "Hard Cost Containment" Attached)</b>		
HUD HCC LIMIT *	\$	24,314,551
Architect Estimate Total Costs	\$	28,026,099
Incremental Costs From Threshold Mandates	\$	(2,526,539)
Net Cost without Threshold Mandates	\$	25,499,561
<b>Amount Over (Under) Limit</b>	<b>\$</b>	<b>1,185,010</b>

\* The HUD HCC Limit used is for 2023. As this project will not begin construction until 2025, and the project will not be completed until 2026, the project would take place 2-3 years after the effective date of the HUD Limit. Using a 3.5% annual inflation adjustment, the HUD HCC Limit for 2026 would be **\$26,016,569**, which would put the project's hard costs at **(\$517,009)** under the Limit

<b>Total Development Cost (See "Adjusted TDC Cost Containment" Attached)</b>		
HUD TDC LIMIT	\$	42,550,464
Application TDC	\$	47,781,363
Incremental Hard Costs From Threshold Mandates	\$	(2,526,539)
Acquisition, Community Facilities & Reserves	\$	(2,207,920)
Financing Costs of Tax Credit & Bond Transactions	\$	(445,665)
Developer Fee	\$	(5,159,610)
Post Application Adjusted TDC	\$	37,441,629
<b>Amount Over (Under) Limit</b>	<b>\$</b>	<b>(5,108,835)</b>

## Hard Cost Containment

HUD HCC LIMIT	\$	24,314,550.86
Total Hard Cost Contractor W/O Thresholds	\$	25,499,560.55
<i>Delta</i>	\$	<i>1,185,009</i>

!!!!!!!

Based on form : HUD-92331-B

	TRADE ITEM	Architect Estimated Cost	Incremental Cost From Threshold Mandate	Net Cost Without Threshold Mandate
1	Concrete	\$ 1,497,631.34	\$ 25,000.00	\$ 1,472,631.34
2	Masonry	\$ 381,946.75		\$ 381,946.75
3	Metals	\$ 293,442.93		\$ 293,442.93
4	Rough Carpentry	\$ 3,757,133.97	\$ 14,684.00	\$ 3,742,449.97
5	Finish Carpentry	\$ 243,224.53		\$ 243,224.53
6	Waterproofing	\$ 76,617.69		\$ 76,617.69
7	Insulation	\$ 445,709.54	\$ 97,000.00	\$ 348,709.54
8	Roofing	\$ 300,925.20	\$ 15,000.00	\$ 285,925.20
9	Sheet Metal	\$ 97,000.00		\$ 97,000.00
10	Doors	\$ 528,147.94	\$ 14,400.00	\$ 513,747.94
11	Windows	\$ 673,066.82	\$ 250,000.00	\$ 423,066.82
12	Glass	\$ 44,738.79		\$ 44,738.79
13	Lath and Plaster	n/a		\$ -
14	Drywall	\$ 1,511,673.47	\$ 30,000.00	\$ 1,481,673.47
15	Tile Work	\$ 33,567.03		\$ 33,567.03
16	Acoustical	n/a		\$ -
17	Wood Flooring	n/a		\$ -
18	Resilient Flooring	\$ 201,402.39		\$ 201,402.39
19	Painting and Decorating	\$ 642,345.80		\$ 642,345.80
20	Specialties	\$ 205,185.69		\$ 205,185.69
21	Special Equipment	n/a		\$ -
22	Cabinets	\$ 395,059.33		\$ 395,059.33
23	Appliances	\$ 473,124.93		\$ 473,124.93
24	Blinds and Shades	\$ 249,512.94		\$ 249,512.94
25	Carpets	\$ 100,701.19		\$ 100,701.19
26	Special Construction	\$ 174,646.28		\$ 174,646.28
27	Elevators	n/a		\$ -
28	Plumbing and Hot Water	\$ 2,168,682.02	\$ 62,084.15	\$ 2,106,597.87
29	Heat and Ventilation	n/a		\$ -

HUD HCC/SQFT Limit	\$	164.73
Total HCC W/O Thresholds/SQFT	\$	177.40
<i>Delta</i>	\$	<i>12.00</i>

!!!!!!!

### Developer Comments

Stay forms at grade beams (Elev requirements from QAP and Prime 3 NOFA)

Supply and Install Visqueen for spray foam at bottom 2' of Demising wall (Prime 3 NOFA), Roof Deck with Radiant Barrier material. (Energy Star)

Two feet of spray foam insulation at first floor walls (Prime 3 NOFA), Air sealing of units to pass blower door test (Energy Star)  
Double roof underlayment (Fortified)

Includes Hardware, Impact rated Balcony Doors (Fortified)

Impact rated Windows (Fortified)

Includes Storefront

None on the job

Two feet of dense glass on first floor walls (Prime 3 NOFA - Flood Hardy)

None on the job

None on the job

None on the job

Includes Countertops

None on the job

Includes Sprinkler System, Stainless steel under slab plumbing hangers, Water storage Tanks (Enterprise Green Communities "EGC")

See Air Conditioning

	TRADE ITEM	Architect Estimated Cost	Incremental Cost From Threshold Mandate	Net Cost Without Threshold Mandate
30	Air Conditioning	\$ 1,689,217.51		\$ 1,689,217.51
31	Electrical	\$ 1,728,888.46		\$ 1,728,888.46
32	SUBTOTAL (Structures)	\$ 17,913,592.55	\$ 508,168.15	\$ 17,405,424.40
33	Accessory Structures	\$ 1,557,703.76		\$ 1,557,703.76
34	TOTAL (Structures)	\$ 19,471,296.30	\$ 508,168.15	\$ 18,963,128.15
35	Earthwork	\$ 998,527.57	\$ 310,000.00	\$ 688,527.57
36	Site Utilities	\$ 1,618,755.83	\$ 200,000.00	\$ 1,418,755.83
37	Roads and Walks	\$ 1,257,089.02	\$ 50,000.00	\$ 1,207,089.02
38	Site Improvement	\$ 257,476.06		\$ 257,476.06
39	Lawns and Planting	\$ 350,608.81		\$ 350,608.81
40	Unusual Site Conditions	\$ 816,977.11	\$ 816,977.11	\$ (0.00)
41	TOTAL (Land Improvements)	\$ 5,299,434.40	\$ 1,376,977.11	\$ 3,922,457.29
42	General Requirements	\$ 1,131,153.97	\$ 504,248.27	\$ 626,905.70
43	Builder's Overhead			\$ -
44	Builder's Profit	\$ 1,238,591.58	\$ 98,961.48	\$ 1,139,630.10
45	Architects Fee			\$ -
46	Architects Fee			\$ -
47	Other Fee	\$ 697,263.92	\$ 23,045.81	\$ 674,218.11
48	Bond Premium (Contractor)	\$ 188,359.13	\$ 15,137.94	\$ 173,221.19
49	Misc. (Labor and Materials)			\$ -
50	TOTAL HARD COST	\$ 28,026,099.31	\$ 2,526,538.76	\$ 25,499,560.55

Developer Comments

Clubhouse, Maintenance, Mail Kiosk, Trash Compactor Enclosure (Prime 3 NOFA)

Five ft of fill at building pads and two ft of fill at vehicular paving (QAP-Prime 3 NOFA)
Sanitary Lift Station, Domestic Water Loop, and Stringent utility bedding and backfill requirements per City of Marrero
Lane Delineators required on Lapalco Blvd (Required by Jefferson Parish Engineering)
Timber piles to support foundations. (Unusual Soil Conditions)

Extended GC's duration due to QAP requirements (\$154,248.27) and
Based on a percentage of costs (Additional Cost as % of total cost that includes the additional costs required by EGC, Prime 3 NOFA, QAP, etc)
Insurance and Sales Taxes (Additional Cost as % of total cost that includes the additional costs required by EGC, Prime 3 NOFA, QAP, etc)
Based on a percentage of costs (Additional Cost as % of total cost that includes the additional costs required by EGC, Prime 3 NOFA, QAP, etc)

Adjusted TDC Cost Containment

Asset	The Reserve at Lapalco Place				
Parish	Jefferson	Development Type	New Construction		
Number of Units	144	Max Developer Fee	\$5,040,000		
Total Square footage	143,743	Developer Fee	\$5,159,610	!!!!!!!!!!!!	Actual Developer Fee will not exceed maxium permitted amount based post app adjusted TDC
		Delta			
Maximum TDC Limit	\$ 42,550,464.00		HUD TDC/sqft Limit	\$ 288.28	
Post App. Adjusted TDC	\$ 37,441,628.80	\$ (5,108,835.20)	Adjusted TDC/sqft	\$ 260.48	
					Developer Comments
Appraisal Date : 10/16/2024 Appraisal Amount : \$ 29,100,000.00					Cost Approach Indicated Value (Market Rate, Stabilization) - \$29,100,000
TDC From Application \$47,781,363					
Less Community Facilities Costs \$0					
Less Community Service Facility Costs \$0					
Less Reserves (\$2,207,920)					
Adjusted TDC \$ 45,573,442.56					
Less Construction Costs Due to threshold Mandates \$ (2,526,538.76)					From Hard Cost Containment Tab
Subtotal \$ 43,046,903.80					
Less Costs Associated with Complex Layered Financing Enter below as negative numbers					
I. Application and Allocation Fees for Bonds and Tax Credits					
a. Tax Credit Application Fees	\$ (18,300.00)		Application fee + analysis fee + market study fee + subsidy layering review + PIS review + LHC Advertising (QAP fees)		
b. Tax Credit Allocation Fees	\$ (83,804.00)		Tax credit reservation fee (QAP fee)		
c. Bond Application Fees to Issuer	\$ (8,638.00)		LHC issuer fees		
d. Bond Application Fees to State Bond Commission	\$ (1,000.00)		Bond application fee (QAP fee)		
e. Subordinate Loan Application Fees	\$ -				
II. Bond Issuance Costs					
a. Bond Counsel	\$ (61,437.00)				
b. Bond Issuer Counsel	\$ (70,000.00)		LHC's counsel (municipal advisory fee)		
c. Bond Issuer Financing Fee	\$ (24,000.00)				
d. State Bond Commission Fee	\$ (23,538.00)				
e. Trustee Fee	\$ -		Trustee fee modeled into operations, not construction S&U		
f. Trustee Counsel Fee	\$ (7,000.00)				
III. Subordinate Loan Costs					
a. Subordinate Lenders Financing Fee	\$ (40,515.00)		Includes TE A piece and taxable B piece + recordation fees		
b. Subordinate Lender Counsel Fee	\$ (50,000.00)				
c. Subordinate Loan Document Recording Costs	\$ -				

IV. Tax Credit Equity Costs

a. Syndication Fee	\$ -
b. Equity Counsel Fee	\$ -
c. CPA Certification of 50% Test	\$ (16,000.00)
d. Bridge Loan Costs	\$ -

No syndication fees with PNC
No counsel fees with PNC
Associated with cost certification fee
No bridge loan currently modeled

V. Developer Fee Associated with Complex Layered Financing

\$ (5,159,610.00)
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VI. Other (Subject to LHC Approval)

\$ (41,433.00)
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LHC Fiscal Agent fee
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Total Costs Associated with Complex Layered Financing

\$ (5,605,275.00)
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Post Application Adjusted TDC

\$ 37,441,628.80
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October 8, 2024

Reserve at Lapalco Place

Developer Comments Summary for Cost Reduction

To whom it may concern:

In general, we believe the development costs for the Reserve at Lapalco Place are within the range of similar affordable developments located in the greater New Orleans market. Rising material cost due to supply chain disruptions and increased demand, labor shortages, regulations and permits continue to drive up construction costs throughout the United States.

In addition to the broad factors outlined above, there are additional project-specific factors influencing the development costs on The Reserve at Lapalco Place, to wit:

1. Extraordinary site cost including pilings;
2. The cost associated with requirements of resiliency, fortified, and Enterprise Green building standards;
3. The cost associated with the LIHTC threshold (in terms of property amenities) and other program requirements; and
4. Financing Structure.

Extraordinary site cost and the cost associated with requirements of resiliency and fortified standards as prescribed in the QAP should be excluded for establishing the project cost.

The Reserve at Lapalco Place is subject to a variety of increased costs compared to a normal multifamily real estate developments. Some of those reasons include the following:

- Increased costs for various construction related hard costs, including but not limited to (all required by NOFA/QAP resiliency and fortified standards):
  - Concrete – Stay forms at grade beams
  - Rough Carpentry & Insulation – supply of and installation of Visqueen for spray foam at bottom of 2' Demising wall, roof deck with radiant barrier material
  - Roofing – Fortified roofs consisting of double roof underlayment
  - Doors – impact rated balcony doors
  - Windows & Glass – impact rated windows
  - Drywall – Density levels
  - Plumbing & Hot Water – includes sprinkler systems, stainless steel under slab plumbing handers, water storage tanks
  - Earthwork & Elevation Level– five feet of fill at all building pads and two feet of fill at vehicular paving for flood resiliency
  - Flood hardy materials



- Increased costs for various non-construction related soft costs, including but not limited to:
  - Increased complexity of the development as a whole, due to having multiple funding sources. This leads to increased legal fees, due diligence fees, inspection fees, financing fees, and loan fees.
  - Increased title and recordation fees due to having multiple funding sources and mortgages.
  - Increased environmental costs due to the requirement of review for multiple government and lending agencies, along with concurrence of all agencies.
  - Increased insurance requirements, including but not limited to flood insurance, required by the NOFA/QAP & LHC.

The increased cost of items in the Development Budget that are associated with Threshold Requirements for low-income housing credits (LIHTCs) in the applicable QAP and/or with LHC soft funds (including CDBG, HOME, NHTF, or other LHC soft funds) that would not otherwise be required if there were no LIHTCs and/or LHC Soft Funds

1. Environmental Review
2. Minimum Internet/Capacity Requirement
3. Energy Efficiency
4. RE Tax Escrow
5. LHC Fee & Bond Issuance Cost
  - a. LHC's Counsel (Municipal Advisory Fee) - \$70,000
  - b. LHC's Counsel Fee (Gap Funding) - \$61,437
  - c. LHC's Bond Counsel – \$65,000
  - d. LHC Advertising - \$2,000
  - e. State Bond Commission - \$23,538
  - f. LHC Issuer Fee - \$8,638
  - g. LHC Fiscal Agent - \$41,433
  - h. 2024 QAP Fees
    - i. Application Fee - \$5,000
    - ii. Analysis Fee - \$5,000
    - iii. Bond Application Fee - \$1,000
    - iv. Market Study Fee - \$4,800
    - v. Reservation Fee - \$83,804
    - vi. Subsidy Layering Review - \$1,250
    - vii. PIS Review - \$250

CST has made efforts to reduce costs related to these to the maximum effect possible considering all requirements of the QAP & NOFA.

For example, the largest reduction in total development cost is estimated tax exempt bond interest. At the original submission The Reserve at Lapalco application considered utilizing the Fannie Mae MTEB structure. As part of the structure tax exempt bond proceed are cash collateralized with a taxable construction loan. Estimated interest for both the TE Bonds and Taxable construction loan were included in original development budget. The updated budget in the cost reduction template reflects a direct placement structure with Boston Capital Finance resulting in a cost reduction of \$2,911,075.

In summary, the Reserve at Lapalco Place, being a low-income housing tax credit development, financed by a government agency utilizing a program designed to provide disaster resilient and fortified housing projects, incurs a higher-than-average total development cost (TDC) in order to comply with the standards of said programs. CST, our general contractor, engineer, architect, and our internal consulting team have put forth extraordinary efforts to reduce costs where possible while still maintaining the ability to provide excellent affordable housing to the residents of Jefferson Parish.

If you have any further questions, please reach out to either of the following contacts:

**Thomas C. Delahaye, President & CEO**

[tdelahaye@cstmultifamilyrealestateservices.com](mailto:tdelahaye@cstmultifamilyrealestateservices.com)

**(225) 933-3584**

**Jacob Bresler, Director of Project Management**

[jbresler@cstlanddevelopers.com](mailto:jbresler@cstlanddevelopers.com)

**(740) 497-2735**

**Bryan Bresler, Vice President & COO**

[bbresler@cstmultifamilyrealestateservices.com](mailto:bbresler@cstmultifamilyrealestateservices.com)

**(614) 893-2951**

Sincerely,

Thomas C. Delahaye

# APPRAISAL REPORT

THE PROPOSED RESERVE AT LAPALCO PLACE  
APARTMENTS

5301 LAPALCO BLVD.  
MARRERO , JEFFERSON PARISH,  
LOUISIANA 70072  
CBRE FILE NO. CB24US004317-2

CLIENT: CBRE CAPITAL MARKETS DEBT & STRUCTURED  
FINANCE



VALUATION & ADVISORY SERVICES



1 Galleria Blvd., Suite 1900  
Metairie, LA 70001

T 504-977-1301  
C 504-782-0189

[www.cbre.com](http://www.cbre.com)

Date of Report: February 21, 2024

Ms. Jeanne Marie Coronado  
Vice President  
CBRE CAPITAL MARKETS DEBT & STRUCTURED FINANCE  
1420 5th Avenue, Suite 3800  
Seattle, Washington 98101

RE: Appraisal of: The Proposed Reserve at Lapalco Place Apartments  
5301 Lapalco Blvd.  
Marrero, Jefferson Parish, Louisiana 70072  
CBRE, Inc. File No. CB24US004317-2

Dear Ms. Coronado:

At your request and authorization, CBRE, Inc. has prepared an appraisal of the market value of the referenced property. Our analysis is presented in the following Appraisal Report.

The subject consists of a 7.0123-acre site to be improved with 144 rent restricted units to be known as The Reserve at Lapalco Place Apartments to be located at 5301 Lapalco Blvd., Marrero, Jefferson Parish, Louisiana. The subject will be rent restricted via Low-Income Housing Tax Credits (LIHTC). The improvements will contain one, two, three, and four-bedroom units that are to be constructed in during 2025 and 2026 at a total reported cost of \$38,687,579 (hard and soft costs), or \$268,664 per unit, not including land acquisition or developer's fees. Construction is set to begin in January 2025 with a planned 20-month construction timeline with a completion date of September 1, 2026. The reported total development costs of \$43,462,579 (including land acquisition and developer's fee) will be partially financed by a Community Development Block Grant of \$19,177,000 and \$15,372,541 of Low-Income Housing Tax Credits, which are valued herein.

Upon completion, the subject will be considered a Class A, LIHTC rent restricted property and is expected to be in new condition. The subject and upcoming construction are more fully described, legally and physically, within the enclosed report.

The subject is new construction and will not be stabilized at the completion. As such, the client has requested Prospective Market Values as completed and/or stabilized with LIHTC rents and Hypothetical Market Values as if the subject were completed and/or stabilized with market rents. An as is value (land) and a value of the tax credits were also requested and provided. Therefore, six values have been provided. The Prospective Market Value Upon Completion – LIHTC Rents,

Assuming Completion on September 1, 2026, Prospective Market Value Upon Stabilization – LIHTC Rents, Assuming Stabilization on September 1, 2027, were provided. Further, we have provided Hypothetical Market Values As If Complete/Stabilized - Market Rents, Assuming Completion on September 1, 2026 and Stabilization on September 1, 2027, which includes a hypothetical condition that the property is complete and stabilized utilizing all market rates rather than the LIHTC Rents as of the anticipated date of stabilization, September 1, 2027. The Hypothetical As If Complete/Stabilized Market Value - Market Rents, Assuming Completion on September 1, 2026 and Stabilization on September 1, 2027 scenario assumes the income requirements have been removed. Lastly, an as is land value and a value of the tax credit allocation is presented.

The subject's Hypothetical As If Complete/Stabilized Market Values - Market Rents, Assuming Completion on September 1, 2026 and Stabilization on September 1, 2027 values represents the subject's value assuming there are no rent restrictions. Thus, the Hypothetical As If Complete/Stabilized – Market Rents value estimate includes a hypothetical condition that the subject is not rent restricted in any way. The subject's Prospective Market Value Upon Completion – LIHTC Rents, Assuming Completion on September 1, 2026, and Prospective Market Value Upon Stabilization – LIHTC Rents, Assuming Stabilization on September 1, 2027, values represent the subject's value assuming continued use of the LIHTC Rents at levels indicated by the Regulatory Agreement.

The improvements that are the subject of this report are proposed and will not be stabilized upon completion of construction. As such, the Prospective Market Value Upon Completion – LIHTC Rents, Assuming Completion on September 1, 2026 Prospective Market Value Upon Stabilization – LIHTC Rents, Assuming Stabilization on September 1, 2027, and Hypothetical As If Complete/Stabilized Market Value - Market Rents, Assuming Completion and Stabilization value estimates assume the improvements are completed as specified by the property information provided by the owner (which is an extraordinary assumption of the appraisal). We have assumed that the improvements will be completed with good workmanship, at the sizes and unit mix reported, and in a manner and timeline described to us by the buyer/developer.

The Prospective Market Value Upon Completion – LIHTC Rents, Assuming Completion on September 1, 2026, and Hypothetical As If Complete Market Value - Market Rents, Assuming Completion value scenarios include an extraordinary assumption that the proposed subject improvements are built to completion as of the anticipated date of September 1, 2026.

The Prospective Market Value Upon Stabilization – LIHTC Rents, Assuming Stabilization on September 1, 2027, and Hypothetical As If Stabilized Market Value - Market Rents, Assuming Stabilization value scenarios include an extraordinary assumption that the proposed subject improvements are renovated and stabilized as of September 1, 2027.

It is an extraordinary assumption of our Prospective Market Value Upon Completion – LIHTC Rents, Assuming Completion on September 1, 2026, and Prospective Market Value Upon Stabilization – LIHTC Rents, Assuming Stabilization on September 1, 2027, market value estimates herein that the property will operate in compliance with the restrictions set forth by the LIHTC Regulatory Agreement at completion. If not, our Prospective Market Value Upon Completion – LIHTC Rents, Assuming Completion on September 1, 2026, and Prospective Market Value Upon Stabilization – LIHTC Rents, Assuming Stabilization on September 1, 2027, value estimates are subject to change.

It is an extraordinary assumption that the information provided by the owner concerning the LIHTC Program is correct as the Regulatory Agreement has not been fully prepared. If not, our

Prospective Market Value Upon Completion – LIHTC Rents, Assuming Completion on September 1, 2026, and Prospective Market Value Upon Stabilization – LIHTC Rents, Assuming Stabilization on September 1, 2027 value estimates are subject to change.

Based on the analysis contained in the following report, the market value of the subject is concluded as follows:

<b>MARKET VALUE CONCLUSIONS</b>			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Prospective Market Value Upon Completion – Hypothetical Market Rents, Assuming Completion	Fee Simple Estate	September 1, 2026	\$32,000,000
Prospective Market Value Upon Stabilization – Hypothetical Market Rent, Assuming Stabilization	Fee Simple Estate	September 1, 2027	\$33,200,000
Prospective Market Value Upon Completion - LIHTC Rents, Assuming Completion	Leased Fee Interest	September 1, 2026	\$18,100,000
Prospective Market Value Upon Stabilization - LIHTC Rents, Assuming Stabilization	Leased Fee Interest	September 1, 2027	\$18,900,000
As Is Value (Land)	Fee Simple Estate	February 3, 2024	\$1,300,000
Tax Credits		September 1, 2026	\$13,550,000
Compiled by CBRE			

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter.

The following appraisal sets forth the most pertinent data gathered, the techniques employed, and the reasoning leading to the opinion of value. The analyses, opinions and conclusions were developed based on, and this report has been prepared in conformance with, the guidelines and recommendations set forth in the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. It also conforms to Title XI Regulations and the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) updated in 1994 and further updated by the Interagency Appraisal and Evaluation Guidelines promulgated in 2010.

The intended use and user of our report are specifically identified in our report as agreed upon in our contract for services and/or reliance language found in the report. As a condition to being granted the status of an intended user, any intended user who has not entered into a written agreement with CBRE in connection with its use of our report agrees to be bound by the terms and conditions of the agreement between CBRE and the client who ordered the report. No other use or user of the report is permitted by any other party for any other purpose. Dissemination of this report by any party to any non-intended users does not extend reliance to any such party, and CBRE will not be responsible for any unauthorized use of or reliance upon the report, its conclusions or contents (or any portion thereof).

It has been a pleasure to assist you in this assignment. If you have any questions concerning the analysis, or if CBRE can be of further service, please contact us.

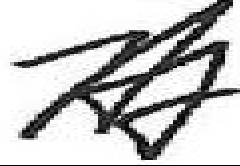
Respectfully submitted,

CBRE - VALUATION & ADVISORY SERVICES



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Woodrow C. Crochet III, MAI, CCIM  
Vice President  
Louisiana Certified General Real Estate  
Appraiser No. G2835  
Phone: (504) 410-8401  
Email: woody.crochet@cbre.com



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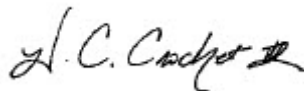
Henry Joseph, MAI  
Managing Director  
Louisiana Certified General Real Estate  
Appraiser No. G4362  
Phone: (713) 840-6505  
Email: henry.joseph@cbre.com



## Certification

We certify to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, impartial and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in or bias with respect to the property that is the subject of this report and have no personal interest in or bias with respect to the parties involved with this assignment.
4. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
5. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
6. This appraisal assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
7. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, as well as the requirements of the State of Louisiana.
8. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. As of the date of this report, Woodrow C. Crochet III, MAI, CCIM, and Henry Joseph, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.
11. Woodrow C. Crochet III, MAI, CCIM, has, and Henry Joseph, MAI has not made a personal inspection of the property that is the subject of this report.
12. No one provided significant real property appraisal assistance to the persons signing this report.
13. Valuation & Advisory Services operates as an independent economic entity within CBRE, Inc. Although employees of other CBRE, Inc. divisions may be contacted as a part of our routine market research investigations, absolute client confidentiality and privacy were maintained at all times with regard to this assignment without conflict of interest.
14. Woodrow C. Crochet III, MAI, CCIM and Henry Joseph, MAI, have not provided services, as appraisers or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding agreement to perform this assignment.



Woodrow C. Crochet III, MAI, CCIM  
Louisiana Certification No. G2835



Henry Joseph, MAI  
Louisiana Certification No. G4362

## Subject Photographs



Aerial View – Subject's Future Site – Boundaries are Approximate





Subject Site as seen from Lapalco Blvd.



Subject northern sideline



Subject southern sideline



Subject Site – Interior



View of Lapalco Blvd. looking north



View of Lapalco Blvd. looking south

## Executive Summary

<b>Property Name</b>	The Proposed Reserve at Lapalco Place Apartments	
<b>Location</b>	5301 Lapalco Blvd. Marrero , Jefferson Parish, LA 70072	
<b>Parcel Number(s)</b>	420002937	
<b>Client</b>	CBRE Capital Markets Debt & Structured Finance	
<b>Highest and Best Use</b>		
As If Vacant	Multifamily	
As Improved	Multifamily	
<b>Property Rights Appraised</b>	Fee Simple Interest (Land Value) Leased Fee Interest (Hypothetical Market and LIHTC Rents)	
<b>Date of Value</b>	February 3, 2024	
<b>Estimated Exposure Time</b>	3 - 6 Months	
<b>Estimated Marketing Time</b>	3 - 6 Months	
<b>Primary Land Area</b>	7.01 AC	305,456 SF
<b>Current Zoning</b>	MUC: Mixed-Use Corridor District	
<b>Improvements (Proposed)</b>		
Property Type	Multifamily (Multi-Family Subsidized Housing)	
Number of Buildings	7 (6 three-story residential bldgs. and 1 one-story clubhouse/leasing office)	
Gross Building Area	161,286 SF	
Net Rentable Area	137,640 SF	
Number of Units	144	
Average Unit Size	1,120 SF	
Year Built	2025	
Effective Age (Post Construction)	0 Years	
Remaining Economic Life	45 Years	
Condition (Post Construction)	Excellent	
<b>Buyer Profile</b>	Investor-National	
<b>Financial Indicators</b>		
Stabilized Occupancy	94.0%	
Stabilized Credit Loss	1.0%	
Estimated Lease-up Period	12 Months	
Overall Capitalization Rate	5.00%	
<b>Pro Forma Operating Data - Market Rents</b>	<b>Total</b>	<b>Per Unit</b>
Effective Gross Income	\$2,586,739	\$17,963
Operating Expenses	\$924,433	\$6,420
Expense Ratio	35.74%	
Net Operating Income	\$1,662,307	\$11,544
<b>Pro Forma Operating Data - LIHTC Rents</b>	<b>Total</b>	<b>Per Unit</b>
Effective Gross Income	\$1,750,270	\$12,155
Operating Expenses	\$805,226	\$5,592
Expense Ratio	46.01%	
Net Operating Income	\$945,044	\$6,563

VALUATIONS		Total	Per Unit
<b>Prospective Market Value Upon Completion – Hypothetical Market Rents, Assuming Completion</b>	<b>September 1, 2026</b>		
Cost Approach		\$27,900,000	\$193,750
Sales Comparison Approach		\$31,800,000	\$220,833
Income Capitalization Approach		\$32,000,000	\$222,222
<b>Prospective Market Value Upon Stabilization – Hypothetical Market Rent, Assuming Stabilization</b>	<b>September 1, 2027</b>		
Cost Approach		\$29,100,000	\$202,083
Sales Comparison Approach		\$33,000,000	\$229,167
Income Capitalization Approach		\$33,200,000	\$230,556
<b>Prospective Market Value Upon Completion - LIHTC Rents, Assuming Completion</b>	<b>September 1, 2026</b>		
Income Capitalization Approach		\$18,100,000	\$125,694
<b>Prospective Market Value Upon Stabilization - LIHTC Rents, Assuming Stabilization</b>	<b>September 1, 2027</b>		
Income Capitalization Approach		\$18,900,000	\$131,250
<b>As Is Value (Land)</b>	<b>February 3, 2024</b>		
Sales Comparison Approach		\$1,300,000	
<b>Tax Credits</b>			
Sales Comparison Approach		\$13,550,000	
<b>Insurable Value</b>	<b>September 1, 2026</b>	\$17,800,000	\$123,611

CONCLUDED MARKET VALUES			
Appraisal Premise	Interest Appraised	Date of Value	Value
Prospective Market Value Upon Completion – Hypothetical Market Rents, Assuming Completion	Fee Simple Estate	September 1, 2026	\$32,000,000
Prospective Market Value Upon Stabilization – Hypothetical Market Rent, Assuming Stabilization	Fee Simple Estate	September 1, 2027	\$33,200,000
Prospective Market Value Upon Completion - LIHTC Rents, Assuming Completion	Leased Fee Interest	September 1, 2026	\$18,100,000
Prospective Market Value Upon Stabilization - LIHTC Rents, Assuming Stabilization	Leased Fee Interest	September 1, 2027	\$18,900,000
As Is Value (Land)	Fee Simple Estate	February 3, 2024	\$1,300,000
Tax Credits		September 1, 2026	\$13,550,000
Compiled by CBRE			

## STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT)

### Strengths/ Opportunities

- The subject is expected to be in excellent overall condition upon completion with all major components in like new condition. The subject will be significantly newer than competing properties in the immediate area.
- The subject property will include a high level of interior unit finishes and above average community amenities for a rent restricted complex.
- CBRE multifamily research indicates high occupancy levels and waiting lists for rent subsidized units in the subject's market area of Jefferson Parish, Louisiana. Additionally, research indicates that there are no other multifamily complexes currently under construction in the subject's immediate neighborhood.
- Positive demographics within a 1, 3, and 5-mile radius of the subject is forecast to slightly increase over the next 5 years.

### Weaknesses/ Threats

- The subject will be encumbered by a LIHTC Regulatory Agreement sets maximum rents for 100% of the subject's units;
- Susceptible to the boom and bust of the energy industry;
- Low industrial diversity, causing high employment volatility;
- State and local budget cuts could lead to job losses at some of the area's top employers.
- Commercial real estate market conditions have deteriorated at the macro level. The significant recent increase in the cost of capital and reduced volume of transaction activity is impacting price discovery and creating an increase in uncertainty. Increasing interest rates and subdued economic growth will continue to weigh on commercial real estate fundamentals and investment transaction volumes. This creates a higher degree of uncertainty in general, though the impacts may vary by market and asset class/type.

## MARKET VOLATILITY

We draw your attention to a combination of inflationary pressures (leading to higher interest rates) and recent failures/stress in banking systems which have significantly increased the potential for constrained credit markets, negative capital value movements and enhanced volatility in property markets over the short-to-medium term.

Experience has shown that consumer and investor behavior can quickly change during periods of such heightened volatility. Lending or investment decisions should reflect this heightened level of volatility and the potential for deteriorating market conditions.

It is important to note that the conclusions set out in this report are valid as at the valuation date only. Where appropriate, we recommend that the valuation is closely monitored, as we continue to track how markets respond to evolving events.

## CURRENT ECONOMIC CONDITIONS

At its January 2024 meeting, the Federal Reserve held the federal funds rate at a range of 5.25% to 5.50% and indicated it will continue reducing its balance sheet by \$95 billion per month. The Fed removed language from its policy statement about further tightening but stated it needs more

confidence inflation “is moving sustainably toward 2.00%” before considering cuts. Rising real interest rates will be a headwind for the economy in coming quarters; however, CBRE expects the U.S. economy will remain resilient with growth averaging 1.6% for the year.

While opinions vary on future economic issues, the general market consensus at the time of this appraisal is the anticipation of moderating inflation as higher interest rates cool demand. Tighter lending conditions and a weakening economy will keep capital markets activity subdued and reduce leasing demand in the short to medium term. Amid this uncertain and dynamic environment, investment market performance will be uneven across property types.

## EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is defined as “an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions.”<sup>1</sup>

- It is an extraordinary assumption of our Prospective Market Value Upon Completion – LIHTC Rents, Assuming Completion on September 1, 2026, and Prospective Market Value Upon Stabilization – LIHTC Rents, Assuming Stabilization on September 1, 2027, market value estimates herein that the property will operate in compliance with the restrictions set forth by the LIHTC Regulatory Agreement at completion. If not, our Prospective Market Value Upon Completion – LIHTC Rents, Assuming Completion on September 1, 2026, and Prospective Market Value Upon Stabilization – LIHTC Rents, Assuming Stabilization on September 1, 2027, value estimates are subject to change.
- It is an extraordinary assumption that the information provided by the developer concerning the LIHTC Program, including the amount of tax credits, are correct. If not, our Prospective Market Value Upon Completion – LIHTC Rents, Assuming Completion on September 1, 2026, and Prospective Market Value Upon Stabilization – LIHTC Rents, Assuming Stabilization on September 1, 2027, value estimates are subject to change.
- The Prospective Market Value Upon Completion – LIHTC Rents, Assuming Completion on September 1, 2026, value assumes the subject will be approximately 15.0% occupied upon completion. If not, this value estimate is subject to change.
- The Prospective Market Value Upon Stabilization – LIHTC Rents, Assuming Stabilization on September 1, 2027, value assumes the subject will be operating at a stabilized level (which is an extraordinary assumption of the appraisal); if not, this value estimate is subject to change.
- The Hypothetical as If Complete/Stabilized Market Value - Market Rents, Assuming Completion and Stabilization as of September 1, 2027, value assumes the subject will be 94.0% occupied upon stabilization (which is an extraordinary assumption of the appraisal); if not, this value estimate is subject to change.
- The improvements that are the subject of this report are being constructed. The Prospective Market Value Upon Completion – LIHTC Rents, Assuming Completion on September 1, 2026, Prospective Market Value Upon Stabilization – LIHTC Rents, Assuming Stabilization on September 1, 2027 and Hypothetical Market Value As If Complete/Stabilized Market Value - Market Rents, Assuming Completion and Stabilization by September 1, 2027, value estimates assume the improvements are constructed as specified by the property information provided by the developer (which is an extraordinary assumption of the appraisal). We have assumed

<sup>1</sup> The Appraisal Foundation, USPAP, 2024 Edition (Effective January 1, 2024)

that the improvements will be constructed with good workmanship, with the details and new components reported, and in a manner and timeline described to us by the developer.

- It is an extraordinary assumption of the Prospective Market Value Upon Completion – LIHTC Rents, Assuming Completion on September 1, 2026, Prospective Market Value Upon Stabilization – LIHTC Rents, Assuming Stabilization as of September 1, 2027, and Hypothetical Market Values As If Complete/Stabilized - Market Rents, Assuming Completion by September 1, 2026, and Stabilization as of September 1, 2027, value estimates that the proposed improvements have been constructed to, and in compliance with, the zoning requirements set forth in the applicable zoning district for the subject site and if not, a variance will be obtained. Additionally, it is an extraordinary assumption of this report that as of the prospective dates of value the subject will represent a continued legal, conforming use upon completion and stabilization and if not, a variance will be obtained.

The use of these extraordinary assumptions may have affected the assignment results.

### HYPOTHETICAL CONDITIONS

A hypothetical condition is defined as “a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purposes of analysis.”<sup>2</sup>

- The Hypothetical Market Value as if Complete/Stabilized – Market Rents, Assuming Completion on September 1, 2026, and Stabilization as of September 1, 2027, value estimates represent the value of the proposed improvements assuming no participation in the LIHTC Program. Therefore, the Hypothetical Market Value as if Complete/Stabilized – Market Rents, Assuming Completion by September 1, 2026, and Stabilized as of September 1, 2027, value includes the hypothetical condition that the subject rental rates are not restricted.

The use of this hypothetical condition may have affected the assignment results.

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<sup>2</sup> The Appraisal Foundation, USPAP, 2024 Edition (Effective January 1, 2024)



## OWNERSHIP AND PROPERTY HISTORY

OWNERSHIP SUMMARY	
Item	Current
<b>Current Ownership</b>	
Owner:	Magnolia Goat Ranch, LLC
Purchase Price:	\$1,300,000
Sale Date:	TBD
Legal Reference:	TBD
County/Locality Name:	Jefferson Parish
Arm's Length:	Yes
Comments:	<p>The subject is proposed and to be developed on a 7.0123-acre site on the east side of Lapalco Blvd., in Marrero, Jefferson Parish, Louisiana. The site has not yet been purchased but the reported sale price is \$1,300,000, or \$4.26 per square foot. Based on the as is value estimated herein, the site's purchase price is at market. It is reported that the land acquisition is an arm's length transaction. Total contruction costs are reported to be \$38,687,579, or \$268,664 per unit, including hard and soft costs, but not including land acquisition and a developer's fee. The subject's as stabilized value with expected LIHTC rents is estimated herein at \$18,700,000. The subject's expected LIHTC proceeds/equity is estimated herein at \$13,550,000 and the developer will also benefit from a \$19,177,000 Commiunity Development Block Grant (CDBG). All totaled, the subject's estimated restricted rent value plus the developer's expected LIHTC equity and CDBG, render the project feasible.</p>
<b>Pending Sale</b>	
Under Contract:	Yes
Buyer:	CST Multifamily Real Estate Services, LLC
Contract Price:	\$1,300,000
Contract Date:	TBD
Arm's Length:	Yes
At / Above / Below Market:	At Market
Comments:	<p>According to the listing agent, Christopher Russell, Broker, Inovation Realty, the subject site has been on the market for approximately six months at the asking price of \$1,300,000. Several offers were made; however, the seller rejected all offers below the asking price. The subject's developer reportedly went under contract at \$1,300,000 but the sale has not yet closed.</p>
Compiled by CBRE	

## EXPOSURE/MARKETING TIME

Current appraisal guidelines require an estimate of a reasonable time period in which the subject could be brought to market and sold. This reasonable time frame can either be examined historically or prospectively. In a historical analysis, this is referred to as exposure time. Exposure time always precedes the date of value, with the underlying premise being the time a property would have been on the market prior to the date of value, such that it would sell at its appraised value as of the date of value. On a prospective basis, the term marketing time is most often used. The exposure/marketing time is a function of price, time, and use. It is not an isolated estimate of time alone. In consideration of these factors, we have analyzed the following:

- exposure periods for comparable sales used in this appraisal;
- exposure/marketing time information from the PwC Real Estate Investor Survey; and
- the opinions of market participants.

The following table presents the information derived from these sources.

EXPOSURE/MARKETING TIME DATA				
Investment Type	Exposure/Mktg. (Months)			
	Range			Average
Comparable Sales Data	2.0	-	8.0	4.5
<i>PwC Apartment</i>				
National Data	1.0	-	9.0	3.9
Local Market Professionals	6.0	-	12.0	9.0
<b>CBRE Exposure Time Estimate</b>	<b>3 - 6 Months</b>			
<b>CBRE Marketing Period Estimate</b>	<b>3 - 6 Months</b>			
Source: Comparable Data, PwC Real Estate Survey, and Market Professionals				



November 19, 2024

**VIA E-MAIL**

Ms. Lela M. Folse  
Director | State Bond Commission  
Office of State Treasurer John Fleming, MD  
Email [lfolse@treasury.la.gov](mailto:lfolse@treasury.la.gov)

Re: State Bond Commission – The Reserve at Lapalco Project

Dear Ms. Folse:

We appreciate the opportunity to discuss The Reserve at Lapalco Project with you and the Treasurer earlier today. As a follow-up to our discussion, I have attached a page from the CBRE appraisal previously provided to the Commission. The appraisal indicates the best approach in valuing the project is the income capitalization approach. To assist in the Commission's review of our project, I have also enclosed a reconciliation comparing our project's total development cost to the appraised value (using the income capitalization approach). We have identified certain items in the reconciliation that are not included in the appraisal's net income capitalization approach. After the effect of these reconciling items is considered, the variance is only 2.43%.

We have also completed the Cost Containment worksheet comparing our project's costs to established HUD limits. After adjusting these limits for programming mandates and inflation, all of our costs fall well below the applicable HUD limits.

Hopefully this information is helpful in the Commission's evaluation of our project. If you need any additional information, please do not hesitate to contact me.

Sincerely,

CST Land Developers, LLC

A handwritten signature in black ink, appearing to read 'Thomas C. Delahaye', written in a cursive style.

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By: Thomas C. Delahaye, its managing member

## Reconciliation of Value

## Reconciliation of Value

The value indications from the approaches to value are summarized as follows:

SUMMARY OF VALUE CONCLUSIONS						
	Prospective Market Value Upon Completion – Hypothetical Market Rents, Assuming Completion	Prospective Market Value Upon Stabilization – Hypothetical Market Rent, Assuming Stabilization	Prospective Market Value Upon Completion - LIHTC Rents, Assuming Completion	Prospective Market Value Upon Stabilization - LIHTC Rents, Assuming Stabilization	As Is Value (Land)	Tax Credits
	September 1, 2026	September 1, 2027	September 1, 2026	September 1, 2027	February 3, 2024	September 1, 2026
Cost Approach	\$27,900,000	\$29,100,000	N/A	N/A	N/A	N/A
Sales Comparison Approach	\$31,800,000	\$33,000,000	N/A	N/A	\$1,300,000	\$13,550,000
Income Capitalization Approach	\$32,000,000	\$33,200,000	\$18,100,000	\$18,900,000	N/A	N/A
Reconciled Value	\$32,000,000	\$33,200,000	\$18,100,000	\$18,900,000	N/A	\$13,550,000
Compiled by CBRE						

The cost approach typically gives a reliable value indication when there is strong support for the replacement cost estimate, when valuing the fee simple interest, and when there is minimal depreciation. However, it often does not reflect market levels based on investor expectations. The cost approach is considered less applicable to the subject and has been used primarily as a test of reasonableness against the other valuation techniques.

In the sales comparison approach, the subject is compared to similar properties that have been sold recently or for which listing prices or offers are known. The sales used in this analysis are considered comparable to the subject, and the required adjustments were based on reasonable and well-supported rationale. In addition, market participants are currently analyzing purchase prices on investment properties as they relate to available substitutes in the market. Therefore, the sales comparison approach is considered to provide a reliable value indication but has been given secondary emphasis in the final value reconciliation.

The income capitalization approach is applicable to the subject since it will be an income producing property leased in the open market. Market participants are primarily analyzing properties based on their income generating capability. Therefore, the income capitalization approach is considered a reasonable and substantiated value indicator and has been given primary emphasis in the final value estimate.

**Appraisal Reconciliation**

Total Development Costs	\$	47,781,362.00
Net Income Capitalization Approach (per Appraisal)	\$	(33,200,000.00)
Pilot	\$	(1,360,000.00)
Reserves	\$	(2,207,920.00)
Bond and Tax Financing	\$	(445,665.00)
Developer Fee	\$	(5,159,610.00)
Program Mandates	\$	(2,526,539.00)
Construction Hard Costs Contingency	\$	(1,401,305.00)
Soft Costs Contingency	\$	(200,000.00)
Additional Hazzard & Liability Insurance	\$	(350,000.00)
Title Insurance	\$	(75,000.00)
Civil Engineering	\$	<u>(50,000.00)</u>
Difference	\$	805,323.00
<b>Percentage Variance</b>		<b>-2.43%</b>



## STATE BOND COMMISSION

November 21, 2024

State Agencies, Boards and Commissions

### SYNOPSIS

**APPLICATION NO:** S24-009B

**ENTITY:** Louisiana Housing Corporation (Lafitte Phase VII Project)

**TYPE OF REQUEST:** \$14,336,000 Revenue Bonds (Volume Cap)

**ANALYST:** Conner Berthelot

**SUBMITTED BY:**

Wayne J. Neveu, Butler Snow, LLP

**PARAMETERS:**

Not exceeding \$14,336,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 5 years, acquisition, construction, and equipping of a 51-unit multifamily housing development in New Orleans.

**LEGISLATIVE AUTHORITY:**

R.S. 40:600.86-600.111

**RECOMMENDATION:**

The application meets the technical requirements based on the information provided. At the October 17th SBC meeting, the item was deferred until the submission of an appraisal and the developer providing detailed explanation on costs.

**ATTACHMENTS:**

- ❑ Analysis Summary
- ❑ Approval Parameter Form
- ❑ Fee Comparison Worksheet
- ❑ Additional Supporting Documentation
- ❑ Additional Supporting Documentation
- ❑ Letter of Support
- ❑ Letter of Support

**STATE BOND COMMISSION**

November 21, 2024

State Agencies - Bonds - Final Approval

**ANALYSIS SUMMARY**

**APPLICATION NO:** S24-009B  
**ENTITY:** Louisiana Housing Corporation (Lafitte Phase VII Project)  
**TYPE OF REQUEST:** \$14,336,000 Revenue Bonds (Volume Cap)  
**ANALYST:** Conner Berthelot

**PARAMETERS:**

Not exceeding \$14,336,000 Multifamily Housing Revenue Bonds (Volume Cap), not exceeding 10%, not exceeding 5 years, acquisition, construction, and equipping of a 51-unit multifamily housing development in New Orleans.

These bonds will be issued for the requirement that federal 4% Low Income Housing Tax Credit ("LIHTC") be funded by at least 50% of tax-exempt private activity bonds. Upon project completion and lease-up, the tax credits are awarded to the owner of the development over 10 years (tax credit period) and are non-transferable. At that time, equity provided by the tax credit investor and other sources is used to pay down the bonds. During the tax credit period, the tax credit investor typically owns 99.99% of a project as a limited partner, while the developer owns 0.01% as the general and managing partner.

Bond proceeds will fund rehabilitation of a vacant historic building into six units and the new construction of 45 units of affordable rental housing in the Tremé/Lafitte neighborhood. Lafitte Phase VII is the final onsite phase of the Faubourg Lafitte redevelopment and will include the redevelopment of Building C-47 (the last of three former public housing structures required to be retained and rehabilitated on the site). It is a component of a Master Plan approved by the U.S. Department of Housing and Urban Development at the time of project conception post-Hurricane Katrina. The property will also include on-site management and a business/computer center. The project is being developed by Providence Community Housing led by Teri North and Michael Meredith, and construction is expected to begin in February 2025, with project completion in June 2026.

	Total	Per Unit (51)	Per Sq. Ft (65,960)
Building & Land Acquisition	\$310,000	\$6,078	\$5
Other Construction Hard Costs	\$20,574,527	\$403,422	\$312
<b>Hard Cost Subtotal</b>	<b>\$20,884,527</b>	<b>\$409,501</b>	<b>\$317</b>
Developer Fee	\$1,785,000	\$35,000	\$27
Construction Contingency	\$1,022,934	\$20,058	\$16
Other Soft Costs	\$4,412,302	\$86,516	\$67
<b>Total Development Costs (TDC)</b>	<b>\$28,104,763</b>	<b>\$551,074</b>	<b>\$426</b>

The attached "Cost Analysis Summary" provides a breakdown of construction and total development costs for the project relative to HUD limits. Details for construction and other costs are also attached.

The bonds shall not constitute a debt, liability or a pledge of the faith and credit of the State of Louisiana, or of any political or governmental unit thereof. The issuer has applied for an allocation from the State's Private Activity Volume Cap under Section 146 of the Internal Revenue Code of 1986.

**STATE BOND COMMISSION**

Construction Type	# of Buildings	Unit Type	# of Units (sq. ft.)
Rehab	1	One Bedroom	6 (901 sq. ft.)
New	40	Two Bedrooms	14 (937 - 1,346 sq. ft.)
		Three Bedrooms	25 (1,334 - 1,378 sq. ft.)
		Four Bedrooms	6 (1,469 sq. ft.)

**Participants/Team:**

Participants of the transaction are below, and are registered with the Secretary of State to do business in the State of Louisiana and are in good standing:

- Owner and Beneficiary - Lafitte 2017, LLC, for which Terri B North and Michael Meredith are principal officers.
- Developer - Providence Community Housing; led by Terri B. North and Michael Meredith, Providence Community Housing has developed and/or currently owns and operates 1,300 units of affordable housing properties, all of which include resident services tailored to special needs populations.
- Property Manager - HRI Properties; As property manager for 40 years, HRI has engaged in the management of apartment communities, and mixed-use, mixed-income properties in urban centers. The President of HRI is David Abbenante.

**Sources:**

LIHTC Equity Proceeds	\$ 10,855,000
City New Orleans Local HOME Funds (soft loans) *	\$ 6,690,000
HANO Program Income and FEMA Loan (soft loans)	\$ 8,754,050
Federal Historic Tax Credit Equity Proceeds	\$ 697,000
State Historic Tax Credit Equity Proceeds	\$ 857,505
Deferred Developer Fee (projected to be paid no later than 15 years)	\$ 251,208
Bond Proceeds **	\$ 0
<b>Total Sources</b>	<b>\$ 28,104,763</b>

\* The City of New Orleans requires the property have an affordability period of 40 years, which is an additional 10 years over the LIHTC affordability period of 30 years.

\*\* The entity will issue the entire \$14,336,000 of requested tax-exempt bonds and upon completion of construction, immediately pay the bonds down with the additional project sources to a balance of \$0. Tax-exempt bonds will be a construction only source of funding.

The Defined Tenant Benefit Package meets SBC guidelines and includes:

1. Material Rent Differential:
  - All units will be set aside for Low Income tenants making at or below 50% of the Area Median Income for New Orleans ("AMI"). Rent will be capped at 30% of the tenant's income for all 51 units.
2. Social Activities: Case management support programming will be provided for Faubourg Lafitte site and is staffed by two members focused on direct case management support individuals and families, as well as case management support and activities for seniors.

According to the Marketability Study prepared by Vogt Strategic Insights, the project should have the ability to cashflow after the construction/rehabilitation of the units, and the site will reach a stabilized occupancy of approximately 95% within 12 months following the completion of construction/renovations. The project is expected to create approximately 183 temporary construction jobs and retain 2 permanent jobs in the local economy.





## STATE BOND COMMISSION

Selection Method:	Private Placement
Purchaser:	Home Bank
Terms:	
Interest Rate	Not exceeding 10%
Maturity	Not exceeding 5 years
Security:	Revenues to be derived from the Project

In a letter received on March 19, 2024, Home Bank expresses an interest in participating in the proposed financing. The letter is not considered a commitment to purchase the proposed bonds.

Pursuant to R.S. 39:1426(B), Bonds sold in a private sale require approval by two-thirds of the members present and voting of the State Bond Commission.

Letters of support have been received from Louisiana State Senator Royce Duplessis, District 5, and Louisiana State Representative Matthew Willard, District 97.



**LOUISIANA STATE BOND COMMISSION**  
**APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking # S24-009B  
Agenda Item # 17

Applicant: \*

Louisiana Housing Corporation

Parameters / Purposes: \*

Authority to issue, sell and deliver not exceeding Fourteen Million Three Hundred Thirty-Six Thousand Dollars (\$14,336,000) of Multifamily Housing Revenue Bonds (Lafitte VII Project) (the "Bonds") in one or more series at a rate not to exceed 10%, with a maturity not-to-exceed 5 years, for the purpose of providing funds to (i) finance the acquisition, construction, and equipping of a 51-unit multifamily housing development to be known as Lafitte VII located in the City of New Orleans, Orleans Parish, Louisiana and (ii) pay the costs of issuance associated with the Bonds.

Citation(s): \*

Chapter 3-G of Title 40 of the Louisiana Revised St

Security: \*

income, revenues, and receipts derived from the Project

As Set Forth By: \*

Resolution adopted on February 14, 2024 by the Board of Directors of the Louisiana Housing Corporation

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION  
FEE COMPARISON WORKSHEET**

			\$14,336,000 S24-009B		\$17,500,000 S23-034	
		Paid From Proceeds	LHC (Lafitte Phase VII Project)		LHC (Landry Commons Project)	
			Revenue Bonds (Volume Cap)		Revenue Bonds (Volume Cap)	
			November 21, 2024		July 20, 2023	
Firm/Vendor	Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond	
ISSUANCE COSTS						
Legal						
Bond Counsel	Butler Snow	N	56,652	3.95	59,025	3.37
Co-Bond Counsel				0.00		0.00
Issuer Counsel				0.00		0.00
Underwriter Counsel				0.00		0.00
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo				0.00		0.00
Preparation of Official Statements				0.00		0.00
Purchaser Counsel				0.00		0.00
Trustee Counsel	TBD	N	10,000	0.70	10,000	0.57
Total Legal			66,652	4.65	69,025	3.94
Other						
Publishing/Advertising	Louisiana Housing Corporation	N	2,000	0.14	2,000	0.11
Rating Agency(s)				0.00		0.00
Insurance				0.00		0.00
Bond Commission	SBC	N	16,520	1.15	20,000	1.14
Issuer Financing	Louisiana Housing Corporation	N	14,336	1.00	17,500	1.00
Municipal Advisor	Government Consultants	N	28,672	2.00	35,000	2.00
Trustee/Paying Agent	TBD	N	10,000	0.70	10,000	0.57
Escrow Agent				0.00		0.00
Paying Agent				0.00		0.00
Feasibility Consultants	Agenda Item # 17			0.00		0.00
POS/OS Printing				0.00		0.00
Accounting				0.00		0.00
Account Verification				0.00		0.00
Escrow Verification				0.00		0.00
Miscellaneous				0.00		0.00
Total Other			71,528	4.99	84,500	4.83
TOTAL ISSUANCE COSTS			138,180	9.64	153,525	8.77
INDIRECT COSTS						
Beneficiary Organizational						
Beneficiary Counsel	Longwell Riess, LLC	N	75,000	5.23	60,000	3.43
Development*	Providence Verius Orleans, LLC	N	1,785,000	124.51	2,500,000	142.86
Title, Survey & Appraisal	Baldwin Title Company of LA, TBD, TBD	N	250,000	17.44	150,000	8.57
Consultant				0.00		0.00
Insurance				0.00		0.00
Total Beneficiary Organizational Costs			2,110,000	147.18	2,710,000	154.86
Mortgage Banking						
Lender Counsel	Jones Walker, LLP	N	50,000	3.49	75,000	4.29
Mortgage Servicer Counsel				0.00		0.00
Mortgage Insurance				0.00		0.00
Examination				0.00		0.00
Financing Fee	Home Bank, N.A.	N	75,000	5.23	119,000	6.80
Total Mortgage Banking Costs			125,000	8.72	194,000	11.09
TOTAL INDIRECT COSTS			2,235,000	155.90	2,904,000	165.94
TOTAL ISSUANCE AND INDIRECT COSTS			2,373,180	165.54	3,057,525	174.72

\* The developer provides certain guarantees to the tax credit investor. The developer will oversee numerous aspects during the development and construction of the project. Duties of the developer include but are not limited to negotiating and executing architectural, engineering, testing or consulting of services for the facility, assisting the owner/operator in dealing with neighborhood groups, local organizations and other parties, assisting with identifying sources of financing and negotiating the terms, establishing and implementing appropriate administrative and financial controls, assisting in obtaining access to utilities and required zoning approvals and assisting in complying with all applicable present and future laws, ordinances, orders, rules, regulations and requirements.

## Cost Analysis Summary Lafitte Phase VII Project

<b>Parish</b>	Orleans
<b>Number of Units</b>	51
<b>Square Footage</b>	65,960

<b>Housing Construction Cost</b> (See "Hard Cost Containment" Attached)	
HUD HCC LIMIT	\$ 9,830,175
Architect Estimate Total Costs *	\$ 20,308,097
Incremental Costs From Threshold Mandates	\$ (10,741,167)
Net Cost without Threshold Mandates	\$ 9,566,929
<b>Amount Over (Under) Limit</b>	<b>\$ (263,245)</b>

\* Costs are based on three previous public bids for the new construction buildings. The construction contract for this project will be subject to public bid law due to HANO funding restrictions. Public bids must be awarded to lowest bidder and given notice to proceed in short timelines.

<b>Total Development Cost</b> (See "Adjusted TDC Cost Containment" Attached)	
HUD TDC LIMIT	\$ 17,202,806
Application TDC	\$ 28,104,763
Incremental Hard Costs From Threshold Mandates	\$ (10,741,167)
Community Facilities & Reserves	\$ (1,357,694)
Acquisition & Contingency	\$ (766,547)
Other Soft Costs	\$ (3,241,360)
Developer Fee	\$ (892,500)
Post Application Adjusted TDC	\$ 11,105,495
<b>Amount Over (Under) Limit</b>	<b>\$ (6,097,311)</b>

HUD HCC LIMIT	\$	9,830,174.86
Total Hard Cost Contractor W/O Thresholds	\$	9,566,929.47
Delta	\$	(263,246)

HUD HCC/SQFT Limit	\$	176.17
Total HCC W/O Thresholds/SQFT	\$	151.23
Delta	\$	(25.00)

Based on form : HUD-92331-B

	TRADE ITEM	Architect Estimated Cost	Incremental Cost From Threshold Mandate	Net Cost Without Threshold Mandate
1	Concrete	\$ 966,454.79	\$ 674,542.46	\$ 291,912.33
2	Masonry	\$ 55,268.72	\$ 55,268.72	\$ -
3	Metals	\$ 115,554.53	\$ 68,519.00	\$ 47,035.53
4	Rough Carpentry	\$ 747,516.84	\$ 299,006.74	\$ 448,510.10
5	Finish Carpentry	\$ 726,750.00	\$ 436,050.00	\$ 290,700.00
6	Waterproofing	\$ 134,161.11	\$ 134,161.11	\$ -
7	Insulation	\$ 91,220.05	\$ 30,406.68	\$ 60,813.37
8	Roofing	\$ 356,355.63	\$ 213,813.38	\$ 142,542.25
9	Sheet Metal			\$ -
10	Doors	\$ 209,105.56	\$ 41,821.11	\$ 167,284.45
11	Windows	\$ 326,850.67	\$ 108,950.22	\$ 217,900.45
12	Glass			\$ -
13	Lath and Plaster	\$ 877,588.70	\$ 438,794.35	\$ 438,794.35
14	Drywall	\$ 2,496,496.36	\$ 1,248,248.18	\$ 1,248,248.18
15	Tile Work	\$ 67,601.85	\$ 67,601.85	\$ -
16	Acoustical			\$ -
17	Wood Flooring			\$ -
18	Resilient Flooring	\$ 631,980.81	\$ 126,396.16	\$ 505,584.65
19	Painting and Decorating	\$ 1,936,313.71	\$ 969,487.25	\$ 966,826.46
20	Specialties	\$ 29,916.78	\$ 29,916.78	\$ -
21	Special Equipment			\$ -
22	Cabinets	\$ 827,005.07	\$ 420,658.23	\$ 406,346.84
23	Appliances	\$ 161,500.17	\$ 51,000.00	\$ 110,500.17
24	Blinds and Shades			\$ -
25	Carpets			\$ -
26	Special Construction	\$ 912,125.00	\$ -	\$ 912,125.00
27	Elevators			\$ -
28	Plumbing and Hot Water	\$ 790,467.54	\$ 316,187.02	\$ 474,280.52
29	Heat and Ventilation			\$ -
30	Air Conditioning	\$ 1,276,889.50	\$ 644,566.50	\$ 632,323.00
31	Electrical	\$ 1,520,100.47	\$ 777,816.08	\$ 742,284.39
32	SUBTOTAL (Structures)	\$ 15,257,223.86	\$ 7,153,211.83	\$ 8,104,012.03
33	Accessory Structures			\$ -
34	TOTAL (Structures)	\$ 15,257,223.86	\$ 7,153,211.83	\$ 8,104,012.03
35	Earthwork	\$ 324,343.65	\$ 275,692.10	\$ 48,651.55
36	Site Utilities	\$ 134,583.39	\$ 121,125.05	\$ 13,458.34
37	Roads and Walks			\$ -
38	Site Improvement	\$ 1,123,005.55	\$ 1,123,005.55	\$ -
39	Lawns and Planting	\$ 121,388.89	\$ 101,388.89	\$ 20,000.00

Developer Comments

Reduce concrete and finishing for raised slab compared to slab on grade - QAP Requirements/site condition.
Eliminate all brickwork from historic building - historic building retention mandate.
Eliminate lintel replacements on historic building - historic building retention mandate; Fortified Roof threshold for roof deck framing - QAP requirements.
Eliminate advanced framing and thermal break for Enterprise Green Communities and Fortified Roof - QAP requirements
Eliminate additional trim necessary for historically appropriate design both interior and exterior / reduce to bare minimum - Project Design Mandate; Eliminate all solid wood trim, replace with MDF - QAP requirements.
Eliminate Gutter/downspouts - QAP requirement
Eliminate Increased R value two ft of foam insulation - Energy Efficiency threshold requirement
Remove historic terra cotta scope - historic building retention mandate; Eliminate Fortified Roof threshold requirement - QAP requirement.
Eliminate exterior door Energy Efficiency threshold; Eliminate any increased door specification beyond QAP and code requirements
Eliminate additional windows beyond code 1-per bedroom - Project Design Mandate; Remove impact and energy thresholds - QAP
Eliminate any cementitious fiber siding (hardie) and replace with vinyl - QAP requirement.
Eliminate Enterprise Green Communities air sealing and efficiency efforts; Decreased thickness of drywall to bare minimum required by code, less tape and finish required - Project Design Mandate
Eliminate tile in lieu of LVT in wet areas - Project Design Mandate
Eliminate thickness and wear layer requirements - QAP requirement
Eliminate siding paint cost with pre-finished vinyl siding - QAP
Eliminate all toilet and bath accessories - QAP requirement.
Reduce higher durability cabinet and countertop grades / Utilization of basic MDF prepainted flat pack cabinets - QAP requirement
Eliminate provision of washer dryer in unit - QAP requirement
Historic building property management office. Retained here, and pulled out on the Adjusted TDC Cost Containment page automatically. Included in calculation of adjusted builders profit, overhead, and general conditions.
Reduce hot water efficiency ratings - QAP requirement; eliminate watersense fixtures - Enterprise Green Communities (QAP requirement)
Eliminate historic building, replace with new construction - historic building retention mandate; Eliminate energy thresholds - QAP
Eliminate historic building, replace with new construction - historic building retention mandate; Eliminate energy thresholds - QAP
Site/earthwork, termite pre-treatments. Reduced by 85% to eliminate the fill in raised post-tension slab - QAP Requirements/site condition.
Eliminate Utility connections and site utilities for 51 units in lieu of a single building connection - Project Design Mandate
Eliminate pile test and pilings for 45 units for slab on grade - Project Design Mandate
Elimination of all plantings required by City permitting, retain sod - City of New Orleans mandate

	TRADE ITEM	Architect Estimated Cost	Incremental Cost From Threshold Mandate	Net Cost Without Threshold Mandate
40	Unusual Site Conditions	\$ 107,550.56	\$ 107,550.56	\$ -
41	TOTAL (Land Improvements)	\$ 1,810,872.04	\$ 1,728,762.15	\$ 82,109.89
42	General Requirements	\$ 1,077,000.00	\$ 618,009.45	\$ 458,990.55
43	Builder's Overhead	\$ 359,009.00	\$ 206,008.32	\$ 153,000.68
44	Builder's Profit	\$ 1,077,000.00	\$ 618,009.45	\$ 458,990.55
45	Architects Fee			\$ -
46	Architects Fee			\$ -
47	Other Fee	\$ 448,145.62	\$ 257,157.13	\$ 190,988.49
48	Bond Premium (Contractor)	\$ 278,846.17	\$ 160,008.88	\$ 118,837.29
49	Misc. (Labor and Materials)			\$ -
50	TOTAL HARD COST	\$ 20,308,096.69	\$ 10,741,167.22	\$ 9,566,929.47

Developer Comments

New Orleans Storm Water Protection Plan costs - City of New Orleans mandate; demolition within the historic building - historic building retention mandate.

Prorata reduction based on the above, including removing special construction on the Adjusted TDC Cost Containment tab.

Prorata reduction based on the above, including removing special construction on the Adjusted TDC Cost Containment tab.

Prorata reduction based on the above, including removing special construction on the Adjusted TDC Cost Containment tab.

Insurance, permits; Prorata reduction based on the above, including removing special construction on the Adjusted TDC Cost Containment tab.

Prorata reduction based on the above, including removing special const.

The costs and reductions presented within are estimates and do not reflect the final costs of the project that must undergo a public bid to secure a General Contractor subject to Louisiana law.

V 4.3 For 2024 Application Application: 2024 QAP Underwriting Application v1.0

Asset	Lafitte Phase VII		
Parish	Orleans	Development Type	New Construction
Number of Units	51	Max Developer Fee	\$1,785,000
Total Square footage	63,260	Developer Fee	\$1,785,000
		Delta	
Maximum TDC Limit	\$ 17,202,806.00	HUD TDC/sqft Limit	\$ 308.29
Post App. Adjusted TDC	\$ 11,105,494.85	Adjusted TDC/sqft	\$ 175.55
	\$ (6,097,311.15)		

			Developer Comments
Appraisal Date :		Appraisal Amount :	An appraisal has been ordered, and will be available in approximately 6-8 weeks.
TDC From Application	\$28,104,763		The full and unaltered cost, including reserves and legacy costs, necessary to develop the 51 unit affordable rental project, associated property management office in compliance with all applicable regulatory requirements and physical conditions.
Less Community Facilities Costs	(\$912,125)		Elimination of all costs associated with the property management office located in the historic building which is not attributable to the residential TDC limits. Removed automatically here, so left in full on the Hard Cost Containment tab.
Less Community Service Facility Costs	\$0		
Less Reserves	(\$445,569)		Elimination of cash funded reserves which are not attributable to the residential
Adjusted TDC	\$ 26,747,069.00		
Less Construction Costs Due to threshold Mandates	\$ (10,741,167.22)		From Hard Cost Containment Tab
Subtotal	\$ 16,005,901.78		A representative subtotal not including mixed finance costs if the project were not subject to the regulatory and physical requirements and could be built as the base code compliant interpretation of housing.
Less Costs Associated with Complex Layered Financing	Enter below as negative numbers		
I. Application and Allocation Fees for Bonds and Tax Credits			<p><b>2017 4%/CDBG Application Costs:</b> \$1,000.00 - LHC Application Fee; \$1,000.00 - LHC Analysis Fee; \$1,000.00 - LHC Bond Application Fee; \$12,116.15 - LHC Credit Allocation Fee; \$69.54 - LHC Public Hearing Signage; \$500.00 - 2021 Reprocessing Fee (1/2 Analysis); \$250.00 - LHC Subsidy Layering Review Fee 2021; TOTAL \$15,935.69</p> <p><b>2023 9% Application Costs:</b> \$1,500.00 - 9% Application Fee (no Analysis, unsuccessful bid); \$401.20 - Public Notice for 9% Application; TOTAL \$1,901.20</p> <p><b>Subtotal Previous Application Costs:</b> \$17,836.89</p> <p><b>Current 4% Application Costs:</b> \$1,500.00 - LHC Application Fee; \$1,500.00 - LHC Analysis Fee; \$1,000.00 - LHC Bond Application Fee; \$408.88 - Public Notice for 4% Application; \$62,075.94 - New LHC Credit Reservation Fee (awarded credits x 5%, not offset by original); TOTAL \$66,484.82</p> <p><b>State HTC Costs:</b> \$Variable - 1.5% of Total Credits Allocated less part II fee of \$2,000, maximum of \$15,000; TOTAL \$13,357.29</p> <p><b>Federal HTC Costs:</b> \$6,500 - For projects over \$3.85MM in QRE's; TOTAL \$6,500</p> <p><b>Projected LHC Costs:</b> \$2,461 for reprocessing, subsidy layering review, placed in service review, and first year compliance fees</p> <p>Noted above.</p> <p>Fees related to publishing and advertising.</p> <p>Bond application fees paid to State Bond Commission, will be counted with State Bond Commission Fee below for a total of \$16,520.</p>
a. Tax Credit Application Fees	\$ (106,640.00)		
b. Tax Credit Allocation Fees	\$ -		
c. Bond Application Fees to Issuer	\$ (2,000.00)		
d. Bond Application Fees to State Bond Commission	\$ (1,500.00)		
e. Subordinate Loan Application Fees			
II. Bond Issuance Costs			
a. Bond Counsel	\$ (56,652.00)		Fees to Butler Snow related to bond issuance.
b. Bond Issuer Counsel	\$ (28,672.00)		Fees to Government Consultants as Issuer Counsel/Financial Advisor.
c. Bond Issuer Financing Fee	\$ (14,336.00)		Issuer Financing Fee to LHC.
d. State Bond Commission Fee	\$ (15,020.00)		Based on bond amount, SBC application fee included for a total of \$16,520.
e. Trustee Fee	\$ (10,000.00)		Estimate provided from Butler Snow. Trustee TBD.
f. Trustee Counsel Fee	\$ (10,000.00)		Estimate provided from Butler Snow. Trustee Counsel TBD.
III. Subordinate Loan Costs			
a. Subordinate Lenders Financing Fee	\$ -		There are no financing fees associated with the Housing Authority of New Orleans or the City of New Orleans
b. Subordinate Lender Counsel Fee	\$ (50,000.00)		Legal fees to Housing Authority of New Orleans counsel. There are no estimated legal fees to the City of New Orleans.
c. Subordinate Loan Document Recording Costs	\$ (115,000.00)		Estimate of title and recording fees, accounting for 41 lots of record.
IV. Tax Credit Equity Costs			
a. Syndication Fee	\$ -		We have negotiated no fees at the lower tier with our syndicator.
b. Equity Counsel Fee	\$ -		We have negotiated no fees at the lower tier with our syndicator.
c. CPA Certification of 50% Test	\$ (30,000.00)		Sum of all a third party accounting fees for tax returns, audits, LIHTC and HTC cost certifications, and 50% test.
d. Bridge Loan Costs			
V. Developer Fee Associated with Complex Layered Financing	\$ (892,500.00)		A developer fee usually ranges from 12 to 15% of total costs less developer fee for mixed finance transactions. The fee for this project is equivalent to 6.78% of the TDC. We show 50% of the allowed fee as attributable to mixed financing.
VI. Other (Subject to LHC Approval)	\$ (3,568,086.93)		See attached tab/sheet for full details
Total Costs Associated with Complex Layered Financing	\$ (4,900,406.93)		A mix of costs associated with mixed finance projects and extraordinary circumstances related to previous iterations of multiple planned projects to complete the former public housing site that did not progress.
Post Application Adjusted TDC	\$ 11,105,494.85		

Other Costs Subject to LHC Approval

Item	Cost (negative)	Comment / Justification
Acquisition Costs	\$ (310,000.00)	Remove the full value of the historic building improvements, which are fully offset by a Seller Take Back loan from the Housing Authority of New Orleans.
Construction Contingency	\$ (247,709.66)	Reduction in developer owner 5% contingency accounting for adjusted HCC
Historic Building Stabilization Costs	\$ (63,162.00)	Eliminate costs incurred to prevent collapse of the historic structure.
Appraisal Fees	\$ (36,969.00)	Elimination of stale dated appraisals for previous projects that did not proceed including Block 6 pre-sale appraisals and appraisals of scattered site addresses. Eliminate historic building shell value appraisal associated with mandatory retention of the historic structure in lieu of greenfield development.
Market Study Fees	\$ (10,200.00)	Elimination of stale dated market studies for previous projects that did not proceed, remaining only final LHC appraisal.
Lead Based Paint Assessment and Testing	\$ (108,801.00)	Elimination of all abatement costs associated with the mandatory retention of the historic building and would not be present in greenfield new construction.
Survey Fees	\$ (104,550.00)	Elimination of all survey material for previous projects that did not go forward, reduction to simply 40x individual elevation certificates with no pre- or post-construction ALTA survey to satisfy tax credit investor compliance.
Environmental Study	\$ (90,002.00)	Elimination of all environmental study fees except a Phase 1 environmental review.
Marketing	\$ (25,000.00)	Elimination of all unit marketing reserves.
Property Taxes	\$ (69,677.00)	Elimination of property taxes and related PILOT issuance costs as the underlying land is owned by the Housing Authority and would be exempt from ad valorem real estate taxes if not in a syndication structure necessary to generate and distribute tax credits.
Consulting, Testing, and Third Parties	\$ (140,640.00)	Elimination of: <b>Historic consultants</b> associated with the mandatory retention and rehabilitation of the former public housing building. Consultants assisted with confirming Part I NPS eligibility due to the demolition of surrounding historic context undertaken by HUD. <b>Environmental Air Monitoring and Testing</b> during construction associated with the historic building. <b>Investor and lender insurance reviews</b> for preconstruction approvals prior to closing. <b>Signage fees</b> associated with commercial lenders for fence visibility. <b>Materials testing</b> required by the investor's construction review team.
Legal Fees	\$ (98,098.00)	Eliminate \$48,098 carried forward from previous projects related to loan documentation and public bid preparations, reduce remaining \$100,000 to \$50,000 for basic representation.
Construction Financing Fees	\$ (24,425.00)	Eliminate the syndicator and investor members preconstruction review and associated construction monitoring costs.



Construction Interest	\$ (1,069,429.00)	Elimination of all bond related construction interest expenses. The bond is only necessary to finance 50% of the aggregate basis of construction to generate tax credits. If tax credits were available without the bonds, this project has sufficient permanent sources at zero interest to cover construction.
Construction Loan Points	\$ (143,360.00)	Elimination of all bond related construction loan points. The bond is only necessary to finance 50% of the aggregate basis of construction to generate tax credits. If tax credits were available without the bonds, this project has sufficient permanent
FF&E	\$ (25,000.00)	Eliminate fixtures, furnishings, and equipment necessary for the property management office which is not included in residential total development costs.
Architect and Engineering Fees - Historic Building	\$ (286,149.13)	Elimination of the historic building architectural and engineering that would not be required if the building could be demolished and replaced with more efficient housing.
Architect and Engineering Fees - Original Block 6 Homeownership	\$ (334,861.91)	Elimination of Block 6 Homeownership architectural, engineering, and civil that could not be carried forward due to code changes, architect of record, and some subconsultants no longer practicing in LA.
Architect and Engineering Fees - Scattered Site	\$ (171,215.93)	Elimination of all costs related to the scattered sites of the original Lafitte 2017 project that are no longer part of the Phase VII project.
Contingency	\$ (208,837.30)	Pro rata reduction of investor mandated soft cost contingency of 7.5% to match cost reductions as shown. Eliminate additional developer held soft cost contingency due to project complexity and financing risk.
<b>Total Costs</b>	<b>\$ (3,568,086.93)</b>	



11616 Southfork Avenue • Suite 404  
Baton Rouge, Louisiana 70816  
p 225.293.7006 • f 225.293.7009

November 13, 2024

Ms. Terri North  
President & CEO  
Providence Community Housing  
2117 Ursulines Avenue  
New Orleans, LA 70116

Re: Construction costs and valuation theory  
pertaining to the proposed Lafitte VII  
development in New Orleans, LA

Dear Ms. North:

Pursuant to your request, we have compiled the following discussions pertaining to construction costs for conventional multifamily construction versus those for properties built under the state and federal requirements associated with subsidized affordable housing projects in Louisiana, as well as their relevance in the valuation of such properties. This letter is intended to serve as a discussion as to the relevance of the Cost Approach, and the issues surrounding it, in an appraisal of an affordable property.

Over the past 3+ decades, our firm has completed appraisals of more than 1,000 multifamily properties in Louisiana, many of which have been built under one or more programs intended to subsidize the costs of development. The need for such subsidy programs is a result of the substantial gaps between the costs of development and the prospective market values of the finished and stabilized projects. It is not uncommon for the cost of construction (particularly for projects built under the more stringent construction requirements associated with affordable projects built with LHC subsidies) to exceed the market value of any specific project by 200% to 400% (i.e., the value of the finished and stabilized product is often worth less than 30% of the cost to acquire land and build the project). The subsidy programs by their nature are intended to render feasible the construction and redevelopment of housing in blighted areas that would otherwise be grossly infeasible.

I would note that the vast majority of the appraisals we write are for lenders funding the private portion of such affordable housing projects. The focus of those appraisal assignments is typically to provide a projection of the prospective market value of the project upon completion. Such valuations are

*Lafitte Phase VII  
North Prieur Street  
New Orleans, LA*

*Cook, Moore, Davenport & Associates  
Real Estate Appraisers  
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driven by the income potential (prospective rental revenues minus the expected costs of operations, with the resulting net operating income capitalized into an indication of prospective market value), with the reasonableness of the value indications derived via such income-based analyses checked via direct comparison with sales of other similar properties (termed the Sales Comparison Approach). The Cost Approach (valuation via analysis of construction costs) is given minimal, if any, consideration in the vast majority of the appraisals we write. It is, by far, the least reliable basis for determining market value, and it is not reflective of the basis on which most investors in multifamily properties make their pricing decisions. In most cases, we only provide a Cost Approach analysis if the client mandates it, but we then give it minimal (if any) consideration in the final value reconciliation.

Cost is different than Market Value. A competent real estate appraiser compiling a Cost Approach analysis will start with the construction cost figures for the project being analyzed (often based on multiple sources, including the cost figures provided by the developer), but will then deduct for the various forms of depreciation and obsolescence that might be expected to affect the property. Much like the concept of driving a new car off the lot, there can be forms of depreciation that instantly affect even a new property. In the case of a new affordable project built in an area for which attainable rentals do not justify the costs of construction (i.e., the project is infeasible), the gap between cost and market value is often attributable to Economic Obsolescence (external forces that create a gap between market rents and the “feasibility rent” needed to render construction feasible). This is attributable to the restricted rents and the increased construction (and operating) costs for subsidized properties. These types of developments are generally not financially feasible to construct without substantial government subsidies.

I would also note that real estate appraisers are economists. We are not construction experts. I have an undergraduate degree in Construction from LSU, and know enough to know that I do not qualify as a construction expert (a statement that would apply to virtually all of my peers). Real estate appraisers often have to rely on historical (often aged) construction cost data (often aggregated into generic cost databases), and we generally lack the insight into the cost drivers associated with various regulatory and threshold requirements to be able to know if our cost estimates are even remotely accurate. I would

*Lafitte Phase VII  
North Prieur Street  
New Orleans, LA*

*Cook, Moore, Davenport & Associates  
Real Estate Appraisers  
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speculate that it's rare that any appraiser fully understands the full slate of regulatory requirements overlaid on any given project.

Appraisers do, though, often get to review the cost figures compiled and provided by developers (of both conventional and mixed-finance/affordable projects). We can make statements regarding comparison of the budgeted and/or contracted cost figures provided for any given project with those reviewed for other projects. The challenges there loop back to understanding and recognizing when we're comparing apples with apples versus when we're not.

While we are not cost experts, and are not versed in the issues surrounding what might make constructions costs substantially more for one type of project versus another, we can state that we have historically seen substantially greater budgeted and contracted construction costs for affordable properties built under one or more subsidy programs than those reported for conventional, market-rate projects.

For subsidized properties, there can be (and typically are) many issues that drive construction costs upward, including Davis Bacon wage requirements, QAP mandates (i.e., minimum unit sizes, green building requirements, fortified roofs, etc.), requirements of contracts under Louisiana state bid laws, adaptive reuse of blighted historic buildings (this project has a requirement to restore one of the historic buildings which would likely be cheaper to tear down and build new, than to restore), and various other requirements that increase costs for a subsidized complex versus a market-rate complex. In addition, there can be additional soft costs (i.e., bond fees, tax credit fees, etc.) that also increase costs for a subsidized development. For these issues, a construction cost analyst may be more qualified to ascertain why costs for a subsidized complex are substantially greater than for typical market-rate complexes.

We are still in the preliminary stages of the appraisal process for the Lafitte – Phase VII. Once we get further along in the process, we expect to have more substantive figures for comparison. I hope we have provided enough information to convey our issues with the Cost Approach as a basis for valuation in an affordable housing project.

***Lafitte Phase VII  
North Prieur Street  
New Orleans, LA***

***Cook, Moore, Davenport & Associates  
Real Estate Appraisers  
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We appreciate the opportunity to be of service. If we can be of further assistance in this matter, please do not hesitate to contact us.



D. Wesley Moore, II, CRE, MAI, CCIM  
Louisiana Certified General  
Real Estate Appraiser #G0664

Respectfully submitted,



Craig Davenport, MAI  
Louisiana Certified General  
Real Estate Appraiser #G1128

**ROYCE DUPLESSIS**  
State Senator  
District 5



**SENATE**  
**STATE OF LOUISIANA**

Agenda Item # 17

643 Magazine Street,  
Suite 302 New Orleans, LA 70130  
[sen05@legis.la.gov](mailto:sen05@legis.la.gov)  
504.568.2740

October 10, 2024

Treasurer John Fleming, MD  
Louisiana State Treasurer  
Louisiana State Capitol Building  
900 North Third Street, Third Floor  
Baton Rouge, LA 70802

Dear Treasurer Fleming:

I am writing on behalf of the Lafitte Phase VII housing development, located in the Tremé neighborhood of New Orleans, to respectfully request your support in advancing this critical project as it goes before the State Bond Commission (SBC) on Thursday, October 17, 2024.

New Orleans is grappling with a severe affordable housing crisis. As rents continue to increase, the demand for affordable units far exceeds the supply, leaving individuals and families struggling to secure stable housing. This shortage has led to a growing homelessness problem, with shelters frequently overwhelmed and resources stretched thin. Lafitte Phase VII will provide fifty-one (51) new housing units for families earning at or below 50% of the Area Median Income, addressing the ongoing need for affordable housing in New Orleans.

Lafitte Phase VII (aka Lafitte 2017 LLC), a joint effort between Providence Community Housing and Verius Property Group, with Enterprise Community Partners serving as the development consultant, represents a vital investment in affordable housing for the community. This project marks the completion of the original 27-acre Lafitte Public Housing site redevelopment, which was demolished following Hurricane Katrina. The project has procured the necessary permanent sources of funding for this project. For Lafitte Phase VII, the SBC approval is solely for the tax-exempt status required for a construction loan issued by a private financial institution and does not involve an allocation or approval of state-controlled funds.

Thank you for your time and consideration. If you have any questions or require further information, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in blue ink, appearing to read "Royce Duplessis", with a large, stylized flourish at the end.

Senator Royce Duplessis- District 5

2021 Lakeshore Drive  
Suite 140  
New Orleans, LA 70122

[Hse097@legis.la.gov](mailto:Hse097@legis.la.gov)  
Tel: (504) 283-4261  
Fax: (504) 283-4263



Committees:  
Ways and Means  
Insurance  
Municipal, Parochial and Cultural Affairs  
Joint Legislative Committee on Capital  
Outlay

**Matthew Willard**  
**State Representative - District 97**

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October 14, 2024

Treasurer John Fleming, MD  
Louisiana State Treasurer  
Louisiana State Capitol Building  
900 North Third Street, Third Floor  
Baton Rouge, LA 70802

Dear Treasurer Fleming,

I am writing on behalf of the Lafitte Phase VII housing development, located in the Treme neighborhood of New Orleans, to respectfully request your support in advancing this critical project as it goes before the State Bond Commission (SBC) on Thursday, October 17, 2024.

New Orleans is grappling with a severe affordable housing crisis. As rents continue to increase, the demand for affordable units far exceeds the supply, leaving individuals and families struggling to secure stable housing. This shortage has led to a growing homelessness problem, with shelters frequently overwhelmed and resources stretched thin. Lafitte Phase VII will provide fifty-one (51) new housing units for families earning at or below 50% of the Area Median Income, addressing the ongoing need for affordable housing in New Orleans.

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For Lafitte Phase VII, the SBC approval is solely for the tax-exempt status required for a construction loan issued by a private financial institution and does not involve an allocation or approval of state-controlled funds.

Thank you for your time and consideration. If you have any questions or require further information, please do not hesitate to contact me directly.

Sincerely,

A handwritten signature in black ink, reading "Matthew Willard". The signature is written in a cursive, flowing style.

Matthew Willard  
Louisiana House of Representatives, District 97  
House Democratic Caucus, Chair





## STATE BOND COMMISSION

November 21, 2024

Political Subdivisions - Bonds

### SYNOPSIS

**APPLICATION NO:** S24-044

**ENTITY:** Louisiana Community Development Authority (Christwood Project)

**TYPE OF REQUEST:** \$40,000,000 Revenue and Refunding Bonds

**ANALYST:** Brandon Rinaudo

**SUBMITTED BY:**

Meredith L. Hathorn, Foley & Judell, LLP

**PARAMETERS:**

Not exceeding \$40,000,000 Revenue and Refunding Bonds, not exceeding 7%, mature no later than December 31, 2060, **(1)** approximately \$22,395,000 Refunding Bonds, refunding Revenue and Refunding Bonds, Series 2014, **(2)** approximately \$17,605,000 Revenue Bonds, financing certain improvements at the existing Christwood retirement community in Covington, and **(3)** funding a debt service reserve fund, if necessary.

**LEGISLATIVE AUTHORITY:**

R.S. 33:4548.1 - 4548.16

**RECOMMENDATION:**

The application meets the technical requirements based on the information provided, therefore staff recommends approval.

**ATTACHMENTS:**

- ❑ **Analysis Summary**
- ❑ **Approval Parameter Form**
- ❑ **Fee Comparison Worksheet**



## STATE BOND COMMISSION

November 21, 2024

Political Subdivisions - Bonds - Final Approval

### ANALYSIS SUMMARY

**APPLICATION NO:** S24-044  
**ENTITY:** Louisiana Community Development Authority (Christwood Project)  
**TYPE OF REQUEST:** \$40,000,000 Revenue and Refunding Bonds  
**ANALYST:** Brandon Rinaudo

#### **PARAMETERS:**

Not exceeding \$40,000,000 Revenue and Refunding Bonds, not exceeding 7%, mature no later than December 31, 2060, **(1)** approximately \$22,395,000 Refunding Bonds, refunding Revenue and Refunding Bonds, Series 2014, **(2)** approximately \$17,605,000 Revenue Bonds, financing certain improvements at the existing Christwood retirement community in Covington, and **(3)** funding a debt service reserve fund, if necessary.

The LCDA, on behalf of Christwood, is seeking approval for a current economic refunding that will provide approximately \$1,610,640 in gross debt service savings benefits to Christwood. Proceeds from the new money component will be utilized to finance certain improvements including, but not limited to, constructing a new recreation center, welcome center and up to 40 new independent living units, and other capital improvements to Christwood.

A portion of the proposed debt may be issued as taxable to preserve flexibility for Christwood, in case of a factor that would require taxable bonds, such as private use of a facility or costs of issuance above 2%.

The bonds shall not constitute a debt, liability, loan of the credit or a pledge of the faith and credit of the Parish or of the State of Louisiana, or of any political or governmental unit thereof.

Christwood is a 501(c)(3) Louisiana nonprofit corporation registered with the Secretary of State and is in good standing. The principal officers are Iris Blundell, CFO and Stephen Holzhalf, Executive Officer.

Christwood is a retirement community that was established on May 15, 1996, located at 100 Christwood Boulevard in Covington. The community consists of 34 assisted living apartments, 30 skilled nursing beds, and 161 independent living residences, of which there are 143 apartments and 18 cottages. Amenities include recreational and common areas such as dining areas, a community center, an outdoor courtyard, and a maintenance building.

The Series 2014 bonds being refunded were originally issued by the St. Tammany Public Trust Financing Authority, on behalf of Christwood, for refunding outstanding bonds, Series 1998 and 2011, for financing certain improvements at Christwood, and for funding a debt service reserve fund.

#### **Refunding Analysis**

##### **Original Asset Life:**

The final maturity date of the bonds being refunded is November 15, 2037. The issuance of refunding bonds is anticipated to result in the same maturity; however, staff has been informed that if the maturity of the refunding bonds were to be extended, the life of the underlying assets would be the same as the proposed refunding bond's length of maturity.

**STATE BOND COMMISSION****Interest Rate Reduction:**

Interest rate on outstanding Bonds	4.75% to 5.25%
Estimated interest rate on Refunding Bonds	5.00%

**Present Value / Future Value Savings:**

Average Annual Savings	\$123,895
Estimated Total Gross Debt Service Savings	\$1,610,640
Prior Debt Service Reserve Fund Transfer	(\$2,498,356)
New Reserve Fund Deposit Amount	\$1,437,625
Estimated Net Present Value Debt Service Savings	\$77,826
Net Present Value Savings as % of Refunded Principal:	0.34%

The redemption provisions reflect the bonds being refunded are callable on November 15, 2024, therefore this level of current value savings falls within SBC guidelines.

Selection Method:	Negotiated
Purchaser:	B.C. Ziegler and Company
Terms:	
Interest Rate	Not exceeding 7%
Maturity	Mature no later than December 31, 2060
Security:	Income, revenues and receipts derived from the project.

In a letter dated October 28, 2024, B.C. Ziegler and Company is highly confident of their ability to arrange the proposed financing, subject to the receipt of appropriate approvals. This letter does not constitute any commitment to purchase or arrange the financing.



**LOUISIANA STATE BOND COMMISSION  
APPROVAL PARAMETERS - BONDS / LOANS**

SBC Tracking #S24-044

Agenda Item # 18

Applicant: \*

Louisiana Local Government Environmental Facilities and Community Development Authority - Christwood Project

Parameters / Purposes: \*

Authority to issue not exceeding \$40,000,000 of Revenue and Refunding Revenue Bonds (Christwood Project) in one or more series (the "Bonds") for the purpose of (i) refinancing Christwood's obligations in connection with the outstanding St. Tammany Public Trust Financing Authority Revenue and Refunding Revenue Bonds (Christwood Project) Series 2014, (ii) financing certain improvements at the existing Christwood retirement community located in Covington, Louisiana, including capitalized interest, if necessary, (iii) funding a debt service reserve fund, if necessary, and (iv) paying costs of issuance of the Bonds.

The Bonds shall bear interest on a tax-exempt or taxable basis at fixed rates not exceeding 7% per annum and shall mature no later than 12/31/2060.

The Bonds are payable from a pledge of the income, revenues and receipts derived from Christwood, the retirement community located at 100 Christwood Blvd., Covington, St. Tammany Parish, Louisiana.

Citation(s): \*

Chp. 10-D of Title 33 of La R. S. of 1950, as amend

Security: \*

A pledge of the income, revenues and receipts derived from the retirement community known as Christwood.

As Set Forth By: \*

A resolution adopted by the Louisiana Local Government Environmental Facilities and Community Development Authority on October 10, 2024.

Subject To:

It is the policy of the State Bond Commission that all attorneys' fees involved in this matter must be approved by the Office of the State Attorney General prior to payment. Although this is not a conditional approval of this application, failure to obtain such approval may result in conditional approval of such application by the State Bond Commission in the future.

The approval does not constitute a recommendation, approval, or sanction by the Louisiana State Bond Commission or the State of Louisiana of the investment quality of the credit represented by the application. Further, the approval does not constitute any guaranty of repayment of the debt by the State Bond Commission or the State of Louisiana. The approval of the application by the Louisiana State Bond Commission should not be relied upon as advice by any current or potential holders or purchasers of any debt instruments subject to the application, including, but not limited to bonds, notes, and certificates of indebtedness. Nor shall the State Bond Commission or the State of Louisiana have any liability or legal responsibility to third party purchasers or investors arising out of, related to, or connected with the approval.

**STATE BOND COMMISSION  
FEE COMPARISON WORKSHEET**

Agenda Item # 18

			\$40,000,000 S24-044 Louisiana Community Development Authority (Christwood Project)		\$70,000,000 S24-019 Louisiana Community Development Authority (Patriot Services Group - Louisiana Portfolio Project)	
			Paid From Proceeds	Revenue and Refunding Bonds November 21, 2024	Refunding Bonds September 26, 2024	
	Firm/Vendor	Y / N	\$ Amount	\$ Per Bond	\$ Amount	\$ Per Bond
ISSUANCE COSTS						
Legal						
Bond Counsel	Foley & Judell, LLP	Y	80,900	2.02	103,400	1.48
Borrower's Counsel	Stone Pigman Walther Wittman LLC	Y	125,000	3.13		0.00
Issuer Counsel	Jones Walker, LLP	Y	10,000	0.25	32,500	0.46
Underwriter Counsel	Bracewell LLP	Y	125,000	3.13	100,000	1.43
Underwriter Co-Counsel				0.00		0.00
Preparation of Blue Sky Memo	Bracewell LLP	Y	10,000	0.25		0.00
Preparation of Official Statements				0.00		0.00
Escrow Trustee Counsel				0.00		0.00
Trustee Counsel	Gregory A. Pletsch & Associates	Y	12,500	0.31	10,000	0.14
Total Legal			363,400	9.09	245,900	3.51
Underwriting						
Sales Commission				0.00		0.00
Management Fees	B.C. Ziegler and Company	Y	150,000	3.75		0.00
MSRP/CUSIP/PSA	B.C. Ziegler and Company	Y	10,000	0.25	5,000	0.07
Takedown	B.C. Ziegler and Company	Y	430,000	10.75		0.00
Day Loan	B.C. Ziegler and Company	Y	2,000	0.05		0.00
Placement Fee				0.00	125,000	1.79
Total Underwriting			592,000	14.80	130,000	1.86
Other						
Publishing/Advertising	Various	Y	10,000	0.25	7,500	0.11
Rating Agency(s)				0.00		0.00
Bond Commission	SBC	Y	44,000	1.10	74,500	1.06
Issuer Financing	LCDA	Y	20,000	0.50	34,000	0.49
Municipal Advisor				0.00		0.00
Trustee	Hancock Whitney	Y	7,000	0.18	10,000	0.14
Escrow Agent				0.00		0.00
Escrow Verification				0.00		0.00
Feasibility Consultants	CliftonLarsonAllen LLP	Y	85,000	2.13		0.00
Other Consultants	Digital Assurance Certification, LLC	Y	1,000	0.03		0.00
Accounting	Ericksen Krentel	Y	8,500	0.21		0.00
Account Verification				0.00		0.00
Official Statement Printing	ImageMaster	Y	6,500	0.16		0.00
Transcript Production	Alliance	Y	3,500	0.09		0.00
Miscellaneous				0.00		0.00
Total Other			185,500	4.64	126,000	1.80
TOTAL ISSUANCE COSTS			1,140,900	28.52	501,900	7.17
INDIRECT COSTS						
Beneficiary Organizational						
Beneficiary Counsel				0.00	77,500	1.94
Development				0.00	100,000	2.50
Title, Survey & Appraisal	TBD	Y	125,000	3.13	100,000	2.50
Third-party Abstractor	TBD	Y	5,000	0.13		0.00
Insurance				0.00	350,000	8.75
Total Beneficiary Organizational Costs			130,000	3.25	627,500	15.69
TOTAL INDIRECT COSTS			130,000	3.25	627,500	15.69
TOTAL ISSUANCE AND INDIRECT COSTS			1,270,900	31.77	1,129,400	22.86



**STATE BOND COMMISSION**

November 21, 2024

Costs of Issuance Reportings

**SYNOPSIS**

**APPLICATION NO:** L21-366B

**ENTITY:** Plaquemines Port, Harbor & Terminal District (NOLA Terminal, LLC Project)

**TYPE OF REQUEST:** Reporting

**ANALYST:** Conner Berthelot

**SUBMITTED BY:**

Meredith L. Hathorn, Foley & Judell, LLP

**PARAMETERS:**

Reporting on changes in costs of issuance.

**ATTACHMENTS:**

- ☐ **Analysis Summary**
- ☐ **Financial Disclosure Form**



## STATE BOND COMMISSION

November 21, 2024

Costs of Issuance Reporting

### ANALYSIS SUMMARY

**APPLICATION NO:** L21-366B  
**ENTITY:** Plaquemines Port, Harbor & Terminal District (NOLA Terminal, LLC Project)  
**TYPE OF REQUEST:** Reporting  
**ANALYST:** Conner Berthelot

**PARAMETERS:**

Reporting on changes in costs of issuance.

The application was granted final approval on November 18, 2021, as follows:

**Final Approval:**

Amount: Not exceeding \$300,000,000 Dock and Wharf Facilities Revenue Bonds  
Interest Rate: Not exceeding 10%  
Maturity: Not exceeding 30 years  
Purpose: Phase 1 of acquiring, constructing, rehabilitating, developing, improving and equipping capital improvements, equipment and infrastructure related to a dock, wharf, and blending/storage facility, funding, in whole or in part, one or more reserve funds, including without limitation, a debt service reserve fund, operating expense reserve, major maintenance reserve, and other such other reserve funds determined to be necessary and funding capitalizable interest.  
Cost of Issuance: \$7,915,951

The application was amended on March 21, 2024, to reflect change in interest rate from not exceeding 10% to not exceeding 11% tax-exempt and 12% taxable and reflect a change costs of issuance, bringing total approved cost of issuance to \$8,663,043.

**Issuance:**

Amount: \$97,385,000 Dock & Wharf Facilities Revenue Bonds, Series 2024A & Taxable Series 2024B  
Interest Rate: 9.0%-12.0%  
Maturity: December 1, 2044  
Cost of Issuance: \$3,356,387  
Issue Date: June 6, 2024

**10% Line Item Increase Reporting:**

- Increase of \$27,500 for Tax Counsel to Hunton Andrews Kurth.
  - Fee increased due to additional work and legal analysis required as a result of delayed financing.
- Increase of \$200 for MSRP/CUSIP/PSA to CUSIP Global Services.
  - A portion of this fee was originally included in a different category.

**Additional Fees Reporting:**

- Addition of \$486,925 for Underwriting Management to Morgan Stanley.
  - Originally included in Underwriting Discount; total underwriting did not exceed approved amount.
- Addition of \$2,500 for Transcript Production to Alliance.
  - Fee was inadvertently omitted from the original application.
- Addition of \$191,857 for Title, Survey, & Appraisal to True Title Metairie.
  - It was not originally anticipated that new title work be needed as part of this financing transaction.

Total approved cost of issuance remaining is \$5,306,656.

The Financial Disclosure Form is attached which reflects the previously approved costs and actual incurred costs.



LOUISIANA STATE BOND COMMISSION  
FINANCIAL DISCLOSURE FORM

SBC002  
Rev 02/11/15

Entity / Project: Plaquemines Port, Harbor and Terminal District (NOLA Terminal LLC Project)  
Debt Instrument: Dock and Wharf Facilities Revenue Bonds, Series 2024A&B

SBC Tracking #: L21-366A  
Amount: \$97,385,000

		Paid From Proceeds Yes / No	COMPLETE WITH APPLICATION SUBMISSION ESTIMATED			COMPLETE WITH POST CLOSING FORM ACTUAL			VARIANCE		>10% CR # *
			Fees	Expenses	Total	Fees	Expenses	Total	\$	%	
ISSUANCE COSTS											
Legal											
Bond Counsel	Foley & Judell, L.L.P.	Yes	270,900	5,000	275,900	118,939	5,000	123,939	-151,961	-55.1%	
Company LA Counsel	Hand, Holmes, Pilié, M	Yes	200,000	0	200,000	125,000		125,000	-75,000	-37.5%	
Issuer Counsel	Dwyer, Cambre & Suffe	Yes	75,000	0	75,000	25,000		25,000	-50,000	-66.7%	
Underwriter's Counsel	Nixon Peabody LLP	Yes	300,000	0	300,000	235,000		235,000	-65,000	-21.7%	
Co-Underwriter Counsel			0	0	0			0	0	0.0%	
Preparation of Blue Sky Memo	Nixon Peabody LLP	Yes	5,000	0	5,000	0		0	-5,000	-100.0%	1
Preparation of Official Statements			0	0	0			0	0	0.0%	
Tax Counsel	Hunton Andrews Kurth	Yes	70,000	0	70,000	97,500		97,500	27,500	39.3%	2
Trustee Counsel	Thompson Hine, LLP	Yes	35,000	0	35,000	18,000		18,000	-17,000	-48.6%	
Escrow Trustee Counsel			0	0	0			0	0	0.0%	
Purchaser's Counsel	Greenberg Traurig, LLP	Yes	125,000	0	125,000	90,000		90,000	-35,000	-28.0%	
Company Disclosure Counsel	Kline Alvarado Veio, PC	Yes	150,000	0	150,000	125,000		125,000	-25,000	-16.7%	
				0	0			0	0	0.0%	
Total Legal			1,230,900	5,000	1,235,900	834,439	5,000	839,439	-396,461	-32.1%	
Underwriting											
Underwriting Discount	Morgan Stanley	Yes	6,750,000	0	6,750,000	1,704,238		1,704,238	-5,045,763	-74.8%	
Sales Commission			0	0	0			0	0	0.0%	
Management	Morgan Stanley	Yes	0	0	0		486,925	486,925	486,925	486925.0%	3
MSRP / CUSIP / PSA	CUSIP Global Services	Yes	0	408	408		608	608	200	49.0%	4
Takedown	Morgan Stanley/Celado	Yes	0	0	0			0	0	0.0%	
Day Loan	Morgan Stanley	Yes	0	8,333	8,333		2,655	2,655	-5,678	-68.1%	
Other - Dalcomp/Roadshow/DTC/Out-of-Pocke	Morgan Stanley/Celado	Yes	0	8,902	8,902		6,380	6,380	-2,522	-28.3%	
Total Underwriting			6,750,000	17,643	6,767,643	1,704,238	496,569	2,200,806	-4,566,837	-67.5%	

**\*Post Closing - Variances of 10% or More**

**CR# Justification**

- 1 The fee for Preparation of the Blue Sky Memo was included in the total amount payable to Nixon Peabody LLP as Underwriter's Counsel.
- 2 The fee for Tax Counsel increased due to the additional work and legal analysis required as a result of the delayed financing.
- 3 The Management fee was originally included in the total amount listed for the Underwriting Discount.
- 4 A portion of this fee was originally included in the total amount listed under "Other".





LOUISIANA STATE BOND COMMISSION  
FINANCIAL DISCLOSURE FORM

SBC002  
Rev 02/11/15

Entity / Project: Plaquemines Port, Harbor and Terminal District (NOLA Terminal LLC Project)  
Debt Instrument: Dock and Wharf Facilities Revenue Bonds, Series 2024A&B

SBC Tracking #: L21-366A  
Amount: \$97,385,000

Firm / Vendor Name	Paid From Proceeds Yes / No	COMPLETE WITH APPLICATION SUBMISSION ESTIMATED			COMPLETE WITH POST CLOSING FORM ACTUAL			VARIANCE		>10% CR # *
		Fees	Expenses	Total	Fees	Expenses	Total	\$	%	
<b>Credit Enhancement</b>										
Bond Insurance		0	0	0			0	0	0.0%	
Letter of Credit		0	0	0			0	0	0.0%	
Surety		0	0	0			0	0	0.0%	
<b>Total Credit Enhancement</b>		0	0	0	0	0	0	0	0.0%	
<b>Other</b>										
Publishing / Advertising	ImageMaster	Yes	10,000	0	10,000	6,900	6,900	-3,100	-31.0%	
Rating Agency(s)			0	0	0		0	0	0.0%	
Insurance			0	0	0		0	0	0.0%	
Bond Commission	SBC	Yes	284,500	0	284,500	101,885	101,885	-182,615	-64.2%	
Issuer Financing			0	0	0		0	0	0.0%	
Municipal Advisor			0	0	0		0	0	0.0%	
Trustee	UMB, N.A	Yes	15,000	0	15,000	13,000	13,000	-2,000	-13.3%	
Escrow Trustee			0	0	0		0	0	0.0%	
Paying Agent			0	0	0		0	0	0.0%	
Feasibility Consultants	Hilco	No	200,000	0	200,000	0	0	-200,000	-100.0%	5
Independent Engineer	The Tobler Company	No	150,000	0	150,000	0	0	-150,000	-100.0%	6
Accounting			0	0	0		0	0	0.0%	
Account Verification			0	0	0		0	0	0.0%	
Escrow Verification			0	0	0		0	0	0.0%	
Transcript Production	Alliance	Yes	0	0	0	2,500	2,500	2,500	2500.0%	7
<b>Total Other</b>			659,500	0	659,500	124,285	0	124,285	-535,215	-81.2%
<b>TOTAL ISSUANCE COSTS</b>			<b>8,640,400</b>	<b>22,643</b>	<b>8,663,043</b>	<b>2,662,961</b>	<b>501,569</b>	<b>3,164,530</b>	<b>-5,498,513</b>	<b>-63.5%</b>

**\*Post Closing - Variances of 10% or More**

CR# Justification

- 5 These fees were not paid in connection with the bond issue.  
6 These fees were not paid in connection with the bond issue.  
7 The fee for Transcript Production was inadvertently omitted from the preliminary disclosure.



LOUISIANA STATE BOND COMMISSION  
FINANCIAL DISCLOSURE FORM

SBC002  
Rev 02/11/15

Entity / Project: Plaquemines Port, Harbor and Terminal District (NOLA Terminal LLC Project)  
Debt Instrument: Dock and Wharf Facilities Revenue Bonds, Series 2024A&B

SBC Tracking #: L21-366A  
Amount: \$97,385,000

Firm / Vendor Name	Paid From Proceeds Yes / No	COMPLETE WITH APPLICATION SUBMISSION ESTIMATED			COMPLETE WITH POST CLOSING FORM ACTUAL			VARIANCE		>10% CR # *
		Fees	Expenses	Total	Fees	Expenses	Total	\$	%	
INDIRECT COSTS										
Beneficiary Organizational										
Beneficiary Counsel		0	0	0			0	0	0.0%	
Development		0	0	0			0	0	0.0%	
Title, Survey, & Appraisal	True Title of Metairie	0	0	0	191,857		191,857	191,857	191857.0%	8
Consultant		0	0	0			0	0	0.0%	
Insurance		0	0	0			0	0	0.0%	
							0	0	0.0%	
Total Beneficiary Organizational		0	0	0	191,857	0	191,857	191,857	191857.0%	
Mortgage Banking										
Lender Counsel		0	0	0			0	0	0.0%	
Mortgage Servicer Counsel		0	0	0			0	0	0.0%	
Mortgage Insurance		0	0	0			0	0	0.0%	
Examination		0	0	0			0	0	0.0%	
Inspection		0	0	0			0	0	0.0%	
							0	0	0.0%	
Total Mortgage Banking		0	0	0	0	0	0	0	0.0%	
TOTAL INDIRECT COSTS		0	0	0	191,857	0	191,857	191,857	191857.0%	
TOTAL ISSUANCE AND INDIRECT COSTS		8,640,400	22,643	8,663,043	2,854,818	501,569	3,356,387	-5,306,656	-61.3%	

**\* Post Closing - Variances of 10% or More**

**CR# Justification**

8 It was not initially anticipated that new title work would be needed as part of this financing transaction.


**CERTIFICATION**

Application: I certify the above estimated costs and professionals listed are the most accurate representation at time of submission for *preliminary / final* approval and all joint accounts and/or fee splitting arrangements by and between financial professionals as reported by the professionals are included.

Meredith L. Hathorn, Esq., Foley & Judell, L.L.P.

Date

Posting Closing: Before me, the undersigned Notary Public, the undersigned person appeared on July 18, 2024 and declared the costs and professionals herewith were the actual costs of issuance and participants, and all joint accounts and/or fee splitting arrangements by and between financial professionals as reported by the professionals were included.

  
Meredith L. Hathorn, Esq., Foley & Judell, L.L.P.

  
Garrett N. Gemelos, LSBA No. 39695



**STATE BOND COMMISSION**

November 21, 2024

Costs of Issuance Reportings

**SYNOPSIS**

**APPLICATION NO:** S21-012A

**ENTITY:** Louisiana Housing Corporation (Glen Oaks Apartments Project)

**TYPE OF REQUEST:** Reporting

**ANALYST:** Brandon Rinaudo

**SUBMITTED BY:**

Wayne J. Neveu, Butler Snow LLP

**PARAMETERS:**

Reporting on changes in costs of issuance.

**ATTACHMENTS:**

- ☐ **Analysis Summary**
- ☐ **Financial Disclosure Form**



## STATE BOND COMMISSION

November 21, 2024

### Costs of Issuance Reporting

#### ANALYSIS SUMMARY

**APPLICATION NO:** S21-012A  
**ENTITY:** Louisiana Housing Corporation (Glen Oaks Apartments Project)  
**TYPE OF REQUEST:** Reporting  
**ANALYST:** Brandon Rinaudo

#### **PARAMETERS:**

Reporting on changes in costs of issuance.

The application was granted final approval on April 15, 2021, as follows:

#### **Final Approval:**

Amount: Not exceeding \$10,000,000 Multifamily Housing Revenue Bonds  
Interest Rate: Not exceeding 12%  
Maturity: Not exceeding 40 years  
Purpose: Acquisition, construction and equipping of a 44-unit multifamily housing facility in Belle Chasse.  
Cost of Issuance: \$2,357,775

#### **Issuance:**

Amount: \$9,869,000 Multifamily Housing Revenue Bonds, Series 2024  
Interest Rate: 5%, then remarketing rate not to exceed 12%  
Maturity: November 1, 2026  
Cost of Issuance: \$2,688,821  
Issue Date: April 18, 2024

#### **Additional Fees Reporting:**

- Additional parties and fees were required due to a change in structure from private placement to a underwritten:
  - Addition of \$50,000 for Underwriter Counsel to Coats Rose, P.C.
  - Addition of \$90,000 for Sales Commission to Stifel, Nicolaus & Co., Inc.
  - Addition of \$2,500 for Cash Flow Verification to Causey, Demgen & Moore, P.C.

#### **10% Line Item Increase Reporting:**

- Increase of \$40,290 for Beneficiary Counsel to Longwell Riess, L.L.C. due to delays associated with a change in structure from private placement to underwritten.
- Increase of \$222,082 for a Developer Fee to Highway 39 Development, LLC approved by LHC on March 15, 2024. The Developer Fee is calculated as 15% of a Developer Fee Base, which is derived from total costs of the project. Staff has been informed that the increase in the Developer Fee reflects an increase in construction costs due to inflation from the time of approval to the time of issuance.
- Increase of \$15,000 for Lender Counsel to Dinsmore & Shohl, LLP due to a change in lender and structure from private placement to underwritten.

Net difference in approved and actual incurred fees is an increase of \$331,046.

The Financial Disclosure Form is attached which reflects the previously approved costs and actual incurred costs.



**LOUISIANA STATE BOND COMMISSION  
FINANCIAL DISCLOSURE FORM**

SBC002  
Rev 12/01/12

Entity / Project: Highway 39, Limited Partnership/Glen Oaks Apartments  
Debt Instrument: Multifamily Housing Revenue Bonds

SBC Tracking #: S21-012A  
Amount: \$9,869,000

Firm / Vendor Name	Paid From Proceeds	COMPLETE WITH APPLICATION SUBMISSION ESTIMATED			COMPLETE WITH POST CLOSING FORM ACTUAL			VARIANCE		
		Fees	Expenses	Total	Fees	Expenses	Total	\$	%	>10% CR # *
ISSUANCE COSTS										
Legal										
Bond Counsel	Butler Snow LLP	N	49,025		49,025	49,025		49,025	0	0.0%
Co-Bond Counsel			0		0	0		0	0	0.0%
Issuer Counsel			0		0	0		0	0	0.0%
Underwriter Counsel	Coats Rose, P.C.		0		0	50,000		50,000	50,000	50000.0% 1
Disclosure Counsel			0		0			0	0	0.0%
Preparation of Blue Sky Memo			0		0			0	0	0.0%
Preparation of Official Statements			0		0			0	0	0.0%
Tax Counsel			0		0			0	0	0.0%
Trustee Counsel	Gregory A. Pletsch	N	10,000		10,000	10,000		10,000	0	0.0%
Escrow Trustee Counsel			0		0			0	0	0.0%
					0			0	0	0.0%
Total Legal			59,025	0	59,025	109,025	0	109,025	50,000	84.7%
Underwriting										
Sales Commission	Stifel, Nicolaus & Company, Inc.		0		0	90,000		90,000	90,000	90000.0% 2
MSRP / CUSIP / PSA			0		0			0	0	0.0%
Expenses			0		0			0	0	0.0%
Day Loan			0		0			0	0	0.0%
Placement Fee			0		0			0	0	0.0%
					0			0	0	0.0%
Total Underwriting			0	0	0	90,000	0	90,000	90,000	90000.0%

**\*Post Closing - Variances of 10% or More**

CR# Justification

- 1 Structure changed from initial application to closing causing additional parties to the transaction plus their fees
- 2 Structure changed from initial application to closing causing additional parties to the transaction plus their fees



**LOUISIANA STATE BOND COMMISSION  
FINANCIAL DISCLOSURE FORM**

SBC002  
Rev 12/01/12

Entity / Project: Highway 39, Limited Partnership/Glen Oaks Apartments  
Debt Instrument: Multifamily Housing Revenue Bonds

SBC Tracking #: S21-012A  
Amount: \$9,869,000

Firm / Vendor Name	Paid From Proceeds	COMPLETE WITH APPLICATION SUBMISSION ESTIMATED			COMPLETE WITH POST CLOSING FORM ACTUAL			VARIANCE		>10% CR # *
		Fees	Expenses	Total	Fees	Expenses	Total	\$	%	
<b>Credit Enhancement</b>										
Bond Insurance		0		0			0	0	0.0%	
Letter of Credit		0		0			0	0	0.0%	
Surety		0		0			0	0	0.0%	
				0			0	0	0.0%	
<b>Total Credit Enhancement</b>		0	0	0	0	0	0	0	0.0%	
<b>Other</b>										
Publishing / Advertising Louisiana Housing Corporation	N	2,000		2,000	2,171		2,171	171	8.6%	
Rating Agency(s)				0			0	0	0.0%	
Insurance				0			0	0	0.0%	
Bond Commission LA State Bond Commission	N	11,750		11,750	11,606		11,606	-144	-1.2%	
Issuer Financing Louisiana Housing Corporation	N	10,000		10,000	9,869		9,869	-131	-1.3%	
Financial Advisor Government Consultants, Inc.	N	20,000		20,000	19,738		19,738	-262	-1.3%	
Trustee Regions Bank Corporate Trust Services	N	10,000		10,000	7,500		7,500	-2,500	-25.0%	
Escrow Trustee				0			0	0	0.0%	
Paying Agent				0			0	0	0.0%	
Feasibility Consultants				0			0	0	0.0%	
Other Consultants				0			0	0	0.0%	
Accounting				0			0	0	0.0%	
Account Verification				0			0	0	0.0%	
Escrow Verification				0			0	0	0.0%	
Cash Flow Verification Causey, Demgen & Moore, P.C.	N			0	2,500		2,500	2,500	2500.0%	3
				0			0	0	0.0%	
<b>Total Other</b>		53,750	0	53,750	53,384	0	53,384	-366	-0.7%	
<b>TOTAL ISSUANCE COSTS</b>		<b>112,775</b>	<b>0</b>	<b>112,775</b>	<b>252,409</b>	<b>0</b>	<b>252,409</b>	139,634	123.8%	

**\*Post Closing - Variances of 10% or More**

CR# Justification

3 Structure changed from initial application to closing causing additional parties to the transaction plus their fees



LOUISIANA STATE BOND COMMISSION  
FINANCIAL DISCLOSURE FORM

SBC002  
Rev 12/01/12

Entity / Project: Highway 39, Limited Partnership/Glen Oaks Apartments  
Debt Instrument: Multifamily Housing Revenue Bonds

SBC Tracking #: S21-012A  
Amount: \$9,869,000

Firm / Vendor Name		Paid From Proceeds	COMPLETE WITH APPLICATION SUBMISSION ESTIMATED			COMPLETE WITH POST CLOSING FORM ACTUAL			VARIANCE		>10% CR # *
			Fees	Expenses	Total	Fees	Expenses	Total	\$	%	
INDIRECT COSTS											
Beneficiary Organizational											
Beneficiary Counsel	Longwell Riess, L.L.C.	N	85,000		85,000	125,290		125,290	40,290	47.4%	4
Development	Highway 39 Development, LLC	N	1,850,000		1,850,000	2,072,082		2,072,082	222,082	12.0%	5
	Baldwin Title Company of Louisiana, Dufrene										
Title, Survey, & Appraisal	Surveying & Engineering, Inc., BBG Real Estate	N	150,000		150,000	139,859		139,859	-10,141	-6.8%	
Consultant	Services				0			0	0	0.0%	
Insurance					0			0	0	0.0%	
					0			0	0	0.0%	
Total Beneficiary Organizational				2,085,000	0	2,085,000	2,337,231	0	2,337,231	252,231	12.1%
Mortgage Banking											
Lender Counsel	Dinsmore & Shohl, LLP	N	60,000		60,000	75,000		75,000	15,000	25.0%	6
Mortgage Servicer Counsel					0			0	0	0.0%	
Mortgage Insurance					0			0	0	0.0%	
Examination					0			0	0	0.0%	
Inspection					0			0	0	0.0%	
Financing Fee	Merchants Capital Corp.	N	100,000		100,000	24,180		24,180	-75,820	-75.8%	
					0			0	0	0.0%	
Total Mortgage Banking				160,000	0	160,000	99,180	0	99,180	-60,820	-38.0%
TOTAL INDIRECT COSTS				2,245,000	0	2,245,000	2,436,411	0	2,436,411	191,411	8.5%
TOTAL ISSUANCE AND INDIRECT COST				2,357,775	0	2,357,775	2,688,821	0	2,688,821	331,046	14.0%

\* Post Closing - Variances of 10% or More

CR# Justification

- 4 Project was delayed several times due to change in structure causing additional counsel fees
- 5 Developer Fee approved by reprocessing by LHC dated March 15, 2024
- 6 Lender and structure changed from initial application to closing

**CERTIFICATION**

Application: I certify the above estimated costs and professionals listed are the most accurate representation at time of submission for preliminary / final approval and all joint accounts and/or fee splitting arrangements by and between financial professionals as reported by the professionals are included.

Wayne J. Neveu, Butler Snow LLP

Date

Posting Closing: Before me, the undersigned Notary Public, the undersigned person appeared on 9/30/24 and declared the costs and professionals herewith were the actual costs of issuance and participants, and all joint accounts and/or fee splitting arrangements by and between financial professionals as reported by the professionals were included.

Wayne J. Neveu  
Wayne J. Neveu, Butler Snow LLP

Notary Public Name with Bar or Notary Number BF # 14264

## Item 21 - Disclosure Counsel

Authorization to execute an amendment to the Disclosure Counsel contract to extend the terms of the engagement for one additional year.

- Disclosure counsel provides the State with legal advice with respect to federal securities laws and information provided to investors when issuing bonds and on an ongoing basis.
- The current contract is with Foley & Judell.
- The contract originally began on January 30, 2023 and ended on January 29, 2024.
- The Commission approved a 1-year extension to the contract in January, extending the term through January 29, 2025.
- The authorization of this amendment provides for the final 1-year extension, through January 29, 2026.
- Foley & Judell was competitively selected and approved by the Commission at the January 2023 meeting. The total contract amount is currently \$35,000.



**11-21-2024 STATE BOND COMMISSION MEETING  
APPLICATIONS SUBMITTED BUT NOT HEARD**

Agenda Item # 22

Type	App #	Entity	Attorney / Official	Reason
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No Withdrawn Items

**STATE BOND COMMISSION  
RECAP OF VOLUME CAP ALLOCATIONS  
As November 20, 2024**

Agenda Item # 22

<b>Ceiling</b>			\$571,718,625
<b>Allocations Before Carry Forward</b>			
Governor Allocations	\$	527,280,978	
Allocations Returned	\$	<u>28,827,266</u>	<u>\$ 498,453,712</u>
<b>Ceiling Available</b>			\$73,264,913
<b>Applications Approved - Pending Allocation</b>			
S24-001 - LHC (Greenwood Terrace Project)	\$	11,000,000	
S24-004 - LHC (Morningside at Joor Place Project)	\$	22,400,000	
S24-036 - LHC (Parkwood Place Project)	\$	18,000,000	
S24-042 - LHC (Single Family)	\$	<u>125,000,000</u>	<u>\$ 176,400,000</u>
			\$ 176,400,000
<b>Amount Available After Pending Allocations</b>			(\$103,135,087)
<b>2021-2023 Available Volume Cap Carryforward</b>			\$ 573,718,989

**Outstanding Receivables Due for Past Elections  
As of November 2024**

Due To	Entity	Election Date	Total Amt Due
<b><u>Secretary of State</u></b>			
<b><u>Attorney General *</u></b>			
	Grant Parish Economic Development District	11/16/2013	\$ 13,115.34
	Natchitoches Parish, Village of Natchez	3/27/2010	\$ 11,053.76
		5/01/2010	
		4/05/2014	
		5/03/2014	
		3/26/2022	
	Town of Ferriday	03/23/24	\$ 7,878.13
<p>* The Amount is the outstanding balance that includes the cost to hold the election (machine setup, registrar, precinct rentals, ballot, Clerk, Commissioner/custodian, etc.), interest and collection costs. Entites are contacted on a regular basis by the Attorney General's office; however, because they are public entities, the Attorney General is limited in it's legal ability to collect amounts owed.</p>			
<b>Total</b>			<b>\$ 32,047.23</b>