



Louisiana Housing Corporation

The following resolution was offered by Board Member Steven J. Hattier and seconded by Board Member Alfred E. Harrell, III:

RESOLUTION

A resolution approving and authorizing the execution of a Subrecipient Agreement in connection with the engagement of Louisiana Housing Corporation by the City of Lake Charles to (i) assist in disbursing City CDBG-DR Funds to the three Residential Rental Recovery Developments located in the City and (ii) perform on behalf of the City certain asset management oversight functions following construction completion of the three Residential Rental Recovery Developments located in the City awarded both LHC CDBG-DR Funds and City CDBG-DR Funds; and providing for other matters in connection therewith.

WHEREAS, Louisiana Housing Corporation (“LHC”) is currently providing CDBG-DR Funds to qualified borrowers, in accordance with the CDBG Piggyback Program under the Louisiana Master Action Plan for the Utilization of Community Development Block Grant Funds in response to the 2020 and 2021 Federal Declarations (“*Laura/Delta Disaster Declarations*”) in Louisiana to address long-term housing needs in parishes, including Calcasieu Parish, associated with the *Laura/Delta Disaster Declarations*; and

WHEREAS, LHC adopted that certain 2022-2023 Qualified Allocation Plan on July 14, 2021, (“*QAP*”) and issued that certain Notice of Funding Availability and Program Implementation Guidelines for Multifamily Piggyback/CDBG-DR Loan Funding 2022 Piggyback Resilience Initiative – Mixed Income (PRIME-2) on August 22, 2022 (“*PRIME-2 NOFA*”), allowing LHC CDBG-DR Funds to be used for Gap Financing Loans, as described in the *QAP* and the *PRIME-2 NOFA*, for residential rental properties qualified for the allocation or the allowance of housing tax credit (“*LIHTCs*”) pursuant to the provisions of Section 42 of the Internal revenue Code of 1986, as amended (“*Code*”); and

WHEREAS, pursuant to Public Law (P.L.) 117-43 and the Federal Register Notice dated February 3, 2022, at 87 FR 6364, including FEMA DR-4606-LA, the U.S. Department of Housing and Urban Development (“*HUD*”) awarded the City \$10,776,000 in Community Development Block Grant Disaster Recovery (CDBG-DR) funds to the City of Lake Charles (“*City*”) for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) and described in the Grantee’s Action Pan (“*City Action Plan*”); and

WHEREAS, on January 18, 2023, the City was notified of an additional direct HUD allocation in the amount of \$7,042,000 through Notice 88 FR 3198 under Public Laws 117-43 and 117-180, so that the Grantee was awarded a total of \$17,818,000 (“*City CDBG-DR Funds*”) in direct CDBG-DR and MIT allocation attributable to the foregoing major disasters; and

WHEREAS, the City initiated a Gap Financing Loan Program (“*City GAP Housing Program*”) with the purpose of providing funds for the restoration, rehabilitation, replacement, construction, development, and operation of residential rental properties (“*Residential Rental Recovery Developments*”) in the City of Lake Charles; and

WHEREAS, the City as Grantee and LHC as Subrecipient acknowledge and agree that (i) the LHC Prime-2 NOFA and the City GAP Housing Program are identical except for the respective lien positions of their respective CDBG-DR Funds, (ii) the application (“*PRIME-2 Application*”) by developers to LHC to utilize LHC CDBG-DR Funds for Residential Rental Recovery Developments located in the City included development budgets and operating pro formas that proposed to utilize City CDBG-DR Funds, (iii) the processing and underwriting review of the PRIME-2 Application for Residential Rental Recovery Developments to be located in the City citing the use of City CDBG-DR Funds is consistent with the City GAP Housing Program, (iii) the protocols for committing LHC CDBG-DR Funds to Residential Rental Recovery Developments in the City at a full financial closing (“*Financial Closing*”) following receipt of an Agreement to Use Grant Funds (“*AUGF*”) for LHC CDBG-Dr Funds are identical to the protocols for the City committing City CDBG-DR Funds to Residential Rental Recovery Developments located in the City, and (iv) the asset management oversight of Residential Rental Recovery Developments during the operational phase of Residential Rental Recovery Developments using LHC CDBG-DR Funds are identical to the asset management oversight of Residential Rental Recovery Developments using City CDBG-DR Funds; and

WHEREAS, three developers proposing to develop Residential Rental Recovery Developments in the City have applied for and have been awarded CDBG-DR Funds from both the LHC Prime-2 NOFA and, in reliance on the application processing and underwriting undertaken by LHC, the City GAP Housing Program; and

WHEREAS, the City as Grantee desires to engage LHC as a Subrecipient to (i) assist the Grantee in disbursing City CDBG-DR Funds to the three Residential Rental Recovery Developments located in the City and (ii) perform on behalf of the City certain asset management oversight functions following construction completion of the three Residential Rental Recovery Developments located in the City awarded both LHC CDBG-DR Funds and City CDBG-DR Funds as described in the form of a Subrecipient Agreement attached hereto as **Exhibit A**; and

WHEREAS, before disbursing any CDBG-DR Funds to LHC as a Subrecipient so that LHC may disburse the City CDBG-DR Funds to the three Residential Rental Recovery Developments located in the City, the City as Grantee is required to enter into a Subrecipient Agreement with LHC as a Subrecipient in accordance with the requirements of 24 CFR §570.503; and

WHEREAS, LHC and the City have determined that the Subrecipient Agreement attached hereto as **Exhibit A** providing for the loan of City CDBG-DR Funds to the three Residential Rental

Recovery Developments located in the City serve a public purpose and creates a public benefit to the State and to the City;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation, acting as the governing authority of the Corporation, that Subrecipient Agreement attached hereto as **Exhibit A** memorializing the award of CDBG-DR Funds by the City and by LHC on the terms described below is hereby authorized and approved.

<u>DEVELOPMENT</u>	<u>DEVELOPER</u>	<u># UNITS</u>	<u>LHC CDBG-DR LOAN</u>	<u>CITY CDBG-DR LOAN</u>	<u>FULL FINANCIAL CLOSING DATE</u>
Woodring Phase II	Historic Restoration, Inc.	40	\$8,000,000	\$1,300,000	11/30/2023
Capstone @ the Oaks	The Banyan Foundation	120	\$17,355,000	\$1,345,000	11/21/2023
Calcasieu Heights	MGM Development	72	\$7,371,000	\$1,500,000	12/21/2023

BE IT FURTHER RESOLVED that the Chairperson, Vice-Chairperson, and/or Executive Director are hereby authorized to execute the Subrecipient Agreement and such other documents, certificates and agreements as may be necessary or convenient to accomplish the objectives of this resolution. The aforesaid officers are additionally authorized to approve any changes in the Subrecipient Agreement with the approval of Counsel to the Corporation.

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

YEAS: Stephen I. Dwyer, Tonya P. Mabry, Karen Loftin obo La. State Treasurer John Fleming, MD, Wendy D. Gentry, Christian Gil, Alfred E. Harrell, III, Steven J. Hattier, Kristen O’Keefe, Willie Rack, Brandon O. Williams, Richard A. Winder, Sarah E. Collier.

NAYS: None.

ABSTAIN: None.

ABSENT: Jennifer Vidrine.

And the resolution was declared adopted on this, the 12th day of June 2024.


Chairman


Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (the “**Corporation**”), do hereby certify that the foregoing four (4) pages constitute a true and correct copy of a resolution adopted by said Board of Directors on June 12, 2024, entitled: “**A resolution approving and authorizing the execution of a Subrecipient Agreement in connection with the engagement of Louisiana Housing Corporation by the City of Lake Charles to (i) assist in disbursing City CDBG-DR Funds to the three Residential Rental Recovery Developments located in the City and (ii) perform on behalf of the City certain asset management oversight functions following construction completion of the three Residential Rental Recovery Developments located in the City awarded both LHC CDBG-DR Funds and City CDBG-DR Funds; and providing for other matters in connection therewith.**”

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 12th day of June, 2024.


Secretary

(SEAL)

SUBRECIPIENT AGREEMENT

**BETWEEN THE CITY OF LAKE CHARLES
AND
THE LOUISIANA HOUSING CORPORATION**

THIS SUBRECIPIENT AGREEMENT is entered as of the _____ day of June, 2024 by and between the CITY OF LAKE CHARLES (“*Grantee*” or “*City*”) and LOUISIANA HOUSING CORPORATION, a public body corporate and politic and an instrumentality of the State of Louisiana (“*Subrecipient*” or “*LHC*”).

I. RECITALS

WHEREAS, LHC is currently providing CDBG-DR Funds to qualified borrowers, in accordance with the CDBG Piggyback Program under the Louisiana Master Action Plan for the Utilization of Community Development Block Grant Funds in response to the 2020 and 2021 Federal Declarations (“*Laura/Delta Disaster Declarations*”) in Louisiana to address long-term housing needs in parishes, including Calcasieu Parish, associated with the Laura/Delta Disaster Declarations; and

WHEREAS, the LHC adopted that certain 2022-2023 Qualified Allocation Plan on July 14, 2021, (“*QAP*”) and issued that certain Notice of Funding Availability and Program Implementation Guidelines for Multifamily Piggyback/CDBG-DR Loan Funding 2022 Piggyback Resilience Initiative – Mixed Income (PRIME-2) on August 22, 2022 (“*PRIME-2 NOFA*”), allowing LHC CDBG-DR Funds to be used for Gap Financing Loans, as described in the QAP and the PRIME-2 NOFA, for residential rental properties qualified for the allocation or the allowance of housing tax credit (“*LIHTCs*”) pursuant to the provisions of Section 42 of the Internal revenue Code of 1986, as amended (“*Code*”); and

WHEREAS, pursuant to Public Law (P.L.) 117-43 and the Federal Register Notice dated February 3, 2022, at 87 FR 6364, including FEMA DR-4606-LA, the U.S. Department of Housing and Urban Development (“*HUD*”) awarded the City \$10,776,000 in Community Development Block Grant Disaster Recovery (CDBG-DR) funds to the Grantee for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) and described in the Grantee’s Action Plan (“*City Action Plan*”); and

WHEREAS, on January 18, 2023, the City was notified of an additional direct HUD allocation in the amount of \$7,042,000 through Notice 88 FR 3198 under Public Laws 117-43 and 117-180, so that the Grantee was awarded a total of \$17,818,000 (“*City CDBG-DR Funds*”) in direct CDBG-DR and MIT allocation attributable to the foregoing major disasters; and

WHEREAS, the City initiated a Gap Financing Loan Program (“*City GAP Housing Program*”) with the purpose of providing funds for the restoration, rehabilitation, replacement, construction, development, and operation of residential rental properties (“*Residential Rental Recovery Developments*”) in the City of Lake Charles; and