
Louisiana Housing Finance Agency



Multifamily Rental Housing Program

Louis Russell, Tax Credit Manager
Loretta Wallace, Program Administrator

April 17, 2007

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MEMORANDUM

To: Chairman Mark Madderra
Commissioner Philip Miller
Commissioner John Kennedy
Commissioner Kevin Brown
Commissioner Carolyn Burris

From: Louis Russell, Tax Credit Program Manager
Loretta Wallace, Special Programs Manager

Date: April 17, 2007

Re: Multifamily Rental Housing Program Committee

There will be a Multifamily Rental Housing Program Committee meeting, Wednesday, April 18, 2007 at 9:30 A.M. at the Louisiana Housing Finance Agency, V. Jean Butler Board Room, located at 2415 Quail Drive, Baton Rouge, LA.

Loretta Wallace will present the following Resolutions to the Board.

- A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding \$12,000,000 Multifamily Housing Revenue Bonds (Autum Chase Apartments Project) in one or more series.
- A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding \$7,020,000 Multifamily Housing Revenue Bonds (Bacmonila Garden Apartments Project) in one or more series.
- A resolution accepting the proposal of Bank of America, N.A. for the purchase of not exceeding Eight Million Five Hundred Thousand Dollars (\$8,500,000) of Louisiana Housing Finance Agency Multifamily Housing Refunding Bonds (Legacy Heights Apartments Project) in one or more series; fixing the terms of said bonds and otherwise providing with respect to said bonds.

- A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding \$2,000,000 Multifamily Housing Revenue Bonds (Pine Terrace Apartments Project) in one or more series.
- A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding \$9,250,000 Multifamily Housing Revenue Bonds (Spanish Arms Apartments Project) in one or more series.
- A resolution providing for approval of the State's 2007/2008 Per Capita Qualified Allocation Plan and providing for other matters in connection therewith.
- A resolution is hereby approved that waives the twenty percent (20%) poverty unit set-aside based upon HANO's failure to provide Section 8 Project Based Assistance, for the NHP Foundation-Forest Park development project funded 2006.

April 17, 2007

MULTIFAMILY RENTAL HOUSING COMMITTEE

A regular meeting of the Multifamily Rental Housing Program Committee will be held on Tuesday, April 17, 2007 at 1:00 P.M., Louisiana Housing Finance Agency, V. Jean Butler Board Room, located at 2415 Quail Drive, Baton Rouge, LA by order of the Chairman.

Final Agenda

1. Call to order, roll call and introduction of guests.
2. Approval of the minutes from the March 21, 2007 Multifamily Committee Meeting.
3. Multifamily Bond Finance Update
 - A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding \$12,000,000 Multifamily Housing Revenue Bonds (Autum Chase Apartments Project) in one or more series.
 - A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding \$7,020,000 Multifamily Housing Revenue Bonds (Bacmonila Garden Apartments Project) in one or more series.
 - A resolution accepting the proposal of Bank of America, N.A. for the purchase of not exceeding Eight Million Five Hundred Thousand Dollars (\$8,500,000) of Louisiana Housing Finance Agency Multifamily Housing Refunding Bonds (Legacy Heights Apartments Project) in one or more series; fixing the terms of said bonds and otherwise providing with respect to said bonds.
 - A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding \$2,000,000

Multifamily Housing Revenue Bonds (Pine Terrace Apartments Project) in one or more series.

- A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding \$9,250,000 Multifamily Housing Revenue Bonds (Spanish Arms Apartments Project) in one or more series.
 - A resolution providing for approval of the State's 2007/2008 Per Capita Qualified Allocation Plan and providing for other matters in connection therewith.
 - A resolution is hereby approved that waives the twenty percent (20%) poverty unit set-aside based upon HANO's failure to provide Section 8 Project Based Assistance, for the NHP Foundation-Forest Park, #06(2)-211 development project funded 2006.
 - Discussion of Forest Towers, #07/08(FA)-02 (VOA) site change.
 - Discussion of North Abbeville, #06(2)-126 site change.
 - Discussion of a possible workshop on PSH units.
4. Other Business
 5. Adjournment

Milton J. Bailey, President

Pursuant to the provisions of LSA-R.S. 42:6.1, upon two-thirds vote of the members present, the Board of Commissioners of the Louisiana Housing Finance Agency may choose to enter Executive Session, and by this notice, the Agency reserves its right to go into Executive Session as provided by law.

**Louisiana Housing Finance Agency
Multifamily/Tax Credit Meeting Minutes
Wednesday, March 21, 2007
2415 Quail Drive
Baton Rouge, LA 70808
10:00 A.M.**

Commissioners Present

Chairman Mark Madderra
Commissioner John N. Kennedy (Representative Alice Washington)
Commissioner Phil Miller

Commissioners Absent

Commissioner Kevin J. Brown
Commissioner Carolyn B. Burris

Staff Present

Brenda Evans
Louis Russell
LaTosha Overton
Urshala Hamilton
Loretta Wallace
Desiree Armstead
Annie Robinson
Morris Duffin
James Droddy

Counsel Present

Wayne Neveu, Foley & Judell

Guests Present

Gale Potts Roque, MAC-RE
Carliss Knesel, Hancock Bank
Craig Davenport, Cook, Moore & Associates

Jeanne Reax, Humanitas
James Cooper, TEM
Lois M. Spooner, TEM
Maria D. Lopez, TEM
Christine Rhorer, DHH
James Cooper, TEM
Russ Greer, Progressive Capital
Patricia Martinez, Resources for Independent Living
Morgant Miterru, DHH/OMH
Larry Englande, CAPMARK
Kenneth Tann, Multifamily Mission Ministries
Will Belton, Aamagin
Joseph Stebbins, Classic Construction of New Orleans
Robin Wagner, DHH
John Godfrey, The Godfrey Firm
Charlotte Bourgeois, Providence Community Housing
Michelle Whetten, Enterprise
Vernon Martin, Martin & Rowan Associates
Arby Smith, RichSmith Development
Cathy Beales, USDA-Rural Development
Murray Calhoun, MAC-RE, LLC
Frank Sagnibene, CDI
Vianne Rabb, Greystone Parnters
Gionne Jourdan, MDC
Josh Collen, HRI Properties
Gary Gibbs, AHS
Josh Gibbs, Affordable Housing Services
Jeremy Gibbs, AHS
John P. Mitchell, JPM Consulting, LLC
Doug Gillan, Housing Systems, Inc
Joe Monsour, Trade-Mark Development
Daveid Miller, RPG
Darryl Hebert, Option Foundation
Pam Hammond, Elkins Law Firm, PLC
Ray Rose, Star Homes
Walter Guillory, Opelousas Housing Authority
Kristen Rockett, Brown Builders
Tim Smith, HOKE Development Services, LLC
Michelle Diaz, Master's Housing
Peggy Pruitt, Bossier City Housing Authority
Trey Williams, Cook, Moore & Associates
Levi Davis, Siebert Brandford Shank

Al Gensler, VOA
Kelly Longwell, Coats Rose
Mary Tran, Mary Queen of Viet Nam CDC
Susan Do, MQVN, CDC
James Freeman, Standard Enterprises, Inc
Anne Clark, Policy Link
Lawand Johnson, St. John PHA
Todd Little, Little & Associates
Calvin Parker, Office of Community Development
Mark Turrentine, Standard Enterprises, Inc.
Arthur McLin, SHA
Judith Moran, HANO
Jeff Riddel, HANO
Deanne Rable, Greystone Partners
David Emery, AmSouth/Regions
Will Jacobs, L.R.A.
Rick Samson, OCD
David Aguillard, Catholic Community Services
Donna Lewis, LA Family Recovery Corp.

Chairman Madderra called the meeting to order at 9:43 A.M. He then asked that the roll be called and that the introduction of guests be deferred until full board. Chairman Madderra requested that the minutes of the February 14th meeting be approved. The minutes were motioned by Commissioner Miller and seconded by Commissioner Kennedy's representative, Alice Washington and unanimously approved.

Loretta Wallace presented the following resolutions to the Board:

- A resolution accepting the proposal of Banc of America Securities, Inc., for the purchase of not exceeding Twenty-two Million Dollars (\$22,000,000) of Louisiana Housing Finance Agency Multifamily Housing Revenue Bonds (Tanglewood Apartments Project) in one or more series; fixing the terms of said bonds and otherwise providing with respect to said bonds; approving the form and directing the execution of the Bond Purchase Agreement for said Bonds; approving the form of the Official Statement with respect to said Bonds; and providing for other matters in connection with the foregoing.

Chairman Madderra asked if there were any political issues with respect to getting the approvals necessary for Tanglewood Apartments. Mrs. Wallace replied that in the beginning the project had faced opposition but that it has since been resolved. Chairman Madderra also asked a question regarding whether 4% credits were being used for this deal. Wayne Neveu responded that the bond had a separate resolution that will be presented at a

later date. Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Woodruff-White made the motion and Commissioner Kennedy's representative, Ms. Washington, made the second. The resolution was unanimously approved.

- A resolution authorizing not exceeding \$8,500,000 Multifamily Housing Refunding Bonds (Legacy Heights) in one or more series; and providing for other matters in connection therewith.

Chairman Madderra requested an explanation and Mr. Neveu responded that this is a takeout long term financing of a permanent loan to be funded by Banc of America. The agency issued bonds for these projects and allocated to these projects bonds in an amount equal to 60% of the total development costs. During the construction period, the agency expects that up to the 60% allocation will be drawn down from the escrow to fund the rehab and then this particular bond issue will become the permanent loan. The agency is setting up a refunding of the bonds allocable to this property. In the indenture staff has an exhibit that allocates to each of the 17 projects a portion of the bonds that were issued in December 2006. The developers of each of these projects were given an option of either using a line of credit from a commercial bank, drawing on that line of credit during the construction period, depositing the proceeds to the line of credit into this escrow the agency funded, flushing out the bond proceeds from escrow to have a specific portion to finance the construction costs in order to qualify each of the 17 projects for the 4% credit. These are tax exempt bonds which have been purchased by Banc of America and will be refunding bonds secured by mortgage and other collateral that Banc of America is requiring in connection with the takeout refunding. This matter will also be presented before the bond commission primarily because of the structure of the long term financing is different than the structure of the escrow bonds and is technically a refunding under both federal and state law. Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Miller made the motion and Commissioner Kennedy's representative Ms. Washington made the second. The resolution was unanimously approved.

- Discussion of state's 2007/2008 Per Capita Draft QAP.

Louis Russell discussed the draft QAP with the Board explaining staff wanted to change the congressional allocation to statewide allocations with set asides for the non-profits, 10% set aside and economic development set aside. Additionally, there will be a PSH point inclusion in the selection criteria. Chairman Madderra would like to see that added under sponsorship characteristics, item D. Chairman Madderra suggested a 25-50 point range given to those developers whose choose this category. Brenda Evans also said all projects that will be placed in service will have a requirement that they be registered in a housing locator database to facilitate the identification of units that will be occupied by

persons with permanent supportive housing needs. The projects are also required to be a member of the eligible target population for permanent supportive housing which will require that the developer take referrals to be able to fill the need for the permanent supportive housing piece as long as the applicants qualify. The staff recommends the economic development pool set aside be \$1 million dollars although this would be something the Board will increase or decrease. Commissioner Woodruff-White voiced her concern over the permanent population shifts and the sufficiency of the 5% points. She asked if staff will provide bonus points for those areas where there is real and permanent population shifts and that evidence for the need of low income housing. Mrs. Evans responded saying at this time the staff is unable to determine which population shifts are permanent versus those that will eventually go back to other areas. One option that staff had considered was increasing the points for those areas. Commissioner Broussard asked why the 21 parishes the QAP is currently targeting not been allocated to in the past. Mr. Russell replied that the credits have been available but that the development community may have had reasons for not developing in those areas. He also stated that there is a point category to these parishes to get priority to those areas if those developers can show within their market analysis that there is a need and sustainability for projects in that area as well as the ability to be feasible and viable. The staff is trying to be sensitive to those areas that have not received tax credits over the last 3-5 years. Commissioner Jones wanted to know how reasonable it would be to expect that the community could use the tax credits without some type of subsidy. Commissioner Jones requested that the staff change the title page of the QAP to clearly reflect that the GO Zone parishes will be eliminated or ineligible in this funding round. Commissioner Madderra made a comment regarding project characteristics and wanted to know about the roofing category requirement, he would like to see it not mandated but used as a point category. He also commented on the section that spoke to the 15 year maintenance free exteriors and stated that those where things staff should consider these items because the agency needed to make sure that the projects could be easily maintained and do not have roofing issues. Commissioner Broussard commented that he has a concern that if requirements are continuously added to the QAP, the cost will continue to rise to develop projects and that will create problems for the developers. He felt that staff should be very careful when making additions and mandates and look at everything from terms of cost.

- A resolution providing for approval of the State's 2007/2008 Per Capita Draft Qualified Allocation Plan and providing for other matters in connection therewith.

Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Miller made the motion and Commissioner Kennedy's representative Ms. Washington made the second. The resolution was unanimously approved.

Wayne Neveu came forward to discuss the Operating Deficit Loan Program. There was a presentation which was a collaborative effort of LRA/OCD/LHFA. The program is one that uses a portion of the \$75 million dollars that the LRA has made available to the agency that is the residual of the Piggyback Program. Essentially the program will initially budget about \$45 million of the \$75 million for this initiative. The priority will be to provide increase cost relief for GO Zone credit projects, the balance of \$30 million will be made available for additional production of affordable housing through the issue of bonds and 4% credit. The program is available for 2006, 2007 and 2008 credit ceiling GO Zone projects. Bond financed projects are not eligible for this insurance premium relief. The program will budget for each unit in a project that qualifies up to \$1000 per unit for a three year period. In other words, a project that has faced insurance premium costs increase beyond what was budgeted in the application will be authorized to receive up to \$1000 in insurance premium cost relief. There will be no Piggyback loan payments until the operating deficit program loan is fully paid. As the paybacks are made, monies may be used by the agency to fund additional loans. Imbedded in the program is a PSH component which will effect the developments that did not have GO Zone credits from the 2006, 2007, or 2008 credit ceiling as well as those that did not receive CDBG funds. Mr. Bailey stated that staff did not want to create an insurance welfare system, therefore what was created was an insurance offset that will help the developers get into ground faster. This program is fully funded for five years, but staff will look at where the state is in terms of insurance premiums three years out, with the possibility of extending the program. Mr. Neveu presented further information with a Power Point presentation and discussion ensued. Tim Smith with HOKE Development came forward with concerns about the underwriting of this program. Commissioner Kennedy asked staff to have a meeting with OCD and some syndicators to present the ideas brought before the Board, however he did not want to delay the start of the program.

- A resolution approving the Operating Deficit Loan Program to provide for relief from unanticipated insurance premium increases in connection with affordable residential rental developments allocated credits from the 2006, 2007 or 2008 credit ceiling; and providing for other matters in connection with the foregoing

Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Jones made the motion and Commissioner Woods made the second. The resolution was unanimously approved.

Since there were no other issues to be heard, Chairman Madderra adjourned the meeting at 11:10 A.M.

DECISION BRIEF:

The issuance of \$12,000,000 in Multifamily Housing Revenue Bonds for Autum Chase Apartments f/k/a Ardenwood Crossing Apartments located in Baton Rouge, Louisiana

Issue

Ardenwood Crossing Apartments, ALPIC is requesting the Louisiana Housing Finance Agency to issue Multifamily Revenue Bonds in an amount not to exceed \$12,000,000 for the rehabilitation of a 207 unit multi-family residential complex located at 650 N. Ardenwood Drive, Baton Rouge, East Baton Rouge Parish, Louisiana. All of the 207 rental units will be set-aside for households whose incomes are at or below 60% of the area median income.

In addition to the Bond Proceeds, other sources of funding to be utilized in the rehabilitation of this development will be \$6,220,000 from Tax Credit Equity.

Autum Chase Apartments will consist of forty-eight (48) one-bedroom units; ninety-eight (98) two-bedroom units; and fifty-four (54) three-bedroom units.

Pros:

- LHFA will continue its mission of providing safe, decent and affordable housing for low to moderate-income families by utilizing its resources.
- Will enhance the housing stock for the citizens of Louisiana.

Cons: None

Recommendation:

Staff recommends approval of this request to issue Multifamily Revenue Bonds to further the mission of providing housing to the citizens of this state.

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by _____ and seconded by _____:

RESOLUTION

A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding \$12,000,000 Multifamily Housing Revenue Bonds (Autum Chase Apartments Project) in one or more series; and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Finance Agency (the "Agency") is authorized by Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority supplemental thereto, to issue revenue bonds to provide financing for multifamily rental housing in the State of Louisiana (the "State"); and

WHEREAS, developer listed in Schedule I hereto, (the "Developer") has met with officials of the Agency and has advised the Agency of the Developer's interest in the acquisition, rehabilitation and equipping of multifamily housing facility, more particularly described in Schedule I hereto (the "Project") within East Baton Rouge Parish, subject to the willingness of the Agency to finance the Project by the issuance of revenue bonds pursuant to the Act; and

WHEREAS, the Agency deems it necessary and advisable that it take such action as may be required under applicable statutory provisions to authorize and issue not exceeding \$12,000,000 revenue bonds in one or more series to finance a portion of the cost of the Project set forth in Schedule I hereto, together with costs incident to the authorization, issuance and sale of the bonds; and

WHEREAS, the Developer has stated its willingness to arrange for the acquisition, rehabilitation and equipping of the Project and to enter into contracts therefor; and

WHEREAS, the income tax regulations prescribed by the Internal Revenue Service require that the issuer of tax exempt bonds adopt a resolution with respect to such bonds or take the other similar "official action" towards the issuance of the bonds prior to the commencement of the rehabilitation of an exempt facility bond project; and

WHEREAS, one purpose of this resolution is to satisfy the requirements of said income tax regulations with respect to the Project set forth in Schedule I hereto:

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency, that:

SECTION 1. Pursuant to the authority of the Act, and other constitutional and statutory authority supplemental thereto, the Project is hereby approved and the financing of the acquisition, rehabilitation and equipping thereof through the issuance of revenue bonds of the Agency pursuant to the Act is hereby authorized in one or more series and in a sufficient principal amount presently estimated as set forth in Schedule I hereto. It is the intent of this resolution to induce the financing of the Project. This resolution is the affirmative official action of the Agency acting by and through its Board of Commissioners towards the issuance of its special, limited obligation revenue bonds in accordance with the Constitution and statutes of the State and the United States Treasury Department Regulations, Section 1.150-2. It is recognized and agreed that the Developer may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) the Developer itself; (ii) any "related person" as defined in Section 147(a)(2) of the Internal Revenue Code of 1986, as amended (the "Code"); or (iii) any legal successor thereto, respectively, subject to approval of the Agency's Bond Counsel, hereinafter employed.

SECTION 2. The costs of financing the Project will be paid out of the proceeds from the sale of the bonds, in one or more series, which shall be special, limited obligations of the Agency, payable solely out of the revenues derived by the Agency with respect to the Project for which financing is made available, and the bonds and the interest thereon shall never constitute the debt or indebtedness of the Agency, the State, or any political subdivision thereof within the meaning of any provision or limitation of the Constitution or statutes of the State, nor shall the same give rise to a pecuniary liability of the Agency or the State or any political

subdivision thereof or a charge against their general credit or taxing power, and such limitation shall be plainly stated on the face of the bonds.

SECTION 3. The issuance of not exceeding Twelve Million Dollars (\$12,000,000) aggregate principal amount of Multifamily Housing Revenue Bonds (Autum Chase Apartments Project) in one or more Series (the "Bonds") of the Agency, pursuant to the Act, and other constitutional and statutory authority supplemental thereto, be and the same is hereby authorized and approved. In authorizing the issuance of the Bonds, the Agency will make no warranty, either express or implied, that the proceeds of the Bonds will be sufficient to pay the cost of the Project or that the Project will be suitable for the Developer's purposes or needs. The Bonds shall be sold by the Agency on such date as may be determined by the Chairman of the Board of Commissioners of the Agency, in accordance with the requirements of the Act, and pursuant to the provisions of the Notice of Intention to Sell at Private Sale attached hereto as Exhibit I.

SECTION 4. The operation of the Project, as well as the financing of the Project, will comply with all Federal, State and local laws and regulations and the Developer will obtain all necessary approvals and permits required thereunder.

SECTION 5. The Chairman of the Board of Commissioners and/or the President of the Agency are authorized and directed to call for a public hearing with respect to the Project and the proposed revenue bonds to finance same in accordance with the requirements of Section 147(f) of the Code, and cause to be published appropriate notice of each public hearing in accordance with the Code.

SECTION 6. The officers of this Board of Commissioners and the President of the Agency are authorized and empowered to take any and all further action and to sign any and

all documents, instruments and writings as may be necessary to carry out the purposes of this resolution and to file, on behalf of the Agency, with any governmental board of entity having jurisdiction over the Project, such applications or requests for approval thereof as may be required by law, including an application to the State Bond Commission for approval of the financing (provided that the application shall be made only in conjunction with an approving letter from the President of the Agency).

By virtue of the Agency's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval resolved and set forth herein, the Agency resolves that it understands and agrees that such approvals are expressly conditioned upon, and the Agency further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Swaps, or other forms or Derivative Products Hedges, Etc.", adopted by the Commission on July 20, 2007, as to borrowings and other matters subject to approvals, including subsequent application and approval under said Policy of the implementation or use of any swaps or other products or enhancements covered thereby.

SECTION 7. The Chairman of the Board of Commissioners and/or the President is authorized to execute the standard form of the Preliminary Agreement.

SECTION 8. All commitments by the Agency herein with respect to the Project are subject to the condition that on or before 36 months from the date of adoption hereof, the Agency and the Developer shall have agreed to mutually acceptable terms for the financing documents and the sale and delivery of the Bonds or other obligations.

SECTION 9. That it is recognized that a real necessity exists for the employment of bond counsel in connection with the issuance of the Bonds and accordingly Foley & Judell,

L.L.P., Bond Counsel, New Orleans, Louisiana, be and they are hereby employed as bond counsel to the Agency to do and to perform comprehensive, legal and coordinate professional work with respect thereto. The fee to be paid Bond Counsel shall be an amount based on the Attorney General's then current Bond Counsel Fee Schedule and other guidelines for comprehensive, legal and coordinate professional work in the issuance of revenue bonds applied to the actual aggregate principal amount issued, sold, delivered and paid for at the time the Bonds are delivered, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, subject to the Attorney General's written approval of said employment and fee.

SECTION 10. The Developer will comply with all rules, regulations and reviews of the Agency in effect or undertaken from time to time.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 18th of April, 2007.

Chairman

Secretary

SCHEDULE I

DEVELOPER: Michael R. Peralta Investments, LLC

INITIAL OWNER/OPERATOR: Ardenwood Crossings Apartments, ALPIC

BOND AMOUNT: Not exceeding \$12,000,000

PROJECT NAME	LOCATION	ESTIMATED NUMBER OF UNITS	ESTIMATED TOTAL COST
Autum Chase Apartments	650 North Ardenwood Baton Rouge, East Baton Rouge Parish Louisiana 70806	207	\$18,220,000

I, as authorized representative of the Developer, have reviewed the information above and hereby certify this Schedule I to be accurate and complete as of this date.

ARDENWOOD CROSSINGS APARTMENTS, ALPIC

By: Michael R. Peralta Investments, L.L.C.

By: _____

Date: _____

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency, do hereby certify that the foregoing _____ () pages constitute a true and correct copy of the resolution adopted by said Board of Commissioners on April 18, 2007, entitled: "A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project, authorizing not exceeding \$12,000,000 Multifamily Housing Revenue Bonds (Autum Chase Apartments Project) in one or more series; and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 18th day of April, 2007.

(SEAL)

Secretary

EXHIBIT I

NOTICE OF INTENTION TO SELL AT PRIVATE SALE

LOUISIANA HOUSING FINANCE AGENCY MULTIFAMILY MORTGAGE REVENUE BONDS (AUTUM CHASE APARTMENTS PROJECT) SERIES 2007

NOTICE IS HEREBY GIVEN in compliance with the provisions of Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), that the Louisiana Housing Finance Agency (the "Agency"), proposes to sell its Multifamily Mortgage Revenue Bonds (Autum Chase Apartments Project) Series 2007, (the "Bonds") in aggregate principal amount of Nine Million Two Hundred Fifty Thousand Dollars (\$12,000,000) in one or more series at a rate or rates not exceeding twelve percentum (12%) per annum. The Bonds are to be sold to Morgan Keegan & Company, Inc. to finance the acquisition, rehabilitation and equipping of the Autum Chase Apartments (the "Project") at a meeting of the Board of Commissioners of the Agency scheduled for _____, _____, 2007, at ten (10:00) o'clock a.m., Louisiana time, at the offices of the Louisiana Housing Finance Agency, 2415 Quail Drive, Baton Rouge, Louisiana 70808. The Agency reserves the right to postpone the date, hour and place set forth above for the sale of the Bonds (without any further publication of notice of the change in the sale date, time and/or location). In the event the sale is postponed as provided above, anyone desiring written notice of the subsequent date and time which said sale is to be accomplished must request such notice from the President of the Agency. The Bonds will be sold pursuant to the terms of a resolution to be adopted by the Agency and a Trust Indenture (the "Indenture") to be executed by and between the Agency and a trustee bank.

The Bonds are being issued pursuant to the Act and the Indenture for the purpose of financing the acquisition, rehabilitation and equipping of a multifamily housing project and (ii) paying the costs of issuance associated with the Bonds. The Bonds are limited obligations of the Agency and will be payable solely out of the income, revenues and receipts derived from the funds and accounts held under and pursuant to the Indenture and pledged therefor. As provided in the Act and the Indenture, the Bonds do not constitute an obligation, either general or special, of the State of Louisiana, any municipality or any other political subdivision thereof.

The principal of and interest on the Bonds will be payable at the principal office of the paying agent or agents selected by the Agency in accordance with the provisions of the Indenture.

The Bonds will be dated as provided in the Indenture, will bear interest at such rate or rates established at the time of sale of the Bonds, payable on such dates as set forth in the Indenture, and will mature no later than forty-two (42) years from date of issuance.

The Bonds will be issued in fully registered form in the denominations as provided in the Indenture. Bonds will be transferable as provided in the Indenture.

This Notice of Sale of Bonds is being published in accordance with the requirements of the Louisiana Constitution and the Act. For a period of thirty (30) days from the date of publication hereof, any person or persons in interest shall have the right to contest the legality of this notice, the resolution any provision of the Bonds to be issued pursuant to it, the provisions securing the Bonds, and the validity of all other provisions and proceedings relating to the authorization and issuance of the Bonds. If no action or proceeding is instituted within the thirty (30) days, no person may contest the validity of the Bonds, the provisions of the resolution pursuant to which the Bonds were issued, the security of the Bonds, or the validity of any other provisions or proceedings relating to their authorization and issuance, and the Bonds shall be presumed conclusively to be legal. Thereafter no court shall have authority to inquire into such matters.

For further information relative to the Bonds and not contained in this Notice, address Foley & Judell, L.L.P., Bond Counsel, One Canal Place, Suite 2600, 365 Canal Street, New Orleans, LA 70130-1138.

BY ORDER OF THE BOARD OF COMMISSIONERS, acting as the governing authority of the Agency.

LOUISIANA HOUSING FINANCE AGENCY

Chairman

Secretary

**LOUISIANA HOUSING FINANCE AGENCY
MULTI-FAMILY PROJECT SUMMARY**

Date: March 19, 2007

- (1) **PROJECT NAME:** Autum Chase Apartments
650 North Ardenwood, Baton Rouge, LA
- (2) **AMOUNT OF BOND**
ISSUE REQUESTED
(NOT TO EXCEED): \$12,000,000.00
- (3) **PROJECT DESCRIPTION:**
- 1) Number of Units 207
 - 2) Total Land Area 11.04 Acres
 - 3) Density: 18 # of Units per Acre
Low Rise 2 High Rise _____
 - 4) New Construction: _____
Rehabilitation: ✓
 - 5) Land Control: Current Legal Owner of Land: Ardenwood Properties
Contract to Acquire Land by 7/31/2007
(date)
or
Option to Acquire Land by _____
(date)
 - 6) Number of Parking Spaces Per Unit 2
 - 7) Census tract where Project located 11.04
 - 8) State Representative District 61
Name of Representative Michael Jackson
 - 9) State Senatorial District 15
Name of Senator Sharon Weston Broome
- (4) **LOCATION:** 650 N. Ardenwood Drive
(STREET ADDRESS OR Baton Rouge, LA 70806
LEGAL DESCRIPTION OF _____
LAND AND PARISH): East Baton Rouge, Parish
- (5) **CONTACT PERSON** Michael R. Peralta
FOR PROJECT: 1200 Derek Hammond LA 70403
Phone: 985-340-5000
- (6) **DEVELOPMENT TEAM:**

Developer: Michael R. Peralta Investments LLC
1200 Derek Dr. #200 Hammond LA Contact: Mike
Phone: 985-340-5000

Architect: Ross Becker Architect LLC
3337 North Hullen, MET LA 70002 Contact: Ross
Phone: 504-887-7570

General Contractor: DBR Associates, Inc.
3337 North Hullen, Met LA 70002
Contact: Ken Phone: 504-887-7570

Attorney: John Feduccia
123 South Oak Street, Hammond LA
Contact: Same Phone: 985-340-5000

Lending Institution
to Originate Mortgage
Loan (if known): First NBC Bank
210 Baronne Street, NO, LA 70119
Contact: Brad Phone: 504-671-3814

Provider of Credit
Enhancement on Mortgage
Loan (if known): FHA or Fannie Mae
Contact: _____ Phone: _____

Investment Banker for
Bonds Publicly Offered
(if known): Morgan Keegan
909 Povdras Street #1300 NO LA 70130
Contact: B Landry Phone: 504-529-1556

Purchaser of Bonds
for Bonds Privately
Placed (if known): N/A
Contact: _____ Phone: _____

(7) **ZONING:** C-2

(8) **UTILITIES:** Water/ Sewer / Electric / Gas / Telephone / Cable
Already to site

(9) **FAIR MARKET VALUE OF**
PROJECT PROPERTY: \$ 3,700,000

Specify date of most recent appraisal: Under Contract

(10) **FINANCIAL INFORMATION:**

Amount

SOURCES OF FUNDS:

Bond Proceeds	\$ <u>12,000,000.00</u>	<u>63.30</u> % Dev. Cost
Other Sources (list)		
Tax Credit Equity	\$ <u>6,220,000.00</u>	<u>36.70</u> % Dev. Cost
	\$ _____	_____ % Dev. Cost
	\$ _____	_____ % Dev. Cost

TOTAL FUNDS\$ 18,220,000.00**LAND COSTS**\$ 432,500.00\$ 1.10 per sq. ft.**BUILDING ACQUISITION COSTS**

(less Land costs)

\$ 3,276,500.00\$ 15,785.40 per D/U**CONSTRUCTION (or Rehabilitation Costs)**\$ 14,511,000.00\$ 70,101.40 per D/U**PROFESSIONAL FEES:**Amount% of Total Funds

Architectural

\$ 215,900.001.18 %

Engineering

\$ 0.000.00 %**Legal:**

Counsel to Issuer

\$ 10,000.000.05 %

Bond Counsel

\$ 53,025.000.29 %

Special Tax Counsel

(specify firm name)

\$ 0.000.00 %Other Legal (specify
firm & purpose)**Borrowers**\$ 20,000.00

\$ _____

\$ _____

\$ _____

\$ _____

\$ _____

0.00 %0.00 %

Total Professional

Fees

\$ 298,925.001.53 %**UNDERWRITING:**

Management Fee

\$ 18,000.00

Sales Commission

\$ 84,000.00

Underwriter's Counsel

\$ 18,000.00

Net to Underwriters	\$ 0.00
Expenses (list)	
<u>CUSIP</u>	
<u>DTC</u>	
<u>Wire Fees</u>	
<u>Misc</u>	
	\$ 4,000.00
Total Underwriting	
Fee:	\$ 124,000.00

COSTS OF ISSUANCE:

Printing	\$ 3,000.00
Publishing/Advertising/	
Recording	\$ 12,000.00
Rating Expense	\$ 15,000.00
Letter of Credit Fees and	
other credit expenses	\$ 0.00
Consultants	\$ 0.00
Insurance	\$ 0.00
Issuer's Financing	
Fees	\$ 12,000.00
Trustee Bank's initial fee	
and expenses	\$ 10,000.00
Other:	
Bond Commission Fees	\$ 13,050.00
Accountant Verification	\$ 7,500.00

Total Costs of Insurance \$ 72,550.00 \$ 350.50 per D/U

Amount of Mortgage Requested \$ 12,000,000.00 % 65.86
of Total Costs

(11) **UNIT TYPES:**

<u>All (100%) Units</u>			<u>Low Income Units</u>			
Unit	No.	Total	No. of Unit Types		No. of Unit Types	
Type			Set Aside for 50%		Set Aside for 60%	
		Sq. Ft.	or less Area		or less Area	
			Median Income		Median Income	
			Total		Total	
			Sq. Ft.		Sq. Ft.	
Eff.	0					
1 BR	48	31440			48	31440
2 BR	98	82222			98	82222
3 BR	54	52920			54	52920
Other	7	8729			7	8729
TOTAL	207	175,311			207	175,311

Estimate Market Rents For
Non-Low Income Units:

Total

Total

<u>Unit Type</u>	<u>Total Units</u>	<u>Monthly Rent Per Non-LIU</u>	<u>Annual Rent of Non-LIU's</u>
Eff.	_____	_____	_____
1 BR	_____	_____	_____
2 BR	_____	_____	_____
3 BR	_____	_____	_____
Other	_____	_____	_____
Total	_____	_____	_____

(12) **CURRENT RENTAL COSTS AND RELOCATION PLAN:**
(For Rehabilitation Projects Only)

<u>Unit Type</u>	<u>Monthly</u>	<u>Present Rent Annual</u>	<u>Sq. Ft./Month</u>
Eff.	<u>\$0.00</u>	<u>0</u>	<u>0</u>
1 BR	<u>\$446.00</u>	<u>256896</u>	<u>1.50</u>
2 BR	<u>\$547.00</u>	<u>643272</u>	<u>1.50</u>
3 BR	<u>\$592.00</u>	<u>383616</u>	<u>1.70</u>
Other	<u>\$672.00</u>	<u>56448</u>	<u>1.90</u>
TOTAL	_____	<u>134023</u>	_____

Have interior and exterior photographs of Project been attached?
Yes ☒ No _____

Will any of the present tenants be displaced because of higher rents due to rehabilitation?
Yes _____ No ☒

If yes, approximately how many? 0

Is there a relocation plan? Yes _____ No ☒

Please briefly describe relocation plan (Submit detailed relocation plan when completed)

Project has 40 vacant units that will be renovated and buildings will be turned using these 40
vacant units first

(13) **VACANCY RATE:** The present vacancy rate in the general market area is 6.00 %.

(14) **AREA MEDIAN INCOME:** Median income in area according to HUD is \$55,800.00.

(15) **ELECTION OF THE MINIMUM SET-ASIDE REQUIREMENT:**

The owner irrevocably elects one of the Minimum Set-Aside Requirements (Check one only):

_____ At least 20% of the rental residential units in this development are rent restricted and to be occupied by individuals whose income is 50% or less of area median gross income.

☒ At least 40% of the rental residential units in this development are rent restricted and to be occupied by individuals whose income is 60% or less of the area median gross income.

(16) **OPTIONAL ELECTION:**

The owner elects to occupy 15% or more of all low-income units by tenants with income of 40% or less of area median income and the average rent charged to tenants in residential market rent units is at least 300% of the average rent charged to low-income tenants: _____ Yes ☒ No

(17) **EQUAL OPPORTUNITY:**

Do you agree to provide equal opportunity to members of minority groups and to employ such groups in the Project's development in the roles of, including but not limited to, contractor, subcontractor, employee, laborer, agent, appraiser, or supplier?

Yes ☒ No _____

(18) **STATE BOND COMMISSION TENANT BENEFIT PROGRAM REQUIREMENTS:**

State Bond Commission Rule No. HS2-1992 provides as follows with respect to applications submitted to the State Bond Commission for new construction, acquisition and/or rehabilitation, or refunding of multifamily housing projects:

Multifamily housing applications must include defined tenant benefit programs for those units set aside for very low, low and/or moderate income families. Those applications that do not include such programs will not be docketed for consideration. Such programs may include rent differentials, special assistance programs or other specific benefit packages for the target income class.

Please include as Exhibit I a description of the Applicant's defined tenant benefit program. For your consideration, State Bond Commission Rule No. HS1-1993 provides the following definitions of income classes:

Very Low Income--households whose incomes do not exceed 50 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Low Income--households whose incomes do not exceed 80 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Moderate Income--households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Middle Income—households whose income are between 96 percent and 120 percent of the median income for the area, as determined and adjusted from time to time by HUD.

The schedule of income levels as published periodically by HUD will be used for purposes of this rule to determine income levels for particular areas of the state.

I certify that the information contained in this Project Summary and Application Package is true and accurate to the best of my knowledge.

Ardenwood Crossings Apartments, ALPIC

PROJECT OWNER

By:


Authorized Representative

Dated: 3/28/2007

DECISION BRIEF:

The issuance of \$7,020,000 in Multifamily Housing Revenue Bonds for Bacmonila Garden Apartments located in New Iberia, Iberia Parish, Louisiana

Issue

A&E Property Holdings, LLC is requesting the Louisiana Housing Finance Agency to issue Multifamily Revenue Bonds in an amount not to exceed \$7,020,000 for the rehabilitation of a 150 unit multi-family residential complex located at 344 Frederick Street, New Iberia, Iberia Parish, Louisiana. All of the 150 rental units will be set-aside for households whose incomes are at or below 60% of the area median income.

Bacmonila Garden is a Mark-to-Market Project which includes additional funds of \$3,000,000 in HOME Funds and \$247,786 in 4% Tax Credit Equity. This Project is also a Transfer of Property and Assets (TPA). The funds will be used for rehab and the acquisition of the property.

Bacmonila Garden Apartments was constructed in 1972 and consists of 15 two-story walk-up buildings that contain 150 units consisting of fourteen (14) two-bedroom units; sixty (60) three-bedroom units and seventy-six (76) four-bedroom units.

Pros:

- LHFA will continue its mission of providing safe, decent and affordable housing for low to moderate-income families by utilizing its resources.
- Will enhance the housing stock for the citizens of Louisiana.

Cons: None

Recommendation:

Staff recommends approval of this request to issue Multifamily Revenue Bonds to further the mission of providing housing to the citizens of this state.

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by _____ and seconded by _____:

RESOLUTION

A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding \$7,020,000 Multifamily Housing Revenue Bonds (Bacmonila Garden Apartments Project) in one or more series; and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Finance Agency (the "Agency") is authorized by Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority supplemental thereto, to issue revenue bonds to provide financing for multifamily rental housing in the State of Louisiana (the "State"); and

WHEREAS, developer listed in Schedule I hereto, (the "Developer") has met with officials of the Agency and has advised the Agency of the Developer's interest in the acquisition, rehabilitation and equipping of multifamily housing facility, more particularly described in Schedule I hereto (the "Project") within Iberia Parish, subject to the willingness of the Agency to finance the Project by the issuance of revenue bonds pursuant to the Act; and

WHEREAS, the Agency deems it necessary and advisable that it take such action as may be required under applicable statutory provisions to authorize and issue not exceeding \$4,500,000 revenue bonds in one or more series to finance a portion of the cost of the Project set forth in Schedule I hereto, together with costs incident to the authorization, issuance and sale of the bonds; and

WHEREAS, the Developer has stated its willingness to arrange for the acquisition, rehabilitation and equipping of the Project and to enter into contracts therefor; and

WHEREAS, the income tax regulations prescribed by the Internal Revenue Service require that the issuer of tax exempt bonds adopt a resolution with respect to such bonds or take the other similar "official action" towards the issuance of the bonds prior to the commencement of the rehabilitation of an exempt facility bond project; and

WHEREAS, one purpose of this resolution is to satisfy the requirements of said income tax regulations with respect to the Project set forth in Schedule I hereto:

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency, that:

SECTION 1. Pursuant to the authority of the Act, and other constitutional and statutory authority supplemental thereto, the Project is hereby approved and the financing of the acquisition, rehabilitation and equipping thereof through the issuance of revenue bonds of the Agency pursuant to the Act is hereby authorized in one or more series and in a sufficient principal amount presently estimated as set forth in Schedule I hereto. It is the intent of this resolution to induce the financing of the Project. This resolution is the affirmative official action of the Agency acting by and through its Board of Commissioners towards the issuance of its special, limited obligation revenue bonds in accordance with the Constitution and statutes of the State and the United States Treasury Department Regulations, Section 1.150-2. It is recognized and agreed that the Developer may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) the Developer itself; (ii) any "related person" as defined in Section 147(a)(2) of the Internal Revenue Code of 1986, as amended (the "Code"); or (iii) any legal successor thereto, respectively, subject to approval of the Agency's Bond Counsel, hereinafter employed.

SECTION 2. The costs of financing the Project will be paid out of the proceeds from the sale of the bonds, in one or more series, which shall be special, limited obligations of the Agency, payable solely out of the revenues derived by the Agency with respect to the Project for which financing is made available, and the bonds and the interest thereon shall never constitute the debt or indebtedness of the Agency, the State, or any political subdivision thereof within the meaning of any provision or limitation of the Constitution or statutes of the State, nor shall the same give rise to a pecuniary liability of the Agency or the State or any political subdivision thereof or a charge against their general credit or taxing power, and such limitation shall be plainly stated on the face of the bonds.

SECTION 3. The issuance of not exceeding Seven Million Twenty Thousand Dollars (\$7,020,000) aggregate principal amount of Multifamily Housing Revenue Bonds (Bacmonila Garden Apartments Project) in one or more Series (the "Bonds") of the Agency, pursuant to the Act, and other constitutional and statutory authority supplemental thereto, be and the same is hereby authorized and approved. In authorizing the issuance of the Bonds, the Agency will make no warranty, either express or implied, that the proceeds of the Bonds will be sufficient to pay the cost of the Project or that the Project will be suitable for the Developer's purposes or needs. The Bonds shall be sold by the Agency on such date as may be determined by the Chairman of the Board of Commissioners of the Agency, in accordance with the requirements of the Act, and pursuant to the provisions of the Notice of Intention to Sell at Private Sale attached hereto as Exhibit I.

SECTION 4. The operation of the Project, as well as the financing of the Project, will comply with all Federal, State and local laws and regulations and the Developer will obtain all necessary approvals and permits required thereunder.

SECTION 5. The Chairman of the Board of Commissioners and/or the President of the Agency are authorized and directed to call for a public hearing with respect to the Project and the proposed revenue bonds to finance same in accordance with the requirements of Section 147(f) of the Code, and cause to be published appropriate notice of each public hearing in accordance with the Code.

SECTION 6. The officers of this Board of Commissioners and the President of the Agency are authorized and empowered to take any and all further action and to sign any and all documents, instruments and writings as may be necessary to carry out the purposes of this resolution and to file, on behalf of the Agency, with any governmental board of entity having

jurisdiction over the Project, such applications or requests for approval thereof as may be required by law, including an application to the State Bond Commission for approval of the financing (provided that the application shall be made only in conjunction with an approving letter from the President of the Agency).

By virtue of the Agency's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval resolved and set forth herein, the Agency resolves that it understands and agrees that such approvals are expressly conditioned upon, and the Agency further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Swaps, or other forms or Derivative Products Hedges, Etc.", adopted by the Commission on July 20, 2007, as to borrowings and other matters subject to approvals, including subsequent application and approval under said Policy of the implementation or use of any swaps or other products or enhancements covered thereby.

SECTION 7. The Chairman of the Board of Commissioners and/or the President is authorized to execute the standard form of the Preliminary Agreement.

SECTION 8. All commitments by the Agency herein with respect to the Project are subject to the condition that on or before 36 months from the date of adoption hereof, the Agency and the Developer shall have agreed to mutually acceptable terms for the financing documents and the sale and delivery of the Bonds or other obligations.

SECTION 9. That it is recognized that a real necessity exists for the employment of bond counsel in connection with the issuance of the Bonds and accordingly Foley & Judell, L.L.P., Bond Counsel, New Orleans, Louisiana, be and they are hereby employed as bond counsel to the Agency to do and to perform comprehensive, legal and coordinate professional

work with respect thereto. The fee to be paid Bond Counsel shall be an amount based on the Attorney General's then current Bond Counsel Fee Schedule and other guidelines for comprehensive, legal and coordinate professional work in the issuance of revenue bonds applied to the actual aggregate principal amount issued, sold, delivered and paid for at the time the Bonds are delivered, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, subject to the Attorney General's written approval of said employment and fee.

SECTION 10. The Developer will comply with all rules, regulations and reviews of the Agency in effect or undertaken from time to time.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 18th of April, 2007.

Chairman

Secretary

SCHEDULE I

DEVELOPER: A&E Property Holdings, LLC

INITIAL OWNER/OPERATOR: New Bacmonila Housing Limited Partnership

BOND AMOUNT: Not exceeding \$7,020,000

PROJECT NAME	LOCATION	ESTIMATED NUMBER OF UNITS	ESTIMATED TOTAL COST
Bacmonila Garden Apartments	344 Frederick Street New Iberia, Iberia Parish, Louisiana 70560	150	\$10,789,853

I, as authorized representative of the Developer, have reviewed the information above and hereby certify this Schedule I to be accurate and complete as of this date.

NEW BACMONILA HOUSING LIMITED
PARTNERSHIP

By: _____
By: Edmund Johnson, Managing Member
A&E Property Holdings, LLC
General Partner, New Bacmonila Housing Limited
Partnership

Date: _____

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency, do hereby certify that the foregoing _____ () pages constitute a true and correct copy of the resolution adopted by said Board of Commissioners on April 18, 2007, entitled: “A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project, authorizing not exceeding \$_____ Multifamily Housing Revenue Bonds (Bacmonila Garden Apartments Project) in one or more series; and providing for other matters in connection therewith.”

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 18th day of April, 2007.

(SEAL)

Secretary

EXHIBIT I

NOTICE OF INTENTION TO SELL AT PRIVATE SALE

LOUISIANA HOUSING FINANCE AGENCY MULTIFAMILY MORTGAGE REVENUE BONDS (BACMONILA GARDEN APARTMENTS PROJECT) SERIES 2007

NOTICE IS HEREBY GIVEN in compliance with the provisions of Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), that the Louisiana Housing Finance Agency (the "Agency"), proposes to sell its Multifamily Mortgage Revenue Bonds (Bacmonila Garden Apartments Project) Series 2007, (the "Bonds") in aggregate principal amount of _____ Dollars (\$ _____) in one or more series at a rate or rates not exceeding twelve percentum (12%) per annum. The Bonds are to be sold to _____ to finance the acquisition, rehabilitation and equipping of the Bacmonila Garden Apartments (the "Project") at a meeting of the Board of Commissioners of the Agency scheduled for _____, _____, 2007, at ten (10:00) o'clock a.m., Louisiana time, at the offices of the Louisiana Housing Finance Agency, 2415 Quail Drive, Baton Rouge, Louisiana 70808. The Agency reserves the right to postpone the date, hour and place set forth above for the sale of the Bonds (without any further publication of notice of the change in the sale date, time and/or location). In the event the sale is postponed as provided above, anyone desiring written notice of the subsequent date and time which said sale is to be accomplished must request such notice from the President of the Agency. The Bonds will be sold pursuant to the terms of a resolution to be adopted by the Agency and a Trust Indenture (the "Indenture") to be executed by and between the Agency and a trustee bank.

The Bonds are being issued pursuant to the Act and the Indenture for the purpose of financing the acquisition, rehabilitation and equipping of a multifamily housing project and (ii) paying the costs of issuance associated with the Bonds. The Bonds are limited obligations of the Agency and will be payable solely out of the income, revenues and receipts derived from the funds and accounts held under and pursuant to the Indenture and pledged therefor. As provided in the Act and the Indenture, the Bonds do not constitute an obligation, either general or special, of the State of Louisiana, any municipality or any other political subdivision thereof.

The principal of and interest on the Bonds will be payable at the principal office of the paying agent or agents selected by the Agency in accordance with the provisions of the Indenture.

The Bonds will be dated as provided in the Indenture, will bear interest at such rate or rates established at the time of sale of the Bonds, payable on such dates as set forth in the Indenture, and will mature no later than forty-two (42) years from date of issuance.

The Bonds will be issued in fully registered form in the denominations as provided in the Indenture. Bonds will be transferable as provided in the Indenture.

This Notice of Sale of Bonds is being published in accordance with the requirements of the Louisiana Constitution and the Act. For a period of thirty (30) days from the date of publication hereof, any person or persons in interest shall have the right to contest the legality of this notice, the resolution any provision of the Bonds to be issued pursuant to it, the provisions securing the Bonds, and the validity of all other provisions and proceedings relating to the authorization and issuance of the Bonds. If no action or proceeding is instituted within the thirty (30) days, no person may contest the validity of the Bonds, the provisions of the resolution pursuant to which the Bonds were issued, the security of the Bonds, or the validity of any other provisions or proceedings relating to their authorization and issuance, and the Bonds shall be presumed conclusively to be legal. Thereafter no court shall have authority to inquire into such matters.

For further information relative to the Bonds and not contained in this Notice, address Foley & Judell, L.L.P., Bond Counsel, One Canal Place, Suite 2600, 365 Canal Street, New Orleans, LA 70130-1138.

BY ORDER OF THE BOARD OF COMMISSIONERS, acting as the governing authority of the Agency.

LOUISIANA HOUSING FINANCE AGENCY

Chairman

Secretary

**LOUISIANA HOUSING FINANCE AGENCY
MULTI-FAMILY PROJECT SUMMARY**

Date: _____

(1) **PROJECT NAME:** _____

(2) **AMOUNT OF BOND
ISSUE REQUESTED
(NOT TO EXCEED):** \$ _____

(3) **PROJECT DESCRIPTION:**

- 1) Number of Units _____
- 2) Total Land Area _____
- 3) Density: _____ # of Units per Acre
Low Rise _____ High Rise _____
- 4) New Construction: _____
Rehabilitation: _____
- 5) Land Control: Current Legal Owner of Land: _____
Contract to Acquire Land by _____
(date)
or
Option to Acquire Land by _____
(date)
- 6) Number of Parking Spaces Per Unit _____
- 7) Census tract where Project located _____
- 8) State Representative District _____
Name of Representative _____
- 9) State Senatorial District _____
Name of Senator _____

(4) **LOCATION:** _____
**(STREET ADDRESS OR
LEGAL DESCRIPTION OF
LAND AND PARISH):** _____

(5) **CONTACT PERSON
FOR PROJECT:** _____
Phone: _____

(6) **DEVELOPMENT TEAM:**

Developer: _____
_____ Contact: _____
_____ Phone: _____

Architect: _____
_____ Contact: _____
_____ Phone: _____

General Contractor: _____
_____ Contact: _____ Phone: _____

Attorney: _____
_____ Contact: _____ Phone: _____

Lending Institution
to Originate Mortgage
Loan (if known): _____
Contact: _____ Phone: _____

Provider of Credit
Enhancement on Mortgage
Loan (if known): _____
Contact: _____ Phone: _____

Investment Banker for
Bonds Publicly Offered
(if known): _____
Contact: _____ Phone: _____

Purchaser of Bonds
for Bonds Privately
Placed (if known): _____
Contact: _____ Phone: _____

(7) **ZONING:** _____

(8) **UTILITIES:** _____

(9) **FAIR MARKET VALUE OF
PROJECT PROPERTY:** \$ _____

Specify date of most recent appraisal: _____

(10) **FINANCIAL INFORMATION:**

Amount

SOURCES OF FUNDS:

Bond Proceeds	\$ _____	_____ % Dev. Cost
Other Sources (list)		
_____	\$ _____	_____ % Dev. Cost
_____	\$ _____	_____ % Dev. Cost
_____	\$ _____	_____ % Dev. Cost

TOTAL FUNDS

\$ _____

LAND COSTS

\$ _____

\$ _____ per sq. ft.

BUILDING ACQUISITION COSTS

(less Land costs)

\$ _____

\$ _____ per D/U

CONSTRUCTION (or Rehabilitation Costs)

\$ _____

\$ _____ per D/U

PROFESSIONAL FEES:

Amount

% of Total Funds

Architectural	\$ _____	_____ %
Engineering	\$ _____	_____ %

Legal:

Counsel to Issuer	\$ _____	_____ %
Bond Counsel	\$ _____	_____ %
Special Tax Counsel		
(specify firm name)		
_____	\$ _____	_____ %
Other Legal (specify		
firm & purpose)		
_____	\$ _____	
_____	\$ _____	
_____	\$ _____	
_____	\$ _____	
_____	\$ _____	_____ %
_____	\$ _____	_____ %

Total Professional

Fees

\$ _____

_____ %

UNDERWRITING:

Management Fee	\$ _____
Sales Commission	\$ _____
Underwriter's Counsel	\$ _____

Net to Underwriters \$ _____
 Expenses (list) _____

 Total Underwriting Fee: \$ _____

COSTS OF ISSUANCE:

Printing \$ _____
 Publishing/Advertising/Recording \$ _____
 Rating Expense \$ _____
 Letter of Credit Fees and other credit expenses \$ _____
 Consultants \$ _____
 Insurance \$ _____
 Issuer's Financing Fees \$ _____
 Trustee Bank's initial fee and expenses \$ _____
 Other:
 Bond Commission Fees \$ _____
 Accountant Verification \$ _____

Total Costs of Insurance \$ _____ \$ _____ per D/U

Amount of Mortgage Requested \$ _____ % _____
 of Total Costs

(11) **UNIT TYPES:**

<u>All (100%) Units</u>			<u>Low Income Units</u>			
<u>Unit Type</u>	<u>No.</u>	<u>Total Sq. Ft.</u>	<u>No. of Unit Types Set Aside for 50% or less Area Median Income</u>	<u>Total Sq. Ft.</u>	<u>No. of Unit Types Set Aside for 60% or less Area Median Income</u>	<u>Total Sq. Ft.</u>
Eff.	_____	_____	_____	_____	_____	_____
1 BR	_____	_____	_____	_____	_____	_____
2 BR	_____	_____	_____	_____	_____	_____
3 BR	_____	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____	_____	_____

Estimate Market Rents For
Non-Low Income Units:

Total

Total

<u>Unit Type</u>	<u>Total Units</u>	<u>Monthly Rent Per Non-LIU</u>	<u>Annual Rent of Non-LIU's</u>
Eff.	_____	_____	_____
1 BR	_____	_____	_____
2 BR	_____	_____	_____
3 BR	_____	_____	_____
Other	_____	_____	_____
Total	_____	_____	_____

(12) **CURRENT RENTAL COSTS AND RELOCATION PLAN:**
(For Rehabilitation Projects Only)

<u>Unit Type</u>	<u>Monthly</u>	<u>Present Rent Annual</u>	<u>Sq. Ft./Month</u>
Eff.	_____	_____	_____
1 BR	_____	_____	_____
2 BR	_____	_____	_____
3 BR	_____	_____	_____
Other	_____	_____	_____
TOTAL	_____	_____	_____

Have interior and exterior photographs of Project been attached?

Yes _____ No _____

Will any of the present tenants be displaced because of higher rents due to rehabilitation?

Yes _____ No _____

If yes, approximately how many? _____

Is there a relocation plan? Yes _____ No _____

Please briefly describe relocation plan (Submit detailed relocation plan when completed)

(13) **VACANCY RATE:** The present vacancy rate in the general market area is ____%.

(14) **AREA MEDIAN INCOME:** Median income in area according to HUD is _____.

(15) **ELECTION OF THE MINIMUM SET-ASIDE REQUIREMENT:**

The owner irrevocably elects one of the Minimum Set-Aside Requirements (Check one only):

_____ At least 20% of the rental residential units in this development are rent restricted and to be occupied by individuals whose income is 50% or less of area median gross income.

_____ At least 40% of the rental residential units in this development are rent restricted and to be occupied by individuals whose income is 60% or less of the area median gross income.

(16) **OPTIONAL ELECTION:**

The owner elects to occupy 15% or more of all low-income units by tenants with income of 40% or less of area median income and the average rent charged to tenants in residential market rent units is at least 300% of the average rent charged to low-income tenants: _____ Yes _____ No

(17) **EQUAL OPPORTUNITY:**

Do you agree to provide equal opportunity to members of minority groups and to employ such groups in the Project's development in the roles of, including but not limited to, contractor, subcontractor, employee, laborer, agent, appraiser, or supplier?

Yes _____ No _____

(18) **STATE BOND COMMISSION TENANT BENEFIT PROGRAM REQUIREMENTS:**

State Bond Commission Rule No. HS2-1992 provides as follows with respect to applications submitted to the State Bond Commission for new construction, acquisition and/or rehabilitation, or refunding of multifamily housing projects:

Multifamily housing applications must include defined tenant benefit programs for those units set aside for very low, low and/or moderate income families. Those applications that do not include such programs will not be docketed for consideration. Such programs may include rent differentials, special assistance programs or other specific benefit packages for the target income class.

Please include as Exhibit I a description of the Applicant's defined tenant benefit program. For your consideration, State Bond Commission Rule No. HS1-1993 provides the following definitions of income classes:

Very Low Income--households whose incomes do not exceed 50 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Low Income--households whose incomes do not exceed 80 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Moderate Income--households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Middle Income--households whose income are between 96 percent and 120 percent of the median income for the area, as determined and adjusted from time to time by HUD.

The schedule of income levels as published periodically by HUD will be used for purposes of this rule to determine income levels for particular areas of the state.

I certify that the information contained in this Project Summary and Application Package is true and accurate to the best of my knowledge.

New Bacmanila Housing Limited Partnership
PROJECT OWNER

By: [Signature] Managing Member
Authorized Representative
A+E Property Holdings LLC
General Partner

Dated: 4/10/07

DECISION BRIEF:

Sale Resolution for Legacy Heights Apartments f/k/a Wooddale Park located in Alexandria, Louisiana, Rapides Parish

Issue

On March 21, 2007, the Louisiana Housing Finance Agency's Board of Commissioners approved a resolution authorizing the issuance of not exceeding Eight Million Five Hundred Thousand Dollars (\$8,500,000.00) of Multifamily Housing Refunding Bonds for the takeout long term financing of a permanent loan. The Agency had originally issued bonds in an amount equal to 60% of the total development costs and the proceeds were placed in an escrow account. During the construction period, these funds will be drawn from the escrow to fund the rehab, and this bond issue will become the permanent loan.

This resolution requests the Boards approval in considering the proposal of Bank of America, N.A. or its designated affiliate, as purchaser (the "Purchaser") and taking action with respect to the parameter sale of not exceeding Eight Million Five Hundred Thousand Dollars (\$8,500,000.00) of the Bonds pursuant thereto.

Legacy Heights Apartments f/k/a Wooddale Park is a 118 unit multi-family residential complex located at 2558 Loblolly Lane, Alexandria, Rapides Parish, Louisiana. All 118 rental units will be set-aside for households whose incomes are at or below 60% of the area median income.

In addition to the Bond Proceeds, other sources of funding to be utilized in the construction of this development will be \$5,395,176 in Tax Credit Equity, \$4,340,103 in HOME Funds and a \$735,025 Housing Authority Loan.

The project consists of one hundred eight (108) three-bedroom units and ten (10) other.

Supportive services to special need households and individuals at Legacy Heights include After School Care; Summer Day Camp; Teen Center; Sports & Recreation, The Family Resource Center; Transportation to facilitate access to social services; Computer Labs and Grocery pickup and/or delivery.

Pros:

- LHFA will continue its mission of providing safe, decent and affordable housing for low to moderate-income families by utilizing its resources.

Cons: None

Recommendation:

Staff recommends approval of this request to issue Multifamily Housing Refunding Bonds to further the mission of providing housing to the citizens of this state.

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by _____ and seconded by _____:

RESOLUTION

A resolution accepting the proposal of Bank of America, N.A. for the purchase of not exceeding Eight Million Five Hundred Thousand Dollars (\$8,500,000) of Louisiana Housing Finance Agency Multifamily Housing Refunding Bonds (Legacy Heights Apartments Project) in one or more series; fixing the terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection with the foregoing.

WHEREAS, the Board of Commissioners (the "Board") of the Louisiana Housing Finance Agency (the "Agency") on March 21, 2007, adopted a resolution approving and authorizing the issuance of not exceeding Eight Million Five Hundred Thousand Dollars (\$8,500,000) of Louisiana Housing Finance Agency Multifamily Housing Refunding Bonds (Legacy Heights Apartments Project) in one or more series and authorized the publication of a Notice of Intention to Sell at Private Sale (the "Notice") in connection therewith; and

WHEREAS, said bonds are being designated as "Louisiana Housing Finance Agency Multifamily Housing Refunding Bonds (Legacy Heights Apartments Project) Series 2007" in the aggregate principal amount of not exceeding \$8,500,000 (the "Bonds"); and

WHEREAS, as set forth in said resolution, the Notice of Sale was published on April 6, 2007, in "The Advocate" and in "The Daily Journal of Commerce" for an amount not to exceed \$8,500,000; and

WHEREAS, in accordance with the aforesaid resolution adopted by the Agency on March 21, 2007, the sale of the Bonds was scheduled for April 18, 2007; and

WHEREAS, the Agency did meet on April 18, 2007, at 10:00 a.m., Louisiana time, for the purpose of receiving and considering the proposal of Bank of America, N.A. or its designated affiliate, as purchaser (the "Purchaser") and taking action with respect to the parameter sale of not exceeding Eight Million Five Hundred Thousand Dollars (\$8,500,000) of the Bonds pursuant thereto;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency, acting as the governing authority of said Agency, that:

SECTION 1. The parameter written terms submitted this day by Bank of America, N.A. or its designated affiliate, for the purchase of bonds designated "Louisiana Housing Finance Agency Multifamily Housing Refunding Bonds (Legacy Heights Apartments Project) Series 2007" in the aggregate principal amount of not exceeding \$8,500,000, at an interest rate not exceeding 12% per annum, and for a maturity not exceeding 45 years, authorized under and

pursuant to the provisions of a Bond Trust Indenture (the "Indenture"), by and between a trustee to be determined (the "Trustee"), and the Agency be, and the same are hereby awarded to the Purchaser; provided, however, that the sale and delivery of the Bonds are conditioned upon approval by the State Bond Commission and compliance with any and all approvals and/or certifications required by the Louisiana Attorney General. The sale of the Bonds in accordance with said Indenture is hereby authorized and approved. The Chairman, Vice Chairman, President, Vice President and/or Secretary of this Board are hereby authorized and directed for, on behalf of and in the name of the Agency, to execute, deliver and approve such instruments, documents and certificates as may be required or necessary, convenient or appropriate to the financing described herein, including, but not limited to, the following described documents far the Bonds on file with the Agency:

- (i) Bond Trust Indenture,
- (ii) Financing Agreement, and
- (iii) Tax Regulatory Agreement.

The aforesaid officers are additionally authorized to approve any changes in the aforementioned documents provided such changes are in accordance with the Act and with the approval of Counsel to the Agency or Bond Counsel.

SECTION 2. A bank is to be designated as Trustee and Paying Agent with respect to the Bonds in accordance with the provisions of the Indenture.

SECTION 3. In order to accomplish the sale of the Bonds in accordance with the terms of this resolution, either the Chairman or Vice Chairman of this Agency or the President or Vice President, acting on his behalf, be and they are hereby authorized and directed to execute and deliver, for and on behalf of the Agency, the Indenture in substantially the form thereof which is now before this Agency and filed with the Secretary of this Board of Commissioners.

SECTION 4. The Bonds will be dated, will be in the denominations and will have all the terms set forth in the Indenture.

SECTION 5. The Bonds shall be subject to redemption in accordance with the Indenture.

SECTION 6. The Chairman, Vice Chairman, President, Vice President and/or Secretary, be and they are hereby approved, authorized and directed to execute and deliver or cause to be executed and delivered all documents required to be executed on behalf of the Agency and delivered to effect delivery of the Bonds to the Purchaser or deemed by any of them necessary or advisable to implement this resolution, the Indenture or the Indenture, or to facilitate the sale of the Bonds.

SECTION 7. The Chairman, Vice Chairman, President, Vice President and/or Secretary of the Agency shall cause to be executed for and on behalf of the Agency the aforementioned Bonds in accordance with the Indenture, and shall effect the delivery thereof to the Purchaser in accordance with the Indenture. The Secretary of the Agency shall receive from the Purchaser for the account of the Agency the purchase price of the Bonds and shall deposit the same with the Trustee under the Indenture in accordance with the provisions thereof.

SECTION 9. This resolution shall take effect immediately.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 18th day of April, 2007.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency"), do hereby certify that the foregoing _____ (____) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on April 18, 2007, entitled: "A resolution accepting the proposal of Bank of America, N.A. for the purchase of not exceeding Eight Million Five Hundred Thousand Dollars (\$8,500,000) of Louisiana Housing Finance Agency Multifamily Housing Refunding Bonds (Legacy Heights Apartments Project) in one or more series; fixing the terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection with the foregoing."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 18th day of April, 2007.

Secretary

(SEAL)

DECISION BRIEF:

The issuance of \$2,000,000 in Multifamily Housing Revenue Bonds for Pine Terrace Apartments located in Grayson, Louisiana, Caldwell Parish

Issue

The Agency has previously authorized not exceeding \$100,000,000 million Multifamily Housing Revenue Bonds in one or more series in connection with the HOME/Tax Credit/Bond Financing Program pursuant to a resolution adopted by the Board of Commissioners on September 13, 2006.

Forest Ridge Estates Two, A Limited Partnership is requesting the Louisiana Housing Finance Agency to issue Multifamily Housing Revenue Bonds in an amount not to exceed \$2,000,000 for the rehabilitation of a 32 unit multi-family residential complex located at 126 Pine Terrace Land, Caldwell Parish, Louisiana. Sixteen (16) rental units will be set-aside for households whose incomes are at or below 60% of the area median income. The other sixteen (16) rental units will be set-aside for households whose incomes are at or below 50% of the area median income.

In addition to the Bond Proceeds, other sources of funding to be utilized in the construction of this development will include \$78,628 in Tax Credit Equity \$1,029,692 from Mortgage Assumption.

Pine Terrace Apartments will consist of thirty-two (32) two-bedroom units.

Pros:

- LHFA will continue its mission of providing safe, descent and affordable housing for low to moderate-income families by utilizing its resources.

Cons: None

Recommendation:

Staff recommends approval of this request to issue Multifamily Housing Revenue Bonds to further the mission of providing housing to the citizens of this state.

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by _____ and seconded by _____:

RESOLUTION

A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding \$2,000,000 Multifamily Housing Revenue Bonds (Pine Terrace Apartments Project) in one or more series; and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Finance Agency (the "Agency") is authorized by Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority supplemental thereto, to issue revenue bonds to provide financing for multifamily rental housing in the State of Louisiana (the "State"); and

WHEREAS, developer listed in Schedule I hereto, (the "Developer") has met with officials of the Agency and has advised the Agency of the Developer's interest in the acquisition, rehabilitation and equipping of multifamily housing facility, more particularly described in Schedule I hereto (the "Project") within Caldwell Parish, subject to the willingness of the Agency to finance the Project by the issuance of revenue bonds pursuant to the Act; and

WHEREAS, the Agency deems it necessary and advisable that it take such action as may be required under applicable statutory provisions to authorize and issue not exceeding \$2,000,000 revenue bonds in one or more series to finance a portion of the cost of the Project set forth in Schedule I hereto, together with costs incident to the authorization, issuance and sale of the bonds; and

WHEREAS, the Developer has stated its willingness to arrange for the acquisition, rehabilitation and equipping of the Project and to enter into contracts therefor; and

WHEREAS, the income tax regulations prescribed by the Internal Revenue Service require that the issuer of tax exempt bonds adopt a resolution with respect to such bonds or take the other similar "official action" towards the issuance of the bonds prior to the commencement of the rehabilitation of an exempt facility bond project; and

WHEREAS, one purpose of this resolution is to satisfy the requirements of said income tax regulations with respect to the Project set forth in Schedule I hereto:

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency, that:

SECTION 1. Pursuant to the authority of the Act, and other constitutional and statutory authority supplemental thereto, the Project is hereby approved and the financing of the acquisition, rehabilitation and equipping thereof through the issuance of revenue bonds of the Agency pursuant to the Act is hereby authorized in one or more series and in a sufficient principal amount presently estimated as set forth in Schedule I hereto. It is the intent of this resolution to induce the financing of the Project. This resolution is the affirmative official action of the Agency acting by and through its Board of Commissioners towards the issuance of its special, limited obligation revenue bonds in accordance with the Constitution and statutes of the State and the United States Treasury Department Regulations, Section 1.150-2. It is recognized and agreed that the Developer may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) the Developer itself; (ii) any "related person" as defined in Section 147(a)(2) of the Internal Revenue Code of 1986, as amended (the "Code"); or (iii) any legal successor thereto, respectively, subject to approval of the Agency's Bond Counsel, hereinafter employed.

SECTION 2. The costs of financing the Project will be paid out of the proceeds from the sale of the bonds, in one or more series, which shall be special, limited obligations of the Agency, payable solely out of the revenues derived by the Agency with respect to the Project for which financing is made available, and the bonds and the interest thereon shall never constitute the debt or indebtedness of the Agency, the State, or any political subdivision thereof within the meaning of any provision or limitation of the Constitution or statutes of the State, nor shall the same give rise to a pecuniary liability of the Agency or the State or any political subdivision thereof or a charge against their general credit or taxing power, and such limitation shall be plainly stated on the face of the bonds.

SECTION 3. The issuance of not exceeding Two Million Dollars (\$2,000,000) aggregate principal amount of Multifamily Housing Revenue Bonds (Pine Terrace Apartments Project) in one or more Series (the "Bonds") of the Agency, pursuant to the Act, and other constitutional and statutory authority supplemental thereto, be and the same is hereby authorized and approved. In authorizing the issuance of the Bonds, the Agency will make no warranty, either express or implied, that the proceeds of the Bonds will be sufficient to pay the cost of the Project or that the Project will be suitable for the Developer's purposes or needs. The Bonds shall be sold by the Agency on such date as may be determined by the Chairman of the Board of Commissioners of the Agency, in accordance with the requirements of the Act, and pursuant to the provisions of the Notice of Intention to Sell at Private Sale attached hereto as Exhibit I.

SECTION 4. The operation of the Project, as well as the financing of the Project, will comply with all Federal, State and local laws and regulations and the Developer will obtain all necessary approvals and permits required thereunder.

SECTION 5. The Chairman of the Board of Commissioners and/or the President of the Agency are authorized and directed to call for a public hearing with respect to the Project and the proposed revenue bonds to finance same in accordance with the requirements of Section 147(f) of the Code, and cause to be published appropriate notice of each public hearing in accordance with the Code.

SECTION 6. The officers of this Board of Commissioners and the President of the Agency are authorized and empowered to take any and all further action and to sign any and all documents, instruments and writings as may be necessary to carry out the purposes of this resolution and to file, on behalf of the Agency, with any governmental board of entity having jurisdiction over the Project, such applications or requests for approval thereof as may be

required by law, including an application to the State Bond Commission for approval of the financing (provided that the application shall be made only in conjunction with an approving letter from the President of the Agency).

By virtue of the Agency's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval resolved and set forth herein, the Agency resolves that it understands and agrees that such approvals are expressly conditioned upon, and the Agency further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Swaps, or other forms or Derivative Products Hedges, Etc.", adopted by the Commission on July 20, 2007, as to borrowings and other matters subject to approvals, including subsequent application and approval under said Policy of the implementation or use of any swaps or other products or enhancements covered thereby.

SECTION 7. The Chairman of the Board of Commissioners and/or the President is authorized to execute the standard form of the Preliminary Agreement.

SECTION 8. All commitments by the Agency herein with respect to the Project are subject to the condition that on or before 36 months from the date of adoption hereof, the Agency and the Developer shall have agreed to mutually acceptable terms for the financing documents and the sale and delivery of the Bonds or other obligations.

SECTION 9. That it is recognized that a real necessity exists for the employment of bond counsel in connection with the issuance of the Bonds and accordingly Foley & Judell, L.L.P., Bond Counsel, New Orleans, Louisiana, be and they are hereby employed as bond counsel to the Agency to do and to perform comprehensive, legal and coordinate professional work with respect thereto. The fee to be paid Bond Counsel shall be an amount based on the

Attorney General's then current Bond Counsel Fee Schedule and other guidelines for comprehensive, legal and coordinate professional work in the issuance of revenue bonds applied to the actual aggregate principal amount issued, sold, delivered and paid for at the time the Bonds are delivered, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, subject to the Attorney General's written approval of said employment and fee.

SECTION 10. The Developer will comply with all rules, regulations and reviews of the Agency in effect or undertaken from time to time.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 18th of April, 2007.

Chairman

Secretary

SCHEDULE I

DEVELOPER: Forest Ridge Estates Two, A Limited Partnership

INITIAL OWNER/OPERATOR: Pine Terrace Apartments, ALPIC

BOND AMOUNT: Not exceeding \$2,000,000

PROJECT NAME	LOCATION	ESTIMATED NUMBER OF UNITS	ESTIMATED TOTAL COST
Pine Terrace Apartments	126 Pine Terrace Lane Grayson, Caldwell Parish Louisiana 70806	32	\$2,000,000

I, as authorized representative of the Developer, have reviewed the information above and hereby certify this Schedule I to be accurate and complete as of this date.

PINE TERRACE APARTMENTS, ALPIC

By: Forest Ridge Estates Two, A Limited Partnership

By: _____

Date: _____

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency, do hereby certify that the foregoing _____ () pages constitute a true and correct copy of the resolution adopted by said Board of Commissioners on April 18, 2007, entitled: “A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project, authorizing not exceeding \$2,000,000 Multifamily Housing Revenue Bonds (Pine Terrace Apartments Project) in one or more series; and providing for other matters in connection therewith.”

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 18th day of April, 2007.

(SEAL)

Secretary

EXHIBIT I

NOTICE OF INTENTION TO SELL AT PRIVATE SALE

LOUISIANA HOUSING FINANCE AGENCY MULTIFAMILY MORTGAGE REVENUE BONDS (PINE TERRACE APARTMENTS PROJECT) SERIES 2007

NOTICE IS HEREBY GIVEN in compliance with the provisions of Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), that the Louisiana Housing Finance Agency (the "Agency"), proposes to sell its Multifamily Mortgage Revenue Bonds (Pine Terrace Apartments Project) Series 2007, (the "Bonds") in aggregate principal amount of Nine Million Two Hundred Fifty Thousand Dollars (\$2,000,000) in one or more series at a rate or rates not exceeding twelve percentum (12%) per annum. The Bonds are to be sold to Regions Bank to finance the acquisition, rehabilitation and equipping of the Pine Terrace Apartments (the "Project") at a meeting of the Board of Commissioners of the Agency scheduled for _____, _____, 2007, at ten (10:00) o'clock a.m., Louisiana time, at the offices of the Louisiana Housing Finance Agency, 2415 Quail Drive, Baton Rouge, Louisiana 70808. The Agency reserves the right to postpone the date, hour and place set forth above for the sale of the Bonds (without any further publication of notice of the change in the sale date, time and/or location). In the event the sale is postponed as provided above, anyone desiring written notice of the subsequent date and time which said sale is to be accomplished must request such notice from the President of the Agency. The Bonds will be sold pursuant to the terms of a resolution to be adopted by the Agency and a Trust Indenture (the "Indenture") to be executed by and between the Agency and a trustee bank.

The Bonds are being issued pursuant to the Act and the Indenture for the purpose of financing the acquisition, rehabilitation and equipping of a multifamily housing project and (ii) paying the costs of issuance associated with the Bonds. The Bonds are limited obligations of the Agency and will be payable solely out of the income, revenues and receipts derived from the funds and accounts held under and pursuant to the Indenture and pledged therefor. As provided in the Act and the Indenture, the Bonds do not constitute an obligation, either general or special, of the State of Louisiana, any municipality or any other political subdivision thereof.

The principal of and interest on the Bonds will be payable at the principal office of the paying agent or agents selected by the Agency in accordance with the provisions of the Indenture.

The Bonds will be dated as provided in the Indenture, will bear interest at such rate or rates established at the time of sale of the Bonds, payable on such dates as set forth in the Indenture, and will mature no later than forty-two (42) years from date of issuance.

The Bonds will be issued in fully registered form in the denominations as provided in the Indenture. Bonds will be transferable as provided in the Indenture.

This Notice of Sale of Bonds is being published in accordance with the requirements of the Louisiana Constitution and the Act. For a period of thirty (30) days from the date of publication hereof, any person or persons in interest shall have the right to contest the legality of this notice, the resolution any provision of the Bonds to be issued pursuant to it, the provisions securing the Bonds, and the validity of all other provisions and proceedings relating to the authorization and issuance of the Bonds. If no action or proceeding is instituted within the thirty (30) days, no person may contest the validity of the Bonds, the provisions of the resolution pursuant to which the Bonds were issued, the security of the

Bonds, or the validity of any other provisions or proceedings relating to their authorization and issuance, and the Bonds shall be presumed conclusively to be legal. Thereafter no court shall have authority to inquire into such matters.

For further information relative to the Bonds and not contained in this Notice, address Foley & Judell, L.L.P., Bond Counsel, One Canal Place, Suite 2600, 365 Canal Street, New Orleans, LA 70130-1138.

BY ORDER OF THE BOARD OF COMMISSIONERS, acting as the governing authority of the Agency.

LOUISIANA HOUSING FINANCE AGENCY

Chairman

Secretary

**LOUISIANA HOUSING FINANCE AGENCY
MULTI-FAMILY PROJECT SUMMARY**

Date: 02/28/2007

- (1) **PROJECT NAME:** Pine Terrace Apartments
126 Pine Terrace Lane, Grayson, LA 71435
- (2) **AMOUNT OF BOND**
ISSUE REQUESTED
(NOT TO EXCEED): \$2,000,000.00
- (3) **PROJECT DESCRIPTION:** 1) Number of Units 32
2) Total Land Area 3+
3) Density: 11 # of Units per Acre
Low Rise 2 High Rise _____
4) New Construction: _____
Rehabilitation: ✓
5) Land Control: Current Legal Owner of Land:
Pine Terrace Apartments, LP
Contract to Acquire Land by _____
(date)
or
Option to Acquire Land by October 2007
(date)
6) Number of Parking Spaces Per Unit 2
7) Census tract where Project located 9903
8) State Representative District 20
Name of Representative Lelon Kennedy
9) State Senatorial District 32
Name of Senator Noble E. Ellington
- (4) **LOCATION:** 126 Pine Terrace Land; Grayson, LA 71435
(STREET ADDRESS OR
LEGAL DESCRIPTION OF
LAND AND PARISH): _____
- (5) **CONTACT PERSON** Irene Desadier
FOR PROJECT: _____
Phone: 318-377-0004 x-204
- (6) **DEVELOPMENT TEAM:**

Developer:

Forest Ridge Development ^{Two}, LLC
305 Homer Road; Minden, LA 71055 Contact: Irene D.
Phone: 318-377-0004

Architect:

TBA Architecture
141 DeSiard; Suite 506; Monroe, LA 712 Contact: Tim Brando
Phone: 318-340-1550

General Contractor:

Integrity Contractors, Inc.
6301 Linwood Ave.; Shreveport, LA
Contact: John Bradl Phone: 318-861-4474

Attorney:

Merritt B. Chastain, Jr.
333 Texas Street; Shreveport, LA 71101
Contact: Merritt Ch Phone: 318-227-1990

Lending Institution
to Originate Mortgage
Loan (if known):

Regions Bank
401 Main Street; Minden, LA 71055
Contact: Jack Byrd Phone: 318-377-4283

Provider of Credit
Enhancement on Mortgage
Loan (if known):

Contact: Phone:

Investment Banker for
Bonds Publicly Offered
(if known):

Contact: Phone:

Purchaser of Bonds
for Bonds Privately
Placed (if known):

Regions Bank
401 Main Street; Minden, LA 71055
Contact: Jack Byrd Phone: 318-377-4283

(7) **ZONING:**

Currently Zoned

(8) **UTILITIES:**

Water, Electric, Garbage & Cable in place

(9) **FAIR MARKET VALUE OF
PROJECT PROPERTY:**

\$2,750,000.00

Specify date of most recent appraisal: Post Rehab (10-26-06)

(10) **FINANCIAL INFORMATION:**

Amount

SOURCES OF FUNDS:

Bond Proceeds	\$ <u>1,100,000.00</u>	<u>51.65</u> % Dev. Cost
Other Sources (list)		
Mortgage Assumption	\$ <u>1,029,692.00</u>	<u>48.35</u> % Dev. Cost
	\$ _____	_____ % Dev. Cost
	\$ _____	_____ % Dev. Cost
TOTAL FUNDS		\$ <u>2,129,692.00</u>

LAND COSTS	\$ <u>20,700.00</u>	\$ _____ per sq. ft.
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BUILDING ACQUISITION COSTS (less Land costs)	\$ <u>1,008,992.00</u>	\$ _____ per D/U
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CONSTRUCTION (or Rehabilitation Costs)	\$ <u>596,450.00</u>	\$ _____ per D/U
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PROFESSIONAL FEES:

	<u>Amount</u>	<u>% of Total Funds</u>
Architectural	\$ <u>40,000.00</u>	_____ %
Engineering	\$ <u>10,000.00</u>	_____ %
Legal:		
Counsel to Issuer	\$ <u>1,300.00</u>	_____ %
Bond Counsel	\$ <u>20,500.00</u>	_____ %
Special Tax Counsel (specify firm name)	\$ _____	_____ %
Other Legal (specify firm & purpose)	\$ _____	
	\$ _____	
	\$ _____	
	\$ _____	
	\$ _____	
	\$ _____	_____ %
	\$ _____	_____ %
Total Professional Fees	\$ <u>71,800.00</u>	_____ %

UNDERWRITING:

Management Fee	\$ _____
Sales Commission	\$ _____
Underwriter's Counsel	\$ _____

Net to Underwriters
Expenses (list) \$ _____

\$ _____
Total Underwriting
Fee: \$ 0.00

COSTS OF ISSUANCE:

Printing \$ 50,000.00
Publishing/Advertising/
Recording \$ _____
Rating Expense \$ _____
Letter of Credit Fees and
other credit expenses \$ _____
Consultants \$ _____
Insurance \$ _____
Issuer's Financing
Fees \$ _____
Trustee Bank's initial fee
and expenses \$ _____
Other:
Bond Commission Fees \$ _____
Accountant Verification \$ _____

Total Costs of Insurance \$ 50,000.00 \$ _____ per D/U

Amount of Mortgage Requested \$ 316,077.00 % _____
of Total Costs

(11) **UNIT TYPES:**

All (100%) Units

Low Income Units

Unit Type	No.	Total Sq. Ft.	No. of Unit Types Set Aside for 50% or less Area Median Income	Total Sq. Ft.	No. of Unit Types Set Aside for 60% or less Area Median Income	Total Sq. Ft.
Eff.	_____	_____	_____	_____	_____	_____
1 BR	_____	_____	_____	_____	_____	_____
2 BR	32	_____	16	_____	16	_____
3 BR	_____	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____	_____	_____

Estimate Market Rents For
Non-Low Income Units:

Total

Total

<u>Unit Type</u>	<u>Total Units</u>	<u>Monthly Rent Per Non-LIU</u>	<u>Annual Rent of Non-LIU's</u>
Eff.	_____	_____	_____
1 BR	_____	_____	_____
2 BR	_____	_____	_____
3 BR	_____	_____	_____
Other	_____	_____	_____
Total	_____	_____	_____

(12) **CURRENT RENTAL COSTS AND RELOCATION PLAN:**
(For Rehabilitation Projects Only)

<u>Unit Type</u>	<u>Monthly</u>	<u>Present Rent Annual</u>	<u>Sq. Ft./Month</u>
Eff.	_____	_____	_____
1 BR	_____	_____	_____
2 BR	<u>\$505.00</u>	<u>6060</u>	<u>.6144</u>
3 BR	_____	_____	_____
Other	_____	_____	_____
TOTAL	_____	_____	_____

Have interior and exterior photographs of Project been attached?

Yes _____ No ✓

Will any of the present tenants be displaced because of higher rents due to rehabilitation?

Yes _____ No ✓

If yes, approximately how many? _____

Is there a relocation plan? Yes ✓ No _____

Please briefly describe relocation plan (Submit detailed relocation plan when completed)

(13) **VACANCY RATE:** The present vacancy rate in the general market area is 0.00 %.

(14) **AREA MEDIAN INCOME:** Median income in area according to HUD is \$33,666.00.

(15) **ELECTION OF THE MINIMUM SET-ASIDE REQUIREMENT:**

The owner irrevocably elects one of the Minimum Set-Aside Requirements (Check one only):

☒ At least 20% of the rental residential units in this development are rent restricted and to be occupied by individuals whose income is 50% or less of area median gross income.

☐ At least 40% of the rental residential units in this development are rent restricted and to be occupied by individuals whose income is 60% or less of the area median gross income.

(16) **OPTIONAL ELECTION:**

The owner elects to occupy 15% or more of all low-income units by tenants with income of 40% or less of area median income and the average rent charged to tenants in residential market rent units is at least 300% of the average rent charged to low-income tenants: ☐ Yes ☒ No

(17) **EQUAL OPPORTUNITY:**

Do you agree to provide equal opportunity to members of minority groups and to employ such groups in the Project's development in the roles of, including but not limited to, contractor, subcontractor, employee, laborer, agent, appraiser, or supplier?

Yes ☒ No ☐

(18) **STATE BOND COMMISSION TENANT BENEFIT PROGRAM REQUIREMENTS:**

State Bond Commission Rule No. HS2-1992 provides as follows with respect to applications submitted to the State Bond Commission for new construction, acquisition and/or rehabilitation, or refunding of multifamily housing projects:

Multifamily housing applications must include defined tenant benefit programs for those units set aside for very low, low and/or moderate income families. Those applications that do not include such programs will not be docketed for consideration. Such programs may include rent differentials, special assistance programs or other specific benefit packages for the target income class.

Please include as Exhibit I a description of the Applicant's defined tenant benefit program. For your consideration, State Bond Commission Rule No. HS1-1993 provides the following definitions of income classes:

Very Low Income--households whose incomes do not exceed 50 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Low Income--households whose incomes do not exceed 80 percent of the median income for the area, as determined and adjusted from time to time by HUD.

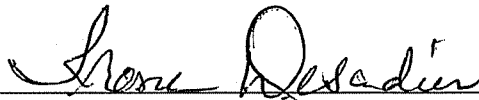
Moderate Income--households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Middle Income--households whose income are between 96 percent and 120 percent of the median income for the area, as determined and adjusted from time to time by HUD.

The schedule of income levels as published periodically by HUD will be used for purposes of this rule to determine income levels for particular areas of the state.

I certify that the information contained in this Project Summary and Application Package is true and accurate to the best of my knowledge.

Forest Ridge Estates Two, LP
PROJECT OWNER

By: 
Authorized Representative

Dated: 2-28-07

DECISION BRIEF:

The issuance of \$9,250,000 in Multifamily Housing Revenue Bonds for Spanish Arms Apartments f/k/a Denham Street Apartments located in Baton Rouge, Louisiana

Issue

Spanish Arms Apartments Partners, Ltd is requesting the Louisiana Housing Finance Agency to issue Multifamily Revenue Bonds in an amount not to exceed \$9,250,000 for the rehabilitation of a 204 unit multi-family residential complex located at 4343 Denham Street, Baton Rouge, East Baton Rouge Parish, Louisiana. 200 of the 204 rental units will be set-aside for households whose incomes are at or below 60% of the area median income.

In addition to the Bond Proceeds, other sources of funding to be utilized in the rehabilitation of this development will be \$4,385,798 from LIHTC Equity and \$67,604 Deferred Developer Fee.

Spanish Arms Apartments will consist of fifty-two (52) one-bedroom units; forty-seven (47) two-bedroom units; fifty-four (54) three-bedroom units and forty-seven (47) other. Currently the project is 80% occupied. The proposed owner intends to address all tenant relocation needs on the project site. The rehabilitation of the vacant units will begin immediately after closing; and upon completion of the rehabilitation of the vacant units, existing tenants will be relocated in to the newly rehabilitated units of the same type. The cost associated with the unit transfers including moving costs and any utility deposits are included in the proposed owner project development budget.

Pros:

- LHFA will continue its mission of providing safe, decent and affordable housing for low to moderate-income families by utilizing its resources.
- Will enhance the housing stock for the citizens of Louisiana.

Cons: None

Recommendation:

Staff recommends approval of this request to issue Multifamily Revenue Bonds to further the mission of providing housing to the citizens of this state.

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by _____ and seconded by _____:

RESOLUTION

A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project; authorizing not exceeding \$9,250,000 Multifamily Housing Revenue Bonds (Spanish Arms Apartments Project) in one or more series; and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Finance Agency (the "Agency") is authorized by Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), and other constitutional and statutory authority supplemental thereto, to issue revenue bonds to provide financing for multifamily rental housing in the State of Louisiana (the "State"); and

WHEREAS, developer listed in Schedule I hereto, (the "Developer") has met with officials of the Agency and has advised the Agency of the Developer's interest in the acquisition, rehabilitation and equipping of multifamily housing facility, more particularly described in Schedule I hereto (the "Project") within East Baton Rouge Parish, subject to the willingness of the Agency to finance the Project by the issuance of revenue bonds pursuant to the Act; and

WHEREAS, the Agency deems it necessary and advisable that it take such action as may be required under applicable statutory provisions to authorize and issue not exceeding \$9,250,000 revenue bonds in one or more series to finance a portion of the cost of the Project set forth in Schedule I hereto, together with costs incident to the authorization, issuance and sale of the bonds; and

WHEREAS, the Developer has stated its willingness to arrange for the acquisition, rehabilitation and equipping of the Project and to enter into contracts therefor; and

WHEREAS, the income tax regulations prescribed by the Internal Revenue Service require that the issuer of tax exempt bonds adopt a resolution with respect to such bonds or take the other similar "official action" towards the issuance of the bonds prior to the commencement of the rehabilitation of an exempt facility bond project; and

WHEREAS, one purpose of this resolution is to satisfy the requirements of said income tax regulations with respect to the Project set forth in Schedule I hereto:

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency, that:

SECTION 1. Pursuant to the authority of the Act, and other constitutional and statutory authority supplemental thereto, the Project is hereby approved and the financing of the acquisition, rehabilitation and equipping thereof through the issuance of revenue bonds of the Agency pursuant to the Act is hereby authorized in one or more series and in a sufficient principal amount presently estimated as set forth in Schedule I hereto. It is the intent of this resolution to induce the financing of the Project. This resolution is the affirmative official action of the Agency acting by and through its Board of Commissioners towards the issuance of its special, limited obligation revenue bonds in accordance with the Constitution and statutes of the State and the United States Treasury Department Regulations, Section 1.150-2. It is recognized and agreed that the Developer may exercise its rights and perform its obligations with respect to the financing of the Project either through (i) the Developer itself; (ii) any "related person" as defined in Section 147(a)(2) of the Internal Revenue Code of 1986, as amended (the "Code"); or (iii) any legal successor thereto, respectively, subject to approval of the Agency's Bond Counsel, hereinafter employed.

SECTION 2. The costs of financing the Project will be paid out of the proceeds from the sale of the bonds, in one or more series, which shall be special, limited obligations of the Agency, payable solely out of the revenues derived by the Agency with respect to the Project for which financing is made available, and the bonds and the interest thereon shall never constitute the debt or indebtedness of the Agency, the State, or any political subdivision thereof within the meaning of any provision or limitation of the Constitution or statutes of the State, nor shall the same give rise to a pecuniary liability of the Agency or the State or any political

subdivision thereof or a charge against their general credit or taxing power, and such limitation shall be plainly stated on the face of the bonds.

SECTION 3. The issuance of not exceeding Nine Million Two Hundred Fifty Thousand Dollars (\$9,250,000) aggregate principal amount of Multifamily Housing Revenue Bonds (Spanish Arms Apartments Project) in one or more Series (the "Bonds") of the Agency, pursuant to the Act, and other constitutional and statutory authority supplemental thereto, be and the same is hereby authorized and approved. In authorizing the issuance of the Bonds, the Agency will make no warranty, either express or implied, that the proceeds of the Bonds will be sufficient to pay the cost of the Project or that the Project will be suitable for the Developer's purposes or needs. The Bonds shall be sold by the Agency on such date as may be determined by the Chairman of the Board of Commissioners of the Agency, in accordance with the requirements of the Act, and pursuant to the provisions of the Notice of Intention to Sell at Private Sale attached hereto as Exhibit I.

SECTION 4. The operation of the Project, as well as the financing of the Project, will comply with all Federal, State and local laws and regulations and the Developer will obtain all necessary approvals and permits required thereunder.

SECTION 5. The Chairman of the Board of Commissioners and/or the President of the Agency are authorized and directed to call for a public hearing with respect to the Project and the proposed revenue bonds to finance same in accordance with the requirements of Section 147(f) of the Code, and cause to be published appropriate notice of each public hearing in accordance with the Code.

SECTION 6. The officers of this Board of Commissioners and the President of the Agency are authorized and empowered to take any and all further action and to sign any and

all documents, instruments and writings as may be necessary to carry out the purposes of this resolution and to file, on behalf of the Agency, with any governmental board of entity having jurisdiction over the Project, such applications or requests for approval thereof as may be required by law, including an application to the State Bond Commission for approval of the financing (provided that the application shall be made only in conjunction with an approving letter from the President of the Agency).

By virtue of the Agency's application for, acceptance and utilization of the benefits of the Louisiana State Bond Commission's approval resolved and set forth herein, the Agency resolves that it understands and agrees that such approvals are expressly conditioned upon, and the Agency further resolves that it understands, agrees and binds itself, its successors and assigns to, full and continuing compliance with the "State Bond Commission Policy on Approval of Proposed Swaps, or other forms or Derivative Products Hedges, Etc.", adopted by the Commission on July 20, 2007, as to borrowings and other matters subject to approvals, including subsequent application and approval under said Policy of the implementation or use of any swaps or other products or enhancements covered thereby.

SECTION 7. The Chairman of the Board of Commissioners and/or the President is authorized to execute the standard form of the Preliminary Agreement.

SECTION 8. All commitments by the Agency herein with respect to the Project are subject to the condition that on or before 36 months from the date of adoption hereof, the Agency and the Developer shall have agreed to mutually acceptable terms for the financing documents and the sale and delivery of the Bonds or other obligations.

SECTION 9. That it is recognized that a real necessity exists for the employment of bond counsel in connection with the issuance of the Bonds and accordingly Foley & Judell,

L.L.P., Bond Counsel, New Orleans, Louisiana, be and they are hereby employed as bond counsel to the Agency to do and to perform comprehensive, legal and coordinate professional work with respect thereto. The fee to be paid Bond Counsel shall be an amount based on the Attorney General's then current Bond Counsel Fee Schedule and other guidelines for comprehensive, legal and coordinate professional work in the issuance of revenue bonds applied to the actual aggregate principal amount issued, sold, delivered and paid for at the time the Bonds are delivered, together with reimbursement of out-of-pocket expenses incurred and advanced in connection with the issuance of the Bonds, subject to the Attorney General's written approval of said employment and fee.

SECTION 10. The Developer will comply with all rules, regulations and reviews of the Agency in effect or undertaken from time to time.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 18th of April, 2007.

Chairman

Secretary

SCHEDULE I

DEVELOPER: Summit Asset Management, L.L.C.

INITIAL OWNER/OPERATOR: Spanish Arms Apartments Partners, Ltd.

BOND AMOUNT: Not exceeding \$9,250,000

PROJECT NAME	LOCATION	ESTIMATED NUMBER OF UNITS	ESTIMATED TOTAL COST
Spanish Arms Apartments	4343 Denham Street Baton Rouge, East Baton Rouge Parish Louisiana 70805	204	\$12,030,816

I, as authorized representative of the Developer, have reviewed the information above and hereby certify this Schedule I to be accurate and complete as of this date.

SPANISH ARMS APARTMENTS PARTNERS, LTD.

By: Summit Asset Management, L.L.C.

By: _____

Date: _____

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency, do hereby certify that the foregoing _____ () pages constitute a true and correct copy of the resolution adopted by said Board of Commissioners on April 18, 2007, entitled: "A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, rehabilitation and equipping of a multifamily housing project, authorizing not exceeding \$9,250,000 Multifamily Housing Revenue Bonds (Spanish Arms Apartments Project) in one or more series; and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 18th day of April, 2007.

(SEAL)

Secretary

EXHIBIT I

NOTICE OF INTENTION TO SELL AT PRIVATE SALE

LOUISIANA HOUSING FINANCE AGENCY MULTIFAMILY MORTGAGE REVENUE BONDS (SPANISH ARMS APARTMENTS PROJECT) SERIES 2007

NOTICE IS HEREBY GIVEN in compliance with the provisions of Chapter 3-A of Title 40 of the Louisiana Revised Statutes of 1950, as amended (the "Act"), that the Louisiana Housing Finance Agency (the "Agency"), proposes to sell its Multifamily Mortgage Revenue Bonds (Spanish Arms Apartments Project) Series 2007, (the "Bonds") in aggregate principal amount of Nine Million Two Hundred Fifty Thousand Dollars (\$9,250,000) in one or more series at a rate or rates not exceeding twelve percentum (12%) per annum. The Bonds are to be sold to Merchant Capital, L.L.C. to finance the acquisition, rehabilitation and equipping of the Spanish Arms Apartments (the "Project") at a meeting of the Board of Commissioners of the Agency scheduled for _____, _____, 2007, at ten (10:00) o'clock a.m., Louisiana time, at the offices of the Louisiana Housing Finance Agency, 2415 Quail Drive, Baton Rouge, Louisiana 70808. The Agency reserves the right to postpone the date, hour and place set forth above for the sale of the Bonds (without any further publication of notice of the change in the sale date, time and/or location). In the event the sale is postponed as provided above, anyone desiring written notice of the subsequent date and time which said sale is to be accomplished must request such notice from the President of the Agency. The Bonds will be sold pursuant to the terms of a resolution to be adopted by the Agency and a Trust Indenture (the "Indenture") to be executed by and between the Agency and a trustee bank.

The Bonds are being issued pursuant to the Act and the Indenture for the purpose of financing the acquisition, rehabilitation and equipping of a multifamily housing project and (ii) paying the costs of issuance associated with the Bonds. The Bonds are limited obligations of the Agency and will be payable solely out of the income, revenues and receipts derived from the funds and accounts held under and pursuant to the Indenture and pledged therefor. As provided in the Act and the Indenture, the Bonds do not constitute an obligation, either general or special, of the State of Louisiana, any municipality or any other political subdivision thereof.

The principal of and interest on the Bonds will be payable at the principal office of the paying agent or agents selected by the Agency in accordance with the provisions of the Indenture.

The Bonds will be dated as provided in the Indenture, will bear interest at such rate or rates established at the time of sale of the Bonds, payable on such dates as set forth in the Indenture, and will mature no later than forty-two (42) years from date of issuance.

The Bonds will be issued in fully registered form in the denominations as provided in the Indenture. Bonds will be transferable as provided in the Indenture.

This Notice of Sale of Bonds is being published in accordance with the requirements of the Louisiana Constitution and the Act. For a period of thirty (30) days from the date of publication hereof, any person or persons in interest shall have the right to contest the legality of this notice, the resolution any provision of the Bonds to be issued pursuant to it, the provisions securing the Bonds, and the validity of all other provisions and proceedings relating to the authorization and issuance of the Bonds. If no action or proceeding is instituted within the thirty (30) days, no person may contest the validity of the Bonds, the provisions of the resolution pursuant to which the Bonds were issued, the security of the Bonds, or the validity of any other provisions or proceedings relating to their authorization and issuance, and the Bonds shall be presumed conclusively to be legal. Thereafter no court shall have authority to inquire into such matters.

For further information relative to the Bonds and not contained in this Notice, address Foley & Judell, L.L.P., Bond Counsel, One Canal Place, Suite 2600, 365 Canal Street, New Orleans, LA 70130-1138.

BY ORDER OF THE BOARD OF COMMISSIONERS, acting as the governing authority of the Agency.

LOUISIANA HOUSING FINANCE AGENCY

Chairman

Secretary

LOUISIANA HOUSING FINANCE AGENCY
MULTI-FAMILY PROJECT SUMMARY

Date: March 28, 2007

- (1) **PROJECT NAME:** Spanish Arms Apartments (f/k/a Denham Street Apartments)
- (2) **AMOUNT OF BOND
ISSUE REQUESTED
(NOT TO EXCEED):** \$9,250,000
- (3) **PROJECT DESCRIPTION:**
- 1) Number of Units 204
 - 2) Total Land Area 7.37 acres
 - 3) Density: 28 # of Units per Acre
Low Rise 21 Buildings High Rise _____
 - 4) New Construction: _____
Rehabilitation: X
 - 5) Land Control: Current Legal Owner of Land:
Denham Street Apartments, A Louisiana Partnership

Contract to Acquire Land by October 8, 2007
(date)

or

Option to Acquire Land by _____
(date)
 - 6) Number of Parking Spaces Per Unit 2 (estimate pending final survey)
 - 7) Census tract where Project located 22033000200 (QCT)
 - 8) State Representative District District 29
Name of Representative Regina Ashford Barrow
 - 9) State Senatorial District District 14
Name of Senator Cleo Fields
- (4) **LOCATION:
(STREET ADDRESS OR
LEGAL DESCRIPTION OF
LAND AND PARISH):** 4343 Denham Street
Baton Rouge, East Baton Rouge Parish
Louisiana 70805
- (5) **CONTACT PERSON
FOR PROJECT:** Kea Calame
105 Tallapoosa Street, Suite 300, Montg., AL 36104
Phone: 334/954-4458

PS-1

(6) **DEVELOPMENT TEAM:**

Developer: Summit Asset Management, L.L.C.
Montgomery, AL Contact: Jon Killough
Phone: 334/954-4458

Architect: Brown Chambless Architects
Montgomery, AL Contact: John Chambless, AIA
Phone: 334/834-8340

General Contractor: Empire Construction
Contact: _____
Phone: _____

Attorney: Crawford & Lewis, P.L.L.C.
Baton Rouge, LA Contact: Donald Cunningham, Esq.
Phone: 225/215-3033

Lending Institution
to Originate Mortgage
Loan (if known): Prudential Huntoon Paige
Atlanta, GA Contact: Jennifer Doran
Phone: (205) 879-8168

Provider of Credit
Enhancement on Mortgage
Loan (if known): Ginnie Mae c/o Prudential Huntoon Paige
Atlanta, GA Contact: Jennifer Doran
Phone: (205) 879-8168

Investment Banker for
Bonds Publicly Offered
(if known): Merchant Capital, L.L.C.
Montgomery, AL Contact: John Rucker
Phone: 334/834-5100

Purchaser of Bonds
for Bonds Privately
Placed (if known): NA
Contact: _____
Phone: _____

(7) **ZONING:** R-3 (Multifamily Residential District) - awaiting
final zoning letter

(8) **UTILITIES:** Existing On-Site – Heating (Electric), Cooking (Electric)
Air Conditioning (Electric), Hot Water (Electric)

(9) **FAIR MARKET VALUE OF
PROJECT PROPERTY:** Approximately \$10,277,778 “as-improved”
Specify date of most recent appraisal: Currently being performed

(10) **FINANCIAL INFORMATION:**

Amount

SOURCES OF FUNDS:

Bond Proceeds	<u>\$9,250,000</u>	<u>0.6750</u> % Dev. Cost
Other Sources (list)		
Federal LIHTC Equity	<u>\$4,385,798</u>	<u>0.3201</u> % Dev. Cost
Interest Income of Bond Proceeds	<u>\$</u>	<u></u> % Dev. Cost
Deferred Developer Fee	<u>\$67,604</u>	<u>0.0049</u> % Dev. Cost

TOTAL FUNDS

\$13,703,402

LAND COSTS

\$544,000 (est.)

\$ per sq. ft (acres)

BUILDING ACQUISITION COSTS

(less Land costs)

\$2,848,000

\$ 13,961 per D/U

CONSTRUCTION (or Rehabilitation Costs)

\$7,163,000

\$ 35,112 per D/U

PROFESSIONAL FEES:

Amount

% of Total Funds

Architectural	<u>\$80,000</u>	<u>.0058</u> %
Engineering / Construction Mgr.	<u>\$358,150</u>	<u>.0261</u> %

Legal:

Counsel to Issuer	<u>\$</u>	<u></u> %
Bond Counsel	<u>\$40,000</u>	<u>.0029</u> %
Special Tax Counsel	<u>\$</u>	<u></u> %
(specify firm name)		
Balch & Bingham	<u>\$35,000</u>	<u>.0026</u> %
Other Legal (specify		
firm & purpose)		
Hessel & Aluise	<u>\$35,000</u>	<u>.0026</u> %
(IRP Counsel)		
Krooth & Altman	<u>\$35,798</u>	<u>.0026</u> %
(FHA lender counsel)	<u>\$</u>	<u></u> %
Crawford & Lewis	<u>\$8,000</u>	<u>.0006</u> %
(Developer counsel)	<u>\$</u>	<u></u> %

Total Professional Fees

\$153,798

.0112 %

UNDERWRITING:

Management Fee	<u>\$</u>
Sales Commission	<u>\$92,500 (underwriters fee)</u>
Underwriter's Counsel	<u>\$23,000</u>

Net to Underwriters \$ 115,500
 Expenses (list)
Phase I Environmental Assessment
Property Condition Report
Title Insurance / Survey/Recording
Appraisal / Market Study
Construction Loan Interest
Property Liability Insurance/Real Estate Taxes
Contingency/FF&E
Relocation Reserve
Developer Fees
Tax Credit Fees
Operating Deficit Escrow & Working Capital \$1,866,018

Total Underwriting

Fee/Costs: \$1,981,518

COSTS OF ISSUANCE:

Printing \$

Publishing/Advertising/

Recording \$

Rating Expense \$18,500

Letter of Credit Fees and

other credit expenses \$521,625

Consultants \$

Insurance \$

Issuer's Financing

Fees \$9,250

Trustee Bank's initial fee

and expenses \$11,500

Other:

Bond Commission Fees \$14,063(including application fee and closing fee)

Accountant Verification \$

Total Costs of Issuance \$574,938 \$ 2,818 per D/U

Amount of Mortgage Requested \$9,250,000 % 67.50
of Total Costs

(11) UNIT TYPES:

200 Units

Low Income Units

Unit Type	No.	Total Sq. Ft.	No. of Unit Types Set Aside for 50% or less Area Median Income	Total Sq. Ft.	No. of Unit Types Set Aside for 60% or less Area Median Income	Total Sq. Ft.
Eff.			0	0		
1 BR	52	34,372	0	0	52	34,372
2 BR	47	37,882	0	0	47	37,882
3 BR	54	48,762	0	0	54	48,762
Other	47	42,441			47	42,441
TOTAL 200			0	0	200	

Estimate Market Rents For Non-Low Income Units:

<u>Unit Type</u>	<u>Total Units</u>	<u>Monthly Rent Per Non-LIU</u>	<u>Annual Rent of Non-LIU's</u>
Eff.	_____	_____	_____
1 BR	_____	_____	_____
2 BR	<u>1</u>	<u>\$634</u>	<u>\$7,608</u>
3 BR	<u>2</u>	<u>\$751</u>	<u>\$18,024</u>
Other	<u>1</u>	<u>\$634</u>	<u>\$7,608</u>
Total	<u>4</u>	<u>\$2,019</u>	<u>\$33,240</u>

(12) **CURRENT RENTAL COSTS AND RELOCATION PLAN:**
(For Rehabilitation Projects Only)

<u>Unit Type</u>	<u>Monthly</u>	<u>Present Rent Annual</u>	<u>Sq. Ft./Month</u>
Eff.	_____	_____	_____
1 BR	<u>21,500</u>	<u>258,000</u>	<u>0.03</u>
2 BR	<u>23,760</u>	<u>285,120</u>	<u>0.03</u>
3 BR	<u>30,464</u>	<u>365,568</u>	<u>0.03</u>
Other (2BR TH)	<u>23,760</u>	<u>285,120</u>	<u>0.04</u>
TOTAL	<u>99,484</u>	<u>1,193,808</u>	<u>Average</u>

Have interior and exterior photographs of Project been attached?

Yes X No _____

Will any of the present tenants be displaced because of higher rents due to rehabilitation?

Yes _____ No X

If yes, approximately how many? Not Applicable

Is there a relocation plan? Yes X No _____

Please briefly describe relocation plan (Submit detailed relocation plan when completed)

Currently, the project is 80% occupied. The proposed owner intends to address all tenant relocation needs on the project site. Specifically, the 41 units currently vacant (20%) will be centralized based on unit type (i.e. one building containing vacant one bedroom units, one building containing vacant two units, etc.). The rehabilitation of the vacant units will begin immediately after closing; and upon completion of the rehabilitation of the vacant units, existing tenants will be relocated into the newly rehabilitated units of the same type. The costs associated with this unit transfer, including moving costs and any utility deposits, is included in the proposed owner a project development budget (approximately \$61,500.00).

(13) **VACANCY RATE:** The present vacancy rate in the general market area is 4 to 5 %.

(14) **AREA MEDIAN INCOME:** Median income in area according to HUD is 56,200 (4 person).

(15) **ELECTION OF THE MINIMUM SET-ASIDE REQUIREMENT:**

The owner irrevocably elects one of the Minimum Set-Aside Requirements (Check one only):

_____ At least 20% of the rental residential units in this development are rent restricted and to be occupied by individuals whose income is 50% or less of area median gross income.

X_____ At least 40% of the rental residential units in this development are rent restricted and to be occupied by individuals whose income is 60% or less of the area median gross income.

(16) **OPTIONAL ELECTION:**

The owner elects to occupy 15% or more of all low-income units by tenants with income of 40% or less of area median income and the average rent charged to tenants in residential market rent units is at least 300% of the average rent charged to low-income tenants: _____ Yes X No

(17) **EQUAL OPPORTUNITY:**

Do you agree to provide equal opportunity to members of minority groups and to employ such groups in the Project's development in the roles of, including but not limited to, contractor, subcontractor, employee, laborer, agent, appraiser, or supplier?

Yes X No _____

(18) **STATE BOND COMMISSION TENANT BENEFIT PROGRAM REQUIREMENTS:**

State Bond Commission Rule No. HS2-1992 provides as follows with respect to applications submitted to the State Bond Commission for new construction, acquisition and/or rehabilitation, or refunding of multifamily housing projects:

Multifamily housing applications must include defined tenant benefit programs for those units set aside for very low, low and/or moderate income families. Those applications that do not include such programs will not be docketed for consideration. Such programs may include rent differentials, special assistance programs or other specific benefit packages for the target income class.

Please include as Exhibit I a description of the Applicant's defined tenant benefit program. For your consideration, State Bond Commission Rule No. HS1-1993 provides the following definitions of income classes:

Very Low Income--households whose incomes do not exceed 50 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Low Income--households whose incomes do not exceed 80 percent of the median income for the area, as determined and adjusted from time to time by HUD.

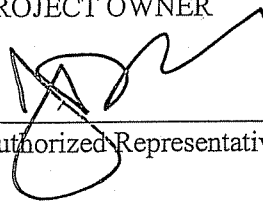
Moderate Income--households whose incomes are between 81 percent and 95 percent of the median income for the area, as determined and adjusted from time to time by HUD.

Middle Income--households whose income are between 96 percent and 120 percent of the median income for the area, as determined and adjusted from time to time by HUD.

The schedule of income levels as published periodically by HUD will be used for purposes of this rule to determine income levels for particular areas of the state.

I certify that the information contained in this Project Summary and Application Package is true and accurate to the best of my knowledge.

Spanish Arms Apartments Partners, Ltd.
PROJECT OWNER

By: 
Authorized Representative

Dated: March 28, 2007

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by _____ and approved by _____:

RESOLUTION

A resolution providing for approval of the State's 2007/2008 Per Capita Qualified Allocation Plan; and providing for other matters in connection therewith.

WHEREAS, Section 42 of the Internal Revenue Code of 1986, as amended (the "Code") provides for a low-income housing credit (the "Housing Credit") that may be claimed as part of the general business credit under Section 38 of the Code; and

WHEREAS, the Housing Credit determined under Section 42 of the Code is allowable only to the extent that the owner of a qualified low-income building receives a housing credit allocation from a housing credit agency such as the Louisiana Housing Finance Agency (the "Agency") unless the building is exempt from the allocation requirements by reason of Section 42(h)(4) of the Code; and

WHEREAS, Section 42(m)(1)(D) provides that Subsection (h)(4) shall not apply to any project unless the project satisfies the requirements for allocation of a housing credit under the Allocation Plan applicable to the area in which the project is located; and

WHEREAS, under Section 42(m)(1)(A) of the Code, the Housing Credit for any building is zero unless (i) such amount was allocated pursuant to a qualified allocation plan (the "Allocation Plan") of the Agency, (ii) the Housing Credit Agency notifies the chief executive officer of the local jurisdiction within which the building located of such project and provides such individual a reasonable opportunity to comment on the project, (iii) a comprehensive market study of the housing needs of low-income individuals is conducted before the credit allocation is made by a disinterested party who is approved by the Housing Credit Agency and (iv) a written explanation is made available to the general public for any allocation of housing credit dollar amount which is not made in accordance with established priorities and selection criteria; and

WHEREAS, pursuant to Section 42(m)(1)(B) of the Code, the Allocation Plan must:

- (i) set forth selection criteria to be used to determine housing priorities of the Agency which are appropriate to local conditions;
- (ii) also give preference in allocation housing credit dollar amounts among selected projects to---
 - (I) projects serving the lowest income tenants,
 - (II) projects obligated to serve qualified tenants for the longest periods, and
 - (III) projects which are located in qualified census tracts and the development of which contributes to a concerted community revitalization plan, and

- (iii) provide a procedure that the Agency will follow in monitoring for non-compliance with the provisions of Section 42 of the Code and in notifying the Internal Revenue Service (the "IRS") of such non-compliance which such agency becomes aware of and in monitoring for non compliance with habitability standards through regular site visits.

WHEREAS, pursuant to Section 42(m)(1)(C) of the Code, the selection criteria set forth in a qualified allocation plan must include:

- (i) project location,
- (ii) housing needs characteristics including whether the project includes the use of existing housing as part of a community revitalization plan,
- (iii) project characteristics,
- (iv) sponsor characteristics,
- (v) tenant populations with special housing needs,
- (vi) public housing waiting lists,
- (vii) tenant populations with children, and
- (viii) projects intended for eventual tenant ownership.

WHEREAS, Section 42(m)(2)(A) requires the Agency to allocate Housing Credits to a project in an amount which the Agency determines is necessary for the financial feasibility of a project and its viability as a qualified low income housing project throughout the credit period; and

WHEREAS, the Agency is required to take into account in making its determinations under Section 42(m)(2)(A) the following:

- (i) the sources and uses of funds and the total financing planned for the project;
- (ii) any proceeds or receipts expected to be generated by reason of tax benefits;
- (iii) the percentage of housing credit dollar amount used for project costs other than the cost of project intermediaries, and
- (iv) the reasonableness of the developmental and operational costs of the project.

WHEREAS, Section 42(m)(1)(A)(i) of the Code requires that the Allocation Plan be approved by the governmental unit in accordance with the rules similar to the rules of Section 147(f)(2) of the Code (other than subparagraph (B)(ii) thereof) of which the Agency is a part; and

WHEREAS, the Agency's Program Rule attached hereto as **Exhibit I** and the Selection Criteria attached hereto as **Exhibit II** utilized in connection with the Agency's Low Income Housing Tax Credit Application Package has been determined to satisfy the requirements of Section 42(m)(1)(B)(i) and (ii) and Section 42(m)(1)(C) of the Code and to satisfy the Agency's responsibilities under Section 42(m)(2); and

WHEREAS, under Section 42(m)(1)(D) of the Code, the Housing Credit for any project qualifying under Section 42(h)(4) of the Code is zero unless the project satisfies the requirements for allocation of a Housing Credit under the Allocation Plan of the Agency; and

WHEREAS, under Section 42(m)(1)(B)(iii) of the Code, an Allocation Plan is not qualified unless it contains a procedure that the Agency will follow in monitoring compliance with the provisions of Section 42 of the Code and notifying the IRS of any non-compliance of which the Agency becomes aware; and

WHEREAS, Section 42(m)(1)(B)(iii) is effective on January 1, 1992, and applies to all buildings placed in service for which a Housing Credit is, or has been, allowable at any time; and

WHEREAS, final regulations relating to (i) the requirement that State allocation plans provide a procedure for the Agency to monitor for compliance with the requirements of Section 42 of the Code, (ii) how the Agency is to report any non-compliance to the IRS, and (iii) the affect of such regulations on the Agency, owners of buildings or projects for which a Housing Credit is claimed, and taxpayers claiming the Housing Credits are contained at 26 CFR Part 1 (the "Compliance Regulations"); and

WHEREAS, Section 1.42-5 of the Compliance Regulations provides that a procedure for monitoring for non-compliance under Section 42(m)(1)(B)(iii) must include the following:

- (i) Recordkeeping and Record Retention Provisions of Section 1.42-5(b) of the Compliance Regulations;
- (ii) Certification and Review Provisions of Section 1.42-5(c) of the Compliance Regulations;
- (iii) Inspection Provisions of Section 1.42(d)-5 of the Compliance Regulations; and
- (iv) Notification of Non-Compliance Provisions of Section 1.42(5)(e) of the Compliance Regulations; and

WHEREAS, the form of the Compliance Monitoring Agreement attached hereto as **Exhibit III**, to be entered into by and between the Agency and owners of low-income housing projects, is sufficient to satisfy the Compliance Regulations relating to the requirements that an owner of a low-income housing project (i) keep and retain records for each qualified low-income building in the project, (ii) certify under penalty of perjury certain matters relating go the operation of the project for prescribed periods, and (iii) make available the project and records in connection with the project for on-site inspection; and

WHEREAS, pursuant to Section 1.42-5(c)(2) of the Compliance Regulations relating to reviews of each low-income housing project by the Agency, the Agency must

- (i) review owner certifications under Section 1.45-5(c)(1) for compliance with the requirements of Section 42,
- (ii) conduct on-site inspections of all buildings in the project by the end of the second calendar year following the year the last building in the project is placed in service and, for a least 20 percent of the project's low-income units, inspect the units and review the low-income certifications, the documentation supporting the certifications, and the rent records for the tenants in those units; and

- (iii) at least once every 3 years, conduct on-site inspections of all buildings in the project and, for at least 20 percent of the project's low-income units, inspect the units and review the low-income certifications, the documentation supporting the certifications, and the rent records for the tenants in those units; and
- (iv) require that the Agency randomly select which low-income units and tenant records are to be inspected and reviewed by the Agency. *[The review of tenant records may be undertaken wherever the owner maintains or stores the records (either on-site or off-site). The units and tenant records to be inspected and reviewed must be chosen in a manner that will not give owners of low-income housing projects advance notice that a unit and tenant records for a particular year will or will not be inspected and reviewed. However, the Agency may give an owner reasonable notice that an inspection of the building and low-income units or tenant record review will occur so that the owner may notify tenants of the inspection or assemble tenant records for review (for example, 30 days' notice of inspection or review).]*

WHEREAS, Section 1.42-5(h) of the Compliance Regulations provides that (i) the requirement of Section 42(m)(1)(B)(iii) that allocation plans contain a procedure for monitoring for non-compliance becomes effective as of June 1, 1992 and applies to buildings for which a low-income housing credit is, or has been, allowable at any time and (ii) Section 42(m)(1)(B)(iii) of the Code and the Compliance Regulations do not require monitoring for whether a building or project is in compliance with the requirements of Section 42 of the Code prior to January 1, 1992; provided, however, if the Agency becomes aware of non-compliance that occurred prior to January 1, 1992, the Agency must notify the IRS of that non-compliance.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency:

SECTION 1. PROGRAM RULE. The Program Rule attached hereto as **Exhibit I** is hereby approved.

SECTION 2. SELECTION CRITERIA. The Selection Criteria attached hereto as **Exhibit II** is confirmed and ratified.

SECTION 3. COMPLIANCE MONITORING AGREEMENT. The Compliance Monitoring Agreement, substantially in the form attached here to as **Exhibit III**, is hereby approved. The staff and Tax Credit Counsel to the Agency are hereby authorized and directed to distribute the Compliance Monitoring Agreement for execution by owners of qualified low-

income buildings which have been placed in service and for which a low-income housing credit is, or has, allowable at any time.

SECTION 4. REVIEW BY AGENCY. The Compliance staff is hereby authorized and directed to:

- (i) review owner certifications under Section 1.45-5(c)(1) of the Compliance Regulation for compliance with the requirements of Section 42 of the Code; and
- (ii) conduct compliance reviews with respect to low-income housing projects each year in accordance with the requirements of Section 1.42-5(c)(2) of the Compliance Regulations including, but not limited to:
 - (a) The review of certifications submitted under paragraph 1.45-5(c)(i) of the Compliance Regulations;
 - (b) On-site inspections of all buildings in the project by the end of the second calendar year following the year the last building in the project is placed in service and, for at least 20% of the project's low-income units, inspect the units and review the low-income certifications;
 - (c) At least once every three years, conduct on-site inspections of all buildings in the Project and, for at least 20% of the Project's low-income units, inspect the units and review the low-income certifications, the documentation supporting the certifications, and the rent records for the tenants in those units; and
 - (d) randomly select which low-income units and tenant records are to be inspected and reviewed by the Agency.

SECTION 5. NOTIFICATION OF NON-COMPLIANCE. The Compliance staff is hereby authorized and directed to give the notice described in subparagraph (A) to the owner of a low-income housing project and the notice described in subparagraph (B) to the Internal Revenue Service ("IRS"):

A. Notice to Owner: If the Agency does not receive the certification described in Section 1.42-5(c)(1) of the Compliance Regulations, or does not receive or is not permitted to inspect the tenant income certifications, supporting documentation, and the rent records described in Section 1.42-5(c)(2)(ii) of the Compliance Regulations, or discovers by inspection, review, or in some other manner, that the project is not in compliance with the provisions of Section 42, the staff shall give prompt written notice to the Owner within 5 business days of the nature and extent of the circumstances constituting non-compliance (including but

not limited to the failure to receive the certifications described in paragraph (c)(i) of the Compliance Regulations, or the tenant income certifications, supporting documentation and rent records) and shall further advise the owner as to whether such circumstances may be corrected and the period of time within which such correction must occur (the "Correction Period.")

B. Notice to IRS. The staff is authorized and directed to file Form 8823, "Low-Income Housing Credit Agencies Report of Non-Compliance," with the IRS not later than 45 days after the end of the Correction Period, which Correction Period shall not exceed 90 days from the date of the notice being mailed to the Owner.

SECTION 6. RETENTION OF RECORDS BY THE AGENCY. The staff of the Agency is hereby authorized and directed to provide for the Recordkeeping and Rent Provisions of Section 1.42-5(b) of the Compliance Regulations as follows:

A. Records of Non-Compliance of Failure to Certify: Records of non-compliance or failure to certify shall be retained for at least six (6) full calendar years following the calendar year within which Form 8823 was filed.

B. All Other Cases: Except for records referred to in subparagraph (A), all other records and certifications described in Section 1.42-5(c) of the Compliance Regulations shall be maintained for three full calendar years from the end of the calendar year within which such certifications and records are received by the Agency.

SECTION 7. RURAL HOUSING SERVICE (RHS) EXCEPTION. Compliance Staff is hereby authorized and directed to negotiate an agreement with RHS, pursuant to which the RHS agrees to provide information concerning the income and rent of tenants in low-income buildings to the Agency in accordance with the requirements of Section 1.42-5(c)(4)(ii).

SECTION 8. PUBLIC HEARING. The minutes Notice of the Public Hearing as reflected in staff=s memorandum to the Board will be attached here to as **Exhibit IV** are hereby approved.

SECTION 9. OTHER ACTIONS AND APPROVALS. The officers of this Board of Commissioners and the President or Vice President of the Agency are authorized and empowered to take any and all further action and to sign any and all documents, instruments and

writings as may be necessary to carry out the purposes of this resolution and to file, on behalf of the Agency, with any governmental board or entity having jurisdiction over the Agency, such applications or requests for approval as may be required by law, in accordance with the requirements of Section 147(f) of the Code.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 18th day of April, 2007.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency"), do hereby certify that the foregoing six (6) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on April 18, 2007, providing for approval of the State's Qualified Allocation Plan; and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 18th day of April, 2007.

Secretary

SEAL

quality for state project based assistance under the piggyback program, (c) a copy of HANO correspondence denying Project Based Assistance.

SECTION 2. The Agency staff and counsel are authorized and directed to prepare such documents and agreements as may be necessary to effectuate waiver.

SECTION 3. The Chairman, Vice Chairman, President, Vice President, and/or Secretary of the Agency be hereby authorized, empowered, and directed to execute any forms and/or documents required to be executed on behalf of an in the name of the Agency, the terms of which are to be consistent with the provisions of this resolution as approved by the Agency's Counsel and Tax Credit Counsel, Foley & Judell, L.L.P.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 21st day of March, 2007.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency"), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on March 21, 2007, providing approval a resolution that waives the twenty percent (20%) poverty unit set-aside requirement.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 21st day of March, 2007.

SEAL

Secretary

LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by _____ and approved by _____:

RESOLUTION

A resolution is hereby approved that waives the twenty percent (20%) poverty unit set-aside based upon HANO's failure to provide Section 8 Project Based Assistance, for the NHP Foundation-Forest Park development project funded 2006.

WHEREAS, the Louisiana Housing Finance Agency ("Agency"), as authorized by the State of Louisiana, shall apply for, implement, and administer programs, grants and or/or resources made available pursuant to the Cranston-Gonzales National Housing Act of 1990 ("Housing Act"); and

WHEREAS, pursuant to correspondence to the Agency President, the Agency was notified that the development was involuntarily unable to satisfy the twenty percent (20%) poverty unit set aside requirement, based upon Housing Authority of New Orleans (here in after referred to as HANO) failure to provide Section 8 project based assistance; and

WHEREAS, the Agency's Board of Commissioners now desires to authorize the execution of a release and discharge of the twenty percent (20%) poverty unit set-aside requirement subject to; (a) receipt by the Agency of a certification that the Section 8 project based rents at sixty percent (60%) of area median income (AMI), (b) A binding agreement that the twenty percent (20%) poverty unit set-aside will be re-instated if Section 8 Project Assistance from HANO is received for such units or if such units qualify for state project based assistance under the piggyback program, (c) a copy of HANO correspondence denying Project Based Assistance.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency:

SECTION 1. HNP Foundation-Forest Park is released from the regulatory agreement requiring the twenty percent (20%) poverty unit set-aside subject to: (a) receipt by the Agency of a certification that the Section 8 project based rents, as submitted in the developer's application, was not in excess of tax credits rents at sixty percent (60%) of area median income (AMI), (b) A binding agreement that the twenty percent (20%) poverty unit set-aside will be re-instated if Section 8 Project Assistance from HANO is received for such units or if such units

quality for state project based assistance under the piggyback program, (c) a copy of HANO correspondence denying Project Based Assistance.

SECTION 2. The Agency staff and counsel are authorized and directed to prepare such documents and agreements as may be necessary to effectuate waiver.

SECTION 3. The Chairman, Vice Chairman, President, Vice President, and/or Secretary of the Agency be hereby authorized, empowered, and directed to execute any forms and/or documents required to be executed on behalf of an in the name of the Agency, the terms of which are to be consistent with the provisions of this resolution as approved by the Agency's Counsel and Tax Credit Counsel, Foley & Judell, L.L.P.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 21st day of March, 2007.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency"), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on March 21, 2007, providing approval a resolution that waives the twenty percent (20%) poverty unit set-aside requirement.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 21st day of March, 2007.

SEAL

Secretary