

LOUISIANA HOUSING COUNCIL, INC.

CHAPTER OF NAHRO

May 24, 2013

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Michael L. Airhart, Chairman
Louisiana Housing Corporation Board of Directors
2415 Quail Drive
Baton Rouge, Louisiana 70808

Dear Mr. Airhart:

The Louisiana Housing Council (Council) hereby submits comments to the Louisiana Housing Corporation (LHC) for the 2014 Qualified Allocation Plan (QAP). We respectfully request full consideration of our comments in finalizing the 2014 QAP.

Request that the LHC maintain the 10 points for a certified PHA Application

Request that the Corporation maintain the PHA Application process and that it is certified by the Louisiana Housing Council's PHA Certification Committee

Request that the Corporation not allow any self certification in order for the applicant to qualify for a PHA Application in the 2014 QAP

Require a PHA Development provide for 51% ownership of a Council Certified PHA Application

Require a PHA Development provide that at least 51% of the developer fee go to the PHA (not the local government or other entity)

Require that PHA ownership be for the 15 year tax credit compliance period

Request that the funding awards be allocated by Congressional Districts

Request that Mixed Use and Mixed Finance be kept in the 2014 QAP

We believe that the above request will allow applicants to have an equal footing in pursuing applications in this and future rounds. We would like to point out some important facts regarding our industry in the overall effort to develop more affordable housing in our respective communities. We firmly believe that this approach will be fair and in the best interest of all low to moderate income people of Louisiana.

- The average age of Louisiana's public housing is 60 years! Public housing authorities need LIHTC more than any other group in Louisiana.

- Louisiana's 106 housing authorities serve the "poorest of the poor" in Louisiana with more than 85% at poverty level and all below 30% AMI. The majority of the "private sector" tax credit projects serve those at 50-60% AMI.
- In Louisiana, 23% of households in public housing are elderly and 20% are disabled.
- All 106 are non-profit with a focus on services and quality housing, not profit or developer fees
- Combined, the 106 agencies are responsible for 23,151 units.
- The backlog of needed capital improvements exceed \$500 million in Louisiana
- HUD has consistently reduced the very small amount of Capital Funds each year allocated to PHAs just to keep up with maintenance. Housing authorities are permitted to borrow against a small portion of its capital funds for capital improvements, but without leveraging with LIHTC, the program is not feasible.
- HUD has no funding sources to renovate existing or build new housing. HUD actually encourages PHA's to look to the LIHTC program as an alternative funding source.
- LIHTC is the only viable option open to PHAs to maintain its housing stock and serve its residents. Without this as a funding source, living conditions will continue to deteriorate for the public housing residents. We risk creating blight that would lower property values in surrounding neighborhoods. LIHTC are a source to rejuvenate neighborhoods. Without the program we risk continued deterioration along with demolition and loss of affordable housing.
- Some private developers are opposed to providing any scoring advantages to PHAs because it limits tax credits for themselves! In order for a PHA to pursue LIHTC, HUD recommends that the PHA engage a development partner through its required procurement procedures. This means that our state's for-profit developers have an opportunity to partner with housing authorities. In fact, those housing authorities that have built new units or renovated existing units have all used for profit developer partners.

We would like to suggest that the Louisiana Housing Council work with the Louisiana Housing Corporation and offer to conduct a seminar each year on how developers can partner with housing authorities and what HUD requirements govern. It would be open to all developers and LAAHP members as well as housing authorities. We would also suggest that the Louisiana Housing Council offer to be the central location that any housing authority and/or developer can go to for procurement information as well as advertisement on its web site. That way, the LHC can keep a better hold on making sure every procurement procedure is correct and above board.

Sincerely,



Bobby Simmons, President