

Questions Submitted by Le Centre Coterie
RE: Proposed Pierce/Congress Project

Q. What is history of this organization and its relationship with neighborhood?

Founded in 1991 by the Episcopal Church, the Acadiana Outreach Center (Outreach Center) began as a Day Program providing basic services for the homeless in a safe and non-threatening environment. Since that time, they have evolved to a social enterprise focused on providing solutions that address the root causes of social problems in order to encourage self-sufficient people and sustainable communities.

The Mission of the Outreach Center is "To restore the lives of our poverty stricken neighbors by providing critical recovery services – access to housing, meaningful employment, and addiction treatment."

In support of this mission, services currently being offered include:

- Case Management Services for Low- to Very Low-Income Individuals & Families
- Workforce Development Training
- Basic Clothing & Food Needs via the Well-Mart
- Women's & Children's Shelter
- Substance Abuse Treatment (*Three Graces Treatment Center, Abbeville, LA*)

Joie de Vivre, as the project has now been branded, will serve an integral role in fulfilling the mission by providing affordable housing for the working class as a way of promoting self-sufficiency and community.

We realize the Outreach Center and the neighborhood have had a troublesome relationship over the years; however, Rick Newton has recently joined the Outreach Center as Chief Executive Officer and is committed to working with the neighborhood to affect positive change for both Outreach Center clients and the neighboring community.

With 30 years of experience, Rick has served as a clinician and administrator in the field of behavioral healthcare in both Kentucky and Arkansas. He has a Masters degree from Western Kentucky University in Child Development and Family Living. He has worked in the public and private not-for-profit sectors, as well as, the for-profit sector. He has provided clinical and administrative leadership for children, adolescent, adult and geriatric programs. Prior to Rick joining the Outreach Center, he was the CEO of Rivendell Behavioral Health Services in Arkansas.

Q. What Acadiana Outreach Center projects will be involved in the portfolio of the project?

None (0) of the Outreach Center's projects will be involved in the portfolio of the project.

The Outreach Center is acting as the sponsor of the project, and as a non-profit organization provides the project with competitive leverage in regard to funding over other private development projects. As the sponsor, they will serve as a General Partner, owning only 0.01% of the development – *NOTE: the ownership structure is explained in more detail later herein.*

As part of the proposed development footprint, two (2) of the existing Three-quarter Houses currently operated by Outreach Center will be acquired and that land will be used for the development. The tenants currently living in these homes will be transitioned to permanent housing (like they would normally) prior to the start of construction.

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Q. What are the demographics of the project?

Joie de Vivre is a mixed-demographic, work-force housing development for low- and moderately-low income individuals earning 60% or less of the Area Median Income (AMI). For young families to retired elderly, as well as area artists and musicians, *Joie de Vivre* -- unlike its affordable-housing predecessors -- will boast unique and innovative design, while maintaining its affordability.

Q. What is Average Median Income of potential tenants?

One hundred percent (100%) of the units will be designated for those individuals at 60% of the current Area Median Income (AMI). The current median income for Lafayette MSA is \$57,500, which yields the following 60% AMI income limits:

- 1-person household at \$24,180
- 2-person household at \$27,600
- 3-person household at \$31,080
- 4-person household at \$34,500

Based on a 2009 Louisiana Occupational Employment and Wages Report from Louisiana Workforce Commission for Lafayette Parish, the following is a partial list of occupations in our area that would potentially qualify:

Firefighters	Nurses' Aides	Cashiers
Receptionists	Civil Employees	Floral Designers
Wait staff	Police Officers	Court Reporters
Media Personnel	Home Health Aides	Artists/Musicians
Pharmacy Techs	Dental Assistants	Animal Control Workers
Correctional Officers	Payroll Clerks	Janitors/Maids
Teachers' Aides	Tax Preparers	Travel Agents
Environmental Technicians	Mental Health Counselors	Bank Tellers
Court Reporters	Retail Personnel	Bookkeepers

Q. What is the allowable number of persons per unit?

Maximum occupancy limits are as follows:

- 3 bedroom unit: 6 people
- 2 Bedroom unit: 4 people
- 1 Bedroom unit: 2 people

Each tenant over the maximum occupancy limit is charged \$75/month per person in addition to lease rent, and will be issued a lease violation. Each person living in the apartment must be on the lease and accepts all terms of the lease. Any person receiving 3 lease violations will be evicted.

Q. Who are units available to?

Under the Fair Housing Act, units will be available to any persons who satisfy the requirements as it relates to income limits and the tenant screening conditions (see herein).

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Q. Will credit checks be done on prospective tenants?

YES. In processing applications, approval/disapproval will be based on the following criteria:

1. Employment
2. Income (Minimum and Maximum)
3. Credit history
4. Rental History
5. Background Check
6. Legal Age

Per 5. Background Check listed above, a criminal activity screening will be done.

Q. Will criminal background checks be done on prospective tenants?

Please see above.

Q. What are maintenance plans for development?

The development will be professionally managed by Latter & Blum Property Management, who currently manages over 5,000 units throughout Louisiana and the Gulf South, and over 2,000 Affordable Housing units. They have also managed over 1,600 units governed under the Tax-Exempt Bond program with the same set-aside, income limit, and income verification and reporting requirements as the Low-Income Housing Tax Credit (LIHTC) program.

Latter & Blum offers specialized services as it relates to Affordable Housing Management; Public Housing Management; and Tax Credit Management. As part of these specialties, they offer:

1. A full-time compliance staff
2. Systemic process to certify and recertify applicants, check compliance data, and provide all necessary reporting for tax credit properties
3. Specialization in oversight of assets funded by various affordable and tax credit financing vehicles

Property Management Services will include:

- Marketing
- Leasing (including applicant screening process)
- Lease file execution & Management
- Lease Enforcement
- Financial Reporting & Budgeting
- Preventative Maintenance
- Construction Management
- Security Consulting
- Risk Management

Q. What are security plans for development?

It is the intent of the development to have a full-time security person on-site to work with both the tenants and the property management team, as well as with local law enforcement personnel.

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Q. What is the ratio of market rate housing to subsidized housing in development?

One-hundred percent (100%) of the units will be for persons at 60% Area Median Income (Ami) or below. The Average median Income for Lafayette Parish (Lafayette MSA) for 2010 is \$57,500.

Also, rents are a set amount based on unit size – not sliding scale and/or income-based. Rents are set by US Department of Housing and Urban Development as part of the tax credit program, and are adjusted on an annual basis.

Q. What % of Units will be Section 8 units?

Zero percent (0%) of the units will be Section 8 units.

Q. What are the funding sources of this project?

We are projecting the development to be funded through various vehicles, with the majority of the equity coming from tax credits.

The tax credit program, which is based on Section 42 of the Internal Revenue Code, was enacted by Congress in 1986 to provide the private market with an incentive to invest in affordable rental housing. Federal housing tax credits are awarded to developers of qualified projects – through a competitive application process. Developers then sell these credits to investors to raise capital (or equity) for their projects, which reduces the debt that the developer would otherwise have to borrow. Because the debt is lower, a tax credit property can in turn offer lower, more affordable rents.

As part of the award, developments must remain compliant (i.e. affordable, professionally managed, well-maintained, etc.) for a minimum of 15 years, with the norm being a 30-year compliance period. Investors receive a dollar-for-dollar credit against their Federal tax liability each year over a period of 10 years, provided the property maintains compliance as outlined in the program requirements.

Other funding sources include:

- Private mortgage debt
- State Appropriations
- Federal Appropriations
- Grant funds

To-date the project has been awarded just over \$1.2M from state and federal appropriations to be used for acquisitions for the development.

Q. Who is the owner of this development?

As a tax credit development, the investor (i.e. the purchaser of the tax credits) will be the Limited Partner and own 99.9% of the development, and a non-profit, wholly owned subsidiary of the Outreach Center will be a General Partner, owning 0.01% of the development.

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Q. What are backup plans if subsidized budgets fall short of targets?

There are no subsidized budgets or rents in this project.

By the nature of the make-up of the project, upon successful award of tax credits, the project will be underwritten by several professionals throughout the country to ensure the development can sustain itself. As part of this underwriting, there is an exhaustive due diligence process that examines all facets and conditions of the project and the market.

The Louisiana Housing Finance Agency in its *2009 Housing Needs Assessment Summary* cited a need for 2,997 affordable rental units in Lafayette to meet the existing/projected demand between 2008 and 2013. Based on this need by a third-party specialist, we are 100% confident that within 90 days of completion of the development we will reach 100% absorption rate, and maintain that with a sizable waiting list.

In respect to a potential development budget shortfall, if we do not receive all of the funding we are projecting/requesting, then we will phase the development over a period of several years, and begin with a smaller footprint of the existing program as currently outlined.

Q. What are future plans for sale of development, if any?

Based on the structure of the tax credit program, the Limited Partner (Investor) is required to maintain ownership for 15 years. At the end of the 15-year compliance period, the development can be sold; however, because Joie de Vivre will be applying for tax credits with an extended use period (30-years), the development will have to maintain compliance, regardless of owner, for the additional 15 years.

Q. How many existing structures will be demolished for development?

Unknown. Upon mutually agreeable, voluntary sales contracts with each individual property owner independent of one another, there are currently 6 occupied residential dwellings, 3 abandoned residential dwellings, and 1 commercial business that will be purchased in order to be cleared for the development.

Upon request of a property owner we are willing to work with that owner to identify and examine alternatives to demolition, including relocating the structure to an alternate site.

Q. How many of these structures are over 50 years old?

It is unknown to us if any of the structures are over 50 years old, but we do know that none of the properties we are considering for acquisition are considered historic in nature, nor are they listed on the historic preservation list.

Q. What's the plan for the Historic structures (50 years or older) located in the development zone?

The predevelopment team, nor the Outreach Center, has no interest in disturbing any historic structures within the immediate development zone, or surrounding area. None of the properties currently being considered are listed as Historic in nature, however we will do what needs to be done to work around any such structure should the situation arise.

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Q. What are considerations for compatibility with existing vernacular architecture?

The predevelopment team, the Acadiana Outreach Center, and specifically the Architects have been very conscientious of the development's impact on the neighborhood and surrounding community. After weekly team meetings, and several more hours of research and offline meetings, we have gone to great lengths to ensure the project, while urban in design, would complement the existing architecture. As such choice of materials, structure size, structure placement, and amenities have been designed to work with the neighborhood.

Materials

As found on many of the nearby houses, hardy board and stucco have been used as the predominant materials throughout the development. Additionally we have utilized a good amount of windows to allow for natural light (and to serve as an additional security measure). Neutral tones of white, taupe, and grey have been used to balance the more contemporary green, which is used sparingly throughout for visual interest.

Structure Size

All of the buildings that make up the development are no greater than 4-stories, with the majority being 2- and 3-stories. Additionally, we have staggered the building height so that it steps down on those sides facing the neighborhood to soften that impact. At the back of the development, some of the structures' corners will be removed to further soften that transition into the neighborhood.

Structure Placement & Amenities

Those buildings with retail components are the ones to front the Second St./Congress St. parameter of the development to aid in safety, accessibility, and noise control. The 4-story structure has been used as a beacon for the development at the corner of Pierce St. and Congress St. to serve as a transition structure between the IberiaBank Tower and the neighborhood. The Community Center has been placed at the rear of the development, so that it may also serve, and be available to, neighborhood residents, as well as the residents of the development.

Additionally, the architects and engineer have taken into account the potential implications of the proposed future I-49 corridor, and as such placed non-housing structures to the front (i.e. administration office/day care center; open-air pavilion; green space; etc.) should the plan adjust itself to include a portion of this area.

Q. How can parking requirement be only 0.75/per unit?

The current parking ratio is 1:1 providing 118 spaces. The development has been designed, and will be marketed as such, to promote walkability throughout the development and to and from neighboring amenities – Public Library, Parc Sans Souci, Parc International, Natural History Museum/Planetarium, Children's Museum of Acadiana, Acadiana Center for Arts, etc. Also, as transit-oriented development, we hope to encourage the use of nearby transit options, via the future Rosa Parks Transportation Depot, in order to minimize the need for multiple vehicles among residents.

One of the Top 5 Myths of affordable housing is that it produces more traffic; in actuality building affordable housing near jobs supports the increased use of public transportation, shortens commutes, and lessens congestion. Additionally, the *National Personal Transportation Survey* found that low-income households make 40% fewer trips than other households.

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“Studies indicate that the average resident in a compact neighborhood will drive 20-30% less than residents of a neighborhood half as dense.” And, “At densities of 8 units per acre and higher, neighborhoods begin to support bus and rail transit....” Source: John Holtzclaw, www.sierraclub.org Local Government Commission

In addition to the 118 spaces, there are an additional 27 spaces of street/parallel parking.

Q. How will commercial parking be handled?

Commercial Parking will be addressed in the same manner as it currently is downtown, through the use of convenient street parking.

Q. How will commercial delivery access be handled?

No large commercial deliveries are expected; however, commercial delivery access will be addressed in the same manner as it currently is downtown. Additionally, in the event of commercial delivery, retail components have been set toward the front of the development to eliminate the need for commercial traffic into the neighborhood.

Q. Is there a traffic flow analysis?

An official traffic flow analysis has not yet been done, as the project is still in predevelopment and will be altered based on acquisition. However, in an attempt to address all potential areas of impact and/or concern, The Cartesian Company has been in contact with LCG Planning & Zoning, Traffic Department. Per LCG, based on Trips Generation Model per the *Institute of Transportation Engineers*, as well as the current Traffic Counts of the area, they project no significant impact based on the proposed number of units.

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“Studies indicate that the average resident in a compact neighborhood will drive 20-30% less than residents of a neighborhood half as dense.” Source: John Holtzclaw, www.sierraclub.org Local Government Commission

Q. Will an environmental impact study be conducted?

An Environmental Phase I has been completed on a larger Master Track which includes Madison Street to the west, Simcoe Street to the north, South Buchanan Street to the east, and Second Street/Congress Street to the south. As per the Phase I, No Significant Impact has been identified.

Q. Can Coterie be informed of future approval meetings in BOZA, Planning Commission, etc?

All of these meetings are public meetings and as such are advertised in the *Daily Advertiser* in advance of the scheduled meeting date.

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Q. What impact will the development have on the neighborhood?

Emulating the priorities set forth by HUD, the EPA, DOE, and the DOT's "Partnership for Sustainable Communities," in its first year *Joie de Vivre* will:

- Provide a \$47 million economic impact;
- Create 422 new jobs and help retain existing jobs;
- Generate \$15 million in wages/earnings; and
- Generate \$2 million in revenues at the local and state level.

Additionally, the project could serve as a catalyst for additional public and private development in this under-utilized area, producing an economic ripple effect throughout the area.

At a bare minimum, the development will:

- Provide safe and decent housing for hard-working, tax-paying individuals;
- Improve the overall appearance and aesthetics of the neighborhood;
- Reduce the amount of crime and criminal activity in the area; and
- Increase property values in the surrounding area.

Additional social outcomes/impact affordable housing can offer includes:

- Improved educational success for children
- Financial stability for working individuals and families
- Positive environmental impacts
- Potential positive health impacts – physical and mental

Q. What are plans to be good neighbors?

The Acadiana Outreach Center is committed to serving as a positive influence on the community in which it operates, and the Lafayette community it serves at-large, as demonstrated by its vision and fortitude in developing this much-needed housing development.

The mission of *Joie de Vivre* is "to provide safe and affordable housing in an attractive, sustainable community that fosters financial stability and promotes individual well-being."

Part of our vision is to offer that housing and have it serve as part of a vibrant and diverse community that enriches the lives of its residents through its unique architectural design, convenient on-site amenities, pedestrian-friendly walkways, and green common areas.

The intent of *Joie de Vivre* is to help support its residents, neighboring community, and the downtown Lafayette area.

Rick Newton, Chief Executive Officer of the Acadiana Outreach Center has reached out to Chief Craft to determine ways to address the unsolicited loitering on the campus, and those affects on the neighborhood. Additionally, in an attempt to be a good neighbor, the Acadiana Outreach Center extends an open-door policy to anyone in the community who has any concerns they would like to voice, and for those individuals interested in working with them to develop solutions to these concerns.

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Q. Is the Land Bank connected to this project?

Louisiana does not have Land Banks; per LSA-R.S. 12:204 (*part of the law on formation of business associations; specifically, non-profits*) which states the words "bank," "banking," "banker," and many others that indicate or imply financial institutions cannot be included as part of an organizations name.

The newly formed Lafayette Land Revitalization Authority is a not-for-profit organization whose mission to return properties throughout Lafayette Parish back to productive use is comparable to that of a land bank; however, they are not involved in this project.

Additionally, Senator Joel Robideaux has recently proposed House Bill 1104 to re-enact the Lafayette Parish Redevelopment Authority; however, this also has no involvement with, or bearing on, this project.

Q. How many phases of development are planned & what are targeted development zones?

Currently this is the only phase of development planned.

Q. What other developments have the developers been involved with?

Greg Gachassin founded The Cartesian Company, a real estate development and finance company, specializing in development, project management, capital solutions, and public-private partnerships. With 17 years of real estate and finance experience, Greg has developed, managed, and/or consulted on several sizable projects over a range of product types including: residential, commercial retail, commercial office, hospitality, and public/private.

Prior to The Cartesian Company, Greg served as president of Meritas Mortgage. A leader in mortgage lending throughout the United States, he is one of a select group of individuals in Louisiana to have earned the designation of Certified Residential Mortgage Specialist, and has served on several advisory panels at the requests of Fannie Mae, Freddie Mac, and at the personal request of Secretary Alphonso Jackson of the United States Housing and Urban Development Department.

From 2005-2006, he served as Chairman and Commissioner of the Louisiana Housing Finance Agency and was directly involved in the development and administration of over \$3 billion dollars of Federal Aid, producing 24,000 single- and multi-family housing units. Recently, he served as Chairman of the Lafayette Public Trust Financing Authority, which just completed \$80 million in bond sales for use by Lafayette citizens in conjunction with the purchase of single-family homes -- the first issue of its kind in over 10 years. Greg has also served as President of the Louisiana Mortgage Lenders Association and as a Louisiana Delegate for the National Association of Mortgage Brokers.

His work and commitment to excellence has been recognized on numerous occasions, including the 2009 Good Neighbor Award, *awarded by Lafayette City-Parish Council*; the 2008 Outstanding Leadership & Community Service Award, *awarded by Louisiana Housing Finance Authority*; and the 2006 Community Leadership Award: Community & Housing, *awarded by the Louisiana Housing Finance Authority*.

Greg attended the University of Louisiana at Lafayette. He is currently a member of the Lafayette Leadership 2010 Class.

The following page provides a listing of notable projects.

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Notable projects include:

Villa Gardens
43-lot residential subdivision
in progress

Cypress Trails
80-unit apartment complex
in progress

Acadian Estates
40-lot residential subdivision

Fountain View
96-lot residential subdivision
in progress/on-going

LHC Group
Corporate Headquarters
23,000 SF office

Mixed-used Development
19,000 SF office, restaurant, and retail space

Wingate by Wyndham Hotel
82-room upscale hotel

Amazing Storage
557-unit secured storage facility

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