



QAP Issues

May 8, 2012

1. Credit Cap:

The credit cap is reduced to \$600,000 per project. With this reduction, **LAAHP recommends that the awards of HOME & CDBG cap per project be increased to \$1.5M.** This will provide more resources to allow projects to get accomplished.

2. 30% Basis Bump Up

LAAHP recommends that the LHFA have the discretion to give the 30% boost to any project in order to make it financially feasible.

3. Louisiana Land Trust

LAAHP supports the concept of promoting the redevelopment of Scattered Site LLT properties. However, at this point not every parish has developed a clear process of applying for LLT properties. LAAHP suggests that it is too early in the LLT process to implement in the current allocation round. **LAAHP recommends this be deleted from this QAP and be implemented in next and subsequent QAP's.**

4. Standard Timeline

LAAHP continues to recommend that the LHC adopt and publish a consistent timeline for annual application rounds.

5. Rural Area Project:

- i. There is confusion and inconsistency in the use of "rural projects," "rural area," and "Rural area project".
- ii. The Glossary defines "**Rural Area**" as "Any area outside the corporate limits of the following 10 Louisiana cities: New Orleans, Baton Rouge, Shreveport, Lafayette, Lake Charles, Kenner, Bossier City, Monroe, Alexandria, and Houma."
- iii. The Glossary defines "**Rural Project**" as "Any project for residential property located in a rural area (as defined in Section 520 of the Housing Act of 1949)."
- iv. Selection Criteria III E awards ten (10) points **for Rural Area Project** (as defined in the glossary). There is no definition in the glossary for Rural Area Project.

LAAHP recommends that the Rural Area definition in the glossary be eliminated. Further, LAAHP recommends that the ten (10) points for Rural Area Project be eliminated from the QAP since there is a separate set-aside pool for rural projects.

6. Site Change:

- a. Across the board denial of site change requests is a step backward to a policy that was in place many years ago.
- b. Site change could affect the points received for the project, i.e. neighborhood characteristics.
- c. With the use of LLT or other scattered-site properties, there is potential for one or more properties to be determined infeasible during the course of predevelopment. Developers need the flexibility of being able to substitute a property in situations like this without having to wait a year and start from scratch with a new LIHTC application.

LAAHP Recommends: As part of site change application, require that the project retain the same number of points as in application with original site and maintain the same amount of credits awarded.