



# Louisiana Housing Corporation

## Board of Directors

### Agenda Item #13

Resolution providing for amending the **Program Schedule** of the State's 2022-2023 QAP to allow an **extension to deadlines** due to the effects of Hurricane Ida; and providing for other matters in connection with the foregoing.

October 13, 2021

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

## **RESOLUTION**

**A resolution providing for amending the Program Schedule of the State's 2022-2023 Qualified Allocation Plan to allow an extension to deadlines due to the effects of Hurricane Ida; and providing for other matters in connection therewith.**

**WHEREAS**, Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") provides for a low-income housing credit (the "Housing Credit") that may be claimed as part of the general business credit under Section 38 of the Code; and

**WHEREAS**, the Housing Credit determined under Section 42 of the Code is allowable only to the extent that the owner of a qualified low-income building receives a housing credit allocation from a housing credit agency such as the Louisiana Housing Corporation (the "Corporation") unless the building is exempt from the allocation requirements by reason of Section 42(h)(4) of the Code; and

**WHEREAS**, the Corporation acts 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 Section 42 of the Internal Revenue Code (the LIHTC Program); and

**WHEREAS**, Section 42(m)(1)(D) provides that Subsection (h)(4) shall not apply to any bond financed project unless the project satisfies the requirements for allocation of a housing credit under the Allocation Plan applicable to the area in which the project is located and the governmental unit which issued the bonds (or on behalf of which the bonds were issued) makes a determination under rules similar to the rules of subparagraphs (A) and (B) of Section 42(m)(2); and

**WHEREAS**, under Section 42(m)(1)(A) of the Code, the housing credit for any building is zero unless (i) such amount was allocated pursuant to a qualified allocation plan (the "Allocation Plan") of the housing credit agency, (ii) the housing credit agency notifies the chief executive officer of the local jurisdiction within which the building located of such project and provides such individual a reasonable opportunity to comment on the project, (iii) a comprehensive market study of the housing needs of low-income individuals is conducted before the credit allocation is made by a disinterested party who is approved

by the housing credit agency and (iv) a written explanation is made available to the general public for any allocation of housing credit dollar amount which is not made in accordance with established priorities and selection criteria; and

**WHEREAS**, pursuant to Section 42(m)(1)(B) of the Code, the Allocation Plan must:

- (i) set forth selection criteria to be used to determine housing priorities of the Corporation which are appropriate to local conditions;
- (ii) also give preference in allocating housing credit dollar amounts among selected projects to---
  - (I) projects serving the lowest income tenants,
  - (II) projects obligated to serve qualified tenants for the longest periods, and
  - (III) projects which are located in qualified census tracts and the development of which contributes to a concerted community revitalization plan, and
- (iii) provide a procedure that the Corporation will follow in monitoring for non-compliance with the provisions of Section 42 of the Code and in notifying the Internal Revenue Service (the "IRS") of such non-compliance which such agency becomes aware of and in monitoring for non-compliance with habitability standards through regular site visits.

**WHEREAS**, pursuant to Section 42(m)(1)(C) of the Code, the selection criteria set forth in a qualified allocation plan must include:

- (i) project location,
- (ii) housing needs characteristics,
- (iii) project characteristics, including whether the project includes the use of existing housing as part of a community revitalization plan,
- (iv) sponsor characteristics,
- (v) tenant populations with special housing needs,
- (vi) public housing waiting lists,
- (vii) tenant populations of individuals with children,
- (viii) projects intended for eventual tenant ownership,
- (ix) the energy efficiency of the project, and
- (x) the historic nature of the project.

**WHEREAS**, Section 42(m)(2)(A) requires the Corporation to allocate Housing Credits to a project in an amount which the Corporation determines is necessary for the

financial feasibility of a project and its viability as a qualified low income housing project throughout the credit period; and

**WHEREAS**, the Corporation is required to take into account in making its determinations under Section 42(m)(2)(A) the following:

- (i) the sources and uses of funds and the total financing planned for the project;
- (ii) any proceeds or receipts expected to be generated by reason of tax benefits;
- (iii) the percentage of housing credit dollar amount used for project costs other than the cost of project intermediaries, and
- (iv) the reasonableness of the developmental and operational costs of the project; and

**WHEREAS**, Section 42(m)(1)(A)(i) of the Code requires that the Allocation Plan be approved by the governmental unit in accordance with the rules similar to the rules of Section 147(f)(2) of the Code (other than subparagraph (B)(ii) thereof) of which the Corporation is a part; and

**WHEREAS**, the Corporation's Program Rule, Compliance Monitoring Agreement, and the Selection Criteria attached hereto utilized in connection with the Corporation's Low Income Housing Tax Credit Application Package have been determined to satisfy the requirements of Section 42(m)(1)(B)(i) and (ii) and Section 42(m)(1)(C) of the Code and to satisfy the Corporation's responsibilities under Section 42(m)(2); and

**WHEREAS**, under Section 42(m)(1)(D) of the Code, the Housing Credit for any project qualifying under Section 42(h)(4) of the Code is zero unless the project satisfies the requirements for allocation of a Housing Credit under the Allocation Plan of the Corporation; and

**WHEREAS**, under Section 42(m)(1)(B)(iii) of the Code, an Allocation Plan is not qualified unless it contains a procedure that the Corporation will follow in monitoring compliance with the provisions of Section 42 of the Code and notifies the IRS of any non-compliance of which the Corporation becomes aware; and

**WHEREAS**, Section 42(m)(1)(B)(iii) is effective on January 1, 1992, and applies to all buildings placed in service for which a Housing Credit is, or has been, allowable at any time; and

**WHEREAS**, final regulations relating to (i) the requirement that State allocation plans provide a procedure for the Corporation to monitor for compliance with the requirements of Section 42 of the Code, (ii) how the Corporation is to report any non-compliance to the IRS, and (iii) the affect of such regulations on the Corporation, owners of buildings or projects for which a Housing Credit is claimed, and taxpayers claiming the Housing Credits are contained at 26 CFR Part 1 (the "Compliance Regulations"); and

**WHEREAS**, Section 1.42-5 of the Compliance Regulations provides that a procedure for monitoring for non-compliance under Section 42(m)(1)(B)(iii) must include the following:

- (i) Recordkeeping and Record Retention Provisions of Section 1.42-5(b) of the Compliance Regulations;
- (ii) Certification and Review Provisions of Section 1.42-5(c) of the Compliance Regulations;
- (iii) Inspection Provisions of Section 1.42(d)-5 of the Compliance Regulations; and
- (iv) Notification of Non-Compliance Provisions of Section 1.42(5)(e) of the Compliance Regulations.

**WHEREAS**, the form of the Compliance Monitoring Agreement attached hereto, to be entered into between the Corporation and owners of low-income housing projects, is sufficient to satisfy the Compliance Regulations relating to the requirements that an owner of a low-income housing project (i) keeps and retains records for each qualified low-income building in the project, (ii) certify under penalty of perjury certain matters relating to the operation of the project for prescribed periods, and (iii) make available the project and records in connection with the project for on-site inspection; and

**WHEREAS**, pursuant to Section 1.42-5(c)(2) of the Compliance Regulations relating to reviews of each low-income housing project by the Corporation, the Corporation must:

- (i) review owner certifications under Section 1.45-5(c)(1) for compliance with the requirements of Section 42;
- (ii) conduct on-site inspections of all buildings in the project by the end of the second calendar year following the year the last building in the project is placed in service and, for at least 20 percent of the project's low-income units, inspect the units and review the low-income certifications, the documentation supporting the certifications, and the rent records for the tenants in those units; and
- (iii) at least once every 3 years, conduct on-site inspections of all buildings in the project and, for at least 20 percent of the project's low-income units, inspect the units and review the low-income certifications, the documentation supporting the certifications, and the rent records for the tenants in those units; and
- (iv) randomly select which low-income units and tenant records are to be inspected and reviewed by the Corporation. *The review of tenant records*

*may be undertaken wherever the owner maintains or stores the records (either on-site or off-site). The units and tenant records to be inspected and reviewed must be chosen in a manner that will not give owners of low-income housing projects advance notice that a unit and tenant records for a particular year will or will not be inspected and reviewed. However, the Corporation may give an owner reasonable notice that an inspection of the building and low-income units or tenant record review will occur so that the owner may notify tenants of the inspection or assemble tenant records for review (for example, 30 days' notice of inspection or review).*

**WHEREAS**, Section 1.42-5(h) of the Compliance Regulations provides that (i) the requirement of Section 42(m)(1)(B)(iii) that allocation plans contain a procedure for monitoring non-compliance becomes effective as of June 1, 1992 and applies to buildings for which a low-income housing credit is, or has been, allowable at any time and (ii) Section 42(m)(1)(B)(iii) of the Code and the Compliance Regulations do not require monitoring for whether a building or project is in compliance with the requirements of Section 42 of the Code prior to January 1, 1992; provided, however, if the Corporation becomes aware of non-compliance that occurred prior to January 1, 1992, the Corporation must notify the IRS of that non-compliance, and

**WHEREAS**, Hurricane Ida made landfall in Louisiana on August 29, 2021, causing great damage to twenty-five parishes, and resulting in widespread power losses and interruptions to essential services to those in those impacted areas; and

**WHEREAS**, the LHC Board of Directors acknowledges those impacted need additional time to apply for the upcoming 2022-2023 QAP funding round.

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

**SECTION 1. PROGRAM RULE**. The Program Rule approved in July 2021 is hereby modified to allow a 30-day extension to the initial submission requirements for 9% competitive applications. This change will also shift deadlines that follow that date as noted in the revised program schedule below. The change to the QAP 2022-2023 Program Schedule is as follows:

## QAP 2022-2023 Program Schedule

Date	Applicant	LHC
May 12, 2021		Presentation of Draft QAP to Board of Directors
May 14, 2021		2022-2023 Draft QAP Posted online
May 14-July 7, 2021	Written Comments accepted	Begin Public Comment Period
June 3, 2021		1 <sup>st</sup> QAP Public Hearing (In-Person)
June 9, 2021		Presentation of Revised Draft QAP Timeline and proposed changes to the BOD
June 28, 2021		Statewide Publication of Revised Draft and Public Hearing Notice
July 8, 2021	Deadline to request changes to QAP draft & deadline for submission of written QAP comments.	2 <sup>nd</sup> Public Hearing for QAP (In Person)
July 14, 2021	Written QAP questions accepted	Presentation of Staff Recommendations, Adoption of Final QAP and Submission to the Governor for Signature
July 23, 2021	Deadline for submission of written QAP questions	
October 4, 2021		QAP Workshop/Application Process and Posting of FAQs
November 22, 2021	Submission of Underwriting Application, Financial Commitments, Evidentiary Materials to support the Appendixes and Financial Commitments, Selection Criteria Application and Market Study Fees Due	
January 25, 2022		Score Reconciliations Provided to Developers
January 27, 2022	Deadline to Submit Written Request for Appeal of Reconciled Score	
March 9, 2022		Approval of Final Rank, Scoring and Reservation of LIHTCs

**SECTION 2. PUBLIC NOTICE FOR 9% COMPETITIVE APPLICATIONS.**

The QAP shall also allow the following change regarding the required public notice as such modification is necessary due to the change in the Program Schedule

The Applicant must include evidence that a Public Notice was published in a local newspaper having general circulation in the city, town, township or municipality of the proposed development area AND in the official journal of the local governing authority three (3) separate times within six (6) weeks of either the original deadline or revised deadline for final application submission. The notice must be published in the legal section of the paper and may not be published only in the online edition of the newspaper. Proof must be also submitted in the application, including certified mailing receipt or other delivery receipt, that the applicant has submitted correspondence regarding the application to the Mayor and the Chair or President of the local governing authority where the project is located. \*Please note that notifications sent via email, will not be accepted.

**SECTION 3. OTHER ACTIONS AND APPROVALS.** The officers of this Board of Directors and the Appointing Authority or Program Administrator of the Corporation are authorized and empowered to take any and all further action and to sign any and all documents, instruments and writings as may be necessary to carry out the purposes of this resolution and to file, on behalf of the Corporation, with any governmental board or entity having jurisdiction over the Corporation, such applications or requests for approval as may be required by law, in accordance with the requirements of Section 147(f) of the Code.

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 October 2021.

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Chairman

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Secretary

**STATE OF LOUISIANA**

**PARISH OF EAST BATON ROUGE**

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (the "Corporation"), do hereby certify that the foregoing eight (8) pages constitute a true and correct copy of a resolution adopted by said Board of Directors on October 13, 2021, entitled, "A resolution providing for approval amending the Program Schedule of the State's 2022-2023 Qualified Allocation Plan to allow an extension to deadlines due to the effects of Hurricane Ida; 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 13<sup>th</sup> day of October, 2021.

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Secretary

(SEAL)