



Board of Directors

Agenda Item #7

Resolution approving Louisiana Housing Corporation (“LHC or Corporation”) staffs recommended strategies for awarding HOME and Housing Trust Fund (“HTF”) funds under the 2018 HOME and HTF Fall Notice of Funding Availability (“NOFA”); and providing for other matters in connection therewith.

September 12, 2018

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

RESOLUTION

A resolution approving Louisiana Housing Corporation ("LHC or Corporation") staffs recommended strategies for awarding HOME and Housing Trust Fund ("HTF") funds under the 2018 HOME and HTF Fall Notice of Funding Availability ("NOFA"); and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Corporation has been ordered and directed to act on behalf of the State of Louisiana (the "State") in applying for, implementing, allocating, and administering programs, grants, and/or resources made available pursuant to 24 CFR Part 92 (the HOME Investments Partnership Program) and 24 CFR Part 93 (the Housing Trust Fund); and

WHEREAS, the Corporation has a minimum of eighteen million dollars (\$12,000,000) including six million (\$6,000,000) in HOME Entitlement and six million (\$6,000,000) Housing Trust Fund funds available to be used for the promotion of development of affordable housing in the 2018 HOME and HTF Fall NOFA; and

WHEREAS, Corporation staff has recommended an initiative to allocate the HOME and HTF funds that promotes maximum utilization of the available funds giving priority to projects that are located in HOME non-entitlement jurisdictions that are able to utilize local governmental funding, demonstrate a readiness to proceed, and that are located in small cities or rural parishes with demonstrated need; and

WHEREAS, The Board of Directors of the Louisiana Housing Corporation ("Board") desires to approve the recommendations of staff and to authorize and direct staff and counsel to implement the 2018 HOME and HTF Fall NOFA; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation, that:

SECTION 1. The terms, conditions and parameters for awarding HOME and HTF funds to projects in conjunction with 2018 HOME and HTF Fall NOFA are hereby adopted and approved by the Board.

SECTION 2. The Corporation staff and legal counsel are authorized and directed to prepare the forms of such notices, documents, and/or agreements as may be necessary to implement the strategies described in this resolution and the 2018 HOME and HTF Fall NOFA.

SECTION 3. The Chairman and Executive Director of the Corporation be and they 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 as approved by counsel.

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 12th day of September 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 September 12, 2018, "A resolution approving Louisiana Housing Corporation ("LHC or Corporation") staffs recommended strategies for awarding HOME and Housing Trust Fund ("HTF") funds under the 2018 HOME and HTF Fall Notice of Funding Availability ("NOFA"); 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 September 2018.

Secretary

(SEAL)

LOUISIANA HOUSING CORPORATION

2018 FALL HOME/HTF

NOTICE OF FUNDING AVAILABILITY RELEASE

DATE: **September 14, 2018**

The Louisiana Housing Corporation (LHC or Corporation) hereby releases this Notice of Funding Availability (NOFA) for the Preliminary Commitment of **at least \$6,000,000 of HOME Investment Partnership Program funds (HOME Funds) and up to \$6,000,000 in National Housing Trust Fund (HTF) funds**. Eligible projects for this NOFA are those proposed for development outside of the HOME entitlement areas for HOME funds and combination project and statewide for HTF only projects. A priority for this NOFA is housing development in Areas of Demonstrated Need and extremely low income households. Additionally, the LHC will give a priority to rental projects that restrict their HOME rental developments to households at the sixty percent (60%) AMI level.

The LHC is making available federal HOME Investment Partnerships Act funds (CFDA No. 14.239) to promote the development of affordable single family homeownership and affordable rental projects. Eligible projects may involve (1) the acquisition and rehabilitation of existing dwelling units for sale, rent, or lease purchase and (2) the acquisition of building lots and the construction of new dwelling unit for sale, rent, or lease purchase that meets the needs of low- and very low-income.

Additionally, LHC is making available National Housing Trust Fund (CFDA 14.275) to promote the expansion of affordable rental housing for extremely low income (30% or less of AMI) households.

The LHC will provide HOME Program financial assistance for eligible projects in the form of Cash Flow payment loans for rental projects at the applicable federal rate and as construction loans for homeownership development projects at 0% interest. The maximum amount of HOME funds that can be received by any one applicant under this NOFA is no more than \$2,000,000 in HOME funds with no more than \$150,000 per HOME assisted homeownership and \$100,000 assisted rental unit for projects not located in an Area of Demonstrated Need. For projects located in an Area of Demonstrated Need the maximum per unit subsidy is the 234 limits established by HUD for the area. For HOME assisted projects a minimum of 4 must be assisted for each project under this NOFA.

For HTF assisted projects the LHC will provide 0% Cash Flow payment loans for rental projects that provide units affordable to extremely low income households. The maximum amount of HTF funds that can be received by any one applicant under this NOFA is \$2,000,000 and no more than \$200,000 per assisted rental unit not in an Area of Demonstrated Need (not to exceed the 234 Limit or the actual cost to develop the unit). For projects located in an Area of Demonstrated Need the maximum assistance that can be provided is the 234 limit for the area. There is no minimum number of units that may be proposed for assistance with HTF dollars.

A project may be proposed that combines both HOME and HTF funding but the project must meet the requirements of both programs including the locational limitations on the HOME program funds imposed by LHC.

Eligible affordable development proposals include the acquisition and rehabilitation of existing dwelling units, and the acquisition of building sites and/or the construction of improvements including water lines, sewer lines, sewage disposal systems, gas lines, electric lines, roads, curbs, gutters, sidewalks, and other land improvements necessary to prepare the site for the construction of affordable units for low- and very low-income families.

The NOFA is expected to address a portion of the unmet housing needs of the state by soliciting for-profit developers, units of local government, experienced non-profit organizations and community housing development organizations (CHDOs) interested in undertaking development of affordable rental housing or homeownership. This NOFA does not specifically target CHDOs; however, an applicant of CHDO sponsored affordable housing development may apply. HOME Projects undertaken within an entitlement community under this NOFA may not be used as a qualifying project for the purposes of receiving CHDO Operating Assistance.

Interested parties will submit applications for the development, construction/rehabilitation and management of all phases of an affordable rental/ownership housing development, including the planning, program administration, program documentation, applicant intake and financing necessary to receive an investment of NOFA Funds. LHC will post the NOFA and corresponding application on the agency website no later than 4:30 P.M. C.D.T. on **September 14, 2018**. LHC requires that all potential applicants attend the 2018 Fall HOME/HTF NOFA Orientation Workshop, scheduled for **September 26, 2018** at 10:00 A.M. C.D.T., at the headquarters of the Louisiana Housing Corporation (2415 Quail Drive, Baton Rouge, Louisiana 70808).

If you require special services or accommodations, please submit request via e-mail to Desiree Armstead at darmstead@lhc.la.gov.

The deadline for receipt of applications under this NOFA shall be no later than 4:00 P.M. C.D.T. on, December 14, 2018. The tentative award date for successful applicants will be no later than February, 2018.

HOME and funds provided to rental housing development activity will be in the form of a soft cash flow loan payable from Surplus Cash for rental development activities. HOME Funds will accrue interest at a rate not exceeding the long-term applicable federal rate (AFR) and will be payable from not less than 50% of Surplus Cash so that at the end of the term of and hard first Mortgage Note the unpaid balance of such Note will not exceed 80% of the residual value of the project.

HOME funds provided to homeownership activities will be in the form of a 0% construction loan and must be repaid through the proceeds of the sale of the housing units at the time of closing; unless, the development is undertaken by a State Certified CHDO that has submitted with the application a CHDO Proceeds reuse plan that the LHC finds acceptable.

HTF funds provided to rental housing development projects will be in the form of a soft cash flow loan payable from Surplus Cash. HTF funds will accrue interest at 0% and will be payable from not less than 50% of Surplus Cash

2018 FALL HOME/HTF NOFA GOALS AND OBJECTIVES

The purpose of this NOFA is to address a portion of the unmet affordable housing needs of the state, by expanding and sustaining the supply of affordable housing units located throughout the state primarily in HOME non-entitlement areas, by making available funding for rental or homeownership projects.

All developments funded through this NOFA must benefit extremely low, very low and low income persons. HUD defines "extremely low" as households whose income does not exceed 30% of the AMI, "very low income" as those households whose total household income, adjusted for family size, does not exceed 50% of the area median income. HUD defines "low income" residents as those families whose total household income, adjusted for family size, does not exceed 80% of the area median income. Rental projects must have a minimum of 90% of tenants in HOME assisted units at no more than 60% of AMI for the first year, all (100%) of HTF assisted rental units must be affordable to and be occupied by households whose income does not exceed 30% of the area median income adjusted for size of household for a period of no less than 30 years. Homeownership projects must be sold to buyers with income at or below 80% of AMI.

FUNDING

Source	HOME	NHTF
Total Available	\$6,000,000.00	\$6,000,000.00
Per Project Limit	\$2,000,000	\$2,000,000
Eligible Area	Outside of HOME Entitlement Jurisdictions	Statewide
Homeownership Development	Yes	No
Rental Development	Yes	Yes
Affordability Period Homeownership	<\$15,000 per unit 5 Years \$15,000-\$40,000 10 Years >\$40,000 15 Years	NA
Affordability Period Rental	<\$15,000 per unit 5 Years \$15,000-\$40,000 10 Years >\$40,000 15 Years New Construction 20 Years	30 Years
Per Unit Limit Homeownership*	\$150,000.00	NA
Per Unit Limit Rental*	\$100,000.00	\$200,000.00
Assistance Type Homeownership	Construction Loans	NA
Assistance Type Rental	Cash Flow Loans	Cash Flow Loans
Interest Rate Homeownership	0.00%	NA
Interest Rate Rental	AFR	0.00%
Term Rental	20 Years	35 Years
Eligible Beneficiaries Homeownership	<=80% AMI households	NA
Eligible Beneficiaries Rental	<=80% AMI households	<=30% AMI households
*Projects located in an area of demonstrated need may use the HUD 234 per unit limits.		
Projects may combine both HOME and HTF funding.		

No less than \$6,000,000 in HOME and up to \$6,000,000 in HTF funds will be made available through this NOFA. The Corporation, at the discretion of its Board of Directors, may increase this amount dependent on the quality and number of viable applications received. No affordable rental housing development will be awarded more than \$100,000.00 per HOME or \$200,000 per HTF assisted rental unit or \$150,000 per HOME assisted homeownership unit for projects not located in an Area of Demonstrated Need. Projects located in an Area of Demonstrated Need may receive up to the HUD 234 limits. The highest scoring projects will be awarded until the funds are exhausted.

An applicant receiving funds under this NOFA will be expected to maintain the fiscal, physical and managerial soundness of the affordable rental housing development receiving the HOME Funds for the longer of the period of affordability or the maturity of any loan or guaranty financing provided by the LHC. Applicants must assure compliance with all federal cross-cutting and LHC regulatory and administrative requirements, including but not limited to:

- Implementing the project or program activity as proposed in the submitted application;
- Ensuring compliance with all reporting requirements;
- Managing fund disbursement and accounting;
- Preparing work specifications;
- Conducting inspections;
- Affirmatively marketing;
- Program administration;
- Program documentation;
- Applicant intake; and
- Ensuring that all HOME requirements are met for the entire affordability period applicable to the project.

ELIGIBLE USES

Funds awarded under this NOFA will only reimburse costs incurred to develop a project. No funds will be used to reimburse a project cost unless the Funds Requisition Form with back-up invoices and receipts is submitted and approved. No funds will be disbursed until all funding commitments and grant agreements are signed, and environmental conditions are satisfied.

The purchase of land is an eligible use of funds under this NOFA; however, in no case will the entire award to an activity under this NOFA be allowed for only the acquisition of land. Land purchased prior to the award of funding under this NOFA is not a reimbursable cost.

Construction/Rehabilitation costs must be included as a budgeted item and approval must be drawn on a

pari passu basis with other permanent funding sources and each draw will have a 10% retainage withheld from each draw.

Development Subsidy – HOME funds may be left in the project to provide a development subsidy for homeownership projects when the total cost to develop the homes exceeds the lesser of the appraised value or the HOME/Housing Trust Fund Sale Price Limit for the year in which the project is originally funded. The amount of the development subsidy is the difference between the actual total development cost and the sale price. The development subsidy when combined with any homebuyer subsidy normally cannot exceed forty percent of the sale price and the development subsidy alone cannot exceed \$10,000 on any one unit. For projects located in an Area of Demonstrated Need, LHC will allow the amount of development subsidy that is necessary to produce affordable modest housing. The development subsidy will not exceed the difference between the appraised value and the TDC. HOME funds cannot be used solely for development subsidy without some level of direct subsidy to the home buyer. There must be a minimum of \$1,000 of HOME funds used as direct subsidy to the end beneficiary.

INELIGIBLE USES

NOFA funds cannot be used to purchase land from a person or person within an entity that has an identity of interest with the applicant.

Properties previously financed with HOME Funds during their affordability periods cannot receive additional HOME assistance unless assistance is provided within the first year after project completion.

NOFA Funds may not be used for development, operations or modernization of public housing financed under the 1973 Act (Public Housing Capital and Operating Funds).

Projects that previously received funding from LHC are ineligible to apply during this round.

RENTAL DEVELOPMENT

Affordable Rental housing developments must meet the affordability requirements of this section:

1. Rent for HOME Funds-assisted units must not exceed 30% of the adjusted income of a family whose annual income equals or is less than 65% of the area median income as determined by HUD, adjusted by bedroom size. HUD provides annual HOME rent limits that include average occupancy per bedroom and adjusted income assumptions. For purposes of this initiative, HOME rent limits and requirements will be used for all HOME Funds-assisted units.

2. In affordable rental housing developments with 5 or more HOME Funds-assisted units, 20% of the HOME-assisted units must be occupied by very low income families and meet one (1) of following rent requirements:

- a. The rent does not exceed 30% of the annual income of a family whose income equals 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD provides the HOME rent limits which include average occupancy per unit and adjusted income assumptions.

- b. The rent does not exceed 30% of the family's adjusted income. If the unit receives federal or state project-based rental subsidy and the very low income family pays as a contribution toward rent not more than 30% of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the federal or state project-based rental subsidy program.
- 3. PBV may be awarded to projects that have one-bedroom units available to serve households in need of PSH. In addition to the unit size the project must be close to public transportation and health care. No more than 25% of the units in a project can be set aside for PSH PBVs. Projects that request PBVs will be reviewed by the Louisiana Housing Authority and the with PSH/PBV waiting list to ensure the project is in a location where services are accessible and people in need of PSH want to live. The project must satisfy the glossary definition for "Permanent Supportive Housing"

- 4. Housing Trust Fund developed rental units must be affordable to and occupied by tenants with income at or below 30% of AMI for the area adjusted for family size. The HTF units must remain affordable for a period of no less than 30 years.

HOME OWNERSHIP DEVELOPMENT

- 1. The housing must be a 1 to 4-unit single-family dwelling.
- 2. The housing must be modest housing as follows:
 - a. In the case of acquisition of newly constructed housing or standard housing, the housing has a purchase price for the type of single family housing that does not exceed HUD HOME Value Limits.
 - b. In the case of acquisition with rehabilitation, the housing has an estimated value after rehabilitation that does not exceed the HUD HOME Value Limits for the area.
- 3. The sale price is within the HUD HOME Value Limits of the area and is affordable to a typical 80% AMI buyer without any additional subsidies.
- 4. The housing must be acquired by a homebuyer whose family qualifies as a low income family and the housing must be the principal residence of the family throughout the period of affordability.
- 5. Homeownership units developed using HOME funds must be sold to an eligible buyer within 9 months of the date of completion of construction or rehabilitation, or the unit must be rented to an

eligible tenant in accordance with the requirements at §92.252. If the units are not sold or rented as required, all funds must be repaid to LHC.

6. All homebuyers must have received housing counseling.

FINANCIAL SUSTAINABILITY

Applicants unable or unwilling to provide the required information indicated below will not be funded under this NOFA.

PERFORMANCE BOND

Each funded application that receives an award of HOME Funds will be required to post a performance bond during the period of construction sufficient to cover the HOME Fund award or provide proof of minimum net financial resources as indicated below.

MINIMUM NET FINANCIAL RESOURCES

In lieu of a performance bond, demonstration of minimum net financial resources is an option for a person or entity alone or in combination with other persons or entities having net assets equal to the applied for HOME Fund Loan **and** who has unrestricted liquid assets at least equal to 10% of the applied for HOME Fund Loan. Applicants must provide proof through submittal of certified audited financials.

MANDATORY ACTIVITIES & THRESHOLD REQUIREMENTS

CROSS CUTTING FEDERAL REQUIREMENTS

All applicants shall comply with the following:

1. Environmental clearance;
2. Uniform Residential Requirements as applicable;
3. Feasibility and viability; and
4. Market study (if required).

THRESHOLD REQUIREMENTS

1. Applicants must complete and submit the 2018 HOME/HTF FALL NOFA application by no later than **December 14, 2018 at 4:00 CST.**
2. Applicants must provide the required performance bond or provide proof of minimum financial requirements at start of construction.
3. Projects with multiple environmental issues will cause the award of HOME Funds to be canceled.
4. Projects involving the relocation of tenants must include in the application submittal a relocation plan and evidence in the project's Sources and Uses the costs associated with the relocation of tenants.

Applicants must provide a copy of the HUD required General Information Notice in the application package. The budget for relocation must be included in the application and the expected cost must be reasonable.

5. Projects shall prove that water and sewer services will be provided upon completion by submitting the following:

- a. Letter from the local service provider; or
- b. Architectural submission.

CAPITAL NEEDS ASSESSMENT – REHABILITATION PROJECTS ONLY

A capital needs assessment must be submitted at the time of application for all rehabilitation projects.

An independent, experienced third party must perform the Capital Needs Assessment and this party cannot have a financial interest in ownership of the development (i.e. not a member of the development team). It is required that a licensed professional, such as an engineer/architect, perform the assessment and supply the LHC with their professional opinion of a property's current overall physical condition. This includes the identification of significant deferred maintenance, existing deficiencies, and material building code violations that affect the property's use and its structural or mechanical integrity.

The assessment shall include a site visit and physical inspection of the interior and exterior of units and structures, as well as an interview with available on-site property management and maintenance personnel to inquire about past repairs/improvements, pending repairs and existing or chronic physical deficiencies. The assessment should include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives. The assessment should also include recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, in order to determine the appropriate replacement reserve deposits on a per unit per year basis.

The following components should be specifically examined in the Capital Needs Assessment:

1. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas, and electric utilities and lines;
2. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, and drainage;
3. Interiors, including unit and common area finishes (carpeting, vinyl tile, plaster walls, paint condition, etc.), unit kitchen finishes and appliances, unit bathroom finishes and fixtures; and common area lobbies and corridors;
4. Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, and fire protection; and

5. Elevators and/or stair wells (if applicable).

Estoppel Letter (Only Rental Renovation Projects without Acquisition) – For rehabilitation projects that do not involve acquisition and do involve the rehabilitation of property whose ownership has an identity of interest with the applicant an Estoppel letter must be provided for all debt holders. The LHC required estoppel letter format is:

The _____ ("the Lender") is the payee under that certain Promissory Note dated as of Month Day, Year (said note, as amended, restated or supplemented from time to time is hereinafter called the "Note") evidencing a loan ("Loan") wherein (Borrower), A Legal Structure of Borrower, is the borrower (the "Borrower").

The lender has been advised that you are considering making a subordinate loan to _____ (the "Partnership") upon the satisfaction of certain conditions precedent, which includes the delivery by the applicant of this letter confirming certain information about the Note and Mortgage.

In order to accommodate your request, we hereby certify to you as true, correct and complete, the following statements:

1. As of the date hereof, the principal amount of the Note is \$_____ and a total of \$_____ has been disbursed to finance a portion of the costs of the project.
2. Interest on the indebtedness evidenced by the Note commences to accrue on Month Day, Year; however, no interest is required to be paid on the note until Month Day, Year.
3. To the best knowledge of the undersigned, no payment default exists under the Note and Mortgage and no written notice of default that remains uncured has been sent by the undersigned with respect to the Note and Mortgage.
4. There is no condition that currently exists that would constitute an instance of default under the Note or Mortgage nor which if continued indefinitely uncorrected would result in an instance of default.
5. The Note and the Mortgage have not been modified, amended or supplemented from its dated date of Month Day, Year.

Loan Information

- a. Original Principal (Month Day, Year): \$_____
- b. The Loan bears interest at a per annum rate equal to N.NN%
- c. The sum of \$_____ has been disbursed by the Lender and is evidenced by the Note.
- d. Maturity date: Month Day, Year
- e. Escrows held by Lender, if any:

(1) Real estate tax Escrow:

Balance: \$ _____

Current estimated monthly installment: \$ _____

(2) Insurance Escrow:

Balance: \$ _____

Current estimated monthly installment: \$ _____

(3) Other Escrows held by Lender:

Balance: \$ _____

Current estimated monthly installment: \$ _____

2. Lender has not given Borrower any notice of default under any documents evidencing, securing, guarantying, and/or governing the Loan ("the Loan Documents").

CHANGES TO PROJECT AFTER AWARD

Any changes to a project, including but not limited to unit count and configuration, after the notice of award must be approved in advance by the Corporation in writing. Changes made without the prior written approval of the Corporation will result in the cancelation of the project and the recapture of all awarded funds.

STRICTLY ENFORCED DEADLINES

For awards under this NOFA, LHC will strictly adhere and impose deadlines for committing and expending funds based upon the activity proposed and other information provided in the application. Any funds not committed or expended within these timeframes will be recaptured by the Corporation.

1. A complete environmental review package including but not limited to a Phase I and 24 CFR Part 58 review (in a binder with tabs) is sent to Agaha Brass, Environmental Impact Officer, via mail to 2415 Quail Drive, Baton Rouge, LA 70808, (using a tracking service) and emailed to HOME@lhc.la.gov with tracking information within one hundred and twenty days (120) of this Conditional Commitment. Incomplete submissions will not be deemed as a submission and will not meet the 120-day requirement. Furthermore, the submission must contain the appropriate

acknowledgment form (Exhibit C- Environmental Review + Davis Bacon and Related Acts Requirements Letter_Template.pdf).

2. Financial closing at which all other sources of funds in the Development Budget are fully documented for the Project does not occur within one hundred eighty (180) days of this Conditional Commitment.
3. Construction at the site does not commence within two hundred ten (210) days of the date of this Conditional Commitment.
4. The initial draw of HOME Funds is not made within two hundred forty (240) days of this Conditional Commitment.
5. Projects that have been awarded HOME Funds for which no draws have been disbursed within 12 months from date of award or for which construction has not begun within 18 months from the date of award will be cancelled automatically.
6. Homeownership Projects must be sold to an eligible buyer within 9 months of completion of construction or rehabilitation or converted to permanent rental or all HOME Funds which were a part of the project must be repaid to the LHC.
7. All projects must be completed within 4 years from date of award or all HOME Funds shall be repaid to LHC.
8. Rental Projects must have all assisted units initially leased to an eligible tenant within 18 months from date of construction completion or all HOME Funds which were a part of the project must be repaid to the LHC.
9. Soft Fund awards may be terminated at any time prior to the award expiration date due to the absence of program/project productivity. Funds advanced prior to the termination of a project (whether voluntary or involuntary) must be repaid to the LHC.
10. Developer Fee – Fifty percent (50%) of the reimbursable portion of the developer fee will be paid at project completion. The remaining fifty percent (50%) will be paid once all “HOME” assisted units have been initially leased to eligible tenants, or sold to an eligible homebuyer.

NOTE: IF ANY OF THE ABOVE REFERENCED TIMELINES/REQUIREMENTS ARE NOT MET IT WILL RESULT IN AN AUTOMATIC RECEDITION OF THE CONDITIONAL AWARD.

COMPLETED PROJECTS

Projects are considered complete only after all units identified in a single project are at 100% constructed and occupied by an eligible tenant.

REGULATORY AUTHORITY & REQUIREMENTS

All applications under this NOFA are governed by the HOME regulations and Final HOME Rule dated July 24, 2013, as amended (24 CFR Part 92) and the National Housing Trust Fund Interim Rule (24 CFR Part 93) and Modification of federal statutes or regulations governing the HOME and/or Housing Trust Fund Program by Congress, the Department of Housing and Urban Development (HUD), the state legislature, or LHC may become effective immediately and apply to the activities funded under this NOFA. All NOFA Funds must be spent in accordance with HOME or HTF Program rules and regulations on eligible activities as applicable. All dwelling units assisted with NOFA Funds shall comply with the applicable federal, state, and local codes and ordinances, the rules and regulations for affordable housing set forth at 24 CFR 92.254, Subpart H--"Other Federal Requirements" (such as Affirmative Marketing, Lead-Based Paint Poisoning Prevention Act), and the rules and regulations set forth in 24 CFR Part 92 including Model Energy Code. Projects using HTF funds must comply with the New construction site and neighborhood standards located at 24 CFR 983.57 (e) (2).

This NOFA does not include the text of all applicable regulations that may be important to particular projects. For proper completion of the application, LHC strongly encourages potential applicants to consult the federal HOME and HTF Program regulations, and other federal cross-cutting regulations (referred to in Subpart H of the federal HOME regulations). Applicants should also consult the state Uniform Multifamily Regulations (UMRs).

SITE DEVELOPMENT REQUIREMENTS

Pursuant to 24 CFR §92.251, single-family new construction housing that is financed by HOME Funds must meet all applicable local building codes and building and zoning ordinances in effect at the time of project's completion. In the absence of a locally adopted building code, the project must meet the 2000 International Residential Code. Projects using HTF funds must comply with the New construction site and neighborhood standards located at 24 CFR 983.57 (e) (2).

AFFORDABILITY REQUIREMENTS

The affordability period for each newly-developed HOME assisted homeownership unit is based on the amount of HOME Funds invested pursuant to 24 CFR §92.254. In the event that the housing unit is sold, the Corporation will recapture the shared net proceeds available based on the requirements of 24 CFR §92.254 and the housing unit must be sold for an amount not less than the current appraised value as then appraised by the appropriate governmental authority unless the balance on the loan will be paid at closing.

All HTF projects must remain affordable to 30% AMI households for a period of not less than 30 years.

MINIMUM HOME ASSISTANCE PER UNIT

The minimum HOME assistance amount per unit may not be less than \$1,000. The minimum number of NOFA units will be determined by dividing the total amount of HOME Funds by \$100,000 per rental or \$150,000 per homeownership unit and HTF funds by \$200,000. Each calculation is rounded up to the next whole number.

HOUSING CHOICE OPPORTUNITIES

Projects awarded NOFA Funds must comply with Title VI of the Civil Rights Acts of 1964; the Fair Housing Act, Section 504, Executive Order 11063 and HUD regulations issued pursuant thereto so as to promote greater choice of housing opportunities.

UNIFORM RELOCATION AND REAL PROPERTY ACQUISITION ACT

If HOME Funds are proposed to pay for acquisition costs and activities, the Applicant follows the procedures of the Uniform Relocation and Real Property Acquisition Act to acquire the project site. The procedures must be followed prior to the site acquisition. HOME Funds cannot be used to pay or reimburse an applicant for site acquisitions activities that do not comply with the requirements of the Uniform Act.

DAVIS BACON PREVAILING WAGE RATE COMPLIANCE

If HOME Funds are awarded for rehabilitation and renovation cost activities or new construction of 12 or more housing units, the project budget costs must be based on the prevailing wage residential rates.

UNIFORM PHYSICAL PROPERTY CONDITION STANDARD

Housing that is constructed or rehabilitated with HOME Funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. If there are no such standards or code requirements, the housing must meet the Uniform Physical Property Condition Standard for the entire affordability period.

ACCESSIBILITY REQUIREMENTS

All funded projects must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of Rehabilitation Act of 1973 (29 U.S.C. 794) and covers multifamily dwellings, as defined at 24 CFR 100.201, and must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619). These requirements must be met for the entire affordability period.

CHDO SET-ASIDE REQUIREMENTS

The Final Rule at 24 CFR Part 92 imposed requirements on projects that receive funds from the HOME Investment Partnerships Program. Community Housing Development Organizations must demonstrate staff with capacity to undertake the proposed activity. CHDOs may use contracted staff to meet the capacity requirements. Contracted staff must be so contracted for a period of time and not for a particular project.

NOTE: Any changes in staff subsequent to the CHDO's designation must be fully disclosed within the application. See below for a summary of CHDO requirements in the event of changes within the CHDO organization:

STAFF DEVELOPMENT EXPERIENCE

1. Staff classification and documentation – To be counted as staff, the person must be employed by the CHDO, and documentation is needed.

a. Full time or part time employment – This would be evidenced by a payroll report or a W-4 or a W-2.

b. Contracted staff – This would be evidenced by a “contract” for employment and a W-9 and 1099 (at the end of a year).

2. Relevant development experience – Document the basis for answers to the applicable project type.

a. Homeownership Development – Has the staff person been involved in the acquisition, rehabilitation/construction and sale of homebuyer housing? Previous experience purely in counseling, marketing, or financing activities is not sufficient to be considered development experience.

b. Rental Development – Has the staff person been involved in the acquisition, rehabilitation/construction and/or ownership/operation of rental housing?

CHDO ORGANIZATION CAPACITY

The LHC must consider the organizational capacity of the CHDO. The LHC will review information submitted to determine if the CHDO has the organizational capacity to undertake an award under the current NOFA. Factors that the LHC will consider include:

1. Organizational structure – Can the current corporate organizational structure support housing development activities or is there a need for a subsidiary or other organizational structure for future development? Are there operations or activities that need to be organizationally separate from housing development activities and portfolios?

2. Management structure/practices – Does the current CHDO management have the ability to manage additional development activities? Are the corporate lines of authority for development activities clear? Are policies & procedures in place governing development activities?

3. Pipeline/portfolio – What does the CHDO have as its current project pipeline and program responsibilities? Will CHDO be able to handle the additional project proposed? If the CHDO organization pursues housing development, what other activities are likely to suffer or not be able to be pursued due to the effort required for development activities? Does CHDO’s portfolio of projects/properties evidence competent management and oversight? Do the properties appear to have adequate funding?

APPLICATION SUBMISSION

ORIENTATION WORKSHOP

LHC requires all potential applicants to attend the 2018 Winter NOFA Orientation Workshop, scheduled for, **September 14, 2018 at 10:00 A.M. C.D.T.**, at the headquarters of the Louisiana Housing Corporation located at 2415 Quail Drive, Baton Rouge, Louisiana 70808. The workshop will cover the requirements of the NOFA, including how to submit applications and information necessary for a successful application submission.

APPLICATIONS

This NOFA does not commit the LHC to award any contract nor to pay any costs incurred in the preparation or delivery of applications. Furthermore, the LHC reserves the right to accept or reject, in whole or in part, any and all applications submitted, and/or to cancel this NOFA. The LHC also reserves the right to ask for additional information or conduct interviews from/with any applicant and/or all applicants as may be necessary or appropriate for purposes of clarification. LHC reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA. Any such revisions will be formalized by the issuance of an amendment to this NOFA.

Market Analysis Fee of \$4,500.00 (if required) is due at the time of application and is nonrefundable.

ALTERNATIVE MARKET ANALYSIS

Alternative Market Analysis: For all CHDO Projects with less than 12 total units the Market Analysis fee is waived when the information below is submitted by the applicant.

Homeownership Development:

1. Number of prospective low income (80% of AMI and less) current rental households in the Market Area;
2. Household size of eligible prospective buyers;
3. Income Required of prospective buyers;
4. Average amount of direct homebuyer assistance required (if any) of prospective buyers;
5. Number of comparable units sold over the last year;
6. Sale price of comparable units sold in the last year;
7. Size of comparable units sold in the last year;
8. Square foot cost of comparable units sold in the last year;
9. Listing date of comparable units sold in the last year;
10. Sale date of comparable units sold in the last year;
11. Time on market (Average, Maximum, Minimum)

The Market Analysis must indicate that the homeownership units can reasonably be expected to be leased up in nine months following completion of construction.

Rental Development:

1. Number of prospective low income (80% of AMI and less) current rental households in the Market Area;
2. Household size of eligible prospective renters;
3. Vacancy Rate of Comparable projects;
4. Rents of comparable projects, by bedroom size;
5. Capture rate;
6. Number of rent burden households in the market area;

The Market Study or Analysis must indicate the HOME assisted units can be reasonably expected to be leased within 12 months following construction completion.

INELIGIBLE APPLICATIONS

Applications will be deemed ineligible if any of the following conditions exist as of the date of application:

1. Any person and or entity on the federal debarred list or an organization representing such person or entity is on the list.
2. Any person and or entity that received notice that they are currently out of compliance with LHC regarding annual audits or who are in arrears with other LHC financed projects.
3. Homeownership Developments proposed by entities that currently have unsold properties, either built or in development, funded by LHC HOME Funds.
4. Any person or entity that currently has a LHC financed project with compliance issues that are unresolved for greater than 90 days.
5. Projects previously awarded financing by LHC.
6. Any person or entity (including any of the principals) that has two or more projects previously awarded financing by LHC that are currently incomplete.
7. Projects that have or anticipate having LIHTC or Bond financing as a funding source.
8. HOME Projects located in a HOME Entitlement jurisdiction.

REQUIREMENTS AND ORDER OF SUBMISSION

1) Submit 1 original and 1 electronic copy (USB flash drive) including all required attachments and documentation individually scanned and attached. The USB flash drive shall contain the application in Microsoft Excel format (2007 Version or above) and all required attachments and documentation for the application in Adobe .pdf format.

2) Market Study fee or required alternative market analysis information stated above.

3) The application must be submitted in the following order and style:

A. Application Checklist;

B. Complete hardcopy of application with each section and attachment individually labeled and tabbed;

C. Complete electronic copy the application with each section and attachment individually scanned and labeled. Application and attachments on USB flash drive shall contain be in Microsoft Excel format (2007 Version or above) and all required attachments in Adobe .pdf format.

DEADLINE TO SUBMIT

Applications must be received by the LHC, in their entirety, by no later than **December 14, 2018 at 4:00 P.M. C.D.T.**

WHERE TO SUBMIT

Each proposal and accompanying documentation shall be submitted in a sealed envelope. The outside of the envelope must be address as follows:

**Louisiana Housing Corporation
Housing Production
2415 Quail Drive
Baton Rouge, Louisiana 70808
Re: 2018 HOME/HTF FALL NOFA**

Must include: Applicant/Company Name & Return Address

METHODS OF SUBMISSION

Applicants assume the risk of the delivery method chosen, including delivery via private courier or the U.S. mail. Be advised that applications arriving after the **December 14, 2018 4:00 P.M. C.D.T.** application deadline, whether via personal delivery, U.S. mail, Federal Express, UPS, or other comparable method of delivery, will not be accepted for any reason.

IMPORTANT DATES AND DEADLINES

NOFA and application published and posted to LHC website	September 14, 2018, 4:30 P.M. C.D.T.
2018 Winter NOFA Orientation Workshop	September 26, 2018, 10:00 A.M. C.D.T.
Deadline to submit written inquiries to LHC	October 26, 2018, 4:30 P.M. C.D.T.
Deadline for LHC to post FAQ in response to written inquiries	October 31, 2018, 3:30 P.M. C.D.T.
Application Deadline	December 14, 2018, 4:00 P.M. C.D.T.
Award of Applications	No later than February, 2018
Written Agreement signed by Applicant and returned to LHC	

NOTE: LHC reserves the right to revise this schedule. Any such revision will be formalized by the issuance of an amendment to the NOFA.

QUESTIONS AND COMMUNICATION

LHC will consider written inquiries from applicants regarding the NOFA. Inquiries will only be considered if they are submitted in writing to **HOME@lhc.la.gov** by the deadline for submission of written inquiries set forth above. Inquiries shall clearly reference the section of the NOFA for which the applicant is inquiring or seeking clarification. Any and all written inquiries from applicants submitted in writing to **HOME@lhc.la.gov** will be deemed to require an official response.

In addition to written responses to individual inquiries, an official response to each inquiry, along with the actual inquiry, will be posted by at 3:30 P.M. C.D.T. on **October 31, 2018**, in the form of a Frequently Asked Questions Addendum (FAQ) at <http://www.lhc.la.gov>.

It is the sole responsibility of the applicant to inquire into and clarify any item of the NOFA that is not understood. The Corporation also reserves the right to decline to respond to any inquiry that will cause an undue burden or expense for LHC. As mentioned above, the LHC will post all inquiries with answers on its website, <http://www.lhc.la.gov>.

It is the strict policy of the LHC that prospective respondents to this NOFA refrain from initiating any contact or communication, direct or indirect, with LHC staff or members of the Louisiana Housing Corporation's Board of Directors with regard to the competitive selection of applicants. Any violation of this policy will be considered as a basis for disqualification from consideration.

The LHC will produce public records in accordance with LA R.S. Title 44.

Underwriting Standards:

Following are some of the underwriting standards used by LHC. This is not meant to represent all of the criteria used. A more complete listing of underwriting standards can be found in the LHC HOME Policy and Procedures manual that is available on the LHC website.

Homeownership

Sale price cannot exceed the lesser of the appraised value or the HOME/Housing Trust Fund Sale Price Limit for the year in which the project is originally funded.

Appraised Value cannot exceed the HOME/Housing Trust Fund Sale Price Limit for the year in which the project is originally funded.

Development Subsidy – HOME funds may be left in the project to provide a development subsidy when the total cost to develop the homes exceeds the lesser of the appraised value or the HOME/Housing Trust Fund Sale Price Limit for the year in which the project is originally funded. The amount of the development subsidy is the difference between the actual total cost to construct and the sale price. The development subsidy when combined with any homebuyer subsidy normally cannot exceed forty percent of the sale price and the Development Subsidy alone cannot exceed \$10,000 on any one unit. For projects located in an Area of Demonstrated Need, LHC will allow the amount of development subsidy that is necessary to produce affordable modest housing. The development subsidy will not exceed the difference between the appraised value and the TDC. HOME funds cannot be used solely for development subsidy without some level of direct subsidy to the home buyer. There must be a minimum of \$1,000 of HOME funds used as direct subsidy to the end beneficiary.

Fee Simple The greatest possible estate in land, wherein the owner has the right to use it, exclusively possess it, commit waste upon it, dispose of it by deed or will, and take its fruits. A fee simple represents absolute ownership of land, and therefore the owner may do whatever he or she chooses with the land. If an owner of a fee simple dies intestate, the land will descend to the heirs.

Homebuyer Subsidy – Funds may be left in the project to provide a homebuyer subsidy when the established sale results in a note to the buyer that exceeds thirty percent of the purchaser adjusted household income. The amount of the homebuyer subsidy may not exceed the actual amount necessary to bring the note to thirty of household income. The homebuyer subsidy when combined with the development subsidy cannot exceed forty percent of the sale price except in Areas of Demonstrated Need.

Conversion to Rental – If, for any reason, homeownership units completed under this NOFA are not sold to qualified buyers within nine months they must be converted to permanent rental housing and fully initially leased to eligible renters within eighteen months. Any units that do not meet the deadlines above must repay the LHC assistance provided.

Rental Development

Relocation Plan - Projects involving the rehabilitation of existing occupied rental units must include in the application submittal a relocation plan and evidence in the project's Sources and Uses the costs associated with the relocation of tenants. Applicants must provide a copy of the HUD required General Information Notice in the application package. The budget for relocation must be included in the application and the expected cost must be reasonable.

Capital Needs Assessment – For projects involving the renovation/rehabilitation of existing rental units a capital needs assessment must be submitted at the time of application.

An independent, experienced third party must perform the Capital Needs Assessment and this party cannot have a financial interest in ownership of the development (i.e. not a member of the development team). It is required that a licensed professional, such as an engineer/architect, perform the assessment and supply the LHC with their professional opinion of a property's current overall physical condition. This includes the identification of significant deferred maintenance, existing deficiencies, and material building code violations that affect the property's use and its structural or mechanical integrity.

The assessment shall include a site visit and physical inspection of the interior and exterior of units and structures, as well as an interview with available on-site property management and maintenance personnel to inquire about past repairs/improvements, pending repairs, and existing or chronic physical deficiencies. The assessment should include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives. The assessment should also include recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, in order to determine the appropriate replacement reserve deposits on a per unit per year basis.

The following components should be specifically examined in the Capital Needs Assessment:

1. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas, and electric utilities and lines;
2. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, and drainage;
3. Interiors, including unit and common area finishes (carpeting, vinyl tile, plaster walls, paint condition, etc.), unit kitchen finishes and appliances, unit bathroom finishes and fixtures; and common area lobbies, and corridors;
4. Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, and fire protection; and
5. Elevators and/or stair wells (if applicable).

Debt Coverage Ratio – Rental projects must have a debt coverage ratio of not less than 1.10 and not more than 1.40 for the first position loan.

Maximum Rents – For the purposes of this NOFA HOME rents in effect at application will be considered the maximum allowable rents. The HOME rents are inclusive of utilities. If the utilities are paid by the tenant, then a utility allowance must be deducted from the standard HOME rents to reach the maximum allowable rent for the project. As an example, if a two-broom unit has a HOME Rent limit of seven hundred twenty-six dollars and the utility allowance for the unit is one hundred twenty-five dollars the maximum rent allowed would be six hundred one dollars.

Rate of Increase Assumptions for Revenues and Expenses -- Revenues may be projected to increase at a rate not in excess of two percent and expenses must be projected to increase at a rate of not less than three percent.

Reserve for Replacement – A special reserve to be established for each project from which the costs of replacement and repair of the project is to be funded. For this NOFA the minimum amount allowed for Reserve for Replacement is three hundred dollars per unit per year. The Reserve for Replacement is based on all units not just assisted units.

Service Priority – Projects that wish to claim Service Priority points should keep in mind that the project must still generate enough revenue such that any and all long term debt is covered and revenue is sufficient to cover standard ongoing operating expenses. For the purpose of this item, LHC will use \$4,500.00 per unit, per year operating costs unless the applicant has turned in audits (required if another rental project has been funded by LHC) in which case LHC will utilize the average operating costs of the applicants' previous developments.

Utility Allowance – HUD now requires that HOME PJs, such as LHC, produce utility allowances for each specific project. The PJ may no longer rely on the utility allowances produced by local housing authorities. As such LHC will allow the use by an applicant of a PHA utility allowance for planning and application purposes only but LHC will produce a utility allowance based on the information provided by the utility companies to the applicant that must be used by all funded projects. The LHC utility allowance will be incorporated into the Regulatory Agreement and other closing documents as appropriate. Applicants must provide rate and tariff sheets and a sample bill provided by each utility that will be providing service to the property. If certain utilities (such as water, sewer and trash pick-up) will be paid by the project then a rate sheet is not required. Additionally, if a project is all electric, there is no need to provide a gas rate sheet and sample bill. The sample bill for electricity shall be for 1,000 kWh, for Gas 100 ccf, for water 1,000 gallons. All sample bills must include any taxes and other charges or tariffs assessed.

Both Homeownership and Rental Development:

Assisted Units – The number of HOME units will be determined by dividing the total amount of HOME Funds by \$100,000 (rental) or \$150,000 (homeownership) HTF units will be determined by dividing the total HTF funds by \$200,000. Each calculation is rounded up to the next whole number. Only the actual HOME/HTF eligible development costs of the assisted units may be charged to the HOME/HTF programs. If the assisted and non-assisted units are not comparable, the actual costs may be determined based on a method of cost allocation. Projects located in an Area of Demonstrated Need will have the total assistance divided by the applicable 234 limit for the area.

Cost Reasonableness Analysis – A Cost Reasonableness *Analysis* is performed on all projects by the LHC Construction Department using information provided and RS Means costing data. The cost of construction submitted by the applicant must fall within twenty percent of the cost obtained by the LHC staff for the project to be considered as cost reasonable. For projects not deemed as cost reasonable to be funded they must either be redesigned or the construction must be competitively bid through a public bid process. In no case will the LHC provide per unit funding in excess of the HUD 234 limits for elevator type projects.

Developer Fee - Any profit, fee or income realized by the Developer in connection with the development of the project as specified in a GAAP Audit and which satisfy the Developer Fee Terms.

Developer Fee Base - The Development Costs of a Project reduced by (i) any Acquisition Costs, (ii) any Land Costs, (iii) any payments deemed lease payments for self-owned equipment, (iv) any payments to related persons or to persons with an identity of interest to the Developer, and (v) any Developer Fees (including Builder Profit and Overhead when there is an identity of interest between the Builder and the Developer).

Environmental Clearance – All projects must complete the appropriate part of 24 CFR Part 58 and receive an Authority to Use Grant Funds prior to commencing work.

Financial Commitments – Other funding must be backed up with firm enforceable financial commitments at the time of application.

Identity of Interest – An identity of interest is construed to exist when:

1. There is any financial interest of the Developer or Owner in the Builder or any financial interest of the Builder in the Developer or Owner.
2. Any officer, director or stockholder or partner of the Developer or Owner who is also an officer, director or stockholder or partner of the Builder.
3. Any officer, director, stockholder or partner of the Developer or Owner has any financial interest in the Builder; or any officer, director, stockholder or partner of the Builder has any financial interest in the Developer or Owner.
4. The Developer or Owner advances any funds to the Builder.
5. The Developer or Owner supplies and pays, on behalf of the Builder, the cost of any architectural services or engineering services other than those of a surveyor, general superintendent, or engineer employed by a Developer or Owner in connection with its obligations under the construction contract.
6. The Developer or Owner takes stock or any interest in the Builder compensation as consideration of payment.
7. There exists or comes into being any side deals, arrangements, contracts or undertakings entered

into or contemplated, thereby altering, amending, or canceling any of the required closing documents, except as approved by the LHC or the Corporation.

8. Any relationship (e.g., family) existing which would give the Builder or Developer or Owner control or influence over the price of the contract or the price paid to any subcontractor, material supplier or lessor of equipment.
9. Any member of the Development Team advances any funds to the Developer or Owner at any point prior to an allocation.

For purposes of determining an identity of interest between parties not identified in (i) through (ix), such parties will be identified as either the Developer and Owner or the Contractor as appropriate to establish the identity of interest.

The Corporation may reduce any allowable costs where an Identity of Interest has been found among the parties to transactions involving the sale, development and/or operation of the project.

Market Study – All projects require a Market Study to ensure that there is sufficient demand for the project that all units produced can reasonably be expected to be sold to qualified buyers within nine months of the completion of construction. The study is commissioned by LHC and paid for by the developer. Fees for the Market Study are due at application. A less formal Market Analysis may be done by LHC when appropriate in lieu of the Market Study.

Maximum Award – The maximum per unit award cannot exceed the 234 limits for elevator type projects. Additionally, the LHC will underwrite to maximize, to the greatest extent possible, the private financing of the project. LHC may reduce the award from the amount requested to an amount that maximizes private financing.

Maximum LHC Participation – LHC will not contribute more than eighty-five percent toward the total development costs of a project. The remaining fifteen percent must be funded from other sources including owner equity, bank financing, etc.

Type of Assistance - The financial assistance for eligible projects will be made in the form of deferred payment loans for rental projects and construction loans for homeownership. The maximum amount of funds that can be received by any one applicant under this NOFA is one million dollars of HOME and/or one million five hundred thousand of HTF with no more than \$100,000.00 per HOME assisted rental unit, \$200,000 of HTF assisted rental unit and \$150,000 HOME assisted homeownership unit. Terms of the loan will be based upon LHC underwriting and may include forgiveness of all or part of the loan. HOME funds provided for homeownership development must be repaid through the proceeds of the sale of the housing units at the time of closing absent an approved CHDO proceeds reuse plan when applicable.

DEFINITIONS

Terms not specifically defined herein have the meaning given to them in LHC's Qualified Allocation Plan (QAP) available on LHC's website.

Applicant – An employee of submitting organization.

Area of Demonstrated Need – An Area of Demonstrated Need is one located in a HUD defined Qualified Census tract with a shortage of affordable housing for lower income families and at least two of the following criteria as indicated in the 2011-2015 American Community Survey (located at:

<https://www.census.gov/programs-surveys/acs/guidance/subjects.html>)

The project is proposed to be located in a Non-Entitlement city/town where the median Housing value is at or below 50% of the State average.;

The project is located in a Non-Entitlement city/town where household median income, as listed in the 2010-2014 American Community Survey 5-Year Profiles, is at or below 65% of the State Average.

The project is proposed to be located in a Non-Entitlement city/town where the Poverty Rate is at or above 1.5 times the State average

CHDO Developer - CHDO as a "developer" it is a LHC certified CHDO that (1) either owns a property and develops a project, or has a contractual obligation to a property owner to develop a project; and (2) performs all the functions typically expected of for-profit developers, and assumes all the risks and rewards associated with being the project developer.

For rental housing, the CHDO must obtain financing, and rehabilitate or construct the project. If it owns the property, the CHDO must maintain ownership and manage the project through the affordability period. If it does not own the property, the CHDO must enter into a contractual obligation with the property owner. LHC will not make a reservation of HOME Funds to a CHDO for development unless it has determined that the CHDO has staff with demonstrated development experience and the knowledge and skills necessary to undertake the project.

Completed Projects - Projects are considered complete only after all units identified in a single project are a 100% construction complete and occupied by an eligible tenant or sold to an eligible buyer.

Construction Completion - All necessary title transfer requirements and construction work have been performed; the project complies with the requirements of this part (including the property standards under § 92.251); the final drawdown of HOME Funds has been disbursed for the project.

Corporation – The Louisiana Housing Corporation (LHC)

LHC – Louisiana Housing Corporation (LHC)

Entity/ Organization – A legal body (non-profit; for-profit, local units of government) that will have legal ownership of the project and property before and after project completion. A developer may contract with an entity or be a part of a development team.

Estoppel Letter - Signed document establishing certain facts which the signing party may not later contradict, dispute, or recant.

Income Targeting – Not less than 90% of the families receiving tenant based rental assistance (TBRA) are families whose annual incomes do not exceed 60% of the median family income for the area, as determined and made available by HUD with adjustments for smaller and larger families at the time of occupancy or at the time funds are invested, whichever is later or the dwelling units assisted with HOME Funds are occupied by families having such incomes. For HTF activities 100% of HTF funds must be spent to benefit households that are at or below 30% of AMI adjusted for the size of the household.

Permanent Supportive Housing - Housing that is (i) safe and secure, (ii) affordable to the eligible target population (as defined under “Eligible Target Population for Permanent Supportive Housing” in this glossary, (iii) permanent, with continued occupancy as long as the eligible target population pays the rent and complies with the terms of the lease or applicable landlord/tenant laws in the State of Louisiana and (iv) linked with supportive services that are flexible and responsive to the needs of the individual, available when needed by the eligible target population and accessible where the tenant lives, if necessary.

Project – A site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with HOME Funds as a single undertaking located within a 5 mile radius of each other within a single governmental entity (if located within a city, town, or other similar political subdivision then all sites must be within the same political subdivision for rental projects and within the same parish for homeownership projects. If located outside of a local jurisdiction, then all sites must be within the same Parish for both rental and ownership projects. The project includes all the activities associated with the site and building. A project may not contain both rental and homeownership or both new construction and rehabilitation activities.

Responsible Entity – Anybody of general government that has jurisdiction over the area in which a project is located, and exercises authority over land use issues in that jurisdiction (24

CFR § 58.2) which may include participating jurisdictions, state recipients, or insular areas responsible for conducting environmental reviews.

Retainage -- A percentage (LHC uses 10%) of a contract price retained from a contractor as assurance that subcontractors will be paid and that the job will be completed. All Awards under this NOFA will have a 10% retainage withheld for each draw request.

Rural Parish – A Parish which is entirely defined by USDA as rural.

Shall, Must, Will – Mandatory language denoting required action per Louisiana Revised Statute 39:1556(24); a requirement that must be met without alteration.

Should, Can, May – Non-mandatory language denoting desirable, advisable or permissible action.

Single Family Housing – means a one-to four-family residence, condominium unit, cooperative unit, combination of manufactured housing and lot, or manufactured housing lot.

Sponsor – Person(s) with respect to the project concerned, having site control (evidenced by a deed, a sales contract, or an option contract to acquire the property), a preliminary financial commitment, and a capable development team. Only CHDOs that are LHC certified to do development may sponsor a project.

Substandard Housing - Any housing unit which does not satisfy the Habitability Standards and requires Substantial Rehabilitation.

Written Agreement – The document entered into between the LHC and the applicant for the HOME assisted units that includes, but is not limited to, the terms of funding.

SCORING

I. PROJECT READINESS & DEVELOPMENT SCHEDULE		MAXIMUM 25 POINTS
Readiness to Proceed		
	10 Points	Awarded to projects that have <u>completed environmental clearance review</u> – evidence must be submitted with the application.
	5 Points	Awarded to projects on sites that have obtained discretionary public land use approvals (obtaining building permits is not necessary to score points).
	5 Points	Awarded to projects that are ready to proceed without requiring any additional development approvals (has obtained building permits and any zoning changes required).
	5 Points	Awarded to projects that have secured an executed contract from its general contractor.
II a. Leveraging		Maximum 15 Points
Percentage of HOME Program Funding Relative to Total Project Costs	15 Points 12 Points 9 Points 6 Points	25% or less 26% - 50% 51% - 75% 76% - 85%
II b, Match		Maximum 15 Points
Applicant has contributions from eligible sources that qualify as match under the HOME program. Points are awarded for the percentage of match relative to HOME funds requested.	15 Points 12 Points 9 Points	75% or Greater Less than 75% but Greater/Equal to 50%. Less than 50% but Greater/Equal to 25%.

III. SAMPLE PRELIMINARY PLOT PLANS and ELEVATIONS		MAXIMUM 10 POINTS
Plot Plans and Elevations: To receive points, photos of the neighboring properties must be submitted. Neighboring properties include all properties/structures on the same block including across the street. Photos must be labeled and indicated on a block map. Applicants will receive either 5 or 10 points depending on the submission	10 Points	Sample floor plans and elevations must include design features that are consistent with existing neighborhood housing stock.
	5 Points	Sample schematic designs must be consistent with existing neighborhood housing stock.

IV. AVERAGE HOME SUBSIDY PER UNIT		MAXIMUM 20 POINTS
Average HOME Subsidy per unit	20 Points	\$10,000 or Less
	15 Points	\$10,001 - \$20,000
	10 Points	\$20,001 - \$30,000
	5 Points	\$30,001 - \$40,000

V. MBE/WBE PARTICIPATION		MAXIMUM 5 POINTS
MBE/WBE	5 Points	Entities anticipated to be involved in implementing the Project include registered Louisiana minority- or women-owned business enterprises (MBE/WBE)

VI. Marketing / Homebuyer Pipeline			MAXIMUM 10 POINTS
Pipeline	10 Points	Have commitments from enough prequalified eligible homebuyers or renters to effectively pre-sell/lease all housing	
	3 Points	Have established relationships with realtors and/or others who have successfully secured eligible buyers/renters in the past. Or have a demonstrated organizational track record for of same	

VII. DEMONSTRATED NEED			MAXIMUM 16 POINTS
To receive points for any of these criterion applicants must print out the information from the 2010-2014 American Community Survey 5-Year Profiles. This information can be accessed by going to the following link http://www.census.gov/quickfacts/table/PST045215/22 and entering the town's name, followed by Louisiana, in the search box. Staff in its review will verify the information.	4 Points	Awarded to projects located in a HUD Qualified Census Tract	
	4 Points	Awarded to project located in a City or Town where the median Housing value at or below 50% of the State average	
	4 Points	Awarded to projects located in a city or town where the median Housing value is at or below 50% of the State average.	
	4 Points	Awarded to a project located in a city or town where the Poverty Rate at or above 1.5 times the state average.	

VII. AFFORDABILITY

MAXIMUM 10 POINTS

Affordability data realistically estimates principal, interest, taxes, and insurance for subject properties.

<u>FOR HOMEOWNERSHIP DEVELOPMENT PROJECTS ONLY:</u>		
Affordability	10 points max	LHC will review the affordability data supplied by the applicant and will use it to calculate the income level to which the housing will be affordable. All housing assisted with HOME Funds must be affordable to families with incomes of 80% of the area median family income or below.
	(10 points)	<i>All homes will have sale prices that are affordable to families with incomes between 75% and 80% of the area median family income without a development subsidy of greater than 15%.</i>
	(8 points)	<i>All homes will have sale prices that are affordable to families with incomes between 74% and 70% of the area median family income without a development subsidy of greater than 15%.</i>
	(6 points)	<i>All homes will have sale prices that are affordable to families with incomes between 69% and 60% of the area median family income without a development subsidy of greater than 15%.</i>

FOR RENTAL DEVELOPMENT PROJECTS ONLY:

Affordability	10 points max	LHC will review the affordability data supplied by the applicant and will use it to calculate the income level to which the housing will be affordable. All housing assisted with HOME funds must be affordable to families with incomes of 80% of the area median family income or below.
	(4 points)	<i>All Housing will be affordable to families with incomes between 75% and 80% of the area median family income.</i>
	(6 points)	<i>All Housing will be affordable to families with incomes between 74% and 70% of the area median family income.</i>
	(8 points)	<i>All Housing will be affordable to families with incomes between 69% and 60% of the area median family income.</i>
	(10 points)	<i>All Housing will be affordable to families with incomes between 59% and 40% of the area median family income.</i>

VI. PROJECT COMPLETION RECORD		Maximum 20 Points
LHC Completion Record	20 Points Max	The LHC will review and consider the applicant's prior performance in the completion of projects on a timely basis in accordance with the original approved development schedule.
	(20 Points)	Applicant has completed all projects on a timely basis.
	(15 Points)	Applicant has had minor difficulty in completing projects on a timely basis.
	(5 Points)	Applicant has had major difficulty in completing at least one project but less than 20% of total projects on a timely basis.
	(0 Points)	Applicant has been unable to complete any projects on a timely basis.
	(0 Points)	Applicant has never had a project funded by LHC

VII. PRIORITY CONSIDERATION

Recognized LHC NOFA Priority	20 Points	Project is a Rental Activity and will restrict all units to 60% AMI households* *To receive these points the project must include the restriction to 60% AMI households in the Regulatory Agreement and Deed Restriction and the rents must be set so that a 60% AMI household would be paying no more than 30% of their income for rent inclusive of utilities.	Maximum 20 Points
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