
Louisiana Housing Finance Agency



Multifamily Rental Housing Program

Loretta Wallace, Program Administrator

Louis Russell, Tax Credit Manager

August 13, 2008

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MEMORANDUM

To: Chairman Mark Madderra
Commissioner Guy Williams
Commissioner Maureen Clary
Commissioner Walter Guillory
Commissioner Lisa Woodruff-White

From: Loretta Wallace, Program Administrator
Louis Russell, Tax Credit Program Manager

Date: August 11, 2008

Re: Multifamily Rental Housing Program Committee

There will be a Multifamily Rental Housing Program Committee meeting, Wednesday, August 13, 2008 at 11:00 A.M. at the Louisiana Housing Finance Agency, V. Jean Butler Board Room, located at 2415 Quail Drive, Baton Rouge, LA.

Louis Russell will present the following Resolutions to the Board:

- Update on Legal Committee Meeting relative to closing extensions on Monet Acres Estates I, Renoir Acres Estates I, NCBA/NAPFE Towers, Skyview Terrace Apartments, Bayou Garden Apartments, Brickwood Apartments, River Apartments, Cypress Estates, Southern Breeze, St. Landry Crossing II, Serenity Place Elderly Community and Hideaway Crossings.
- A resolution regarding requests made by the developers of **Springhill #06-13** (Morgan & Church St., Springhill, LA 71075) to (a) change the project's age limitations on an elderly project and (b) decrease income limits.
- A resolution approving a request for an extension to close made by the developers of **The Muses #07/08(FA)-08** (1731 Polymnia Street, New Orleans, LA 70113); and providing for other matters in connection therewith.
- A resolution approving the extension to submit carryover documents for **St. Martin Manor #06(2)-150** (1501 North Johnson St., New Orleans, LA 70116); and providing for other matters in connection therewith.
- Update on closed projects (as of June 30, 2008).
- Discussion regarding 2009 Per Capita QAP and Timeline.

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- Decision Brief and discussion regarding Operating Reserves/Developer Fee.
- Adjusted timeline for Lightning Round.

Other Business.

August 8, 2008

MULTIFAMILY RENTAL HOUSING COMMITTEE

A regular meeting of the Multifamily Rental Housing Program Committee will be held on Wednesday August 13, 2008 at 11:00 A.M., at 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 May 22, 2008 Multi-Family Committee Meeting Minutes.
3. Multifamily Update.
 - Update on Legal Committee Meeting relative to closing extensions on Monet Acres Estates I, Renoir Acres Estates I, NCBA/NAPFE Towers, Skyview Terrace Apartments, Bayou Garden Apartments, Brickwood Apartments, River Apartments, Cypress Estates, Southern Breeze, St. Landry Crossing II, Serenity Place Elderly Community and Hideaway Crossings.
 - A resolution regarding requests made by the developers of **Springhill #06-13** (Morgan & Church St., Springhill, LA 71075) to (a) change the project's age limitations on an elderly project and (b) decrease income limits.
 - A resolution approving a request for an extension to close made by the developers of **The Muses #07/08(FA)-08** (1731 Polymnia Street, New Orleans, LA 70113); and providing for other matters in connection therewith.
 - A resolution approving the extension to submit carryover documents for **St. Martin Manor #06(2)-150** (1501 North Johnson St., New Orleans, LA 70116); and providing for other matters in connection therewith.

- Update on closed projects (as of June 30, 2008).
 - Discussion regarding 2009 Per Capita QAP and Timeline.
 - Decision Brief and discussion regarding Operating Reserves/Developer Fee.
 - Adjusted timeline for Lightning Round.
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
Thursday, May 22, 2008
2415 Quail Drive
Baton Rouge, LA 70808
10:00 A.M.**

Commissioners Present

Chairman Mark J. Madderra
Commissioner John N. Kennedy (Representative Alice Washington)
Commissioner Allison Jones
Commissioner Lisa Woodruff-White

Commissioners Absent

Commissioner Kevin J. Brown

Staff Present

Milton Bailey
Louis Russell, Jr.
LaTosha Overton
Brenda Evans
Annie Robinson
Amy York
Urshala Hamilton
Ricky Patterson

Counsel Absent

Wayne Neveu, Foley & Judell

Guests Present

Carliss Knesel, Hancock Bank
Marion C. Beckley, Classic Homes & Services, Inc.
Roger Kahao, Tri-Lateral
Joseph Stebbins, CCNO Development
Tiffany Royster, Enterprise Community Partner
Amy Middleton, New Horizons Development, LLC
Ivy McDonald, HABC
Art Schuldt, Centerpointe Regional Housing
Venell James, J&L Group, LLC
Murray Calhoun, MAC-RE, LLC
Jay Rabalais, MAC-RE, LLC
Kerry Banks, JM Property Mgmt.
Terri J. Dauzat, USDA-RD-MFH
Yvonne R. Emerson, USDA-RD-MFH
Chris Clement, HRI Properties
J. Kelly, Providence
John Godfrey, Godfrey Firm
Brian Lafleur, James & Lafleur
Mattye G. Jones, Coats Rose
Michael Vales, MFLC
Todd Little, Little & Associates; LAAHP
James Hunter, Hunter Law Firm
Will Belton, AAmagin
Mark Turrentine, Standard Enterprises, Inc.
Kelly Longwell, Coats Rose
Michelle Whetten, Enterprise
Rosalyn Scott, BJL Group
Charlie Tate, Community Directions, Inc.

Chairman Madderra called the meeting to order at 10:32 A.M. He then asked that the roll be called and for an introduction of guests. Chairman Madderra requested the approval of the April 9, 2008 meeting minutes by his fellow Commissioners. The minutes were motioned by Kennedy's representative, Alice Washington and Commissioner Jones seconded by Commissioner and unanimously approved.

Loretta Wallace presented the following resolutions to the Board:

- A resolution of intention to issue Multifamily Housing Revenue Bonds to finance the acquisition, construction and equipping of a multifamily housing project; authorizing not exceeding \$7,872,000 Multifamily Housing Revenue Bonds **Woodcrest Apartments Project (1900 Lobdell Ave., Baton Rouge, East Baton**

Rouge Parish, Louisiana) in one or more series; and providing for other matters in connection therewith.

Chairman Madderra wanted to know the current capacity of Bonds and how much had been utilized. Mrs. Wallace did not have the current stats, but noted that the Agency had not reached capacity and she would provide the correct amount for the next Board meeting. Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Jones made the motion and Commissioner's Kennedy's representative, Alice Washington made the second. The resolution was unanimously adopted.

- A resolution accepting the proposal of Capital One, N.A. for the purchase of not exceeding Nine Hundred Eighty-five Thousand Dollars (\$985,000) Louisiana Housing Finance Agency Multifamily Housing Revenue Refunding Bonds **Felicity-Harmony/Preservation Homes Project (2400-2418 Felicity Street; 1800-1816 South Robertson; 2511-2527 St. Andrews; 2223 Toledano Street; and 2222-2240 Harmony Street, New Orleans, Orleans Parish, Louisiana)** in one or more series; fixing the parameter terms of said bonds and otherwise providing with respect to said bonds; and providing for other matters in connection with the foregoing.

Chairman Madderra wanted an explanation of why the Bonds were being refunded and the current status of the project. Mrs. Wallace explained that it is an existing property that has the opportunity to request a refunding or reissuance of the Bonds in order to pay off debt services or use the funds to go back into the deal for rehabilitation purposes. This deal will not be able to have the reissuance until December; however the developer wanted the resolution submitted to get the Board's approval. The June 1 deadline was missed in which the refunding could occur and the next available will be in December. Commissioner Jones stated that if the deal could not be done until December why not wait until the circumstances could be fleshed out. Chairman Madderra suggested that this item be deferred until the June 11, 2008 Committee Meeting.

- A resolution adopted by the Louisiana Housing Finance Agency on July 11, 2007 is hereby amended to designate the purchaser of not exceeding Nine Million Five Hundred Thousand Dollars of Louisiana Housing Finance Agency Multifamily Housing Refunding Bonds **The Reserve at Jefferson Crossing Apartments Project (17220 Jefferson Highway, Baton Rouge, East Baton Rouge, Louisiana)** in one or more series as PNC Multifamily Capital; and providing for other matters in connection with the foregoing.

Mrs. Wallace explained that this resolution was merely a technical amendment which would change the proposal from Redstone Partners to PNC Multifamily Capital as the purchaser. Chairman Madderra wanted to know why the project has been delayed and if any indication was given by the developer as to what the reason was. Mr. Thomas Delahaye of Jefferson Housing Partners came forward and stated that closing was set for January, but with the credit price crisis, the lender Redstone backed out. Now a deal has

been obtained with PNC with a Freddie Mac guarantee. Chairman Madderra also inquired if the change in syndicator affected the credit pricing of the deal. Mr. Delahaye answered no, and that PNC is also the equity provider which gave them \$.97¢. Commissioner Jones wanted to know if the deal would now be able to close. Mr. Delahaye further explained that closing is set for May 28, but because of the Freddie Mac additional monies, have a shortfall and has sent a letter to Mr. Bailey detailing such. Chairman Madderra requested that staff gets specific information from the developer when they are asking for additional time or credits. Commissioner Jones made the motion for recommendation to Full Board and Commissioner's Kennedys' representative, Alice Washington made the second. The resolution was unanimously adopted.

Louis Russell presented the following resolutions:

- A resolution approving a waiver of the disposal in the units requests made by the developers of **Filmore Parc I #06(2)-77, Filmore Parc II #06(2)-78 (1954 Filmore Ave., New Orleans, Orleans Parish, LA 70122), McCaleb Supportive Housing #07/08(FA)-14 (1200 block of Freret St., New Orleans, Orleans Parish, LA 70113) and Georgetown of New Orleans III #07/08(FA)-50 (6200 block of Morrison and Curran, New Orleans, Orleans Parish, LA 70126)**; and providing for other matters in connection therewith.

Chairman Madderra requested that on future Decision Briefs, staff make a comment in the pros section that a specific note is made on those types of things. This will enable the Commissioners to know that precedent had been set and on the Exception Log the changes be updated on the spreadsheet with a footnote in the outline for a clear carry through. Commissioner Jones inquired if a note had been made regarding the garbage disposal issue for the next QAP. Commissioner Jones made the motion for recommendation to Full Board and Commissioner Woodruff-White made the second. The resolution was unanimously adopted.

- A resolution for the recapture/reallocation of credits regarding **St. Louis Pointe #05-14 (11324 Stan Avenue, Baton Rouge, East Baton Rouge Parish, LA 70815)**.

Commissioner Jones wanted to know if there was some type of incentive in place to encourage Per Capita developers who know their project cannot close to return the credits. Is there a something in place to maybe give the developer extra points on the next submitted application to encourage credit return and if staff had considered such plan. Mr. Russell responded that prior to Go Zone QAP's there was language that gave points for projects that had returned credits in previous round within a certain time scope. Subsequently that language has been removed from future QAP's. Chairman Madderra suggested that the development community give staff input on what could be done to encourage the quick return of unusable credits. Mark Turrentine of Standard Enterprises came forward and suggested that the Agency refund the reservation fee to the developers

who return the credits in a timely manner. Will Belton of Aamagin Property Group stated that there was a time when there was an emphasis on encouraging historically under utilized developers. Chairman Madderra stated that the future QAP will have criteria that are far more selective and the allocations will be smaller. Roger Kahao of Tri-Lateral Development addressed the Commissioners regarding not making a request for additional help by the April 30, 2008 deadline. He stated that he has invested a great deal of money in his project and for most developers it is not that easy to just return the credits after a substantial investment. He continued by stating he didn't apply for the additional resources because there was no guarantee he would receive the funding and it would place additional time constraints on him. Mr. Kahao also feels that the Board should find other ways to make sure the projects are viable. Chairman Madderra stated that it is important that all developers understand that in the coming round, there will only be \$8 million dollars available and tough choices will have to be made and not all deals will be able to be saved. Todd Little of Little and Associates came forward to discuss the project. Chairman Madderra felt as though the information submitted for this project is not sufficient and suggested that this item be deferred until the June 11, 2008 Committee Meeting when additional information can be received from the developer.

- A resolution for the recapture/reallocation of credits regarding **Southern Breeze #06-34 (1100 Nile Street, Eunice, St. Landry Parish, LA 70535)**.

Mr. Russell stated that this project was delayed because of a change in the development team and a change in contractors and architects. Staff has documents from both the architect and developer stating the circumstances surrounding their ability to get the project done and closed. The project is a HUD project that also has a 202 loan, so the original contractors on the deal were not familiar with how to deal with issues surrounding the 202's. The project has really had to start over with getting everything done. Commissioner White stated her hesitation regarding the change in the development team. Brenda Evans stated that other developments have encountered similar problems without consequence. Chairman Madderra stated that in the con section of the Decision Brief, he would like staff to list the problems regarding development experience and that all Decision Brief's should be more detailed. Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Jones made the motion and Commissioner's Kennedys' representative, Alice Washington made the second. The resolution was unanimously adopted.

- Ratification of Czar Actions & Extension to Carryover requirement for projects represented by Providence Community Housing - **St. John Berchman #06(2)-151 (3400 St. Anthony Ave., New Orleans, Orleans Parish, LA 70122)** and **Delille Inn #06(2)-152 (6924 Chef Menteur Highway, New Orleans, Orleans Parish, LA 70126)**.

Chairman Madderra stated that the Agency has a vested interest in these projects. Mrs. Evans stated the project is moving forward diligently to the closing and staff felt as though the dates provided are well within scope. Commissioner White wanted to know

if precedent was being set in regards to the projects request and Chairman Madderra stated that the Agency took on \$25 million on exposure on the Bond issue and the Agency still has a substantial amount of that responsibility with those issues being in default. Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Jones made the motion and Commissioner's Kennedys' representative, Alice Washington made the second. The resolution was unanimously adopted.

- A resolution providing for an amendment to the State's 2006, 2007/2008 GO Zone and per capita Qualified Allocation Plan as it relates to the Closing Extensions and Financing Funding Gap Initiative; and providing for other matters in connection therewith.

Mr. Russell stated that due to the turmoil in the Low Income Housing Tax Credit market, which has caused substantial reductions in the gross equity being made available to projects that have been reserved or allocated credits but which have not closed. Projects participating in the Financing Gap Initiative who submitted a reprocessing application will not be subject to a re-ranking of the projects scoring, resulting from changes in the leveraging and credit efficiency as indicated in the selection criteria of the projects application. Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner White made the motion and Commissioner Jones made the second. The resolution was unanimously adopted.

- A resolution approving submission of reprocessing application made by the developers of **Lafitte Redevelopment (Multiple Addresses - Esplanade Ave., New Orleans, Orleans Parish, LA 70112)**; and providing for other matters in connection therewith.

Mr. Russell stated that this resolution would allow the project to submit a reprocessing application that would divide the project into five (5) phases. Chairman Madderra interjected that this issue was taken up by the czars and that in this case the allocation of resources to this deal is large. The syndicator feels they can get better execution on the sale if the project was subdivided for ease of sale of credits. The developer is not requesting additional money. Chris Clement of HRI Properties came forward and stated that there will be no other changes and the request is about getting the best prices. Chairman Madderra stated that the resolutions approval is contingent on review and approval of Agency counsel. Chairman Madderra asked for a motion and a second for recommendation to Full Board. Commissioner Jones made the motion and Commissioner's Kennedys' representative, Alice Washington made the second. The resolution was unanimously adopted. Mr. Russell led the discussion regarding 2009 Per Capital QAP and Timeline and stated that because of the current Gap Financing Initiative the timeline would have to be modified. Commissioner Jones wanted to know the current considered timeline. Mr. Bailey interjected that there are 30 months left on the clock in regards to the next regards to the next funding round. The QAP will have to have a quick turnaround period

and he would like have sufficient time, 28 months on the clock. Mrs. Evans stated that a tentative date has been set for a developer meeting on June 18, 2008 to establish dates. She further stated that page 78 in the Board books be rescinded pending a developer meeting. Chairman Madderra suggested that the agenda for the meeting be very specific with a specific topical outline.

Chairman Madderra led the discussion regarding Operating Reserves/Developer Fee which was presented by HRI Properties. He requested that staff review and make a recommendation after discussion with Agency counsel. This item was deferred until the June 11, 2008 meeting.

Mr. Russell provided the update regarding Gap Financing Initiative. He stated that a total of fifty-three (53) applications were received both of Go Zone and Per Capita projects. There were non responses that were received from projects in the Go Zone that were listed as not being closed. One of such has now closed and other than that, the other non responses were Per Capita projects and there participation was not mandatory. There were eight (8) projects requesting only credits, ten (10) that are looking for more time and thirty-five (35) were requesting both additional time and resources. Tentatively staff is looking at the requests for additional resources which are just under \$1.8 million. Staff is still in the process of reviewing the applications and verifying the information that has been submitted.

Chairman Madderra requested a motion be made to suspend the rules and add Constance Lofts to the Agenda Commissioner Jones motioned and it was seconded by Commissioner Woodruff- White. This project is scheduled to close and submitted information to request additional CDBG funds from OCD. The developer has evidenced in the application that OCD has approved the additional funding. They are not requesting any other resources from the Agency and are asking for an approval that would facilitate moving toward closing today. Staff has received a positive F&V from Foley and Judell with regard to the changes in the application by way of unit mix and recommends approval of the developer's request. Commissioner Jones motioned for recommendation to Full Board and it was seconded by Commissioner Woodruff- White. The resolution was unanimously adopted.

Amy Middleton of New Horizon Development came forward and asked that Board modify the constraints on the applications for GAP financing, specifically regarding the non-profit set aside. Chairman Madderra suggested that Ms. Middleton speak with Brenda and Louis following the meeting.

Commissioner Woodruff-White made a motion to adjourn and Commissioner's Kennedys' representative, Alice Washington made the second. Since there were no other issues to be heard the meeting was adjourned at 12:03 p.m.

DECISION BRIEF:

Legal Committee Recommendations for Extension of Closing Date

Issue

The following projects were originally denied additional credits during the GAP initiative. After a special meeting was held, these projects were granted an extension to close by September 15, 2008.

- Monet Acres Estates I, #06(2)-274-Lake Charles, LA
- Renoir Acres Estates I, #06(2)-276-Lake Charles, LA
- NCBA (NAPFE Towers), #06(2)-284-New Orleans, LA
- Skyview Terrace Apartments, #06(2)-80-New Orleans, LA
- Bayou Garden Apartments, #07(GO)-09(R)-New Orleans, LA
- Brickwood Apartments, #06(2)-330-Gretna, LA
- River Apartments, #06(2)-328-Covington, LA
- Cypress Estates, #06(R)-481- Lafayette, LA
- Southern Breeze, #06-34- Eunice, LA
- St. Landry Crossing II, #07/08(PC)-39-Baton Rouge, LA
- Serenity Place Elderly Community, #07/08(PC)-40- Grambling, LA
- Hideaway Crossing III, #07/08(PC)-41-Alexandria, LA

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

DECISION BRIEF:

Request for Exceptions for Springhill Senior Housing Located on Morgan & Church Streets, Webster Parish, Louisiana

Issue

The developer of Springhill Senior Housing (#06-13), Our Plan B, Inc., is requesting LHFA make a special exception to the QAP to allow two changes in the restriction on elderly projects: 1) Lower the age of an elderly person to 52 and 2) Lower current income limits.

According to the 2006 QAP an Elderly Person is defined as “a person who is 62 years of age or more at the time of initial occupancy.” In the letter submitted to LHFA indicated that HUD recently changed the retirement age to 52 on their most recent release. Staff was unable to locate such documentation, however staff did find where the Housing for Older Persons Act of 1995 (HOPA) was amended to the age of 55 in 1999.

The developer is also requests a relief on the income limits; currently it is at \$24,000. Citing the rising costs of necessities (including medical) due to inflation, many applicants simply are unable to afford the rents.

Springhill Senior Housing in Springhill, Louisiana and consists of 51 buildings Scattered Site development that contain 51 units consisting of sixteen (16) one-bedroom units and thirty-five (35) two-bedroom units.

It is important to note, Our Plan B has agreed to write the permanent loan down by \$250,000 in order to lower the rents to the \$400.00 range.

Pros:

- LHFA will continue its mission of providing safe, decent and affordable housing for low to moderate-income families by utilizing its resources.
- Allow for the leasing up of the property in a timely manner.

Cons:

- Sets a unfavorable precedent
- Would undermine the QAP
- Disregards HUD Regulations

Recommendation:

Staff recommends denial of this request.

LOUISIANA HOUSING FINANCE AGENCY

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

RESOLUTION

A resolution denying a request to waive the age requirement for Elderly Person as defined in the 2006 QAP and to Lower the income limits for Spring Hill 06-13 Per Capita Project; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary; and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Finance Agency (the "Agency") has been ordered and directed to act on behalf of the State of Louisiana (the "State") in allocating and administering programs and/or resources made available pursuant to the Section 42 of the Internal Revenue Code (the "Housing Tax Credit Program"); and

WHEREAS, the Agency approved the form of certain applications, documents, agreements and proceedings related to the Housing Tax Credit Program; and

WHEREAS, the credits were reserved to project 06-13, Springhill Apartments, located in Springhill Louisiana, said project being an Elderly development consisting of 51 units (16 one bedroom and 35 two bedroom units); and

WHEREAS, the taxpayer has contacted staff regarding a waiver of the age requirement for Elderly Person from 62 to 55 and to Lower the income limits in order to facilitate the leasing of the units;

WHEREAS, the requested change constitutes a material change pursuant to the provisions of the QAP and therefore requires the concurrence of the Board of Commissioners, and;

WHEREAS, staff has considered the request, staff does not hereby recommend acceptance of the requested material change

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

Project #06-13, Springhill Apartments, to be located in Ruston, Louisiana, is hereby denied the requested change to waive the age requirement for Elderly Person as defined in the 2006 QAP and to lower the income limits. Staff and counsel are authorized and directed to prepare the forms of such documents and agreements as may be necessary in the denial of the requested material change.

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

YEAS:

ABSTAIN:

NAYS:

to waive the age requirement for Elderly Person as defined in the 2006 QAP and to
Lower the income limits ABSENT:

And the resolution was declared adopted on this, the 13th day of August 2008.

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 August 13, 2008, providing for the reservation of GO Zone Credits to certain residential rental facilities identified in Exhibit I and Exhibit II; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate GO Zone Credits to such facilities; 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 13th day of August, 2008.

Secretary

(SEAL)

DECISION BRIEF:

Request for Extension of Closing for The Muses, Located at 1720 Felicity Street, Orleans Parish, Louisiana

Issue

The developer for The Muses (07/08(FA)-08), Gulf Coast Housing Partnership is requesting an extension of closing beyond the August 30th deadline.

The project previously received EER clearance on The Muses from the Office of Community Development (OCD) in April 2008 which also included clearance from the State Historic Preservation Office (SHPO). After SHPO received a complaint letter from a neighborhood association concerning The Muses, SHPO recanted its original clearance and are reviewing the project again. Considering that this process could take up to thirty days to complete, the developer is requesting the extension.

The Muses in New Orleans, Louisiana and consists of 2 buildings of multifamily housing that contain 230 units consisting of one hundred one (101) two-bedroom units, ninety-four (94) three-bedroom units, and thirty-five (35) 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.
- Allow for closing of project in New Orleans area.
- Block Grant Funds/LIHTC remain allocated to feasible/viable project

Cons:

- Extended deadline currently established
- Potentially puts GO-Zone credits at risk.
- Recapture credits

Recommendation:

LOUISIANA HOUSING FINANCE AGENCY

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

RESOLUTION

A resolution authorizing an extension of the Closing deadline for The Muses, #07/08 (FA) – 08 located in Orleans Parish, from 8/31/08 as established in the Gap Financing Initiative for GO-Zone Projects with respect to projects submitting a request for such extension of time or additional resources by April 30, 2008; and providing for other matters in connection therewith.

WHEREAS, the LHFA Board of Commissioners, at the April, meeting, adopted a resolution providing for a Gap Financing Initiative for GO-Zone and Non-GO Zone LIHTC awarded projects, and providing for other matters in connection therewith,

WHEREAS, said Initiative provided for closing deadline no later than August 31st 2008,

WHEREAS, the staff of LHFA, has subsequently received a request for an extension of the Closing deadline for The Muses due to State Historic Preservation Office (SHPO) clearance concerns;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency (the "Board"), acting as the governing authority of said agency that the Closing deadline of August 31st 2008 be extended;

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 13th day of August, 2008.

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 August 13, 2008, authorizing an Extension of Closing deadline; 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 13th day of August, 2008.

Secretary

(SEAL)



Gulf Coast Housing Partnership

August 6, 2008

Mr. Milton J. Bailey
Louisiana Housing Finance Agency
2415 Quail Drive
Baton Rouge, LA 70808

Re: The Muses

Dear Milton:

We received EER clearance for the above referenced project from Office of Community Development ("OCD") in April which included clearance from SHPO- the state historic preservation office (we can provide evidence of all clearances and you can confirm with OCD- Ann Herring). The day after the councilperson for the district within which the proposed development is located (Stacy Head) introduced an ordinance we need for the project, a complaint was received by SHPO from the Coliseum Square Neighborhood Association- a neighborhood that claims to buffer the project site that is unquestionably contained within Central City. We were then contacted last week by SHPO stating that they had made a "mistake" in issuing the clearance and now want to review the plans.

We just completed the third re-design of the project yesterday in response to this same neighborhood's criticisms/suggestions in a good faith effort to accommodate their design concerns. These drawings will be released to SHPO today for their review.

It is my understanding in speaking with Bob Barbor that SHPO statutorily must review within thirty days of receipt of the plans- this may well extend beyond August 30. I don't think we have any choice but to request an extension from LHFA at the board meeting next week beyond the required August 30th closing date as we cannot close the transaction without EER clearance. OCD will strongly support the extension request.

You can confirm all of the above with Tommy LaTour, Bob Barbor and/or Ann Herring at OCD. In addition we met with Mark Madera on July 25th to inform him of the difficulties we were having and then emailed him yesterday regarding SHPO. He requested that I forward the email to LHFA- it is included below the email accompanying this letter.

We are doing everything possible to move the project forward. Please let me know what additional information you may require in support of our extension request.

Sincerely,



Kathy Laborde

Cc: Mark Madera
William Shircliff
Barry Brooks
Brenda Evans
Louis Russell
Tommy LaTour
Ann Herring
Bob Barbor
Kelly Longwell

LOUISIANA HOUSING FINANCE AGENCY

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

RESOLUTION

A resolution authorizing project represented by Providence Community Housing (**St. Martin Manor #06(2)-150 (1501 North Johnson St., New Orleans, Orleans Parish, LA 70116)**) an additional extension of submission of Carryover Allocation Documentation requirements as stipulated in the 2007/2008 Forward Allocation GO-Zone QAP by Louisiana Housing Finance Agency (the "Agency") , as reflected in the revised project schedules attached as Exhibit I; and providing for other matters in connection therewith.

WHEREAS, the LHFA Board of Commissioners, at the February 14, 2007, meeting, adopted a resolution approving an extension of submission of Carryover Allocation Documentation as stipulated in the 2007/2008 GO-Zone Qualified Allocation Plan (QAP), and providing for other matters in connection therewith,

WHEREAS, the staff of LHFA, has subsequently received a request for an additional extension to submit carryover documents to the LHFA as a result of information the developer submitted to the Agency as it relates to completing the 10% Carryover Documentation;

WHEREAS, staff has reviewed this request and recommend its approval,

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

The carryover date is extended as reflected in the revised project schedule attached as Exhibit I for the aforementioned projects as follows:

Project Name:	Site Acquisition Date:	Previous Carryover Date:	New Carryover Date:
<i>St. Martin Manor</i>	<i>10-May-08</i>	<i>31-August-08</i>	<i>15-Nov-08</i>

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 13th day of August, 2008.

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 August 13, 2008, authorizing an Extension of submission of Carryover requirements for St. Martin Manor; 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 13th day of August, 2008.

Secretary

(SEAL)



August 8, 2008

To: LHFA Board of Commissioners

From: Tax Credit Department

RE: Proposed 2009 Per Capita QAP Timeline

Below is the proposed schedule for the 2009 Per Capita funding round:

Estimated Competitive Application Timetable:

January 14, 2009	Board approval of Market Study Qualified Analysts Revisions
January 16, 2009	Send out Revision Notices to Qualified Market Study Analysts
January 30, 2009	Receive information from Market Analyst for review
February 11, 2009	Board approves Draft QAP
February 17, 2009	Statewide publication of QAP Public Hearing Notice
March 2, 2009	Board conducts Public Hearing on QAP**
March 10, 2009	Board adopts Final QAP with recommended revisions
March 13, 2009	Approval of QAP by Governor
April 2, 2009	Application workshop
May 1, 2009	Final application deadline
July 8, 2009	Presentation to the Board of preliminary rank/score
July 10, 2009	Begin ten-day challenge period
July 21, 2009	End ten-day challenge period
August 12, 2009	Board approval of final rank/score/reservation

** (Date Requires Special Board Meeting)

DECISION BRIEF:

LHFA's Policy on Reserves

Issue

On June 9, 2008, the Louisiana Association of Affordable Housing Providers, Inc. provided LHFA correspondence voicing their concern over the manner in which reserves are handled in underwriting, specifically in the Final Subsidy Layering Review (Attachment A).

Primarily the issue centered around the inclusion of reserves in the final cost certification as part of the developer fees. Dependent upon circumstances, if the total amount of developer fees and reserves exceed the maximum amount allowed in the QAP, a reduction in fees, credits or soft funds could result. LAAHP appealed to the Agency that this underwriting protocol be adjusted due to changes in the credit market and the more stringent guidelines imposed upon developers by investors.

In response to LAAHP's request, LHFA solicited a review of the issues by Tax Attorney and Consultant Wayne Neveu of Foley and Judell (Attachment B). Among the issues cited in the response are 1) Section 42 of the IRC dictates that Credit Agencies cannot overfund a project – or that projects are only awarded the amount of credits that are needed to make them feasible; 2) The language in the GO Zone QAP required minimum operating reserves and required deposits to the reserve for replacement account that are consistent with NCSHA's Recommended Practices; 3) the GO Zone QAP stated that the minimum operating reserves should equal six months of projected operating expenses. Initial operating reserves and other up front reserves must be funded either with deferred developer fees, unsecured debt or soft secured cash flow debt.

Staff has reviewed all issues presented highlighting the major areas of concern namely 1) the preservation of existing rules and regulations

imbedded in the QAP; 2) equal and fair treatment to all developers and projects that have been awarded credits in both the GO Zone and No-GO Zone areas; 3) maximizing efficiency of the low-income housing tax credits to insure, to the extent possible, they are used to build affordable housing; 4) maintenance of best practices as endorsed by NCSHA.

Staff Recommendation:

Staff recommends that existing underwriting protocols be maintained for GO Zone and No-GO Zone projects currently in the pipeline including upcoming Lightning Round projects.

LAAHP work with Agency staff to craft necessary language for implementing appropriate minimum operating and replacement reserves to deferred developer fees for future QAPs. Further it is staff's recommendation that any adjustments of such requirements are prospective in nature.

FOLEY & JUDELL, L.L.P.

ATTORNEYS AND COUNSELLORS AT LAW

ONE CANAL PLACE

SUITE 2600

365 CANAL STREET

NEW ORLEANS, LOUISIANA 70130-1138

(504) 568-1249 • FAX (504) 565-3900

LONNIE L. BEWLEY
MEREDITH L. HATHORN
DAVID E. HENDERSON
J. HUGH MARTIN
WAYNE J. NEVEU
ALAN L. OFFNER
JERRY R. OSBORNE
C. GRANT SCHLUETER
SUSAN WEEKS

HOLLY V. BARHAM

BATON ROUGE OFFICE
ONE AMERICAN PLACE
SUITE 1950, 301 MAIN STREET
BATON ROUGE, LOUISIANA 70801
TELEPHONE (225) 923-2476
FAX (225) 923-2477

HAROLD B. JUDELL
M. JASON AKERS
SPECIAL COUNSEL

JOHN W. COX
WILLIAM H. BECK, JR. (RETIRED)
OF COUNSEL

DUDLEY C. FOLEY, JR.
(1910-2006)

OUR FILE NO.

To: LHFA Board of Commissioners
Milton J. Bailey, President
Brenda Evans, Program Administrator
Louis Russell, Tax Credit Manager

From: Wayne J. Neveu

Re: Legal Implications of including Reserves in GAP Analysis under current QAPs

Date: August 11, 2008

Background: The June 16, 2008 Memorandum entitled "Inclusion of Operating and Other Reserves in GAP Analysis" (the "Original Reserve Memo") did not address the legal implications of amending any of the outstanding QAPs that are the current legal framework for reserving and/or allocating credits to Taxpayers from credit ceilings within the current or prior credit years. The Original Reserve Memo referenced the QAP existing requirement that a Minimum Reserve Balance must be funded "either with deferred developer fees, unsecured debt or secured cash flow debt." At the recent Syndicators's Conference, syndicators were asked to respond to a developer request to include reserves as part of the GAP analysis. Some syndicators suggested that the Louisiana Housing Finance Agency (the "Agency") fund with additional credit allocations in a revised GAP analysis either all reserves required by syndicators while other syndicators suggested that the Agency fund only a portion of such reserves based upon minimum requirements imposed by the Agency.

Issue: Is there a legal basis for taxpayers that have closed their developments prior to the extended closing deadline and/or have placed their developments in service arguing that the Agency is acting in an arbitrary or capricious manner and/or treating some taxpayers in an disparate and unfair manner if the Agency were to amend existing QAPs to increase credit allocations only to projects that have not closed in order to fund Minimum Reserve Balances and/or other reserves required by syndicators.

Discussion: Taxpayers that submitted competitive applications with required fees may well argue that all the elements of the published QAP were well known to all applicants and many applicants have successfully closed and placed their projects in service under those QAPs. Such Taxpayers may argue that any amendment to the QAP to include reserves in a GAP analysis should apply to all applicants reserved and/or

allocated credits under such pre-amended QAP, including applicants that have placed their projects in service. If the Agency were to refuse to allocate additional credits to developments that have been placed in service and/or to developments that have not closed, taxpayer/owners of such developments may also argue that, if they have not yet submitted closing audits and have not received Form 8609s, they are entitled to a reprocessing to eliminate all deferred developer fee required used to fund such reserves.

Prior Litigation Precedents: A developer recently sued the Agency for giving differential treatment with respect to closing deadlines for one taxpayer and not others. The Agency settled this litigation by giving all taxpayers additional time to close their developments. There is no reason to conclude that one or more taxpayers will argue the same constitutional basis for receiving the same benefits accorded to some taxpayers and not all under the same QAP if such QAPs were amended to include reserves as part of the GAP in a GAP Analysis.

Conclusion: The Agency faces potential legal exposure for amending the outstanding QAPs to provide additional benefits for some but not all taxpayer/applicants under such QAPs. If a lawsuit were to be filed in federal court arguing an arbitrary and capricious standard and/or a disparate treatment of similarly situated applicants without a compelling reason, the Agency may suffer some financial exposure if such a lawsuit is successful.

LOUISIANA HOUSING FINANCE AGENCY

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

RESOLUTION

A resolution revising the Lightning Round Timeline; and providing for other matters in connection therewith.

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 Lightning Round Timeline is extended by an additional seven (7) calendar days.

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

YEAS:

ABSTAIN:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 13th day of August, 2008.

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 August 13, 2008, "A resolution Revising the Lightning Round Timeline; 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 13th day of August, 2008.

Secretary

(SEAL)

TIMELINE FOR LIGHTNING ROUND

July 14, 2008	Release of announcement for Lightning Round
July 28, 2008	Pre-notice of intent to apply for CDBG funds submitted to OCD and LHFA proof of commencement of Environmental Clearance Process
August 19, 2008	Applications due to LHFA by 4:30 pm
August 29, 2008	Phase I Environmental for Projects requesting CDBG Funds due to LHFA and OCD.
September 5, 2008	Market studies
September 17, 2008	Deadline for receipt by OCD of COMPLETE HUD Environmental Assessment completed by an environmental consultant, in accordance with 24 CFR Part 58. This assessment must include letters from jurisdictional agencies such as the Corps of Engineers (wetlands), Wildlife & Fisheries (endangered species and wild & scenic rivers), the State Historic Preservation Officer (historic properties), etc. This assessment must include a completed Statutory Checklist, as well as a completed Environmental Assessment checklist. The review process assumes the receipt of 17 assessments, each with a one day turnaround. Additional environmental specialists will be available if the number of

	assessments received exceeds projections.
October 8, 2008	Release of preliminary scores and ranking
October 10, 2008	Deadline for projects to publish FONSI/RROF in order to preserve tax credit allocation.
October 15, 2008	Staff recommendations to the Board
November 10, 2008	OCD Issue “Notice to Proceed” – project is cleared
December 1, 2008	All projects receiving awards must submit 10% Carryover Documentation.