



Board of Directors

Agenda Item #6

Resolution approving the Recommended
Awards for the 2017 Restore Community
Development Block Grant ("CDBG") Flood
Piggyback Notice of Funding Availability
("NOFA") to certain residential rental facilities.

June 13, 2018

LOUISIANA HOUSING CORPORATION

The following resolution was offered by Board Member _____ and seconded by Board Member _____:

RESOLUTION

A resolution approving the recommended awards for the 2017 Restore Community Development Block Grant (“CDBG”) Flood Piggyback Notice of Funding Availability to certain residential rental facilities; and other matters connected therewith.

WHEREAS, the Louisiana Housing Corporation (the “Corporation” or “LHC”), as authorized by the State of Louisiana, has been ordered and directed to act on behalf of the State of Louisiana (the “State”) in allocating and administering programs and/or resources made available pursuant to Section 42 of the Internal Revenue Code (the “LIHTC Program”) and is working jointly with the Office of Community Development to award funds under the Community Development Block Grant (“CDBG”) Program; and

WHEREAS, the Office of Community Development has made available to the Corporation approximately thirty-three million, eight hundred fifty thousand dollars (\$33,850,000) in Community Block Grant Disaster Recovery (“CDBG-DR”) funds to create or preserve multifamily rental units in designated 2016 flood-impacted disaster parishes; and

WHEREAS, the Corporation released the 2017 CDBG Notice of Funding Availability (“2017 CDBG NOFA) on December 15, 2017 in accordance with the recommended strategies approved by the LHC Board of Directors on November 8, 2017; and

WHEREAS, the Corporation has received and reviewed the applications to the 2017 CDBG NOFA and has compiled a list of Recommended Awards (labeled as Exhibit A, entitled “2017 CDBG NOFA Recommended Awards”).

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation (the “Board”), acting as the governing authority of said Corporation, that:

SECTION 1. The 2017 CDBG NOFA Recommended Awards are hereby approved.

SECTION 2. The Corporation staff and counsel are hereby authorized and directed to prepare such documents and agreements as may be necessary to fund the projects as set forth on the 2017 CDBG NOFA Recommended Awards.

SECTION 3. The Chairman, Vice Chairman, Executive Director, and/or Secretary of the Corporation are hereby authorized, empowered, and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Corporation, the terms of which are to be consistent with the provisions of this resolution.

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

YEAS:

NAYS:

ABSENT:

ABSTAIN:

And the resolution was declared adopted on this, the 13th day of June, 2018.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation ("Board"), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board on June 13, 2018 entitled: "A resolution approving the recommended awards for the 2017 Restore Community Development Block Grant ("CDBG") Flood Piggyback Notice of Funding Availability to certain residential rental facilities; and other matters connected therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 13th day of June, 2018.

Secretary

(SEAL)

2017 Restore CDBG Flood Piggyback Award List

Project Name (General Pool)	Total Points (Final)	Credit Determined	CDBG Determined	Parish	City	Zip	Developer Company	Construction Type	PSH Units	Units < 60 AMI	Units 60 to 80 AMI	Total Units	Target Population	Total Development Cost	TDC Per Unit	Adjusted TDC
Valencia Park of Spanish Town	112.5	\$640,635	\$5,723,931	East Baton Rouge	Baton Rouge	70802	A To-be-Formed Limited Liability Company	New Construction / Multi Family	25	98	0	122	Veterans	\$21,006,594	\$172,185	\$170,220
Cypress at Gardere Affordable Senior Housing	108.0	\$714,897	\$3,845,000	East Baton Rouge	Baton Rouge	70820	Cypress at Gardere LP	New Construction / Multi Family	5	99	0	99	Elderly	\$18,565,353	\$187,529	\$153,701
Sherwood Oaks	108.0	\$1,047,622	\$5,989,634	East Baton Rouge	Baton Rouge	70815	Sherwood Oaks of Baton Rouge, LLC	Rehabilitation & Acquisition / Multi Family	25	248	0	248	Special Needs	\$27,689,328	\$111,651	\$110,441
Progress Park	99.5	\$180,666	\$2,638,736	East Baton Rouge	Baton Rouge	70802	GCHP-Progress Park, LLC	Rehabilitation & Acquisition / Scattered Site	5	48	0	48	Elderly	\$5,537,226	\$155,359	\$101,147
Cypress Pointe RAD	95.0	\$529,582	\$4,579,878	Washington	Bogalusa	70427	Cypress Pointe RAD, LP	Rehabilitation / Scattered Site	6	112	0	112	Family	\$14,868,818	\$132,757	\$131,195
Hollywood Acres	93.5	\$283,112	\$3,486,146	East Baton Rouge	Baton Rouge	TBD	Hollywood Acres, LP	New Construction / Scattered Site	3	45	0	45	Elderly	\$7,452,283	\$165,606	\$165,606
Hollywood Heights	93.5	\$283,112	\$3,486,146	East Baton Rouge	Baton Rouge	TBD	Hollywood Heights, LP	New Construction / Scattered Site	3	45	0	45	Elderly	\$7,452,283	\$165,606	\$163,686
Pine Hill Estates II	93.0	\$449,353	\$2,900,000	Caddo	Shreveport	71107	Pine Hill Estates II Limited Partnership	Rehabilitation & Acquisition / Scattered Site	11	110	0	110	Family	\$13,042,360	\$118,567	\$111,067
Villas of Lafayette	92.5	\$236,600	\$4,763,224	Lafayette	Lafayette	70503	Lafayette Elderly Housing, LLLP	New Construction / Multi Family	3	51	0	51	Elderly	\$8,273,167	\$162,219	\$157,317
Meadows Apartments	91.5	\$307,448	\$4,435,553	Ouachita	Monroe	71201	Meadows Apartments 2018, LP	Rehabilitation / Multi Family	4	72	0	72	Family	\$7,947,584	\$110,383	\$110,383
Stone Vista II	87.5	\$627,015	\$2,245,000	Caddo	Shreveport	71101	Stone Vista Apartments II Limited Partnership	Rehabilitation & Acquisition / Multi Family	16	152	0	152	Family	\$18,054,193	\$18,778	\$116,475

Millennium Studio Apartments Phase III	87.0	\$576,411	\$5,818,601	Caddo	Shreveport	71101	Shreveport Millennium Housing III, LLC	New Construction / Multi Family	13	92	0	122	Family	\$19,277,414	\$158,012	\$158,012
Simcoe	84.0	\$281,013	\$1,898,750	Lafayette	Lafayette	70501	Simcoe Development, L.P.	Rehabilitation & Acquisition / Multi Family	3	55	0	55	Family	\$7,445,462	\$135,372	\$135,372
Bayou Gardens RAD	82.5	\$297,315	\$3,579,690	Rapides	Alexandria	71306	Bayou Gardens RAD, LP	Rehabilitation & Acquisition / Multi Family	8	65	0	65	Family	\$8,839,232	\$135,988	\$124,324
CO Circle	81.5	\$787,812	\$6,000,000	Lafayette	Lafayette	70501	CO Circle Development, LP	Rehabilitation & Acquisition / Multi Family	9	174	0	174	Family	\$21,008,882	\$120,741	\$120,223
Park Homes of Iowa	80.0	\$266,035	\$2,587,030	Calcasieu	Iowa	70647	Park Homes of Iowa Development, LP	Rehabilitation & Acquisition / Multi Family	8	60	0	60	Family	\$8,594,183	\$143,236	\$143,236
Moss	80.0	\$194,954	\$2,454,903	Lafayette	Lafayette	70501	Moss Development, L.P.	Rehabilitation & Acquisition / Multi Family	3	49	0	49	Family	\$6,615,000	\$135,000	\$133,422
Prince Village Apartments	77.5	\$310,358	\$4,412,092	Caddo	Shreveport	71107	MMM Prince Village Redevelopment, LP	Rehabilitation & Acquisition / Multi Family	6	60	0	60	Special Needs	\$7,719,290	\$128,655	\$126,155
Galilee Senior Housing	76.5	\$471,868	\$3,087,796	Caddo	Shreveport	71130	Galilee Senior Housing, LP	Rehabilitation & Acquisition / Multi Family	7	126	0	126	Elderly	\$15,712,104	\$124,699	\$124,699
Ardenwood Forest Apartment Community	74.5	\$1,662,684	\$5,154,893	East Baton Rouge	Baton Rouge	70806	Ardenwood Forest, LP	New Construction / Multi Family	28	264	0	264	Family	\$42,305,366	\$160,248	\$158,354
Lakeside Gardens Apartments	73.5	\$307,408	\$3,164,741	Caddo	Shreveport	71103-3528	Lakeside Affordable Housing, LP	Rehabilitation & Acquisition / Multi Family	5	88	0	88	Family	\$11,113,947	\$126,295	\$123,454
Prescott Creek Apartments	55.0	\$984,021	\$6,000,000	East Baton Rouge	Baton Rouge	70805	Baton Rouge Leased Housing Associates I, LLLP	New Construction / Multi Family	0	144	0	144	Family	\$26,262,198	\$182,376	\$182,376

\$3 113 402 \$22 777 179

Totals by Type 66

587 667 320

Project Name (Deconcentration Pool)	Total Points (Final)	Credit Determined	CDBG Determined	Parish	City	Zip	Developer Company	Construction Type	PSH Units	Units < 60 AMI	Units 60 to 80 AMI	Total Affordable	Target Population	Total Development Cost	TDC Per Unit	Adjusted TDC
Hammond Eastside	108.5	\$74,051	\$3,090,829	Tangipahoa	Hammond	70403	New Hammond Eastside, LLC	Historic Rehabilitation / Multi Family	3	14	1	28	Veterans	\$4,904,059	\$175,145	\$127,046
Ardenwood Mixed-Income MF Apartments	107.5	\$528,383	\$4,570,309	East Baton Rouge	Baton Rouge	70806	EBRPHA Development 3 LP	New Construction / Multi Family	9	84	2	168	Family	\$26,420,079	\$157,262	\$132,441
Elysian 3	99.0	\$98,032	\$3,679,255	East Baton Rouge	Baton Rouge	70802	GCHP - Elysian III, LLC	New Construction / Multi Family	5	17	5	42	Family	\$6,516,595	\$155,157	\$152,214
Morencieside at Juhau Lakes	97.0	\$241,729	\$6,914,552	Livingston	Denham Springs	70726	Morencieside at Juhau Lakes, LLC (to be formed)	New Construction / Multi Family	6	19	15	120	Elderly	\$21,222,400	\$176,955	\$174,794

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Totals by Type 12
Overall Total 106

621 224 120

* Note: LHC per unit costs limits Acq/Rehab: \$125,000; New Construction non-elevated: \$150,000; New Construction elevated: \$175,000; Historic Property \$250,000; and Scattered Site: \$185,000

Not Feasible																
Project Name (General Pool)	Total Points (Final)	Credit Determined	CDBG Determined	Parish	City	Zip	Developer Company	Construction Type	PSH Units	Units < 60 AMI	Units 60 to 80 AMI	Total Units	Target Population	Total Development Cost	TDC Per Unit	Adjusted TDC
Parkview Apartments	N/A	\$833,865	\$6,000,000	Ouachita	Monroe	71202	Parkview Apartments 2017, LP	Rehabilitation / Multi Family	24	225	0	225	Family	\$22,187,140	\$98,610	\$97,530
Adams Street Senior Independent Living Apartments	N/A	\$327,728	\$4,120,889	Ouachita	Monroe	71201	Adams Street Senior Independent Living LP	New Construction / Multi Family	3	50	0	50	Elderly	\$7,645,394	\$152,908	\$152,908

PB2018 - Scoring Summary and Outcomes

Revised?	#	Project Name	Location						Failed to submit			Does not Meet Scat			Final Ranking		
			Total Points (App)	Character istics	PSH - No Addtl Pts	Error by Applic	Support Docs	Site /Infill Definition	Other	Total Points (Final)	Point Variance	Scoring	Ranking	Ranking by Self-	Final		
YES	01	Parkview Apartments	119	X	X	X	X	X	X	95.0	-24.0	1	5	**			
YES	02	Valencia Park of Spanish Town	115.5	X	X	X	X	X	X	112.5	-3.0	2	1				
YES	3	Meadows Apartments	115	X	X	X	X	X	X	91.5	-23.5	3	11				
YES	21	Cypress at Gardere Affordable Senior Housing	111	X	X	X	X	X	X	108.0	-3.0	4	2				
YES	27	Sherwood Oaks	107						X	108.0	1.0	5	3				
YES	24	Pine Hill Estates II	103	X	X	X	X	X	X	93.0	-10.0	6	9				
YES	22	Stone Vista II	103	X	X	X	X	X	X	87.5	-15.5	7	12				
YES	06	Adams Street Senior Independent Living Apartments	102	X	X	X	X	X	X	87.0	-15.0	8	13				
YES	13	Progress Park	100	X	X	X	X	X	X	99.5	-0.5	9	4				
YES	25	Millennium Studio Apartments Phase III	99	X	X	X	X	X	X	87.0	-12.0	10	14				
YES	15	Hollywood Acres	97	X	X	X	X	X	X	93.5	-3.5	11	7				
YES	17	Hollywood Heights	97	X	X	X	X	X	X	93.5	-3.5	11	7				
YES	19	Cypress Pointe RAD	96						X	95.0	-1.0	13	6				
YES	04	Villas of Lafayette	95.5	X	X	X	X	X	X	92.5	-3.0	14	10				
YES	26	Prince Village Apartments	93	X	X	X	X	X	X	77.5	-15.5	15	20				
YES	28	Bayou Gardens RAD	91	X	X	X	X	X	X	82.5	-8.5	16	16				
YES	07	Park Homes of Iowa	90	X	X	X	X	X	X	80.0	-10.0	17	18				
YES	11	Moss	86			X	X	X	X	80.0	-6.0	18	19				
YES	14	Ardenwood Forest Apartment Community	85	X	X	X	X	X	X	74.5	-10.5	19	22				
YES	16	Simcoe	83	X	X	X	X	X	X	84.0	1.0	20	15				
YES	10	CO Circle	74	X	X	X	X	X	X	81.5	7.5	21	17				
YES	5	Prescott Creek Apartments	74			X	X	X	X	55.0	-19.0	22	24				
YES	9	Gallilee Senior Housing	70	X	X	X	X	X	X	76.5	6.5	23	21				
YES	8	Lakeside Gardens Apartments	67.5	X	X	X	X	X	X	73.5	6.0	24	23				
YES	23	Hammond Eastside	113	X	X	X	X	X	X	108.5	-4.5	1	1				
YES	20	Ardenwood Mixed-income MF Apartments	111.5	X	X	X	X	X	X	107.5	-4.0	2	2				
YES	18	Morningside at Juban Lakes	108	X	X	X	X	X	X	97.0	-11.0	3	4				
YES	12	Elysian 3	101	X	X	X	X	X	X	99.0	-2.0	4	3				

** Parkview and Adams Street Determined as Not Financially Viable -- insufficient sources, failure to achieve/maintain DSC

PB2018 Data by Development Type

	Number of Apps	Units Applied	Units Awarded	Apps Awarded	% Apps Awarded	% Units Awarded	Units from	Avg Score for Type
Historic Rehabilitation / Multi Family								
New Construction / Multi Family	10	1182	1	28	100%	100%		108.5
New Construction / Scattered Site	2	90	0	0	0%	0%	33%	92
Rehabilitation & Acquisition / Multi Family	10	1077	1	248	10%	23%		93.5
Rehabilitation & Acquisition / Scattered Site	2	158	1	48	50%	30%	0%	83.1
Rehabilitation / Multi Family	2	297	0	0	0%	0%	0%	96.25
Rehabilitation / Scattered Site	1	112	1	112	100%	100%	100%	93.25
Total	28	2944	7	825				

PB2018 Data by Parish

	Number of Apps	Units Applied	Apps Awarded	Units from Awarded Apps	% Apps Awarded	% Units Awarded	Avg Score from Parish
Caddo	6	658	0	0	0%	0%	82.50
Calcasieu	1	60	0	0	0%	0%	80.00
East Baton Rouge	10	1225	5	685	50%	56%	95.10
Lafayette	4	329	0	0	0%	0%	84.50
Livingston	1	120	0	0	0%	0%	97.00
Ouachita	3	347	0	0	0%	0%	91.17
Rapides	1	65	0	0	0%	0%	82.50
Tangipahoa	1	28	1	28	100%	100%	108.50
Washington	1	112	1	112	100%	100%	95.00
Total	28	2944	7	825			

UNDERWRITING REVIEW - Initial Comments
2018 Piggyback Program

Project	Hammond Eastside					
Funding Type	LIHTC 4% / CDBG Piggyback	Parish	Tangipahoa			
Type of Construction	Historic Rehabilitation / Multi Family	Primary Unit Type	Walkup			
Occupancy Type			Veterans			
Total Number of Units	28	Residential Sqft	17,203			
Hard Cost (Const / Rehab)	\$2,243,470	Hard Cost per Sqft	\$130.41			
Credits Requested	\$74,051	Allowable Credits	\$74,051			
Syndication Proceeds	\$666,459	Equity Pricing	\$0.89991			
Permanent 1st Mortgage	\$300,000 at 6.000% and 30.0 year term					
LHC Soft Funding Comments:						
Due to a very small proposed first mortgage, it would not be prudent or feasible for LHC to be 2nd behind a \$300K first mortgage. Dropping first mortgage and resizing of the CDBG loan to complete the gap.						
Market Study Comments:						
Market study states there are clear indications of strong, pent-up demand for LIHTC product such as that proposed in this development. Of the 1,394 units within the Primary Market Area, the affordable unit occupancy was 99.4% and the Market Rate occupancy was 91.1%. The underwriting assumes a 7% vacancy loss. The applicant submitted Market Rents and one 80% AMI unit rent that were somewhat higher than determined in the Market Study so the underwriting was revised to reflect the lower Market Study determination.						
Underwriting Result:	Meets LHC UW Standards					
<i>Note: Evaluation of Threshold Requirements related to scoring, design and construction must be verified by the Corporation and is not part of this Underwriting Review. The Applicant and Corporation represent that the Threshold Requirements have been met.</i>						

UNDERWRITING REVIEW - Initial Comments

2018 Piggyback Program

Project	Hammond Eastside
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Additional Reviewer Comments:

LHC recommends against \$300K proposed 1st--this unnecessarily subordinates LHC's CDBG 2nd (for meager perm proceeds), and runs into low DSCR issues in the out years. Deficiency call w/ brwr discussed revising CDBG request upwards (subject to revised points for CDBG Leverage), eliminate 1st. Projected to encounter out-year negative CF issues; proposed condition is that the transaction impose a long-standing operating deficit guaranty that will remain in place during the period the CDBG note (and U/A) is in place.

LHC 2018 Piggyback Program Summary Sources and Uses for 23 Hammond Eastside 28 Units

First Mortgage Loan	\$0	\$0 per unit
CDBG-DR Gap Financing Loan	\$3,090,829	\$110,387 per unit
LHC Soft Debt	\$0	\$0 per unit
Other Permanent Debt	\$0	\$0 per unit
LIHTC Equity	\$666,459	\$23,802 per unit
Deferred Developer Fee	\$0	\$0 per unit
Cash Flow Loan	\$0	\$0 per unit
Other Equity	\$1,146,771	\$40,956 per unit
Funding Gap (Excess)	\$0	\$0 per unit
 Total Sources of Funds	 \$4,904,059	 \$175,145 per unit

Due to a very small proposed first mortgage, it would not be prudent or feasible for LHC to be 2nd behind a \$300K first mortgage. Dropping first mortgage and resizing of the CDBG loan to complete the gap. As part of their deficiency response, the applicant agreed to CDBG funding of \$3,090,829, an increase from the initial submission in the amount of \$2,800,000.

Total Acquisition Costs	\$500,000	\$17,857 per unit
Total Hard Costs	\$2,532,093	\$90,432 per unit
Hard Cost Contingency	\$236,644	\$8,452 per unit
Initial Reserves	\$148,000	\$5,286 per unit
Developer + Consulting Fees	\$551,761	\$19,706 per unit
Other Soft Costs	\$935,561	\$33,413 per unit
 Total Uses of Funds	 \$4,904,059	 \$175,145 per unit

Note: Total Development Costs exclude any adjustments for credits, grants, community facilities, etc.

UNDERWRITING REVIEW - Initial Comments

2018 Piggyback Program

Project	Ardenwood Mixed-Income MF Apartments					
Funding Type	LIHTC 4% / CDBG Piggyback	Parish	East Baton Rouge			
Type of Construction	New Construction / Multi Family	Primary Unit Type	Walkup			
Occupancy Type			Family			
Total Number of Units	168	Residential Sqft	138,750			
Hard Cost (Const / Rehab)	\$16,805,000	Hard Cost per Sqft	\$121.12			
Credits Requested	\$500,863	Allowable Credits	\$528,383			
Syndication Proceeds	\$4,649,770	Equity Pricing	\$0.87991			
Permanent 1st Mortgage	\$14,000,000 at 4.500% and 40.0 year term					
LHC Soft Funding Comments:						
<i>The requested CDBG amount in the applicant's original and resubmission remained \$4.675M. However, per LHC's underwriting, the amount needed is almost the maximum CDBG award is needed (\$5.828M). No additional HOME, NHTF, TCAP or other soft funding was requested.</i>						
Market Study Comments:						
<i>The market study for Ardenwood in Baton Rouge, LA was completed by Gibson Consulting, LLC. The report concluded that: there is a shortage of supply and established market demands for affordable housing. The market study was accepted as submitted and did not have any adverse impact on scoring.</i>						
Underwriting Result:	Meets LHC UW Standards					
<i>Note: Evaluation of Threshold Requirements related to scoring, design and construction must be verified by the Corporation and is not part of this Underwriting Review. The Applicant and Corporation represent that the Threshold Requirements have been met.</i>						

UNDERWRITING REVIEW - Initial Comments

2018 Piggyback Program

Project	Ardenwood Mixed-Income MF Apartments
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Additional Reviewer Comments:

Ardenwood (final project name still under consideration) is a 168 unit, new construction, infill development that is competing in the mixed-income pool.

As part of the 5/14/2018 deficiency response, all missing supporting documents or explanations were provided. Additionally, where underwriting is concerned, the deferred development fee was decreased to \$0 and the applicant increased their initial deposit to the replacement reserve account to meet the programmatic requirements. All other elements of their underwriting stayed the same. Having said this, it is important to note that the initial submission utilized the the wrong PSH voucher rents. (120% AMI rather than 110% AMI rents). This was changed in the resubmission. Additionally, the applicant based their underwriting on the 2018 AMI rents, where the LHC model originally was set at 2017. Reviewer has underwritten the deal using the owner's proposed 2018 AMI rents, the corrected PSH voucher rents and confirmed that the deal is viable, provided an alternative mortgage of approximately \$12.77M is used to meet the Lender's 1.11 DSCR (the PB 2018 required 1.0 DSCR was met with the applicant's original, proposed loan amount of \$14M) throughout the 40 year term. Reviewer notes that the applicant misunderstood the original DSCR guidance and thought that the 1.0 DSCR requirement was only needed over the 15 year compliance period. In any case, the reduced first mortgage resulted in a 1.11 DSCR and also increases the CDBG amount and a need to reduced the deferred developer fee.

UW Reviewer concludes that the proposal is reasonable as submitted. The applicant accepted the market study conclusions and responded to all UW comments.

LIHTC EB is predicated on the proposed \$3.2M EBRRA grant being loaned to the property, or determined to be non-Federal Funds. In the event neither of these are true, EB must be reduced, credits will be reduced, and any shortfall will be addressed through a deferral of developer fee.

LHC 2018 Piggyback Program
Summary Sources and Uses for 20 Ardenwood Mixed-Income MF Apts
168 Units

First Mortgage Loan	\$14,000,000	\$83,333	per unit
CDBG-DR Gap Financing Loan	\$4,570,309	\$27,204	per unit
LHC Soft Debt	\$0	\$0	per unit
Other Permanent Debt	\$0	\$0	per unit
LIHTC Equity	\$4,649,770	\$27,677	per unit
Deferred Developer Fee	\$0	\$0	per unit
Cash Flow Loan	\$0	\$0	per unit
Other Equity	\$3,200,000	\$19,048	per unit
Funding Gap (Excess)	\$0	\$0	per unit
Total Sources of Funds	\$26,420,079	\$157,262	per unit

The applicant requested \$4,675,000 in CDBG funds. The East Baton Rouge Housing Authority has committed to providing a \$3.2M grant for the project towards construction/development purposes. This is included in basis, and must be removed from basis unless the grant is a loan conforming to the requirements, or unless it is determined that these funds are not Federal Funds

Additionally, the transaction includes a \$140K tax reduction. This is not a source, however, and excluded from sources.

Total Acquisition Costs	\$325,000	\$1,935	per unit
Total Hard Costs	\$19,114,600	\$113,777	per unit
Hard Cost Contingency	\$955,000	\$5,685	per unit
Initial Reserves	\$478,507	\$2,848	per unit
Developer + Consulting Fees	\$2,857,466	\$17,009	per unit
Other Soft Costs	\$2,689,506	\$16,009	per unit
Total Uses of Funds	\$26,420,079	\$157,262	per unit

Note: Total Development Costs exclude any adjustments for credits, grants, community facilities, etc.).

UNDERWRITING REVIEW - Initial Comments

2018 Piggyback Program

Project	Valencia Park of Spanish Town					
Funding Type	LIHTC 4% / CDBG Piggyback	Parish	East Baton Rouge			
Type of Construction	New Construction / Multi Family	Primary Unit Type	Elevator			
Occupancy Type	Veterans					
Total Number of Units	122	Residential Sqft	92,180			
Hard Cost (Const / Rehab)	\$12,962,194	Hard Cost per Sqft	\$140.62			
Credits Requested	\$640,510	Allowable Credits	\$640,635			
Syndication Proceeds	\$5,957,906	Equity Pricing	\$0.93000			
Permanent 1st Mortgage	\$8,710,000 at 4.450% and 40.0 year term					
LHC Soft Funding Comments:						
No other funds requested from LHC. The developer is contributing \$106,833 to be placed in an escrow for use with the population with disabilities. The target population is at least 50% Veterans.						
Market Study Comments:						
The Market Study by Gibson is strongly supportive of the need for this type of affordable development in this location. The development will meet only a small portion of the demand.						
Underwriting Result:	Meets LHC UW Standards					
<p><i>Note: Evaluation of Threshold Requirements related to scoring, design and construction must be verified by the Corporation and is not part of this Underwriting Review. The Applicant and Corporation represent that the Threshold Requirements have been met.</i></p>						

UNDERWRITING REVIEW - Initial Comments

2018 Piggyback Program

Project

Valencia Park of Spanish Town

Additional Reviewer Comments:

There are no major changes required. A minor revision was required to the CDBG-DR sizing. The submitted developer fee was calculated above the limits and is reduced. We reduced the CDBG by \$26,069 to account for a corresponding increase in equity.

LHC 2018 Piggyback Program
Summary Sources and Uses for 02 Valencia Park of Spanish Town
122 Units

First Mortgage Loan	\$8,710,000	\$71,393 per unit
CDBG-DR Gap Financing Loan	\$5,723,931	\$46,917 per unit
LHC Soft Debt	\$0	\$0 per unit
Other Permanent Debt	\$0	\$0 per unit
LIHTC Equity	\$5,957,906	\$48,835 per unit
Deferred Developer Fee	\$507,874	\$4,163 per unit
Cash Flow Loan	\$0	\$0 per unit
Other Equity	\$106,883	\$876 per unit
Funding Gap (Excess)	\$0	\$0 per unit
Total Sources of Funds	\$21,006,594	\$172,185 per unit

The applicant requested \$5,750,000 in CDBG funds.

Total Acquisition Costs	\$780,892	\$6,401 per unit
Total Hard Costs	\$14,571,868	\$119,442 per unit
Hard Cost Contingency	\$674,053	\$5,525 per unit
Initial Reserves	\$571,658	\$4,686 per unit
Developer + Consulting Fees	\$2,603,952	\$21,344 per unit
Other Soft Costs	\$1,804,171	\$14,788 per unit
Total Uses of Funds	\$21,006,594	\$172,185 per unit

Total Development Costs exclude any adjustments for credits, grants, community facilities, etc.

UNDERWRITING REVIEW - Initial Comments

2018 Piggyback Program

Project	Cypress at Gardere Affordable Senior Housing					
Funding Type	LIHTC 4% / CDBG Piggyback	Parish	East Baton Rouge			
Type of Construction	New Construction / Multi Family	Primary Unit Type	Elevator			
Occupancy Type	Elderly					
Total Number of Units	99	Residential Sqft	66,550			
Hard Cost (Const / Rehab)	\$10,978,700	Hard Cost per Sqft	\$164.97			
Credits Requested	\$732,705	Allowable Credits	\$714,897			
Syndication Proceeds	\$6,434,073	Equity Pricing	\$0.93991			
Permanent 1st Mortgage	\$5,500,000 at 5.300% and 35.0 year term					
Gap / Soft Funding	\$2,300,000 EBRPHA Grant					
 LHC Soft Funding Comments: No LHC Soft Financing requested other than CDBG						
 Market Study Comments: Market study meets requirements. Note, 100% PBV property.						
Underwriting Result:	Meets LHC UW Standards	If not met, see notes on page 2				
 <i>Note: Evaluation of Threshold Requirements related to scoring, design and construction must be verified by the Corporation and is not part of this Underwriting Review. The Applicant and Corporation represent that the Threshold Requirements have been met.</i>						

UNDERWRITING REVIEW - Initial Comments

2018 Piggyback Program

Project

Cypress at Gardere Affordable Senior Housing

Additional Reviewer Comments:

UW Mortgage maintains DSCR requirements over term. Developer fee reduced significantly to conform to LHC requirements.

**LHC 2018 Piggyback Program
Summary Sources and Uses for 21 Cypress at Gardere Affordable Se
99 Units**

First Mortgage Loan	\$5,500,000	\$55,556	per unit
CDBG-DR Gap Financing Loan	\$3,845,000	\$38,838	per unit
LHC Soft Debt	\$0	\$0	per unit
Other Permanent Debt	\$0	\$0	per unit
LIHTC Equity	\$6,434,073	\$64,991	per unit
Deferred Developer Fee	\$67,359	\$680	per unit
Cash Flow Loan	\$0	\$0	per unit
Other Equity	\$2,300,000	\$23,232	per unit
Funding Gap (Excess)	\$0	\$0	per unit
Total Sources of Funds	\$18,146,432	\$183,297	per unit

The applicant requested \$3,845,000 in CDBG funds, the same as determined by LHC. \$2.3M is the grant from the East Baton Rouge Parish Housing Authority.

Total Acquisition Costs	\$0	\$0	per unit
Total Hard Costs	\$12,470,418	\$125,964	per unit
Hard Cost Contingency	\$700,000	\$7,071	per unit
Initial Reserves	\$421,800	\$4,261	per unit
Developer + Consulting Fees	\$1,856,079	\$18,748	per unit
Other Soft Costs	\$2,698,135	\$27,254	per unit
Total Uses of Funds	\$18,146,432	\$183,297	per unit

Note the TDC Of \$183,297 per unit shown above is before the LHC allowable deductions for the maximum permitted TDC. After deducting for the \$2.3 EBR government grant and the Historic Tax Credits, the Adjusted TDC per unit is \$153,700, 12.2% below the \$175K per unit max for New Construction. There is no acquisition cost because the partnership will enter into a 75 year ground lease with the Housing Authority. The ground lease is \$450,000 payable over 75 years at \$6,000 per year.

UNDERWRITING REVIEW - Initial Comments

2018 Piggyback Program

Project	Sherwood Oaks					
Funding Type	LIHTC 4% / CDBG Piggyback	Parish	East Baton Rouge			
Type of Construction	Rehabilitation & Acquisition / Multi Family	Primary Unit Type	Walkup			
Occupancy Type	Special Needs					
Total Number of Units	248	Residential Sqft	227,168			
Hard Cost (Const / Rehab)	\$16,595,389	Hard Cost per Sqft	\$73.05			
Credits Requested	\$1,047,622	Allowable Credits	\$1,047,622			
Syndication Proceeds	\$8,904,787	Equity Pricing	\$0.84992			
Permanent 1st Mortgage	\$11,540,000 at 5.750% and 35.0 year term					
LHC Soft Funding Comments: No other soft funding request other than CDBG						
Market Study Comments: Market study supports this project						
Underwriting Result:	Meets LHC UW Standards					
<i>Note: Evaluation of Threshold Requirements related to scoring, design and construction must be verified by the Corporation and is not part of this Underwriting Review. The Applicant and Corporation represent that the Threshold Requirements have been met.</i>						

UNDERWRITING REVIEW - Initial Comments

2018 Piggyback Program

Project

Sherwood Oaks

Additional Reviewer Comments:

LHC awarded one additional point for CDBG efficiency score

**LHC 2018 Piggyback Program
Summary Sources and Uses for 27 Sherwood Oaks
248 Units**

First Mortgage Loan	\$11,540,000	\$46,532	per unit
CDBG-DR Gap Financing Loan	\$5,989,634	\$24,152	per unit
LHC Soft Debt	\$0	\$0	per unit
Other Permanent Debt	\$0	\$0	per unit
LIHTC Equity	\$8,904,787	\$35,906	per unit
Deferred Developer Fee	\$1,254,907	\$5,060	per unit
Cash Flow Loan	\$0	\$0	per unit
Other Equity	\$0	\$0	per unit
Funding Gap (Excess)	\$0	\$0	per unit
Total Sources of Funds	\$27,689,328	\$111,651	per unit

The applicant requested CDBG funds of \$6,000,000.

Total Acquisition Costs	\$450,000	\$1,815	per unit
Total Hard Costs	\$18,879,599	\$76,127	per unit
Hard Cost Contingency	\$1,648,225	\$6,646	per unit
Initial Reserves	\$1,225,204	\$4,940	per unit
Developer + Consulting Fees	\$3,390,975	\$13,673	per unit
Other Soft Costs	\$2,095,325	\$8,449	per unit
Total Uses of Funds	\$27,689,328	\$111,651	per unit

Note: Total Development Costs exclude any adjustments for credits, grants, community facilities, etc.

UNDERWRITING REVIEW - Initial Comments

2018 Piggyback Program

Project	Progress Park					
Funding Type	LIHTC 4% / CDBG Piggyback	Parish	East Baton Rouge			
Type of Construction	Rehabilitation & Acquisition / Scattered Site	Primary Unit Type	Semi-Detached			
Occupancy Type	Elderly					
Total Number of Units	48	Residential Sqft	28,800			
Hard Cost (Const / Rehab)	\$2,626,545	Hard Cost per Sqft	\$91.20			
Credits Requested	\$180,666	Allowable Credits	\$180,666			
Syndication Proceeds	\$1,535,507	Equity Pricing	\$0.85000			
Permanent 1st Mortgage	\$447,096 at 5.350% and 30.0 year term					
LHC Soft Funding Comments:						
5.17.18: CDBG funds were reduced after adjusting for the excess developer fee. Minimal reduction does not impact scoring.						
Market Study Comments:						
Market Study reflects a difference between grocery store points. Per the QAP, the definition of grocery store is "A full scale store or market that stocks perishable (including but not limited to fresh meat, milk and eggs), produce and vegetables". It was confirmed by the MS analyst that Eric's and Ancona's are not full scale grocery stores.						
Underwriting Result:	Meets LHC UW Standards					
<i>Note: Evaluation of Threshold Requirements related to scoring, design and construction must be verified by the Corporation and is not part of this Underwriting Review. The Applicant and Corporation represent that the Threshold Requirements have been met.</i>						

UNDERWRITING REVIEW - Initial Comments

2018 Piggyback Program

Project**Progress Park****Additional Reviewer Comments:**

The application used the 2017 AMI rents in effect at the time of submission. The financial plan indicated that unpaid debt to be refinanced in the later years of the CDBG loan term would have likely have some difficulty in getting adequate coverage. The 2018 AMI for East Baton Rouge significantly increased from the 2017 level initially submitted in the application. This was discussed at the LHC Loan Committee on 6/11/2018. By updating to the 2018 AMI, the underwriting can more realistically show the rents that can support a higher first mortgage and eliminate the previous difficulty of sufficient cash flow in the later years of the CDBG loan term. The 2018 60% AMI rents are below the market rents determined in the LHC commissioned Market Study. Another difference between the original submission and the final review from LHC was the \$66K reduction in developer fee because the proposed fee was over the limit.

**LHC 2018 Piggyback Program
Summary Sources and Uses for 13 Progress Park
48 Units**

First Mortgage Loan	\$700,000	\$14,583 per unit
CDBG-DR Gap Financing Loan	\$2,371,570	\$49,408 per unit
LHC Soft Debt	\$0	\$0 per unit
Other Permanent Debt	\$930,149	\$19,378 per unit
LIHTC Equity	\$1,535,507	\$31,990 per unit
Deferred Developer Fee	\$0	\$0 per unit
Cash Flow Loan	\$0	\$0 per unit
Other Equity	\$0	\$0 per unit
Funding Gap (Excess)	(\$0)	(\$0) per unit
Total Sources of Funds	\$5,537,226	\$115,359 per unit

CDBG requested by Applicant \$2,646,358. Total of Other Perm Debt = \$300,000 (seller second)+ \$622,149 (historic TC)+ \$8,000 (Disability),

Total Acquisition Costs	\$600,000	\$12,500 per unit	
Total Hard Costs	\$2,980,000	\$62,083 per unit	\$91.20 per sqft
Hard Cost Contingency	\$297,600	\$6,200 per unit	
Initial Reserves	\$181,997	\$3,792 per unit	
Developer + Consulting Fees	\$638,508	\$13,302 per unit	
Other Soft Costs	\$839,121	\$17,482 per unit	
Total Uses of Funds	\$5,537,226	\$115,359 per unit	

Developer Fee was reduced due to the request was over the 15% maximum. Resulted in change in Uses of funds.

UNDERWRITING REVIEW - Initial Comments

2018 Piggyback Program

Project	Cypress Pointe RAD					
Funding Type	LIHTC 4% / CDBG Piggyback	Parish	Washington			
Type of Construction	Rehabilitation / Scattered Site	Primary Unit Type	Detached			
Occupancy Type	Family					
Total Number of Units	112	Residential Sqft	101,664			
Hard Cost (Const / Rehab)	\$6,576,000	Hard Cost per Sqft	\$64.68			
Credits Requested	\$527,967	Allowable Credits	\$529,582			
Syndication Proceeds	\$4,630,659	Equity Pricing	\$0.87500			
Permanent 1st Mortgage	\$2,900,000 at 4.250% and 35.0 year term					
LHC Soft Funding Comments:						
There is no request apart from the CDBG-DR for soft funding from The LHC. Of note, however, The Bogalusa Housing Authority will loan the proceeds from the sale of the Oakhill and Redmond sites that have existing buildings. The option for each site is for \$1,035,000 (improvements) plus \$115,000 (land), both at 5% with a term to coincide with the maturity of the new first mortgage. Combined for both sites = \$2,300,000. The Developer has offered to defer \$458,281 (30%) of their Developer Fee in order to keep the CDBR-DR award no higher than \$4,600,000.						
Market Study Comments:						
The Market Study concluded that Washington Parish (the market area) has 44.4% of renters who are rent stressed and could benefit from affordable housing. This development has been approved by HUD in the Rental Assistance Demonstration (RAD) Program which will provide a 20 year Project-Based Section 8 contract for 92 existing public housing units. The sponsor proposes to add 20 units New Construction three and four apartment homes to the development that will rent at 60% AMI. The market analyst foresees no issue with occupancy as the market is very tight.						
Underwriting Result:	Meets LHC UW Standards					
<i>Note: Evaluation of Threshold Requirements related to scoring, design and construction must be verified by the Corporation and is not part of this Underwriting Review. The Applicant and Corporation represent that the Threshold Requirements have been met.</i>						

UNDERWRITING REVIEW - Initial Comments

2018 Piggyback Program

Project	Cypress Pointe RAD
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Additional Reviewer Comments:

The applicant had no issues with the preliminary scoring determination. Upon resubmission of the application with the Deficiency Response, the first mortgage was reduced to comply with DSC requirements and the CDBG request increased to fill the gap. The applicant acknowledged that the resulting CDBG-DR efficiency score would be one point lower. To be consistent with other submissions, we increased the submitted credit percentage from 3.23% to 3.28%. This resulted in a slight reduction in CDBG from the resubmitted request of \$4,600,000.

**LHC 2018 Piggyback Program
Summary Sources and Uses for 19 Cypress Pointe RAD
112 Units**

First Mortgage Loan	\$2,900,000	\$25,893 per unit
CDBG-DR Gap Financing Loan	\$4,579,878	\$40,892 per unit
LHC Soft Debt	\$0	\$0 per unit
Other Permanent Debt	\$0	\$0 per unit
LIHTC Equity	\$4,630,659	\$41,345 per unit
Deferred Developer Fee	\$458,281	\$4,092 per unit
Cash Flow Loan	\$2,300,000	\$20,536 per unit
Other Equity	\$0	\$0 per unit
Funding Gap (Excess)	\$0	\$0 per unit
Total Sources of Funds	\$14,868,818	\$132,757 per unit

The applicant requested \$4,600,000 in CDBG funds. The Cash Flow Loan is the Note from the Housing Authority that represents the proceeds from the sale of the two improved Public Housing sites to the new ownership entity.

Total Acquisition Costs	\$2,400,000	\$21,429 per unit
Total Hard Costs	\$7,490,640	\$66,881 per unit
Hard Cost Contingency	\$738,264	\$6,592 per unit
Initial Reserves	\$760,650	\$6,792 per unit
Developer + Consulting Fees	\$1,538,918	\$13,740 per unit
Other Soft Costs	\$1,940,346	\$17,325 per unit
Total Uses of Funds	\$14,868,818	\$132,757 per unit

Total Development Costs exclude any adjustments for credits, grants, community facilities, etc.