

May 8, 2012

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The Louisiana Housing Corporation,  
Commissioners and Staff, through  
Ms. Brenda Evans  
Program Director  
2415 Quail Drive  
Baton Rouge, LA 70808

**2013 DRAFT QAP – COMMENTS**

Dear Commissioners and Staff Members:

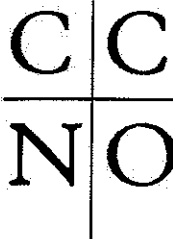
I write on behalf of CCNO Development, LLC, developers of Classic Construction of New Orleans, LLC, Classic Construction of New Orleans Venture II, LLC, Classic Construction of New Orleans Constance Lofts, LLC, Tudor Square Apartments, LLC, and McDonogh 16, LLC. With respect to the current draft version of the 2013 QAP, we have several comments:

**1. “RURAL AREA” DEFINITION:** The inclusion of the definition of “Rural Area” as any area outside of the ten stated Louisiana cities’ corporate limits, and the ability to gain 10 points for developing in such areas, goes against demographic trends of the Louisiana and United States populations, as well as effectively removing the competitive ability of developers to develop New Orleans, still suffering from a housing shortage due to the single largest natural disaster to befall the United States.

Demographic trends of population clearly show that it is the urban centers and cities, in many areas, including Louisiana, which are staging a comeback, reversing a decades long trend of dispersion to the suburbs. The current definition, and the potential coupling of ten points, will ensure that developers seek “rural areas” for their development to gain the points, effectively building in suburban areas against current walkable, bicycling urban trends. As we, the development community, first and foremost, serve the residents of the housing we provide, it is imperative that we seek to build, or re-build where the residents want to live whenever possible.

Rural projects are important to affordable housing. But, as rural projects are already allocated \$1.8 Million in their on individual pools, and with congressional districts now controlling the pool system, the definition, when combined with the 10 points for 120% AMI, and DDA designation, ensures that development will now be targeted to larger, suburban multi-family buildings, rather than scattered-site, in fill, projects and true rural projects. As the current QAP seemingly favors scattered site, on its face, this language harms the ability of the LHC to promote in fill and adaptive reuse of existing historic or blighted building sites for redeveloping New Orleans and other urban areas. These areas are critical for Louisiana development.

**2. 120% AMI CENSUS TRACT POINTS:** The gaining of points for 120% AMI census tract, development, while laudable, no one in the development community has asked for this change, and it is not necessary. Again, these ten points, if sought for funding, when coupled with the 10



**QAP COMMENTS**

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point for "rural area" development, skews the QAP and will lead developers wishing funding to big box suburban development, which seems contrary to the goals of the LHC.

**3. CONGRESSIONAL DISTRICTS:** The use of Congressional Districts as pools, while laudable in the attempt to ensure that the limited funds of the LHC are equally divided and used for development, state wide, is problematic. It is our understanding that the LHFA once used Congressional Districts for pools, and ceased same as the end result did not match its goal.

Importantly, when the Congressional District pool system is coupled with the removal of the Selection Criteria Point Score minimum, as well as the removal of Superior Design, the LHC then ensures that developers wishing to be funded, will seek to develop in areas which may not need funding, and with no minimum score necessary, the quality of the proposed affordable housing will suffer.

**4. NO SCORE MINIMUM:** When coupled with the use of Congressional Districts and the removal of Superior Design, the LHC sets a stage whereby developments which would not, under earlier versions of the QAP even qualify, would be funded. It is essential that the Louisiana Affordable Housing Community remain committed to developing and building quality affordable housing. There must be standards above the competitive nature of the funding round itself.

**5. SUPERIOR DESIGN:** While the entire development community agrees that the current incarnation of "Superior Design" is somewhat subjective and in need of revision, it is important to remember that we, as the affordable development community and you, as the Commissioners and staff of the LHC, are responsible first and foremost to the persons for which the affordable housing is intended.

Even with a reduction to \$600,000.00 in tax credits allocated per project or developer, it is essential that we strive always to build not just affordable housing, but quality affordable housing. The Commissioners should make accommodation and award points to those who have the skill and ability to not only provide affordable housing, but make a home, a true living space for the people we serve. For, in creating a true home, a place that people want to be, as well as need to have, we help the men and women we serve, the residents, in growing out of the need for affordable housing.

While we have struggled internally to devise a fair and equitable "Superior Design" category which will meet with no objections, we state affirmatively that the affordable housing community should never ignore or shirk away from its duty to always seek the best possible housing and the best designs, whether new construction, adaptive reuse, or historic rehabilitation.

Respectfully,

Pierre G. Walker, III - CCNO Development, LLC