



Rich Smith Development, LLC

November 11, 2014

Mr. Fred Tombar
Executive Director
Louisiana Housing Corporation
2415 Quail Drive
Baton Rouge, LA 70808

RE: Comments to the 2015 Draft Qualified Allocation Plan

Dear Mr. Tombar,
Please accept the following comments in regards to the 2015 Draft Qualified Allocation Plan ("QAP").

- **Developer Limits (page 7/42)** – Please consider increasing the Developer Limit to \$1,500,000 which would allow each developer the opportunity to receive two projects.
- **Cost Containment (page 25/42)** – We feel the Cost Containment Guidelines are too low and would like LHC to consider revising this section to reflect the Maximum Average TDC Per Unit by Development Type used in the 2014 Special Interim QAP.
- **Minimum Reserve Balance (page 18/42)**– Industry standard for operating reserves is 6 months debt service, operating expenses and replacement reserves. Please consider removing the requirement that initial operating reserves in excess of \$2,000 per unit must be funded either with deferred developer fees, unsecured debt or soft cash flow.
- **Selection Criteria (pages B-3 & B-4)**– Selection Criteria A. De-Concentration Projects & Selection Criteria G. Mixed Income Projects appears to duplicate the same intent with both sections awarding points for providing market rate units. We would recommend deletion of section A as such large percentages of de-concentration/market rate units is difficult to obtain, even more so, with the floating tax credit rate.
- **Veteran's Projects**– If this scoring criterion is added as a Selection Criteria in the 2015 Draft QAP, we would recommend 20% of the units being set aside to house Veteran households, a decrease from 50% in the original language included in the 2013 QAP.

We appreciate your consideration of our comments. Please contact me should you have any questions.

Sincerely,



Kristina Knight
Vice President of Acquisitions