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To: [QAP Comments](#)
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Subject: QAP Comments
Date: Tuesday, April 10, 2012 10:14:49 PM

Please accept the following comments on the 2013 draft QAP:

--The purpose of the 10% Nonprofit / CHDO set-aside, as mandated by IRS Section 42 statute, is to elevate these qualified projects as a protected class in the LIHTC allocation process. By creating a General pool that is treated the same as the Nonprofit pool, the LHFA has stripped nonprofit-qualified projects of this status; in fact, these projects are penalized because they only compete for \$1 million of credits (in 2013) rather than \$6 million of credits in the General Pool. This runs counter to the public policy objective of the set-aside established in Section 42, which is to provide an incentive for nonprofit participation in LIHTC projects. As it stands in the draft QAP, nonprofit projects have a far higher likelihood of receiving an allocation in the General pool than in the Nonprofit pool. Instead, the LHFA should allow nonprofit qualified projects to compete for credits in both the Nonprofit and General pool simultaneously.

--The cost premium required to meet the Superior Design standards far exceeds the cost limitations established by the LHFA for average TDC per unit. High standards for energy efficiency are an important policy goal, and so the LHFA needs to allow developers to spend the money required by the market/contractors to meet this objective. The current levels of maximum TDC allowances severely penalize small and scattered site projects, which cannot generate the scale of development required to meet the LHFA's competing objectives of low cost building with high energy efficiency. Raising the maximum TDC allowances for small (under 40-unit) and scattered site projects would address this issue.

--Although not defined in the draft QAP, the Superior Design process established in the 2011/2012 allocation was a major challenge for developers. The process brought together several disparate rating systems -- LEED, Green Communities, Smart Growth, Design Advisor, etc -- which are overlapping and repetitive. Instead, the LHFA could select one rating system for scoring projects, or allow projects to select LEED or EGC without also having to meet other standards. Furthermore, and as importantly, several of the rating systems used in last year's round are entirely subjective; as a result, developers are not able to make informed decisions about which energy systems or materials to utilize. Lastly, the LHFA did not distinguish between superior design and superior energy efficiency. While the energy efficiency standards can be justified by a quantifiable system, good design and "innovation" mean many different things to different people and require clear standards. Page 16 of the QAP defines siding, roofing and windows, but the Superior Design categories did not further define any clear design standards.

--Page 51 of the draft QAP defines on-site security as a professional security guard.

This definition penalizes scattered site developments, which do not operate the same as multifamily projects. The LHFA could adapt this definition to allow for alternative forms of neighborhood security.

--Page 55 of the draft QAP defines a scattered site project as having no more than two units in any given building/structure. This definition does not allow for the appropriate use of three- or four-plexes in such projects, which help to generate the scale in construction and development that are consistent with the LHFA's stated policy goals. These projects are critical to neighborhoods by helping to meet infill policy objectives such as blight removal and clustered redevelopment.

--The May 25th deadline for applications proposed in the QAP does not allow adequate time for the development community to prepare projects for submission.

Thank you.

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