



November 14, 2014

Delivery via email only to gapcomments@lhc.la.gov

Louisiana Housing Corporation
2415 Quail Drive
Baton Rouge, LA 70808

RE: Draft 2015 QAP Comments

Dear LHC Team,

Below are our comments related to the Draft 2015 Qualified Allocation Plan:

Project Tax Credit Limits

- Increase Project Limit from \$750,000 to \$1,500,000 to facilitate Projects of sufficient scale that lead to development (e.g. reduced TDC/unit) and operating (e.g. reduced expenses/unit) efficiencies that improve the feasibility and sustainability of the Projects. This is particularly important for “Historic Preservation/Rehabilitation” Projects, which have a higher TDC/unit.
- The increase in the Project Limit is also needed to help offset the lack of HOME and CDBG funds. Of the fourteen Projects on the 2014 LIHTC Final Awards List, eight received LIHTC awards of less than \$750,000. Of these eight, four received HOME or CDGB awards from the LHC and another project received a CDBG award from Parish government. Given the limit of \$750,000 and the lack of HOME and CDBG funds only three of the fourteen awarded Projects last year would have sufficient funding under the 2015 QAP.

Developer Tax Credit Limits

- Increase Developer Limit from \$750,000 to \$1,500,000 to allow Developers to develop projects of scale as mentioned above and to encourage highly competent Developers to consider multiple Projects.

TCAP Funds

- By the use of “preference” in the statement “Preference will be given to projects...” we infer that Projects outside of the Delta parishes are eligible to apply for TCAP funds. Please confirm.

Cost Containment Guidelines

- We strongly encourage the LHC to revert to the TDC Per Unit by Development Type that was included in the 2014 Special Interim QAP because the Cost Containment Guidelines do not accurately reflect market conditions and further analysis is needed before their implementation.
- Below are our comments specific to the Cost Containment Guidelines:
 - Guidelines overall are low (particularly “Historic Preservation/Rehabilitation”) and do not appear to capture all of the soft costs related to tax credit and affordable housing Projects.
 - “New Construction/Scattered Site” is lower than “New Construction Multifamily”; this is contradictory to market conditions.
 - Guidelines do not account for the square footage related to conditioned circulation and common spaces, which are particularly prevalent in “Historic Preservation/Rehabilitation” adaptive reuse Projects.
 - Regarding the elevator adjuster, is the \$11/square foot per elevator? For example, in a Project with two elevators that serve the same floors is the applicable adjuster \$22/square foot?

Qualified Basis

- Regarding Section V.C.2.c, delete “and for the purpose of calculating maximum qualified basis of a building or Project” so that a Project can maximum the leverage of its resources.

Historic Property

- Expand definition to read, “Property designated as historic by the State Historic Preservation Office SHPO as evidenced by an executed Part 1 or local governmental historic commission and renovated in accordance with the Secretary of the Interior’s Standards for Historic Rehabilitation. A property located in a historic district that does not qualify as historic either individually or collectively by SHPO does not meet the requirement of a historic rehab.”

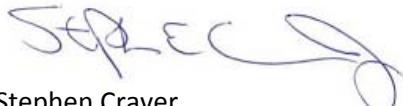
Selection Criteria

- **I.A.ii Geographic Diversity**
 - Expand this section to include tiered points for Projects in Census tracts of between 80% and 120% AMI; for example:
 - $\geq 80\% < 90\%$ - 2 points
 - $\geq 90\% < 100\%$ - 4 points
 - $\geq 100\% < 110\%$ - 6 points
 - $\geq 110\% < 120\%$ - 8 points
 - $\geq 120\%$ - 10 points
- **I.F.i Scattered Site Rehab or Rehab Infill**
 - Update to reference “Scattered Site, New Construction Infill or Rehabilitation/Conversion Infill Projects” for 10 points. Note, the 2014 Special Interim QAP allowed New Construction.
- **G. Mixed Income Projects**
 - This section and the associated points are related to Section A, De-concentration Projects. For clarity it would be helpful to combine these sections.

- **H. Preservation Priority Project**
 - Clarify item ii, "Developments that include at least three previous housing tax credit developments that have passed their initial 15-year period."
- **II.A Special Needs Households**
 - Add Veterans as a fourth Special Needs Households option.
- **II.B Elderly Households**
 - Expand this section to include tiered points for different Elderly set-aside levels; for example:
 - $\geq 20\% < 40\%$ - 2 points
 - $\geq 40\% < 60\%$ - 4 points
 - $\geq 60\% < 80\%$ - 6 points
 - $\geq 80\% < 100\%$ - 8 points
 - $= 100\%$ - 10 points

Thank you for the opportunity to provide our comments and please contact me by phone at 504-486-8673 or email at scraver@voagno.org if you would like to discuss these further.

Sincerely,



Stephen Craver
Development Director

Cc: Victor Smeltz, Executive Director
Vanessa Levine, Development Manager