April 10, 2012

Mr. Don Hutchinson
Interim-President
Louisiana Housing Corporation
2415 Quail Dr.
Baton Rouge, LA
70808

Re: Comments and Suggestions to 2013 Draft Qualified Allocation Plan

Dear Mr. Hutchinson,

Thank you for providing us the opportunity to review the draft of the "2012 Qualified Action Plan" While we wish we had more time to perform our review, we appreciate your solicitation of the community's feedback on this plan. The following letter outlines our comments, concerns and recommendations. These comments were from the full membership of the the Greater New Orleans Housing Alliance (GNOHA). GNOHA is a collaborative formed by the nonprofit housing builders and community development corporations who are working diligently to rebuild the City of New Orleans after the flood brought by Hurricane Katrina devastated the City's infrastructure – specifically its housing stock.

The GNOHA membership would first like to urge you to extend the comment and application period. This application cycle came as something of a surprise to many members and the quick turn around is not, in our opinion, a process that will allow for the development of quality applications that will serve the housing needs of citizens of Louisiana.

Issue 1: Impediments to developing Scattered Site and/or Historic Rehabs
New Orleans contains more blighted single-family and two-family homes than any city in the country. Estimates range between 45,000 and 65,000 empty buildings. Thousands of historic single-family and two-family homes are in danger of being demolished or destroyed by neglect. We feel that the current QAP should be modified so as to encourage the sensitive historic rehabilitation of these structures. Doing so will preserve the urban fabric of our neighborhoods and in the process generate much needed housing for Louisiana's most deserving citizens.

Recommendations:

- "Scattered Site" should be moved from I. "Targeted Project Type" to Sec. III "Other Preferences" , so a Developer can receive points for both historic rehabilitation and scattered site.
- Applicants should receive Bonus Points for not just rehabilitating historic singles and doubles in historic districts, but doing so in accordance with the Secretary of the Interior's Standards for Historic Rehabilitation as confirmed by the State Historic Preservation Office. 100% of units should meet these criteria to qualify for Bonus Points so Developers cannot game the system. We suggest 10 points.
- In recognition of the reality that it costs more to perform a sensitive historic rehabilitation of a home than to build a unit within a complex we would urge you to increase the maximum allowed Total Development Cost per unit for historic singles and doubles and decrease it for historic complexes. The Current Max is $250,000. We suggest $260,000 for singles and doubles.
- The Criteria for "Superior Design" should explicitly allow for and encourage the rehabilitation of vacant singles and doubles. The scoring spreadsheet prepared by the architectural firm that performed the "Superior Design" reviews in 2012 assumed that projects would be multi-unit complexes. "Superior Design" points were awarded for "Communities" that were well planned. The scoring criteria should be drafted so as to give maximum consideration to the rehabilitation of existing, historic neighborhoods. The greenest home is the one that is already built, and not much can be done to improve the architecture of a classic, historic shotgun.
- Applicants should receive points for both "Scattered Site" and "Historic Rehabilitation." Not one or the other. "Scattered Site" should be moved from Section I in the application, where a Developer is allowed to choose only one project type, to Section III, "Other Preferences" where an applicant may choose all that apply . Scattered Site projects should receive a minimum of 10 -12 points.
- Please require developers who select points for "Historic Rehabilitation" to indicate not just that the home is in an historic area, but that it will be rehabilitated in accordance with the U.S. Secretary of the Interior's Standards for Historic Rehabilitation. (This can be confirmed by requiring the Developer to submit a successful Part I, II, and III Historic Preservation Certification.
- The maximum allowed Total Development Cost for a historic rehabilitation should be increased to $260,000.

Issue 2: No community land trust model in the Lease to Own Option.

The affordable rental housing inventory created through the LIHTC program creates a demand for continually mounting reinvestment of additional LIHTCs and supporting funds at the expiration of credits. This demand exceeds supply of tax credits and supporting funds, placing the units at risk of being lost to market rate rentals. When a unit converts to market rate there is a double impact - there is one less affordable unit in the statewide inventory and the family who used to occupy the unit needs a new affordable home.

In Section IID: Lease To Own (Section 8) of the QAP, conveyance is allowed only for "Fee simple absolute or condo or cooperative ownership." Ineffective categorization of Lease to Own as a Targeted Population, making it inappropriately impossible to capture points for serving the other categories of population through a Lease to Own Program. Currently, the Lease to Own projects fall under one of the categories of Section IID, as a targeted population. This prevents the same project from capturing points for serving disabled households or families, both of whom can become homeowners (using a Section 8 to Homeownership voucher).

Recommendations:

- Enable conveyance of property to a land trust structure and improvements to the homebuyer that so long as that trust structure would ensure affordability.
- For the next round - allocate 5% of the annual LIHTC allocation for projects dedicated to conversion to permanently affordable community land trust homeownership.
- Move the Lease to Own as a III priority development.
- Set aside 10% of the annual allocation for the recapitalization and preservation of existing affordable housing units. This set aside works out to approximately $989,147 annually. Require that all projects enter into an extended affordability period of no fewer than 15 years beyond the IRS compliance period. Doing so will increase the total affordability period to no fewer than 30 years.
- Modify the QAP to incentivize serious, long-term housing preservation through partnerships between tax credit developers and entities that are in the business of permanent or long-term affordability like community land trusts. Community land trusts are a proven, effective model that helps low-income households transition safely from rental to homeownership, build wealth, and in many cases go on to purchase market rate homes - all with far less demand for on-going public resources.

Issue 3: Improvements to the QAP Superior Design Scorecard

We believe the superior design criteria should clarify aesthetics, functionality, scale and ammenities.

Recommendations:

- Currently, there are no points granted for design improvements that reduce operating costs and address the very real threat posed by hurricanes and tropical storms. Encouraging construction techniques that add to a buildings fortification not only allows the developer to enjoy lower insurance premiums, it also can be a incentive for the families who will live in these homes.
- Of the ten categories listed in the superior design scorecard, we suggest that changes be focused on improving the clarity of two categories, Site Design & Master Planning and Building Design & Architecture.
- Provide Construction Features and Amenities section and check list for both new construction and rehab, this could be located either within the QAP or provided as another document. Section should include: a commitment to universal design and visitability features, checklist of optional general unit features and amenities for all new construction units and rehab units, regardless of the development category selected and a detailed checklist of what “green building” entails.
- We also recommend that the LHC modify the structure of the superior design score card. Currently there is an emphasis on LEED/EGC certification with 55 of 100 possible points going towards green building standards. We recognize the importance of sustainable building practices, however recommend a consolidation of these categories and suggest eliminating all redundancies where the QAP selection criteria and the superior design score card both award points for the same criteria. Removing redundancies regarding “Green Building” design in the QAP and LEED/EGC certification in the scorecard could free up to 3 points that could then be used elsewhere in the QAP.