

**FACT SHEET****CITY OF SHREVEPORT, LOUISIANA**

<b><u>TITLE</u></b> A RESOLUTION APPROVING AN ANNUAL PAYMENT IN LIEU OF TAX IN ACCORDANCE WITH A MEMORANDUM OF UNDERSTANDING BETWEEN THE SHREVEPORT HOME MORTGAGE AUTHORITY AND SPC DEVELOPMENT LLC AND OTHERWISE PROVIDING WITH RESPECT THERETO	<b><u>DATE</u></b> October 4, 2021	<b><u>ORIGINATING DEPARTMENT</u></b> Department of Community Development <b><u>CITY COUNCIL DISTRICT</u></b> District A <b><u>SPONSOR</u></b>
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**PURPOSE**

To approve an annual payment in lieu of tax by SPC Development LLC relative to the development of the Galilee Senior Housing Development Project.

**BACKGROUND INFORMATION**

The Shreveport Home Mortgage Authority (SHMA) has arranged to acquire, substantially rehabilitate, and equip the Galilee Senior Housing Development, located at 1500 Park Avenue and 1525 Sycamore Avenue in Shreveport, Louisiana.

As the SHMA is authorized to hold property which is exempt from ad valorem taxes, this MOU provides for the approval of an annual payment in lieu of tax (PILOT) by the Developer in an amount not to exceed the amount of taxes that would otherwise be due if the project were not owned by the SHMA. This PILOT must be approved by the Shreveport City Council as governing authority of the City and beneficiary of the SHMA public trust in accordance with La. R.S. 9:2347(M).

<b><u>TIMETABLE</u></b> Introduction: October 12, 2021 Final Passage: October 26, 2021	<b><u>ATTACHMENT(S)</u></b> Exhibit "A" Memorandum of Understanding
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**SPECIAL PROCEDURAL REQUIREMENTS**

None

**FINANCES**

N/A

**SOURCE OF FUNDS**

N/A

**ALTERNATIVES**

(1) Adopt the Resolution as submitted, or (2) Amend the Resolution, or (3) Reject the Resolution.

**RECOMMENDATION**

It is recommended that the City Council adopt the Resolution.

**FACT SHEET PREPARED BY:** Thea R. Scott,  
Department of Community Development  
Bureau Chief of Admin.

RESOLUTION NO. \_\_\_\_\_ OF 2021

**A RESOLUTION APPROVING AN ANNUAL PAYMENT  
IN LIEU OF TAX IN ACCORDANCE WITH A  
MEMORANDUM OF UNDERSTANDING BETWEEN  
THE SHREVEPORT HOME MORTGAGE AUTHORITY  
AND SPC DEVELOPMENT LLC AND OTHERWISE  
PROVIDING WITH RESPECT THERETO**

**WHEREAS**, the Shreveport Home Mortgage Authority ("**SHMA**") is authorized to acquire and hold property for one or more of its public purposes as set forth in R.S. 9:2341(B) and upon acquisition by SHMA, such property is declared for purposes of R.S. 9:2347(M) to be public property used for essential and governmental purposes and such property is thereby exempt from all taxes of the municipality, the state, or any political subdivision thereof or any other taxing body; and

**WHEREAS**, SHMA has arranged to acquire, substantially rehabilitate, and equip a multifamily apartment housing facility consisting of total of 126 units and related personal property and equipment, located in Shreveport, Louisiana (the "**Galilee Senior Housing Development**" or the "**Project**") and, pursuant to a Memorandum of Understanding (the "**MOU**") with SPC Development LLC (the "**Developer**"), has further arranged for the Developer (i) to be responsible for applying in a timely manner to the Louisiana Housing Corporation ("**LHC**") for the issuance by the LHC of tax-exempt bonds ("**Bonds**") to qualify the Galilee Senior Housing Project for low-income housing credits ("**LIHTCs**") requiring a compliance period expected to end December 31, 2037 ("**LIHTC Compliance Period**"), (ii) to guarantee to the LIHTC investors the LIHTCs during the Compliance Period, and (iii) to guarantee all financing and operating expenses that may be required by the credit enhancer or purchaser of the Bonds and by the LIHTC investors; and

**WHEREAS**, SHMA intends to lease the Project to Galilee Senior Housing LP (the "**Lessee**"), a limited partnership qualified to do business in the State of Louisiana, and, pursuant to La. R.S. 9:2347(M) and subject to approval of the City of Shreveport as the beneficiary of SHMA (the "**City**"), SHMA will require the Lessee to pay annually to parish or municipal taxing authorities, and to any other taxing body in the Parish of Caddo (the "**Parish**"), through the Sheriff of Caddo Parish (the "**Tax Collector**"), a sum in lieu of ad valorem taxes in an amount not to exceed the amount of taxes that would otherwise be due if the Project were not owned by the Authority (a "**PILOT**"), in accordance with the MOU, in order to compensate such authorities for services rendered by them to the Project, which sums the Tax Collector shall enforce payment of, in accordance with the statutory provisions of La. R.S. 39:1002, as statutory impositions; and

**WHEREAS**, the MOU provides that the PILOT shall terminate on December 31, 2037 (the "**PILOT Termination Date**") and that full ad valorem taxes will be paid to the Tax Collector following the PILOT Termination Date; and

**WHEREAS**, as an independently existing public trust authorized and empowered under Chapter 2-A of Title 9 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 9:2341

through 9:2347, inclusive) (the “*Act*”) and benefiting the City of Shreveport, SHMA may only require the PILOT if, by resolution, the Shreveport City Council, as the governing authority of the of the City and beneficiary of SHMA, approves the PILOT in accordance with La. R.S. 9:2347(M);

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Shreveport that the foregoing whereas clauses are hereby adopted as set forth in the preamble to this Resolution.

**BE IT FURTHER RESOLVED** that this City does hereby approve the PILOT to be paid by the Lessee for the Galilee Senior Housing Project in an amount not to exceed the amount of taxes that would otherwise be due if the Project were not owned by the Authority, in accordance with the MOU as described in the foregoing whereas clauses.

**BE IT FURTHER RESOLVED** that the Mayor and City Clerk are hereby authorized, empowered, and directed to take any and all such action as may be necessary to carry into effect the provisions of this Resolution.

**BE IT FURTHER RESOLVED** that if any one or more of the provisions of this Resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, but this Resolution shall be construed and enforced as if such illegal or invalid provisions had not been contained herein. Any constitutional or statutory provision enacted after the date of this Resolution which validates or makes legal any provision of this Resolution which would not otherwise be valid or legal, shall be deemed to apply to this Resolution.

**BE IT FURTHER RESOLVED** that this Resolution shall become effective in accordance with the provisions of Shreveport City Charter Section 4.23.

**BE IT FURTHER RESOLVED** that all resolutions, ordinances or parts thereof in conflict herewith are hereby repealed.

**THUS DONE AND RESOLVED** by the City Council of the City of Shreveport, Louisiana.

**APPROVED AS TO LEGAL FORM:**

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City Attorney's Office