
Louisiana Housing Finance Agency



Multifamily Rental Housing Program

Brenda Evans, Program Administrator
Loretta Wallace, Program Administrator

July 14, 2010

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MEMORANDUM

To: Chairman Guy T. Williams
Commissioner J. Mark Madderra
Commissioner Allison A. Jones
Commissioner Susan Sonnier
Commissioner Katie Anderson

From: Loretta Wallace, Program Administrator
Brenda Evans, Program Administrator

Date: July 1, 2010

Re: Multifamily Rental Housing Program Committee

There will be a Multifamily Rental Housing Program Committee meeting, Wednesday, July 14, 2010 at 10:30 A.M. at the Louisiana Housing Finance Agency, V. Jean Butler Board Room, located at 2415 Quail Drive, Baton Rouge, LA.

The following Resolutions will be presented to the Board:

- A resolution authorizing the withdrawal of a general partner from **Crescent Garden Homes #07/08(FA)-38** (Scattered Site, Multiple Addresses, New Orleans, LA); and providing for other matters in connection therewith.
- A resolution providing for approval of the State's Draft 2010 Qualified Allocation Plan; and providing for other matters in connection therewith.
- A resolution approving the selection of the Low Income Housing Tax Credit Program Market Analyst; and providing for other matters in connection therewith.
- A resolution approving the selection of the Low Income Housing Tax Credit Program Underwriter; and providing for other matters in connection therewith.

- A resolution approving the selection of the Low Income Housing Tax Credit Program Special Tax Counsel; and providing for other matters in connection therewith.
- Discussion concerning draft Additional TCAP Allocation.

Other Business.

July 7, 2010

MULTIFAMILY RENTAL HOUSING COMMITTEE MEETING

Notice is hereby given of a regular meeting of the Multifamily Rental Housing Program Committee to be held on **Wednesday, July 14, 2010 at 10:30 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 June 9, 2010 Multi-Family Committee meeting minutes.
3. Multifamily Update
 - A resolution authorizing the withdrawal of a general partner from **Crescent Garden Homes #07/08(FA)-38** (Scattered Site, Multiple Addresses, New Orleans, LA); and providing for other matters in connection therewith.
 - A resolution providing for approval of the State's Draft 2010 Qualified Allocation Plan; and providing for other matters in connection therewith.
 - A resolution approving the selection of the Low Income Housing Tax Credit Program Market Analyst; and providing for other matters in connection therewith.
 - A resolution approving the selection of the Low Income Housing Tax Credit Program Underwriter; and providing for other matters in connection therewith.
 - A resolution approving the selection of the Low Income Housing Tax Credit Program Special Tax Counsel; and providing for other matters in connection therewith.
 - Discussion concerning draft Additional TCAP Allocation.

4. Other Business.
5. Adjournment.

Milton J. Bailey, LHFA President

**If you require special services or accommodations, please contact Barry E. Brooks at
(225) 763-8773 or via email bbrooks@lhfa.state.la.us**

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, June 9, 2010
2415 Quail Drive
Baton Rouge, LA 70808
11:00 A.M.**

Commissioners Present

Chairman Guy T. Williams
Commissioner Katie Anderson
Commissioner Allison A. Jones
Commissioner Donald Vallee
Commissioner Susan Sonnier

Commissioners Absent

Vice-Chairman J. Mark Madderra

Staff Present

Milton J. Bailey
Brenda Evans
Annie Robinson
Wendy Hall
Leslie Strahan
Marjorianna Willman
Ronald Burrough
LaTosha Overton
Loretta Wallace
Louis Russell
Joseph Durnin
Christine Bratkowski
Nicole Carter
MaKeisha Johnson-August
Jessica Guinn
Annie Clark
Urshala Hamilton

Counsel Present

Wayne Neveu, Foley & Judell

Guests Present

Attached

Multifamily Chairman Guy Williams called the meeting to order at 11:10 a.m.

Ms. Brenda Evans presented the following resolutions to the Committee:

- A resolution authorizing the addition of \$187,663.00 in 4% Low Income Housing Tax Credits for a total reservation of \$908,938.00, of 4% Low Income Housing Tax Credits to **Fischer III #04-74BF, (1301 Simon Bolivar Boulevard in New Orleans, Orleans Parish, Louisiana)**; and providing for other matters in connection therewith.

Ms. Evans explained that the project is a Public Housing Authority (PHA) redevelopment consisting of 103 units and that the Agency had previously awarded the project at the November 10, 2004 meeting. There was no discussion of this item and Chairman Williams requested approval of the resolution by his fellow Commissioners. Commissioner Vallee made a motion and it was second by Commissioner Sonnier and was unanimously approved for recommendation to the Full Board.

- A resolution authorizing the addition of \$118,084.00, in 4% Low Income Housing Tax Credits for a total reservation of \$617,871.00 of 4% Low Income Housing Tax Credits to **Guste I #04-73BF, (1301 Simon Bolivar Boulevard in New Orleans, Orleans Parish, Louisiana)**; and providing for other matters in connection therewith.

Ms. Evans explained that the project was similarly situated with Fischer I. There was no discussion of this item and Chairman Williams requested approval of the resolution by his fellow Commissioners. Commissioner Vallee made a motion and it was second by Commissioner Sonnier and was unanimously approved for recommendation to the Full Board. Chairman Williams commented that the projects were both significant improvements of what the New Orleans area had pre-Katrina and he encouraged the developer to maintain the property.

Chairman Williams requested approval of the May 12, 2010 meeting minutes by his fellow Commissioners. Commissioner Anderson made a motion to approve the Multifamily May 12, 2010 Committee minutes; it was second by Commissioner Vallee and the minutes were unanimously approved by the Committee.

- A resolution authorizing the amendment of the professional services contract of Foley and Judell, LLP, extending the contract term up to September 30, 2010; and providing for other matters in connection therewith.

Ms. Evans explained that the contract for Foley and Judell would soon expire and that staff wants to allow the Request for Proposal (RFP) process be fully vetted, so therefore is asking for an extension of up to ninety (90) days. Commissioner Vallee made a motion to extend the contract for ninety (90) days and it was seconded by Commissioner Sonnier and was unanimously approved for recommendation to the Full Board.

- A resolution regarding the RFP for Low Income Housing Tax Credit Program Financial Analysis Underwriting Consultant and a resolution regarding the RFP for Low Income Housing Tax Credit Program Special Tax Counsel; and providing for other matters in connection therewith.

Ms. Evans explained that staff is making provisions within the Request for Proposal (RFP) to work with the current staff for the transition as well as be able to help with underwriting any proposals received with the current Qualified Allocation Plan (QAP). Commissioner Vallee questioned why there were two separate Requests for Proposal (RFP) for Underwriting and Tax Counsel and Ms. Evans explained that one proposal is specifically for the financial analysis or underwriting on the proposals that staff receives. The second proposal is for ongoing tax credit counsel to be able provide input as the program consultant. Commissioner Vallee said that the Agency had not done this type of proposal in the past because the Agency had one counselor that did both duties. Ms. Evans answered in the affirmative and Commissioner Vallee then asked her about the advantages of having the proposal separated. Ms. Evans answered that the presented requests would allow for distinction between doing the Feasibility and Viability analysis (F&V) as well as for the consultant services. The consultant services she explained really go throughout the year as different initiatives are undertaken by the Agency. Ms. Evans continued by stating the underwriter analysis will enable staff to build capacity with staff to ensure the products that we have will come into the Agency. Commissioner Vallee asked whether the change would cause the Agency to save or increase costs. He also asked Mr. Neveu for his opinion regarding the issue. Ms. Evans stated that she would not commit to saying whether the Requests for Proposal (RFP) would increase costs or lower costs until the proposals are received. Commissioner Anderson intoned that the separation may be a better way to identify and specify to track the costs. She also mentioned that the costs could be more or less than they are currently and that technically the firm that currently has the contract could re-win the bid. At a minimum, staff would be able to clearly project costs and identify exactly what is being paid for. Commissioner Vallee then asked whether it was Ms. Evans intentions to have two (2) different parties handle the scope of the work. Chairman Williams interjected that one proposal requires legal services and the other could be done by a company that isn't a law firm. Wayne Neveu came forward and stated that he did not recall the last time a deal was submitted for consultant services. He continued that his firm does underwriting and has three underwriters on staff. The fee for underwriting is a function of the each application received with a nominal amount for ongoing, recurring reevaluations and reviews of comments from developers. He also said that Foley and Judell serves as consultants to the Agency regarding the latest changes in the market area and their legal analysis is integrated into the underwriting service.

Chairman Williams requested approval of the two (2) Requests for Proposals by his fellow Commissioners. Commissioner Vallee made a motion to approve the Requests for Proposals; it was seconded by Commissioner Anderson and the proposals were unanimously approved by the Committee.

- A resolution authorizing an extension of submission of Carryover Allocation Documentation requirements as stipulated in the 2009 QAP by Louisiana Housing Finance Agency (the "Agency") with respect to projects awarded under such QAP including 1602 Exchange Projects; and providing for other matters in connection therewith.

Ms. Evans explained that Staff had received several requests from the development community and is recommending that the date be extended from June 30, 2010 to November 30, 2010. Commissioner Vallee made a motion to approve the resolution authorizing an extension of submission of Carryover Allocation Documentation; it was seconded by Commissioner Sonnier and the proposals were unanimously approved by the Committee.

- Update on 2010 QAP and revised timeline.

Ms. Evans explained that the Commissioners had received the draft copy of the 2010 Qualified Allocation Plan and a memorandum detailing that the copy was for the Commissioners information only. Chairman Williams explained that Staff was waiting on some information that the State's Housing Needs Assessment. He suggested that the Board send a letter to Louisiana Recovery Authority (L.R.A.) to request their input in a timely manner. Commissioner Vallee requested an update from GCR and it had been noted that there is a problem with the Office of Contract Approval (O.C.A.). The University of New Orleans (U.N.O.) had been working under verbal approval to go forward and unfortunately the contract was not approved by O.C.A. and GCR has subsequently stopped all work on the state's needs assessment. Chairman Williams suggested that a letter be sent to Mayor Landrieu to help with this issue.

Jack Tolson came forward to ask the Commissioners whether the development community will have the opportunity to comment on the Qualified Allocation Plan before it is approved by the Committee. Chairman Williams answered in the affirmative and asked that comments be submitted to Brenda and that the developers should be reviewing the previous year's QAP and submit requested changes.

Roger Kahao asked whether there would be a hard date on the application deadline because pushed dates make it harder on the developer to make the deal work. Ms. Evans answered that as of right now the dates listed on the timeline in the Commissioner's books will remain the same.

- Update on projects requesting Additional Go Zone Credits.

Ms. Evans gave a quick update and explained that the Agency will formulate a policy with public input about how those credits will be disseminated should the Legislation extend the GO Zone credits.

Charlotte Bourgeois with Louisiana Association of Affordable Housing Providers (LAAHP) came forward and stated that the reason why some deals were stalled is because investors, without the extension of the deadline, are not willing to invest. Once that extension is in place, the investors will be willing to close the deals. Commissioner Jones stated that the Board will determine the benchmarks to give everyone the opportunity to participate in giving opinions on how to proceed. After that meeting or hearing the Board will determine viability of projects.

Chris Dischinger with LDG Development requested that the plan of attack be submitted by the next board meeting. President Bailey stated that if the extension or exchange is approved, the Agency wants projects that will not take two (2) years to come to fruition.

Ms. Evans took a moment to introduce the new Tax Credit Manager, Mrs. Marjorianna Willman and explained that her position was already in the budget. Since there were no other issues to be heard the meeting was adjourned at 11:45 a.m.



LOUISIANA HOUSING FINANCE AGENCY

MULTIFAMILY RENTAL COMMITTEE MEETING

WEDNESDAY, JUNE 9, 2010 @ 11:00 AM

Guest Sign-In Sheet

GUEST NAME

FIRM

PLEASE, PLEASE PRINT

1. STEPHEN FAVORITE

SRF GROUP

2. Matthew Stephens

Regions Bank - Corp. Trust

3. Melissa Asfour

HANO Fischer III
Gustaf I

4. Bob Reed Jr

CDI

5. Jackie Tolson

Gwendolyn Q Tolson, LLC

6. Dale Lancaster

Arrington Developments, LLC

7. Damon Buras

Morgan Keegan

8. Charlotte Bourgeois

LAAHP

MULTIFAMILY RENTAL COMMITTEE BOCM
PLEASE PRINT CLEARLY

GUEST NAME

FIRM

- | | | |
|-----|----------------------------|---------------------------------------|
| 9. | <u>L. Overton</u> | <u>Staff</u> |
| 10. | <u>R. Burrough</u> | <u>Staff</u> |
| 11. | <u>Jonathan Gross</u> | <u>Reznick Group</u> |
| 12. | <u>Roger J. Cohen</u> | <u>Tullateral</u> |
| 13. | <u>Kirsten Vasilean</u> | <u>HRI</u> |
| 14. | <u>Chris Dischinger</u> | <u>CDG</u> |
| 15. | <u>McCartee</u> | <u>Staff</u> |
| 16. | <u>Morise Duffin</u> | <u>PEP / O EBRP Housing Authority</u> |
| 17. | <u>Ricky Choppin</u> | <u>DIRECTOR OF REAL ESTATE EBRPHA</u> |
| 18. | <u>Margarianna Willman</u> | <u>Staff</u> |
| 19. | <u>Marcelsha August</u> | <u>Staff</u> |
| 20. | <u>Steve Perry</u> | <u>Perry Properties</u> |
| 21. | <u>Patrick Temple</u> | <u>MET Development</u> |

MULTIFAMILY RENTAL COMMITTEE BOCM
PLEASE PRINT CLEARLY

GUEST NAME

FIRM

22. CYNTHIA STEWARD

CCINO DEVELOPMENT

23. Kelly Longwell

Coats Rose

24. Noel James

GCHP

25. Pam Hammond

E. L. H. G. L.

26. Ben Gil

Coats Rose

27.

28.

29.

30.

31.

32.

33.

34.

35.

DECISION BRIEF:

Request for Removal of the General Partner, Olsen Securities Corporation (OSC), from the Crescent Garden Homes, 143 Scattered Sites located throughout New Orleans, Orleans Parish, Louisiana.

Issue

CGH Partners 2007, LP, the Taxpayer, and Comprehensive Central City Initiative (CCCI, Inc), the Managing General Partner (MGP) for Crescent Garden Homes #07/08(FA)-38), are requesting the agency's approval for the removal of Olsen Security Corporation (OSC) as General Partner and its contact person, Mr. Cliff Olsen. The Taxpayer is also requesting to add Mr. Mike Peralta or his wholly owned affiliate as a developer with CCCI, Inc. First NBC Tax Partners, LLC has been added as a limited partner.

The Governor's Office of Community Development (the "OCD") has reviewed the resumes of the co-developers, and has determined that it will accept the co-developers within the definition of "substantial developer", subject to sufficient contractual language regarding Mr. Peralta's serving as a co-developer with First NBC Community Development, L.L.C. and Mr. Peralta's having responsibility and control of decision making in the project, disclosure of to whom the developer fee is being paid, and subject to no future changes of control of the co-developer arrangement.

Crescent Garden Homes is approximately 75% complete and has 143 scattered site single family homes throughout New Orleans, mainly in Central City, Marigny/Treme, and Holy Cross neighborhoods. The Project is Mixed-Income housing consisting of ninety-four (94) three-bedroom units, and forty-nine (49) four-bedroom units.

The projects source of funds are \$405,000.00 in LIHTC GO-Zone Tax Credits, \$ 14,717,062.00 in CDBG funds, \$212,604 in HOME funds from the City of New Orleans, \$4,136,991.00 First Mortgage and \$1,057,638 in Deferred Developer fees.

Pros:

- LHFA will continue its mission of providing safe, decent and affordable housing for low to moderate-income families by utilizing its resources.
- The Board has had a previous request to remove Olsen Securities as the Managing General Partner of #07/08(FA)-37, The Meadows, in December 2010. The previous request for the change was made by First NBC Bank and OCD. The reason cited by OCD for the removal of Olsen Securities was due to alleged misappropriation of funds.
- The project will be able to draw its CDBG funds from OCD in order to finish the development and place the units into service.

Cons:

- None

Recommendation:

Staff recommends approval of the removal of the General Partner, Olsen Security Corporation (OSC), from CGH Partners 2007, L.P. to be managed by the sole General Partner, Comprehensive Central City Initiative (CCCI, Inc) and the addition of Mr. Mike Peralta as a co-developer with First NBC Community Development, L.L.C. subject to:

A) Submission of satisfactory evidence of a surety sufficient to guaranty the completion of the project as evidenced in a new LIHTC reprocessing application;

B) Submission of a guaranty of OCD's CDBG loan by key principals with sufficient net assets and liquidity to pay back any advance of CDBG funds to OCD in the event that the

	construction of the project is not completed; C) Receipt of an acknowledgement and agreement by the construction contractor that the project will be completed within the construction budget evidenced in the reprocessing application and within the specified timeline in the application; D) Submission of a payment and performance bond from the general contractor satisfactory to LRA/OCD and LHFA; E) Receipt of a report by an independent third party construction consultant retained by LHFA at the developer's expense that the estimate and certificate of actual costs and/or schedule of values is fair, reasonable and consistent with the costs of constructing similar projects within the geographic market of this project; F) Receipt of written approval from OCD that the proposed developer meets the definition of “substantial developer”; G) Receipt and a satisfactory hold harmless agreement from Olsen Securities Corporation with respect to the LHFA’s concurrence in its removal as General Partner; and H) Submission of a complete reprocessing application, including all financial and other documentation required as though the reprocessing was an original tax credit application and receipt thereafter of a report from Foley & Judell indicating that the project remains feasible and viable.
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LOUISIANA HOUSING FINANCE AGENCY

The following resolution was offered by _____ and seconded by _____

RESOLUTION

A resolution conditionally authorizing the removal of the Co-General Partner, Olsen Securities Corporation, (OSC), from CGH Partners 2007, L.P., (Scattered Site, Orleans Parish) with respect to project's submitting a request for such removal of the General Partnership, and providing for other matters in connection therewith.

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

WHEREAS, the staff of the LHFA has received a request to approve the removal of one of the General Partners, Olsen Securities Corp., evidenced in the original Tax Credit Application (the "Original Application") of the taxpayer/owner of CGH Partners 2007, L.P.; and

WHEREAS, approval of removal of one of the General Partners, Olsen Securities Corporation, identified in the original application to allow a new General Partner would otherwise constitute a material change, except that the Governor's Office of Community Development (the "OCD") has communicated a continued commitment to the project; and

WHEREAS, the approval of the change in the managing partner with the concurrence and approval of OCD is to permit CGH Partners 2007, L.P., to be completed and to provide the needed affordable housing in one of OCD's priority parishes but that the approval of such removal shall not stand as precedent for any change in the future since this change is solely the result of OCD's infusion of substantial amounts of Community Development Block Grant (the "CDBG") Funds; and

WHEREAS, the Agency has received a favorable feasibility and viability analysis of the project's reprocessing application, and

WHEREAS, OCD has reviewed the resumes of the co-developers, and has determined that it will accept the co-developers within the definition of "substantial

developer", subject to sufficient contractual language regarding Mr. Peralta's serving a co-developer with First NBC Community Development, L.L.C. and Mr. Peralta's having responsibility and control of decision making in the project, disclosure of to whom the developer fee is being paid, and subject to no future changes of control of the co-developer arrangement, and

WHEREAS, staff has reviewed the request for the removal of the current Co-General Partner, Olsen Securities Corporation, subject to the following conditions being satisfied or Agency Staff or Counsel finding equivalent:

A) Submission of satisfactory evidence of a surety sufficient to guaranty the completion of the project as evidenced in a new LIHTC reprocessing application;

B) Submission of a guaranty of OCD's CDBG loan by key principals with sufficient net assets and liquidity to pay back any advance of CDBG funds to OCD in the event that the construction of the project is not completed;

C) Receipt of an acknowledgement and agreement by the construction contractor that the project will be completed within the construction budget evidenced in the reprocessing application and within the specified timeline in the application;

D) Submission of a payment and performance bond from the general contractor satisfactory to LRA/OCD and LHFA;

E) Receipt of a report by an independent third party construction consultant retained by LHFA at the developer's expense that the estimate and certificate of actual costs and/or schedule of values is fair, reasonable and consistent with the costs of constructing similar projects within the geographic market of this project;

F) Receipt of written approval from OCD that the proposed developer meets the definition of "substantial developer";

G) Inclusion of Michael Perralta as one of the developers with CCCI;

H) Receipt and a satisfactory hold harmless agreement from Olsen Securities Corporation with respect to the LHFA's concurrence in its removal as General Partner; and

I) Submission of a complete reprocessing application, including all financial and other documentation required as though the reprocessing was an original tax credit application and receipt thereafter of a report from Foley & Judell indicating that the project remains feasible and viable.

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:

SECTION 1. Staff’s recommendation to conditionally allow the removal of Olsen Securities Corporation as the Co-General Partner is hereby approved subject to all of the conditions enumerated in the preamble hereto which is hereby incorporated by reference hereto being satisfied.

SECTION 2. The LHFA staff and counsel are authorized and directed to prepare such documents and agreements as may be necessary to implement the Board’s actions.

SECTION 3. The Chairman, Vice-Chairman, President, Vice-President, and or Secretary of the LHFA be hereby authorized, empowered and directed to execute any forms and or documents required to be executed on behalf of and in the name of the LHFA, the terms of which are to be consistent with the provisions of this resolution as approved by the LHFA counsel.

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 14th day of July, 2010.

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 "Board"), do hereby certify that the foregoing four (4) pages constitute a true and correct copy of a resolution adopted by said Board on July 14, 2010 captioned, "A resolution conditionally authorizing the removal of the Co-General Partner, Olsen Securities Corporation, (OSC), from CGH Partners 2007, L.P., (Scattered Site, Orleans Parish) with respect to project's submitting a request for such removal of the General Partnership, and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the LHFA on this, the 14th day of July, 2010.

Secretary

(SEAL)

LOUISIANA HOUSING FINANCE AGENCY

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

RESOLUTION

A resolution providing for preliminary approval of the State's 2010 Per Capita Draft 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 noncompliance 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,
- (ii) 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) (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 preliminarily approved.

SECTION 2. SELECTION CRITERIA. The Selection Criteria attached hereto as **Exhibit II** is preliminarily approved.

SECTION 3. COMPLIANCE MONITORING AGREEMENT. The Compliance Monitoring Agreement, substantially in the form attached here to as **Exhibit III**, is preliminarily approved.

SECTION 4. Agency staff is authorized to hold public hearings as required by IRC Section 42 and to do any other necessary action in furtherance of finalization of the QAP.

SECTION 5. 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 14th day of July, 2010.

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 five (5) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on July 14, 2010, 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 14th day of July, 2010.

Secretary

SEAL

**LOUISIANA HOUSING FINANCE AGENCY
LOW-INCOME HOUSING TAX CREDIT PROGRAM
2010 QUALIFIED ALLOCATION PLAN**

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I. General Program Information

A. Introduction

The Low Income Housing Tax Credit Program (the "LIHTC Program") was enacted to stimulate the development of affordable and workforce housing. The 2010 Qualified Allocation Plan (the "2010 QAP") has been developed by the Louisiana Housing Finance Agency (the "Agency") in compliance with Section 42 of the Internal Revenue Code of 1986, as amended (the Code) and reflects a policy framework within which the Agency will allocate low-income housing credits ("LIHTCs" or "Credits") to taxpayers for the development of affordable housing that addresses the housing needs of Louisiana's citizens.

Mission and Allocation Goals - The Louisiana Housing Finance Agency shall administer the LIHTC Program to encourage the development and preservation of appropriate types of rental housing for households that have difficulty finding suitable, accessible, affordable rental housing in the private marketplace. The Agency's intent is to maximize the number of suitable, accessible, affordable residential rental units that are added to the state's housing supply and at the same time to prevent the loss of such housing by enabling the rehabilitation of affordable rental housing. The Agency encourages the participation of for-profit organizations and non-profit organizations in the acquisition, development and operation of accessible affordable housing developments in rural and urban communities. The Agency is encouraging production in rural, emerging growth areas/cities and/or un-served parishes of the State.

It shall be the goal of this Agency and the Board, through the allocation process and provisions of this 2010 Per Capita Qualified Allocation Plan, to encourage diversity through broad geographic allocation of tax credits within the state, and in accordance with the goals and objectives stated above; to promote maximum utilization of the available tax credit amount; and to allocate credits to different entities as practicable without diminishing the quality of the housing that is being built.

B. Allocation Pools

1. General Allocation: LIHTCs will be awarded on a competitive statewide basis to projects satisfying the highest public purposes measured by the competitively scored selection criteria.
2. Non-profit Pool: Ten percent (10%) of the Per Capita Component of the State's 2010 credit ceiling will be allocated to a Qualified Non-Profit/CHDO Pool for reservations to qualifying Applications which evidence the material participation of a qualified non-profit organization.

Qualified Non-profit Pool or Community Housing Development Organization (CHDO) Pool: Applicants for reservations from either the Qualified Non-Profit Pool or the CHDO Pool must submit the following:

- IRS Determination Letter of 501(c)(3) or 501(c)(4) status
- Articles and Bylaws
- CHDO approval letter from participation jurisdiction if applying as a CHDO

- Non-profit Participation Information as required by the Application
 - Development Services Agreement evidencing that Qualified Non-profit or CHDO will receive at least twenty percent (20%) of the Developer Fee.
3. Rural Development (RD) Pool: \$15,400,000 in 1602 funds and \$3,000,000 of HOME funds will be allocated to qualifying applications which evidences the following:
- A letter from RD supporting the development of the project as submitted.
 - Hard Debt in an amount of no less than 10% of the Total Development Costs
 - Exception to Hard Debt Requirement- Development being promoted by developer with 10 or more Rural Housing as evidenced by a certification from the Housing Authority/Agency of the State.
 - Syndication of \$10,000 in credits (Credit multiple not less than \$0.65)
 - Experience in development of Rural Projects (no less than Five (5) successful affordable housing deals with syndicator purchasing credits as evidenced by a certification from the Housing Authority/Agency of the State.
4. Public Housing Agency (PHA) Pool: Ten Percent (10%) of the State's Per Capita component will be allocated to qualifying applications from Public Housing Authorities. To qualify for this pool, applicants must have the signed Certification Form from Louisiana Housing Council included in the application package and have at least 51% ownership in the project.
5. Hurricane Ike Credit Pool: \$3,070,816 of LIHTCs will be reserved exclusively for projects located in Cameron or Calcasieu Parishes.
6. GO Zone Credits Pool: At least \$200,000 and dependent on Legislation an additional amount of GO Zone LIHTCs will be reserved exclusively for projects located in designated GO Zone areas.

New or former GO Zone projects seeking GO Zone credits will have to participate in this competitive round. Projects currently with GO Zone credits will be physically inspected by Agency staff on or before October 30, 2010 to determine if construction activity is commencing. Projects that have not commenced or are no longer active construction sites will be deemed in material violation of allocation and will be recaptured no later than December 1, 2010.

Balances remaining in the sub-pools (with the exception of the IKE, GO Zone, and 1602-Exchange Pool) after an initial reservation of LIHTCs to feasible and viable projects therein will be transferred to the General Statewide Pool for reservations to qualifying applications in their statewide rank order.

Percentage of Credit Ceiling within each Designated Sub-pool. Sub-pool Percentages will be applied against the State's Per Capita Component.

General Statewide Pool (General Credits)	\$ 5,920,000
Qualified Non-Profit/CHDO Sub-pool (10%)	\$ 740,000
PHA Sub-pool (10%)	\$ 740,000
Hurricane Ike Credit Sub-pool	\$ 3,070,816
Go Zone Credit Pool (subject to additional funding)	
<u>\$ 200,000</u>	
	\$10,600,000 (rounded)

2010 1602 Sub-Pool (Pending legislation)

C. Maximum Tax Credits

1. Project and Developer Limits: No project will be reserved Credits in excess of \$1,500,000. No Developer, related persons thereof or agents thereof or any person having an identity of interest with any Developer, related persons thereof or agents thereof or any combination of the foregoing shall be reserved tax credits in excess of ten percent (10%) of the State's Per Capita Authority.

No credits awarded for projects with less than TBD per credit dollar.

2. Exceptions to Project and Developer Limits:

- a. CHDO Projects: A project in which a Community Housing Development Organization ("CHDO") is the Managing General Partner of the Taxpayer and in which the CHDO executes an Agency-approved Purchase Option and Right of First Refusal Agreement does not count toward the 10% limitation of 10% of the State's Per Capita Authority per Developer. provided that the total allocation to the for-profit partner does not exceed 15% of the State Credit Ceiling.

- b. Bond Financed Projects: The limitation of tax credits per project shall not apply to the tax credits which are generated from a bond financing if the total number of low income units in the project is described in a notice of public hearing published in a newspaper of general circulation within the parish where the project is located and a public hearing is held in a local forum proximate to where the project is located. The public hearing must follow a Notice of Public Hearing published at least 14 days prior to the hearing. Such Public Notice must specify the number and percentage of low-income units in the project if the project contains fifty or more units or, if not specified in the Public Notice, the number and percentage of low-income units in the Project must be approved by the governing authority of the jurisdiction within which the Project is located.

D. Governing LIHTC Program Document

The Qualified Allocation Plan is the governing document for the LIHTC Program. If any inconsistencies with other program documents, including the electronic Application, are noted, the Qualified Allocation Plan is the controlling document and dictates the Agency's requirements for the LIHTC Program.

E. Modification of Program Instructions, Requirements, and Procedures

The Agency reserves the right to amend, modify or withdraw any of the program instructions, requirements or procedures contained herein that are inconsistent or in conflict with state and federal laws and/or regulations.

G. Other Funding Sources

1. HOME Investment Partnership Program – The Agency has available \$3,000,000 for Rural Projects. The maximum amount of HOME funds available to a single project will be \$1,000,000.00 and be accordance with the maximum amount allowable under HUDs 221(d)(3) limits. HOME Funds will accrue interest at a rate and will be payable from fifty percent (50.0%) of Surplus Cash that results at the end of the Extended Use Period in the unpaid balance of the HOME Note combined with any other soft financing not exceeding 80% of the residual value of the project.

2. Tax Credit Exchange Provision **Pending Legislative approval**– Subject to further guidance from the Secretary of Treasury, taxpayers may qualify for a sub-grant of funds made available to the Agency by the Secretary of Treasury in lieu of obtaining a low-income housing credit award. Grant funds from the Treasury Department will be invested in qualifying low-income housing projects in the form of a non-interest bearing loan. So long as the project remains in compliance with the provisions of the Tax Credit Regulatory Agreement, a portion of the principal amount of the loan will be forgiven at the end of each year of the initial 15-year compliance period in an amount equal to one-fifteenth (1/15) (the "Forgiveness Factor") of the original principal amount of the loan. Adjustments will be made to the Forgiveness Factor if, during any calendar year, all or a portion of the project failed to satisfy the requirements of the Tax Credit Regulatory Agreement and the taxpayer would have been subject to a Form 8823 Filing with the IRS (a "Noncompliance Event"). All or a portion of the loan shall be repaid if the Agency identifies a Noncompliance Event in any year during the initial compliance period. Awards of Treasury Funds will be made to projects in accordance with their readiness to proceed. Any project receiving a sub-grant of Treasury funds must submit a revised operating budget evidencing (i) an asset management expense of five thousand dollars (\$5,000(e)) per year payable in advance that will be deposited to an asset management escrow account held by the Agency to cover the Agency's statutory obligation of performing asset management functions and (ii) a physical needs assessment expense escrow account equal to \$5,000 that shall be available to the Agency to pay for an independent physical needs assessment (a) in the seventh (7th) year of operation and like amount in each seventh (7th) year thereafter adjusted by the Consumer Price Index from the prior seventh (7th) year balance in the case of a project constituting new construction and (b) in the fifth (5th) year of operation and like amount in each fifth (5th) year thereafter adjusted by the Consumer Price Index from the prior fifth (5th) year balance in the case of a project constituting the acquisition of buildings originally constructed more than ten (10) years prior to the date of their acquisition.

Taxpayers may qualify for a sub-award of funds made available to the agency by the

Secretary of Treasury. Taxpayers receiving firm commitments from syndicators for the syndication of tax credits for multiples in excess of **TBD** cents on the dollar times 10 may be allocated credits in lieu of Treasury Grants.

To qualify for the Tax Credit Exchange Program (if available) developers must submit proof of Good Faith Syndication Solicitation. A good faith syndication solicitation may be evidenced by one of the following submissions: A) Copy of letter from taxpayer/developer to at least three (3) active syndicators requesting a commitment from such syndicators for an investment in the taxpayer's project and written response from each of such syndicators of a refusal to invest in Taxpayer's Project and/or to close within the timeline specified in the project's schedule as submitted in the Taxpayer's Tax Credit Application along with a certification from Taxpayer under penalty of perjury that no other syndicator was willing to provide a letter of intent to purchase the tax credits for the Taxpayer's Project or B) A letter of intent from a syndicator willing to invest in the taxpayer's project but only with a credit multiple of less than .80 cents for each dollar of credit time ten (10) along with a certification from the taxpayer under penalty of perjury that no other syndicator submitted a letter of intent for investing in the taxpayer's project at a credit multiple in excess of the credit multiple evidenced in the submitted syndicator letter of intent.

3. 30% Basis Bump Up Determination: Applicants may qualify for 30% Basis Bump Up if located in a Difficult Development Area (DDA) or a Qualified Census Tract (QCT).

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II. Allocation Process

A. Instructions for Submission of Applications

1. Competitive Applications: Applicants for a Tax Credit reservation from the Calendar Year 2010 Credit Ceilings must submit one original LIHTC Application with original signatures plus two (2) copies, AND three (3) identical diskettes along with a non-refundable Application Fee and Analysis Fee (and the Subsidy Layering Review Fee, if applicable) A fee must be computed in accordance with the Non-Refundable Fee Schedule specified in Sub-letter C within this section.
2. Bond Financed Applications: Applications desiring to verify that a bond financed project satisfies the Qualified Allocation Plan must submit one original LIHTC Application plus two (2) copies, along with the non-refundable Application and analysis fees (and the Subsidy Layering Review Fee, if applicable) computed in accordance with the Non-Refundable Fee Schedule. Processing of bond financed projects must be submitted to the Agency 45 days in advance of the meeting at which such project will be reviewed by the Agency's Board of Commissioner's in accordance with the latest approved Qualified Allocation Plan. Bond financed projects must satisfy all elements of the Qualified Allocation Plan. Bond Financed Applications may be submitted for projects located in any of the Parishes throughout the state. Cost and profit limitations and minimum score may be waived by the Governor in the executive order allocating private activity volume cap or by the Agency's Board of Commissioners following a review that determines that such additional costs are justifiable and reasonable under the circumstances or are attributable to unique development characteristics (e.g. location in a difficult to develop area, limited commercial space or tenant services or common areas essential to the character of the development). Taxpayer/Owners of bond-financed projects must enter into an appropriate regulatory agreement and compliance monitoring agreement prior to receiving Forms 8609.
3. Applications Must be Complete: Applications must be complete and be accompanied by the appropriate fees in order to be reviewed by the Agency. Fees must be paid only by cashier's check or money order. Three (3) complete applications along with three (3) appropriate appendixes/exhibits (in PDF format) must be submitted on official Agency approved diskettes (three diskettes required) (3.5" disk, CD, zip drive, etc.). The hard copies of the applications MUST be printed from the completed diskettes. Failure of the paper copies and the diskettes to be the same will result in disqualification. Any discrepancies noted on behalf of the Agency's Consultant or Staff will disqualify the application from further consideration. Both the original and copies of each Application shall have every section and/or Appendix tabbed using exposed tabs with a table of contents identifying each section. Failure to tab the Application will result in 10 penalty points being assessed. The Application should not be in a fixed binder. Spiral binding, however, is acceptable. An Application submitted on the Agency's diskettes is not complete if (i) a notarized signature page with original executions of the Application is not submitted with the diskette, (ii) any other certification required to be executed and/or notarized is not submitted by the Application deadline or (iii) Required Exhibits are not submitted for each hard copy of the Application by the Application deadline. An application is not complete if required exhibits are not submitted.

Failure to submit originally executed and/or notarized documents will result in the Application being deemed incomplete and disqualified from participating in the competitive funding round. **NOT WITHSTANDING THE USE OF THE AGENCY'S DISKETTE, APPLICANTS REMAIN RESPONSIBLE AND ACCOUNTABLE FOR THE ACCURACY OF INFORMATION SUBMITTED AND FOR COMPLIANCE WITH PRESCRIBED RULES BY IRS AND THE AGENCY.**

LHFA HAS FULL AND FINAL AUTHORITY TO DETERMINE IF AN APPLICATION IS INCOMPLETE AND SHALL BE DISQUALIFIED

4. Application Deadline: The application deadline for delivering complete applications for review is:

2:00 pm, Central Standard Time, September 17, 2010

Applications not received at the Agency on or before the deadline date shall be disqualified. Applications are not considered delivered if mailed or delivered to a location other than the offices of the Agency:

Louisiana Housing Finance Agency
2415 Quail Drive
Baton Rouge, Louisiana 70808
Attention: LIHTC Program

B. Timeline of 2010 Credit Ceiling Reservations for Competitive Applications

Estimated Competitive Application Timetable:

July 14, 2010	Board Approves Draft QAP
July 15, 2010	Statewide Publication of QAP Public Hearing Notice
July 29, 2010	Board Conducts Public Hearing on QAP
August 11, 2010	Board Adopts Final QAP- Simultaneous submission to Governor and Joint Legislative Committee on Budget (JLCB)
August 24, 2010	Application Workshop
September 17, 2010	Final Application Deadline
October 27, 2010	Preliminary Rank and Score
November 5, 2010	Begin challenge period
November 15, 2010	End challenge period
December 8, 2010	Board Approval of Rank & Reservation of Tax Credits

C. Non-Refundable Fee Schedule

Tax Credit recipients will be required to pay a Credit Award Fee upon award of a Tax Credit reservation by the Agency. The following non-refundable fees govern the Application, processing, reprocessing and reservation of Tax Credits and the fees to monitor and report non-compliance. All fees **must** be paid either with a money order or with a certified check. If any other form of payment is received, the unacceptable form of payment will be returned and the Application will be disqualified.

- | | | |
|----|------------------------|-----------|
| 1. | <u>Application Fee</u> | |
| | 1 to 4 units | \$ 100.00 |

EXHIBIT I

5 to 32 units	\$1,000.00
33 to 60 units	\$1,500.00
61 to 100 units	\$2,500.00
Over 100 units	\$5,000.00

2. Analysis Fee (Subject to adjustment)

1 to 4 units	\$ 100.00
5 to 32 units	1,000.00
33 to 60 units	1,500.00
61 to 100 units	2,500.00
Over 100 units	5,000.00

3. (Asset Management Fee) Subject to adjustment

4. Credit Award Fee 5% of Credit Reserved

5. Annual Compliance/Monitoring Fee

The Minimum Fee will be charged based on project size. The Agency reserves the right to charge such additional amounts at any time as may be required to monitor compliance in accordance with the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto.

Minimum Fee is as follows:

<u>Project Size</u>	<u>Minimum Fee</u>
1-4 units	\$ 20.00
5-16 units	\$ 80.00
17-32 units	\$ 160.00
33 and over	Amount equal to 50% of units in Project times \$10.00

6. Subsidy Layering/PIS Review Cost (Subject to adjustment)

(Note: If HUD or RD Housing Assistance or other Government Assistance is provided to Project a Subsidy Layering Review is required in addition to the PIS Review)

Subsidy Layering Review	½ Analysis Fee
PIS Review	\$250.00

ALL FEES COLLECTED BY THE AGENCY ARE NON-REFUNDABLE

D. Competitive Evaluation

1. Notice to Applicant and Rank Ordering of Applications: The Agency will notify the applicant upon receipt of an Application for review. Information will not be

provided as to the Application's processing status during the review and selection process following the Final Application Deadline. However, the Agency's staff will process the score of each Application based upon information contained within the attached Selection Criteria and submit within fifty-five (55) days following the Final Application Deadline (**not later than November 10, 2010**), the processed score for review to the Board of Commissioners.

Staff will submit to each applicant a copy of its Application's score, a copy of its feasibility and viability analysis and the tentative rank order list of all Applications prior to the submission to the Agency's Board of Commissioners.

Challenge Period

The Agency's challenge period runs from November 5th through November 15th. During this period an applicant may challenge **in writing** the Feasibility Viability Analysis Report, Market Study Analysis and Staff's scoring. Complete challenge information (hard copy **only**) must be received by no later than 2:00 CT on November 15th for acceptance or review. E-mailed or faxed information **WILL NOT** be accepted. **Written objections during the challenge period may be based only upon the interpretation of information submitted by the Final Application Deadline.** If there is a discrepancy between the paper version of the application and the application diskette the applicant will not be allowed to supply either a new paper copy or new diskette as the discrepancy between the two media will result in immediate disqualification from competing under the QAP.

Final Rank Order

Staff will provide each developer a reconciliation of their scores and ranking by no later than close of business on Monday, December 6, 2010.

Based upon such written challenges received by no later than 2:00 CT on November 15th and staff's reconciliation as of Monday, December 6th, the staff will submit a supplemental report at the next meeting of the Board of Commissioners concerning the scoring of each Application following the processing of written challenges and any revision to the tentative rank order of all Applications. The Board of Commissioners will approve the Final Rank Order of all Applications. No other information will be provided as to an Application's processing status during the review and selection process following the Final Application Deadline. **THE FINAL RANK ORDER OF AN APPLICATION DOES NOT CONSTITUTE ANY ENTITLEMENT TO A RESERVATION OF TAX CREDITS IF A PROJECT IS OTHERWISE NOT FEASIBLE OR NOT VIABLE OR FAILS TO SATISFY THE MINIMUM SCORE UNDER THE QAP.**

2. Agency Request for Supplemental Data and /or Clarification: The Agency retains the right to request supplemental data to support information contained in an Application and/or information to explain or clarify data contained in an Application.
3. Noncompliance in Agency Programs: Developers cited for non-compliance in a project/program administered by the Agency or by an Agency or department of the United States at the time of Final Application submittal shall not receive a reservation/allocation of credits unless or until such non-compliance is cleared.

4. Communication with Contact Person: The Agency will communicate only with the contact person listed in the Application. Information received from persons other than the contact person will be disregarded by the Agency.
5. Minimum Score and Threshold Requirements: The qualified allocation plan for the Tax Credit Ceiling for calendar year 2010 requires that an Application evidence a minimum score of **TBD** in accordance with the published selection criteria prior to receipt of a reservation of tax credits.
6. Tie-breaking Procedures: Tax credits for Applications submitted for a competitive funding round will be reserved to projects in descending order of score until all tax credits available for reservation have been reserved. In the event of a tie between Applications for which there are insufficient credits to reserve to each project, the Agency will use the following tie-breaking procedure:

**Projects receiving the same score using the competitive selection criteria of the State Qualified Allocation Plan will be awarded tax credits in the order of a sub-ranking score using the total points for such Projects evidenced in the following categories from the Selection Criteria:

- Selection Criteria IA (i): Projects which promote project diversity **(TBD)**
- Selection Criteria IA (ii): Projects which promote geographic diversity **(TBD)**

If the use of the sub-ranking score does not break a tie, the project requesting the lower amount of tax credits will be allocated credits in advance of other projects requesting higher amounts of credits. In the event that there are remaining tied projects requesting the same amount of tax credits, preference will be given to the project with the earliest application submittal.

7. Reservations Pursuant to Qualified Allocation Plan and Federal Regulations: The Agency reserves the right to make, revise, rescind or withdraw any reservations according to the Agency's qualified allocation plan and in accordance with published federal regulations, rulings, guidelines and notices.
8. Waiting List: All unfunded applications meeting threshold will be placed in rank order on an Agency approved waiting list for further funding as funds become available. Waiting list shall remain active until either the next funding cycle, next QAP is drafted and approval or at such time the Board deems the waiting list not in affect.
9. Agency LIHTC Reservations: Notwithstanding any contrary statement or representation by the agency, or any contrary understanding or belief by the applicant, no decision of this agency regarding the allocation of a federal low income housing tax credit or 1602 funds shall be final until the applicant receives an IRS Form 8609 properly issued by the agency. Prior to the receipt of the IRS Form 8609, any reservation of, or promise or representation concerning, any federal low-income housing tax credit is subject to review by the agency at any time, for any reason. As a result of such review the agency may, in its discretion and at any time prior to the applicant's receipt of an IRS Form 8609, rescind or modify any prior reservation or allocation of a federal low income housing tax credit, if such action is consistent with the language and goals of the QAP under which the low income housing tax credit was issued; warranted by the applicant's noncompliance with the letter or spirit of any provision of federal, state, or agency law or regulation (including the terms of the pertinent QAP); or otherwise in the

best interests of the citizens of the State of Louisiana.

10. **Binding Arbitration:** Any and all disputes concerning, but not limited to any process, reservation, requirement, recapture procedure or other that evolves under this QAP or funding rounds or initiatives, will be resolved via binding arbitration at the expense of the developer.

E. Project Threshold Requirements

Many requirements formerly evaluated as part of the point-based competitive review section are now included as threshold items. Unless noted otherwise, projects with tax-exempt bond financing must also meet all threshold requirements to receive Tax Credits.

Due to the current timeline, all applications must be complete upon submission. There will not be a threshold review report provided to the applicants.

1. **Site Control:** Site control documentation in the form of either a fully executed purchase agreement, an option to purchase or a valid title in the name of the taxpayer or developer.
2. **Zoning:** Appropriate zoning evidence in the form of (i) an official local jurisdiction map that the site is actually zoned for the proposed project type or (ii) a letter from an official of the jurisdiction stating either that (a) the proposed project is consistent with existing zone requirements or (b) if the site is not currently zoned for the project type, that changing the existing zoning requirements to permit the project to be constructed will be completed by a date certain (not later than the date specified in the QAP for tax credit reservations). This documentation must be included in the final application submitted no later than September 17, 2010.
3. **Infrastructure:** Evidence of essential infrastructure and proximity to other services:
 - (i) **Utilities:** Evidence of electrical, water and sewer lines to the property site, or if such facilities are not currently available, how such facilities will be available to the site.
 - (ii) **Transportation:** Evidence that reasonable transportation services are currently proximate to the site, or if such transportation services are not, a narrative statement of how tenants will access commercial, educational, recreational and other services upon completion of project:
 - (iii) **Educational Facilities:** Evidence that (a) primary educational facilities are reasonably available to school-age children of tenants if the project is for family units or, if such facilities are not, a narrative statement of how school-age children will access public educational facilities and (b) the local public school system has been notified about the estimated prospective population count of school age children in the project when the project is placed in service.
4. **Environmental Review:** All projects involving use of existing structures must submit an Environmental Restrictions Checklist completed by a professional licensed to conduct environmental testing. Any finding that environmental hazards exist must be mitigated or abated in accordance with an Operating and Maintenance plan that addresses how each hazardous material or condition will be addressed, including the training of on-site personnel in accordance with applicable local, State and Federal laws or regulations.

5. **Tenant Referrals from LRA/OCD, PHAs, Louisiana Family Recovery Corps and the Agency:** Taxpayer shall acknowledge and agree to rent low income units to households referred by the LRA/OCD, Louisiana Family Recovery Corps and/or the local PHA if the tenants referred to the Taxpayer satisfy the requirements of the Project's Management and/or Operating Plan.
6. **Minimum Internet/Cable Capacity Requirements:** All units must be equipped with networks to provide cable television, telephone and internet access in the living area and each bedroom. The following networks (combined or distinct) must be capable of being accessed and activated by tenants: (i) telephone network installed for phones using CAT5e or better wiring, (ii) network for data installed using CAT5e or better, networked from the unit back to a central location or similar configured wireless network and (iii) TV services network using COAX cable. The wiring for such networks should be available to tenants free of charge but tenants may be charged a fee by the Taxpayer for activating and making available any services provided directly by the Project or through third party providers. The equivalent of wireless network access is acceptable.
7. **Energy Efficiency:** Each of the following are minimum project requirements for new construction. Full support documentation must be submitted or project will automatically be disqualified.
 - (i) All windows and doors Energy Star Qualified & matching correct climate zones
 - Windows: U-value of 0.4 or less (R-value 2.5 min.)
 - Windows: Solar Heat Gain Coefficient of 0.4 or less
 - Windows: Ten-year warranty from date of delivery against breakage of the glazing panel's seal.
 - (ii) HVAC
 - Energy Star furnace (90% AFUE or greater) or heat pump (HSPF 8.2)
 - Energy Star air-conditioner (SEER 14 or greater)
 - (iii) Appliance
 - Energy Star refrigerator
 - Energy Star dishwasher
 - Water heater: Gas (Energy Factor of 0.62 or higher) or Electric (Energy Factor of 0.93 or higher)
 - All of the above components must be clearly and individually listed in an original stamped letter from either the architect or engineer of record. The letter must state that the entire construction envelope meets or exceeds the 2006 International Energy Conservation Code. Manufacturer's cut sheets must be submitted to document the energy efficiency of each component for which points are claimed.

Rehabilitation Projects are not required to adhere to the minimum Energy Efficiency requirements unless:

- (i) The physical needs assessment requires replacement of the item or
- (ii) The applicant chooses to replace an item or
- (iii) The Agency's architect, in consultation with the Agency's contracted underwriter, determines that an early replacement of an item with a more energy efficient system substantially improves the quality of life for residents with substantial benefits attributable to reduce deposits to reserves for replacement and/or reductions in operating expenses.

8. **Design Features:** All projects must meet the following design features: (1) All projects must have a 15-year or more maintenance-free exterior, such as brick, stucco, hardiplank or other fiber -cementious acceptable durable materials. Vinyl siding does not meet this requirement. Additional product may be added to this list subject to review of LHFA Architectural staff approval. (2) All projects must have a 25 year Architectural roof warranty (3) All projects must have storm windows or coastal windows or insulated windows.
9. **New construction projects** must meet new FEMA Guidelines dated 4/12/2006 for elevation of housing relative to Base Flood Elevation. An Architect's certification must be provided for any project located inside a levee protected area.
10. **Rehabilitation projects** must include in its scope of work elevation of the project to meet new FEMA Guidelines dated 4/12/2006 for elevation of housing relative to Base Flood Elevation. A flood elevation survey for the project must be submitted if it is located inside a levee protected area.
11. **Historic rehabilitation projects** must include in their submission information concerning minimum project requirements, including but not limited to Energy Efficiency requirements, Design Features, Base Flood Elevation requirements and Internet Cable requirements for consideration of applicable waivers at time of application.

F. Project Team/Developer Threshold Requirements

1. Development Experience
 - a. The Managing General Partner or Sponsor must have successfully developed, operated and maintained in compliance either one (1) Louisiana low-income housing tax credit project or the development of public housing/affordable housing or six (6) separate low-income housing tax credit projects totaling in excess of 200 units, Such Managing General Partner or Sponsor must:
 1. be identified in the application,
 2. become a general partner or managing member of the ownership entity, and
 3. remain responsible for overseeing the project and operation of the project for a period of two (2) years after placed in service.

All owners and Principals must disclose all previous participation in the low-income housing tax credit program. Additionally, Owners and Principals that have participated in an out of state tax credit allocation may be required to complete an Authorization for Release of Information form.

The Agency reserves the right to determine that a particular development team does not meet the threshold requirement of subsection (F)(1)(a) due to differences between its prior work and the proposed project. Particularly important in this evaluation is the type of subsidy program used in the previous experience (such as tax-exempt bonds, RD).

No Developer or Taxpayer utilizing a debarred participant in the development or operation of a project may be reserved or allocated tax credits

2. Management Experience

The management agent must have at least:

- a. One similar (size and type) tax credit project in their current portfolio, and
- b. One staff person serving in a supervisory capacity with regard to the project who has been certified as a tax credit compliance specialist.

Such certification must be from an organization accepted by the Agency. None of the persons or entities serving as management agent may have in their portfolio a project with material or uncorrected non-compliance beyond the cure period. The management agent listed on the application must be retained by the ownership entity for at least two (2) years after project completion, unless the agent is guilty of specific nonperformance of duties.

The development must be managed by a Property Management Company or On-Site Manager that has received LIHTC Compliance Certification dated no more than 12 months prior to the Application deadline from a program deemed acceptable to the Agency in accordance with industry recognized training standards.

3. Project Team Disqualifications

The Agency shall disqualify any owner, Principal or management agent, who:

- a. has been debarred or received a limited denial of participation in the past ten years by any federal or state agency from participating in any development program;
- b. within the past ten years has been in a bankruptcy, an adverse fair housing settlement, an adverse civil rights settlement, or an adverse federal or state government proceeding and settlement;
- c. has been involved within the past ten years in a project which previously received an allocation of tax credits but failed to meet standards or requirements of the tax credit allocation or failed to fulfill one of the representations contained in an application for tax credits;
- d. has been found to be directly or indirectly responsible for any other project within the past five years in which there is or was uncorrected noncompliance more than three months from the date of notification by the Agency or any other state allocating agency;
- e. interferes with a tax credit application for which it is not an owner or Principal at a public hearing or other official meeting;
- f. has outstanding flags in HUD's national 2530 National Participation system;

- g. has been or is currently involved in any project awarded tax credits in 2007 or earlier for which either the permanent financing or equity investment has not closed;
- h. has been or is currently involved in any project awarded tax credits in 2006 or earlier for which the final cost certification requirements have not been met by December 19, 2009;
- i. has been or is currently involved in any project awarded tax credits after 2000 where there has been a change in general partners or managing members during the last five years that the Agency did not approve in writing beforehand;
- j. are delinquent or in default on any Agency Obligation (including but not limited to HOME repayment) as of the Final Application Date of September 17th, will be considered ineligible to receive a reservation/allocation of credits during this Funding Round;
- k. has an outstanding audit report requirement or unresolved audit deficiencies as of the Final Application Date of September 17th will be considered ineligible to receive a reservation/allocation of credits during this Funding Round. It is the developers' responsibility to contact the Agency's Audit department to ascertain any outstanding or unresolved deficiencies;
- l. has outstanding 8823's or other outstanding Compliance Violations as of September 17th will be considered ineligible to receive a reservation/allocation of credits during this Funding Round. It is the developer's responsibility to contact the Agency's Compliance Department to ascertain any outstanding or unresolved deficiencies; or
- m. are currently out of compliance with TCAP closings or 1602 Closings or project schedules on current projects at the agency will be considered ineligible to receive a reservation/allocation of credits or 1602 funds during this Funding Round.
- n. Is not in good standing with the Agency.

A disqualification under this subsection (F)(3) will result in the individual or entity involved not being allowed to participate in the 2010 cycle and removing from consideration any application where they are identified.

G. Other Program Requirements

1. **Local Community Notification:** The Applicant must include in the Application evidence that a Public Notice was published in a local newspaper having general circulation in the city, town, township or municipality of the proposed

development area 7calendar days prior to the Application deadline. This notice must run for three (3) consecutive days and must include:

- The name of the project owner;
- The project name;
- The project address or location;
- The maximum number of units;
- The nature of the project (i.e. new construction or rehabilitation, elderly or family, etc and construction type and occupancy type along with proposed community facility and supportive services;
- State the project is competing for 9% Tax Credits provided by Louisiana Housing Finance Agency; and,
- Total development cost including funding sources and amounts

Applicant must provide proof that he has submitted correspondence to the Mayor and appropriate local governing authority such as City Council where the project is proposed notifying them of the project and including above referenced notice information.

2. **Total Development Cost and Unit Size Limitations:** No project will be reserved credits if the limits and other requirements by type and size of unit specified below are not satisfied.

a. **Minimum Square Footage and Full Bathrooms Per Unit Type:**

<u>Unit Type</u>	<u>Bathrooms</u>	<u>Square Feet</u>
Efficiency	1	450
1 Bedroom	1	600
2 Bedroom	1	750
3 Bedroom	2	900
4 Bedroom	2	1100

(i) **Waiver of Minimum Bathroom and Bedroom Size.** The minimum bath rooms and bedroom size may be waived for an existing project which is being rehabilitated only if a federal program finances the unit and the federal agency administering the program which finances the unit requests a waiver of such limits.

(ii) **Reduction of Minimum Square Footage Per Unit.** The minimum square feet per unit may be reduced by 10% for existing units if the local jurisdiction within which the units are located certifies that such units will comply with all applicable zoning and building codes.

b. **Maximum Average TDC Per Unit by Development Type:**

Acquisition/Rehab (incl. elderly)	\$125,000
New Construction/Conversions (incl. elderly, non-elevated)	\$175,000
New Construction/Conversions (incl. elderly, elevated)	\$225,000
Historic Rehab	\$275,000
Scattered Site	\$203,000

- c. Exclusion of Governmental Grants and Historic Credit Syndication Proceeds from Cost Limits. The costs of a development funded by a governmental grant or with the proceeds from syndicating historic credits will be excluded from total development costs for the purposes of establishing the Maximum Average TDC Per Unit and for purpose of calculating maximum qualified basis of a building or Project.
 - d. Exclusion of Costs of Community Facilities and Community Services Facilities from Cost Limits: The costs associated with Community Facilities and Community Service Facilities will be excluded from total development costs for the purpose of establishing the Maximum Average TDC Per Unit. The costs of Community Facilities which are functionally related and subordinate to the residential units and the costs of Community Service Facilities not in excess of the sum of (i) twenty-five percent (25%) of so much of the eligible basis of the qualified low-income housing project of which it is a part does not exceed fifteen million dollars (\$15,000,000) plus (ii) ten percent (10%) of the eligible basis of such project as is not taken into account under (i) may be included in eligible basis of a building or Project.
 - e. SRO Projects: Single Room Occupancy Projects will not be subject to Maximum Average TDC Per Unit Limits if the local governmental unit by resolution or ordinance endorses the SRO Project and certifies that the SRO Project will provide shelter to homeless persons or will receive Stewart-McKinney Act Funds.
 - f. Projects Reallocated Credits Based on Housing Discrimination: Notwithstanding any other calendar year Qualified Allocation Plan to the contrary, additional costs to projects which are delayed based upon housing discrimination and which are reallocated credits will not be subject to cost limits if the project is otherwise feasible and viable and the Agency's Board of Commissioners acknowledges that the increased costs were due to circumstances beyond the control of the Taxpayer.
 - g. Construction and Design Standards: All projects must adhere to the Construction and Design Standards as contained in **Exhibit A. Requirements for New Construction Scattered Site Projects** is also contained in Exhibit B.
 - h. Bond Financed Projects: Bond financed projects are not subject to the Maximum Average TDC Per Unit Limits.
3. **Project Amenities:** All properties other than SRO Projects must include HVAC systems, refrigerators, stoves, an on-site laundry (1 washer and 1 dryer per every 10 units- except for Elderly Projects). If washers and dryers are installed and maintained in every unit at no additional cost to tenants, an on-site laundry is not required. All amenities, with the exception of the on-site laundry, must be available to the tenants at no additional charge. The requirement of an on-site laundry shall not apply to rehabilitation projects with 12 or fewer units.
4. **Profit Limits:**

Developer Fees

Developer Fees for a project shall not exceed fifteen percent (15%) of the Developer Fee Base plus either (i) five percent (5%) of the Acquisition Cost Base or (ii) 8% of the Acquisition Cost Base in the case of RD or HUD Distressed Properties.

No Developer Fee, including payments to consultants, will be allowed unless a Development Services Agreement is submitted as an Exhibit to the Tax Credit Application Package. The Developer Fee Base will include only the amount of Builder Profit, Builder Overhead and General Requirements at the maximum limits permitted by the Agency and will exclude all payments to the Developer or persons related to or having an identify of interest with the Developer. Fees paid to CHDOs or non-profits will not be added to the total amount of developer's profit cap.

Builder Profit

Builder Profit shall not exceed six percent (6%) of the Builder Profit Fee Base.

Builder Overhead

Builder Overhead shall not exceed two percent (2%) of the Builder Profit Fee Base.

General Requirements

The actual costs associated with General Requirements shall not exceed six percent (6%) of the General Requirements Base. Bond Premium paid by the Developer or the Taxpayer/Owner will be excluded from the General Requirements.

Syndication Costs

Syndication Costs in excess of ten percent (10%) and fifteen percent (15%) of Gross Equity for privately placed and publicly offered Syndications, respectively, will be treated as part of the Developer Fee.

5. **Self-Owned Equipment Limitations:** Costs deemed to lease self-owned equipment or to lease equipment owned by persons related to or having an identity of interest with the Developer or Builder will be considered as builder profit and overhead; provided, however, that certifications as to costs of fuel, lubrication, normal expenditures for such identified equipment, maintenance, repair and depreciation will be considered as a construction cost.
6. **Subcontractor Limits Related to builder Profit and Overhead:** No overhead and builder profit will be allowed when (i) more than fifty percent (50%) of the contract sum in the construction contract is subcontracted to one subcontractor, material supplier or equipment lesser or (ii) seventy five percent (75%) or more with three or fewer subcontractors, material suppliers or equipment lessors.
7. **Pro Forma Cash Flows:** All projects must submit fifteen year pro forma cash flows complying with the following requirements:
 - a. **Rate of Increase Assumptions for Revenues and Expenses:** Revenues may be projected to increase at a rate not in excess of two percent

(2%) and expenses must be projected to increase at a rate of not less than OCAF or three percent (3%).

- b. Required Debt Service Ratios: Debt service ratios may not fall below 1.15 (1.10 for RHS Properties) unless the Taxpayer/Owner executes an appropriate escrow or acceptable guarantee in an amount equal to the maximum cumulative cash flow shortfall. If Debt Service Ratios during the compliance period with respect to all debt exceeds 1.4, the excess cash flow must be deposited to the Reserves for Replacement or used to prepay hard debts. The Minimum Reserve Balance shall be increased by such excess cash flow.
- c. Maximum Return on Taxpayer Capital for Projects with HOME Funds and Distributions of Surplus Cash: Any project which receives HOME Funds from the Agency and which evidences satisfaction of the Minimum Reserve Balance will be permitted a Capital Recovery Payment on Taxpayer Capital equal to 350 basis points above the comparable Treasury bill yields as of the Closing Date that are coterminous with the return of taxpayer capital over a maximum fifteen year period. Tax Credit equity shall be disregarded as Taxpayer Capital. Surplus Cash evidenced in annual audits may be distributed each fiscal year so long as such distributions are limited to not exceeding fifty percent (50%) of such Surplus Cash.
- d. Terms Required for Cash Flow Notes: Any cash flow note associated with the acquisition of an existing project must be accompanied by a schedule establishing the imputed principal of the cash flow note under Section 1274(b) of the Internal Revenue Code and any basis adjustment of the note and project pursuant to Section 1.1275-4(c) of the Treasury Regulations. All cash flow notes must mature on or before the end of the economic life of the project which may not exceed 55 years unless such cash flow note is a Developer Fee Cash Flow Note, in which case such Developer Fee Cash Flow Note must mature by the end of the extended Use Period of 30 years.
- e. Vacancy Rate Assumptions: Assume a five percent (5%) vacancy rate and two percent (2%) bad debt unless the project is located in a "soft" market as determined by the Independent Qualified Housing Consultant within which a higher vacancy allowance will be required. .
- f. Required Deposit to Reserves for Replacement: Minimum replacement reserves should equal \$250 per unit per year for new construction developments for seniors and \$300 per unit per year for new construction developments for families and developments involving rehabilitation. If the reserve deposits specified in Physical Needs Assessment exceed the foregoing minimum reserve deposits following rehabilitation, then the deposits to the reserved for replacement shall be the higher amount specified in the Physical Needs Assessment. Notwithstanding the foregoing, if HUD and RD finance the first mortgage, the annual deposit to the Reserves for Replacement may be determined in accordance with HUD or RD policies or regulations. Deposits to the Reserves for Replacement will be regulated and monitored in accordance with the Tax Credit Regulatory Agreement.

- g. Maximum Rents: Pro forma Rents for Application purposes may not exceed the lower of HUD's most recently published fair market rents (FMR) or the maximum rent permitted by Section 42 or any subsidy program which benefits the project. Actual rents may not exceed the maximum rent permitted by Section 42 of the Code.
 - h. Minimum Operating and Maintenance Expenses: Minimum operating and maintenance expenses shall not be less than \$3,600 per unit per year. For an existing project undergoing rehabilitation the Minimum Operating and Maintenance Expenses shall be increased if, following a review of the prior three years of audits of the project's operations, the expenses exceed the minimums and if the rehab to be completed will not reduce the historic expenses. SRO Projects shall evidence appropriate subsidies to sustain the proposed operating budget.
 - i. Minimum Reserve Balance: Minimum operating reserves should equal six months of projected operating expenses. Initial operating reserves of up to \$2,000 per unit per year may be funded from project development sources. Initial operating reserves exceeding \$2,000 per unit must be funded either with deferred developer fees, unsecured debt or soft cash flow debt.
8. **Capital Needs Assessment:** A Capital Needs Assessment by an architect or engineer, dated no earlier than 90 days before the Application deadline, is required for all existing projects.
9. **Receipt of Cost Certifications and GAAP Audits:** Prior to mailing a Form 8609 for a project, the Agency must receive (i) a GAAP Audit, (ii) a Financing Certification, (iii) a Syndication Certification and (iv) a proposed baseline operating budget (including trending assumptions) as of the date sustaining occupancy is to be attained. The GAAP audit and the Financing Certification must certify all sources and uses of funds through the Placed in Service Date of a project and must clearly distinguish and show (a) costs that may be included in eligible and qualified basis and (b) costs which may not be included in eligible and qualified basis.
10. **Subsidy Layering Review:** A subsidy layering review will be conducted in connection with any project receiving Governmental Assistance from HUD or RD in addition to housing tax credits for each of acquisition, rehabilitation and new construction uses.
11. **Processing Projects With Federal Funds or Insurance:** Projects receiving Federal Funds or insurance under a Federal program will be reserved credits only after the federal agency advises the Agency in writing that the federal agency providing such funds or insurance has no objections to the reservation of tax credits to the Project.
12. **Financing Commitments:** Fully executed Financing Commitments for all sources of funds must be included with the Application.
13. **Legal Description of Project Property Site:**
- Projects in Urban and Rural Areas: The legal description and cost of the portion of a site on which the Project is located must be submitted in the Application involving a Project in Urban and Rural Areas. The legal description shall include

parish, municipality, subdivision, tracts, section, ranges, boundaries, directions and measurements.

Scattered Site Projects in Urban Areas: A Scattered Site Project located in an urban area may identify only the street addresses for each separate site.

Consistency of Project Description: The legal description and/or street addresses of the Property Site included with the Application must be consistent with all subsequent documents submitted to the Agency during the development and operation of the Project. If a material inconsistency in the legal description of the Project Site between the Application Deadline and any reservation or allocation of credits is identified and such inconsistency constitutes a Site Change, the tax credits reserved and/or allocated to the Project will be subject to rescission and/or recapture.

Additional Sites: No additional sites may be included in a Scattered Site Project following the Application Deadline unless the Project is located in a Redevelopment Area and the local governmental unit requests the addition of new sites within the Redevelopment Area; however, no additional sites may be included in a Project following carryover allocation.

Map Requirement: A map identifying the Project Site must be included with all legal descriptions and/or street addresses. The map must show parish, municipality, subdivision, tracts, section, ranges, boundaries, directions, and measurements.

H. Project Site Information

1. Certification of Architectural Plans and Specifications: At least 45 days prior to commencement of construction or Substantial Rehabilitation of a project, the owner must submit certification of architect that (i) the unit configuration by bedroom size and square footage by bedroom size is consistent with the configuration in the project's Application, (ii) the project as completed complies with Fair Housing Accessibility Guidelines and design features required by or subject to bonus points awarded in this QAP and (iii) if HOME or other federal funds have been invested, the requirements of Section 504 of the Rehabilitation Act of 1973 are satisfied. In addition to the Certifications shown in Exhibit B, Attachments IV and V, the Applicant shall submit Architect's Certifications at each of the following three (3) stages:
 1. At the time the application is submitted. The certification should outline the proposed design and construction commitments.
 2. At the time of Construction/Bid Documents are completed. The certification should verify that all the commitments outlined in the QAP and also described in the first Architect's Certification have been met.
 3. When construction is completed. The certification should verify that the project was built per QAP commitments, as well as previous Architect's Certifications.
2. Signage on Property: Developers will be required to display sign upon start of construction through completion on project site that the project is being financed by Louisiana Housing Finance Agency.

3. Staff Visits: The Agency will make a minimum of three (3) site visits to projects before the issuance of 8609s. This is to ensure that the project is being constructed as stated in the application and in accordance to the QAP. The Agency reserves the right to add additional site visits if deemed necessary.
4. Construction Progress/Schedule Form: Upon receiving a Low Income Housing Tax Credit Award, applicants are required to submit electronically, monthly, on the first day of each month, a Construction Progress/Schedule Form. Failure to submit or the submission of erroneous information may result in the forfeiture of the tax credit reservation.

I. Market Study and Appraisals

Agency Evaluation

The Agency will administer the market study process based upon this section and additional criteria formulated through the procurement of market study analyst. The Agency will contract directly with market analysts to perform the studies. However, developers will be required to submit the cost of the market study analysis at the time of application. The Agency will limit the number of projects awarded in the same application round to those that it determines can be supported in the market. The Agency is not bound by the conclusions or recommendations of the market analysts(s) and will use its discretion in evaluating the criteria listed in this subsection.

The Agency is relying on the information prepared by third party market analysts and is to be held harmless by the action or inactions of the market analysts or their staffs. In addition, in the event that the applicant disagrees with the findings of the market analysts, the applicant should address its concerns in writing to the Agency during the challenge period to forward to the market analysts. If there is conflicting information in studies supplied in the same area, the applicant(s) in disagreement with the market study may request a supplemental study to be supplied by an approved market analyst of the Agency's choosing during the challenge period. The applicant(s) requesting the supplemental study will be responsible for the cost of the supplemental study.

The Agency will post its current Housing Needs Assessment to its website at www.lhfa.state.la.us. Developers are encouraged to utilize this information in evaluating prospective application projects and sites. All market analysts contracted by LHFA will consider this document in preparing individual market studies.

LRA has commissioned a Housing Market Analysis for Orleans, Jefferson and St. Bernard Parishes. Individual market studies submitted on projects located in these parishes will be subject to the findings and recommendations of this analysis. If there are inconsistencies or discrepancies between the individual market studies and the LRA commissioned Analysis, the Agency, at the expense of the developer will order a second independent market study specifically to reconcile the two (2) studies and make the final recommendation to the Agency.

The Agency has the right to request additional or further analysis based upon market anomalies. The cost of any additional market studies to reconcile data will be at the developer's expense. Prior to ordering the additional market study, the Agency will notify the developer and of the cost involved.

Due to the timeline of the Funding Round, the Agency will not allow a project to restructure (i.e. change the bedroom configuration, rent structure, elderly to family, etc) during the competitive cycle, once the application has been submitted, based upon the results of the Market Study.

Prior to granting awards, the Agency will undertake an RFP or other process to engage a firm or firms to perform individual market studies, a comprehensive evaluation of all market studies and or a reconciliatory analysis of market studies included in this funding round. This comprehensive evaluation will be utilized in making the final award decisions by the Agency.

Project Evaluation

Market studies ordered by the LHFA should evidence the housing needs of Targeted Households, Large Families, tenants with children, Special Needs Households (if project serves Special Needs Households) in the Market Area and the unmet needs of such individuals and families following the construction and/or development of the Project.

Projects may not give preferences to potential tenants based upon 1) residing in the jurisdiction of a particular government, 2) having a particular disability or 3) being a part of a specific occupational group.

The following five (5) criteria are **threshold requirements** for inclusion in all market studies:

- i. The project's capture rate,
- ii. The project's absorption rate,
- iii. The vacancy rate at comparable properties (what qualifies as a comparable will vary based on the circumstances), and
- iv. The project's effect on existing or awarded properties with 9% tax credits or Agency loans.
- v. The project's ability to meet housing demand established in LHFA's Housing Needs Assessment

The Agency is not bound by the conclusions or recommendations of the market analyst(s) and will use its discretion in evaluating the analysis.

Content of Market Study

In addition to threshold requirements, the Market Study must provide information under noted boldfaced captions with tabs and an index to locate the following within the Market Study:

1. **Executive Summary:** A statement summarizing the findings of the market study.
2. **Credentials:** Statement of experience and competence of the market analyst.

3. **Independence and No Identity of Interest:** A certification that the market analyst is independent and has no identity of interest with the developer of the proposed or existing project and that the market analyst was retained to perform the market study without conditions, including compensation based upon finding market need.
4. **Property Site:** ~~A description of the proposed property site along with a map site identifying area of the Project. Color photographs of the site and neighborhood, a map clearly identifying the location of the project and the closest transportation linkages, shopping, schools, medical services, public transportation, places of worship and other services such as libraries, community centers, banks, etc.~~
5. **Demographic Analysis:** Analysis of the Income Qualified Renter Demand in the market area.
6. **Market Area:** Geographic definition and analysis of the primary and secondary market area which Project serves including a discussion of the Local/community perspective of rental housing market and housing alternatives
7. **Operations and Development Comparisons:** A description of comparable developments in the market area served by Project, including the following information or analysis, labeled accordingly:
 - a. **Subsidy** whether or not each comparable development is subsidized.
 - b. **Rent Levels and Vacancy:** a description of rent levels and vacancy rates of comparable properties, including subsidized and non-subsidized developments in market area served by Project.
 - c. **Operating Comparisons:** analysis of operating expenses using data from comparable properties in the market area served by Project, if available, or, if not available, using IREM or ULI data.
 - d. **Project Operating Statement:** projected operating funds and expenses of the subject Project.
 - e. **Public Housing:** a summary of (i) the number and quality of units in developments owned by the local public housing authority and a statement concerning vacancy rates and waiting lists and (ii) the number of vouchers administered by the local public housing authority and the estimate of the households on the waiting list for vouchers.
 - f. **Absorption Analysis:** expected market absorption of the proposed rental housing units in the subject Project each month following certificate of occupancy.
 - g. **Market Impact Statement:** A description of the impact of the proposed housing units in the market area, including the impact of the proposed housing units on tax credit and other existing affordable rental housing in market areas.
8. **Federal Housing Agency Coordination:** The Independent Qualified Housing Consultant must identify all multifamily housing developments in the primary market area of the proposed project, which are financed by HUD, RD and the Agency. The consultant must provide a table evidencing the following information for each such project:

- a. Name of Project
 - b. Number of Units in Project
 - c. Type of Federal loan or credit enhancement, e.g., 515 loan, 202, 221(d)(4), etc.
 - d. Average vacancy rate in comparable projects in prior twelve-month period.
9. **Pipeline Analysis:** Certification of the number of building and demolition permits (or its equivalent) for multifamily housing units issued over the preceding 24 months by the local jurisdiction within which the project is located and that any planned or construction in progress will not adversely affect the market's absorption of the units in the project.
10. **Certification of Demand:** A Certification of Demand for New Units and Conversion executed by the Qualified Housing Consultant.
11. **Statement of Housing Needs of Low-Income Individuals and Large Family Households:** A statement of housing needs of Large Families and tenant populations with children in the primary market area and the extent there will be unmet needs for such individuals and families following construction/rehab of the Project.
12. **Location Characteristics:** Part II of the Selection Criteria contains a number of positive points and negative points relating to the location of a Project. Each Market Study must include a separate section that evidences whether the Project satisfies the positive points listed or incurs the negative points listed.
13. **Appraisals:** An Appraisal must be submitted establishing the fair market value of any existing property when the purchase price of such property exceeds \$500,000 and the Acquisition Costs are included in Eligible Basis.
14. **Sources for Data:** Market analysts must clearly define all sources for data.
15. Information contained in the report must adhere to standard FHA/HUD Guide on Market Studies.

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III. Post-Award Processes & Requirements

A. Carryover Allocation of Tax Credits

Projects may qualify for a carry-forward allocation of tax credits under the Ten Percent (10%) Basis Exception. A Taxpayer/Owner must deliver to the Agency all carry forward allocation documentation, including an appropriate attorney or CPA opinion in the format prescribed by the Agency, on or before December 15th of the calendar year of the credit ceiling from which the credits are to be allocated. This deadline may be extended by the Agency's Board of Commissioners on a case by case basis in order to assure the allocation of the State's credit ceiling for the calendar year.

B. Placed in Service and Annual Audit

1. Placed in Service Audit: The Financing Certification, Syndication Cost Certification, GAAP Audit and Baseline Operating Budget must be received by not later than the April 1st of the calendar year following the year in which the Project is placed in service. The GAAP audit must specifically identify any unexpended contingency construction reserve and any operating/rent up reserve. The carry forward allocation of credits is subject to recapture if required certifications, audit and Baseline Operating Budget are not received by such date. The Taxpayer/Owner may request only a one-year extension for submission of the certificates and audits from the Agency and only if the Taxpayer has elected to begin the first year of the credit period following the year in which the Project is placed in service. Payment of developer fees to CHDO or non-profit partners partnering with a for-profit as a co-developer must be shown as fully paid in the placed in service audit. CHDOs and non-profit partners must receive not less than twenty percent (20%) of the Developer Fee for transactions receiving tax credits.
2. Annual Audit: Following the placed in service date of a project, Taxpayers must submit annual hard copy and electronic audits to the Agency in a format prescribed in the Agency's audit instructions and using the Chart of Accounts prescribed by the Agency. All cash distributions and withdrawals from operating reserves and/or reserves for replacement must be explained in footnotes to the audit and all payments to Related Persons and contractors with an identity of interests to the Taxpayer/Owner must be identified. Annual audits must be received by not later than April 1st of each calendar year if the fiscal year is a calendar year or not later than ninety (90) days following the end of a fiscal year that is not a calendar year.
All audits must be submitted to:

Louisiana Housing Finance Agency
Attn: Internal Audit Department
2415 Quail Drive
Baton Rouge, LA 70808
3. The Management Company of record for the project will be required to provide electronically, through the Agency's website monthly, information on number of vacancies and unit mix.

C. Compliance Training Requirements

Taxpayer/Owners will be required to evidence to the Agency at least ninety (90) days prior to a Project's Placed In Service Date that the proposed on-site manager or the Management Company has completed compliance training within the prior (12) twelve months in a program deemed acceptable to the Agency in accordance with industry recognized training standards. No Form 8609 will be issued without evidence of such training.

D. Fees to CHDO or Non-profit General Partner

Prior to delivery of Form 8609 a for-profit co-general partner with a CHDO or non-profit general partner must certify payment of the fee paid to the CHDO or non-profit general partner is consistent with Development Services Agreement submitted with the Tax Credit Application. Developer Fees to CHDOs or non-profit general partners in connection with projects receiving an allocation must not be less than twenty percent (20%) of the total Developer Fees. Fees paid to CHDOs or non-profits, up to 20% of the developer's fee, will not be included in the developer's maximum profit cap. Therefore the total developer's fee may be up to 18%.

E. Notification of Material Changes

It is the applicant's responsibility to notify the Agency, in writing via certified US Mail, of any occurrence of a material change in a project. Such notifications must be sent to: Louisiana Housing Finance Agency; Attn: Tax Credit Manager, 2415 Quail Drive, Baton Rouge, LA 70808. Notwithstanding any provision of any other program requirements, no project that the Agency determines to have materially changed shall be deemed feasible or viable. **LHFA Board approval is required on all requests seeking material changes in a project.** A material change will be governed by Reasonable Man

- (i) Material Changes Prior to Final Application Deadline: The Agency may receive a new Application for a Project which has materially changed in advance of the Final Application Deadline for a competitive funding round. A new Application, along with the Application and analysis fees must be received by the Final Application Deadline. (This option is applicable only when a preliminary Application review is offered by the Agency.)
- (ii) Material Changes After Final Application Deadline: A material change occurring after the Final Application Deadline can result in cancellation of either the tax credit reservation or the carry-forward allocation of tax credits.

F. Notification of Reprocessing Change

It is the applicant's responsibility to notify the Agency, in writing, of any occurrence of a reprocessing change in a Project. A reprocessing change may occur prior to delivery of Form 8609 to a Project; however, Form 8609 will be withheld until the Taxpayer submits a revised Application and Reprocessing Fee. Following receipt of the revised Application and reprocessing fee, the Agency will complete a new legal, feasibility and viability review in order to determine any adjustment of maximum qualified basis and/or the tax credits to be allocated to the Project. Projects subject to reprocessing are at risk of credit loss if such Project fails to satisfy the minimum score or if other projects on the waiting list which are not reserved credits have higher scores.

G. Site Change

A Site Change, which has not been previously approved by the Agency's Board of Commissioners in a Project following the Final Application Deadline will automatically cancel any reservation, commitment or allocation of tax credits to such Project.

H. Deviations from Selection Criteria in Filed Application

When an Applicant requests a deviation from the selection criteria in the filed application and the deviation is not a Material Change as defined by the QAP or a change that a Reasonable Man would determine to materially change the project, the following penalty shall apply:

The developer shall select a substitute benefit or enhancement identified in the selection criteria in the QAP of equal or greater point value, Agency staff shall consider approval of the request and require the replacement benefit to the project be incorporated into the project, thereby enhancing the project by the same point value. There shall be no additional penalty to the developer.

When an Applicant requests a deviation from the selection criteria in the filed application and the deviation is a Material Change as defined by the QAP or by the Reasonable Mans Standard, the following penalties shall apply (e.g. Applicant got funded when someone else would have gotten funded).

1. The developer shall select a substitute benefit or enhancement in the QAP of equal or greater point value, the Agency's Board of Commissioners may approve the request and require the replacement benefit to the project be incorporated into the project, thereby enhancing the project by the same point value. There shall be no additional penalty to the developer.
2. If the developer does not select a substitute benefit or enhancement in the QAP of equal or greater point value:
 - a. The developer may surrender its allocation and there shall be no additional penalty to the developer.
 - b. If the developer does not surrender the allocation and no substitute selection criteria is selected, the developer and all affiliates shall be subject to penalty points in a single application in the applicant's next tax credit funding round equal to three times the point value of the selection criteria that cannot be satisfied.

Applicants requesting more than one (1) Material Change relating to selection criteria in a single funding cycle shall be subject to a one year suspension from the applicant's next tax credit funding round.

Any Material Change requested due to the reliance on a representation made by a Governmental Agency remains at the discretion of the Board and the penalties, if any, to be assessed by the Board.

The Board may waive penalties in extraordinary circumstances.

Notwithstanding the above, the Applicant/Developer must notify the Agency of any changes to the project, including but not limited to unit mix and development type. It is the Applicant's responsibility to provide required public notification of any such changes.

I. Re-Allocation of Recaptured Tax Credits Based Upon Housing Discrimination

J.

Tax Credits which are recaptured from a Taxpayer will be reserved automatically to a project in an amount approved in a reprocessing of the Project Application upon receipt of all of the following:

- (i) Evidence that HUD or the Department of Justice has determined to proceed to process a complaint of housing discrimination because such a complaint has merit based upon evidence contained or certified in such complaint,
- (ii) A revised Application,
- (iii) An opinion of tax counsel to the Taxpayer that the project remains qualified for a Tax Credit reservation, and
- (iv) A report that the project remains feasible and viable at the time of the reallocation, and;
- (v) If additional credits are available, and additional soft costs have been incurred in the defense of housing discrimination, these costs may be included in the feasibility/viability analysis in an amount not to exceed the actual cost and the amount that the Agency has currently available and subject to underwriter and agency review.

K. Reasonable Professional Fees and Other Soft Costs

The Agency retains the right to determine safe harbors for reasonable professional fees and other soft costs that may be included in a project's development cost budget. Absent compelling reasons that professional fees and other costs should exceed such safe harbors, any professional fee or soft cost in excess of Agency approved safe harbors will either be excluded from the development cost budget in determining the gap for tax credit underwriting purposes or will be deemed to be paid through a deferred developer fee.

L. Quality Production

The Agency will require each Taxpayer's Architect to certify that the design and materials used to submit the Estimate and Certificate of Costs with the application satisfy the State's new building code.

M. Extended Use Agreement, Compliance Monitoring and Other Requirements

The Agency has approved the form of a Tax Credit Regulatory Agreement to be dated as of December 31 of the calendar year immediately preceding the first year of the Credit Period, pursuant to which the Agency requires the Applicant/Taxpayer to fulfill the commitments and representations made in this Application. An Extended Use Agreement in accordance with the Code and Tax Regulations has been incorporated into the Tax Credit Regulatory Agreement. Upon execution, the Tax Credit Regulatory Agreement must be filed in the mortgage/conveyance records of the Parish within which the Project is located. A separate Compliance Monitoring Agreement also has been approved by the Agency and must be executed and returned to the Agency when the

Project is placed in service and prior to the Agency providing Form 8609. The Agency may impose reporting and record keeping requirements, nondiscrimination regulations, and any other special conditions considered desirable by the Agency or the U.S. Department of Treasury.

N. Protocol to Present Matters to Multi-Family Committee/ Full Board

To facilitate the transmission of complete, thorough information and the analysis of requests that staff periodically receives from the development community; a protocol has been implemented for matters to appear on the Multi-Family Committee Agenda.

In order to be considered for the Multi-Family Committee Agenda, requests must be submitted at least two (2) weeks prior to the regularly scheduled meeting. All requests must be submitted via certified US Mail. Such requests must be sent to: Louisiana Housing Finance Agency; Attn: Tax Credit Manager, 2415 Quail Drive, Baton Rouge, LA 70808. Exceptions to the QAP will be reviewed by staff on a case by case basis. The request should include a clear statement from the developer on why a waiver is necessary, benefits derived from the exception, along with all available documentation to support their position. Within two (2) business days of receipt, the requester will receive a "Receipt of Acknowledgement" via e-mail restating the issues as presented along with a statement of the staff's position. If additional information is required from the developer, it must be submitted within two (2) working days. Upon analysis of the complete information, staff will be required to include in the Multi-Family Committee material, a complete decision brief outlining the exception request and all other documentation.

Based upon the outcome of the matter presented to the Board, an "Infraction log" will be maintained and will include the developer's name, type of request, and approval/ denial of request.

Notwithstanding the foregoing, the submittal of information does not guarantee that the matter will be created as an action item. Item may appear under other business.

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IV. Glossary

ABANDONED UNIT: A housing unit which has been certified by the Developer/Owner and the local jurisdiction within which the housing unit is located that the unit is Substandard and has not been occupied for at least ninety (90) days. Evidence must be submitted with the Application that the local jurisdiction specifically identified the unit and stated that the unit is substandard and has been vacant for at least ninety (90) days.

ABANDONED PROJECT: A project in which 100% of the housing units are Abandoned Units.

ACCESSIBLE: A site, building, facility or portion thereof that complies with the accessibility requirements of the Fair Housing Act and is handicap adaptable.

ACCESSIBLE PROJECT: A project in which at least twenty-five percent (25%) of the units are Disability Equipped Units and set aside for Disabled Households and evidencing appropriate Project Based Subsidy to support Disabled Households occupying the Disability Equipped Units whose incomes are at or below thirty percent (30%) of area median income. Accessible Project must provide that five percent (5%) of units be accessible for people with mobility impairment and two percent (2%) for people with hearing or vision impairments.

ACCESSIBLE UNITS: Units which satisfy Section 504 of the Rehabilitation Act of 1973 and fully meet the handicap accessibility requirements of the Uniform Federal Accessibility Standard.

ACQUISITION COSTS: The actual costs of the buildings on the Property Site prior to rehabilitation of such buildings plus any additional indirect costs of acquiring the buildings.

ACQUISITION COST BASE: The Acquisition Costs exclusive of any Developer Fee or Acquisition Fee.

ACQUISITION FEE: Any fee, other than a broker fee to a professional broker listing the Project, for arranging the purchase of the building or Project for which tax credits are requested.

ADAPTABLE: The flexibility of certain building spaces to add features or adjust elements in a short time by unskilled labor without structural or material changes to accommodate the needs of persons with different types or degrees of disability. Examples of adaptable features include counter tops or closet rods that are supported by adjustable supports rather than built into the wall at a fixed level.

ADDITIONAL AFFORDABILITY PROJECT: A Project that agrees have equal twenty percent (20%) set asides for households in each of the following income classes:

- (a) at or below twenty percent (20%) or less of the AMI,
- (b) above 20% AMI but less than or equal to thirty percent (30%) of the AMI and
- (c) above 30% AMI but less than or equal to forty percent (40%) of the AMI and
- (d) above 40% AMI but less than or equal to fifty percent (50%) of the AMI.

ADULT RESIDENTIAL CARE PROJECT: A Project submitted under the Elderly Project Pool that provides personal care for activities of daily living and instrumental activities of daily living available 24 hours a day; chore services, age and ability appropriate social and recreational activities, assistance with meals, medication administration assistance, coordination/provision of transportation, housekeeping and laundry and intermittent nursing services. Such projects must supply proof of approval to receive Medicaid waiver funds through the Louisiana Department of Health and Hospitals. Projects will be allowed to adjust unit sizes to be consistent with the ARCP Licensing Standards for ARCP development.

AFFILIATE: Any corporation, entity, partnership, venture, syndicate, or arrangement in which a local housing authority has an ownership or governance interest of less than a majority either directly or indirectly through one or more subsidiaries.

ADVANCE RESERVATION (FORWARD COMMITMENT): A reservation of credits from a credit ceiling in a calendar year following the competitive funding round in which a project has been evaluated.

AMENITIES: Equipment and/or facilities which are for the exclusive benefit of the residents and which are not essential to constituting a residential rental unit and which are not being submitted as a Community Facility. Examples of such amenities are: 1) recreational facilities such as basketball or tennis courts, 2) swimming pools, 3) learning centers, 4) family counseling facilities, 5) gates accessible only with ID or other device and 6) non-essential appliances, e.g.: built-in dishwashers, clothes washers and dryers and microwave ovens. (Air conditioning or heating systems are not considered an amenity). If a Project is one phase of a larger development, only the amenities identified on the Project Site of the phase which is being processed may qualify as an amenity for that phase only and such amenity shall not be qualified for any other phase.

AMI: Area median income as determined by HUD and as may be adjusted by family size.

ANALYSIS FEE: The fee by that name as calculated in accordance with the Non-Refundable Fee Schedule.

APPLICATION CHECKLIST: The form by that name contained in the Application for Tax Credits.

APPLICATION FEE: The fee by that name as calculated in accordance with the Non-Refundable Fee Schedule.

AUDIT INSTRUCTIONS: The instructions to be posted to the Agency's web site and to be used by an independent CPA to submit placed in service and annual audits.

BASELINE OPERATING BUDGET: The budget established for a project during the first year of the Credit Period that is formatted in accordance with the Agency's Chart of Accounts.

BEDROOM: An area of a unit to be used for sleeping and not primarily for family activities other than sleeping.

BUILDER: The licensed general contractor or any other entity executing a contract with the Developer/Owner to construct and/or rehabilitate a housing unit.

BUILDER OVERHEAD: Portion of a general contractor's expenses necessary to conduct business which directly concerns the Project and may include such items as office rent, fuel, lights, telephone and telegraph, stationery, office supplies, fire and liability insurance for the office, salaries of office employees such as a bookkeeper, social security taxes, public liability insurance, workmen's compensation insurance, and unemployment compensation taxes for office personnel. The allowance does not include salaries of the builder or executives of the builder.

BUILDER PROFIT FEE BASE: The construction hard costs specified in the Estimate and Certificate of Actual Cost which hard costs must be audited by an independent certified public accountant in accordance with generally accepted auditing standards utilizing generally accepted accounting principles and reduced by any General Overhead.

BUILDING: A discrete edifice or other man-made construction consisting of an independent foundation, outer walls and roof.

CAPITAL FUNDS: Funds appropriated to the Local PHA to carry out capital and management activities in accordance with the provisions of Section 9 of the United States Housing Act of 1937, as amended

CAPITAL NEEDS ASSESSMENT: An inspection report of an existing building or project by an architect or engineer conducted in accordance with Fannie Mae's Physical Needs Assessment Guidance to the Property Evaluation which (i) identifies the age and condition of the building or project and related major systems (including climate control equipment, plumbing and fixtures, cooking and other kitchen equipment, roofs, exterior siding and electrical systems), (ii) specifies the required repair and/or rehabilitation of the buildings and systems (including the estimated costs of each) over at least twenty years following the Placed in Service Date, (iii) estimates the useful remaining life of the project and related major systems following their repair, (iv) specifies the minimum amount which must be deposited to the repair and replacement reserve over twenty years to maintain property quality and habitability standards and (v) either identifies the presence of environmental hazards, such as asbestos, lead paint and mold on the property or contains an Exhibit A Phase I Environmental.

CAPITAL RECOVERY PAYMENT(S): The monthly payments, or, if no cash exists for the payment thereof, the monthly accruals to reimburse the Owner, with interest, for the capital contributions made by Owner.

CAPITALIZED COSTS: The expenditures relating to the acquisition, rehabilitation or construction of a building and any facilities functionally related and subordinate thereto which may be included in the adjusted basis of the building for depreciation.

CARRYOVER ALLOCATION: A commitment by the Agency following receipt from the Taxpayer of the ten percent (10%) carryover certification of a portion of the current calendar year credit authority to a project that will not be placed in service by the end of the current calendar year. Projects receiving a carryover allocation must be completed and placed in service in accordance with the Project Schedule and not later than two years after receiving a carryover allocation.

CASH FLOW NOTE: Any evidence of indebtedness which is issued or assumed in connection with the acquisition of a building and which (i) is not payable in whole or in part in accordance with a fixed amortization schedule or (ii) is payable in whole or in part only to the extent of profit or the cash flows of the Project.

CDBG FUNDS: Community Development Block Grant Funds.

CHART OF ACCOUNTS: The standard chart of accounts to be posted to the Agency's web site and which will be used to submit annual audits of a project to the Agency.

CHDO: A community housing development organization as defined at 24 CFR Part 92.2 of the Federal Regulations.

CLOSING DATE: The date that title to the Project transfers to the Taxpayer if not previously conveyed to the Taxpayer and date on which the Construction Contract, all financing agreements and final notes are executed and all mortgages are recorded (or, if not actually recorded, delivered to a recordation agent for recording as appropriate title policies are released).

CODE: The Internal Revenue Code of 1986, as amended.

COMMUNITY FACILITIES: Facilities located on the Project Site which are functionally related and subordinate to a Project and which are intended to primarily (not exclusively) benefit tenants of a Project but which are available to neighborhood residents without charge or a fee. Community facilities must be relative to the type of project and number of units and in compliance with locale codes. It must contain at least 15 net square feet for each residential units. It must also have a kitchen or kitchenette that will be available to all residents. Community facilities may not be amenities. If a Project is a phase of a larger development, only the Community Facility identified on the Project Site of the phase may qualify as a Community Facility for that phase only and shall not be qualified for any other phase. **(Excluded from receiving Community Facility**

Selection Criteria points are Scattered Site Rental Projects on Non-Contiguous Land and all Homeownership Projects.)

COMMUNITY SERVICE FACILITY: Any facility which is (i) located in a Qualified Census Tract and (ii) designed to serve primarily individuals whose income is sixty percent (60%) or less of area median income within the meaning of section 42(g)(1)(B) of the Code by satisfying the following conditions:

First, the facility must be used to provide services that will improve the quality of life for community residents.

Second, the taxpayer must demonstrate that the services provided at the facility will be appropriate and helpful to individuals in the area of the project whose income is 60 percent or less of area median income. This may, for example, be demonstrated in the market study required to be conducted under §42(m)(1)(A)(iii), or another similar study.

Third, the facility must be located on the same tract of land as one of the buildings that comprises the qualified low-income housing project.

Finally, if fees are charged for services provided, they must be affordable to individuals whose income is 60 percent or less of area median income.

COMPLETION DATE: The last date permitted in the Construction Contract for completing construction and /or rehabilitation.

CONCERTED COMMUNITY REVITALIZATION PLAN: A plan, including measurable and/or tangible objectives, approved by a local governmental unit following a public hearing which describes an area and the incentives and the measures to coordinate and target resources to the area for purposes of redeveloping or revitalizing the area and which identifies the strategies and organizations to implement revitalization.

CONSTRUCTION CONTINGENCY: An amount not in excess of the lower of ten percent (10%) of the Hard Cost or such lower amount as may be determined by the Agency as reasonable for the construction or rehabilitation of a project.

CONSTRUCTION CONTRACT: Means the agreement between the Taxpayer and the Contractor for construction and/or rehabilitation of the Project.

CONSTRUCTION START DATE: The date on which construction work pursuant to a construction contract actually begins.

CONTACT PERSON: The person listed as the Contact Person by the Taxpayer in the Tax Credit Project Summary or such substitute individual specified in writing by the Managing General Partner. The Contact Person may not be a professional who will render any independent and/or unqualified professional opinion to the Agency.

CONTINGENCY FEE: A fee to be earned by a Developer or other professional in consideration of achieving a specified benchmark for earning such fee.

CONSTRUCTION CONTINGENCY: An amount not in excess of the lower of ten percent (10%) of the Hard Cost or such lower amount as may be determined by the Agency as reasonable for the construction or rehabilitation of a project.

CONTRACTOR: The person who is licensed as a general construction contractor by the state and who has executed a construction contract with the Taxpayer.

CONTROL: Having the capacity or the power to designate 25% or more of the board or management of an entity or general partner of a limited partnership.

CONVERSION: The process of rehabilitating a nonresidential building to residential rental use.

CREDIT CEILING: The dollar amount of credits available in a calendar year for allocation by the Agency.

DEBARRED PARTICIPANT: Any developer, person, company, firm, staff or development team member or employee thereof, who (i) is currently debarred, suspended, declared ineligible or is prohibited from participating in any housing program sponsored by any federal agency, local government or instrumentality thereof or (ii) is convicted or pleads guilty to any criminal offense related to the construction, development, ownership, management or operation of a housing development.

DEBARMENT CAUSES: Providing fraudulent documents or committing fraudulent acts, failing to fulfill reasonable Agency requests in a prescribed time period following expenditure or use of Agency resources, or having a controlling ownership interest in a project determined to be in material non-compliance with any federal, state or local requirement related to the development or operation of such project. Other causes may be determined by the Agency to constitute cause for debarment following an appropriate administrative hearing on the record which permits the person subject to sanction an opportunity to contest the facts specified as the debarment cause.

DEBARMENT PROCEDURES: The procedures established by the Agency pursuant to which the compliance division recommends debarment of a Developer to the Agency's General Counsel and upon the Agency's General Counsel's concurrence with such recommendation the Board of Commissioners approve the debarment following an opportunity of the Developer to contest the recommended actions at a public meeting of the Board of Commissioners.

DEBARMENT SANCTION: Includes, but is not limited to, suspension from participation in Agency programs, cancellation of reservations or commitments, funding of additional escrows, etc. Agency applied sanctions will be reported to other state, federal or local governments, or instrumentalities thereof.

DEBT SERVICE RATIO: Payments on any amortizing mortgage secured debt divided by the sum of all operating expenses plus Required Reserve Deposit.

DELTA PARISHES: Caldwell, East Carroll, Franklin, Madison, Morehouse, Ouachita, Pointe Coupee, Richland, Tensas, West Carroll.

DEVELOPER: Any person or entity (including persons or entities which constitute Related Persons to such person or entities or have an identity of interest with such person or entity) which owns or develops a Project, including any general partner of a partnership, any Builder related to or having an identity of interest with the person or entity which owns or develops the project and any consultant receiving any fee or compensation to assist in the development of a Project.

DEVELOPER FEE: Any profit, fee or income realized by the Developer in connection with the development of the project as specified in a GAAP Audit and which satisfy the Developer Fee Terms.

DEVELOPER FEE BASE: The Development Costs of a Project reduced by (i) any Acquisition Costs, (ii) any Land Costs, (iii) any payments deemed lease payments for self-owned equipment, (iv) any payments to related persons or to persons with an identity of interest to the Developer, and (v) any Developer Fees (including Builder Profit and Overhead when there is an identity of interest between the Builder and the Developer).

DEVELOPER FEE TERMS: The fees and income of a Developer as may be specified in the Development Services Agreement between a Developer and the Taxpayer which must meet the following requirements and/or include the following information:

- (1) The fee is reasonable and does not exceed the limits on Developer Fees established by the Agency;
- (2) The taxpayer is legally obligated to pay the fee;
- (3) The portions of the fee, if any, allocable to Land Costs, Organizational Costs, Acquisition Costs and Syndication Costs;
- (4) The fee is not paid (or to be paid) by the taxpayer to itself; and
- (5) If the fee is paid (or to be paid) by the taxpayer to a related person, and the taxpayer used the cash method of accounting, the taxpayer could properly accrue the fee under the accrual method of accounting (considering, for example, the rules of section 461(h) of the Code).

DEVELOPMENT COSTS: The costs of acquiring land or buildings or constructing and/or rehabilitating buildings and facilities functionally related and subordinate to such buildings as certified in a GAAP Audit by an independent certified public accountant in accordance with generally accepted auditing standards utilizing generally accepted accounting principles as of the placed in service date of the building or as of the end of the first year of the credit period for the building.

DEVELOPMENT PLAN OF ACTION: A plan of action to redevelop an area defined by a local governmental unit in accordance with the requirements of Section 42(i)(3)(E) of the Code.

DEVELOPMENT SERVICES AGREEMENT: The agreement(s) with a Developer, including any consultants, evidencing (i) the Developer Fee Terms, including the amount of the Developer Fee and how it's to be paid, (ii) how the Developer Fee will be determined, (iii) who is the Developer and the Developer's relationship to the Taxpayer or to the general partner of the Taxpayer, (iv) the individuals controlling the Developer who are primarily responsible for performing the services of the Developer and (v) the nature of the services to be performed by the Developer.

DEVELOPMENT TEAM: Any party identified in the Application as such or any other party identified who advances funds to the Developer or Taxpayer prior to an allocation.

DHH: The Louisiana State Department of Health and Hospitals.

DIFFICULT DEVELOPMENT AREAS: Areas designated by HUD as an area which has high construction, land, and utility costs relative to area median gross income.

DISABLED HOUSEHOLD: A household composed of one or more persons at least one of whom has: (1) a disability as defined in Section 223 of the Social Security Act or (2) is determined to have a physical or emotional impairment that is expected to be on long-continued and indefinite duration and the impairment substantially impedes his/her ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions **OR** (3) has a developmental disability as defined in Section 102 of the Developmental Disability Assistance and Bill of Rights Act.

DISABILITY EQUIPPED UNITS: Units which satisfy Section 504 of the Rehabilitation Act of 1973 and fully meet the handicapped accessibility requirements of the Uniform Federal Accessibility Standard.

DISTRESSED PROPERTY: Any federally-assisted building for which a waiver of the ten year period described in Section 42(d)(2)(B)(ii) is obtained or a building which qualifies for such a waiver but for the building having been last placed in service more than ten years prior to the Application deadline or any project financed by RD and placed in service 15 years or earlier from

the Application Deadline which project requires rehab (exclusive of soft and intermediary costs) of \$5,000 or more per unit.

DSS: The Louisiana State Department of Social Services.

ECONOMIC LIFE: The maturity of any debt funded by either HUD or RD; provided that economic life shall not exceed fifty-five (55) years or the period which may be reported for federal income tax purposes as the economic life of a building.

ELDERLY HOUSEHOLD: A household composed of Elderly Persons; provided that a non-Elderly Person may reside in the household only if such household qualifies pursuant to the Fair Housing Act.

ELDERLY PERSON: A person who is 62 years of age or more at the time of initial occupancy.

ELDERLY HOUSING PROJECT: A project in which all units are occupied by Elderly Households and in which no unit contains more than two bedrooms and which satisfies the requirements of the Fair Housing Act. The Elderly Housing Project must provide:

- (i) Description of Supportive Services tailored to each Elderly Household (See Supportive Services Definitions)
- (ii) Costs per annum of Supportive Services per Elderly Household or written commitment from governmental or non-profit agency that Supportive Services will be provided to Project without cost
- (iii) Experience of Taxpayer/Owner in developing Projects servicing Elderly Households
- (iv) Evidence in market study that demand for Elderly Household Units may be satisfied by Project.

ELIGIBLE TARGET POPULATION FOR PERMANENT SUPPORTIVE HOUSING:

Extremely Low Income Households consisting of one or more of the following:

- (i) Hurricane displaces in need of permanent supportive housing living in the homeless shelter system or otherwise in temporary housing,
- (ii) Households in which an individual or household member has substantial, long term disability as determined by DHH/DSS, including any one of the following:
 - (a) Serious Mental Illness
 - (b) Addictive Disorder (i.e., individuals in treatment/ recovery from substance abuse disorder),
 - (c) Developmental Disability (i.e., mental retardation, autism, or other disability acquired before the age of 22),
 - (d) Physical, sensory, or cognitive disability occurring after the age of 22 or
 - (e) Disability caused by chronic illness (e.g., people with HIV/ AIDS who are no longer able to work),
- (iii) *Frail Elderly Household,*
- (iv) Homeless Household in need of permanent supportive housing or a household determined by DSS to be most-at-risk of homelessness and in need of permanent supportive housing or
- (v) An individual or household member aging out of the foster care system and determined by DSS to be in need of permanent supportive housing.

EQUITY: Funds which are provided by investors in a project and which are contingent upon the value attributed to the tax benefits generated by ownership of the project.

EXISTING HOUSING: Housing units which have previously been occupied.

EXPENDITURES EXCLUDED FROM ELIGIBLE BASIS: (A) Items noted in the IRS Audit Guidelines, including Land Costs and the following enumerated items:

- Organization Costs
- Syndication Costs
- Bridge loan interest and origination fees
- Permanent loan credit enhancement, origination fees and closing costs
- Reserves required by the lender
- Marketing/advertising
- Compliance fees

(B) Items noted in Internal Revenue Service National Office Technical Advice Memorandums Nos. 100727-00; 100740-00; 100743-00; 100745-00; and 100748-00; including the following:

- Developer Fees Allocated to Land
- Unused Construction Contingency
- Rent up Costs
- Local Impact Fees (See "C" below which reverses this treatment)
- Landscaping not affected by replacement of building and considered inextricably associated with the land
- Surveys not used to determine if improvements can be built on site
- Bond Issuance Costs
- Partnership Syndication and Formation

(C) Revenue Ruling 2002-9 now requires impact fees incurred by developer of residential rental building to be capitalized under Section 263A as indirect costs allocable to the building.

EXTREMELY LOW INCOME HOUSEHOLDS: Households in which the household income at initial occupancy is thirty percent (30%) or less of area median income.

FACILITY: A least consisting of a building commensurate with the activities to take place or the services to be provided therein.

FEDERAL HOUSING ACT: The United States Housing Act of 1937, as amended through April 1, 2005.

FHA LIMITS: The 203(b) limits for FHA insurance of single family housing as published by HUD.

FINAL ALLOCATION: The mailing of Form 8609 to the Taxpayer. The Agency must adjust the amount of tax credits specified in a reservation or a carryover allocation based upon the feasibility/viability review and subsidy layering review as of the project's placed in service date.

FINANCING CERTIFICATION: A certification by the Taxpayer on the form provided by the Agency which specifies among other matters (a) Sources of Funds for a Project, (b) Syndication Information, (c) Subsidies provided to a Project and (d) amounts allocated to various development costs as of Application, reservation and placed in service dates.

FLEXIBLE FUNDS: Funds made available by or through the Louisiana Housing Finance Agency that do not impose either rent or occupancy restriction on any units other than Maximum Low-Income Units.

FOSTER PARENT HOUSEHOLD: A household providing shelter to an unrelated child who was assigned for foster parenting to such household by the Department of Social Services.

FRAIL ELDERLY: An elderly person with at least one impairment in *Activities of Daily Living* and/or multiple impairments in instrumental *Activities of Daily Living* as determined by DSS/DHH or the DHH/DSS.

GAAP AUDIT: An audit in accordance with generally accepted auditing standards performed by an independent certified public accountant using the Agency's Chart of Accounts:

I. At Placed in Service Date: At a minimum a GAAP Audit as of a project's placed in service date must contain:

(a) an audit of the certificate of actual cost in accordance with generally accepted auditing standards utilizing generally accepted accounting principles evidencing no line item with a "to be paid" amount in excess of five percent (5%) of such line item;

(b) an audit of the sources and uses through the Placed in Service Date of a project specifying separately (i) uses to be included in eligible basis, (ii) land costs and costs properly capitalizable to land, (iii) Acquisition Costs, (iv) Organizational Costs, (v) Syndication Cost paid by the Taxpayer and (vi) Developer Fees which are properly allocable to (iii), (iv) and (v);

(c) an identification of all identities of interest and related persons to the Taxpayer receiving payment from the Taxpayer; and

(d) an identification of all subcontractors owned in whole or in part by employees of the developer or the contractor and a statement of the percentage of construction costs subcontracted to a subcontractor.

II. Annual Audit: At a minimum a project's annual audit must (i) identify all transactions involving related persons, (ii) distinguish operating expenditures from capital expenditures and (iii) specify Surplus Cash.

GENERAL REQUIREMENT BASE: Hard cost plus bond premium and miscellaneous fees paid by contractor.

GENERAL REQUIREMENTS: The actual costs for those items incurred in the construction of a Project and directly pertaining to the Project, excluding amounts paid to the Contractor or Developer which may be characterized as Overhead.

GOVERNMENTAL ASSISTANCE: Includes any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit tax benefit, or any other form of direct or indirect assistance from the Federal, State or local government for use in, or in connection with, a specific housing project.

GREEN BUILDING: A building that meets one of the following criteria:

(A) LEED Criteria: Building design and construction emphasizing sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality that achieves the points necessary to qualify as LEED Certified (a minimum of 26 points under the LEED Green Building Rating System® for lodging). The LEED (Leadership in Energy and Environmental Design) Green Building Rating System® is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings created by the US Green Building Council. See the LEED-NC (New Construction) Application Guide for Lodging. For existing buildings, see LEED-EB (Existing Buildings).

(B) Green Communities Criteria: Built according to the Green Communities Criteria, the first national framework for healthy, efficient, environmentally smart affordable homes. To be certified as Green Communities, a project must comply with all the mandatory provisions of the Green

Communities criteria. In addition, new construction projects must earn 35 points from the Optional Criteria, while moderate rehabilitation projects must earn 30 points from the Optional Criteria. For the full criteria visit <http://www.greencommunitiesonline.org/tools/criteria/index.asp>

GROSS EQUITY: The nominal dollar amount invested in the Taxpayer by the Syndicator.

HABITABILITY STANDARDS: The Physical Conditions Standards promulgated in HUD Regulations at 24 CFR 5.703, including the major areas of housing: the site, the building exterior, the building systems, the dwelling units, the common areas and health and safety conditions.

HARD COSTS: Costs of constructing the project as evidenced in the Estimate and Certificate of Actual Costs reduced by any amount which reduces the Builder Fee Base. Hard Costs do not include Builder Profit, Builder Overhead, Developer Fees or Soft Costs (such as architectural, engineering, consultant, legal fees, etc).

HISTORIC REHABILITATION CREDIT: Tax Credits authorized to be taken by a Taxpayer for the rehabilitation of an historic property in accordance with the requirements of Section 38 of the Code.

HOMELESS PERSON/HOUSEHOLD: A Person or household sleeping in a place not meant for human habitation or in an emergency shelter; and a person or household in transitional housing for homeless persons who originally came from the street or an emergency shelter.

HOMEOWNERSHIP PROJECT: Project consisting of townhouses, duplexes with firewalls or buildings with not more than one unit per building. Applicants for Homeownership Projects must execute the Agency's form of an **Option to Purchase and Right of First Refusal Agreement** which provides to an individual tenant the option to purchase a unit at the Minimum Purchase Price. **No points will be awarded for Community Facilities located in a Homeownership Project.**

HOUSEHOLDS IN POVERTY: Households at or below the most recent Poverty Threshold as determined by the U.S. Census Bureau.

HOUSEHOLDS WITH LONG TERM DISABILITY: A household in which a household member has Substantial Long Term Disability.

HOUSING NEEDS ASSESSMENT: The current assessment of the State's housing posted on the Agency's website at www.lhfa.state.la.us.

HUD: The U.S. Department of Housing and Urban Development.

HURRICANE DISPLACED HOUSEHOLD: A household displaced from its principal residence and living in a homeless shelter or other temporary housing as a result of Hurricane Katrina or Rita.

IDENTITY OF INTEREST: An identity of interest is construed to exist when:

- (i) There is any financial interest of the Developer or Taxpayer in the Builder or any financial interest of the Builder in the Developer or Taxpayer.
- (ii) Any officer, director or stockholder or partner of the Developer or Taxpayer who is also an officer, director or stockholder or partner of the Builder.
- (iii) Any officer, director, stockholder or partner of the Developer or Taxpayer has any financial interest in the Builder; or any officer, director, stockholder or partner of the Builder has any financial interest in the Developer or Taxpayer.

- (iv) The Developer or Taxpayer advances any funds to the Builder.
- (v) The Developer or Taxpayer supplies and pays, on behalf of the Builder, the cost of any architectural services or engineering services other than those of a surveyor, general superintendent, or engineer employed by a Developer or Taxpayer in connection with its obligations under the construction contract.
- (vi) The Developer or Taxpayer takes stock or any interest in the Builder cooperation as consideration of payment.
- (vii) There exists or comes into being any side deals, arrangements, contracts or undertakings entered into or contemplated, thereby altering, amending, or canceling any of the required closing documents, except as approved by the Agency.
- (viii) Any relationship (e.g., family) existing which would give the Builder or Developer or Taxpayer control or influence over the price of the contract or the price paid to any subcontractor, material supplier or lessor of equipment.
- (ix) Any member of the Development Team advances any funds to the Developer or Taxpayer at any point prior to an allocation.

For purposes of determining an identity of interest between parties not identified in (i) through (ix), such parties will be identified as either the Developer and Taxpayer or the Contractor as appropriate to establish the identity of interest.

INCOME QUALIFIED RENTER DEMAND: Number of households projected to be at 60% or less of area median income which can afford to pay the rent proposed at subject project provided such rent does not exceed 35% of their household income.

INDEPENDENT QUALIFIED HOUSING CONSULTANT: A disinterested professional housing consultant who has been approved by the Agency and who has no identity of interest with any Builder or Developer participating in the Housing Tax Credit Program in any state and who by virtue of academic training, licensing and/or experience is a recognized expert skilled in the requirements of conducting a market survey and demand study.

IREM: Institute for Real Estate Management.

LAND COSTS: The purchase price related to the purchase of undeveloped land plus the following additional costs:

- excavating and earth-moving expenses
- finders/brokerage fees for assistance in acquiring title to land
- costs for excavation of water retention ponds
- cost of land surveys
- unpaid back real estate taxes and similar assumed costs
- legal and professional fees related to the acquisition of land
- environmental impact tests and perk tests

LARGE FAMILY HOUSEHOLD: A household with at least five persons at initial occupancy of a unit.

LEED: The acronym for Leadership in Energy and Environmental Design.

LLA: Local Lead Agency designated by *DHH/DSS* for management of supportive services for *Permanent Supportive Housing*. A *DHH/DSS* designated LLA may be a *DHH* Regional Office or human services district/authority.

LOCAL GOVERNMENT: Governing authority of the local governmental unit. A parish or municipality under the Louisiana Constitution of 1974.

LOCAL GOVERNMENTAL SUPPORT: Project has local governmental support as evidenced by a signed commitment letter, the project must submit an original letter of support for the project on official letterhead from the highest ranked public official of the City in which the project is located or fully executed City Proclamation in support of the project AND proof of support from the majority members of the City Council.

LOCAL NON-PROFIT SPONSOR: A 501(c)(3) or 501(c)(4) organization in which not more than fifteen percent (15%) of the members of the governing board are domiciled outside the service area of the non-profit and at least seventy-five percent (75%) of the governing board are domiciled within the Project's Market Area or is a State certified Community Housing Development Organization ("CHDO") with a service area encompassing the Project's market area.

LOCAL PARTICIPATING JURISDICTION (LOCAL PJ): One of any governmental unit or consortium of governmental units receiving HOME Funds directly from HUD and which is not a state recipient.

LOCAL PHA: A local public housing authority organized and existing under the State's Housing Authorities Law at Chapter 30 of Title 40 of the Louisiana Revised Statutes of 1950, as amended.

LOUISIANA DEVELOPER: Any Managing General Partner or Sponsor who submits evidence of having filed Louisiana tax return (Form 990 in the case of a Non-profit) in the two calendar years preceding the year in which an Application for tax credits is submitted, or if no return was required to be filed for the two (2) calendar years preceding the year in which an application for tax credits is submitted, then a CPA's statement to that effect is required.

LOUISIANA FAMILY RECOVERY CORPS: An entity established within the State to coordinate and mobilize a network of providers, organizations and government agencies to deliver comprehensive humanitarian services to displaced residents of the State.

LOW INCOME UNIT: A low-income unit as defined in Section 42(i)(3) of the Code.

LRA: The Louisiana Recovery Authority.

MANAGING GENERAL PARTNER: The entity or individual(s) that controls or owns all of an entity which is designated in the Application as the managing general partner or the primary sponsor/operator of the Project.

MARKET AREA: An area referenced on a map included with the Market Study and certified by the Independent Qualified Housing Consultant to be an appropriate market area to be served by the project in view of geographic and other barriers and demographic and mobility factors for low income households at or below 60% of AMI.

MARKET STUDY: An analysis performed by an Independent Qualified Housing Consultant which evidences demand for the proposed market matrix of a project, including demand capture rate at the subject property by bedroom type and which further the housing needs of the Targeted Households, Large Families, Tenants with children and Special Needs Households if the Project serves Special Needs Households.

MATERIAL CHANGE: Notwithstanding the provisions of any prior Qualified Allocation Plan, a material change for any project, including projects receiving a reservation or allocation from a prior Calendar year credit Ceiling, shall mean any reprocessing change which results (i) in the project deemed not feasible or not viable or (ii) a reduction of points from the Selection Criteria below the minimum score or below the score of the highest ranked project on the waiting list for the year in which the credits were allocated. Any change caused by force majeure or circumstances beyond the control of an Owner will not be a material change if the Agency's Board of Commissioners concurs that such change was beyond the control of the Owner. The Agency also considers the following to be material changes:

- Removal of any managing general partner;
- Bankruptcy of any managing general partner;
- Change of development location (site change);
- Deletion or change of resident amenities and/or services such as activity centers, children centers, community centers, computer rooms, laundry rooms, etc.;
- Changes in residential unit design that increases or decreases by 10% or greater the number of units, unit mix, square footage of each unit, etc.;
- A 10% or greater change in the total number of structures;
- Change in the type and quality of construction materials, as well as mechanical and/or electrical systems that result in a 10% or greater change of the total construction cost; and,
- Notwithstanding the foregoing, any change that a reasonable man would determine to materially change the project.

MATERIAL PARTICIPATION: Having an ownership interest other than a passive ownership interest and which participation is regular, continuous and substantial.

MILITARY IMPACT AREA: Generally a small or medium size metropolitan housing market area or a remote or isolated non-metropolitan area where:

1. Military-connected households comprise 25 percent or more of the total households in the market area. Military-connected households include active duty military personnel, civilian employees of the military service (Department of Defense) or other Federal agency at or in support of the installation, and employees of contractors and sub-contractors directly associated with the military installation and their dependents. Unaccompanied active duty military personnel housed in military-controlled group quarters housing (barracks, BOQ's) are excluded; and
2. The Department of Economic Development has expressed written concern about the continued stability of the current level of military strength and mission at the installation based on the absence of suitable affordable housing, or public announcement from the Department of Defense or the military service, advise that the stability of the military installation is at risk because of the absence of affordable housing.

MINIMUM RESERVE BALANCE: At least 1/6 of the largest annual deposit to Reserves for Replacement and Repair.

MINIMUM PURCHASE PRICE: An amount equal to the sum of (i) the principal amount of outstanding indebtedness secured by the building (other than indebtedness incurred in the five year period ending on the date of the sale to the tenants) and (ii) all Federal, State and local taxes attributable to such sale. Except in the case of Federal income taxes, these shall not be taken into account under clause (ii) any additional tax attributable to the Application of clause (ii).

MIXED FINANCE PROJECT: A project described in Section 35(d) of the Federal Housing Act that is financially assisted with private resources in addition to amounts provided under the Federal Housing Act.

MIXED OCCUPANCY PROJECT: A Project involving the occupancy of units by Special Needs Households and the occupancy of units by households which are not Special Needs Households.

MIXED USE BUILDING: A building consisting of units available for residential rental use and other property the use of which is not related to residential rental use, e.g., commercial office space, owner-occupied residences, etc.

NEIGHBORHOOD IMPACT: With respect to a clearly defined neighborhood described on a map outlining such neighborhood, either (i) the construction of at least one hundred (100) new residential units or (ii) the demolition of at least fifty (50) functionally obsolete residential units and the construction and/or reconstruction of not less than fifty (50) residential housing units.

NEIGHBORHOOD NETWORK: A multi-service community learning center located in a *facility* of a Project promoting self-sufficiency by (i) improving computer access for tenants, (ii) advancing literacy, (iii) preparing residents to take advantage of employment opportunities and (iv) providing access to healthcare information and other social services.

NEIGHBORHOOD NETWORK FUNDING: Financial commitments or funding evident in the operating pro forma of a Project committed to providing a Neighborhood Network that includes (i) a business plan for staffing, technical support, and ongoing funding, and a strategy for achieving ongoing partnerships with other neighborhood, community, or educational groups, (ii) the location and size of the space to be used for the *facility* to be used as a Neighborhood Network, (iii) an estimate of the number and percentage of residents who will benefit directly from the services of the Neighborhood Network and (iv) a detailed estimate of the center's initial cost and ongoing operating expenses.

NET EQUITY: The Gross Equity invested in the Taxpayer as discounted and compounded to the placed in service date.

NEW CONSTRUCTION: Housing units which have not previously been occupied.

OCD: The Office of Community Development in the Office of the Governor.

OCAF: Operating Cost Adjustment Factor published annually for the State of Louisiana.

OPTION TO PURCHASE AND RIGHT OF FIRST REFUSAL AGREEMENT: The Agreement by that name attached as an Appendix to the Application.

ORGANIZATIONAL COSTS: Costs of organizing the Taxpayer, including the legal and accounting costs necessary to organize the Taxpayer and facilitate the filings of the necessary legal and other regulatory paperwork at the state and national level are of a character which, if expended incident to the creation of the taxpayer having an ascertainable life, would (but for Section 709(a) of the Code) be amortized over such life.

OWNER OCCUPIED BUILDING: A Building containing more than one but less than five units in which one of the units is occupied by the owner of such unit and which is located in an area in which the local governmental unit has approved by a Development Plan of Action.

PAYMENT STANDARD: One of the following standards of payment selected by the Taxpayer in connection with a Low Income Unit receiving a *State Project Based Rental Assistance* and occupied by an Extremely Low Income Household: (a) 50% AMI, (b) 55% AMI or (c) 60% AMI.

PERMANENT SUPPORTIVE HOUSING: Housing that is (i) safe and secure, (ii) affordable to the eligible target population, (iii) permanent, with continued occupancy as long as the eligible target population pays the rent and complies with the terms of the lease or applicable landlord/tenant laws in the State of Louisiana and (iv) linked with supportive services that are flexible and responsive to the needs of the individual, available when needed by the eligible target population and accessible where the tenant lives, if necessary.

PERMANENT SUPPORTIVE HOUSING PROJECT: A Project in which between Twenty-five percent (25%) and fifty percent (50%) of the Low Income Units are designated to be occupied by a member of an Eligible Target Population for Permanent Supportive Housing and for which a Taxpayer/Owner submits with the Tax Credit Application either (i) an irrevocable binding commitment for Project Based Subsidy for units constituting Permanent Supportive Housing or (ii) demonstrates in the project's operating pro forma that units which are not Permanent Supportive Housing adequately subsidize the units occupied by the Eligible Target Population For Permanent Supportive Housing in a manner consistent with the minimum coverage ratios required by this QAP. A minimum of the units designated as permanent supportive housing units will be either efficiencies or one bedroom units.

PHA REFERRAL AGREEMENT: The executed form of the PHA Referral Agreement attached as an Appendix to the Application.

PHYSICAL CONDITION STANDARDS: HUD Standards for housing which is decent, safe, sanitary and in good repair.

PLACED IN SERVICE DATE: The date on which the first unit in building of the Project is available for occupancy in accordance with the requirements of the Code and the local jurisdiction within which the Project is located. For rehabilitations which qualify as a separate new building, such date occurs at the end of the 24 month period over which such expenditures are aggregated.

POVERTY CENSUS TRACT: Census tract in which the percentage of Households in Poverty exceed 15% of the total households of such census tract.

PRIORITY HUD REHABILITATION PROJECT: A project in which the mortgage is either FHA insured or HUD held and which receives a *Project Based Subsidy* or is subject to occupancy restrictions which are as restrictive as the restrictions applicable to a *Low Income Unit*.

PRIORITY NEIGHBORHOOD SUPPORTED PROJECT: A project that is specifically identified to be constructed, reconstructed, or rehabilitated in a neighborhood plan consistent with the LRA Local Planning Process.

PRIORITY ELDERLY REHABILITATION PROJECT: A project (i) that was substantially damaged or destroyed by Hurricane Katrina or Rita, (ii) in which one hundred percent of the units were occupied by elderly or disabled residents and received a *Project Based Subsidy* that has been abated by may be reinstated or moved to another site if the Priority Elderly Rehabilitation Project is rehabilitated or relocated, (iii) cannot be restored or reconstructed with the proceeds of insurance claims alone, according to the capital needs assessment and (iv) currently in financial default.

PRIORITY STRATEGIC PROJECT: A Priority Elderly Rehabilitation Project, a Priority HUD Rehabilitation Project or a Strategic Priority Project.

PROJECT: At least one building together with any facilities functionally related and subordinate on a Project Site. Multiple buildings are part of the same project only if such buildings:

- (i) Have similarly constructed units;
- (ii) Are proximate, i.e., located on a single tract of land; and
- (iii) Are owned by the same person and are financed pursuant to a common plan.

PROJECT BASED SUBSIDY: Projects receiving operating subsidies based upon either (i) Section 8 project based assistance contract, (ii) rental assistance from RD or (iii) other operating subsidies in connection with housing supported under the Stewart McKinsey Act and (iv) Project Rental Assistance (PRACs), (v) Annual Contribution Contract (ACC) subsidies or other such operating subsidies in connection with a Federal or State operated program.

PROJECT SCHEDULE: A schedule required to enumerate the activities and the timelines or deadlines for completing such activities and placing the project in service. At a minimum, the Project Schedule shall evidence the Closing Date and Construction Start Date following benchmark dates:

- (i) date that expenditure of ten percent (10%) of Project's Total Development Costs is to be achieved,
- (ii) date that final zoning will be approved,
- (iii) date that land and buildings are to be purchased,
- (iv) date that environmental clearance will be obtained,
- (v) date constituting the Closing Date,
- (vi) date that building permits will be obtained,
- (vii) date that constitutes the Construction Start Date,
- (viii) date that ten percent (10%) of construction will be complete,
- (ix) date that fifty percent (50%) of construction will be complete,
- (x) date that ninety percent (90%) of construction will be complete,
- (xi) date that project will receive certificates of occupancy and be placed in service and
- (xii) date for submitting the audited cost certifications.

PROJECT SITE OR PROPERTY SITE: The legal description of the land on which the Project is located as submitted in an Application on or before the Application Deadline.

PSH: Permanent Supportive Housing.

QUALIFIED CENSUS TRACT: Any census tract which is designated by HUD in which either 50% or more of the households have an income which is less than 60% of the area median gross income or which has a poverty rate of at least 25 percent (25%).

QUALIFIED NON-PROFIT ORGANIZATION: An organization (i) described in paragraph (3) or (4) of Section 501(c) of the Code, (ii) exempt from tax under Section 501(a) of the Code, (iii) determined by the Agency not to be affiliated with or controlled by a for-profit organization and (iv) one of the exempt purposes of such organization includes the fostering of low-income housing.

QUALIFIED PURCHASE CONTRACT: A contract defined in Section 42(h)(6)(F) of the Internal Revenue Code.

QUALIFIED REHABILITATION EXPENDITURE: Rehabilitation costs incurred within any 24 month period selected by the building owner and which are allocable to or substantially benefit one or more low-income units in a building and in which the hard costs of such rehabilitation equal or exceed the greater of \$6,000 per low-income unit in the building or twenty percent (20%) of the adjusted basis of the building.

RD: Means the Rural Development division of the U.S. Department of Agriculture.

RD TARGET AREA: An area designated in writing by Rural Development of the U.S. Department of Agriculture as a priority area for financing housing under the 515 housing program.

REDEVELOPMENT AREA: An area or areas within Qualified Census Tracts which is specified by a local governmental unit as requiring revitalization and within which the local governmental unit provides incentives and/or resources on a priority basis in order to promote redevelopment pursuant to a Concerted Community Revitalization Plan.

REDEVELOPMENT PROJECT: A Project which is (i) a Distressed Property, (ii) Redevelopment Property, (iii) Owner-Occupied Property covered by a Development Plan of Action, or (iv) Urban Redevelopment Property.

REDEVELOPMENT PROPERTIES: A Project located in a Redevelopment Area.

RELATED PERSON: Any person bearing a relationship to such person as specified in sections 267(b) or 707(b)(1) of the Code, or if the persons for whom a relationship is being determined are engaged in trades or businesses under common control (within the meaning of subsections (a) and (b) of section 52 of the Code).

RENT UP/LEASE COSTS: Costs, such as advertising, sample unit costs, on site rental managers and staff and initial rental costs, necessary to fully rent a low-income building which may be amortized over the period necessary to rent all units, (e.g. 24 or 36 months).

REPROCESSING CHANGE: Any change other than a material change relating to (i) adjustments of sources or uses of funds greater 5% but less than 10%, (ii) increases or decreases in the number of units, unit mix, square footage, etc. greater than 5% but less than 10%, (iii) increases or decreases in the number of buildings greater than 5% but less than 10%, (iv) an applicant's inability to comply with the project schedule proposed in the Application by more than three months in any element of the Project and (v) any increase in the interest rate of long term debt required to complete the Project.

REPROCESSING FEE: The fee by that name calculated in accordance with the Non-Refundable Fee Schedule.

REQUIRED EXHIBITS: The Exhibits and/or Appendices specified as Required Exhibits in the Application and does not include the Exhibits and/or Appendices to support Selection Criteria items.

REQUIRED RESERVE DEPOSIT: For new construction, assume \$200 per unit per year. For projects other than new construction assume \$300 per unit per year or the amount specified in Physical Needs Assessment required to be deposited to Reserves for Replacement. Notwithstanding the foregoing, if HUD and RD finance the first mortgage, the annual deposit to the Reserves for Replacement may be determined in accordance with HUD or RD policies or regulations. Deposits to the Reserves for Replacement will be regulated and monitored in accordance with the Tax Credit Regulatory Agreement.

RESERVATION: An agreement on the part of the Agency to allocate tax credits at a future date to a Taxpayer, subject to the Taxpayer satisfying the elements of the Qualified Allocation Plan and all conditions established by the Agency with respect to the submission of all documents and information required by the Agency prior to the delivery of Form 8609 to the Taxpayer.

RESERVES FOR REPLACEMENT: A special reserve to be established for each project from which the costs of replacement and repair of the project is to be funded.

RESIDENT MANAGER UNIT: The unit occupied by a full-time resident manager in the project.

REVITALIZATION: To impart new life or vigor for the purpose of redeveloping an area.

RURAL AREA: Any area outside of a metropolitan statistical area (MSA).

RURAL PROJECT: Any project for residential property located in a rural area (as defined in section 520 of the Housing Act of 1949).

SCATTERED SITE PROJECT: A project consisting of buildings containing housing units in which all such units are rent restricted provided that each building is located on a single lot which is subdivided by the local jurisdiction and for which an option to purchase separately may be executed and further provided that a single building may not contain more than two (2) housing units. Evidence of a Scattered Site Project must consist of a subdivision plot or proposed subdivision plot evidencing separate lots for each building. If a Scattered Site Project is located on non-contiguous land, no points will be awarded for Community Facilities.

SERVICES: Benefits made available to the tenants of a Project.

SINGLE PARENT HOUSEHOLD: A household with children in which the parent or guardian of such children resides in the household and in which no other adult resides in such household at initial occupancy.

SITE CHANGE: The addition of any noncontiguous land to the Property Site or the reduction of the Property Site by more than 25% or the addition of contiguous land to the Project Site exceeding 25% of the area of the original Property Site; provided, however, that a Scattered Site Project located in a Redevelopment Area may include additional new sites within the Redevelopment Area if the local governmental unit requests such additional sites prior to a Carryover Allocation of Tax Credits. .

SMALL PROJECT: A project in which the total number of units do not exceed thirty (30) units.

SPECIAL NEEDS HOUSEHOLD: A household which constitutes a Single Parent Household, Large Family Household, a Foster Parent Household, an Elderly Household, a Disabled Household or a Homeless Household.

SPECIAL NEEDS PROJECTS: A Project in which at least twenty-five percent (25%) of the units are set aside for Special Needs Households in accordance with the Tax Credit Regulatory Agreement; provided, however, that a Special Needs Project constituting an Elderly Project must satisfy the requirements of the Fair Housing Act.

SPONSOR: The person(s) owning one hundred percent (100%) of the interests in and who controls the Managing General Partner or Managing Member. A non-profit organization may sponsor another non-profit organization or a for-profit subsidiary entity only if such non-profit sponsor is legally entitled to designate all board members of the sponsored non-profit and/or owns 100% of the stock or ownership interest in the subsidiary as evidenced in the articles of incorporation of the sponsored non-profit or the subsidiary's articles of organization. As this paragraph pertains to PHA's, the PHA must be receiving an Annual Contribution Contract from HUD.

SRO: A Project of single room occupancy providing Supportive Services in dwelling units that do not contain bathrooms or kitchen facilities and are appropriate for use as Supportive Housing.

STAND-ALONE NON-PROFIT: A 501(c)(3) or 501(c)(4) organization or for-profit wholly-owned subsidiary of such organization which serves as the sole general partner of a limited partnership owning a project or the sole and exclusive manager of an LLC which owns the project. The managing agreement must be submitted with Application for LLC-owned projects.

STORM WINDOWS: double paned, double insulated windows.

STUCCO: A durable finish for exterior walls, usually composed of cement, sand, and lime, and applied while wet.

SUBSIDIARY: Any corporation, entity, partnership, venture, syndicate, or arrangement in which a local housing authority receiving an Annual Contribution Contract shall participate by holding a 100% ownership interest or participating in its governance, in which commissioners, officers, employees, and agents of such authority constitute a majority of the governing body of such entity.

SUBSTANDARD: Any housing unit which does not satisfy the Habitability Standards.

SUBSTANTIAL REHABILITATION or CONVERSION: Any rehabilitation in which Hard Costs equal or exceed \$20,000 per unit.

SUPPORTIVE HOUSING: Housing designed to meet the special needs of the targeted special needs households occupying the housing and providing Supportive Services targeted to such special needs households.

SUPPORTIVE SERVICES FOR PSH: The range of services tailored to the needs of the category or categories of persons with special needs occupying housing in which such services are provided. The intensity of services delivered may vary based on the target population and individual needs but, for typical individuals would include an intensive service mix covering these types of services:

- Outreach and engagement
- Support in accessing housing (including assistance with applications, arranging for utilities and arranging for relocation)
- Crisis prevention and intervention
- Support in acquiring skills and knowledge for community living including acquiring benefits and money management
- Providing opportunities for social support and peer support
- Advocacy, clinical case management, clinical interventions
- Facilitating arrangement for child care
- Service Coordination including services of a tenant services liaison
- Arranging access for acute and emergency care
- Mental health and substance abuse treatment
- Linkage to education and employment
- Arranging access to transportation and
- Services tailored to the frail elderly including securing access to meal services adequate to meet nutritional needs, housekeeping aid, personal assistance, and other services essential to a frail elder maintaining independent living.

SUPPORTIVE SERVICES FOR SPECIAL HOUSEHOLDS TYPES OTHER THAN PSH: The range of services tailored to the needs of the category or categories of persons with special needs occupying housing in which such services are provided. The costs of Supportive Services must be specified in the Application and separately identified as an expense item in the operating pro-forma or must be provided by a governmental or non-profit agency which evidences in writing a commitment to provide supportive services to special needs households in the Project without charge. For purposes of this definition, Supportive Services are presumed to be provided if such services qualify under HUD Regulations and if HUD informs the Agency in writing that services evidenced in the Application qualify under HUD regulations. Supportive Services must be provided for a period commencing at the placed in service date of a project and ending not earlier than the end of the tax credit compliance period for a project. A description of Supportive Services must contain minimum supportive services required under HUD regulations for such special needs group and may include:

- Daycare
- After-school programs

- Financial and budgeting seminars
- Job training
- Homebuyer training and seminars
- Supervised recreational activities for children
- Transportation to seminars
- Preventive health care programs/health screening on a regular basis
- Transportation to facilitate access to social services, doctors, shopping
- Computer labs/internet hookup and/or tutors
- Library
- Dry-cleaning and/or laundry
- Grocery pickup and/or delivery
- Continuing education
- Information and senior counseling
- Homemaker/housekeeping
- Meals
- 24 hour security/neighborhood watch programs
- Community pets (cost of care provided by project)
- Community gardening
- Weekly exercise class
- Grandparent mentoring programs
- Weekly "day trips" to shopping centers/specialty shopping
- Reading service and library
- Social and recreational programs planned and overseen by the project manager. (Monthly birthday parties/holiday dinners and/or parties/potluck dinners, movie nights, bingo)

SURPLUS CASH: Any cash remaining at the end of each fiscal year of the Owner after:

1. the payment of : (i) all sums due or currently required to be paid under the terms of (a) the first mortgage and/or the note secured thereby ("First Mortgage") and (b) if applicable, subordinate mortgages with cash flow priority ("Priority Cash Flow Indebtedness") approval by the Agency; (ii) all amounts required to be deposited in the reserve fund for replacements; (iii) all other obligations of the mortgaged property other than the First Mortgage and Priority Cash Flow Indebtedness, unless funds for payment are set aside or deferment of payment has been approved by the Agency; and (iv) the Capital Recovery Payments; and
2. the segregation of: (i) an amount equal to the aggregate of all special funds required to be maintained by the project; and (ii) all tenant security deposits held.

SYNDICATION: The process of acquiring an ownership interest in the Taxpayer by the Syndicator and investing equity in the Taxpayer by the Syndicator.

SYNDICATION COSTS: Costs which are not includable in the tax credit basis for either the low income housing credit or the rehabilitation tax credit nor are allowable for depreciation purposes and which are the costs of syndicating a partnership and its related investment units.

SYNDICATION COST CERTIFICATION: A certification by the Taxpayer and Syndicator on the form provided by the Agency which specified among other information costs or items incurred for the packaging of the investment units and the promotion as an investment, including any marketing of the actual units, the production of any marketing memorandums or promotional materials, the mobilization of any broker/dealers who will sell the investment units and the actual sales commissions paid to the sellers of the partnership (whether they are unrelated third parties

or the individuals who promoted the investment), including due diligence related aspects of the syndication and legal costs associated with the offering, opinions, inquiries as to certain aspects of the syndication, etc.

SYNDICATION PROCEEDS: The funds generated by the Syndicator from investors seeking to acquire tax benefits in Projects through the Syndicator.

SYNDICATOR: The person or agent involved in directly providing equity to the Taxpayer or the person which owns or controls the person providing such equity Syndication Costs.

TARGETED HOUSEHOLDS: The households identified in a Market Study for which the Project will provide housing.

TARGETED PARISHES: Terrebonne, West Baton Rouge, Iberville, Caldwell, East Carroll, Franklin, Madison, Morehouse, Ouachita, Pointe Coupee, Richland, Tensas, West Carroll,

TAX CREDIT REGULATORY AGREEMENT: The form of Tax Credit Regulatory Agreement provided by the Agency pursuant to which the requirements of Section 42 of the Code are satisfied and pursuant to which the Agency enforces the commitments and representations made by the Taxpayer in the Application.

TAXPAYER: The legal entity which will own and operate a project and which will be identified on Form 8609 as the Taxpayer.

TAXPAYER CAPITAL: Amounts other than Gross Equity as evidenced in the audit of the Taxpayer as of the Placed-in-Service Date of the Project as paid-in capital.

TOTAL DEVELOPMENT COSTS: Development Costs plus the cost of land.

ULI: Urban Land Institute.

UNIT: Any accommodation containing separate and complete facilities for living, sleeping, eating, cooking and sanitation. Such accommodations may be served by centrally located equipment, such as air conditioning and heating.

URBAN REDEVELOPMENT AREA: An area or areas (i) which are within a city of 20,000 or more but which are outside of a Qualified Census Tract, (ii) which do not exceed in the aggregate 5% of the geographic area of the city and, (iii) which are specified by a local governmental unit as requiring redevelopment or revitalization pursuant to a Concerted Community Revitalization Plan.

URBAN REDEVELOPMENT PROPERTY: A project which is located within an Urban Redevelopment Area.

VACANT UNIT: A housing unit which is certified by the Developer/Owner and the local jurisdiction to have not been occupied for a period of at least 90 days and which is reasonably expected to remain vacant for an indefinite duration because the unit is substandard.

V. EXHIBITS

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Exhibit A – Section 42 Updates

The Housing and Economic Recovery Act of 2008 implemented a number of reforms to the LIHTC Program as follows:

-Non-federally Subsidized New Buildings: Any new building placed in service by a taxpayer before December 31, 2013 and which is not federally subsidized qualifies for a credit percentage not less than nine percent (9.0%).

-Federally Subsidized Buildings: Federally Subsidized Buildings are only buildings financed with tax-exempt bonds under section 103 of the Code. Any below market Federal loan will not cause a building to be Federally subsidized.

-Increase in Credit For Certain State Designated Buildings: Except with respect to a building financed with tax-exempt bonds under section 103 of the Code, buildings may be designated by the Agency as located in a difficult development area and as requiring an increase in credit in order for such building to be financially feasible as part of a qualified low-income housing project.

-Minimum Rehabilitation Expenditure Requirements: The minimum rehabilitation expenditure during a twenty-four (24) month period required to qualify as a new building or to qualify an existing building for acquisition credits has been increased to the greater of (i) twenty percent (20.0%) of the adjusted basis of a building or (ii) \$6,000 if the qualified basis attributed to such rehabilitation expenditures when divided by the number of low-income units in the building is \$6,000 or more.

-Increase in Allowable Community Space for Small Projects: The Community Service Facility limitation for inclusion of basis of property used to provide services for certain non-tenants has been increased from ten percent (10.0%) to the sum of (i) twenty-five percent (25.0%) of so much of the eligible basis of the qualified low-income housing project of which it is a part as does not exceed fifteen million dollars (\$15,000,000) plus (ii) ten percent (10.0%) of the eligible basis of such project as is not taken into account under (i).

-Clarification of Treatment of Federal Grants: Federal Grants now reduce eligible basis only if any costs of a building is financed with the proceeds of a federal grant.

-Simplification of Related Party Rules: Related Parties are now determined by the application of 50% in Sections 267(b) and 707(b) in determining whether a building is acquired by purchase under Section 179(d).

-Exception to the 10-Year Non-acquisition Period for Existing Buildings Applicable to Federally- or State-Assisted Buildings: Taxpayers may now apply to the Secretary for a waiver of Federally- or State-Assisted Buildings.

-Repeal of Deadwood:

(i) Ten-year rule for an existing building's eligible basis simplified by eliminating non-qualified substantial improvement as measurement benchmark.

(ii) Reference to 167(k) election to preclude such expenditures from eligible basis deleted.

-Repeal of Prohibition on Moderate Rehabilitation: Prohibition of using moderate rehabilitation assistance under section 8(e)(2) of the United States Housing Act of 1937 in connection with a low-income building is repealed.

-Modification of Time Limit To Incur Ten Percent of Project's Costs: Taxpayers now have a full one year period from the date that an allocation was made under the 10% of cost exception to achieve the taxpayer's reasonably expected basis in a project.

-Repeal of Bonding Requirement on Disposition of Buildings: In lieu of discharging a taxpayer from additional tax upon posting a bond upon taxpayer's disposing of an interest in a building, there is no recapture on disposition of a building which continues in qualified use; however, any reduction in the qualified basis of such building for the year of disposition or any subsequent taxable year will toll the statutory period for assessment of any deficiency with respect to such increase in tax for a three year from the date the Secretary is notified by the taxpayer (in the manner the Secretary may prescribe) of such reduction in qualified basis.

-Energy Efficiency and Historic Nature Must Be Taken Into Account in Making Allocations: In addition to other statutory mandated selection criteria in a qualified allocation plan, the energy efficiency of a project and the historic nature of a project must be included within the selection criteria set forth in a qualified allocation plan.

-Students Who Receive Foster Care Assistance: A student who was previously under the care and placement responsibility of the State agency responsible for administering a plan under part B or part E of title IV of the Social Security Act may now occupy a low-income unit.

-Treatment of Rural Projects: Except in connection with bond financed projects, any project for residential property located in a rural area (as defined in section 520 of the Housing Act of 1949) any income limitation measured by reference to area median gross income shall be measured by reference to the greater of area median gross income or national non-metropolitan median income.

-Clarification of General Public Use: A project will not fail to meet the general public use requirement solely because of occupancy restrictions or preferences that favor tenants –

- (A) with special needs
- (B) who are members of a special group under a Federal program or State program or policy that supports housing for such special group, or
- (C) who are involved in artistic or literary activities.

Exhibit B-Construction and Design Standards

GENERAL

These standards establish both general and minimum criteria for the design and construction of housing developments that receive financing assistance from the Louisiana Housing Finance Agency under this QAP.

The Agency requires full conformance with current federal, state and locally adopted building, plumbing, electrical, fire protection, and engineering codes and standards. The Agency also requires full conformance with all federal, state and local regulations regarding zoning and subdivisions, floodplains, wetlands and other environmental concerns.

The Agency recognizes and endorses the Federal *Energy Star Programs*.¹ The Agency also encourages the incorporation of *Universal Design* and *Green Building* design initiatives into the project.² The Agency's standards will complement or supplement national, state or local regulations. In any situation where conflicting standards exist, the more stringent standard will apply.

All construction related contracts shall be in American Institute of Architects (AIA) formats, including the contract between the Applicant and Architect and/or other consulting professionals, the Applicant and General Contractor, and the contracts between the General Contractor and all subcontractors.

All drawings and specifications shall be completed utilizing these standards, and stamped by a licensed architect or professional engineer registered with the appropriate State of Louisiana Licensing Board. All other professionals involved with the project will be responsible to the primary "professional of record." These professionals may include architects, land surveyors, and civil, structural, mechanical, and electrical engineers.

All design and construction shall be done in accordance with the most current edition of the following standards and codes as they may apply:

1. Uniform Federal Accessibility Standards and Section 504 requirements.
2. State of Louisiana Fire Code including various National Fire Protection Association (NFPA, NFPA 101) Codes.
3. State of Louisiana Plumbing and Mechanical Codes.
4. State of Louisiana, Division of Water Supply and Pollution Control, Standards of Design for Sewerage and Water Treatment Systems, Design Standards for Small Public Drinking Water Systems, Department of Environmental Services, Water Well Board Standards.
5. State of Louisiana Energy Code.
6. International Building Code (IBC) current edition as adopted by the State of Louisiana.
7. HUD 24 CFR Part 5 Uniform Physical Conditions Standards.
8. HUD Housing Quality Standards (24 CFR Part 982.401).
9. HUD Requirements for the Notification, Evaluation, and Reduction of Lead- Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance (24 CFR Part 35).

¹ Energy Star website – www.energystar.gov

² Universal Design website – www.aarp.org/families/home_design
Enterprise Foundation website – www.greencommunitiesonline.org
Green Building Council website – www.usgbc.org

10. Energy Star Program Standards relating to indoor air quality, HVAC systems, insulation, lighting and appliances.

I. Construction Compliance and Monitoring Criteria for Syndicated Tax Credit Transactions

Construction documents

Not more than 45 days prior to the commencement of construction the applicant must submit to the agency the following:

- Complete plans and specifications in electronic PDF format.
- Construction contract, complete with timeline and schedule of values. The Agency recommends the use of AIA Document 101.
- Certification by Architect of plans and specifications.

The Agency shall review the plans and specifications for compliance with minimum threshold requirements selection criteria requirements and applicable minimum building codes. Within 30 days of receipt, the Agency will notify developer if there are of any concerns or the need for clarity. Notwithstanding the Agency review, the applicant remains responsible and accountable for compliance with applicable IRS and LHFA rules and regulations.

Building permits

Copies of all building permits shall be submitted to the Agency when available. Should building permits not be available at the start of construction the applicant may submit a "will issue" letter from the local jurisdiction stating that building permits will be issued once certain requirements are met.

Construction monitoring and compliance

The Agency will make periodic site inspections during the course of construction to verify conformance with the plans and specifications Ad selection criteria requirements.

The applicant shall submit to the Agency the following:

Notice to Proceed

Monthly application for payment certified by the Architect and/or project manager and the applicant. The Agency recommends the use of AIA Document G702 and G703. The submission of monthly applications for payment is intended for monitoring progress and does not require Agency approval to release payment.

A copy of all change orders to monitor changes to the plans and specifications and the schedule of values. All change orders shall be submitted with monthly applications for payment. The Agency recommends the use of AIA Document G701. The Agency shall not have the authority to approve change orders, but will review change orders to ensure compliance with minimum threshold and selection criteria requirements. The Agency shall immediately notify the applicant if it determines that the change orders submitted conflicts with the minimum threshold or selection criteria requirements.

The Agency shall notify the applicant, in writing, of any scheduled inspections and the applicant must have a representative present during such inspection. During each scheduled inspection the Agency shall verify compliance with the plans and specifications, minimum threshold requirements, and selection criteria requirements. The Agency will notify the applicant immediately upon discovery of allege non-compliance and request that the applicant take appropriate corrective action.

CONSTRUCTION Completion

At construction completion the applicant shall submit the following:

Without comments as of July 6, 2010

- Certificate of Substantial Completion. The Agency recommends AIA Document G704.
- Certificate of Occupancy(s) if applicable.

Prior to issuance of IRS form(s) 8609, the Agency will perform their final inspection to verify compliance with plans and specifications, minimum threshold requirements and selection criteria requirements.

Within 30 days of receipt of the above referenced items, the Agency shall schedule a final inspection. Should the Field Report show that the project is in compliance, the Agency will proceed with issuance of 8609. Should the Field Report describe issue(s) of non-compliance, the Agency will immediately notify the applicant. Once the applicant has addressed the non-compliant issue(s) and notifies the Agency via written communication that all reported issues have been addressed, the Agency shall issue the 8609(s).

II. Construction Compliance and Monitoring Criteria for 100% Exchange Funded Transaction

CONSTRUCTION DOCUMENTS

The Applicant, prior to entering into a binding construction contract, may make arrangements with the Agency to have staff review the construction documents for completeness. Agency staff may review preliminary information about the proposed site and construction plan, and may assist in identifying potential problems prior to the execution of the construction contract. It is suggested that local code and fire prevention officials review the property prior to submission of final plans.

Buildings constructed prior to 1978 should be tested for lead-based paint hazards via risk assessment by a Louisiana licensed risk assessor unless all paint films will be assumed to contain lead and will be removed during construction. Soil testing for lead-based paint hazards will be required prior to submission of preliminary plans for the rehabilitation of any building constructed prior to 1978.

When submitting plans to the Agency, it is suggested that drawings be 11" X 17" in size and must also be in **pdf** digital format. The plans for new construction shall include the following, but shall not be required for rehabilitation developments.

A. Cover Sheet

1. Proposed building(s) by type, size and construction type as defined by IBC.
2. Project name and participants; including the names of the financing institutions, developer, architect, and consulting engineers.
3. Certifications by Architect or "Professional of Record" (see attachments IV and V.
4. Dwelling unit distribution by floor, size, bedroom/bath number and handicapped designation.
5. Square footage breakdown between commercial, residential, community and other usage in the development.
6. Number of parking spaces, parking ratio proposed and required by zoning.
7. Dwelling units per acre proposed and allowed under zoning.

8. Floor/Area Ratios (FAR).
9. Height restrictions (if any).
10. Percentage breakdown of the tract to be occupied by buildings, by parking and other paved vehicular areas, and by open areas.

B. Site Plan

1. Physical location of the development; including a vicinity map.
2. Civil Drawings that include Lot lines, streets, existing buildings.
3. Proposed building footprint, parking, site improvements and general dimensions.
4. Adjacent buildings' footprints, heights.
5. Zoning restrictions (e.g. setback requirements, easements, height limits, etc.).
6. Environmental constraints (e.g. wetlands edge, ledge, existing vegetation, aquifer protection zones.).
7. Proposed site improvements including landscaping, fences, paving, retaining walls, etc.
8. Approval of stamped site plan by local jurisdiction.
9. Location of test borings, with boring reports.

C. Floor Plans

1. All floor plans; or if repetitive, a typical floor-plan.
2. Typical dwelling unit furniture layout with square foot tabulations.
3. Typical unit and accessible unit plans with elevations and dimensions. ADA compliant units shall be dispersed throughout a project to the greatest degree feasible

D. Exterior Elevations, Perspective and/or Photographs

1. Typical unit and accessible unit plans with elevations and dimensions. ADA compliant units shall be dispersed throughout a project to the greatest degree feasible.

E. Typical Building, Wall and Floor Sections

1. Building materials, construction type, insulation levels with tabulation of R values.
2. Wall sections and floor/ceiling assemblies, with fire ratings, UL # and STC ratings.

F. Civil, Landscape, Structural, Mechanical, and Electrical Drawings as necessary.**GENERAL-CONTRACTOR SELECTION PROCESS****A. Competitive Bid**

This is the preferred method, where the Applicant contracts with a registered Architect for standard architectural services that include construction management and preparation of bid-documents. Once the bid-documents are completed and advertised, sealed bids shall be accepted for the selection of a General Contractor. There shall be a minimum of three (3) bids. The Applicant shall award the contract to the lowest bidder, provided that the lowest bid meets all requirements specified in this QAP, as well as those of the bid-documents. If the lowest bid is deemed unacceptable, the Applicant may select the next lowest bidder. If there are other circumstances that prevent the selection of the second lowest bidder, re-bidding will be required.

B. Design-Build or Negotiated Contract with a General Contractor

If a Design-Build or negotiated contract is proposed, the Applicant shall also enter into contract with a **Project Manager (PM)** for construction management services to act as an "independent agent" on behalf of the Applicant. The contract between the Applicant and PM shall be AIA format.

The Design-Build entity shall use the competitive bid process for selection of all subcontractors.

C. Exemptions

Applicants that have in-house project management services or applicants that have in-house construction services do NOT have to enter into contract with a Project Manager -- this includes applicants who are also licensed general contractors. Verifiable documentation such as the applicant's contractor's license number must be submitted to the Agency.

BONDING

All construction projects consisting of eleven (11) or more units will require a 100% **Payment and Performance** bond from a qualified U.S. bonding company, or a letter of credit valued at 15% of the total construction loan. If a letter of credit is used it must be kept in place until lien free completion.

For projects of ten (10) or fewer units the Agency may, at its discretion, require a 100% Payment and Performance bond, a letter of credit valued at 11% of the construction loan amount, or other security deemed appropriate.

CONSTRUCTION MONITORING

In order for the Agency to effectively monitor construction progress, the Applicant shall submit:

A. Schedule of Values

Prior to the start of construction the Applicant shall submit to the Agency a "Schedule of Values" that uses AIA and/or CSI format.

B. Initial Application for Payment

Administrative actions and submittals that must precede or coincide with submittal of the first application for payment include:

Schedule of Values per above.

Copies of building permits or letter from local jurisdiction stating permits will be provided once certain requirements are met.

Copies of licenses from governing authorities. (If applicable)

Certificates of insurance and insurance policies.

Performance and Payment bonds or 15% LOC

C. Monthly Applications for Payment

Each monthly application for payment shall be consistent with previous applications and payments as certified by the Architect and/or Project Manager, and paid for by the Applicant. The form shall be *AIA Document G702* and *G703*, and shall adhere to the following:

1. *Application Preparation:* Complete every entry, including notarization and execution by a person authorized to sign on behalf of the Applicant. Entries shall match data on the schedule of values. Use updated schedules if revisions have been made.
2. *Transmittal:* Submit an executed copy of each monthly application. Copies shall include waivers of lien and similar attachments. With each application, submit waivers of lien from the General Contractor prior to release of any payment.
3. *Progress Payments:* The Applicant will agree that the total contract price shall be paid in one or more progress payments based upon the value of the work satisfactorily

completed at the time the progress payment is made. Such progress payments shall be disbursed on a monthly basis, after inspection and approval of the work by the Applicant and/or duly authorized representative, less a holdback of 10% of the price of the work completed. Prior to receiving any progress payment, the contractor or construction manager shall furnish the Applicant with AIA Document G702, Application and Certificate for Payment Owed to Date, for the materials and labor procured under this contract. A registered architect or professional of record must personally sign each application form.

4. *Retainage*: There shall be a ten (10) percent retainage for each Application for Payment. Upon completion of a final "punch-list", and acceptance of the work by the Applicant and the Agency, and compliance by the General Contractor or Design-Build entity of all contract terms, all amounts due shall be paid including the retainage. Partial completion of a project shall not entitle the General Contractor to partial release of remaining retainage. Final payment shall not be made until the Applicant delivers to the Agency a complete release of all liens arising out of the contract, or payment receipts in full covering all labor and materials for which a lien could be filed.
5. *Withholding of Payment*: Payments otherwise due may be withheld on account of defective work not remedied, liens filed, damage by the contractor or construction manager to material or labor, material removed from site, or for failure to make payments properly to subcontractors and/or agents.

D. Change Orders

Change Order Requests

The Agency shall receive a copy of all Change Order requests. A Change Order request is for information only and shall not be considered as instruction to stop work in progress, or to execute the change. The request shall use *AIA Document G709*.

Change Orders

Change Orders shall use *AIA Document G701*. All changes from the original contract shall be in writing and approved by the Agency. Claims for extra cost must be made in writing to the Agency for approval before executing the work involved.

E. Progress Meetings

Notify the Agency of day and time of all monthly and/or weekly progress meetings. Submit to the Agency copies of minutes of all progress meetings.

F. Product Substitution

Requests for changes in products, materials, equipment, and methods of construction required by contract documents proposed by the Applicant after award of a construction contract between the Applicant and a General Contractor are considered requests for "substitutions".

The following are not considered substitutions:

Substitutions requested during the bidding period, and accepted prior to award of contract through the issuance of an Addendum.

Revisions to the construction documents requested by the Applicant.

Specified options of products and construction methods included in the construction documents.

Compliance with governing regulations and orders issued by governing authorities.

The submittal and acceptance of shop drawings, product data or samples that relate to construction activities not complying with the contract documents does not constitute an acceptable or valid request for substitution, nor does it constitute approval.

G. Substantial Completion

1. The Application for Payment that coincides with the date substantial completion should show 100% completion for the portion of the work claimed to be substantially complete.
2. Submit copies of all warranties, workmanship bonds, maintenance agreements, final certifications and similar documents, including occupancy permits from local jurisdiction.

H. Final Acceptance

Provide copies of the following:

1. Final payment request with final lien releases.
2. Executed *AIA Form G704, Certificate of Substantial Completion*.
3. Architects certification that "punch-list items" have been completed.
4. Written certification of final approval of the project by the Architect and all engineers of record (civil, structural, mechanical, and electrical).
5. Certified as-built site survey.
6. Architect's certification that Section 504, Fair Housing, and other applicable accessibility requirements have been satisfied.
7. Written approval from local building/zoning department.
8. Written one year warranty.
9. Proof that taxes, fees and similar obligations have been paid.

I. WAIVERS

The Agency recognizes that due to unique or unusual circumstances in the real estate and construction industries, strict application of the Agency's requirements may cause an undue burden. The Agency's Board and/or President or designee may, for good cause, waive provisions as appropriate.

DESIGN STANDARDS

These standards are for new construction, adaptive reuse and or rehabs in which the Agency's architect, in consultation with the Agency's contracted underwriter, determines that such standards may be applied to produce substantial benefits attributable to reduce deposits to reserves for replacement and/or reductions in operating expenses. The goal is to establish a basis for providing safe, sanitary, cost effective, energy efficient, sustainable, and decent housing. The standards are meant to enhance and/or compliment existing local, state, and federal construction guidelines. The project should adhere to the design standards outlined by HUD's "Affordable Housing Design Advisor" (<http://www.designadvisor.org/home.html>)

A. General

Drawings must be stamped by a licensed professional architect or engineer registered in the State of Louisiana.

Hazardous materials, when discovered, shall be abated in conformance with applicable local, state and federal law. The Agency requires total and complete abatement of both the interior and exterior for all lead-based products. In the case of a building with both commercial and residential uses, complete abatement of the entire building exterior shall be required, regardless of the designated use. Manifests will be required when hazardous materials are being disposed of.

A review of the development site by an environmental scientist may be required by the Agency. At the discretion of the Agency, a Phase I, Phase II and abatement plan may be required prior to final commitment.

Accessible dwelling units shall be designed and constructed to Dept. of HUD 24 CFR Chapter I Fair Housing Accessibility Guidelines, and/or Dept. of HUD 24 CFR Part 8 non-discrimination in federally assisted programs (504 Uniform Federal Accessibility Standards)

and/or in conjunction with the State Building Code. Fair Housing laws provide that failure to design and construct certain residential dwelling units to include certain features of accessible design will be regarded as unlawful discrimination. In the case of a conflict between different accessibility codes or regulations, the more stringent, as determined by the Agency, shall apply.

Non-toxic treatment for termite control is required.

B. SITE

1. Sensitive treatment and/or preservation of any existing natural or man-made amenities such as mature trees, natural foliage, surface contours, streams, ponds, landmarks, etc.
2. Developments consisting of 50 units or more must have a site-office of at least 200 square feet adequate to provide an opportunity for on-site management.
3. Developments of 100 units or more must have a structure and/or space designated for community space. Applicant will receive additional points for other amenities such as basketball courts, pools, patios, and pick-nick areas that will enhance the quality of life for the residents.
4. Family developments consisting of 50 units or more must have an appropriate on-site playground area. Plans and specifications for the playground area must show the design, layout, size, fencing, and equipment to be installed
5. Properly engineered grading and storm drainage to ensure against flooding or standing surface water.
6. Preservation and integration of existing grade-changes that enhance the landscape.
7. Materials that are sustainable and avail ease of maintenance.
8. Landscaping and planting which is practical, drought resistant, and native to the area. Drawings shall include fully developed grading and landscaping plans stamped by a licensed landscape architect or engineer. If an irrigation system is used, it must be designed to use all available retained storm water runoff before utilizing other water sources.
9. Site-lighting that enhances visibility for parking facilities, walkways, and traffic lanes, and is not obtrusive to onsite tenant units or surrounding properties.
10. Common areas (site office, community space, playgrounds, etc.) shall be on an accessible route and shall be designed for use by the disabled.
11. The use of permeable paving and pavers for parking lots and walkways that allow water retention on site is encouraged.
12. Storage shed(s), with architectural finishes that match or exceed those of the main structure(s).
13. Adequate fencing at all areas that pose a safety hazard, as well as serve as physical and visual separation from areas where garbage and/or waste is stored and/or collected.
14. A construction project-sign shall be erected in a visible location on the job site as soon as possible after a "notice to proceed" is issued to the General Contractor or Design Builder (see Attachment III).

C. INSULATION AND MOISTURE PROTECTION

Installation methods for insulation and requirements for air sealing shall follow the most current Energy Star Program Standards. Innovative energy systems such as "radiant barriers" are encouraged. For new construction as well as renovations, the following **minimum** requirements shall apply:

1. Exterior walls: R-21.
2. Roof/ceiling assemblies: R-25.
3. Floors above unconditioned spaces: R-21.
4. HVAC ducts, energy & heat recovery ducts and local exhaust ducts in conditioned spaces: R-6.

5. HVAC ducts, energy & heat recovery ducts and local exhaust ducts in unconditioned spaces: R-8.
6. Heating and conditioned air duct joints are to be sealed with mastic if using duct board or metal duct..
7. Door and window perimeters and air gaps in all surrounding framing shall be sealed with a non-expanding foam product.
8. Building wrap shall have a built-in drainage plane. All building wrap and vapor barrier seams shall be taped.
9. All roof coverings (shingles, rubber, metal, etc.) shall have a minimum 30 year warranty.
10. Metal drip edge shall be provided at entire roof perimeter.
11. Roofing felt shall be 30# weight minimum.

D. INTERIOR

1. Consideration must be given to solar and prevailing wind orientation to maximize natural ventilation and lighting.
2. Entrances must be protected from the elements by canopies, covered entrance-ways and/or porches.
3. Overhangs and eaves that protect exterior openings and walls are encouraged.
4. Porches, covered walkways, and/or stoops are encouraged.
5. Bedrooms are to have adequate closet space, and at least one window which complies with current NFPA Life Safety Code egress requirements. **Minimum** dimensions of bedrooms (excluding closet space) are as follows:
 - a. Primary bedroom - 10' x 12'
 - b. Secondary bedrooms - 8' x 10'
6. New operable windows must be single or double hung, awning or casement, have a half or full screen, and meet current AAMA standards or at a minimum AAMA-101/I.S.2-97. Windows shall be Energy Star rated, with a U-Factor less than or equal to .30, as determined by the NFRC (National Fenestration Ratings Council). Warranty period to be minimum of 5 years for both components and glass seal.
7. All bath areas to have moisture resistance gypsum board.
8. When metal stud wall framing is used, 2x treated wood-reinforcing members shall be installed at the perimeter of all dwelling unit interior and exterior openings, including cased-openings.
9. Lever style hardware shall be provided on all interior and exterior doors of all handicap equipped units.
10. Handicap equipped units shall be provided with a shower and fixtures that meet all ADA requirements.
11. Buildings that have an elevator shall provide a generator capable of providing backup power in case of an emergency.

PLUMBING SYSTEMS

1. Lever style handles shall be provided for all plumbing fixtures in all handicap equipped units.
2. Low flow shower heads and faucets shall be required.
3. 1.6 GPF High Efficiency Toilets shall be required.

MECHANICAL SYSTEMS

1. Thermostats shall be provided with enlarged numbers and scale for easy reading.
2. Central air conditioning shall have a minimum Seasonal Energy Efficiency Ratio rating of 14.
3. Exhaust fans in baths and kitchens shall be ducted to the exterior of the building. When fans are ducted to a common duct within the dwelling unit, the common duct shall be required to be mechanically exhausted to the exterior of the building.

ELECTRICAL SYSTEMS

1. All living units shall be provided with appropriate wiring capable of providing residents with cable access to the internet. A receptacle outlet shall be provided at each telephone jack.
2. Wall switches shall be provided for fan and light on all kitchen range hoods in all handicap equipped units.
3. All interior and exterior lighting shall be Energy Star certified.
4. All dwelling units shall include a combination fire and CO2 alarm unit and meet all applicable fire codes.

NEW CONSTRUCTION SCATTERED SITE PROJECTS

Local city or parish zoning ordinances shall govern subjects such as minimum lot size, side yard, front yard and back yard setbacks. Each Application must evidence the prevailing local ordinance with a letter attached hereto as an Appendix labeled "Local Code Compliance Letter" that states that the proposed development meets all zoning requirements. Applications regarding projects built in Parishes or jurisdictions without zoning ordinances must include, as an appendix, a letter from the local governing authority stating that there are no zoning laws or building codes applicable to the Project. Where zoning laws or ordinances are absent, the following lot sizes and minimum setbacks will take precedent, if and only if the new development is connected to the city sewer system. In Rural areas where there is no local zoning ordinances each residential unit shall have a setback of not less than twenty feet (20') from the front lot line, not less than twenty feet (20') from the rear lot line and not less than a ten feet (10') side yard setback on one side and twenty feet (20') on the other side. In rural areas, lot sizes shall be a minimum of one quarter (1/4) acre or 10,890 square feet. If the new project is not tied into the city sewer system and each site utilizes a well/septic system, then each lot must be one full acre in size. The same minimum setbacks would prevail. Due to fire safety, there will be no exceptions to the setbacks required. Response time to fires in rural areas is critical and fire trucks must be able to traverse between buildings.

MISCELLANEOUS

Provide large building and apartment identification numbers (6" high minimum).
All appliances shall be Energy Star certified.

ATTACHMENT I

DELIVERABLES

In addition to the documents outlined previously in this QAP, where applicable, Applicants shall deliver the following documents at the appropriate time when requested by the Agency, and/or as outlined in this QAP:

A. ORGANIZATIONAL DOCUMENTS:

- 1) Limited Partnership (Applicant): _____
 - a. Initial Limited Partnership Agreement
 - b. Certified Certificate of Limited Partnership
 - c. Certificate of Good Standing
 - d. Tax I.D. # _____
- 2) General Partner – LLC (Applicant): _____
 - a. Certified Certificate of Formation
 - b. Limited Liability Company Agreement
 - c. Certificate of Member (re: LLC Agreement and Member Resolutions)
 - d. Certificate of Good Standing
 - e. Tax I.D. # _____
- 3) Applicant and Guarantor:
 - a. Certified Articles of Agreement
 - b. By-Laws
 - c. Certificate of Good Standing
 - d. Certificate of Secretary re: Resolutions/Authorization/By-Laws
 - e. Tax ID # _____
 - f. Financial Statements
 - g. 501(c)(3) status

B. TAX CREDIT DOCUMENTS:

- 1) *Evidence of Low-Income Housing Tax Credit*
- 2) *Application for Low Income Housing Tax Credits*
 - a. Tax Credit Reservation

C. CONSTRUCTION/ PERMANENT FINANCING DOCUMENTS:

- 1) **Construction Loan** from _____ (\$ _____)
 - a. Commitment Letter

- b. Construction and Permanent Loan Agreement
- c. Promissory Note
- d. Mortgage Deed and Security Agreement
- e. Collateral Assign. of Approvals, Licenses, Permits, Agreements, Warranties and Approvals
- f. Collateral Assignment of Leases and Rents
- g. Collateral Assignment of Construction Contract
- h. Collateral Assignment of Architect's Contract
- i. Guaranty from _____
- j. Environmental Indemnity Agreement
- k. UCC-1 Financing Statements
- l. Multi-Party Agreement

2) LHFA – HOME

- a. Commitment Letter
- b. Promissory Note
- c. Mortgage and Security Agreement
- d. Absolute Assignment of Leases and Rents
- e. Construction Loan Agreement
- f. Regulatory Agreement
- g. HOME Land Use Restriction Agreement (LURA)
- h. Disclosure of Finance and Other Charges
- i. Intercreditor Agreement

- 3) Permanent Loan – \$ _____ (____ % / ____ yr term / ____ yr amortization)
Commitment Letter dated _____

- 4) _____ Loan (Construction/Permanent) – \$ _____
(AFR / ____ yrs)

- a. Promissory Note
- b. Mortgage and Security Agreement
- c. 399-B Disclosure

- 5) CDBG Loan (Construction/Permanent) – \$ _____ (0% / ____ yrs)
Grant Agreement between City of _____ and _____ dated _____

- a. Sub-recipient Agreement between City of _____ and _____
- b. Mortgage Deed
- c. Promissory Note

F. REAL ESTATE DOCUMENTS:

- 1) Appraisal
- 2) Rental Market Study
- 3) Warranty Deed

G. TITLE AND SURVEY DOCUMENTS:

- 1) Title Insurance Commitment \$ _____ million
 - a) Fairways **and** Non-Imputation Endorsements
 - b) Additional Endorsements as required
- 2) Copies of all Encumbrances
- 3) Easements
- 4) _____ UCC Search:
 - a. Limited Partnership
 - b. Developer & Guarantor
 - c. General Partner
- 5) Survey & Surveyor's Certificate
- 6) Legal Description Title and Survey same

I. CONSTRUCTION DOCUMENTS:

Contractor: _____

- a. Construction Contract dated _____
- b. Construction Schedule
- c. List of Subcontractors
- d. Schedule of Values
- e. Performance Bond
- f. Payment Bond
- g. Dual Obligatee Rider
- h. Certificate of Liability Insurance
- i. Building Permits
- j. Notice to Proceed

1) Architect: _____

- a. AIA Contract for Architectural Professional services
- b. Assignment of Contract (if applicable)
- c. Architect Liability Insurance (LP and Equity Fund) to be identified as "certificate holder"
- d. Drawings & Specifications
- e. Approved Site Plan as signed by the City
- f. Geotechnical Report

- 3) Environmental Report, Phase I by _____
- 4) Reliance Letter from Environmental Consultant to Equity Fund
- 5) Asbestos and Lead Paint Survey (if renovation)
- 6) LP's Insurance – Certificates in accordance with NNEHIF requirements
 - a. Liability
 - b. Builder's Risk

J. TENANT/LEASE DOCUMENTATION:

- 3) Property Management Agreement
- 4) Management Plan
- 5) Tenant Selection Plan (Reasonable Accommodation Policy)
- 6) Affirmative Fair Housing Marketing Plan
- 7) Lease Agreement

K. POST CONSTRUCTION CLOSING DOCUMENTS:

- 1) Applicant's Title Insurance Policy (in conformance with approved Title Commitment)
- 2) Copies of all title encumbrances and exceptions (as recorded).
- 3) 2008 LIHTC Carryover Allocation Agreement dated _____
- 4) 10% test by _____, 2010

L. PERMANENT LOAN CLOSING DOCUMENTS:

- 1) Unconditional Certificate of Occupancy for each unit
- 2) Architect's Certification re: Substantial Completion
- 3) Accountants Cost Certification
- 4) IRS Form 8609
- 5) As-Built Survey & Updated Surveyors Certificate
- 6) Title Insurance Policy - Updated
- 7) Property and Liability Insurance
- 8) Requisitions (copies of all)
- 9) Executed FINAL lien waiver from General Contractor
- 10) Closing Statement
- 11) General Partner's Certificates from LP Agreement

ATTACHMENT II

Guidelines for Temporary Construction Signage of LHFA-financed Projects

Signage should adhere to the following guidelines:

PROJECT TITLE	
APPLICANT/DEVELOPER	
ADDRESS/CONTACT INFO	
ARCHITECT/ENGINEER	
OTHER CONSULTANTS	
GENERAL CONTRACTOR/DESIGN BUILD CO.	
(second line)	
Sign Dimensions: 4' x 8' Plywood Panel (3/4" – APA Rated, A-B Exterior)	Financed by: LOUISIANA HOUSING FINANCE AGENCY <i>"The American Dream. Louisiana's Dream. Our Dream For You"</i> 

Logo artwork and color specs as determined and furnished by the Agency

LHFA reserves the right of approval for any signage prior to its placement.

ATTACHMENT III

ARCHITECT'S CERTIFICATION

Development Name: _____

LHFA No.: _____

Check Appropriate Type: _____ New Construction _____ Renovation _____
Other

_____ Elevator _____ Non-Elevator

I, _____, to the best of my knowledge and professional
(Architect's Name, Printed)
 judgment, do hereby certify to the following:

1. The referenced development contain(s) _____ () complete residential units.

2. _____ have (has) no interest in a proprietary system
(Architectural Firm)
 of construction, patented building design or business that manufactures materials specified for the _____.
(Development Name)

3. The drawings and specifications submitted under this QAP are for the development identified above.

4. The drawings and specifications have been titled _____
(Development Name)
 and stamped with my seal as the Architect responsible for their preparation and are more particularly described as follows:
 Drawings consisting of _____ sheets, dated _____, 20____, designated as LHFA Development No. _____.

Specifications consisting of _____ pages, dated _____
 20____,
 Revision _____ Dates: _____

Addenda:

No.: _____	Date: _____	No. of Pages: _____
No.: _____	Date: _____	No. of Pages: _____
No.: _____	Date: _____	No. of Pages: _____

5. The proposed work described by these drawings and specifications are, to the best of my knowledge, in compliance with all applicable zoning, building, housing and other Federal, State and Local laws, codes, ordinances and regulations, including, but not limited to, all applicable accessibility standards, all HOME Program requirements, the PHFA Submission Guide for Architects

or Local standards, where more restrictive, as modified by waivers obtained from the appropriate officials.

The following waiver(s) of zoning ordinance, codes, etc., were obtained (include attachments as necessary):

By: _____

License Number: _____

Firm: _____

Title: _____

Date: _____

Attach a list of the drawings, listing **each** drawing sheet.

Accepted for LHFA by: _____

ATTACHMENT IV

ARCHITECT'S CERTIFICATION OF COMPLIANCE WITH DESIGN REQUIREMENTS FOR ACCESSIBLE HOUSING

Project: _____ **LHFA No.:** _____

Check Appropriate: _____ New Construction _____ Substantial Renovation
 _____ Other
 _____ Moderate Renovation
 _____ Townhouse _____ Elevator
 _____ Walk-Up Apartments _____ Non-Elevator
 _____ Low-Rise

To the best of my knowledge and belief, I certify that I have designed the referenced project in conformance with the following rules and regulations as they apply to this development and as amended by Federal, State and Local authorities.

CHECK ALL THAT APPLY

1. The Fair Housing Act of 1988
Fair Housing Design Manual
2. ANSI A117.1 (2003)
3. International Building Code
4. Uniform Federal Accessibility Standard (UFAS)
of the Architectural Barriers Act of 1968
5. Section 504 of the Rehabilitation Act of 1973
6. Americans with Disabilities Act
Accessibility Guidelines (ADAAG)
7. Any other State or Local code or regulation pertaining
to design or inclusion of rental housing accessibility features
(Include name of locality and citation for applicable requirements)

APPLICABLE

In reference to the above, I hereby further certify as follows:

The project contains a total of _____ rental dwelling units.

Of this total, _____ units are accessible (as set forth in 24 CFR Part 8).

Of this total, _____ units have been designated to be adaptable as defined in

_____.

Of this total, _____ units have been designed to include features for individuals with hearing or vision impairment as defined in:

ARCHITECT:

Name (*printed*): _____

Firm:

Signed: _____

Date:

(To be signed by an authorized officer of Architectural firm)

Acknowledged and accepted by Applicant or Developer:

Name (*printed*): _____

Signed: _____ Date: _____

Glossary

AIA – The American Institute of Architects

Applicant -- Any entity, person, or affiliate of a person who files a Pre-Application or an Application with the Agency requesting a Housing Tax Credit Allocation in response to this QAP.

Application -- A response to this QAP submitted by an Applicant in the form prescribed by the Agency, including exhibits or other supporting material.

Application for Payment – The General Contractor's written monthly request for payment of amount due for completed portions of the work.

Application Round -- The period beginning on the date that the Agency begins accepting Applications in response to this QAP, and continuing until all available Housing Tax Credits from the State Housing Credit Ceiling (as stipulated by the Department) are allocated, but not extending past the last day of the calendar year.

Architect -- An individual or entity licensed by the state of Louisiana to practice Architecture, as defined by the Louisiana Architectural Licensing Board. For purposes of this QAP, the architect is the consultant that enters into a contract with the Applicant and/or Developer.

Bid -- An offer to perform the construction work described in the construction bid documents at a specified cost and/or a specified length of time.

Bid Bond -- A form of bid security executed by a bidder as principal and by a surety.

Bid Documents -- The drawings, specifications, and addendums that are used to formulate a bid from a qualified General Contractors for the construction work specified in the bid documents.

CSI -- Construction Specification Institute.

Construction Documents -- The architectural and engineering drawings (including landscaping and furniture and/or fixture layouts), specifications, addendums, and change orders used for construction of a new Development, or the adaptive reuse and/or addition to an existing facility.

Design-Build -- A "project delivery system" where the design and construction aspects are contracted for with a single entity known as the **design-builder** or **design-build contractor**. The design-builder is usually the General Contractor, but in many cases can be the design professional (architect or engineer). This system is used to minimize the project risk for an owner and to reduce the delivery schedule by overlapping the design phase and construction phase of a project. The major characteristic of the Design-Build method is that the design professionals are retained directly by the design-builder instead of the Owner/Applicant.

General Contractor -- An individual or entity licensed by the Louisiana Contractors Licensing Board to perform construction work. A General Contractor contracts for the construction or Rehabilitation of an entire Development, rather than a portion of the work. The individual or entity hires subcontractors, such as plumbing contractors, electrical contractors, etc., coordinates all work, and is responsible for payment to the subcontractors. This party may also be referred to as the "contractor."

Liquidated Damages -- A provision in a construction contract stipulating the amount of damages recoverable in the event of a specified breach of contract (e.g. late performance).

Notice to Proceed -- Written communication issued by the Applicant or Developer to the General Contractor authorizing to proceed with the work stipulated in the construction contract; thus establishing the date of commencement of work.

Payment Bond -- A bond of the General Contractor in which a surety guarantees that the General Contractor will pay for labor and materials used in the performance of the construction contract. The claims under the bond are those having direct contract with the General Contractor or subcontractor(s). Sometimes referred to as a "Labor & Material Payment Bond"

Performance Bond -- A bond of the General Contractor in which a surety guarantees that the construction work will be performed in accordance with the Contract Documents.

Project Manager -- An individual or entity that administers a construction project by acting as the Applicant's agent. Some of the duties include review and approval or denial of payment applications, review and reporting of construction progress, and evaluation and approval or denial of proposed changes. For most construction projects, the Architect is also the Project Manager. Sometimes referred to as the Construction Manager.

Property -- The real estate and all improvements thereon which are the subject of the Application (including all items of personal property affixed or related thereto), whether currently existing or proposed to be built thereon in connection with the Application.

QAP -- Qualified Allocation Plan.

Retainage -- A sum withheld from progress payments to the General Contractor by the Applicant in accordance with contractual terms.

Schedule of Values -- A statement furnished by the Applicant to the Agency reflecting the portions of the construction contract sum allotted for the various parts of the work and used as the basis for reviewing the General Contractor's application for payments.

Tax Credit Regulatory Agreement: The form of Tax Credit Regulatory Agreement provided by the Agency pursuant to which the requirements of Section 42 of the Code are satisfied and pursuant to which the Agency enforces the commitments and representations made by the Taxpayer in the Application.

Universal Design -- The design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized design.

DRAFT

Exhibit C- Compliance Monitoring Agreement**I**

WHEREAS, the undersigned taxpayer-owner (the "Owner") of the qualified low-income buildings and/or project described in **Exhibit A** hereto acknowledges and agrees that, pursuant to §42(l) of the Internal Revenue Code of 1986, as amended (the "Code"), the Secretary of Treasury (the "Secretary") may require certifications concerning information in such form and such manner as the Secretary prescribes with respect to any qualified low-income building under §42 of the Code; and

II

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

III

WHEREAS, the Housing Credit determined under §42 of the Code is allowable only to the extent that the Owner 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 §42(h)(4)(B) of the Code; and

IV

WHEREAS, under §42(m)(1)(A) of the Code, the Housing Credit for any building is zero unless the amount was allocated pursuant to a qualified allocation plan (the "Allocation Plan") of the Agency; and

V

WHEREAS, under §42(m)(1)(D) of the Code, the Housing Credit for any project qualifying under §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

VI

WHEREAS, under §42(m)(1)(B)(iii) of the Code, an allocation plan is not qualified unless it contains a procedure that the Agency (or an agent of, or private contractor hired by, the Agency) will follow in monitoring compliance with the provisions of §42 of the Code and notifying the Internal Revenue Service (the "IRS") of any non-compliance of which the Agency becomes aware; and

VII

WHEREAS, §42(m)(1)(B)(iii) of the Code 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

VIII

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 §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 in Section 1.42-5 of the Treasury Regulations (the "Compliance Regulations"); and

IX

WHEREAS, the Compliance Regulations provide that a procedure for monitoring for non-compliance under §42(m)(1)(B)(iii) must include the following:

- A. Record-keeping and Record Retention Provisions;
- B. Certification and Review Provisions;
- C. Inspection Provisions; and
- D. Notification of Non-Compliance Provisions.

X

WHEREAS, pursuant to the Record-keeping provisions of §1.42-5(b)(1), the Agency must require the Owner to keep records for each qualified low-income building that show for each year in the compliance period:

- (i) the total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit);
- (ii) the percentage of residential units in the building that are low income units;
- (iii) the rent charged on each residential rental unit in the building (including any utility allowances);
- (iv) the number of occupants in each low-income unit, but only if rent is determined by the number of occupants in each unit under §42(g)(2) (as in effect before the amendments made by the Revenue Reconciliation Act of 1989;
- (v) the low-income unit vacancies in the building and information that shows when, and to whom, the next available units were rented;
- (vi) the annual income certification of each low-income tenant per unit, unless an exception to the annual re-certification is available because an entire building is occupied by low-income tenants under Section 42(g)(8)(B) of the Code;
- (vii) documentation to support each low-income tenant's income certification; for example, a copy of the tenant's federal income tax return, Forms W-2, or verifications of income from third parties such as employers or state agencies paying unemployment compensation, unless an exception to the annual re-certification is available because an entire building is occupied by low-income tenants under Section 42(g)(8)(B) of the Code. *[Tenant income is calculated in a manner consistent with the determination of annual income under §8 of the United States Housing Act of 1937 ("Section 8"), not in accordance with the determination of gross income for federal income tax liability.]* In the case of a tenant receiving housing assistance payments under Section 8, the documentation requirement of this subparagraph (vii) is satisfied if the public housing authority provides a

statement to the building owner that the tenant's income does not exceed the applicable income limit under Section 42(g) of the Code.

- (viii) the eligible basis and qualified basis of the building at the end of the first year of the credit period; and
- (ix) the character and use of the nonresidential portion of the building included in the building's eligible basis under §42(d) (e.g., tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities, or facilities reasonably required by the project).

XI

WHEREAS, pursuant to the Record Retention provisions of §1.42-5(b)(2), the Agency must require the Owner to retain records described in §1.42-5(b)(1) for at least six years after the due date (with extensions) for filing the federal income tax returns for that year; provided, however, that the records for the first year of the credit period must be retained for at least six years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building; and

XII

WHEREAS, pursuant to the Certification provisions of §1.42-5(c)(1) the Agency must require the Owner to certify at least annually to the Agency that, for the preceding 12-month period:

- (i) the project met the requirements of:
 - (a) the 20-50 test under §42(g)(1)(A) or the 40-60 test under §42(g)(1)(B), whichever minimum set-aside test was applicable to the project; and
 - (b) if applicable to the project, the 15-40 test under §42(g)(4) and 142 (d)(4)(B) for "deep rent skewed" projects;
- (ii) there was no change in the applicable fraction (as defined in §42(c)(1)(B)) of any building in the project, or that there was a change, and a description of the change;
- (iii) the Owner has received an annual income certification from each low-income tenant, and documentation to support that certification; or, in the case of a tenant receiving §8 housing assistance payments, the statement from a public housing authority described at 26 CFR 1-42-5(b)(1)(vii), unless an exception to the annual re-certification is available because an entire building is occupied by low-income tenants under Section 42(g)(8)(B) of the Code;
- (iv) each low-income unit in the project was rent-restricted under §42(g)(2);
- (v) all units in the project were for use by the general public (as defined in Section 1.42-9 of the Treasury Regulations), including the requirement that no finding of discrimination under the Fair Housing Act, 42 U.S.C. 3601-3619, occurred for the Project. A finding of discrimination includes an adverse final decision by the Secretary of the Department of Housing and Urban Development (HUD), 24 CFR 180.680, an adverse final decision by a

substantially equivalent state or local fair housing agency, 42 USC 361a(a)(1), or an adverse judgment from a federal court;

- (vi) the buildings and low-income units in the project were suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards), and the State or local government unit responsible for making local health, safety or building code inspections did not issue a violation report for any building or low-income unit in the project. If a violation report or notice was issued by the governmental unit, the owner must attach a statement summarizing the violation report or notice or a copy of the violation report or notice to the annual certification submitted to the Agency under paragraph (c)(1) of the Compliance Regulations. In addition, the owner must state whether the violation was corrected;
- (vii) there was no change in the eligible basis (as defined in §42(d)) of any building in the project, or if there was a change, the nature of the change (e.g., a common area has become commercial space or a fee is now charged for a tenant facility formerly provided without charge);
- (viii) all tenant facilities included in the eligible basis under §42(d) of any building in the project, such as swimming pools, other recreational facilities, and parking areas, were provided on a comparable basis without charge to all tenants in the building;
- (ix) if a low-income unit in the project became vacant during the year, that reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income;
- (x) if the income of tenants of a low-income unit in the project increased above the limit allowed in §42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the project was or will be rented to tenants having a qualifying income; and
- (xi) an extended low-income housing commitment as described in section 42(h)(6) of the Code was in effect (for buildings subject to section 7108(c)(1) of the Omnibus Budget Reconciliation Act of 1989, 103 Stat. 2106, 2308 - 2311 (1989)), including the requirement under section 42(h)(6)(B)(iv) that an owner cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437f (for buildings subject to section 13142(b)(4) of the Omnibus Budget Reconciliation Act of 1993, 107 Stat 312, 438 - 439 (1993)); and
- (xii) all low-income units in the project were used on a non-transient basis (except for transitional housing for the homeless provided under section 42(i)(3)(B)(iii) or single-room-occupancy units rented on a month-by-month basis under section 42(i)(3)(B)(iv)).

XIII

WHEREAS, pursuant to the Review provisions of §1.42-5(c)(2), 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, and then 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).]*

XIV

WHEREAS, pursuant to the Frequency and Form of Certification provisions of §1.42-5(c)(3), the Agency must require that Owners submit certifications under penalty of perjury at least annually covering each year of the 15-year compliance period under §42(i)(1); and

XV

WHEREAS, pursuant to the Inspection provisions of §1.45-5(d), the Agency must have the right to perform an on-site inspection of any low-income housing project at least through the end of the compliance period of the buildings in the project, which inspection is a separate requirement from any tenant file review under paragraph (c)(2)(ii) of the Compliance Regulations; and

XVI

WHEREAS, pursuant to the Notification of Non-Compliance provisions of 1.42-5(e)(2) and (3), the Agency agrees to give notice to the Owner and to the IRS, respectively, if the Agency (i) does not receive required certifications of the Owner, (ii) does not receive or is not permitted to inspect the tenant income certifications, supporting documentation, and rent records or (iii) discovers by inspection, review, or in some other manner, that the project is not in compliance with the provisions of §42; and

XVII

WHEREAS, pursuant to the provisions of §1.45-5(e)(4), relating to the correction period, the Owner will be permitted by the Agency to supply any missing certifications and bring the project into compliance with the provisions of §42 within a period which ends not later than 90 days from the date the Agency mails a Notice of Non-Compliance to the Owner; and

XVIII

WHEREAS, pursuant to the provisions of §1.45-5(g), the Owner acknowledges that compliance with the requirements of §42 is the responsibility of the Owner and that the Agency's obligation to monitor for non-compliance pursuant to §42 and the Compliance Regulations does not make the Agency liable for the Owner's non-compliance.

XIX

WHEREAS, this Compliance Monitoring Agreement is intended to comply with the requirements of §42(m)(1)(B)(iii) and the Compliance Regulations with respect to the procedures which the Agency (or an agent or other private contractor of the Agency) will follow in monitoring for non-compliance and in notifying the IRS of such non-compliance of which the Agency becomes aware;

NOW, THEREFORE, the Louisiana Housing Finance Agency, acting through its duly authorized officers, and the undersigned Owner hereby agree, covenant and represent as follows:

SECTION 1. Record-keeping by the Owner. The Owner agrees to develop and maintain, securely onsite, for each qualified low-income building for each year of the compliance period for such buildings or project described in **Exhibit A** the records and information which the Agency must require the Owner to keep as described in paragraph X of the preamble hereof and as required pursuant to §1.42-5(b)(1) of the Compliance Regulations.

SECTION 2. Record Retention by the Owner. The Owner agrees to maintain and retain the records and information described in paragraph X of the preamble hereof for the time described in paragraph XI of the preamble hereof and for the time which the Agency must require the Owner to maintain and retain such records and information pursuant to §1.42-5(b)(2) of the Compliance Regulations.

SECTION 3. Certifications by the Owner. The Owner agrees to submit by February 15th of each calendar year the certifications of the form attached hereto as **Exhibit B** with respect to the immediately preceding calendar year which the Agency must require from the Owner as described in paragraph XII of the preamble hereof and as required pursuant to §1.42-5(c)(1) of the Compliance Regulations.

SECTION 4. Submission of Low-Income Tenant Annual Income Certification Documentation and Rent Records. The Owner agrees to submit (i) by February 15th of each calendar year on the form attached hereto as **Exhibit C** information on tenant income and rent for each low income

unit and (ii) within fifteen (15) calendar days of a written request of the Agency (a) a copy of the annual income certifications, and the documentation the owner has received to support that certification, with respect to the number and/or percentage of low-income tenants and (b) the rent record for each low-income tenant in the percentage (not less than 20%) of low-income units in the project described in **Exhibit A** as specified by the Agency.

SECTION 5. Project Inspection. The Owner agrees, acknowledges and specifically provides that the Agency has the right to perform an on-site inspection of the project described in **Exhibit A** at least through the end of the latter of the compliance period or extended use period. The Agency has the right to inspect a project at any time as it deems necessary.

SECTION 6. Delivery of IRS Forms. The Owner agrees to provide to the Agency the following:

- (a) Copy of IRS Form 8609 for each qualified low-income building;
- (b) Copy of Schedule A to Form 8609 for each qualified low-income building;
- (c) Copy of IRS Form 8586.

SECTION 7. Annual Compliance/Monitoring Fee. The Owner agrees to submit on or before December 31 of each year, beginning with the year any building in the Project is placed in service, the Annual Compliance Monitoring Fee constituting a minimum fee to be computed as follows:

<u>Project Size</u>	<u>Minimum Fee</u>
1-4 units	\$ 20.00
5-16 units	80.00
17-32 units	160.00
33-60 units	*
61-100 units	*
Over 100 units	*

*Minimum fee is amount equal to 50% of units in Project times \$10.00.

The Agency reserves the right to charge such additional amounts at any time as may be required to monitor compliance in accordance with the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto.

The Owner further acknowledges and agrees that failure to submit the Annual Compliance/Monitoring Fee will result in the Agency reporting that the Owner has failed to deliver the appropriate certifications and/or other documentation necessary to satisfy the Compliance Regulations.

SECTION 8. Captions. The captions or headings in this Compliance Monitoring Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Compliance Monitoring Agreement.

SECTION 9. Counterparts. This Compliance Monitoring Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 10. Acceptance by Owner. The undersigned Owner hereby acknowledges receipt of an executed counterpart of this Compliance Monitoring Agreement and hereby approves the terms and provisions thereof and agrees to be bound by all the provisions thereof applicable to Owner.

SECTION 11. Notification Provision. The Owner is solely held responsible in notifying the Agency of any type of adverse action to the project that may arise. In case of natural disaster and/or man made occurrence immediate notification is to be made by certified mail with a reasonable time period (after verbal notification by phone). In the case of a sale, transfer, assumption, dation en payment or any other legal notification to include but, not limited to foreclosure notice, notice of default, notice of condemnation or lis pendens concerning the project, individual or corporate ownership interest of project, and/ or stockholder interests. The Agency must be notified via certified mail within 48 hours of the developer receiving notices.

The Agency must approve any and all types of changes to ownership including sales, transfers, assumptions or assignments thereof. Documents being sent to the Agency for approval & review concerning sales, transfers and/or assumptions or assignments will be submitted 45 days prior to closing and/or transfer dates. Failure to follow this process will lead to the issuance of an 8823.

LOUISIANA HOUSING FINANCE AGENCY

PRESIDENT _____

(Name of Owner)

By: _____

Title: _____

Dated: _____, 200__

DRAFT

**Louisiana Housing Finance Agency
LIHTC - 2010 Qualified Allocation Plan
Selection Criteria**

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Selection Criteria Index Page

I. Targeted Project Type (Maximum of One)		Point Ranges
A.	De-concentration Project	2-10 Points
B.	Rehabilitation Project	10-20 Points
C.	Redevelopment Project	6 Points
D.	Abandoned Project	10 Points
E.	High Vacancy Projects	2-6 Points
F.	Scattered Site Project	4 Points
II. Targeted Population Type (Maximum of One)		
A.	Single Room Occupancy Shelter	5 Points
B.	Accessible Project	10 Points
C.	Special Needs	6-10 Points
D.	Lease to Own	10 Points
E.	Adult Residential Care Project	3 Points
III. Priority Development Areas and Other Preferences (All That Apply)		
A.	Extended Affordability Agreement	2-4 Points
B.	Increased Unit Affordability	4-5 Points
C.	Difficult Development Area (QCT/DDA)	2-4 Points
D.	Rural Target Area (RD)	6-12 Points
E.	Other Governmental Priority	3-6 Points
F.	PHA Referrals and Sponsorship	4 Points
G.	Local Government Support	2-9 Points
H.	LHFA Targeted Parishes (Defined in Glossary)	8 Points
IV. Location Characteristics		
A.	Neighborhood Features	0-10 Points
V. Project Characteristics		
A.	Green Buildings	5 Points
B.	Community Facilities	2 Points
C.	Optional Amenities	1-5 Points
D.	Additional Accessible Units	1-3 Points
E.	Superior Design	10 Points
VI. Leverage, Efficiency and Viability		
A.	Ratio of Project's Intermediary Cost to Development Costs	2-4 Points
B.	Leverage Ratio	1-5 Points
C.	Leverage for Disability Funding	3 Points
D.	Viability Penalty Points	Loss of 3 - 15 Points
VII. Project & Submission Penalty Points		Loss of 4 - 39 Points

SELECTION CRITERIA AND EVIDENTIARY MATERIALS

EXHIBIT II

Points

I. TARGETED PROJECT TYPE (Select Maximum of One)

A. **Deconcentration Projects** (maximum of 10 Points)

(i) Project Diversity - Percentage of Low Income Units in Project does not exceed:

(Not Qualified for Selection Criteria in I-F Scattered Site Project and II-E Lease to Own)

- | | | |
|-----|--------------------------------|---------|
| (a) | 60% of the Total Project units | 4 ____ |
| (b) | 50% of the Total Project units | 8 ____ |
| (c) | 40% of the Total Project units | 10 ____ |

(ii) Geographic Diversity: Project is located in census tract in which the median income of the census tract exceeds 120% of the area median income 6 ____

B. **Rehabilitation Project** which constitutes:

(i) **Substantial Rehabilitation or Conversion:** (for acquisitions only)
 • Capital Needs Assessment must evidence Substantial Rehabilitation 10 ____

(ii) **Rehab of Historic Property**
 • Must evidence Historic Designation by SHPO 10 ____

C. **Redevelopment Project** (As defined in the glossary) 6 ____

D. **Abandoned Project** (For Acquisitions Only - Not Qualified for Selection Criteria II-D Lease to Own) 10 ____

- Submit letter from local governmental unit that all units in the Project are substandard and have been vacant for at least six months
- Capital Needs Assessment must certify 100% vacancy

E. **High Vacancy Projects** (For acquisitions only)

- | | | |
|-------|----------------------------------|--------|
| (i) | Minimum of 25% but less than 50% | 2 ____ |
| (ii) | Minimum of 51% but less than 75% | 4 ____ |
| (iii) | 75% or above | 6 ____ |

* Submit letter from local jurisdiction that unit has been vacant for at least 90 days and is likely to remain vacant because unit is substandard.

* Capital Needs Assessment must evidence inspection of vacant units.

F. **Scattered Site Project- Blighted housing remediation and/or replacement** 4 ____

- Submit list of each separate address and square footage and costs of each separate building.

II. TARGETED POPULATION TYPE (Select Maximum of One)**A. Single Room Occupancy Shelter**

5_____

- Submit evidence from local governmental unit or appropriate continuum of care district that project satisfies need for homeless shelter

B. Accessible Project (Not qualified for VD Additional Accessible Units)

10_____

- Application must include the following:
 - Description of Supportive Services tailored to each Special Needs Household (See Supportive Services Definitions)
 - Costs per annum of Supportive Services per Special Needs Household or written commitment from governmental or non-profit agency that Supportive Services will be provided to Project without cost
 - experience of Taxpayer/Owner in developing Projects servicing Special Needs Households
 - evidence of Project Based Subsidy for Handicapped Households

C. Special Needs Households other than Elderly Households and provides Supportive Services
(Check one or more)

- Homeless Households _____
- Handicapped Households _____
- Tenant populations of individuals with children _____

- Twenty Percent serve such households
- Ten Percent serve such households

10_____
6_____

- Application must include the following:
 - Description of Supportive Services tailored to each Special Needs Household (See Supportive Services Definitions)
 - Costs per annum of Supportive Services per Special Needs Household or written commitment from governmental or non-profit agency that Supportive Services will be provided to Project without cost
 - Experience of Taxpayer/Owner in developing Projects servicing Special Needs Households

D. Lease To Own (Section 8)

10_____

Owner must agree to sell units at Minimum Purchase Price.

- Not eligible if executing extended use agreement

The award is subject to a transactional structure acceptable to the agency according to industry best practices that protects the expectations of tenants anticipating title transfer of their units in fee simple absolute or condo or cooperative ownership.

E. Adult Residential Care Project

Application must include the following: 1) Proof that it provides personal care for activities of daily living and instrumental activities of daily living available 24 hours a day; chore services, age and ability appropriate social and recreational activities, assistance with meals, medication administration assistance, coordination/provision of transportation, housekeeping and laundry and intermittent nursing services. 2) Such projects must have proof of approval to receive Medicaid waiver funds through the Louisiana Department of Health and Hospitals. Projects will be allowed to adjust unit sizes to be consistent with the ARCP Licensing Standards for ARCP development

3_____

III. PRIORITY DEVELOPMENT AREAS AND OTHER PREFERENCES (All That Apply)

A. *Extended Affordability Agreement*

Project will execute agreement in which Owner irrevocably waives its rights under the provisions of I.R.C. §42(h)(6)(E) and (F) until after the (not eligible for lease-to-own projects)

- (i) 25th year 2_____
- (ii) 30th year 3_____
- (iii) 35th year 4_____

*Not eligible if executing Agency's Option to Purchase and Right of First Refusal Agreement

B. *Increased Unit Affordability*

At least 5% percent or more of project units serve PSH households.

- (i) At least 5% less than 10% 4_____
- (ii) At least 10% but less than 15% 5_____

C. *Difficult Development Area (QCT/DDA)*

- (i) *Project Located in Qualified Census Tract/Difficult Development Area (QCT/DDA)* 2_____

Census Tract Number: _____ Parish Location: _____

- (ii) *Copy of Final Concerted Community Revitalization Plan adopted by local governmental unit included in Application* 2_____

D. *Rural Target Area (RD)*

Copy of Final Concerted Community Revitalization Plan adopted by local governmental unit included in Application 6_____

E. *Other Governmental Priority* listed below:

- (i) Enterprise Community or Renewal Community 6_____
- (ii) HUB Zone 3_____

F. *PHA Referrals and Sponsorship*

- (i) *Developer submitted an certified agreement stating they will accept referrals from local PHA to which Developer agrees to rent low income units to households at the top of PHA's waiting list (See Attachment to Application for Form of Referral Agreement)* 4_____

G. Local Government Support

Local Government reduces project development costs by providing CDBG, local HOME or other local governmental assistance/funding in the form of loan, grants, rental assistance, or a combination of these forms or by:

- Waiving water and sewer tap fees;
- Waiving building permit fees;
- Foregoing real property taxes during construction;
- Contributing land for project development;
- Providing below market rate construction and/or permanent financing;
- Providing an abatement of real estate taxes;
- Providing other project operational cost subsidies other than real cash contributions

- | | | |
|-------|--|--------|
| (i) | 7% or more of total project development cost reduction | 4_____ |
| (ii) | Greater than or equal to 4% but less than 7% of total project development cost reduction | 3_____ |
| (iii) | 2% but less than 4% of total project development cost reduction | 2_____ |

The above referenced Local Government Funds must be actual “awarded funds” as evidenced by a signed commitment obligating the funds to the project.

- (iv) Project has obtained local government support as evidenced by a signed commitment letter, The project must submit an original letter of support for the project on official letterhead from the highest ranked public official of the City in which the project is located or fully executed City Proclamation in support of the project AND proof of support from the majority members of the City Council. (These points are not dependent upon qualifying for (i), (ii) or (iii) above).
- 5_____

H. State of Louisiana Designated Targeted Parishes 10_____

(To be determined)

IV. LOCATION CHARACTERISTICS

A. *Neighborhood Features*

(i) Points Gained*: (maximum of 10 Points)

Points will be awarded for the following services located within the specified distance of the site. Distance will be measured by odometer from the automobile entrance of the proposed project site to the closest automobile entrance to the parking lot of the applicable service. Applicant should ensure that the service is suitable for the targeted population. Points will only be awarded for the services listed below. One Half (0.5) points will be awarded for any service listed that is located over 1 mile but is within 2 miles.

1 point <= (1) mile

Grocery Store	_____	Public Library	_____
Public Transportation	_____	Convenience Store	_____
Hospital/Doctor Office	_____	Bank/Credit Union	_____
Elementary School	_____	Post Office	_____
Pharmacy/Drug Store	_____		
Adult/Child Day Care/ After School Care	_____		

Total Positive Points _____

(ii) Points Deducted*: (No Maximum for Deductions)

(There **is no limit** on the amount of points that can be deducted for negative neighborhood services.) Five points **each** will be deducted if any of the following incompatible uses are adjacent to the site; two points **each** will be deducted if any of the following incompatible uses listed are within ½ mile of the site.

Junk yard/dump	_____	Pig/chicken farm	_____
Salvage yard	_____	Processing plants	_____
Wastewater treatment facility	_____	Industrial	_____
Distribution facilities	_____	Airports	_____
Electrical utility substations	_____	Liquor Store	_____
Railroads	_____	Prisons	_____
Adult entertainment/video/ theater	_____	Solid waste disposal	_____

Total Negative Points _____

*The Market Study for every project must include a separate section that evidences whether the Project satisfies the positive points listed or incurs the negative points listed above. If this section remains unaddressed in the market study, maximum negative points will be assessed.

V. PROJECT CHARACTERISTICS**A. *Green Buildings***

5____

See Glossary for definition of "Green Building."

B. *Community Facilities (See Glossary)*

2____

(Community facilities must be consistent with definition contained in QAP)

C. *Optional Amenities*

- | | | |
|-------|---|-------|
| (i) | Washers and dryers are installed and maintained in every unit | 3____ |
| (ii) | Dishwashers maintained in each unit | 1____ |
| (iii) | Disposals maintained in each unit | 1____ |

D. *Additional Accessible Units*

Accessible Units in excess of Section 504 of II C Accessible Project Rehabilitation Act of 1973 (Not Qualified for Selection Criteria II-C Accessible Project) Assume Section 504 applies to all Projects, i.e., 5% of units must be accessible for people with mobility impairments and 2% for people with hearing or vision impairments.

- | | | |
|-------|---|-------|
| (i) | Number of Units: _____ = more than 8% of the total units
but less than or equal to 10% of the total units | 1____ |
| (ii) | Number of Units: _____ = more than 10% of the total units
but less than or equal to 15% of the total units | 2____ |
| (iii) | Number of Units: _____ = more than 15% of the total units | 3____ |

- Submit number, percentage and description of construction and/or equipment provided for each Accessible Unit.
- * Unit count must represent at least (1) one unit above the 504 requirement

E. *Superior Design*

10____

Up to 10 points may be given for a project having Superior Design. Any developer requesting points from this category will be required to submit a \$2,000 fee for an independent architect certification. The Board will retain an AIA-certified architect to review designs and make final determination.

VI. LEVERAGE, EFFICIENCY AND VIABILITY

A. *Leverage for Disability Funding* - Leverage consists of federal or other funds for persons with disabilities:

List: _____ 3_____

B. *Actual Cash Equity Contribution (Investment) by Developer or other Sources (Ex. City, Municipality)*

- (i) Contributions of 10% or more of TDC 10_____
- (ii) Contributions 5% or more but less than 10% TDC 5_____

C. *Viability Penalty Points*

- (i) Rehabilitation Hard Costs are less than \$20,000 per unit -5_____

Specify Total Rehab Hard Costs: \$ _____ ÷ Number of
Units: _____ = \$ _____/unit

- (ii) Development fee exceeds 25% of hard costs for rehabilitation -5_____

VII. PROJECT & SUBMISSION PENALTY POINTS

- A. Any project which utilizes a condominium or division of a site for the purpose of receiving Low Income Housing Tax Credits in excess of the QAP stated maximum -15____
- B. Any project involving repair of physical damage on which an insurance claim is made and received but applicant fails to disclose and utilize insurance proceeds in the development budget to reduce the use of Low Income Housing Tax Credits -15____
- Attach Insurance Certification for any Redevelopment Project (III.F.) or Rehabilitation Project (III.G.)
- C. Incomplete or Missing Exhibits, Appendices or Documents -4____
- Does not include Required Exhibits which must be submitted by Application Deadline. Missing Required Exhibits will result in Application being rejected.
- Applications for a project that will have units in more than one local government jurisdiction must provide resolutions from all jurisdictions in which there are project units.
- D. Failure to properly tab appendixes in final application -5____

Staff is still reviewing the proposals that were received.

LOUISIANA HOUSING FINANCE AGENCY

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

RESOLUTION

A resolution awarding contracts for Market Analysts; 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 Section 42 of the Internal Revenue Code; and

WHEREAS, the Agency issued a Request for Proposals for Market Analysts, attached as "Exhibit A," to be placed into a pool of market analysts to provide market studies required under the 2010 Qualified Allocation Plan on May 18, 2010 and has scored and ranked all of the respondents.(Exhibit B)

WHEREAS, Agency staff seeks approval to award contracts for Market Analysts to the following qualified respondents: VWB Research; Gill Group; Associated Real Estate Advisors; Gibson Consulting; Wood Research, Inc; Real Property Research Group; John Wall & Associates; Paul Mitchell, Inc.; and Cook, Moore & Associates.

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:

SECTION 1. The Board approves the awarding of contracts for Market Analysts to the above-referenced qualified applicants at a rate not to exceed \$4,000 for market studies for urban areas and not to exceed \$4,500 for market studies in rural areas.

SECTION 2. Agency's staff and counsel are authorized and directed to prepare such documents and agreements as may be necessary to carry out the directive of the Board.

SECTION 3. The Chairman, Vice Chairman, President, Vice President and/or Secretary of the Agency be and they are hereby authorized, empowered and directed to execute any forms and/or documents required to be executed on behalf of and 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 General Counsel.

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

YEAS:

NAYS:

ABSENT:

And the motion was declared adopted on this, the 14th day of July, 2010.

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 July 14, 2010, entitled: "A resolution awarding contracts for Market Analysts; 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 14th day of July, 2010.

Secretary

(SEAL)



**LOUISIANA HOUSING FINANCE AGENCY
REQUEST FOR PROPOSALS
2010 LIHTC FUNDING ROUND MARKET STUDIES
MAY 14, 2010**

KEY PROPOSAL DATES

RELEASED	MAY 14, 2010
LAST DAY TO SUBMIT PROPOSALS	JUNE 9, 2010

Contents

- I. Announcement**
- II. Purpose**
- III. Proposal Guidelines**

**LOUISIANA HOUSING FINANCE AGENCY
REQUEST FOR PROPOSALS
2010 LIHTC PROGRAM YEAR- MARKET STUDIES
MAY 14, 2010**

I. Announcement

The Louisiana Housing Finance Agency (the "Agency" or the "LHFA") hereby gives notice that it is seeking proposals from applicants to be placed into a pool of Market Analysts to provide individual market studies for projects to qualify for Low-Income Housing Tax Credits (LIHTC) in the State of Louisiana. In order to meet the objectives of LIHTC Program, Section 42(m)(1)(A)(iii) of the Internal Revenue Code of 1986, as amended, (the "Code"), the Agency plans to enter into agreements ("Contracts") with said Market Analysts for the 2010 LIHTC Program Year. These Contracts will be of a series of multifamily rental market studies to be performed for the upcoming program year.

A. Qualification Submittal Information

1. Interested parties may obtain a Request for Proposals (RFP) by submitting their Name, Title, Firm, Street Address, City, State, Zip, Telephone Number, Fax Number, and E-mail address to LHFA at the address below or by visiting the LHFA's web page at www.lhfa.state.la.us

Louisiana Housing Finance Agency
2415 Quail Drive
Baton Rouge, LA 70808
Attn: Brenda Evans
Re: RFP-LIHTC Market Analyst
Voice: 225-763-8700
Fax: 225-763-3985
Website: www.lhfa.state.la.us
E-mail: bevans@lhfa.state.la.us

2. Deadline for RECEIPT of Proposals. Proposals, in their entirety, must be received at the Agency no later than **4:30 PM CT on Wednesday, June 9, 2010.**
3. Any questions or request for clarification of this RFP should be directed in written form to Brenda Evans, Program Administrator, by 12:00 Noon CT on Wednesday, June 2, 2010. Such questions may be mailed to 2415 Quail Drive, Baton Rouge, Louisiana 70808 or emailed to bevans@lhfa.state.la.us. It is the sole responsibility of the prospective market analyst to inquire into and clarify any item of the RFP that is not understood.
4. Proposals may not be delivered by facsimile transmission or other electronic means. **Twenty-five (25) paper copies** of the Proposals shall be submitted.

5. The Agency will not consider Proposals received after the deadline. Please be advised that Proposals arriving by mail through delivery, including but not limited to Fed Ex, UPS, or the United State Postal Service, after the 4:30 PM deadline will not be accepted for any reason.
6. It is the express policy of the Agency that prospective Proposers to this RFP refrain from initiating any direct or indirect contact or communication with Agency's staff or members of the Agency's Board of Commissioners with regard to selection of the market analyst. Any violation of this policy will be considered a basis for disqualification.
7. It is expected that market analysts selected pursuant to this RFP will serve for a one-year term commencing on or about July 28, 2010.

B. Submittal of Documents

Submit documents by delivering or mailing to the Agency address stated in Section I (A).

1. Proposers assume the risk of the method of dispatch chosen.
2. Each delivered Proposal and accompanying documents shall be submitted in a sealed envelope. The outside of the envelope shall be marked and identified as follows:

Attn: Brenda Evans
Re: RFP-LIHTC Market Analyst
Proposals Enclosed
Proposer/ Company Name and Return Address

3. The Agency will not be responsible for any expenses incurred in responding to this proposal request. All costs incurred in the preparation, transmittal, or presentation of any proposal or material submitted will be borne solely by the Proposer.

C. Qualification Requirements

The Proposer shall respond to all requirements in accordance with the terms and conditions, description, information, instructions and all sections and schedules:

1. Agree with the terms and conditions of this **RFP**;
2. Comply with the requirements of and submit information and documentation (including executed forms), as required by this **RFP**.
3. Provide documentation of **Proposer's qualifications**.
4. Properly execute the proposal.
5. Possess knowledge of, and comply with, applicable local, state, and federal laws, regulations, codes, permits and ordinances.

6. Meet and comply with all other requirements specified in this **RFP**.
7. **Comply with all requirements as finalized in the Agency's Final QAP which is scheduled to be approved by its Board of Commissioners at its Meeting scheduled on or about July 14, 2010.**

D. Option to Reject Any and All Proposals

The Agency reserves the right to reject incomplete proposal packages. At its sole discretion, the Agency reserves the right to contact participants and ask them for required or additional information omitted from the proposal package. The Agency may contact participants by telephone or by facsimile during its review of a proposal package in order to clarify submitted information. The Agency reserves the right to reject all proposals and/or any part thereof, waive any minor irregularity in the proposal, and accept the proposal(s) that are in the best interest of the State of Louisiana. The Agency reserves the right to reject any proposal from a proposer based upon prior experience or credentials. The Agency reserves the right to assign additional studies to an analyst based upon prior experience or credentials.

The Agency will make its selection of the number of projects assigned to the selected analysts based upon but not limited to: 1) Stated capacity, 2) number of preliminary applications submitted, 3) areas of the state in which the Proposer has experience conducting market analyses, 4) conflicts of interest and 5) the Agency's evaluation of the analyst's capacity based on prior studies submitted.

Furthermore, the Agency reserves the right to cancel this announcement.

II. Purpose

The overall purpose of the LIHTC market study is to provide a detailed assessment of the feasibility of a proposed project in a specific market area. Any study submitted to the Agency must meet all of the requirements of the attached Market Study Requirements from the upcoming 2010 Qualified Allocation Plan. This Request for Proposals is intended to qualify and approve market analysts to perform individual and possibly comprehensive evaluation of all market studies submitted during the 2010 LIHTC program year. These evaluations will be utilized in making the final award decisions by the Agency.

Market analysts will have approximately six (6) weeks to complete all assigned market studies. A copy of the Timeline of 2010 LIHTC Credit Reservations for Competitive Applications is attached to this RFP. Typically, the Agency receives applications from projects which range from 24-120 units in size with a regulated number of units reserved for accessibility by the disabled. The mix of applications usually includes new construction, scattered site, rehabilitation, or acquisition/ rehabilitation and will be located in rural and urban areas throughout the state.

III. Proposal Guidelines

A format for the Proposer's response to this Request for Proposals is indicated below. These guidelines are intended to facilitate the review and evaluation of the Proposer's responses. Proposals are to be limited to a total of twenty (20) pages, not including a cover letter; the proposal at the minimum shall include the information requested in Exhibit A. Font size should be no less than 12 pts. Proposals will be graded on each category set forth in the guidelines. **Please provide twenty-five (25) copies of the proposal.**

A. Qualifications- Mandatory

Proposers must have the following in able to be eligible to participate:

- a) No less than three (3) years experience as the primary author of market studies for LIHTC rental housing projects.
- b) Demonstrate experience in the area of LIHTC market research in the State of Louisiana. In connection with analysts that have submitted market studies to LHFA in a prior funding round, please note that prior market studies will be compared to current actual performance. Inaccurate prior studies will be heavily weighted in scoring and in the decision to assign new market studies.
- c) The primary business operation of the company must be dedicated to market study preparation and not other business related interests such as appraisal, survey, financial, etc. services.
- d) Staff capacity to complete a minimum of 10 market studies within the allotted time frame.

B. Proposal Package

Analysts interested in participating must provide the information requested in Exhibit A in the order shown and numbered as follows:

1. A cover letter with the name, mailing address, email address, telephone number and facsimile number of the individual with whom the Agency may communicate;
2. Proposals must respond, in sequence, to the questions included as Exhibit A. Each question should be answered or a statement must explain why no response is given; responses to each question must begin with the restating of the question as the heading.
3. A sample market study for a proposed housing tax credit development in Louisiana.

C. Evaluation Procedures

All proposals will be reviewed and ranked by: Two members of LIHTC staff; two members of the Compliance staff and one member of Audit staff or other applicable staff for a total count of five members. Each will be scored using the evaluation criteria and weighting factors in Exhibit B. The Staff will reach a consensus and forward recommendations, together with a complete tabulation of numerical scoring results, to the Multi-Family Committee for its consideration. Announcement of the decisions will be made at the regularly scheduled July Board Meeting. The Agency may, but is not required to, request one or more Proposers to make oral presentations to the Agency at that meeting. The Agency making its selection is not obligated to select Proposer based upon the point scores.

All RFP submissions will be reviewed to determine if they meet the mandatory proposal requirements. Those RFP submissions not meeting the mandatory requirements will be deemed “non-responsive”. The “responsive” RFP submittals will be evaluated and ranked.

The Agency reserves the right to not make a selection of “responsive” proposals should it believe that Proposers to the RFP will be incapable of delivering the necessary level of services within an acceptable

price range and/or time frame. The Agency also reserves the right to reject any and all proposals submitted in response to the RFP and to enter into negotiations with the Proposers to the RFP as may be necessary or appropriate to refine the scope of services, fee arrangements, or any other aspect of the services to be provided hereunder. The Agency reserves the right to negotiate any line item on the proposal.

The Agency will produce public records within the restraints of LA. R. S. Title 44.

If it becomes necessary to revise any part of the Request for Qualification or otherwise provide additional information, an addendum may be used by LHFA. The Addendum will be mailed to all Proposers that received written copies of the original Request for Proposals and posted to the Agency's website at www.lhfa.state.la.us.

LHFA is committed to equal opportunity and nondiscrimination in all employment practices. In connection with the performance of any work under this Request for Qualification, the Proposer agrees not to discriminate against any employee or applicant for employment because of age, race, religion, creed, color, disability, marital status, sex, national origin, ancestry, sexual orientation, reserve status, or any other characteristic protected by local, state, or federal ordinance, law or regulation. In connection with the performance of any work under this Request for Proposal, the Proposer agrees to take affirmative action to ensure equal employment opportunities.

Draft 2010 Qualified Allocation Plan- Market Study Requirements
(Please note this may be amended subject to the Final Qualified Allocation Plan adopted)

Market analysts contracted by the Agency to perform market studies on rental housing tax credit developments must be experienced independent third parties with strong knowledge of Louisiana affordable housing markets. Analysts cannot be members of the development team, nor have performed a market study for a project that will submit an application in the 2010 Funding Round, nor have a financial interest in the development.

Market studies ordered by the LHFA should evidence the housing needs of targeted households, large families, tenants with children, special needs households (if project serves special needs households) in the market area and the unmet needs of such individuals and families following the construction and/or development of the project.

Market study analysts may be required to state if the project merits special consideration for additional points under specific selection criteria for superior design and quality and/or superior site. All of the necessary components outlined in the upcoming 2010 QAP are required for each market study completed. In addition, the following five (5) criteria are currently **threshold requirements** for inclusion in all market studies:

- i. The project's capture rate,
- ii. The project's absorption rate,
- iii. The vacancy rate at comparable properties (what qualifies as a comparable will vary based on the circumstances), and
- iv. The project's effect on existing or awarded properties with 9% tax credits or Agency loans.
- v. The project's ability to meet housing demand established in LHFA's housing needs assessment

Content of Market Study

In addition to threshold requirements, the Market Study must provide information under noted boldfaced captions with tabs and an index to locate the following within the Market Study:

1. **Executive Summary:** A statement summarizing the findings of the market study.
2. **Credentials:** Statement of experience and competence of the market analyst.
3. **Independence and No Identity of Interest:** A certification that the market analyst is independent and has no identity of interest with the developer of the proposed or existing project and that the market analyst was retained to perform the market study without conditions, including compensation based upon finding market need.
4. **Property Site:** A description of the proposed property site along with a map site identifying area of the Project. Color photographs of the site and neighborhood, a map clearly identifying the location of the project and the closest transportation linkages, shopping, schools, medical services, public transportation, places of worship and other services such as libraries, community centers, banks, etc.

5. **Demographic Analysis:** Analysis of the Income Qualified Renter Demand in the market area.
6. **Market Area:** Geographic definition and analysis of the primary and secondary market area which Project serves including a discussion of the local/community perspective of rental housing market and housing alternatives
7. **Operations and Development Comparisons:** A description of comparable developments in the market area served by Project, including the following information or analysis, labeled accordingly:
 - a. Subsidy whether or not each comparable development is subsidized.
 - b. Rent Levels and Vacancy: a description of rent levels and vacancy rates of comparable properties, including subsidized and non-subsidized developments in market area served by Project.
 - c. Operating Comparisons: analysis of operating expenses using data from comparable properties in the market area served by Project, if available, or, if not available, using IREM or ULI data.
 - d. Project Operating Statement: projected operating funds and expenses of the subject Project.
 - e. Public Housing: a summary of (i) the number and quality of units in developments owned by the local public housing authority and a statement concerning vacancy rates and waiting lists and (ii) the number of vouchers administered by the local public housing authority and the estimate of the households on the waiting list for vouchers.
 - f. Absorption Analysis: expected market absorption of the proposed rental housing units in the subject Project each month following certificate of occupancy.
 - g. Market Impact Statement: A description of the impact of the proposed housing units in the market area, including the impact of the proposed housing units on tax credit and other existing affordable rental housing in market areas.
8. **Federal Housing Agency Coordination:** The Independent Qualified Housing Consultant must identify all multifamily housing developments in the primary market area of the proposed project, which are financed by HUD, RD and the Agency. The consultant must provide a table evidencing the following information for each such project:
 - a. Name of Project
 - b. Number of Units in Project
 - c. Type of Federal loan or credit enhancement, e.g., 515 loan, 202, 221(d)(4), etc.
 - d. Average vacancy rate in comparable projects in prior twelve-month period.
9. **Pipeline Analysis:** Certification of the number of building and demolition permits (or its equivalent) for multifamily housing units issued over the preceding 24 months by the local jurisdiction within which the project is located and that any planned or construction in progress will not adversely affect the market's absorption of the units in the project.
10. **Certification of Demand:** A Certification of Demand for New Units and Conversion executed by the Qualified Housing Consultant.
11. **Statement of Housing Needs of Low-Income Individuals and Large Families:** A statement of housing needs of Large Families and tenant populations with children in the primary market area and the extent there will be unmet needs for such individuals and families following construction/rehab of the Project.

12. **Location Characteristics:** Part II of the Selection Criteria contains a number of positive points and negative points relating to the location of a Project. Each Market Study must include a separate section that evidences whether the Project satisfies the positive points listed or incurs the negative points listed.
13. **Appraisals:** An Appraisal must be submitted establishing the fair market value of any existing property when the purchase price of such property exceeds \$500,000 and the Acquisition Costs are included in Eligible Basis.
14. **Sources for Data:** Market analysts must clearly define all sources for data.
15. **Superior Design and Quality and or Superior Site:** Analyst to specifically state if the project qualifies for consideration under (a) Superior Design and Quality and/or (b) Superior Site.
16. **Information contained in the report must adhere** to standard FHA/HUD Guidelines on Market Studies.

Intentionally left blank

Louisiana Housing Finance Agency

Request for Proposal Checklist

The listing below is intended to facilitate the review and evaluation of the applicant responses. Proposals are to be limited to a total of twenty (20) pages, not including a cover letter; the proposal at the minimum shall include the information below. Proposals will be graded on each category set forth in Exhibit B. **Please provide twenty-five (25) copies of the proposal.**

1. A cover letter with the name, mailing address, email address, telephone number and facsimile number of the individual with whom the Agency may communicate; Resume of Principal(s) and key staff that will be completing the work under the Contract; Detailed discussion of the Applicant's staffing and other elements of its capacity relevant to completing multiple market studies in the timeline specified;
2. Listing of all LIHTC market study research completed for properties in Louisiana since 2007 and information concerning their current status including lease up rates and occupancy status. In accordance with Part III, Section A "Qualifications-Mandatory," Subsection b, specifically indicate those market studies/projects that were submitted to the Agency during its 2009 Funding Cycle;
3. Listing of all LIHTC market study research completed for properties outside of Louisiana since 2007 and information concerning their current status including lease up rates and occupancy status;
4. Work plan identifying steps and time frames for all of the tasks needed to complete individual LIHTC market studies;
5. At least two (2) letters of reference from clients requiring similar work in the past three (3) years;
6. A sample market study produced for a similar assignment with the past year. Property, client name and any other proprietary information may be deleted or blacked out;
7. Certification that the Market Analyst will disclose all relationships, either prior or present, with the applicants for any proposals to which the Market Analyst may be assigned, and that failure to fully disclose the nature of the relationship may jeopardize the assignment, payment for the assignment and ability to participate in similar assignments with the Agency in the future;
8. Certification that any market study submitted through a Contract will become the property of the Agency;
9. Either a certification letter from NCAHMA stating that the market study firm and its Principal(s) are NCAHMA members in good standing; or proof of higher designation;
10. Provide proposed fee structure for individual market studies and comprehensive study for region; and
11. Identify regions that the market study firm has conducted research previously and other areas of familiarity.

PROPOSAL EVALUATION CRITERIA¹

<u>Question</u>	<u>Points</u>
1. Staffing	[20]
2. Firm is experienced in completing market studies in Louisiana	[40]
3. Firm is experienced in completing market studies outside of Louisiana	[20]
4. Work plan needed to complete individual market studies within timeline	[20]
5. Satisfactory letters of reference	[10]
6. Sample market study in compliance with QAP standards	[30]
7. Fee structure	[25]
Total	[165]

¹ In case of a tie, the Agency may add additional factors by which it may judge candidates.

**Louisiana Housing Finance Agency
Request for Qualification of Market Analysts
Scoring Rubric**

EXHIBIT B

Count	Market Analyst Name & Address	Date Received (Deadline 6/9/10)	Participated in Previous Funding Round	Firm Staffing	Firm MS Experience	Work Plan Timeline	Letter of References	Sample MS	Fee Structure	Total Score
1	VWB Research 869 W Goodale Blvd Columbus, OH 43212	6/9/2010	Yes	100.0	290.0	95.0	50.0	149.0	120	804
2	Gill Group 512 N. One Mile Road Dexter, MO 63841	6/8/2010	Yes	100.0	245.0	95.0	50.0	139.0	125	754
3	Assoiacted Real Estate Advisors 4517 Amherst Lane Bethesda, MD 20814	6/8/2010	Yes	90.0	270.0	100.0	50.0	139.0	103	752
4	Gibson Consulting 6658 Youree Drive, Ste 180 PMB 403 Shreveport, LA 71105	6/7/2010	Yes	65.0	275.0	80.0	45.0	150.0	125	740
5	Wood Research, Inc 5209 Trenholm Road Columbia, SC 29206	6/8/2010	No	90.0	235.0	77.0	50.0	146.0	125	723
6	Real Property Research Group 10400 Little Patuxent Pkwy Ste 450 Columbia, MD 21044	6/7/2010	No	100.0	210.0	95.0	50.0	137.0	118	710
7	John Wall & Associates PO Box 1169 Anderson, SC 29622	6/9/2010	No	83.0	190.0	100.0	50.0	137.0	120	680
8	Paul Mitchell, Inc 15539 Preston Road, Suite 1040 Dalllas, TX 75248	6/7/2010	Yes	75.0	255.0	45.0	50.0	133.0	97.5	655.5
9	Cook Moore & Associates 11616 Southfork Ave, Ste 404 Baton Rouge, LA 70816	6/7/2010	Yes	100.0	175.0	67.0	48.0	150.0	100	640
10	Thorns Consulting 1661 N. Claiborne Ave New Orleans, LA 70116	6/7/2010	Yes	77.0	160.0	90.0	50.0	134.0	94.5	605.5
11	O'Conner & Associates 2200 N. Loop W, Ste 200 Houston, TX 77018	6/9/2010	No	95.0	165.0	75.0	50.0	117.0	75	577
12	Hess Marketing 650 Poydras St, Ste 1550 New Orleans, LA 70130	6/9/2010	Yes	75.0	110.0	90.0	50.0	146.0	89.5	560.5

Staff is still reviewing the proposals that were received.

LOUISIANA HOUSING FINANCE AGENCY

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

RESOLUTION

A resolution awarding the contract for the Low Income Housing Tax Credit Program Financial Analysis Underwriting Consultant; 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 Section 42 of the Internal Revenue Code; and

WHEREAS, the Agency issued a Request for Proposals for Low Income Housing Tax Credit Program Financial Analysis Underwriting Consultant on June 11, 2010, attached as "Exhibit A," and has scored and ranked all of the respondents.

WHEREAS, Agency staff seeks approval to award a contract for Low Income Housing Tax Credit Program Financial Analysis Underwriting Consultant to _____, the respondent with the highest scoring proposal in response to the Agency's RFP for contract for Low Income Housing Tax Credit Program Financial Analysis Underwriting Consultant.

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:

SECTION 1. The Board approves the awarding of a contract for Low Income Housing Tax Credit Program Financial Analysis Underwriting Consultant to _____ in the amount of \$_____ as specified in the proposal attached hereto as "Exhibit B."

SECTION 2. Agency's staff and counsel are authorized and directed to prepare such documents and agreements as may be necessary to carry out the directive of the Board.

SECTION 3. The Chairman, Vice Chairman, President, Vice President and/or Secretary of the Agency be and they are hereby authorized, empowered and directed to execute any forms and/or documents required to be executed on behalf of and 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 General Counsel.

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

YEAS:

NAYS:

ABSENT:

And the motion was declared adopted on this, the 14th day of July, 2010.

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 July 14, 2010, entitled: "A resolution awarding the contract for the Low Income Housing Tax Credit Program Financial Analysis Underwriting Consultant; 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 14th day of July, 2010.

Secretary

(SEAL)



LOUISIANA HOUSING FINANCE AGENCY

LOW-INCOME HOUSING TAX CREDIT PROGRAM

Request for Proposal (RFP)

for

Financial Analysis Underwriter Consultant

Date Issued: June 11, 2010

Deadline to Submit Proposal: July 2, 2010 by 4:30 p.m.

2415 Quail Drive * Baton Rouge, Louisiana 70808
(225) 763-8700 * (888) 454-2001 * (225) 763-8710 (FAX)
www.lhfa.state.la.us

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I. Announcement

The Louisiana Housing Finance Agency (“LHFA” or “Agency”) hereby gives notice that it is seeking Proposal from applicants interested in serving as a financial analysis consultant for the Agency’s Low Income Housing Tax Credit Program and related programs. Firms and individuals with relevant experience and qualifications regarding the analysis of the financing, feasibility and viability of LIHTC, 1602 and TCAP projects are encouraged to respond to this request for Proposal. Firms and individuals must demonstrate a thorough working and practical knowledge of LIHTC, HOME, CDBG, Soft and Hard Debt and other financing structures utilized in the financing of multi-family affordable and market rate projects and all related cross-cutting requirements. It is anticipated that only one (1) applicant will be selected to serve as the Financial Analysis Consultant, and will serve in such a capacity for not more than a three (3) year period on a contractual basis.

Notice of this Request for Proposal (“RFP”) is being distributed to individuals and firms that the Agency believes may be able to perform the requested services and who may be interested in submitting Proposal for consideration. This RFP is available in electronic format at www.lhfa.state.la.us.

II. Administrative Information

A. Requesting Information Regarding the RFP

Interested parties may obtain a copy of the RFP by submitting their name, title, firm name, address, telephone and fax numbers, and e-mail address to LHFA using the contact information below, or by visiting LHFA’s website at www.lhfa.state.la.us:

Louisiana Housing Finance Agency
ATTN: Brenda Evans
Re: LIHTC Financial Analysis Consultant RFP
2415 Quail Drive
Baton Rouge, Louisiana 70808
Telephone: (225) 763-8700
E-mail: bevans@lhfa.state.la.us

B. Submission of Proposal

1. **Five (5)** copies of the Proposal must be submitted to the Agency and one (1) complete copy of the submission packet on CD-ROM in PDF format.

Proposal and accompanying documentation shall be submitted to the Agency in a sealed envelope. The outside of the envelope should be addressed as follows:

ATTN: Brenda Evans
Re: LIHTC Financial Analysis Consultant RFP
Proposal Enclosed
Proposer/Company Name and Return Address

2. Proposal must be physically received by the Agency, in their entirety, by **no later than 4:30 p.m. on July 2, 2010**. Proposal *may not* be delivered via facsimile transmission or any other electronic means.
3. Please be advised that Proposal arriving after the 4:30 p.m. deadline, whether via U.S. Mail, Federal Express, UPS, or other comparable method of delivery, will *not* be accepted for any reason. Those submitting Proposal for consideration assume the risk of the method of delivery chosen.
4. Prospective consultants submitting Proposal for consideration are fully responsible for any and all costs associated with the preparation of their responses to this RFP.

C. Prohibited Contact

It is the express policy of the Agency that prospective respondents to this RFP refrain from initiating any contact or communication, whether direct or indirectly, with Agency staff or members of the Agency's Board of Commissioners, concerning any aspect of this RFP, including, but not limited to, the selection of your firm or entity as a service provider, the review process to be conducted, etc. Any violation of this policy will be considered as a basis for disqualification.

D. Technical Assistance

Any questions or requests for clarification regarding this RFP must be directed in writing to Brenda Evans, Program Administrator, no later than one (1) week prior to the deadline to submit Proposals or by June 25, 2010. Such questions may be mailed to 2415 Quail Drive, Baton Rouge, Louisiana 70808, or may be e-mailed to bevans@lhfa.state.la.us. It is the sole responsibility of the prospective consultant to inquire into and clarify any information in the RFP that is not understood.

E. Option to Reject Any and All Proposals

1. This RFP does not commit the Agency to award any contract to any applicant. Furthermore the Agency reserves the right to accept or reject, in whole or in part, any and all responses submitted and/or to withdraw this RFP.
2. The Agency further reserves the right to reject incomplete responses to this RFP. However, the Agency may, in its discretion, contact prospective consultants to inquire about required information omitted from responses, or to request additional information for purposes of clarification of the information submitted. The Agency may contact participants via telephone, e-mail, or facsimile during its review of the responses to the RFP.

3. If it becomes necessary to revise any part of the RFP or otherwise provide additional information, an addendum to the RFP may be issued by LHFA. The Addendum will be mailed to all applicants that received written copies of the original RFP, and will also be posted on the Agency's website at www.lhfa.state.la.us.

F. Assurances of Prospective Consultants

Prospective consultants submitting responses to this RFP for consideration by the Agency agree to:

1. Comply with the terms and conditions of this RFP;
2. Comply with the requirements of and submit information and documentation in response to this RFP;
3. Properly execute all documents requested in consideration of the desired Proposal; and
4. Be knowledgeable of, and comply with, any and all applicable local, state, and federal laws, regulations, codes, permits and ordinances.

G. Public Records Requests

The Agency will comply with any request for public records in accordance with the provisions of Louisiana Revised Statute 44:1.

H. Non-Discrimination and Equal Opportunity

LHFA is committed to non-discriminatory equal opportunity in all employment practices. In connection with the performance of any work performed as a result of this RFP, the applicants agree not to discriminate against any employee or applicant for employment because of age, race, religion, creed, color, disability, marital status, sex, national origin, ancestry, sexual orientation, reserve status, or any other characteristic protected by local, state, or federal ordinance, law or regulation. In connection with the performance of any work under this RFP, the applicant agrees to take affirmative action to ensure equal employment opportunities.

III. Scope of Services

A) A firm or individual selected as the LIHTC Financial Analysis Consultant would work with LHFA staff on a contractual basis, for a term of no more than three (3) years, providing the financial feasibility and viability reports of projects that are applying for and receiving a reservation of Low Income Housing Tax Credits. The selected consultant must be able to analyze all Section 42 Codes and relative regulations for all financing sources provided in a project including but not limited to 1602 Funds, TCAP Funds, HOME Funds and CDBG funds. More specifically, the Consultant would be expected to develop and conduct financial analyses, feasibility and viability analyses, subsidy layering reviews, placed in service reviews, and any other analyses necessary for the projects associated with the LIHTC Program, 1602 Program, and Tax Credit Assistance Program.

At a minimum the Consultant would be required to provide feasibility and viability evaluations at the following times:

- Submission of applications for housing credits;
- Challenge period of a competitive application cycle;
- Reprocessing of applications;
- Allocation of housing credits by the Agency; and
- Placement of Project in service.

B) The selected applicant will be required to develop a web-based electronic application for use during the 2010 Qualified Allocation Plan which will be adopted by LHFA's Board of Commissioners on August 11, 2010. The selected applicant will have to work with the Agency's staff and Special Tax Counsel in the formulation and development of the application. *The selected applicant will have to conduct an application workshop.*

C) The consultant will be required to provide one (1) comprehensive training specifically to staff of the LHFA on the mechanisms and methodology of the underwriting/ feasibility and viability process, provide technical assistance to staff and development community on the process as approved in the final QAP and assist in the workshop for the development community scheduled for August 24, 2010. Attached as Exhibit A is the timeline for the current 2010 LIHTC Ceiling. All candidates must certify that they have the staffing capacity to adhere to the schedule.

D) The consultant will be required to attend LHFA Board meetings, developer meetings to answer and address any questions relative to the F&V process or analyses as necessary or required by staff or Board.

IV. Guidelines for Submitting Responses to the RFP

A proposed format for responses to this RFP is provided below. This guideline is intended to facilitate the Agency's review and evaluation of the Proposal received, and should be followed by those submitting Proposal for consideration. Responses to the RFP will be graded in each of the categories set forth below.

While brevity of responses is encouraged, each response should include sufficient information for the Agency staff to make a determination as to whether your firm or entity has the Proposal and experience necessary to serve as the Financial Analysis Consultant for the LIHTC Program. **Please provide Five (5) copies of each submission of Proposal and one (1) complete copy of the submission packet on CD-ROM in PDF format including the following information:**

- A. Name of firm, address, telephone number, and e-mail address, as well as the name, mailing address, telephone number, and e-mail address of the person to be contacted regarding the proposal.
- B. A description of your firm, including names of directors, managers, principals, number of employees, longevity, client base, areas of specialty and expertise and any other pertinent information that will assist the Agency in formulating an opinion about the stability and strength of the firm.
- C. The résumés of the principal(s) and key staff who will be performing work under any agreement ultimately entered into as a result of your firm's selection to serve as the LIHTC Financial Analysis Consultant, as well as a detailed discussion of the firm's staffing and other elements of its capacity relevant to performing the services described herein.
- D. A summary of any material inquiries, investigations or litigation instituted against your organization in the last two (2) years, whether ongoing or concluded, related to the conduct of your firm, your firm's management, or any employee or official associated with your firm. This summary should include any actions brought against your firm or employees by any federal, state or municipal government entity, court or regulatory authority, including fines, suspensions, censures, etc. Please be advised that your organization must also be in good standing with the Agency in order to be considered as a candidate.
- E. A work plan and specifications of the steps necessary for the tasks associated with the performance of the services described herein and in accordance with the Agency's draft QAP (subject to release on July 14, 2010) and the attached timeline (Exhibit A). Please note: Due to

recent adjustments in the timeline, the current 2010 Draft QAP is unavailable, therefore in addressing this question, please review the 2009 QAP released by the Agency as a general reference, which can be found on our website at www.lhfa.state.la.us.

- F. A proposed fee structure for the services described herein detailed by service.
- G. Three sample financial analysis (feasibility/viability and final cost certifications) utilizing varied financial structures. A sample financial analysis, feasibility and viability study, subsidy layering review, or placed in service review produced for a similar assignment within the past year. Property, client name and any other proprietary information may be deleted or redacted.
- H. Certification that the models produced and the end products of the financial analyses created or conducted as a result of the awarding of a contract for the services described herein shall become the property of the Agency.

V. Evaluation of Responses

- A. All responses to the RFP will be reviewed and ranked by a committee made up of LHFA staff and/or Board members. Recommendations will be presented to the multi-family committee for approval at its July meeting. Each submission will be scored using the evaluation criteria and weight factors listed below:

<u>Scoring Categories</u>	<u>Maximum Points Allowed</u>
1. Capacity.....	20 points
2. Experience in conducting financial analysis of tax credit programs.....	40 points
3. Work plan and specifications for performance of services.....	20 points
4. Sample of similar financial analysis.....	40 points
5. Fee structure.....	20 points
Total	140 points

- B. All responses will be reviewed and evaluated to determine whether the requirements of this request for Proposal. Those RFP responses which do not meet the requirements will be deemed “non-responsive” and only “responsive” RFP responses will be evaluated and ranked.
- C. The Agency reserves the right to select an applicant whose submission was “responsive” should it believe that the firm or individual would be incapable of delivering the requisite level of service necessary for the performance of the duties of the Financial Analysis Consultant within an acceptable price range and/or time frame. The Agency also reserves the right to reject any and all responses to this RFP and to enter into negotiations with the applicants as may be

necessary or appropriate to refine the scope of services, fee arrangements, or any other aspect of the services to be provided hereunder.

- D. The Agency reserves the right to request additional information including but not limited to references from companies that the firm has performed services similar in scope to those described herein within the past three (3) years.

Tentative Timeline of 2010 LIHTC Ceiling Reservations for Competitive Applications

March 17, 2010	Preliminary Timeline submitted to the BOC for consideration.
April 15, 2010	Stakeholders Meeting with Developers, CHDO/Non-Profits, Local and National Investors in Baton Rouge, LA (Jurisdictional Reps. from across the state)
April 16, 2010	Stakeholders Meeting with Developers, CHDO/Non-Profits, Local and National Investors in Shreveport, LA (Jurisdictional Reps. from across the state)
April 23, 2010	Deadline for receipt of additional written comments from Stakeholders meeting
May 12, 2010	Draft RFP – Market Study Analysts (to BOC for approval)
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October 27, 2010	Staff posts preliminary rank and score
November 3, 2010	F&V reports due from Underwriter, Staff Completes Scoring and review process

Tentative Timeline 6/7/2010

Tentative Timeline of 2010 LIHTC Ceiling Reservations for Competitive Applications

November 5, 2010	Begin Challenge Period (Dev. Sent F&V, MS and Score)
November 10, 2010	BOC meeting – Preliminary ranking and scores presented to Board
November 15, 2010	End of Challenge Period
November 18, 2010	All responses to challenges sent for review by Underwriter and MS analysts
November 29, 2010	Final revised F&V's due from Underwriter and Final MS revisions due from analysts.
December 8, 2010	Board Approval of Final Rank and Reservation of Tax Credit

Staff is still reviewing the proposals that were received.

LOUISIANA HOUSING FINANCE AGENCY

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

RESOLUTION

A resolution awarding the contract for the Low Income Housing Tax Credit Program Special Tax Counsel; 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 Section 42 of the Internal Revenue Code; and

WHEREAS, the Agency issued a Request for Proposals for Low Income Housing Tax Credit Program Special Tax Counsel on June 11, 2010, attached as "Exhibit A," and has scored and ranked all of the respondents.

WHEREAS, Agency staff seeks approval to award a contract for Low Income Housing Tax Credit Program Special Tax Counsel to _____, the respondent with the highest scoring proposal in response to the Agency's RFP for contract for Low Income Housing Tax Credit Program Special Tax Counsel.

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:

SECTION 1. The Board approves the awarding of a contract for Low Income Housing Tax Credit Program Special Tax Counsel to _____ in the amount of \$_____ as specified in the proposal attached hereto as "Exhibit B."

SECTION 2. Agency's staff and counsel are authorized and directed to prepare such documents and agreements as may be necessary to carry out the directive of the Board.

SECTION 3. The Chairman, Vice Chairman, President, Vice President and/or Secretary of the Agency be and they are hereby authorized, empowered and directed to execute any forms and/or documents required to be executed on behalf of and 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 General Counsel.

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

YEAS:

NAYS:

ABSENT:

And the motion was declared adopted on this, the 14th day of July, 2010.

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 July 14, 2010, entitled: "A resolution awarding the contract for the Low Income Housing Tax Credit Program Special Tax Counsel; 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 14th day of July, 2010.

Secretary

(SEAL)



LOUISIANA HOUSING FINANCE AGENCY

LOW-INCOME HOUSING TAX CREDIT PROGRAM

Request for Proposals (RFP)

for

Special Tax Counsel

Date Issued: June 11, 2010

Deadline to Submit Proposal: July 2, 2010 by 4:30 p.m.

2415 Quail Drive * Baton Rouge, Louisiana 70808
(225) 763-8700 * (888) 454-2001 * (225) 763-8710 (FAX)
www.lhfa.state.la.us

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I. Announcement

The Louisiana Housing Finance Agency (“LHFA” or “Agency”) hereby gives notice that it is seeking Proposals from applicants interested in serving as Special Tax Counsel for the Agency’s Low Income Housing Tax Credit Program. Firms and individuals with relevant experience and qualifications regarding the Low Income Housing Tax Credit Program, including the development of Qualified Allocations Plans (QAPs) in accordance with the requirements of Section 42 of the Internal Revenue Code, are encouraged to respond to this request for Proposals. It is anticipated that only one (1) applicant will be selected to serve as Special Tax Counsel, and will serve in such a capacity for not more than a three (3) year period on a contractual basis.

Notice of this Request for Proposals (“RFP”) is being distributed to individuals and firms that the Agency believes may be able to perform the requested services and who may be interested in submitting Proposals for consideration. This RFP is available in electronic format at www.lhfa.state.la.us.

II. Administrative Information

A. Requesting Information Regarding the RFP

Interested parties may obtain a copy of the RFP by submitting their name, title, firm name, address, telephone and fax numbers, and e-mail address to LHFA using the contact information below, or by visiting LHFA’s website at www.lhfa.state.la.us:

Louisiana Housing Finance Agency
ATTN: Brenda Evans
Re: LIHTC Special Tax Counsel RFP
2415 Quail Drive
Baton Rouge, Louisiana 70808
Telephone: (225) 763-8700
E-mail: bevans@lhfa.state.la.us

B. Submission of Proposals

1. **Five (5)** hard copies of the Proposals must be submitted to the Agency and one (1) complete copy of the submission packet on CD-ROM in PDF format.
Proposals and accompanying documentation shall be submitted to the Agency in a sealed envelope. The outside of the envelope should be addressed as follows:

ATTN: Brenda Evans
Re: LIHTC Special Tax Counsel RFP
Proposals Enclosed
Proposer/Company Name and Return Address

2. Proposals must be physically received by the Agency, in their entirety, by **no later than 4:30 p.m. on July 2, 2010**. Proposals *may not* be delivered via facsimile transmission or any other electronic means.
3. Please be advised that Proposals arriving after the 4:30 p.m. deadline, whether via U.S. Mail, Federal Express, UPS, or other comparable method of delivery, will *not* be accepted for any reason. Those submitting Proposals for consideration assume the risk of the method of delivery chosen.
4. Applicants submitting Proposals for consideration are fully responsible for any and all costs associated with the preparation of their responses to this RFP.

C. Prohibited Contact

It is the express policy of the Agency that prospective respondents to this RFP refrain from initiating any contact or communication, whether direct or indirectly, with Agency staff or members of the Agency's Board of Commissioners, concerning any aspect of this RFP, including, but not limited to, the selection of your firm or entity as a service provider, the review process to be conducted, etc. Any violation of this policy will be considered as a basis for disqualification.

D. Technical Assistance

Any questions or requests for clarification regarding this RFP must be directed in writing to Brenda Evans, Program Administrator, no later than one (1) week prior to the deadline to submit Proposals or by June 25, 2010. Such questions may be mailed to 2415 Quail Drive, Baton Rouge, Louisiana 70808, or may be e-mailed to bevans@lhfa.state.la.us. It is the sole responsibility of the prospective consultant to inquire into and clarify any information in the RFP that is not understood.

E. Option to Reject Any and All Proposals

1. This RFP does not commit the Agency to award any contract to any applicant. Furthermore the Agency reserves the right to accept or reject, in whole or in part, any and all responses submitted and/or to withdraw this RFP.
2. The Agency further reserves the right to reject incomplete responses to this RFP. However, the Agency may, in its discretion, contact applicants to inquire about required information omitted from responses, or to request additional information for purposes of clarification of the information submitted. The Agency may contact participants via telephone, e-mail, or facsimile during its review of the responses to the RFP.

3. If it becomes necessary to revise any part of the RFP or otherwise provide additional information, an addendum to the RFP may be issued by LHFA. The Addendum will be mailed to all applicants that received written copies of the original RFP, and will also be posted on the Agency's website at www.lhfa.state.la.us.

F. Assurances of Applicants

Applicants submitting responses to this RFP for consideration by the Agency agree to:

1. Comply with the terms and conditions of this RFP;
2. Comply with the requirements of and submit information and documentation in response to this RFP;
3. Properly execute all documents requested in consideration of the desired Proposals; and
4. Be knowledgeable of, and comply with, any and all applicable local, state, and federal laws, regulations, codes, permits and ordinances.

G. Public Records Requests

The Agency will comply with any request for public records in accordance with the provisions of Louisiana Revised Statute 44:1.

H. Non-Discrimination and Equal Opportunity

LHFA is committed to non-discriminatory equal opportunity in all employment practices. In connection with the performance of any work performed as a result of this RFP, the applicants agree not to discriminate against any employee or applicant for employment because of age, race, religion, creed, color, disability, marital status, sex, national origin, ancestry, sexual orientation, reserve status, or any other characteristic protected by local, state, or federal ordinance, law or regulation. In connection with the performance of any work under this RFP, the applicant agrees to take affirmative action to ensure equal employment opportunities.

III. Scope of Services

A firm or individual selected as LIHTC Special Tax Counsel would work with LHFA on a contractual basis, for a term of no more than three (3) years, regarding all matters of the Low Income Housing Tax Credit Program, 1602, Tax Credit Assistance Program and other related financing sources, including the construction of the Qualified Allocation Plans (QAPs) and all applications and notices relating thereto,

relative to all appropriate Section 42 requirements, and incorporation of initiatives as the Agency and its Board of Commissioners dictate.

The firm selected will be expected to perform, but will not be limited to performing, the following tasks:

A) Provide objective legal opinions with respect to all issues arising under the Low Income Housing Tax Credit Program including but not limited to 1602, Tax Credit Assistance Program (TCAP) and matters arising from time of application through the end of a project's extended use agreement;

B) Assist in the preparation and review of all legal documents and developer correspondence necessary for the administration of the program;

C) Attend all LHFA Board of Commissioner meetings and developer meetings as needed to provide guidance and information;

D) Draft and analyze legislation pertaining to the Low Income Housing Tax Credit Program as necessary;

E) Create and offer input on the review processes for internal program staff and staff counsel;

F) Work closely with the Financial Analysis Underwriter Consultant and Internal and External Counsel in the preparation of the QAP application and corresponding Feasibility/Viability reports, subsidy layering reports and other financial reports as required under Section 42.

G) Offer ongoing legal advice for the LIHTC program and compliance.

IV. Guidelines for Submitting Responses to the RFP

A proposed format for responses to this RFP is provided below. This guideline is intended to facilitate the Agency's review and evaluation of the Proposals received, and should be followed by those submitting Proposals for consideration. Responses to the RFP will be graded in each of the categories set forth below.

While brevity of responses is encouraged, each response should include sufficient information for the Agency staff to make a determination as to whether your firm or entity has the Proposals and experience necessary to serve as the Special Tax Counsel for the LIHTC Program. **Please provide five (5) copies of each submission of Proposals**, and one (1) complete copy of the submission packet on CD-ROM in PDF format **including the following information:**

- A. Name of firm, address, telephone number, and e-mail address, as well as the name, mailing address, telephone number, and e-mail address of the person to be contacted regarding the proposal.

- B. A description of your firm, including names of directors, managers, principals, number of employees, longevity, client base, areas of specialty and expertise and any other pertinent information that will assist the Agency in formulating an opinion about the stability and strength of the firm. Please provide bar admissions information on each attorney in the Proposal.
- C. The résumés of the principal(s) and key staff who will be performing work under any agreement ultimately entered into as a result of your firm's selection to serve as the LIHTC Special Tax Counsel, as well as a detailed discussion of the firm's staffing and other elements of its capacity relevant to performing the services described herein.
- D. A summary of any material inquiries, investigations or litigation instituted against your organization in the last two (2) years, whether ongoing or concluded, related to the conduct of your firm, your firm's management, or any employee or official associated with your firm. This summary should include any actions brought against your firm or employees by any federal, state or municipal government entity, court or regulatory authority, including fines, suspensions, censures, etc. Please be advised that your organization must also be in good standing with the Agency in order to be considered as a candidate.
- E. A work plan and specifications of the steps necessary for the tasks associated with the performance of the services described herein and in accordance with the Agency's draft QAP (subject to release on July 7, 2010) and the attached timeline (Exhibit A). Please note: Due to recent adjustments in the timeline, the current 2010 Draft QAP is unavailable, therefore in addressing this question, please review the 2009 QAP released by the Agency as a general reference, which can be found on our website at www.lhfa.state.la.us.
- F. A proposed fee structure for the services described herein.
- G. A collection of sample Tax Credit documents developed by your firm within the past year, which may include, but is not limited to, Qualified Allocation Plans, Applications, Resolutions, Legislation, and Legal Memoranda. Property, client name, and any other proprietary information may be deleted or redacted.
- H. Certification that any models produced and the end products created or conducted as a result of the awarding of a contract for the services described herein shall become the property of the Agency.

V. Evaluation of Responses

- A. All responses to the RFP will be reviewed and ranked by a committee made up of LHFA staff and/or Board members. Recommendations will be presented to the multi-family committee for approval at its July meeting. Each submission will be scored using the evaluation criteria and weight factors listed below:

<u>Scoring Categories</u>	<u>Maximum Points Allowed</u>
1. Capacity.....	20 points
2. Experience with low income housing tax credit programs.....	40 points
3. Work plan and specifications for performance of services.....	20 points
4. Sample of QAP/Program Documents.....	40 points
5. Fee structure.....	20 points
Total	140 points

- B. All responses will be reviewed and evaluated to determine whether the requirements of this request for Proposals have been met. Those RFP responses which do not meet the requirements will be deemed “non-responsive,” and only “responsive” RFP submissions will be evaluated and ranked.
- C. The Agency reserves the right to select an applicant whose submission was “responsive” should it believe that the firm or individual would be incapable of delivering the requisite level of service necessary for the performance of the duties of the Financial Analysis Consultant within an acceptable price range and/or time frame. The Agency also reserves the right to reject any and all responses to this RFP and to enter into negotiations with the applicants as may be necessary or appropriate to refine the scope of services, fee arrangements, or any other aspect of the services to be provided hereunder.
- D. The Agency reserves the right to request additional information including but not limited to references from companies that the firm has performed services similar in scope to those described herein within the past three (3) years.

Tentative Timeline of 2010 LIHTC Ceiling Reservations for Competitive Applications

March 17, 2010	Preliminary Timeline submitted to the BOC for consideration.
April 15, 2010	Stakeholders Meeting with Developers, CHDO/Non-Profits, Local and National Investors in Baton Rouge, LA (Jurisdictional Reps. from across the state)
April 16, 2010	Stakeholders Meeting with Developers, CHDO/Non-Profits, Local and National Investors in Shreveport, LA (Jurisdictional Reps. from across the state)
April 23, 2010	Deadline for receipt of additional written comments from Stakeholders meeting
May 12, 2010	Draft RFP – Market Study Analysts (to BOC for approval)
June 9, 2010	BOC – Meeting Board approval of RFPs for Tax Credit Financial Analysts and Tax Counsel
July 14, 2010	Staff proposed financial analyst and Draft QAP presented to the BOC for approval
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LOUISIANA HOUSING FINANCE AGENCY

MEMORANDUM

TO: Board of Commissioners

FROM: Tax Credit Department

DATE: July 14, 2010

SUBJECT: Memorandum for allocation of returned Tax Credit Assistance Program Funds

Issue: LHFA Strategy for allocating remaining TCAP funds of approx. \$3m

On February 17, 2009, President Obama signed the American Recovery and Reinvestment Act of 2009. Title XII of the Recovery Act appropriated \$2.250 billion dollars under the HOME Program heading for a grant program to provide funds for capital investments in Low-Income Housing Tax Credit (LIHTC) projects. The State of LA received approximately \$39,383, 397 in TCAP funds from HUD.

The Agency has allocated nearly \$36m with approximately \$3MM of TCAP remaining due to developers returning previously allocated funds. This initiative is meant to provide additional TCAP funds for increases in costs for existing LIHTC projects. Maximum request per project will be \$1M. Note that only projects that received an allocation of LIHTC between October 1, 2006 and November 30, 2009 are eligible to apply and who have not received their 8609s.

Staff processing strategy:

Timeline

- 1) Send out draft notice to developers by no later than close of business on Wednesday, July 14th, advising of Public Hearing on Allocation of Additional Tax Credit Assistance Program Funds to be held on Wednesday, July 21st.
- 2) Based upon public input, staff will present the final Initiative to Multi-Family Committee for approval on August 11th.
- 3) Applications will be due by close of business on August 25, 2010.

Draft document for Additional TCAP funds 07/02/2010

- 4) Staff will rank and score applications and post preliminary rankings by no later than close of business on September 1, 2010.
- 5) Submission of recommended awards to be present to BOC on September 8, 2010.

Rank and Scoring

Projects will be scored and ranked according to the following criteria:

- A. Rural Projects 30points
- B. Projects that can expend funds within 60 days as evidenced through their submitted completed AMEC model and as verified through Foley and Judell. 20points
- C. Projects with TCAP funds whose request for additional GO-Zone credits was filled during latest GO-Zone initiative and which Taxpayers will accept TCAP funds in lieu of additional GO Zone credits, 20points.

In the event of a tie in scoring, the project requesting the lower amount of TCAP funding will be allocated the funds in advance of projects requesting higher amounts of funds.

Submissions

1. Two (2) disk submission of updated AMEC model with signed certification.
2. Certification from Foley and Judell on status of expenditure of funding.
3. Identification of all eligible costs in the construction/rehabilitation budget that may be filled with an increase in TCAP funds
4. Certification that the developer fee will be limited to the amount contained within the most recent feasibility/viability report. This includes no decrease in deferred developer fee. Increased developer fee will not be allowed.

This initiative is not intended to allow any changes in the project's sources of funds, design, unit mix, and/or selection criteria or increase any project's total development cost as reflected in the last review of the project by the agency. The Developer/Taxpayer must certify that no other resources are available to fill the identified funding gap.