



BOARD OF DIRECTORS

Agenda Item 7

Administrative Committee

Chairman Malcolm Young

January 9, 2013

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Louisiana Housing Corporation

January 2, 2013

ADMINISTRATIVE COMMITTEE MEETING

AGENDA

Notice is hereby given of a regular meeting of the Administrative Committee to be held on **Wednesday, January 9, 2013 @ 9:30 A.M.**, Louisiana Housing Corporation Building, **Committee Room 1**, located at 2415 Quail Drive, Baton Rouge, Louisiana, by order of the Chairman.

1. Call to Order and Roll Call.
2. Approval of the **Minutes of the December 12, 2012 Committee Meeting**.
3. Discussion regarding **Louisiana Disaster Housing Task Force on Hurricane Isaac**.
4. Discussion regarding **LHC Compliant and Non-Compliant Properties**.
5. Other Business.
6. Adjournment.

A handwritten signature in purple ink, appearing to read "Don J. Hutchinson".

Don J. Hutchinson
LHC Interim Executive Director

If you require special services or accommodations, please contact Board Coordinator and Secretary Barry E. Brooks at (225) 763 8773, or via email bbrooks@lhc.la.gov.

Pursuant to the provisions of LSA-R.S. 42:16, upon two-thirds vote of the members present, the Board of Directors of the Louisiana Housing Corporation may choose to enter executive session, and by this notice, the Board reserves its right to go into executive session, as provided by law.

Administrative Committee Meeting Minutes

December 12, 2012

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**Louisiana Housing Corporation
Administrative Committee Meeting Minutes
Wednesday, December 12, 2012
2415 Quail Drive
Committee Room 1
Baton Rouge, LA 70808
10:00 a.m.**

Board Members Present

Chair Malcolm Young
Mr. Michael Airhart
Mr. Mayson Foster
Dr. Daryl Burckel
Ms. Ellen Lee
Mr. Matthew Ritchie
Mr. Willie Spears

Board Members Absent

Treasurer John Kennedy
Mr. Guy Williams

Staff Present

Loretta Wallace
Christine Bratkowski
Jessica Guinn
Leslie Strahan
Keith Cunningham
Charlette Minor
Louis Russell

Others Present

Pat Haughey, LHA
Sherri Jackson, RSCM
Carliss Knesel, Whitney Bank
Larry Hoss, Our Plan B
Randy Oliver, Our Plan B
Joe Green, RSCM
Keith Pigue, CGI

Administrative Committee Meeting Minutes

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Minutes

Call to Order and Roll Call. The Administrative Committee Meeting was called to order by Chairman Malcolm Young at 10:08 a.m.. The roll was called by Ms. Rebekah Ward and there was a quorum.

Introduction of Administrative Committee. Mr. Young introduced himself as the chairman of the Administrative Committee. He stated the purpose of the committee. The committee will facilitate policy development, legal, budget and finance, human resources, and internal audit matters. Mr. Young invited questions from those present as to the structure and function of the committee. Mr. Airhart stated his intention that all committees be stood up to familiarize board members with process. Discussion ensued concerning the intent of the Board of Directors that vetting of issues occur at committee meetings rather than at the full board meetings. Clarification was given concerning attendance requirements and scheduling of committee meetings.

Adjournment. There being no further business, Chairman Young entertained a motion to adjourn. On a motion made by Mr. Airhart and seconded by Mr. Spears, the meeting adjourned at 10:20 a.m. by unanimous consent.

Update: Louisiana Disaster Housing Task Force



Bradley Sweazy

Purpose

- **The Louisiana Disaster Housing Task Force** (LDHTF) was established to ensure that families can access safe and sanitary housing through each stage of a natural or manmade disaster.
- LDHTF is comprised of federal, state and nonprofit partners.
- LDHTF was **activated on Aug. 28** in response to Hurricane Isaac.

Objectives of LDHTF

- Coordinate **implementation of post-disaster housing solutions** across multiple agencies;
- Ensure **displaced households receive:**
 - **Accurate housing information, and**
 - **Appropriate case management services** that will assist in obtaining a permanent housing solution; and
- Forecast **housing needs** and ensure **programs and resources are utilized** for each stage of the housing continuum as needed.

Recovery Support Function

- Through FEMA, the **National Disaster Recovery Framework** has six Recovery Support Functions led by designated federal agencies.
- HUD is the **coordinating federal agency** for the **Housing RSF**.
- The RSFs work **in coordination with state and tribal** governments.
- LDHTF has been **active in the Housing RSF** for Hurricane Isaac.

LDHTF Efforts to Date

- Submitted an initial **Disaster Housing Plan** to FEMA;
- **Coordinated with federal partners** on the Housing Recovery Support Function;
- **Assisted homeowners** as shelters closed and other emergency housing options ended;
- Participated in a **Listening Session** with federal, state, local, nonprofit and private sector stakeholders;
- Applied for a **FEMA Disaster Case Management grant**;

LDHTF Efforts to Date

- **Advocated** to landlords, property owners and appropriate persons **for short-term lease opportunities**;
- Provided **data to all impacted parishes** who requested it; and
- **Facilitated information sharing meetings** with the four most-impacted parishes to **begin production of Parish-Specific Disaster Housing Plans**:
 - Plaquemines;
 - St. John the Baptist;
 - Jefferson; and
 - St. Tammany.

LDHTF leadership changed the structure of the Task Force on Nov. 29:

- **Working Groups will replace Subcommittees** to focus on what is needed to reach objective of creating **Parish-Specific Disaster Housing Plans**.
- A **Steering Committee** of Task Force and Working Group leaders **will meet as needed** to:
 - Address high level issues;
 - Engage other parties as needed; and
 - Ensure that all pertinent information is shared within the Task Force.

Working Groups:

- Parish Plan Compilation
- Programs/Resources
- Data Gathering, Sharing and Reporting
- Communications with Local Governments
- Case Management
- Internal Reporting

Ongoing Work & Future Plans

- Continue our participation with Federal Housing RSF;
- Continue working with local, nonprofit and private sector stakeholders;
- Work with parishes to develop Parish-Specific Housing Plans;
- Identify funding within existing state allocations;
- Secure additional funding;
- Develop and implement recovery programs; and
- Support Hurricane Sandy recovery and planning efforts.



Louisiana Housing Corporation

January 2, 2013

Re: Overview of Compliance Department 8823 Procedure

Dear Board Members:

The Louisiana Housing Corporation (LHC) is responsible for monitoring low-income housing tax credit (LIHTC) properties for compliance with the requirements of Internal Revenue Code (IRC) §42; for example, health and safety standards, rent ceilings and income limits, and tenant qualifications. LHC's compliance methods include; performing desk audits, physically inspecting housing units, and reviewing tenant files.

Owners and Property Managers are notified 30 days in advance of the monitoring visit. When the LHC's Compliance Department does onsite monitoring the project has a file audit of tenant applications, income certifications, leases and supporting documentation to ensure that the Tax Credit Regulatory Agreement and Special Conditions are met. An inspection is performed of the common areas and individual units to verify the condition, maintenance and livability of units in accordance with HQS, UPCS and the Regulatory Agreements. During the course of the inspection, problematic items and potential issues are brought to the attention of the project's representative.

When noncompliance is identified or the LHC becomes aware of a disposition of a building, then we are required to notify the Internal Revenue Service using Form 8823. If the report indicates noncompliance, the owner is expected to respond to the LHC within a maximum of 30 days to provide clarification or documents that issues of noncompliance have been addressed. Then, we determine whether the owner was always in compliance, has corrected the noncompliance, or remains out of compliance. The time to correct the noncompliance may be extended up to a total of 6 months with state agency approval.

****Regardless of whether the owner remedied the noncompliance or remains out of compliance, a Form 8823 must be filed with the IRS.***

If the LHC reports that the owner is out of compliance, the IRS sends a notification letter to the owner identifying the type of noncompliance reported on Form 8823. The notification letter also states that the owner should not include any nonqualified low income housing units when computing the tax credit under IRC §42 and that the noncompliance may result in the recapture of previously claimed credits. The IRS notification letter also instructs the owner to contact the state

agency to resolve the issue. Once the noncompliance is resolved, the state agency should file a "back in compliance" Form 8823.

The attached spreadsheet documents the number of 8823 occurrences over the last three years starting 2009. Please let me know if you have any additional questions comments or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "E. Keith Cunningham, Jr.", with a stylized flourish at the end.

E. Keith Cunningham, Jr.
Executive Counsel

8823s issued between 2009-2012								
Project Name	Tax Credit #	HOME #	Address Involved	# of 8823s	Date Monitored	Non- Compliance	In- Compliance	Note
Blanchard Elderly	95-37	LMF 95-12	231 N Main St, Blanchard, LA 71009	1	2/1/2011	11/14/2011	7/27/2012	Capital Improvements- parking lot replacement
First Emanuel Homes	97-06		Scattered site development	9	5/24/2012	5/30/2012	9/11/2012	Expired fire extinguishers not corrected within time frame given in 9 units, corrected after receiving 8823
Canterbury Square*	98-32*		3003 River Rd, Baton Rouge, LA 70802 Total	5	10/3/2012	8/20/2012	*	Recently issued -refer to unit list below for specifics
			Unit # 37	1				Tenant does not meet student exemption, has full time student not allowed under Tax Credit
			Unit # 84	2				Tenant does not meet student exemption, has full time student not allowed under Tax Credit
			Unit # 110	3				Incomplete asset verification during initial certification
			Unit # 144	4				Tenant does not meet student exemption, has full time student not allowed under Tax Credit
			Unit # 183	5				Tenant does not meet student exemption, has full time student not allowed under Tax Credit
American Dream Homes I	0 2-44		6500 Scenic Hwy, Baton Rouge, LA 70807	1	5/5/2010	9/16/2010	6/15/2011	Over income tenant
Arcadia East II	00-28		1226 First St, Arcadia, LA 71001	1	6/29/2011	6/20/2011	7/28/2011	Over income tenant
Shreveport Gardens	00-49		235 E Stoner Ave, Shreveport, LA 71101	1	6/28/2012	3/16/2012	3/16/2012	Item corrected during processing of 8823/ HUD requested our assistance-deferred repair on an A/C
Place Vendome II	99-06		1900 Cactus Dr # F, Lake Charles, LA 70602	1	5/12/2011	2/25/2010		Building destroyed by fire no longer in program
Cornerstone Homes	01-33		2616 S Claiborne Ave, New Orleans, LA 70116	1	2/27/2012	10/13/2011		Never re-opened after Katrina
T.R. Bobb	95-52		620 W Admiral Doyle, New Iberia, LA 70560	2	5/11/2011	2/17/2012	2/17/2012	Item corrected during processing of 8823
St. Charles Manor	97-16	CHDO 12-96-3	1259 St Charles Street, Thibodaux, LA 70302 Total	14	6/15/2010	9/3/2010		Recapture of remaining credits, ownership has since changed.Refer to unit list below for specifics.
			Bldg # 1-Bldg #14	1				Bldg emptied after Gustav, never placed back into service
Coventry Place	99-63		4565 N Market St, Shreveport, LA 71107	1	8/3/2011	10/13/2011	10/13/2011	Insufficient tenant documentation
Oppurtunity Homes	07(GO)-17 R		Scattered site development	30	4/6/2010	4/6/2010	9/16/2010	Corrective action called for re-inspection,refer to unit list below for specifics.

								Thirty (30) units as part of a scattered site development. Expired Fire Extinguishers not corrected within corrective time frame given, corrected after receiving 8823.
Restoration B.R. # I	01-25		723 N 30th St, Baton Rouge, LA 70802	1	5/19/2011	5/19/2011	10/24/2011	Foundation repair on pier and beam foundation not done ,after notification to Corporation of being corrected.
Project Year	# Projects Monitored							
2009	275							
2010	254							
2011	326							
2012	329							
Please note items with an * have not provided corrective evidence for department to issue a corrective 8823 to re-establish compliance								



Project Name:

**Cornerstone Tax Credit # 01-33
2616 S. Claiborne Ave
New Orleans, Louisiana 70125**

Owner:

**Rev. Charles Southall, III
Cornerstone Homes of New Orleans, LLC
1829 Carondelet
New Orleans, LA. 70130**

Number of units: 40

Project was down after Hurricane Katrina, when monitored on November 5, 2009 project was being rehabbed and we had anticipation of project coming back online. In 2011 following up on a complaint from a city council member, we found out that project was not brought back online, and was not going to be, due to lack of funds. Insurance proceeds from Katrina went towards the mortgage. 8823 have been issued and remain outstanding. Project monitored on February 27, 2012 still no work being done project remains out of commerce.



Project Name:
Place Vendome II Tax Credit #99-06
1900 Cactus Dr., #F
Lake Charles, LA 70602

Owner:
Elliot Stone
Singer Management, LLC.
11900 Biscayne Blvd., Suite 262
Miami, FL33181

Number of units: 104

Place Vendome II lost two buildings in a fire on 2-25-10. They only rebuilt one of the two buildings. They cited insufficient funds as their reason for not rebuilding both. Picture of sandy, grassy area of former building, structure removed including slap. Loss of the building discovered during May 12, 2011 routine monitoring inspection. Project failed to notify Agency of the fires. IRS Form 8823 issued for non-compliance.



Project Name:
St. Charles Manor
1259 St. Charles Manor,
Thibodaux, LA. 70301

Owner:
Mac-Re, LLC
3224 26th Street
Metairie, LA 7002

Number of units: 48

The former LHFA received a condemnation notice from the City of Thibodaux. The Project was emptied after Hurricane Gustav. During the course of investigating the Agency discovered that at least 12 units and the office had no damage. After contacting the owner to inquire about the project being brought back online, the owner stated he had insufficient funds because the insurance payment went to pay off the 1st mortgage. The project has a \$380,000 HOME note which moved into 1st position with the payoff of the previous 1st mortgage. IRS Forms 8823 where issued for non-compliance The IRS requested recapture of remaining tax credits. Owner subsequently transferred ownership.



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
Washington, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION
EXAMINATION OPERATIONS
LOW INCOME HOUSING UNIT

Date: 1/6/2011

Reply to: Carol Orzechowicz
P.O. Box 331 DP 607S
Bensalem, PA 19020
215-516-7147 / Fax: 215-516-1293

Owner's TIN: 72-1381412

BINS: LA97-00077 thru 00090

Building: St. Charles Manor Apts.

Noncompliance Date: 09/12/2008
Year: 2008

Reference: Louisiana Hsg Finance Agency
200 Lafayette St., Suite 300
Baton Rouge, LA 70801

MAC-RE, LLC
3224 26th St.
Metairie, LA 70002

Dear Taxpayer,

The State Housing Credit Agency referenced has reported on Form 8823, Low Income Housing Credit Agencies Report of Noncompliance, that you have failed to meet compliance with Internal Revenue Code Section 42 requirements and regulations thereunder, for the Building Identification Number (s), (BIN(s)), shown above (if multiple BINs see the list at the end of this letter). The noncompliance issues are:

Changes in Eligible Basis or the Applicable Percentage.

Building is no longer in compliance nor participating in the section 42 program.

Project not available to the general public.

You, therefore, should not include the non-qualified units identified by the state when calculating the credit for the year shown above. Additionally, Section 42 (j)(1) and (2) requires that prior credits that you claimed on these units are subject to recapture to the extent that any accelerated credit is attributable to the units, plus interest.

If the reduction in the number of low income units brings the property(ies) below the minimum set aside defined by Section 42(g)(1); the entire credit for the property(ies) would not be allowable.

If you are subject to recapture, you should use Form 8611 for Recapture of Low Income Housing Credit. If you have filed this form with your tax return and have reduced the credit to reflect the non-qualified units, no further action may be necessary for this year. If you have not, you should amend your return to reflect the reduced credit and possible recapture. Flow through entities should advise you distributive share recipients of the credit and recapture requirements, as applicable.

This letter is preliminary contact. Subsequent review and audit activity could be conducted to determine if your project ever in fact qualified for the low income housing tax credit. If we determine that your project never satisfied the initial qualification requirements, then a potential for full disallowance of credits exists for all appropriate years.

Note that receipt by the Internal Revenue Service of Form 8823 can increase the potential for audit of those projects reported. If you have any questions regarding this letter, you may call or write to the IRS Contact at the Philadelphia Campus in Bensalem, PA shown on the front of this letter. An employee there may be able to help you, but it is your responsibility to resolve all noncompliance issues with the appropriate **State Housing Credit Agency**. Therefore, if you have any questions regarding the non-compliance cited, please contact Ricky Patterson @ **225-763-8700 Ext. 303**.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Ron Takakjy', with a stylized flourish at the end.

Ron Takakjy,
Operations Manager, Examination
Philadelphia Service Center

Property	Project #	City	Parish	PIS	# Units	LIHTC					# UNRESTRICTED			Rent Roll
						Total	Max	%	Max %	Set aside	Total	Occupied	%	
200 Carondelet	07/08 (FA)-13	NOLA	Orleans	12/15/2008	189	76	76	40.21%	40.00%	40/60	113	104	59.79%	12-Dec
Aloysius/Eleven37	08(GO)-66	NOLA	Orleans	12/3/2010	50	23	30	46.00%	60.00%	40/60	27	24	54.00%	12-Dec
Bonne Terre II	08(GO)-65	Homa	Terrebonne	5/24/2010	64	38	38	59.38%	60.00%	40/60	26	22	40.63%	12-Dec
Chateau Carre	08(GO)-46	NOLA	Orleans	9/1/2010	150	73	75	48.67%	50.00%	40/60	77	73	51.33%	12-Dec
Constance Lofts	07/08(FA)-29	NOLA	Orleans	10/30/2009	50	25	20	50.00%	40.00%	20/50	24	24	48.00%	12-Dec
Lakeside Apts	07/08(FA)- 07	Slidell	St. Tammany	3/11/2009	250	75	100	30.00%	40.00%	40/60	150	144	60.00%	12-Dec
Monet Acres Estates II (1602)	07/08(FA)-44	Sulphur	Calcasieu	4/6/2010	60	24	24	40.00%	40.00%	40/60	36	33	60.00%	12-Dec
Nine-27	07/08(FA)- 40	Nola	Orleans	5/27/2009	76	16	15	21.05%	20.09%	20/50	76	76	100.00%	12-Dec
Palmetto Greens	08(GO)-32	Covington	St. Tammany	1/29/2010	144	83	86	57.64%	60.00%	40/60	58	54	40.28%	12-Dec
Renoir Acres Estates II (1602)	07/08(FA)-43	Sulphur	Calcasieu	4/6/2010	60	24	24	40.00%	40.00%	40/60	36	35	60.00%	12-Dec
Rivergarden CS II	07/08(FA)-42	NOLA	Orleans	12/12/2008	310	124	124	40.00%	40.00%	40/60	186	173	60.00%	12-Dec
The Crescent Club	07/08 (FA)-11	NOLA	Orleans	7/21/2009	227	90	91	39.65%	40.00%	40/60	137	128	60.35%	12-Dec
The Marquis Apts	07/08 (FA)-47	NOLA	Orleans	7/10/2009	250	97	100	38.80%	40.00%	20/50	153	147	61.20%	12-Dec
Walnut Square Apts	07/08(FA)-41	NOLA	Orleans	5/11/2009	209	74	84	35.41%	40.00%	40/60	135	120	64.59%	12-Dec
W/O Project Diversity Condition														
Beechgrove Homes (Scattered Site)	07/08 (FA)-22	westwego	Jefferson	4/1/2008	100	20	0	20.00%	0%	20/50	80	73	80.00%	12-Dec
C J Peete III	07/08(FA)-25	NOLA	Orleans	8/31/2010	460	294	0	63.91%	0%	40/60	166	139	36.09%	12-Dec
Presley Park	08(GO)-44	Lake Charles	Calcasieu	3/31/2009	100	49	0	49.00%	0%	40/60	51	46	51.00%	12-Dec
The Muses/ Villas at Lake Forest	07/08(FA)-08	NOLA	Orleans	8/27/2010	212	80	0	37.74%	0%	30/50	132	125	62.26%	12-Dec
The Preserve	07/08(FA)-10	NOLA	Orleans	1/31/2009	181	82	0	45.30%	0.00%	40/60	99	98	54.70%	12-Dec