

May 3, 2012

Mr. Michael Airhart  
Chairman of the Board of Commissioners  
Louisiana Housing Finance Agency  
A subsidiary of the Louisiana Home Corporation  
2415 Quail Drive  
Baton Rouge, LA 70808  
**SUBMITTED VIA EMAIL**

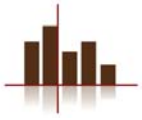
**RE: Draft Qualified Application Plan FY 2013**

Dear Mr. Chairman, LHC Commissioners and Staff of LHFA:

In response to the 2<sup>ND</sup> Draft QAP released by LHFA, as of April 24, 2012, I would like to first commend the LHC/LHFA Board of Commissioners for the efforts made and openness in discussing amendments to the 2013 Low Income Housing Tax Credit Program in Louisiana. It is very apparent that the Staff of LHFA truly engaged and embraced the comments that were provided at the public hearing. The revised draft seems to prioritize more efficient construction, a clear priority of the BOC.

In our review there were only a few items that we believe still need some amending. These items are not technical but are policy issues that the BOC should address.

1. Scoring Criteria – Page 5 of 9, Section III, Item D – Veterans Projects. **WE RECOMMEND DELETING THIS CATEGORY.** Although a need exists for veterans, the amount of points and the description of this item is subjective and unachievable. We have contacted VA and the “VASH” voucher program ONLY allows for the vouchers to be used by a veteran with their own CHOICE of housing. The program DOES NOT allow for the vouchers to be committed to a project. Simply put most vouchers administered by Housing Authorities are one of two types; the first being a Housing Choice Voucher – HCV, whereby the tenant has a voucher and can choose where they live; the second being a Project Based Voucher – PBV, whereby the voucher is assigned to a residential unit and the person applies to live in that unit. In the case of VASH, the latter is not permitted so awarding points for committed VASH vouchers is not possible.
2. Scoring Criteria – Page 5 of 9, Section III, Item E – Rural Area Project. **WE RECOMMEND DELETING THIS CATEGORY.** We have already established a priority for Rural developments in this QAP by creating a special set-aside pool of \$300,000 (TOTAL of \$1,800,000) per Congressional District for RD REHAB projects. This set-aside will guarantee that the Rural Areas of our State are not treated unfairly in this QAP. What is unfair is the definition of a



RURAL AREA PROJECT and the fact that by allowing such point category, a “double dip” of points are awarded to these areas. Currently the definition states that a Rural Area Project is a project located outside of the 10 largest cities in Louisiana. By using such a definition you are allowing an UNFAIR advantage to be given to developers in Cities like Gretna, Metairie, Kenner, Slidell, Covington, Hammond, Gonzales, Denham Springs, Baker, Zachary, Port Allen, New Iberia, Morgan City, Opelousas, Pineville, Ruston, Sulphur, etc., NONE of which should be considered RURAL and all of which have similar characteristics of cities such as New Orleans, Baton Rouge, Lafayette, Alexandria, Shreveport, Lake Charles, etc.

3. Scoring Criteria – Page 5 of 9, Section III, Item F – Public Housing Agency Project. **WE RECOMMEND AMENDING THIS CATEGORY.** Since the inception of the LIHTC program, there has been an inherent belief that certain operations, typically government or non-profits, have a disadvantage in properly executing the construction or rehab of a low income development vs. a private developer. In order to assist such government and non-profit entities to overcome this perceived disadvantage, such have either been given priority points or their own pools as to have an advantage of award over private developers. In addition, such entities have been encouraged to participate with private developers so that they could acquire the knowledge as to no longer be disadvantaged. These processes have gone on now for over 25 years. In such time these entities have come a long way and are very adept in administering the program. I do however still agree that their service as government or non-profit should have some priority, however, such priority should not be an overwhelming advantage. We would recommend that this category be changed to allow for **2 POINTS** not the 10 points as currently drafted. Still providing points would be an advantage and be in line with other priorities and the weight of such throughout the QAP.

In closing, I would like to applaud the efforts of the new LHC BOC for their commitment to receiving public and stakeholder input into this process. Your time and consideration of these initiatives, recommendations and modifications are greatly appreciated. Please feel free to request any other information you feel important to support these requests.

Greg Gachassin  
President  
The Cartesian Company

cc: Frank H Thaxton, III, Commissioner LHC  
Don Hutchinson, Interim President, LHFA  
Brenda Evans, Program Director, LHFA  
Marjorianna Willman, Tax Credit Manager, LHFA  
Charlotte Bourgeois, Executive Director LAAHP