



# **BOARD OF DIRECTORS**

Agenda Item 9

**Brenda Evans, Program Administrator**

**November 14, 2012**

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## LOUISIANA HOUSING CORPORATION

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

### RESOLUTION

**Establishing the maximum qualified basis and low-income housing credits to Live Oak Manor located at 1610 E. Martin Luther King Jr. Drive, Abbeville, Vermilion Parish, LA 70510; authorizing the staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low Income Housing Tax Credits to such facilities; and approving a HUD requested waiver of the Minimum Square Footage and Full Bathrooms Per Unit Type required in the 2013 Qualified Allocation Plan and providing for other matters in connection therewith.**

**WHEREAS**, the Louisiana Housing Corporation (the "Corporation") 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 Corporation approved certain application and other forms, documents and proceedings related to the Low Income Housing Tax Credits ("LIHTC Program"), including credits available to projects financed with tax-exempt bonds under Section 142(d) of the Internal Revenue Code; and

**WHEREAS**, the staff of the Corporation has processed the application for Live Oak Manor in accordance with the Qualified Allocation Plan and is prepared, based upon the preliminary feasibility analysis of Foley & Judell, L.L.P., to recommend Tax Credits for Live Oak Manor:

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

**SECTION 1.** Live Oak Manor (the "Project") is hereby preliminarily approved for Tax Credits in the amount of two hundred seventy-four thousand, three hundred twenty-three dollars (\$274,323.00) subject to the conditions of the preliminary feasibility analysis of Foley & Judell, L.L.P. and the information contained in the Project application.

**SECTION 2.** Live Oak Manor (the "Project") is hereby granted a waiver of the Minimum Square Footage and Full Bathrooms Per Unit Type as required in the 2013 Qualified Allocation Plan which states; "The minimum bath rooms and bedroom size may be waived for an existing project which is being rehabilitated only if a federal program finances the unit and the federal agency administering the program which finances the unit requests a waiver of such limits."

**SECTION 3.** The staff, and Foley & Judell, L.L.P., as LIHTC Program Counsel, shall establish such procedures as may be necessary to structure, cancel or reduce such Tax Credits to maintain the feasibility and viability of the Project; provided, however, that no increase in Tax Credits to any project may be made without approval of the Board.

**SECTION 4.** The staff and counsel are authorized and directed to prepare the forms of such documents and agreements as may be necessary to evidence the allocation of Tax Credits.

**SECTION 5.** The Chairman, Interim Executive Director of the Corporation, 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 Corporation, 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:**

**ABSENT:**

And the resolution was declared adopted on this, 14<sup>th</sup> day of November 2012.

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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 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 Directors on November 14, 2012, entitled, "A resolution establishing the maximum qualified basis and low-income housing credits to Live Oak Manor; authorizing staff and counsel to prepare the forms of such documents and agreements as may be necessary to allocate 4% Low Income Housing Tax Credits to such facilities; and approving a waiver of the Minimum Square Footage and Full Bathrooms Per Unit Type required in the 2013 Qualified Allocation Plan; and providing for other matters in connection therewith.

**IN FAITH WHEREOF**, witness my official signature and the impress of the official seal of the Corporation on this, the 14<sup>th</sup> day of November, 2012.

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Secretary

(SEAL)

## **RESOLUTION SUMMARY:**

### **Live Oak Manor**

### **Project Number TC2013-001BF**

### **Abbeville, Louisiana**

#### **OVERVIEW**

The developer of Live Oak Manor is requesting approval of \$274,323.00 in 4% LIHTC. Approving this request will allow the rehabilitation of the project. The project has Project Based Rental Assistance (HAP) contract for all 119 units. Disapproving the request will adversely affect the rehabilitation of 119 affordable housing units in Abbeville, Louisiana.

#### **STAFF RECOMMENDATION:**

Staff recommends approval of the tax credits for Live Oak Manor with a waiver of the QAP's "Minimum Square Footage and Full Bathrooms Per Unit Type" requirement. In accordance with the QAP which states: "The minimum bath rooms and bedroom size may be waived for an existing project which is being rehabilitated only if a federal program finances the unit and the federal agency administering the program which finances the unit requests a waiver of such limits." Staff has received such a request from the U.S. Department of Housing and Urban Development (HUD) dated September 27, 2012.

The QAP states the minimum bedroom square footage bathroom requirements are as follows: 2 bedroom units to be 800 sq. ft. w/1bath; 3 bedroom units to be 1100 sq. ft. w/2 baths and 4 bedroom units to be 1400 sq. ft. w/2 baths.

The developer is proposing the following:

2 bedroom units to be 716 sq. ft. w/1bath; 3 bedroom units to be 822 sq. ft. w/1 bath and 4 bedroom units to be 948 sq. ft. w/1 bath.

The developer expects approval of the Tax Exempt Bonds through the State Bond Commission on November 15, 2012. Staff has reviewed the feasibility/viability report and determined that the project is feasible and viable for the requested credits.

#### **PROJECT DEVELOPMENT SUMMARY:**

Live Oak Manor is located at 1610 E. MLK Drive, Abbeville, (Vermillion Parish) Louisiana. The project's approval for Multifamily Housing Revenue Bonds in an amount not to exceed \$6,500,000 will be considered on November 15, 2012 by the Louisiana State Bond Commission. The Mortgage Revenue Bonds will be issued by the Bond Commission of Louisiana Local Government Environmental Facilities and Community Development Authority (LCDA).

The rehabbed project will consist of fifteen (15) buildings and one (1) Accessory building. There are 119 residential units. The unit mix consist of; nineteen (19) two-bedroom units; fifty (50) three-bedroom units and fifty (50) four-bedroom units. All one hundred and nineteen (119) units will have Project Based Rental Assistance (PBRA) set aside for 50% - 60% Area Median Income (AMI).

The project’s amenities will include: Green spaces, open parking and security. The units will have washer/dryer connections and energy efficient appliances.

**DEVELOPMENT GROUP AND FINANCIAL PARTNERS**

The taxpayer contact and representative at the Board of Directors meeting for the project is Ms. Kea Calame of Summit Housing Partners. Developer’s experience includes LIHTC developments in Alabama, Florida, Kentucky, Georgia, Mississippi, Oklahoma, Texas and Louisiana.

**Louisiana Projects:**

<u>Project Name</u>	<u># of Units</u>	<u>PIS Date</u>	<u>Location</u>
• Arbor Place Apartments	136	03/21/2008	Terrytown LA
• Belmont Village Apartments	204	04/28/2009	Gretna LA
• Clear Horizons Apartments	84	06/22/2012	Shreveport LA
• Emerald Point Apartments	120	12/27/2007	Lake Charles LA
• Lapalco Court Apartments	99	10/16/2007	Harvey LA
• Meadowbrook Apartments	200	06/28/2006	Baton Rouge LA
• Ridgefield Apartments	200	02/09/2007	Marrero LA
• Spanish Arms Apartments	202	12/21/2007	Baton Rouge LA
<b>Total LA</b>	<b>1,245</b>		

The project’s construction will be financed through the issuance of Tax-Exempt bonds. PNC will be purchasing the tax credits through one of its investment funds. The projected equity from the syndication of credits is \$2,496,089.

**FINANCIAL ANALYSIS**

Funding Sources:

First Mortgage (Highland Commercial)	\$6,500,000
Deferred Developer Fees	\$40,895
Tax Credit Equity	\$2,496,089
Bond Proceeds	\$6,500,000

Project Costs:

Total Development Cost:	\$8,576,984
Total Units:	119
Total Cost/Unit:	\$72,075
Total Square Feet:	102,566
Total Cost/SF:	\$84.00

Total SF minus Common Buildings:	102,104
Total Cost/SF minus Commons:	N/A

Construction Costs:

Rehabilitation Hard Costs:	\$3,210,170
Construction Costs:	\$455,029
Land Costs:	\$252,900
Building Costs:	\$2,747,100

Property Value:

Appraisal Date:	9/14/12
Pre-Rehab Value:	\$5,058,000
Post-Rehab Value:	\$8,928,000
Date Property Last Sold:	July 8, 2010
Amount of Last Sale:	N/A
Current Occupancy Rate:	100%
Positive Cash Flow (last 12 months):	Yes

# PROJECT REVIEW CHECKLIST

vers. 1.8

10/19/2012 15:01

**I. PROJECT DATA** 400684

Project Number:		TC2013-001bf
Project Name:		Live Oak Manor
Parish Location:		Vermilion
Number of Residential Buildings:		15
Number of Units:		119
Year Built		0
Lead Risk Assessment Needed?		0
Gross Floor Area:		102,566
Residential:		102,104
Non-Residential:		462
Construction/Development Type:	Acquisition/Rehab-Multifamily	Priority HUD Rehab Project
Set Aside Income Percentage:		40% residents at 60% or less
Number of Low Income Units:		
5% Set Aside		NO
Non Project Based Assistance		0
PBA		119
Total		119
Congressional District		7th

**II. SCORE DATA-LIHTC**

Applicant-Computed Score:		63.5
Satisfies Minimum Score:		YES
LHC Processed Score:		To be determined.

**III. TAX CREDIT / HOME/ CDBG/ DATA**

Credits Requested:		\$274,323.00
Feasibility Credit:		\$274,323.00
Basis Credit Limit:		\$310,555.63
Credits Requested within limits?		YES
HOME/CDBG Funds Requested:		\$0
HOME/CDBG Feasibility Amount:	0	\$0

**IV. IDENTITY OF INTEREST DATA**

Identity of Interest:		No
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**V. MARKET DATA**

Community Notification?		9/2/2012, 9/4/2012, 9/5/2012
Is Market Study dated within 90 days prior to deadline?	Market Study dated: 07/18/12	YES
Are the following elements in Market Study acceptable?		
Executive Summary		YES
Credentials		YES
Independence and no identity of interest		YES
Property Site		YES
Household Analysis		YES
Demographic Analysis		YES
Market Area		YES
Comparable Developments; subsidized vs. market		YES
Rent Levels and Vacancy Rates		YES
Operating Comparisons		YES
Project Operating Statement		YES
Absorption Analysis		YES
Public Housing Vacancy & Waiting List		YES
Vouchers Administered, Utilized and Waiting List		YES
Federal Housing Agency Coordination		YES
Pipeline Analysis	07/18/12 Certification of Demand	YES
Statement of Housing Needs of Low Income Individuals and Large Families		YES
Does the market study conform to QAP requirements?		YES
Has evidence of the project's zoning and site control been submitted?		YES
Compliance Training Requirement Met?		YES

**VI. EXISTING PROJECTS**

Appraisal Date				9/14/2012
If Yes, specify appraised value of project as-is:				\$5,058,000
If available, specify appraised value of project following rehabilitation:				\$8,928,000
Capital Needs Assessment:	9/19/2012	Within 90 days of application date?	YES	YES
Year Built/To be Built:				
Building Condition Addressed?				YES
Major systems Addressed?				YES
Useful Life Replacement included?				YES
Minimum Deposits to Reserves Calculated?				YES
Environmental Analysis Complete?				see environmental checklist

**VII. DEVELOPMENT AND COST DATA**

Occupancy Type: Family or Special Needs			Family
Per Unit Total Development Costs:			
Weighted Average TDC/unit Limit			
Total Development Cost	\$8,576,984		
Government Grants/Historic Syndication Proceeds	\$0		
Community Facilities (negative)	\$0		
Imputed TDC/unit	\$8,576,984		\$72,075.50
Total Square Footage:			102,566
Per Square Foot Development Costs:			\$83.62
Rehab/ Hard Costs, Contingency, (%):	\$455,030	\$0	0.00%

**VIII. FEES AND PROFITS**

Developer Fee:	\$733,404.00
Builder Profit:	\$172,618.20
Builder Overhead:	\$57,539.40
Excess Syndication Costs:	\$0.00

**IX. SECTION 515 PROJECT**

Section 515 Project or FHA Insured	NO
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**X. IS DEVELOPER A DEBARRED DEVELOPER?**

	NO
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**XI. NON-PROFIT GENERAL PARTNER OR MATERIAL PARTICIPANT**

Is Non-Profit a CHDO?	NO
Is CHDO the Managing General Partner?	N/A
Is Non-Profit Determination Form complete?	N/A
Have Articles of Incorporation been reviewed?	N/A
Has IRS Determination Letter been reviewed?	N/A

**XII. LEGAL STATUS OF TAXPAYER**

Does the Taxpayer currently exist?	YES
Have the organizational documents been reviewed?	NO

**XIII. CASH FLOW JUNIOR MORTGAGE LOANS**

Amount/Type:	\$0	N/A
If applicable, has the imputed principal schedule been submitted?		N/A

**XIV. HOME FUNDS**

HOME Funds requested:	\$0.00
HOME below AFR: AFR = 2.36%	YES
Affirmative Marketing Procedures Acceptable?	N/A
Owner's Relocation Plan acceptable?	N/A
Site & Neighborhood Standards Certification?	N/A
1st Mort. Term 40 Balance at 1st Maturity \$0	

**XV. POOL SPECIFICATION - N/A WITH RESPECT TO HOME FUNDS**

I General Statewide Pool	X
II Qualified Non-Profit/CHDO Sub-pool	0
III Congressional District	0
IV RD Rural Rehab	0

**XVI. OPERATING DATA**

Average PUPA:	\$3,759.36
Initial Debt Service Ratio:	
Hard Only	1.25585
Hard and Soft	1.25585

# FEASIBILITY ANALYSIS

## XVII. SOURCES

	Confirmed	
	Yes	
Permanent First Mortgage Loan Principal		\$6,500,000
Permanent Second Mortgage Loan Principal		\$0
<b>Home Funds</b>		\$0
Gross Tax Credit Equity		\$0
<b>CDBG Funds</b>		\$0
Other (please describe)		\$0
Other (please describe)		\$0
Reserve for Replacement		\$0
<b>Owner Contribution:</b>		\$0
Deferred Developer Fee		\$40,895
Lease-Up Reserves		\$0
Operating Reserves		\$0
<b>Temporary Contract Loan</b>		\$0
Other (please describe)		\$0
Other (please describe)		\$0
Other (please describe)		\$0
Other (please describe)		\$0
Other (please describe)		\$0
Other Sources Needed to Balance		\$0
<b>SUBTOTAL</b>		<b>\$6,540,895</b>

## XVIII. USES

Rehabilitation Hard Costs	\$3,210,170
Construction Hard Costs	\$455,030
Architect's Fee - Design	\$93,296
Architect's Fee - Supervisory	\$23,324
Interest During Construction	\$282,874
Taxes During Construction	\$40,347
Insurance During Construction	\$37,128
Financing Fee (Construction)	\$0
Financing Fee (Permanent)	\$142,000
Title and Recording Costs	\$52,500
Taxpayer Closing Costs	\$50,000
Organization Costs	\$50,000
Relocation Expenses	\$0
Lender Legal Fees	\$65,600
Taxpayer Counsel Fees	\$35,000
Survey Costs	\$10,000
Audit Fees	\$7,500
<b>Developer Fee</b>	<b>\$591,404</b>
LHFA Tax Credit Fees	\$10,000
LHFA HOME Fees	\$0
Asset Management Fee	\$0
Bond Counsel & Trustee	\$58,000
Bond Counsel and Issuer Fees	\$25,500
Bond Underwriter Fees	\$85,500
Appraisal, Mkt Study, Ph1, PCNA	\$49,000
FHA MIP, Exam and Inspection Fee	\$81,250
FF&E	\$8,000
Termite Bond	\$25,000
Rating, Neg Arb, CUSIP Fees	\$68,500
LHC Other Fees	\$20,061
0	\$0
0	\$0
0	\$0
0	\$0
<b>Land Only</b>	<b>\$252,900</b>
<b>Buildings Only</b>	<b>\$2,747,100</b>
Other (please describe)	\$0
Other Fund Uses NOT in Basis	\$0
<b>Demolition</b>	<b>\$0</b>
Other (please describe)	\$0
Temporary Contract Loan Pay off	\$0
Initial Operating Reserve	\$460,000
Initial Deposit to Replacement Reserve	\$0
Other (please describe)	\$0
Other (please describe)	\$0
Other (please describe)	\$0
Other (please describe)	\$0
<b>Total Uses of Funds</b>	<b>\$9,036,984</b>

### Modified Total Uses of Funds

\$9,036,984

## XIX. FINANCING GAP

(\$2,496,089)

(a) Credit Request	\$274,323
(b) HOME/CDBG Request	\$0
TCAP Request	\$0
(c) Syndication Credit Multiple (Net Proceeds/Request)	9.09909
(d) Syndication Proceeds	\$2,496,089
<b>XX. UNADJUSTED CREDIT FEASIBILITY AMOUNT</b>	<b>\$274,323</b>
<b>XXI. ADJUSTMENTS TO TDC</b>	<b>\$0</b>
<b>EXCESS CASH FLOW TO BE DEPOSITED TO REPLACEMENT RESERVES</b>	<b>\$0</b>
(a) Maximum SLR Limits	\$1,307,096
(b) Actual Profits	\$1,136,180
<b>XXII. ADJUSTED CREDIT FEASIBILITY AMOUNT</b>	<b>\$274,323</b>
<b>ADJUSTED HOME/CDBG AMOUNT</b>	<b>\$0</b>

XXIII. Rent Limit Check	Rural?				Yes			Other
	0	0	0	0	0	0	0	
	Eff	1 BR	2 BR	3 BR	4 BR	5 BR		
FMR Rent	461	462	554	760	786	903.9	0	0
TC Rent	583.5	624.75	750	866.25	966	955.5	0	0
Utility Allowance	0	0	48	67	77	0	0	0
Market Study Max	0.00	0.00	565.00	700	950	0	0	0
Inputted Avg Rent	0.00	0.00	550.00	650.00	750.00	0.00	0.00	0.00
Nat. Non Metro	448.75	480.63	577.50	666.88	743.75	820.63		
MAX Rent	0	0	554	700	786	0	0	0
TC Check	0	0	0	0	0	0	0	0
Total Units	0	0	19	50	50	0	0	0
HOME Assist Units	0	0	0	0	0	0	0	0
<b>REQUIRED</b>								
HOME Assist Units	0	0	0	0	0	0	0	0
			Month	Annual				
Rent Income page rent			80,450	965,400				
Pro Forma page rent			80,450	965,400				

# VIABILITY AND FEASIBILITY ANALYSIS SUMMARY

GO Zone?	No	
SET ASIDE PERCENTAGE CHOSEN		40% residents at 60% or less
IMPUTED MONTHLY RENT AT OR BELOW LEGAL LIMITS?	YES	
ANALYSTS CASH FLOWS POSITIVE - YEAR ONE?	YES	\$86,534
DEBT SERVICE RATIO - YEAR ONE	YES	1.25585
EXPENSE CUSHION		19.343%
ANNUAL AVERAGE EXPENSES PER UNIT WITHIN PERMITTED RANGE?	YES	\$3,759
DEVELOPMENT COSTS PER UNIT AT OR BELOW PERMITTED LIMIT?	YES	\$72,075.50
BEDROOM SIZE SQUARE FOOTAGE LIMITS SATISFIED?	HUD waiver requested.	NO
MINIMUM BATHROOMS SATISFIED?	HUD waiver requested.	NO
ARE RESERVES PER UNIT ADEQUATE?	300	YES
		\$300

	LIMIT	ACTUAL	Under(Over)	Net Excess Profits
BUILDER'S PROFIT	\$206,103	\$172,618	\$33,484	
BUILDER'S OVERHEAD	\$68,701	\$57,539	\$11,161	
GENERAL REQUIREMENTS	\$195,745	\$172,618	\$23,127	
DEVELOPER FEE	\$836,548	\$733,404	\$103,144	
REHAB / HARD COSTS CONTINGENCY	\$45,503	\$0		\$0
SYNDICATION TYPE:	Public	or	Private	X
SYNDICATION COSTS:	\$0	or	\$0	0.00%
Architect's Fees	\$256,564	\$116,620	\$139,944	

IS PROJECT DEEMED VIABLE AND FEASIBLE?	YES (see Comments)	
HOME-CDBG Feasibility / Viability Amount		\$0
CREDIT FEASIBILITY / Viability AMOUNT (9.1 MULTIPLE)		\$274,323
New Reserve Policy Credit Feasibility/Viability Amount		\$274,323
Applicant's Claimed Points:		63.5

Comments: Based on application dated September 28, 2012. The application states: "Summit Live Oak Manor, LP is currently under LOI to purchase Live Oak Manor Apartments, a 119 unit garden-style apartment community located in Abbeville, Louisiana for \$3,000,000. The property has an existing Housing Assistance Payment (HAP) contract and is located in a Qualified Census Tract (QCT). Live Oak Manor, developed in 1972, is situated on 7.443 acres and has good accessibility via E. Martin Luther King Jr. Drive. The property is comprised of 15 one and two story garden-style buildings totaling 119 units. The unit mix consists of nineteen (19) two-bedroom/one bath units, fifty (50) three-bedroom/one bath units, and fifty (50) four-bedroom/one bath units. The property currently operates under a HAP contract, ensuring in-place rents will be subsidized by HUD. Summit Live Oak Manor, LP is working with counsel to have a 20-year HAP agreement in-place at closing. The bonds for this property will be provided by and issued through LCDA and underwritten by Merchant Capital. The \$6,500,000 tax-exempt bonds will be structured as a 40-year, fixed rate bond with a minimum of a 1.20x DSCR. The bonds will carry and "AAA" rating from Standard and Poor's and will be issued with a fixed rate estimated at 4.25%. "

Items routinely removed for GAP Analysis:	Amount	Non-LHFA Soft Funds ?
1. Operating Reserves	\$460,000	\$278,895 is within limit, \$181,105 added to Developer Fee.
2. Permanent Loan Fee	142,000	Added to Developer Fee.

- Other Comments:
- A. The applicant represents that the Threshold requirements have been met. Satisfaction of Threshold Requirements related to Design and Construction should be verified in the architectural plans which are not part of the F&V review.
  - B. Reserve Needs schedule was not completed, but annual reserve deposit meets minimum requirement.
  - C. Minimum bedroom size square footage and minimum bath requirements not met, but waiver requested by HUD.

Prepared by:

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**Louisiana Housing Corporation**

2415 Quail Drive, Baton Rouge, Louisiana 70808  
Phone: (225) 763-8700 Fax: (225) 763-8738

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## FIELD REPORT

**From:** Todd Folse  
**To:** Dr. Roger Tijerino  
**Date of Visit:** 10/17/12  
**Length of Visit:** 2 Hours  
**Project Name:** Live Oak Manor TC2013-001BF  
**Project Location:** Abbeville LA  
**LHFA Personnel:** Todd Folse  
**Purpose of Visit:** Initial Inspection of site conditions

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- **Development is in need of rehabilitation due to age (Built 1972).**
- **Inefficient heating and cooling systems installed along with outdated appliances.**
- **Development appeared in good condition given the age of the buildings. The buildings exteriors were recently painted and most of the windows replaced.**
- **This development can be rehabilitated to bring up to current codes and standards.**

Upon arrival, I noted a well-maintained development despite being over 40 years old. The grounds appeared neat and clean. Maintenance personnel were on-site.

Although this development appeared to be well maintained, there is evidence of products used reaching their maximum lifespan. On the exterior there are numerous patches where the siding had been replaced. Fascia and soffit materials show similar signs of age. The roofing show numerous patches and repairs.

The interiors of the units inspected also show signs of products used reaching their maximum lifespan. There are numerous patches in the drywall. The cabinets are beginning to fall apart despite efforts to keep them maintained. The heating units and appliances are outdated and inefficient. The only Air conditioning for the units is window units. A central HVAC would be the most efficient way to heat and cool this



**Louisiana Housing Corporation**

2415 Quail Drive, Baton Rouge, Louisiana 70808  
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development. The flooring is a patchwork of Vinyl Composition Tile (VCT) with numerous stains and cracks. All bathrooms inspected had visible signs of leakage.

According to the property manager, there are no accessible units within this development. Due to the age of this development, there are NO accessibility requirements; however, during rehabilitation, it would be appropriate to add such units when possible.

In my opinion, this development is a very good candidate for rehabilitation. All structural elements appeared sound with no visible defects. Once rehabilitated, this development should continue to be a safe habitable dwelling for the residents.



**Louisiana Housing Corporation**

2415 Quail Drive, Baton Rouge, Louisiana 70808  
Phone: (225) 763-8700 Fax: (225) 763-8738

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1 Overview



2 Overview



IMAGES

3 Window units for air conditioning.



4 Signs of age and deterioration.



5 Outdated appliances.



6 Bathroom needs rehab.



7 Cabinets showing signs of deterioration.



8 Stains and wear on VCT





OFFICE OF MULTIFAMILY HOUSING

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

New Orleans Field Office  
Hale Boggs Federal Building  
500 Poydras Street, 9<sup>th</sup> Floor  
New Orleans, LA 70130-3099

September 27, 2012

Don Hutchinson  
Louisiana Housing Corporation  
2415 Quail Drive  
Baton Rouge, Louisiana 70808

SUBJECT: Live Oak Manor – Contract No. LA48M000046  
LIHTC Application

Dear Mr. Hutchinson,

It is our understanding that BSR Trust is preparing an application for an allocation of Low Income Housing Tax Credits (LIHTC) so that it can rehabilitate some or (preferably) all of the 119 units at Live Oak Manor, located at 1610 E. Martin Luther King Jr. Drive, Abbeville, LA 70510. BSR Trust also plans to purchase the subject property and retain the Section 8 Housing Assistance Payments (HAP) Contract.

We understand Louisiana Housing Corporation (LHC), under its 2012/2013 Qualified Allocation Plan, specifies that two, three and four bedroom units receiving LIHTC have no fewer than the minimum square footage by type and size specified for the unit's size. Further, the 2012/2013 Qualified Allocation Plan specifies all three and four bedroom units have a minimum of two bathrooms. Given that units at Live Oak Manor do not meet these standards, we request LHC waive this provision for the application in consideration for the significant resources an award of LIHTC would bring to preservation efforts for this property.

The current owner receives federal funding through a 1-year HAP Contract, effective July 8, 2011. In accordance with the 2012/2013 Qualified Allocation Plan, we are sending this letter to advise the LHC that HUD has no objections to the reservation of tax credits to the project; and, should the LIHTC application be awarded to the project, HUD will grant approval to extend the current contract for a total of 20 years.

If you have any questions, please contact me at (504) 671-3767.

Sincerely,

Art J. Wells  
Director  
LA Multifamily Program Center