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# Louisiana Housing Finance Agency



## Multifamily Rental Housing Program

Brenda Evans, Program Administrator  
Loretta Wallace, Program Administrator

September 8, 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: August 27, 2010

Re: Multifamily Rental Housing Program Committee

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There will be a Multifamily Rental Housing Program Committee meeting, Wednesday, September 8, 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 regarding the GO Zone Addendum and providing for other matters in connection therewith;
- A resolution authorizing and approving the requests for buildings to be treated as located in a Difficult Development Area (DDA) and providing for other matters in connection therewith;
- A resolution providing for an award of Tax Credit Assistance Program Funds ("TCAP Funds") to certain residential rental facilities and providing for other matters in connection therewith;
- A resolution regarding a waiver request of the Design Feature for **Terrebonne Revitalization 09(PC)-46, (220 Baratavia Avenue, Houma, Terrebonne Parish, Louisiana)** and providing for other matters in connection therewith; and

Multifamily Rental Housing  
Memorandum  
August 27, 2010  
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- A resolution regarding the return of 2009 GO Zone Credits and the award of the Carryover Allocation for **C. J. Peete Apartments 07/08(FA)-25, (2520 Washington Avenue, New Orleans, Orleans Parish, Louisiana)** and providing for other matters in connection therewith.

Other Business.

August 31, 2010

**MULTIFAMILY RENTAL HOUSING COMMITTEE MEETING**

Notice is hereby given of a regular meeting of the Multifamily Rental Housing Program Committee will be held on **Wednesday, September 8, 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 August 11, 2010 Multi-Family Committee meeting minutes.
3. Multifamily Update
  - Resolution regarding the **GO Zone Addendum** and providing for other matters in connection therewith;
  - Resolution authorizing and approving the requests for buildings to be treated as located in a **Difficult Development Area (DDA)** and providing for other matters in connection therewith;
  - Resolution providing for an award of **Tax Credit Assistance Program Funds ("TCAP Funds")** to certain residential rental facilities and providing for other matters in connection therewith;
  - Resolution regarding a waiver request of the Design Feature for **Terrebonne Revitalization 09(PC)-46, (220 Barataria Avenue, Houma, Terrebonne Parish, Louisiana)** and providing for other matters in connection therewith; and
  - Resolution regarding the return of 2009 GO Zone Credits and the award of the Carryover Allocation for **C. J. Peete Apartments 07/08(FA)-25, (2520 Washington Avenue, New Orleans, Orleans Parish, Louisiana)** and providing for other matters in connection therewith.
4. Other Business

5. Adjournment

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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](mailto: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, August 11, 2010  
2415 Quail Drive  
Baton Rouge, LA 70808  
10:30 A.M.**

**Commissioners Present**

Chairman Guy T. Williams  
Vice-Chairman J. Mark Madderra  
Commissioner Katie Anderson  
Commissioner Donald Vallee  
Commissioner Joseph Scontrino  
Commissioner Mason Foster  
Commissioner Elsenia Young  
Commissioner Neal Miller  
Commissioner John Kennedy's representative, Alice Washington

**Commissioners Absent**

Commissioner Susan Sonnier  
Commissioner Allison A. Jones

**Staff Present**

Milton J. Bailey  
Brenda Evans  
Annie Robinson  
Wendy Hall  
Leslie Strahan  
Marjorianna Willman  
Ronald Burrough  
LaTosha Overton  
Louis Russell  
Nicole Carter  
MaKeisha Johnson-August  
Annie Clark  
Urshala Hamilton  
Terri Ricks  
Ricky Patterson

### **Counsel Present**

Wayne Neveu, Foley & Judell

### **Guests Present**

Attached

Multifamily Chairman Guy Williams called the meeting to order at 10:30 a.m. The first item for approval by the Commissioners was the July 14, 2010 Multifamily Committee minutes. There was no discussion of this item and Chairman Williams requested approval of the minutes by his fellow Commissioners. Commissioner Anderson made a motion and it was seconded by Commissioner Madderra and was unanimously approved for recommendation to the Full Board.

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

- A resolution providing for approval of the State's **2010 Per Capita Qualified Allocation Plan**; and providing for other matters in connection therewith.

Chairman Williams requested approval of the resolution by his fellow Commissioners. Commissioner Madderra made a motion and it was seconded by Commissioner Anderson and was unanimously approved for recommendation to the Full Board.

Chairman Williams explained that a public hearing had been held and that he was opening the floor for Commissioner and public comments. Commissioner Scontrino inquired how the Agency would handle Single Family detached developments in this round. Commissioner Vallee responded that Brenda Evans has his notes that he reviewed with her and that a lot of the issues being presented will have to be included in the next year's Qualified Allocation Plan based upon the time constraints of the round. He also stated his reservation about the \$1.5 Million project limit that was increased from eight hundred thousand dollar (\$800,000.00) and again he was leaning toward the majority's decision. He suggested that the Agency forward allocate in the next five (5) years to break up the allocations into what the housing needs will be going forward. Chairman Williams mentioned that this year's QAP significantly allocated more toward rural and less to urban although it does provide points to Single Family developments. Commissioner Scontrino thanked them for the clarification and he mentioned that he saw potential in renovating and building on vacant lots that are located throughout cities which would provide jobs for local people. Commissioner Vallee interjected that he has seen a shift in that most politicians don't want to see the big box developments. Since Katrina, there has been a tremendous amount of vacant land available that can be structured into deals to rebuild communities and be a stimulus in other areas. He continued to extrapolate on other ideas that could be used to help build affordable housing in Louisiana. Commissioner Madderra pointed out that right now in order to do a tax credit deal for 10 or 15 Single Family homes, there are virtually no tax credit investors targeting that type of project. He continued that hopefully, as the market improves in the following years it will be easier for the Agency to target that type of

project. Commissioner Anderson interjected that the QAP did have points included for scattered sites for the people who could make those types of deals work. She also voiced her agreement with Commissioner Madderra in hoping there would be more Single Family developments if they would benefit the community as a whole. Commissioner Vallee questioned whether 1602 funds could be used to subsidize Single Family developments. Chairman Williams responded in the affirmative and explained that it would be an issue that the staff would review. Commissioner Scontrino verbalized that disincentive scoring inhibits Single Family scattered site developments, especially remodeling existing units. If some of those types of hurdles are removed maybe an investor will support the deal, he said.

Commissioner Madderra commented on a letter received from a City Council-person Palmer of New Orleans regarding abandoned projects. The council-person wanted to make sure the provision in the QAP did not only include multifamily, but office buildings and other structures. Ms. Evans responded that on the Selection Criteria page 3 of 10, staff expanded the definition of an abandoned project or high-vacancy project to include residential and non-residential structures. Chairman Williams explained that the idea was geared particularly to the New Orleans area where there are warehouses and commercial building that have been converted into wonderful housing.

Jack Tolson on behalf of Charles Tate asked the Committee for clarification of three issues of the QAP. He questioned page 3 of 87 regarding the RD pool calling for no less than five (5) prior syndications while the general pool page 14 of 87 call for one (1) prior Low Income Housing Tax Credit deal. Chairman Williams interjected that that qualification had been reduced to two (2) prior syndications. Mr. Tolson asked could the number be lowered to one (1) as that might knock out a lot of CHDO's and non-profits. Chairman Williams responded that staff had reviewed the issue several times and the consensus was to lower the number to two (2) prior deals. Mr. Tolson questioned page 4 of 10 on PSH and the definition of superior design. Chairman Williams replied that a developer choosing Superior Design will pay a fee and the design will be submitted to an architectural panel and they will decide whether it is superior or not.

Charlotte Bourgeois of Louisiana Association of Affordable Housing Providers (LAAHP) mentioned two items: Cash contribution by the developer and Superior Design which were added after the initial review of the QAP. She stated that although the idea of Superior Design was supported by LAAHP, they would like the criteria for superior design so that the developers will know what needs to be incorporated into the project to receive that classification. She also mentioned two (2) To-be-determined (TBD) items, Targeted Parishes and the Credit Multiple. She requested that those items be made available to the public as soon as possible with such short deadlines. Ms. Evans replied that there would be no targeted parishes; all will be included in this funding round. The minimum multiple in regards to 1602 funds it is at \$.80.

Barry Palmer with Coats Rose inquired about developers with existing GO Zone credits having to reapply on a competitive basis in the 2010 round. He explained that his firm represents many developers who have received Lightning round credits in late 2008 and made carryover in

December 2008 but with the financial meltdown in the markets, the tax credit equity was not available. Many of those projects have not begun because of that issue and also because of the placed in service deadline. He felt as though taking the credits back would be unfair to the developers that have remained patience and stayed the course. His request is that those projects not be required to apply under the current QAP. Chairman Williams responded that the Public Housing projects and projects with CDBG funding will not have to compete, but all others will. The needs of the state have changed and if they are still good projects, then they will be able to pass again.

Michael Gross with LDG Development requested that the Committee consider an exception for the bonding requirement for eleven (11) units or more for the construction where there is an identity of interest between the developer and the general contractor. Since there is an identity of interest there is already a relationship there where the general partner is going to get the construction done no matter what, so the bonding requirement just adds on an additional cost to the deal. Chairman Williams replied that staff will review the issue.

Commissioner Madderra would like the committee to consider that although projects that received CDBG funding would not need to reapply in this round, they should still have a new market study completed to make sure the project is still viable. Commissioner Vallee requested clarification on whether a new market study and F&V would be received. Ms. Evans responded that PHA and state CDBG projects would be required to update their financial and syndication commitments, construction commitments, and CDBG commitments although, not an updated market study. The projects coming in to compete would need market studies. Commissioner Vallee agreed with Commissioner Madderra in requesting that those projects have new market studies and F&V. Commissioner Madderra suggested that those projects put the money forth to have the market study re-done. Commissioner Madderra made a motion for an amendment to the resolution that those projects with CDBG funding will need to post the funds to have the market study redone. He continued by excluding PHA's in the requirement to pay for a new market study. Commissioner Vallee provided the second and all Commissioners voted in unanimous agreement on the issue.

Chairman Williams requested approval of the resolution by his fellow Commissioners. Commissioner Vallee moved that the QAP be accepted as presented with the amendment by Commissioner Madderra and it was second by Commissioner Madderra and was unanimously approved for recommendation to the Full Board.

Ms. Evans mentioned that on the 30% basis bump will require a letter from the developer stating why their project would request the bump up. Commissioner Vallee questioned when the QAP would be available on the website and Ms. Evans replied later that day. Commissioner Madderra mentioned that developers who were awarded GO Zone credits who would be reapplying in the 2010 round, that the Agency would not be charging them an application fee. Ms. Evans explained that the Agency will waive its application fee but that the analysis fee would have to be paid to Foley & Judell.

- A resolution providing for the approval of the **Fourth Competitive Tax Credit Assistance Program Round**; and providing for other matters in connection therewith.

Ms. Evans gave affirmed that a draft mechanism had been done and a public hearing was held on July 29, 2010 and some comments were received. Staff included a correction in the date according to the HUD notice that projects would have to be awarded by September 30, 2009. Staff also made an adjustment in scoring points so as not to give as much priority to GO Zone projects as other projects coming in that need TCAP funds.

Chairman Williams requested approval of the resolution by his fellow Commissioners. Commissioner Vallee moved that the resolution be accepted as presented with the attached revisions and it was second by Commissioner Anderson and was unanimously approved for recommendation to the Full Board.

Since there were no other issues to be heard the meeting was adjourned at 11:02 a.m.



LOUISIANA HOUSING FINANCE AGENCY

MULTIFAMILY RENTAL COMMITTEE MEETING

WEDNESDAY, AUGUST 11, 2010 @ 10:30AM

Guest Sign-In Sheet

**GUEST NAME**

**FIRM**

PLEASE, PLEASE PRINT

1. Larry Hess LARRY HESS over plan B, Inc
2. Randy Oliver Oliver Investments
3. Jack K. Tolson Ardoir Garden & Tolson
4. Maud Tolson ReCenter Evangelino
5. STEPHEN ADRIATE SPE GROUP
6. Lawrence Tucker, Jr Metro City Fed.
7. Matty D Jones Coats Russe
8. DORRY PALMER COATS/RUSSE

MFCM  
PLEASE PRINT CLEARLY

| GUEST NAME                    | FIRM                              |
|-------------------------------|-----------------------------------|
| 9. <u>Kelley Longwell</u>     | <u>Cooks <del>Flow</del></u>      |
| 11. <u>Matt Harris</u>        | <u>Provident Realty Advisors</u>  |
| 12. <u>Matthew Stephens</u>   | <u>Regions Bank - Corp. Trust</u> |
| 13. <u>Arby Smith</u>         | <u>Rich Smith Dev.</u>            |
| 14. <u>Andrea Cooper</u>      | <u>Rich Smith Dev</u>             |
| 15. <u>Charlotte Bougeois</u> | <u>LAAHP</u>                      |
| 16. <u>Pam Hammond</u>        | <u>Elkins PIC</u>                 |
| 17. <u>L. Cherton</u>         | <u>Staff</u>                      |
| 18. <u>IC White</u>           | <u>GC HP</u>                      |
| 19. <u>R. Burrough</u>        | <u>Staff</u>                      |
| 20. <u>Wanda Smith</u>        | <u>Staff</u>                      |
| 21. <u>Tim Smith</u>          | <u>Hotel Development Services</u> |
| 22. <u>JAMES FREEMAN</u>      | <u>STANLEY Enterprises</u>        |

MFCM  
PLEASE PRINT CLEARLY

GUEST NAME

FIRM

23. Chris Disching

LDG

24. Michael Gross

LDG

25. Wendy Hall

Staff

26. Todd Little

staff

27. Makasha August

HRI

28. Chris Clement

Staff

29. Micou Carter

30. Lewis Russell

STAFF

31. Mayonammer

STAFF

32.

33.

34.

35.

36.

**LOUISIANA HOUSING FINANCE AGENCY**

The following resolution was offered by Commissioner \_\_\_\_\_ and seconded by Commissioner \_\_\_\_\_:

**RESOLUTION**

**A resolution authorizing and approving the 2010 GO Zone Credit Addendum addressing two separate GO Zone reprocessing regimes; one for PHA/CDBG Projects with existing GO Zone Credits and another for all other projects requesting GO Zone Credits in a special competitive allocation process 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**, Agency staff has prepared a 2010 GO Zone Credit Addendum addressing the GO Zone reprocessing requirements for PHA Sponsored/State CDBG Projects with existing GO Zone Credits and the requirements for all other projects requesting GO Zone Credits; and

**WHEREAS**, Agency staff made available the 2010 GO Zone Credit to Development Community on August 12, 2010; and

**WHEREAS**, Agency staff has recommended that PHA and CDBG projects be required to complete a reprocessing through the Agency's Asset Management Electronic Model (the "AMEC Model") submitted simultaneously to the Agency and Foley and Judell. Updates of financial and operating data and project schedules with respect to construction progress and placed in service dates for every building in the project be included in the AMEC Model. The following information in addition to the AMEC Model be submitted by no later than September 17<sup>th</sup>:

- a) Updated executed copies of financial and syndication commitments;
- b) Updated interim construction loan commitments;
- c) Updated hard and soft debt including CDBG commitments;
- d) Analysis fee in accordance with current fee schedule (the application fee is waived); and
- e) Market Study Fee (market studies are not required for PHA Sponsored Projects); and

**WHEREAS**, Agency staff has recommended that projects with GO Zone credits (other than PHA Sponsored/State CDBG Projects) be required to compete with other projects in the GO Zone area for GO Zone credits that the Agency is recapturing from their projects. The competitive

framework is to be the 2010 QAP. Projects competing for GO Zone Credits, in addition to the above, are required to submit:

- a) A complete application from the 2010 QAP and AMEC model submitted simultaneously to the Agency and Foley and Judell;
- b) Evidence of ability to place in service by no later than December 2012;
- c) Analysis fee in accordance with current fee schedule (the application fee is waived); and
- d) Market Study Fee; and

**WHEREAS**, the Board of Commissioners of the Agency desires to approve the recommendations of staff and to authorize and direct staff and counsel to implement the allocation of GO Zone Credits in accordance with the limits and specifications contained in the 2010 GO Zone Credit Addendum;

**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 terms, conditions and parameters for allocating GO Zone Credits to PHA Sponsored/State CDBG Projects with existing GO Zone Credits and for all other projects requesting GO Zone Credits Funds as contained in the 2010 GO Zone Credit Addendum are hereby adopted and approved by the Board.

**SECTION 2.** The Agency staff and legal counsel are authorized and directed to prepare the forms of such notices, documents and/or agreements as may be necessary to implement the strategies described in this resolution and the 2010 GO Zone Credit Addendum.

**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 and LIHTC Program Counsel, Foley & Judell, L.L.P.

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 8<sup>th</sup> day of September, 2010.

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Chairman

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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 three (3) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on September 8, 2010, entitled: "A resolution authorizing and approving the 2010 GO Zone Credit Addendum addressing two separate GO Zone reprocessing regimes; one for PHA/CDBG Projects with existing GO Zone Credits and another for all other projects requesting GO Zone Credits in a special competitive allocation process 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 8th day of September, 2010.

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**Secretary**

(SEAL)

### 2010 GO Zone Credit Addendum:

The challenge that exists with respect to GO Zone Credits as we approach the final half of 2010 is twofold:

(i) If the December 31, 2010 placed in service deadline for buildings with GO Zone Credits is not extended by Congress, the GO Zone Credits allocated to such buildings within projects that have not broken ground (perhaps even with respect to a few projects that have broken ground) will be lost.

(ii) If Congress extends the placed in service deadline for buildings with GO Zone Credits to the end of December 31, 2012, the GO Zone Credits allocated to buildings within projects that have not yet broken ground are still at risk of being lost if construction periods for larger projects approach or exceed twenty-four (24) months.

Based upon the foregoing challenges, staff recommends that the 2010 QAP presented tomorrow at the BOC meeting be exclusively dedicated to non-GO Zone Credits. The QAP, revised as of August 10, 2010, will contain a *Special 2010 GO Zone Credit Addendum*.

The *Special 2010 GO Zone Credit Addendum* will be submitted for final approval at the September Board of Commissioner meeting and will address two separate GO Zone Credit reprocessing regimes: one for PHA/CDBG Projects with existing GO Zone Credits and another for all other projects requesting GO Zone Credits in a special competitive allocation process.

#### IF PLACED IN SERVICE EXTENSION DOES NOT PASS:

The Agency will continue to fund projects on the waiting list which was created during the April/May 2010 Competitive Additional GO Zone Rounds as credits become available from those projects that are not expected to PIS by December 2010.

Projects with existing GO Zone credits may apply for additional credits subject to syndicator commitment for purchase of such additional credits.

#### IF PLACED IN SERVICE EXTENSION DOES PASS:

(I) PHA Sponsored/State CDBG Projects: PHA and CDBG projects will be required to complete a reprocessing through the Agency's Asset Management Electronic model (the "AMEC Model") submitted simultaneously to the Agency and Foley and Judell. Updates of financial and operating data and project schedules with respect to construction progress and placed in service dates for every building in the project must be included in the AMEC Model. The following information in addition to the AMEC Model must be submitted by no later than September 17<sup>th</sup>:

- a) Updated executed copies of financial and syndication commitments;
- b) Updated interim construction loan commitments;
- c) Updated hard and soft debt including CDBG commitments;

- d) Analysis fee in accordance with current fee schedule (the application fee is waived); and
- e) Market Study Fee (market studies are not required for PHA Sponsored Projects).

(II) Competitive GO Zone Pool: Projects with GO Zone credits (other than PHA Sponsored/State CDBG Projects) will be required to compete with other projects in the GO Zone area for GO Zone credits that the Agency is recapturing from their projects. The competitive framework will be the 2010 QAP. Projects competing for GO Zone Credits, in addition to the above, must also submit:

- a) A complete application from the 2010 QAP and AMEC model submitted simultaneously to the Agency and Foley and Judell;
- b) Evidence of ability to place in service by no later than December 2012;
- c) Analysis fee in accordance with current fee schedule (the application fee is waived); and
- d) Market Study Fee.

**LOUISIANA HOUSING FINANCE AGENCY**

The following resolution was offered by Commissioner \_\_\_\_\_ and seconded by Commissioner \_\_\_\_\_:

**RESOLUTION**

**A resolution authorizing and approving the requests for buildings to be treated as located in a Difficult Development Area (DDA); authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to approve such requests 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**, Agency staff issued a memorandum to the Development Community on August 12, 2010 the requirements for requests for buildings to be treated as located within a DDA in order to increase the housing credits for such buildings to be financially feasible as part of a qualified low-income housing project; and

**WHEREAS**, Agency staff and counsel has reviewed the requests in accordance with the criteria set forth in the memorandum dated August 12, 2010 for each of the proposed projects listed in Exhibit I attached hereto; and

**WHEREAS**, Agency staff recommend that the projects identified on Exhibit I be treated as being located in a DDA based upon staff's review and the analysis for Foley & Judell; and

**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 requests for buildings to be treated as located in a DDA are hereby approved for the proposed low income housing tax credit projects listed in Exhibit I in accordance with the terms, conditions and parameters contained in the August 12, 2010 memorandum are hereby adopted and approved by the Board.

**SECTION 2.** 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 and LIHTC Program Counsel, Foley & Judell, L.L.P.

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 8<sup>th</sup> day of September, 2010.

---

Chairman

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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 three (3) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on September 8, 2010, entitled: "A resolution authorizing and approving the requests for buildings to be treated as located in a Difficult Development Area (DDA); authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to approve such requests 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 8th day of September, 2010.

---

Secretary

(SEAL)

**Louisiana Housing Finance Agency  
Buildings Treated as Located in DDA for Additional Credits**

**EXHIBIT I**

| COUNT | PROJECT NAME                                       | CONTACT INFORMATION  | PROJECT DESCRIPTION   | PROJECT TYPE            | LOCATION                    | EVIDENCE GOV'T SUPPORT | REASONING FOR ADDITIONAL CREDITS   | COMMENTS             |
|-------|--|--|---|-------------------------|-----------------------------|------------------------|--|----------------------|
| 1     | Edgewood Square Apartments<br>Ruston, LA           | Michael Roderer<br>Herman & Kittle Properties, Inc<br>500 East 96th Street, Ste. 300<br>Indianapolis, IN 46240<br>(317) 846-3111 | Not Included  | RD 515                  | Ruston / Lincoln Parish     | Not Included           | Neighboring Census Tracts are QCTs; Anticipate higher labor costs; Lower AMI; insufficient funds to cover funding gap; Increase of equity from bump-up will pay for LEED Criteria, installation of appliances and washer/dryers in every unit; and Project is not feasible/viable without the requested increase.  |                      |
| 2     | Ashford Place Subdivision<br>Delhi, LA             | Patrick Temple<br>M& T Development Company,<br>LLC 192 Bastille Lane, Ste. 300<br>Ruston, LA 71270<br>(318) 232-1550             | Not Included  | RD 515 / Scattered Site | Delhi / Richland Parish     | Not Included           | Significant area growth due to the construction of a food processing plant; Project will incorporate Green Building features, incorporate optional amenities, Superior Design Designation, and have favorable location characteristics; Rental income is not adequate to support hard debt payments; and The developer would be required to defer most or all developer fees without the requested increase. |                      |
| 3     | Tarpon Heights Apartments<br>Cut Off, LA           | Murray Calhoun<br>MAC-RE, LLC<br>3224 26th Street<br>Metairie, LA 70002<br>(504) 561-1172  | 48 units / 1 bldg   | RD 515                  | Cut Off / Lafourche Parish  | Not Included           | Construction cost will be high due to the age of the property; Handicap units will have to be retrofitted, the wastewater disposal facility and stairs have to be replaced; Property subject to higher insurance cost; and Without the increase the deferred developer fee exceeds 15%.  |                      |
| 4     | Floral Acres Apartments I & II<br>Waggaman, LA     | Murray Calhoun<br>MAC-RE, LLC<br>3224 26th Street<br>Metairie, LA 70002<br>(504) 561-1172  | Phase I - 43 units / 1 bldg<br>Phase II - 31 units / 1 bldg | RD 515                  | Waggaman / Jefferson Parish | Not Included           | Construction cost will be high due to the age of the property; Handicap units will have to be retrofitted; Property subject to higher insurance cost; and Without the increase the 70% of the developer fee is deferred.   |                      |
| 5     | Oakbrook I & II Apartments<br>Lafayette Parish, LA | Charles Tate<br>Community Directions, Inc.<br>P.O. Box 172<br>Opelousas, LA 70571-0172<br>(337) 948-1294                         | Not Included  | CHDO                    | Lafayette Parish            | Not Included           | Not Applicable   | Located within a DDA |

**Louisiana Housing Finance Agency  
Buildings Treated as Located in DDA for Additional Credits**

**EXHIBIT I**

| COUNT | PROJECT NAME                                       | CONTACT INFORMATION   | PROJECT DESCRIPTION   | PROJECT TYPE            | LOCATION                              | EVIDENCE GOV'T SUPPORT | REASONING FOR ADDITIONAL CREDITS  | COMMENTS |
|-------|--|---|---|-------------------------|---------------------------------------|------------------------|---|----------|
| 6     | Cloverdale Plaza Apartments<br>Bossier City, LA    | W. Carr Hagan, III<br>Lawler-Wood Housing, LLC<br>900 Gay Street, Ste. 2000<br>Knoxville, TN 37902-1861<br>(865) 637-7777 | 180 units   | Project Based Section 8 | Bossier City / Bossier Parish         | Not Included           | Seventy percent of current households designated as "Extremely Low Income"; Due to age of development, many of the existing systems are nearing the end of their useful lives; Renovation will comply with Green Building definitions; Based on the anticipated loan sizing and forecasted equity raised, 30% of the developer fee will be deferred with the basis boost; and Without the increase the project is not financially feasible.   |          |
| 7     | Bridgestone I & II Apartments<br>DeSoto Parish, LA | Karen Miller<br>TRA-DOR Management, INC<br>712 Milam St. Suite 201<br>Shreveport, LA 71101<br>(318) 221-1760              | Phase I - 16 units / 1 bldg<br>Phase II - 16 units / 1 bldg | RD 515                  | Gloster / DeSoto Parish               | Not Included           | Cost associated with combining the properties; Current structure does not accommodate additional loans; At the current operating levels, the properties owe existing General Partner and Management Agent for developer fees; Asset Management Fee; Rental Assistance only available for 12 of the 32 units; Parish has high utility costs; and Some of the developer fees will be used to cover costs.   |          |
| 8     | Lake Providence Estates<br>Lake Providence, LA     | Ervin Turner<br>Lake Providence Estates<br>Address/ Phone Unknown   | 40 units  | Scattered Site          | Lake Providence / East Carroll Parish | Not Included           | Project will incorporate Green Community Standards; Due to the parish's extremely low income the rents would support little debt; Without the basis bump up the funding gap exceeds the projected developer fee; and Without the increase the project is not feasible and would require excessive soft funding.   |          |
| 9     | Lafayette Gardens<br>Scott, LA                     | Clifton Bates<br>The Park Companies<br>124 One Madison Plaza, Suite<br>1500 Madison, MS 39110<br>(601)321-7600            | 56 units  | Rural Area              | Scott / Lafayette Parish              | Mayor and City Council | Proposed rents are significantly lower than rents that can be collected in other parts of the parish; Due to the high rehabilitation costs needed to complete the project, the rental income is insufficient to support the hard debt; LIHTC project that is at the end of its initial compliance period; Project will incorporate minimum guidelines, washer, dryer and disposal in each unit and meet Green Community Standards; and With the basis increase the deferred developer fee is 10-15% without the increase the project is not feasible. |          |

**Louisiana Housing Finance Agency  
Buildings Treated as Located in DDA for Additional Credits**

**EXHIBIT I**

| COUNT | PROJECT NAME                          | CONTACT INFORMATION   | PROJECT DESCRIPTION | PROJECT TYPE                | LOCATION                     | EVIDENCE GOV'T SUPPORT | REASONING FOR ADDITIONAL CREDITS  | COMMENTS |
|-------|---------------------------------------|---|---------------------|-----------------------------|------------------------------|------------------------|---|----------|
| 10    | Vidalia Apartments<br>Vidalia, LA     | Kelly Longwell<br>Coats Rose<br>365 Canal Street, Suite 800<br>New Orleans, LA 70130<br>(504)299-3075         | 56 units            | Rural Area                  | Vidalia / Concordia Parish   | Mayor                  | Housing shortage due to significant area growth include the development and construction of a rice mill, a plant that converts coal to gasoline, a biofuels project a new municipal complex and a recreation facility; Decreased market rent limits the income potential and limits the ability to service permanent, hard debt; and Without the basis increase, the project would have to obtain \$1M in soft financing sources which is not available in the area.  |          |
| 11    | Artesia Way Apartments<br>Slidell, LA | Win Yerby<br>Development Services, Inc<br>210 Lenwood Road<br>Decatur, AL 35603<br>(205)563-8153              | 64 units            | Elderly                     | Slidell / St. Tammany Parish | Not Included           | High land prices and construction costs; Elevation of the site requires that the living units be elevated 6-7 feet above the flood level; Substantially higher insurance costs; The deferred developer fee is not sufficient to cover the gap; and The project development team has significant experience with LIHTC properties.   |          |
| 12    | Oakmont Apartments<br>Monroe, LA      | Robert Whittington<br>The Resource Foundation, Inc.<br>PO Box 86753<br>Baton Rouge, LA 70879<br>(225)768-1510 | 216 units           | Substantial Rehabilitation  | Monroe / Ouachita Parish     | Not Included           | Market Study indicates a shortage of affordable housing in the area; Poor condition of development; Significant blight to the local area; Very large construction budget; Project will incorporate some green components; and Project not feasible without the basis increase even if 100% of the developer fee is deferred.  |          |
| 13    | Arcadia Village                       | Ashley Wilson/ Todd Little<br>Little & Associates, LLC<br>805 North 31st Street<br>Monroe, LA 71201           | 28 units            | Rural Area / Scattered Site | Arcadia / Bienville Parish   | Not Included           | Parish has a very low median income; Town in desperate need of affordable housing; Project will incorporate minimum guidelines, washer, dryer and disposal in each unit, community center and meet Green Community Standards; With the basis increase up to 20% of the developer fee is projected to be deferred; Without the increase the project is not financially feasible; and Project was previously awarded LIHTC and HOME funds but commitments were captured due to delays in getting environmental clearance. |          |



**Louisiana Housing Finance Agency**  
2415 Quail Drive, Baton Rouge, Louisiana 70808

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**MEMORANDUM**

**DATE:** August 12, 2010  
**TO:** Development Community  
**FROM:** Louisiana Housing Finance Agency Tax Credit Staff  
**RE:** Requests for Buildings to be treated as located within a Difficult Development Area

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**Buildings Treated as Located within a Difficult Development Area for Additional Credits**

On August 11, 2010, the LHFA Board of Commissioners adopted the 2010 Qualified Allocation Plan (2010 QAP). As outlined in the 2010 QAP, the Agency may consider buildings located outside of a Difficult Development Area (DDA) or Qualified Census Tract (QCT) on a case by case basis for treatment as being located in a DDA in order to increase the housing credits for such buildings to be financially feasible as part of a qualified low-income housing project. In order for such buildings to be considered as located in a DDA, a request for such treatment must be submitted to the Agency by **no later than close of business, Thursday, August 26, 2010.**

All requests for buildings to be treated as located in a DDA must include the following:

- (i) Information regarding project location and the need for additional low-income housing in the market area;
- (ii) Information with respect to the project's development budget characteristics that support DDA designation such as high construction and/or land costs or other construction costs that reduce operating expenses (i.e., Green Technologies);
- (iii) Information concerning unusual operating expenses such as low rents because of low Area Median Gross Income (AMGI) and/or unusually high utility expenses that may not support hard debt repayments for loans needed to complete the development of the qualified low-income housing project;
- (iv) Specific analysis as to (a) why a deferred developer fee is not available to generate the additional funds in the development budget and (b) why, but for the additional

credits generated by a building being treated as located in a DDA, the building and the project either would not be completed or would materially benefit from the additional equity; and

(v) Any additional information that supports the need for additional credits for the building being treated as located in a DDA should be included in the submittal request.

The aforementioned request with supporting information should be forwarded to the attention of Ms. Marjorianna Willman, Tax Credit Manager at [mwillman@lhfa.state.la.us](mailto:mwillman@lhfa.state.la.us) . Only submittals received by the Agency by not later than the close of business, August 26, 2010, will be accepted for review and consideration at the September 8, 2010 Board of Commissioner meeting.

## **SUMMARY OF REQUESTS FOR BUILDINGS TO BE TREATED AS LOCATED WITHIN A DIFFICULT DEVELOPMENT AREA**

On August 11, 2010, the LHFA Board of Commissioners adopted the 2010 Qualified Allocation Plan (2010 QAP). As outlined in the 2010 QAP, the Agency may consider buildings located outside of a Difficult Development Area (DDA) or Qualified Census Tract (QCT) on a case-by-case basis for treatment as being located in a DDA in order to increase the housing credits for such buildings to be financially feasible as part of a qualified low-income housing project. Requests for such consideration were due to the Agency on or before August 26, 2010. Staff received thirteen (13) requests for sixteen (16) projects.

The requests were reviewed by staff and tax counsel. The following information was considered:

- (i) Information regarding project location and the need for additional low-income housing in the market area;
- (ii) Information with respect to the project's development budget characteristics that support DDA designation such as high construction and/or land costs or other construction costs that reduce operating expenses (e.g., Green Technologies);
- (iii) Information concerning unusual operating expenses such as low rents because of low Area Median Gross Income (AMGI) and/or unusually high utility expenses that may not support hard debt repayments for loans needed to complete the development of the qualified low-income housing project;
- (iv) Specific analysis as to (a) why a deferred developer fee is not available to generate the additional funds in the development budget and (b) why, but for the additional credits generated by a building being treated as located in a DDA, the building and the project either would not be completed or would materially benefit from the additional equity; and
- (v) Any additional information included in the submissions that support the need for additional credits for the building being treated as located in a DDA.

Many of the requests are for proposed projects that are located in rural areas, with several being Rural Development 515 financed projects. The developers listed extensive costs associated with the development and rehabilitation of projects located in rural areas; low AMGI, higher utility costs and operating expenses. The projects as proposed have projected funding gaps that prohibit the developments from being financially feasible without the basis increase.

The approval of requests for buildings outside of a DDA or QCT to be treated as being located in a DDA will allow an increase in the projects eligible basis by thirty percent (30%). The eligible basis, which is the amount of all depreciable development costs,

includes all hard costs, such as construction costs, and most depreciable soft costs, such as architectural and engineering costs. Excluded from the eligible basis are non-depreciable costs, such as land acquisition, permanent financing costs, and initial deposits to reserves. The amount of LIHTC available to a project is calculated using eligible basis. The increase in the eligible basis results in an increase in the amount of LIHTC for buildings that receive the basis increase. However, the increase in LIHTC allocated to a project is limited by the amount of credits needed for a project to be feasible and viable which involves a detailed analysis performed by Foley & Judell.

**LOUISIANA HOUSING FINANCE AGENCY**

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_.

**RESOLUTION**

**A resolution providing for an award of Tax Credit Assistance Program Funds (“TCAP Funds”) to certain residential rental facilities that have received an allocation of LIHTC between October 1, 2006 and September 30, 2009; authorizing the Agency staff, General Counsel and Foley & Judell, L.L.P as the Agency’s tax credit counsel to prepare the forms of such documents and agreements as may be necessary to award TCAP Funds in accordance with HUD Notice CPD-09-03 – REV issued May 4, 2009 but revised July 27, 2009 (the “HUD TCAP Notice”) and providing for other matters in connection therewith.**

**WHEREAS**, the Louisiana Housing Finance Agency (the "Agency") has been ordered and directed to act as the housing credit agency under Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”) on behalf of the State of Louisiana (the "State") in allocating and administering programs and/or resources to made available pursuant to the Section 42 of the Code (the “LIHTC Program”); and

**WHEREAS**, Title XII of the American Recovery and Reinvestment Act of 2009 (the Recovery Act”) appropriated \$2.250 billion under the HOME Investment Partnerships (HOME) Program heading for a grant program to state housing credit agencies to facilitate development of LIHTC projects that will be completed by February 16, 2012 by providing funds for capital investments in such LIHTC projects; and

**WHEREAS**, the Recovery Act establishes certain requirements applicable to the TCAP Program, including deadlines for commitment and expenditures, transparency, and distribution of funds; and

**WHEREAS**, the HUD TCAP Notice requires the Agency to distribute TCAP Funds competitively under the Recovery Act and pursuant to the existing Qualified Allocation Plans (“QAP”), including a written description of all selection criteria and any weightings assigned to competitively award its TCAP Funds and how the Agency will redistribute TCAP Funds to more deserving Projects from projects which are not in compliance with deadlines established in the written agreement between the Agency and project owners; and

**WHEREAS**, the Agency has submitted information to the U.S. Department of Housing and Urban Development (“HUD”) about how the Agency will meet the Recovery Act accountability requirements, including the publication of a notice of public hearing in which the project selection

process and criteria was available to the public for comments from the public for a period of not less than five days; and

**WHEREAS**, the HUD TCAP Notice provides that the Agency (i) must repay TCAP Funds that were used for ineligible costs, or for a project that is never completed or for a project that failed to meet the requirements under Section 42, (ii) must repay, during the grant period, to the Agency's TCAP Line of Credit, in accordance with procedures established by HUD and (iii) must seek specific performance to obtain compliance in accordance with the required TCAP written agreement if a project fails to maintain compliance with the TCAP requirements and (iv) has no repayment obligation in the event of foreclosure of a project if the grantee was performing asset management and took reasonable actions to ensure the long-term viability of the project; and

**WHEREAS**, the Agency has executed a *Tax Credit Assistance Program (TCAP) Grant Agreements* (HUD Form 40092), which obligated \$369,383,397 (the "TCAP Grant") to the Agency; and

**WHEREAS**, the Recovery Act specifically requires that the Agency (i) commit not less than 75% of the TCAP Grant within one year of the enactment of the Recovery Act (i.e., by February 16, 2010), (ii) demonstrate that all project owners have expended 75% of the TCAP Grant within two years of the enactment of the Recovery Act (i.e., by February 16, 2011) and (iii) expend 100% of the TCAP Grant within three years of the enactment of the Recovery Act (i.e., February 16, 2012); and

**WHEREAS**, the HUD TCAP Notice requires the Agency to track and report on a regular basis in (i) the Integrated Disbursement Information System (IDIS), (ii) a supplemental Recovery and Management Performance System ("RAMPS") expected to interface with IDIS in order to capture data elements that are required by the Recovery Act but not captured in IDIS, including job creation and job retention information and (iii) and OMB's FederalReporting.gov website its progress in committing and expending the TCAP Grant and requires TCAP Grant Funds not expended by the end of the three-year performance period to be recaptured by HUD; and

**WHEREAS**, following the completion of an environmental clearance for a project and approval of the Request for Release of Funds (RROF), the Agency must execute a legally binding agreement with the owner of a project (the "TCAP Written Agreement") setting forth all of the TCAP Program and crosscutting federal grant requirements applicable to the funding and must make these requirements enforceable through the recordation of a restriction that is binding on all owners and successors; and

**WHEREAS**, the TCAP Written Agreement must be signed and dated by the Agency and the project owner before any TCAP Funds are disbursed and must provide that such TCAP Funds may not be drawn from the U.S. Treasury in advance of the need to pay an eligible costs and, once drawn, must be expended for an eligible cost within 3 days; and

**WHEREAS**, the Recovery Act requires the Agency (i) to post on its website a description of its competitive selection criteria for awarding TCAP Funds to eligible projects, (ii) to identify all projects selected for funding and post the amount of each TCAP Funds award on its website; and

**WHEREAS**, the Recovery Act requires the Agency to perform asset management functions, or contract for performance of these services, at the owner's expense, to ensure compliance with Section 42 of the Code and the long term viability of project's funded by the TCAP Program; and

**WHEREAS**, the Agency must comply with the federal requirements listed in the HUD TCAP Notice; and

**WHEREAS**, the Agency approved certain application and other forms, documents and proceedings related to the LIHTC Program and, in accordance with the Memorandum for allocation of returned Tax Credit Assistance Program Funds dated August 11, 2010, has determined to award TCAP Funds to the projects listed in Exhibit I which have received an allocation of LIHTC between October 1, 2006 and September 30, 2009 in order to qualify such projects under the Recovery Act and the HUD TCAP Notice; and

**WHEREAS**, the Agency has solicited competitive applications for TCAP Program funding in accordance with the TCAP Program; and

**WHEREAS**, the staff of the Agency has scored and ranked the applications in accordance with the criteria listed in the Memorandum for allocation of returned Tax Credit Assistance Program Funds dated August 11, 2010 for each of the residential rental projects described in Exhibit I for funding; and

**WHEREAS**, the staff of the Agency is also prepared, based upon the analysis of Foley & Judell, L.L.P., to award TCAP Funds for each of the residential rental projects described in Exhibit I for funding;

**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 residential rental facilities (the "Project") described in Exhibit I hereto are hereby approved for an award of TCAP Funds in the amounts specified in said Exhibit I based upon the recommendations and opinion of Foley & Judell, L.L.P., and the information contained in the TCAP submissions with respect to each such Project.

**SECTION 2.** The residential rental facilities (the "Project") described in Exhibit I hereto are hereby approved for an award of TCAP Funds in the amounts specified in said Exhibit I based upon the analysis of Foley & Judell, L.L.P., and the information contained in the TCAP submissions with respect to each Project.

**SECTION 3.** The Agency staff, General Counsel, and Foley & Judell, L.L.P., as Tax Credit Counsel, shall establish such procedures as may be necessary to award such TCAP Funds to maintain the feasibility and viability of the Projects in accordance with the TCAP Written Agreement for each such project in order to comply with Federal Grant Requirement, including the Fair Housing Act, Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, Affirmatively Furthering Fair Housing, Section 504 of the Rehabilitation Act of 1973, the National Environmental Policy Act and Related Laws, the Lead-Based Paint Poisoning Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992, the Davis-Bacon Prevailing Wages under Section 1606 of Division A of the Recovery Act, the Ant-Lobbying Restrictions in 31 USC 1352 and implementing regulations at 24 CFR Part 87, the Drug-Free Workplace act of 1988, and OMB Regulations and Circulars and to set up the asset management functions of the Agency to assess the performance and viability of each project in accordance with underwriting model that will be updated at closing for each project and within the framework for performance under the Mark-to-Market Program administered by HUD's Office of Affordable Housing Preservation. Foley & Judell as the Agency's Participating Administrative Entity ("PAE") Teaming Partner is hereby authorized and directed to prepare and submit a financial closing underwriting model in connection with the execution of each TCAP Written Agreement in order to memorialize the financial structure at closing of each project receiving TCAP Funds and to establish the appropriate benchmarks in such financial closing underwriting model for the Agency's asset management functions.

**SECTION 4.** The Agency staff and counsel are authorized and directed to prepare the forms of such documents and agreements as may be necessary to award TCAP Funds to the Projects listed in Exhibit I.

**SECTION 5.** 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 and Tax Credit Counsel, Foley & Judell, L.L.P.

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

YEAS:

ABSTAIN:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 8<sup>th</sup> day of September 2010.

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Chairman

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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 September 8, 2010, providing the award of TCAP Funds to certain residential rental facilities previously awarded LIHTC between October 1, 2006 and September 30, 2009; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to award such credits and TCAP Funds to such facilities; and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 8<sup>th</sup> day of September 2010.

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Secretary

(SEAL)

To be updated pending F&V analysis

2010 APPLICATION TCAP Awards List - 4th Round

(DRAFT)

| Project No. | PROJECT NAME  | Contact Information                          | Parish   | Current TCAP Award | TCAP Amount Requested  | TCAP Feasibility Amount | Rural Projects | Certification of Expenditure of Funding | TCAP Projects Unsuccessful in Prior GO Zone Round |
|-------------|---------------|--|--|--------------------|------------------------|-------------------------|----------------|---|---|
| 1           | 08(GO)-04(R)  | <b>North Abbeville Subdivision II</b>        | Patrick Temple<br>Northern Abbeville Subdivision LP<br>192 Bastille Lane, Ste. 300<br>Ruston, LA 71270<br>(318) 232-1221   | Vermilion          | \$ 384,622.00          | \$ 150,170.00           | \$ 150,170.00  | 30                                      | 0   |
| 2           | 08(PC)-27     | <b>Plumtree Estates</b>                      | Dale Lancaster<br>Plum Tree Estates, LLC<br>P.O. Box 672<br>Madison, MS 39130<br>(601) 707-8715                            | Richland           | \$ -                   | \$ 600,000.00           | \$ 600,000.00  | 30                                      | 0   |
| 3           | 07/08(FA)-27  | <b>Classic Construction of NO Venture II</b> | Joseph Stebbins<br>Classic Construction of N.O.<br>1477 Louisiana Ave, Ste. 101<br>New Orleans, LA 70115<br>(504) 899-4473 | Orleans            | \$ 282,040.00          | \$ 642,960.00           |                | 0                                       | 15  |
| 4           | 07/08(PC)-042 | <b>Mt. Carmel Gardens*</b>                   | Brian Lafleur<br>4521 Jamestown Ave, Suite 7<br>Baton Rouge, LA 70808<br>(225) 910-8402                                    | E. Baton Rouge     | \$ 656,123.00          | \$ 277,832.00           | \$ 277,832.00  | 0                                       | 0   |
| 5           | 07/08(FA)-63  | <b>Pines Villages Homes</b>                  | Verlyn Foley<br>VOB Development, LLC<br>8440 Holcomb Bridge Rd, Ste. 560<br>Alpharetta, GA 30022<br>(770) 552-5909         | Orleans            | \$ 1,000,000.00        | \$ 562,451.00           |                | INELIGIBLE                              |   |
| 6           | 07/08(FA)-51  | <b>Northern Abbeville Subdivision</b>        | Patrick Temple<br>Northern Abbeville Subdivision LP<br>192 Bastille Lane, Ste. 300<br>Ruston, LA 71270<br>(318) 232-1221   | Vermilion          | \$ 1,000,000.00        | \$ 525,905.00           |                | INELIGIBLE                              |   |
|             |               |  |  |                    | <b>\$ 2,759,318.00</b> | <b>\$ 1,028,002.00</b>  |                |   |   |



REVISED

**Louisiana Housing Finance Agency**  
2415 Quail Drive, Baton Rouge, Louisiana 70808

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**MEMORANDUM**

**DATE:** August 11, 2010  
**TO:** Development Community  
**FROM:** Louisiana Housing Finance Agency Tax Credit Staff  
**RE:** Memorandum for allocation of returned Tax Credit Assistance Program Funds

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**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 Louisiana received approximately \$39,383,397 in TCAP funds from HUD. A Taxpayer must evidence an ability to have expended seventy-five percent (75.0%) of the TCAP Funds awarded to the Taxpayer's LIHTC Project by February 16, 2011 and one hundred percent (100.0%) by February 16, 2012.

The Agency has allocated nearly \$36M with approximately \$3M 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 **September 30, 2009** (based upon HUD Notice CPD09-03) 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 14<sup>th</sup>, advising of Public Hearing on Allocation of Additional Tax Credit Assistance Program Funds to be held on Thursday, July 29<sup>th</sup> from 8:30 a.m.- 10:00 a.m.
- 2) Based upon public input, staff will present the final Initiative to Multi-Family Committee for approval on August 11<sup>th</sup>.

- 3) Applications will be due by close of business on August 25, 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 presented to BOC on September 8, 2010.

**REVISED**  
**Rank and Scoring**

Projects will be scored and ranked according to the following criteria:

- |  |           |
|--|-----------|
| A. Rural Projects  | 30 points |
| B. Projects that can expend funds within 60 days as evidenced through their submitted completed AMEC model and as verified through Foley and Judell.   | 20 points |
| C. Projects with TCAP funds whose request for additional GO-Zone credits was not filled during latest GO-Zone initiative and who are willing to accept TCAP funds in lieu of additional GO Zone credits, | 15 points |

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 design, unit mix, and/or selection criteria or increase any of the 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.

## **DECISION BRIEF:**

### **Request for a Waiver of the 75% Brick/Stucco exterior for Terrebonne Revitalization Company (Houma, Terrebonne Parish, Louisiana)**

#### **Issue**

This resolution requests the Board's approval to waive the 75% brick/stucco exterior requirement in exchange for a true brick and fiber cement lap board exterior on the development's one (1) building.

The request for the Waiver on the 75% brick is due to the development being located directly adjacent to a National Historic District, the Houma Historic District to be more specific. In accordance with Section 106 of the National Historic Preservation Act ( 36 CFR Part 800) this location, as determined by the State Historic Preservation Office (SHPO), is within an Area of Potential Effect ( in, adjacent to, and/or affecting a Historic District/Structure. The architecture has been subject to design review and approval by SHPO. The SHPO approved facades incorporate a mixture of fiber cement lap board and true brick, with brick covering the majority of the first floor (approximately 20% of the exterior).

Terrebonne Revitalization Company is a one (1) building, fifty-seven (57) unit multi-family residential development located at 220 Barataria Avenue, Houma, Terrebonne Parish, Louisiana, 70360. The fifty-seven (57) units will be comprised of forty (40) one-bedroom units, and seventeen (17) two-bedroom units. All fifty-seven (57) of the units will be set aside for 60% or less AMI's.

Sources of funding to be utilized in the rehabilitation of this development will be \$6,288,557.00 in Permanent First Mortgage and \$5,705,812.00 in Gross Tax Credit Equity. For a TDC of \$11,994,369.00.

#### **Pros:**

- LHFA will continue its mission of providing safe, decent and affordable housing for low to moderate-income families by utilizing its resources.
- Granting the waiver will enhance the housing stock for the citizens of Louisiana.
- The Board previously approved a waiver on April 14, 2010 to allow staff to waive the 75% brick Exterior to developments located within a State Historic District. Staff could not approve the waiver because the development falls right outside the Historic boundary.

#### **Cons:**

- None

#### **Recommendation:**

Staff recommends approval of the waiver that the 75% brick exterior requirement be replaced with the architecture plans that were approved by State Historic Preservation Office (SHPO), consisting of facades incorporating a mixture of fiber cement lap board and true brick, with brick covering the majority of the first floor (approximately 20% of the exterior)..

**LOUISIANA HOUSING FINANCE AGENCY**

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

**RESOLUTION**

**A resolution regarding the substitution of a true brick and fiber cement lap board (Hardi Plank) instead of the seventy-five percent brick/stucco exterior requirement by Terrebonne Revitalization Company (Houma, Terrebonne Parish, Louisiana), 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 (the "Housing Tax Credit Program"); and

**WHEREAS**, the developer of **Terrebonne Revitalization Company** has requested that it be allowed to use brick and fiber cement lap board (Hardi Plank) instead of seventy-five percent brick/stucco exterior since it is located directly adjacent to a National Historic District, which results in the development's being "an area of potential effect" and subject to having its architecture subject to the design review and approval of the State Historic Preservation Office; and

**WHEREAS**, the requirement that all projects contain at least 75% brick exterior was a threshold requirement in the funding round under which the project was awarded credits; and

**WHEREAS**, staff has reviewed the request, and based upon the information provided, is recommending approval of the requests for the design change;

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

**SECTION 1:** A resolution is hereby approved allowing **Terrebonne Revitalization Company** to use brick and fiber cement lap board (Hardi Plank) instead of seventy-five percent brick/stucco exterior.

**SECTION 2:** The Agency staff and Counsel are authorized and directed to prepare such documents and agreements as may be necessary to implement the approved actions.

**SECTION 3:** The Chairman, Vice-Chairman, President, Vice-President, and or Secretary of the Agency be hereby authorized, empowered and directed to execute any forms and or documents required to be executed on behalf of 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 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 8<sup>th</sup> day of September 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 September 8, 2010, entitled, "A resolution regarding the substitution of a true brick and fiber cement lap board (Hardi Plank) instead of the seventy-five percent brick/stucco exterior requirement by Terrebonne Revitalization Company (Houma, Terrebonne Parish, Louisiana), 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 8<sup>th</sup> day of September, 2010.

---

Secretary

(SEAL)

## Marjorianna Willman

---

**From:** Chris Clement [cclement@hriproperties.com]  
**Sent:** Friday, August 20, 2010 4:58 PM  
**To:** Marjorianna Willman  
**Cc:** Louis Russell; Brenda Evans; Kirsten Vaselaar  
**Subject:** Terrebonne Revitalization Company II, LLC #09(PC)-46 - 75% Brick Waiver Request  
**Attachments:** BSA I - Brick Waiver Request to LHFA.pdf

Ms. Willman,

Attached please find a request for waiver of the 75% brick requirement for the Terrebonne Revitalization Company II, LLC [#09(PC)-46]. Please feel free to contact me should you require any additional information. We appreciate your consideration of this request.

Chris Clement  
HRI Properties  
909 Poydras St., Suite 3100  
New Orleans, LA 70112  
Office (504) 566-3055  
Cell - (504) 390-8686  
Fax - (504) 525-3932

H R I P R O P E R T I E S

---



August 19, 2010

Brenda Evans  
Louisiana Housing Finance Agency  
2415 Quail Drive  
Baton Rouge, LA 70808

RE: Terrebonne Revitalization Company II, LLC, #09(PC)-46  
Barataria Station Apartments I  
Partial Substitution of Fiber Cement Board for 75% Brick Requirement

Dear Brenda,

As per the attached Resolution by the LHFA Board of Commissioners allowing the substitution of fiber cement board for the 2009 QAP's 75% brick exterior requirement for all properties located in a State Historic Preservation District, we respectfully request a similar waiver be granted for the above-named project.

As indicated on the attached map, the Barataria Station Apartments I is located on the border of the Houma Historic District. In accordance with Section 106 of the National Historic Preservation Act (36 CFR Part 800) this location, as determined by the State Historic Preservation Office (SHPO), is within an Area of Potential Effect (in, adjacent to, and/or affecting a Historic District/Structure). The architecture has been subject to design review and approval by the SHPO. Attached please find correspondence with the SHPO regarding required design submittals and approvals for this development. This design approval process is identical to the approval process for new construction developments located distinctly within a historic district.

As you will note on the attached rendering, the Barataria Station Apartments I, as approved by the SHPO, has been designed to be sensitive to the surrounding historic district and structures. The SHPO approved facades incorporate a mixture of fiber cement lap board siding and true brick, with the brick surface covering the majority of the first floor (totaling approximately 20% of the exterior).

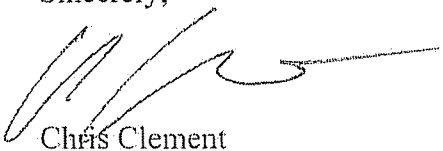
MF-46

909 POYDRAS TOWER

909 POYDRAS STREET, SUITE 3100 · NEW ORLEANS, LOUISIANA 70112 · 504/566-0204 · FAX 504/525-3932

Thank you for your consideration of this request. Should you have any questions, please do not hesitate to contact me at (504)566-3055.

Sincerely,



Chris Clement  
Project Manager

I hereby consent to the waiver as described above:

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Louisiana Housing Finance Agency

# Attachments

# LHFA Board Resolution

## Louisiana Housing Finance Agency

The following resolution was offered by Commissioner Guy T. Williams and seconded by Donald B. Vallee:

### RESOLUTION

A resolution regarding the substitution of smooth-surfaced (no faux wood grain) fiber cement lap board (Hardi Plank) instead of all brick exterior by Liberty Place Apartments (scattered sites within New Orleans, Orleans Parish, Louisiana), and for all properties located in a State Historic Preservation District; 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 (the "Housing Tax Credit Program"); and

WHEREAS, the developer of Liberty Place Apartments has requested that it be allowed to use smooth-surfaced (no faux wood grain) fiber cement lap board (Hardi Plank) instead of all brick exterior since it is located in a State Historic Preservation District that will not allow the use of brick; and

WHEREAS, the requirement that all projects contain at least 75% brick exterior was a threshold requirement in the funding round under which the project was awarded credits; and

WHEREAS, staff has reviewed the request, and based upon the information provided, is recommending approval of the requests for the design change;

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

SECTION 1: A resolution is hereby approved allowing Liberty Place to use smooth-surfaced (no faux wood grain) fiber cement lap board (Hardi Plank) instead of all

brick exterior and to allow the same substitution for all properties located in a State Historic Preservation District.

**SECTION 2:** The Agency staff and Counsel are authorized and directed to prepare such documents and agreements as may be necessary to implement the approved actions.

**SECTION 3:** The Chairman, Vice-Chairman, President, Vice-President, and or Secretary of the Agency be hereby authorized, empowered and directed to execute any forms and or documents required to be executed on behalf of 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 counsel.

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


**YEAS:** Allison A. Jones, Donald B. Vallee, John N. Kennedy, J. Mark Madderra, Guy T. Williams, Mayson H. Foster, Michael L. Airhart, Tyrone A. Wilson, Walter O. Guillory, Joseph M. Scontrino, III, Katie Anderson, Jerome Boykin, Sr., Elsenia Young, Neal Miller

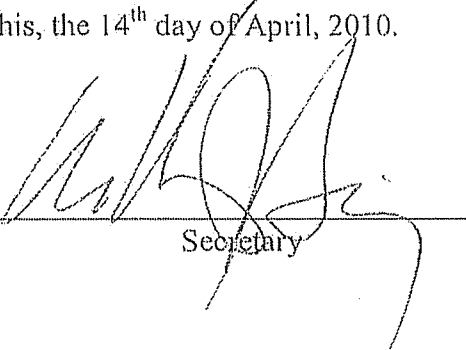
**NAYS:**

**ABSTAIN:**

**ABSENT:** Susan W. Sommer

And the resolution was declared adopted on this, the 14<sup>th</sup> day of April, 2010.

  
\_\_\_\_\_  
Chairman

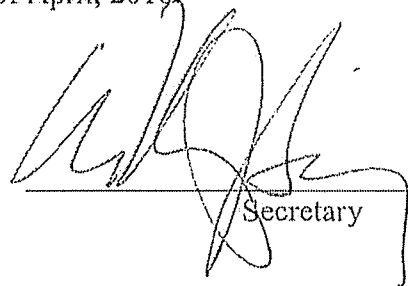
  
\_\_\_\_\_  
Secretary

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 April 14, 2010, entitled, "A resolution regarding the substitution of smooth-surfaced (no faux wood grain) fiber cement lap board (Hardi Plank) instead of all brick exterior by Liberty Place Apartments (scattered sites within New Orleans, Orleans Parish, Louisiana), and for properties located in a State Historic Preservation District; 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 14<sup>th</sup> day of April, 2010.



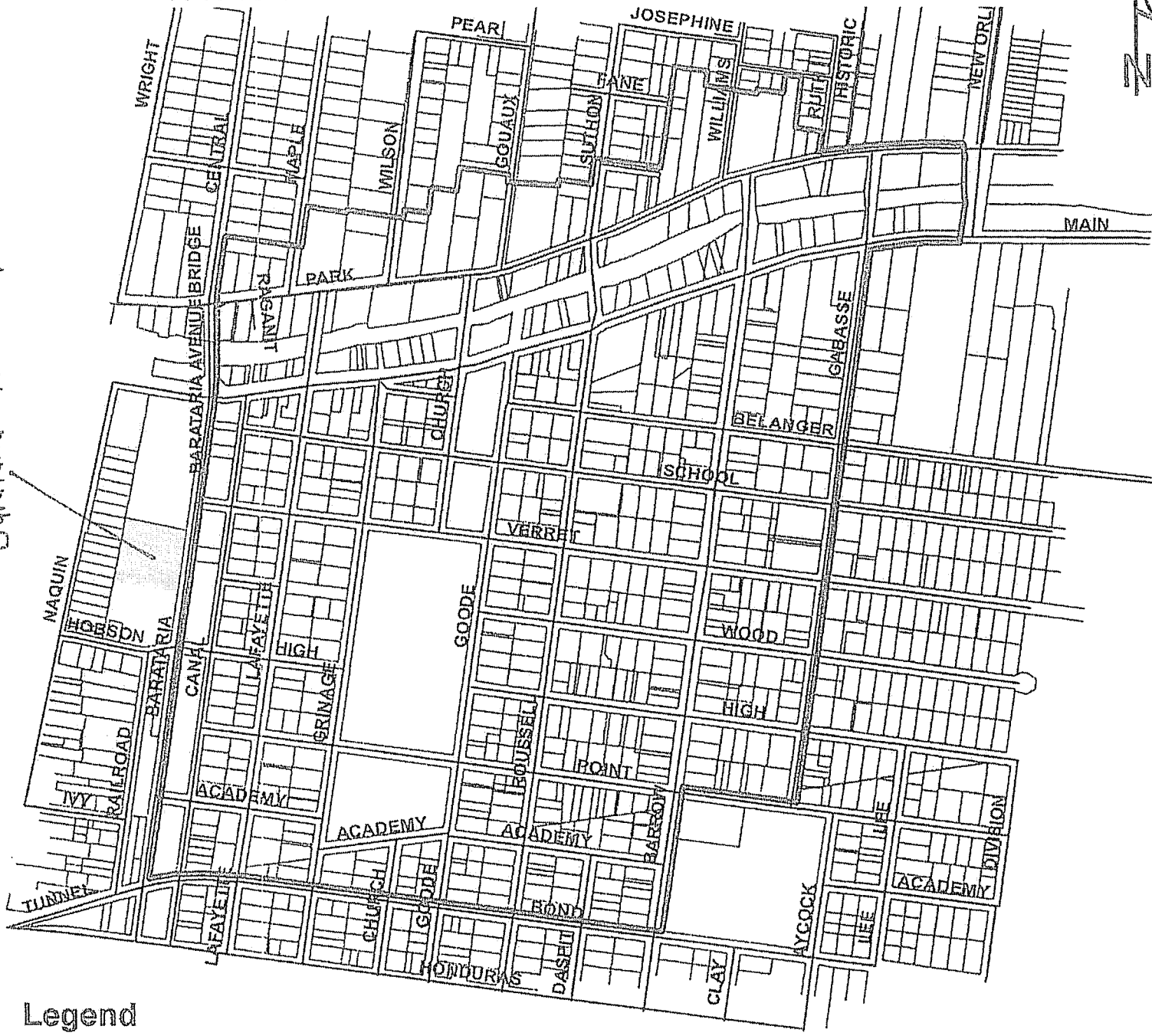
Secretary

(SEAL)

# Historic District Map

# Historic Districts Boundaries

Barataria Station Apartments L



## Legend

- HistDistLots
- HistDistStreets
- HISTORIC\_DISTRICT

JANUARY 27, 2006

# SHPO Design Correspondence



MITCHELL J. LANDRIEU  
LIEUTENANT GOVERNOR

**State of Louisiana**  
OFFICE OF THE LIEUTENANT GOVERNOR  
DEPARTMENT OF CULTURE, RECREATION & TOURISM  
OFFICE OF CULTURAL DEVELOPMENT  
DIVISION OF HISTORIC PRESERVATION

PAM BREAUX  
SECRETARY  
  
SCOTT HUTCHESON  
ASSISTANT SECRETARY

August 26, 2009

Ms. Angelika H. Phillips  
Environmental Specialist IV  
365 Canal Street, Suite 2760  
New Orleans, LA 70130

Re: Historical Property Review for 24 CFR Part 58  
Bonne Terre Village III located in Houma, LA  
US Risk Management Project No. 15090111

Dear Ms. Phillips:

Thank you for your letter of July 27, 2009, concerning the above-referenced undertaking. As stated in a previous letter regarding Bonne Terre Village II, the aforementioned project site is adjacent to and in close proximity to the Houma Historic District. In order for us to complete our review for the Bonne Terre Village III project, we will need to view schematic drawings of the primary façade and elevations of the proposed building with material selections. The proposed height of Bonne Terre Village III should not exceed the Bonne Terre Village II due to view shed considerations that were mutually agreed on by our office and Historic Restoration, Inc. in previous consultations.

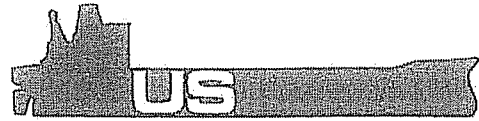
If you have any questions, please contact Brandon Badinger at (225) 342-0695 in the Division of Historic Preservation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Scott Hutcheson".

Scott Hutcheson  
State Historic Preservation Officer

SH:BB:s



**UNITED STATES RISK MANAGEMENT, L.L.C.**

*Regional Offices:*

Birmingham, AL  
(205) 663-8737

Mobile, AL  
(251) 662-3500

Baton Rouge, LA  
(225) 706-8412

Prairieville, LA  
(225) 673-4200

Biloxi, MS  
(225) 396-3866

Jackson, MS  
(601) 372-3232

Memphis, TN  
(662) 280-3232

Houston, TX  
(281) 867-4100

February 18, 2010

Mr. Scott Hutcheson  
State Historic Preservation Officer  
Department of Culture, Recreation and Tourism  
1051 North Third Street  
Room 405  
Baton Rouge, Louisiana 70802

RE: Historical Property Review for 24 CFR Part 58  
Terrebonne Revitalization Company Site II, Houma, Louisiana  
(Bonne Terre Village III/Barataria Station Apartments)  
US Risk Management Project No. 15090111

Dear Mr. Hutcheson:

United States Risk Management, LLC (USRM), on behalf of Historic Restoration, Inc. (HRI), is providing the additional information requested in agency correspondence dated August 26, 2009. Please find the requested schematic drawings of the primary façade and elevations of the proposed building with material selections located at Barataria Station Apartments, Houma, Louisiana.

If you have any questions, please contact me at (504) 561-6563 at your convenience.

Sincerely,  
United States Risk Management, LLC.

Angelika H. Phillips  
Environmental Specialist IV

AHP:rvwa

No known historic properties will be affected by this undertaking. This effect determination could change should new information come to our attention.

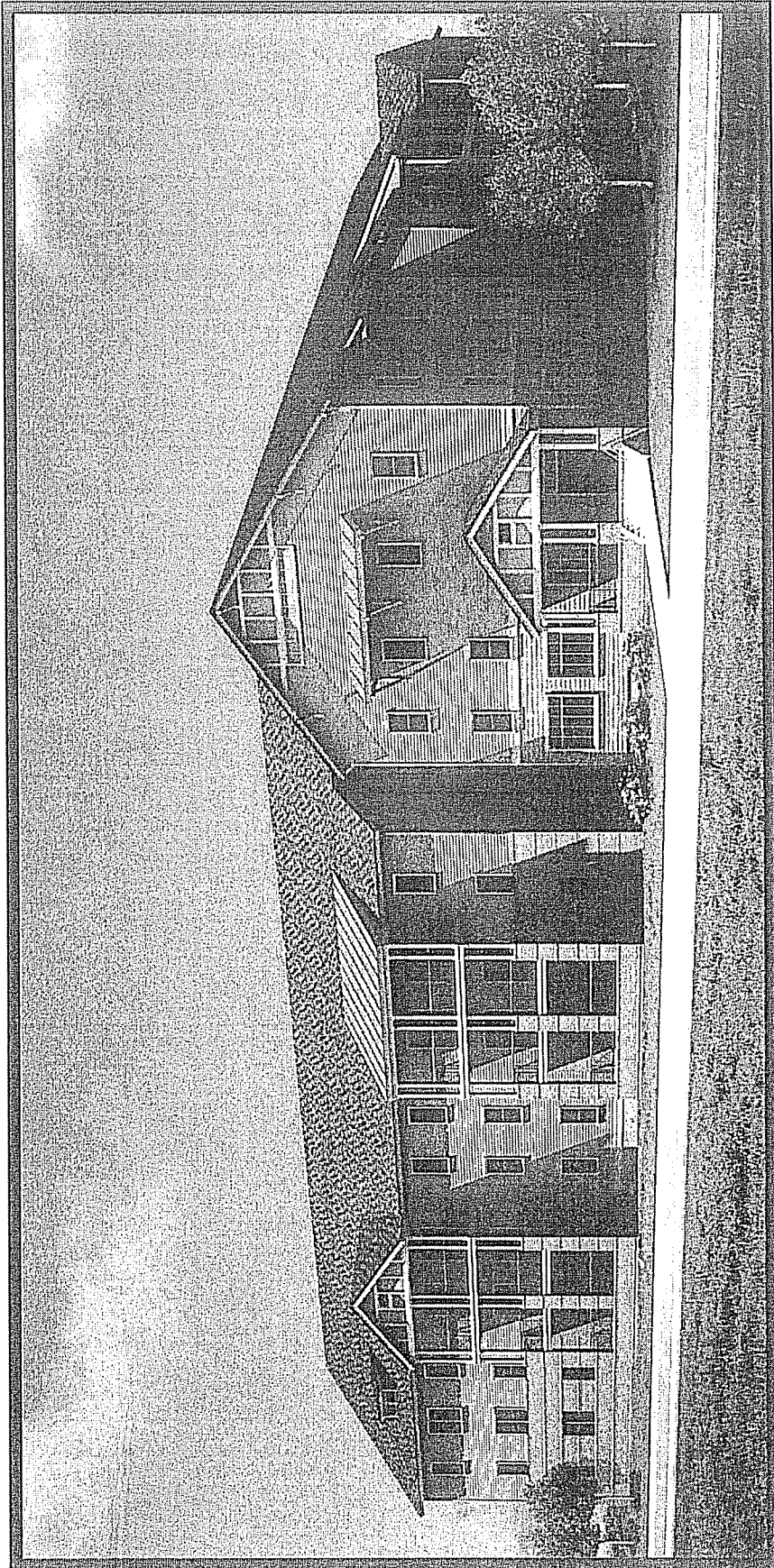
3-18-10  
Scott Hutcheson Date  
State Historic Preservation Officer

cc: Chris Clement, Historic Restoration, Inc.

Attachments

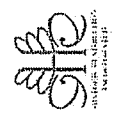
FEB 19 2010

# Rendering



Mixed Income Apartments

Terrebonne Revitalization Company II, LLC  
Houma, Louisiana



## Marjorianna Willman

---

**From:** Chris Clement [cclement@hriproperties.com]  
**Sent:** Tuesday, August 24, 2010 10:47 PM  
**To:** Ronald Burrough, Jr.  
**Cc:** Brenda Evans; Marjorianna Willman  
**Subject:** Re: Terrebonne Revitalization Company II, LLC #09(PC)-46 - 75% Brick Waiver Request

Ronald,

Thank you for the response. We will submit a formal request to the board. Should we submit this request as a supplement to our initial letter, or should our letter to the board be all inclusive of the entire situation?

Again, as always, HRI is sincerely appreciative of the Agency's assistance in the production of affordable housing.

Chris Clement

Sent from my iPhone

On Aug 24, 2010, at 3:43 PM, "Ronald Burrough, Jr." <[rburrough@lhfa.state.la.us](mailto:rburrough@lhfa.state.la.us)> wrote:

Mr. Clement,

Staff has received and reviewed the request for a waiver of the 2009 QAP requirement of at least 75% Brick/Stucco exterior for Terrebonne Revitalization Company, #09(PC)-46. On April 14, 2010 the Agency's Board allowed Staff the ability to grant waivers to the 75% Brick/Stucco exterior as long as a project is located within a Historic Preservation District. The project appears to lie right outside of the Historic Preservation District as it is shown on the map you provided in your request. Staff does not have the ability at this time to approve a waiver of the 75% Brick/ Stucco exterior if the project does not lie within a Historic Preservation District.

In order for Terrebonne Revitalization Company, LLC to receive a waiver of the 75% Brick/Stucco exterior, the project will have to go before the Board and make an individual request for the waiver. If you wish to be placed on the September 8, 2010 Multifamily Committee Agenda please send a your response by Close of Business tomorrow, August 25, 2010.

Thanks,

Ronald Burrough

Housing Finance Specialist

Louisiana Housing Finance Agency

2415 Quail Drive

Baton Rouge, LA 70808

Phone: 225.763.8800 ext 225

Fax: 225.763.8752

---

**From:** Chris Clement [mailto:ccllement@hriproperties.com]

**Sent:** Friday, August 20, 2010 4:58 PM

**To:** Marjorianna Willman

**Cc:** Louis Russell; Brenda Evans; Kirsten Vaselaar

**Subject:** Terrebonne Revitalization Company II, LLC #09(PC)-46 - 75% Brick Waiver Request

Ms. Willman,

Attached please find a request for waiver of the 75% brick requirement for the Terrebonne Revitalization Company II, LLC [#09(PC)-46]. Please feel free to contact me should you require any additional information. We appreciate your consideration of this request.

Chris Clement

HRI Properties

909 Poydras St., Suite 3100

New Orleans, LA 70112

Office (504) 566-3055

Cell - (504) 390-8686

Fax - (504) 525-3932

## DECISION BRIEF:

### **CJ Peete I (07/08(FA)-25 Request to Voluntarily Return 2010 GO Zone Credits Allocated in Calendar Year 2009 and Re-allocate in Calendar Year 2010**

|   |  |
|---|--|
| <p><u>Issue</u></p> <p>CJ Peete, LLC is requesting the Louisiana Housing Finance Agency to allow CJ Peete I to voluntarily return 2009 GO Zone Credits allocated in calendar year 2009 and re-allocate such GO Zone Credits back to CJ Peete I in calendar year 2010.</p> <p>The \$8,910,770 in GO Zone Credits were previously awarded to CJ Peete I were voluntarily returned by CJ Peete I, LLC in calendar year 2008 and re-allocated back to the Project in calendar year 2009 pursuant to a binding forward agreement by the Agency in 2008 to re-allocate such GO Zone Credits back to the Project in calendar year 2009.</p> <p>The developer has advised the Agency that a technical issue has been identified by the credit investor in connection with the confirmation of the 2009 GO Zone Credits allocated back to the Project by the binding forward. (See attached memo from Foley &amp; Judell)</p> <p>CJ Peete consists of four hundred sixty units (460) with eighty three (83) one bedroom, one hundred thirty-eight (138) two bedroom, one hundred ninety-three (193) three bedroom and forty six (46) four-bedroom units. The project is located at 2520 Washington Ave, New Orleans, LA.</p> | <p><u>Pros:</u></p> <ul style="list-style-type: none"><li>• LHFA will continue its mission of providing safe, decent and affordable housing for low to moderate-income families by utilizing its resources.</li><li>• Will enhance the housing stock for the citizens of Louisiana.</li></ul> <p><u>Cons:</u></p> <ul style="list-style-type: none"><li>• None noted</li></ul> <p><u>Recommendation:</u></p> <p>Recommends Board approval of the voluntary return/re-allocation of such GO Zone Credits to CJ Peete I.</p> |
|---|--|

To: Brenda Evans

From: Wayne J. Neveu

Re: C. J. Pete Voluntary Credit Return Agreement & Carryover Allocation of GO Zone Credits

Date: September 1, 2010

Following discussions with Richard Goldstein and other attorneys representing the tax credit investor in CJ Peete I, LLC (the “**Taxpayer**”), a technical issue was determined to exist with respect to the binding commitment entered into by the Louisiana Housing Finance Agency (the “**Agency**”) in December 2008 (the “**2008 Forward Commitment**”) to allocate a specified housing credit dollar amount from the 2009 credit ceiling by the Louisiana Housing Finance Agency (the “**Agency**”) of GO Zone Credits in 2009 (the “**2009 GO Zone Credits**”) that were voluntarily returned by the Taxpayer.

The technical issue involves the failure of a building to be placed in service by the specified later taxable year. The issue may be phrased in the form of the following question: *Must a credit allocation by the Agency pursuant to a binding commitment to allocate a specified housing credit dollar amount to a building in a specified later taxable year in accordance with section 42(h)(1)(C) of the Internal Revenue Code of 1986, as amended, (the “**Code**”) be supplemented with a carryover allocation if the building is not placed in service in the specified taxable year referenced in the binding forward commitment agreement?*

In the case of CJ Peete, the Taxpayer did not place the project in service by the end of 2009 and did not receive a carryover allocation in 2009 of the 2009 GO Zone Credits referenced in the 2008 Forward Commitment. The Taxpayer counsel and investor counsel acknowledge that there is no authoritative guidance in response to the question stated above. In 2009, the Agency received two letters from Treasury and the Internal Revenue Service which, read together, should lead to the conclusion that the Agency was not required to issue a supplemental carryover allocation to the Taxpayer in order to permit the buildings in question to be placed in service after 2009. But those letters are not official authority on which an opinion to the investor could be based.

In order to avoid uncertainty, however, the investor’s counsel requests that the Agency (i) permit the Taxpayer to voluntarily return the 2009 GO Zone Credits in 2010 (thereby increasing the State’s 2010 housing credit ceiling by the amount of the returned 2009 GO Zone Credits) and (ii) provide a carryover allocation of those returned 2009 GO Zone Credits in calendar year 2010. The end result of the Board approving the execution and delivery of the Voluntary Credit Return Agreement will be that the Taxpayer will have credits (the “**2010 GO Zone Credits**”) in an amount equal to the 2009 GO Zone Credits returned in calendar year 2010.

**LOUISIANA HOUSING FINANCE AGENCY**

The following resolution was offered by \_\_\_\_\_ and approved by \_\_\_\_\_:

**RESOLUTION**

A resolution authorizing CJ Peete I, LLC, a Louisiana limited liability company to voluntarily return in calendar year 2010 GO Zone Credits allocated in calendar year 2009 in connection with the redevelopment of the CJ Peete public housing development; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to re-allocate such GO Zone Credits back to CJ Peete I, LLC in calendar year 2010; and providing for other matters in connection therewith.

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

WHEREAS, GO Zone Credits previously to the CJ Peete housing redevelopment located in Orleans Parish Louisiana (the "Project") were voluntarily returned by CJ Peete I, LLC (the "Taxpayer") in calendar year 2008 and re-allocated back to the Project in calendar year 2009 pursuant to a binding forward agreement by the Agency in 2008 to re-allocate such GO Zone Credits back to the Project in calendar year 2009; and

WHEREAS, the counsel to the Taxpayer has advised the Agency that a technical issue has been identified by the credit investor in connection with the confirmation of the 2009 GO Zone Credits allocated back to the Project by the binding forward; and

WHEREAS, counsel to the taxpayer has requested that the 2009 GO Zone Credits be voluntarily returned to the Agency and re-allocated back to the taxpayer in 2010 pursuant to the Voluntary Credit Return Agreement attached hereto as Exhibit A;

WHEREAS, staff has considered the request and recommends Board approve the voluntary return/re-allocation of such GO Zone Credits to the Project;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency (the "Board"), acting as the governing authority of said Agency that the Voluntary Credit Return Agreement attached hereto as Exhibit A is hereby approved and may be executed by an appropriate officer or staff member of the Agency with such revisions as may be by the Agency's Tax Credit Counsel.

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

YEAS:

ABSTAIN:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 8<sup>th</sup> day of September 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 September 8, 2010, authorizing CJ Peete I, LLC, a Louisiana limited liability company to voluntarily return in calendar year 2010 GO Zone Credits allocated in calendar year 2009 in connection with the redevelopment of the CJ Pete public housing development; authorizing the Agency staff and counsel to prepare the forms of such documents and agreements as may be necessary to re-allocate such GO Zone Credits back to CJ Peete I, LLC in calendar year 2010; 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 8<sup>th</sup> day of September 2010.

---

Secretary

(SEAL)

## **VOLUNTARY CREDIT RETURN AGREEMENT**

**Louisiana Housing Finance Agency (“Agency”)**

**And**

**Undersigned Taxpayer**

**WHEREAS**, Treasury Regulation 1-42-14(d)(1) provides that the returned credit component of the State housing credit ceiling of a State for any calendar year equals the housing credit dollar amount returned during the calendar year that was validly allocated within the State in a prior calendar year; and

**WHEREAS**, the returned credit component includes credits allocated in a prior calendar year that is returned as a result of the cancellation of an allocation by mutual consent; and

**WHEREAS**, Treasury Regulation 1-42-14(d)(3) provides that an allocation is cancelled by mutual consent if there is a written agreement signed by the Agency and the Taxpayer as the allocation recipient, or its successor in interest, indicating the amount of the allocation that is returned to the Agency; and

**WHEREAS**, Treasury Regulation 1-42-14(d)(3) further provides that the effective date of the agreement is the date the credit is returned to the Agency; and

**WHEREAS**, Section 1400N(C) of the Internal Revenue Code of 1986, as amended (the “**Code**”), increased the State housing credit ceiling of the State of Louisiana (the “**State**”) in calendar years 2006, 2007 and 2008 by the lesser of (i) the aggregate housing credit dollar allocated by the Louisiana Housing Finance Agency (the “**LHFA**”) as the State’s housing credit agency to buildings in the Gulf Opportunity Zone for each such calendar year or (ii) the Gulf Opportunity housing amount for such calendar year (such increase hereinafter referred to as “**GO Zone Credits**”); and

**WHEREAS**, the undersigned Taxpayer received an allocation of GO Zone Credits in calendar year 2009 representing a pre-2009 allocation of GO Zone Credits that were returned to the LHFA in calendar year 2009 (the “**2009 GO Zone Credits**”) pursuant to a Binding Housing Credit Commitment Agreement dated December 30, 2008 in the amount and in connection with the project specified on Schedule A below; and

**WHEREAS**, the Taxpayer and the Agency desire to enter into this Voluntary Credit Return Agreement with respect to the 2009 GO Zone Credits in accordance with the Treasury Regulations governing the voluntary return credits and to provide that such 2009 GO Zone Credits are deemed returned as of the effective date of this Agreement, which is the date on which the Board of the Agency approves this Agreement (the “**Effective Date**”); and

**WHEREAS**, the Agency agrees that in consideration of the Taxpayer’s voluntary return of the 2009 GO Zone Credits that it will award a carryover allocation of GO Zone Credits returned in calendar year 2010 (the “**2010 GO Zone Credits**”) to the Taxpayer pursuant to Section 42(h)(1)(E) of the Internal Revenue Code of 1986, as amended, on the Effective Date in an amount equal to the 2009 GO Zone Credits (the “**Carryover Allocation**”); and

**WHEREAS**, Taxpayer acknowledges and agrees that there is no entitlement to 1602 Funds received for the 2009 GO Zone Credits that are returned pursuant to this Voluntary Return Agreement.

**NOW, THEREFORE**, the undersigned Taxpayer and the Agency enter into this Voluntary Return Agreement with an Effective Date of specified below providing

- 1) For the Taxpayer’s return of the 2009 GO Zone Credits in the amount specified in Schedule A below; and
- 2) For the Agency to award the Carryover Allocation to the Taxpayer on the Effective Date.

**LOUISIANA HOUSING FINANCE AGENCY**

**By:** \_\_\_\_\_  
**President**

**Taxpayer Name**      **CJ PEETE I, LLC**, a Louisiana limited liability company

**By:**    C.J. Peete Manager, LLC, a Missouri limited liability company, its co-managing member

**By:** MBA Central City Development Co.,  
a Missouri corporation, its managing member

**By:** \_\_\_\_\_  
Vincent R. Bennett  
Executive Vice President

**Effective Date: September \_\_, 2010**

**SCHEDULE A**

|  |   |
|--|---|
| <b>2009 GO Zone Credit Allocation:</b> | <b>\$8,910,770</b>                          |
| <b>2009 GO Zone Credits Returned:</b>  | <b>\$8,910,770</b>                          |
| <b>Project Name:</b>                   | <b>CJ Peete Apartments, New Orleans, LA</b> |