

**LOUISIANA
HOUSING
CORPORATION**

BOARD OF DIRECTORS

Agenda Item #6

**BRENDA EVANS, PROGRAM ADMINISTRATOR
LORETTA WALLACE, PROGRAM ADMINISTRATOR**

FULL BOARD MEETING MATERIALS

June 13, 2012

Table of Contents

Decision Brief -- Submission of Carryover Allocation Documentation	6.2
Resolution – Extension of Submission of Carryover Allocation Documentation	6.3
Supplemental Material – Carryover Allocation Documentation.....	6.7

DECISION BRIEF:

EXTENSION OF SUBMISSION OF CARRYOVER ALLOCATION DOCUMENTATION

<p><u>Issue</u></p> <p>According to the 2011/2012 Qualified Allocation Plan, carryover allocation documentation is required to be submitted no later than December 21th 2011 for projects allocated credits from the 2011 housing credit ceiling and not later than January 15, 2012 for projects forward allocated credits from the 2012 housing credit ceiling. Projects not meeting the 10% expenditure test were required to submit to the Agency carryover documentation evidencing that expenditures of at least ten percent (10%) of a project's cost had been incurred on or before June 15, 2012.</p> <p>Staff has received several requests from the development community (attached) for an extension to the deadline for submitting carryover allocation documentation.</p> <p>Based upon the requests received, staff's recommendation is to extend the deadline for incurring costs and supplying carryover documentation to the LHFA/LHC by no later than November 15, 2012 for projects allocated credits from the 2011 and/or 2012 housing credit ceilings. Staff further recommends that the Taxpayer/Owner include updated project schedules with carryover documentation for applications that were submitted on the basis of using the minimum nine percent (9%) applicable percentage. The updated project schedule must evidence placement in service of a building by no later than November 30, 2013 for such projects. Additionally, the inability to comply with the project schedule proposed in the application by more than three months in any element of the project would require the submittal of a reprocessing application</p>	<p><u>Pros:</u></p> <ul style="list-style-type: none">• The developer/taxpayer would be afforded additional time to incur expenses thereby reducing the possibility of loss of credits to awarded projects.• Extensions were previously granted to projects awarded under the following QAPs: 07/08 Forward Allocation GO Zone QAP, 2008 Lightning Round QAP, and 2009 QAP.• In order to assure projects are progressing, the developer/taxpayer will be required to submit updated project schedules along with the carryover documentation. <p><u>Cons:</u></p> <ul style="list-style-type: none">• None <p><u>Recommendation:</u></p> <p>Staff recommends approval of an extension to the deadline for submitting carryover allocation documentation to November 15, 2012. Staff further recommends that applicants include with their carryover submissions updated project schedules evidencing placement in service by no later than November 30, 2013 for applications submitted on the basis of using the minimum nine percent (9%) applicable percentage.</p>
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The following resolution was offered by _____ and seconded by _____:

RESOLUTION

A resolution authorizing an extension of submission of Carryover Allocation Documentation as stipulated in the 2011/2012 QAP by Louisiana Housing Finance Agency (the "Agency") with respect to projects awarded under such QAP; 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 applying for, implementing, allocating, and administering programs, grants and/or resources made available pursuant to Section 42 of the Internal Revenue Code (the LIHTC Program); and

WHEREAS, the Board of Commissioners of the Louisiana Housing Finance Agency, hereinafter the "Agency," was abolished at midnight on December 31, 2011 pursuant to La R.S. 40:600.4 E; and

WHEREAS, pursuant to that same provision, the powers, duties, functions, and responsibilities of the Agency's Board of Commissioners is to be assumed by the governing board of the Louisiana Housing Corporation, hereinafter "Corporation" until the Agency terminates at midnight on June 30, 2012; and

WHEREAS, the LHFA Board of Commissioners, at the June 8, 2011 meeting, adopted a resolution approving the 2011/2012 Qualified Allocation Plan (QAP), and providing for other matters in connection therewith, and

WHEREAS, the 2011/2012 QAP provided for carryover allocation documentation to be submitted no later than December 21th 2011 for projects allocated credits from the 2011 housing credit ceiling and not later than January 15, 2012 for projects forward allocated credits from the 2012 housing credit ceiling. Projects not meeting the 10% expenditure test were required to submit to the Agency carryover documentation evidencing that expenditures of at least ten percent (10%) of a project's cost had been incurred on or before June 15, 2012, and

WHEREAS, the staff has received correspondence from the development community requesting an extension to the carryover deadline (attached); and, based on such requests, staff recommends approving an extension that would allow the aforementioned Taxpayer/Owner to submit to the Agency all carryover documentation evidencing that expenditures of at least ten percent (10%) of a project's cost has been incurred, including an appropriate attorney or CPA

opinion in the format prescribed by the Agency, by no later than November 15, 2012 for projects allocated credits from the 2011 and/or 2012 housing credit ceilings; and

WHEREAS, the staff further recommends that the Taxpayer/Owner include updated project schedules with carryover documentation for applications that were submitted on the basis of using the minimum nine percent (9%) applicable percentage. The updated project schedule must evidence placement in service of a building by no later than November 30, 2013 for such projects. The inability to comply with any project schedule proposed in the application by more than three months in any element of the project would require the submittal of a reprocessing application; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation, that:

SECTION 1. The carryover dates previously stipulated shall be extended for taxpayers with an award of 2011 and/or 2012 Per Capita credits to **November 15, 2012**.

SECTION 2. Applicants with 2011 or 2011/2012 credits or applicants that submitted on the basis of using the minimum nine percent (9%) applicable percentage, must supply updated project schedules by no later than June 15, 2012 evidencing that the project will be placed in service by no later than November 30, 2013. A reprocessing application utilizing the current AMEC model is required for any project unable to comply with any project schedule proposed in the application by more than three months in any element of the project.

SECTION 3. All taxpayers are hereby put on notice that failure to meet the carryover allocation by the extended deadline shall result in the automatic rescission of all tax credits reserved to the taxpayer for the project failing to meet the 10% carryover certification.

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 implement the Board's actions.

SECTION 5. The Chairman, Interim President of the Agency, and/or Secretary of the Corporation 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 counsel and LIHTC Program Counsel, Foley & Judell, L.L.P.

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

YEAS:

NAYS:

ABSTAIN:

ABSENT:

And the resolution was declared adopted on this, the 13th day of June, 2012.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (the "Corporation"), 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 June 13, 2012, entitled, "A resolution authorizing an extension of the submission of Carryover Allocation Documentation as stipulated in the 2011/2012 QAP by Louisiana Housing Finance Agency (the "Agency") with respect to projects awarded under such QAP; and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 13th day of June, 2012.

Secretary

(SEAL)



Louisiana Association of Affordable Housing Providers

May 31, 2012

Ms. Brenda Evans, Housing Program Administrator
Louisiana Housing Finance Agency
2415 Quail Drive
Baton Rouge, LA 70808

RE: Deadline for Meeting 10% Minimum Basis Requirement

Dear Ms. Evans:

In a recent email to developers titled "REMINDER – Carryover Deadlines" it is noted that the deadline to submit evidence satisfying the 10% Minimum Basis Requirement for projects awarded 2011 credits is June 15, 2012, and for projects awarded 2012 credits the deadline is August 15, 2012. These are very aggressive deadlines and have given rise to much discussion from our membership regarding the requests for an extension of these deadlines. Statutorily, the deadline for evidencing that a project has satisfied the 10% Minimum Basis Requirement is within twelve (12) months of the date of an allocation (date carryover allocation document is issued by the Agency). Thus the LHFA deadline for projects with 2011 reservations is six (6) months before the statutory deadline and for projects with 2012 reservations the LHFA deadline is fourteen (14) months before the statutory deadline. (The statutory deadline is noted on page 29 of the 2011/2012 Qualified Allocation Plan (Section III (A))).

In previous Qualified Allocation Plans, there have been various reasons to have these deadlines accelerated due to various expirations and placed in service requirements for GO-ZONE tax credits. The credits recently allocated in the 2011/2012 LIHTC cycle do not have accelerated deadlines, and therefore no need for such an accelerated timeframe on the submittal of the final carryover documentation.

LAAHP would like to request that the Agency consider allowing the final deadline for submission of the final carryover documentation be extended to November 15, 2012, which is still in advance of the statutory deadline.

Sincerely,

Michelle Whetten
President

cc: Bradley Sweazy, Chief Operations Officer, Louisiana Housing Corporation



May 31, 2012

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

Re: Deadline for Meeting 10% Minimum Basis Requirement

Dear Ms. Evans:

We respectfully request your consideration of an extension of the Carryover Deadline to November 15, 2012. We are moving as quickly as we can on all fronts but whatever relief you can provide on this is appreciated. We support the request that has been submitted by the Louisiana Association of Affordable Housing Providers.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathy Labofde".

Kathy Labofde
President



6517 Mapleridge
Houston, TX. 77081
T. 713.432.7727
F. 713.432.0120

May 31, 2012

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

RE: Carryover Extensions for Blooms Apartments and Gary Street Village

Dear Ms. Evans:

We're requesting an extension to the coming June 15th deadline for meeting 10% carryover that affects Blooms Apartments and Gary Street Village. Since our reservation we have been working diligently to close and start construction of both of these projects. Due to conditions outside of our control the project start dates have been pushed back beyond the June 15th carryover deadline.

Reasons for delays and request:

- **Blooms Apartments in Tallulah, LA.:** This is an historic renovation project and the process for submitting plans for approval to the State Historic Preservation office is very lengthy. We have submitted our design drawings to the SHPO office in Baton Rouge, but they have a 1-month review time. After their approval it's then sent to Washington for their 1-month review period. During this review time we cannot complete the drawings because we're unclear as to what the SHPO officer or Washington might require. We're currently waiting on their review, but as of today we do not have any answers. Historic renovations projects are extremely complicated and time consuming, and we're asking that you grant us an extension beyond the June 15th deadline.
- **Gary Street Village in Winnsboro, LA.:** The permitting process and review timeframes have been very slow due to limited subdivision developments in the town of Winnsboro. We are moving quickly on getting this project started, but will not be ready to start construction by the June 15th deadline. We respectfully request an extension to the June 15th deadline for carryover.

Please grant these extensions to the June 15th 10% Carryover requirements for both Blooms Apartments and Gary Street Village. If you have any questions about the status of these projects please call me at 210-669-3081.

Sincerely,

Jeremy Mears
210-669-3081
Gary Street Village, LP.
Blooms Apartments, LP.

From: [Brenda Evans](#)
To: [Marjorianna Willman](#)
Subject: FW: Carryover
Date: Tuesday, June 05, 2012 1:23:59 PM

From: Steve [mailto:stevesj@bellsouth.net]
Sent: Friday, June 01, 2012 12:32 PM
To: Brenda Evans
Subject: Carryover

Mrs. Evans,

We were awarded a tax credit allocation in the latest round and notice that the carryover deadline is coming up. I am confused by this change in policy in that the QAP gives a 12 month period from the date of the allocation. This accelerated deadline causes unnecessary burden and expenses. Please consider extending the deadline for later in the year, possibly November or December. Thank you for considering this request.

Perry Property Enterprises, LLC
Steve Perry
109 East Madison Avenue
Bastrop, La. 71220
318-281-4120

HOUSING AUTHORITY of the city of LAKE CHARLES

"Providing safe, decent, affordable housing to low income families"

Commissioners:

Pastor Charles Robertson
Margaret Jackson
Lollion Elmer
Robert Shannon
Joseph Thomas

S. Benjamin Taylor, JR.
Executive Director

June 1, 2012

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

RE: Deadline for Meeting 10% Minimum Basis Requirement

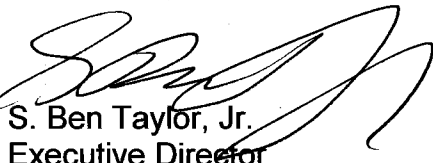
Dear Ms. Evans:

The Lake Charles Housing Authority was awarded a reservation of 2011 credits for its Booker T Washington Homes project to replace deteriorated public housing. We would like to express our agreement with the position and recommendation taken by LAAHP to extend the carry-over date to November 15, 2012.

As a HUD mixed-finance project, we have many steps of approval with HUD before we can utilize our federal funding and begin construction. We anticipate starting construction later this summer. To meet a 10% carryover this month would force us to secure a loan with a local bank, pre-purchase building materials, resulting in unnecessary expense of storage, insurance, loan interest, legal fees and accounting costs.

We respectfully request that the LHFA defer to the IRS statutes or at least the November 15th deadlines recommended by LAAHP.

Sincerely,



S. Ben Taylor, Jr.
Executive Director

RECEIVED

JUN 05 2012

LOUISIANA HOUSING
FINANCE AGENCY