



Board of Directors

Agenda Item

**Resolution approving the recommended strategies
for awarding the remaining 2016 Low Income
Housing Tax Credits**

March 15, 2017

Table of Contents

Resolution	3
Recommended Strategy.....	6

LOUISIANA HOUSING CORPORATION

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

RESOLUTION

A resolution approving Louisiana Housing Corporation (LHC or Corporation) staff's recommended strategies for awarding the balance or 2016 Low Income Housing Tax Credits (LIHTC); 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 allocating and administering programs and/or resources made available pursuant to the Section 42 of the Internal Revenue Code (the LIHTC Program);

WHEREAS, the Corporation has approximately Three Hundred Fifty Thousand (\$350,000) in LIHTC from the 2016 housing credit ceiling available to be used for projects previously awarded tax credits through the 2015 and 2016 competitive 9% funding rounds; and

WHEREAS, Corporation staff has recommended a strategy to allocate additional LIHTC to financially distressed projects impacted by the devaluation of the LIHTC; and

WHEREAS, The Board of Directors of the Louisiana Housing Corporation (Board) desires to approve the recommendations of staff and to authorize and direct staff and counsel to implement the Strategy for Awarding Remaining 2016 LIHTC (Attachment I); and

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

SECTION 1. The terms, conditions and parameters for awarding LIHTC to projects in conjunction with Strategy for Awarding Remaining 2016 LIHTC are hereby adopted and approved by the Board.

.SECTION 2. The Corporation 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 Strategy for Awarding Remaining 2016 LIHTC.

SECTION 3. The Chairman and Executive Director of the Corporation 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.

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, 15th day of March 2017.

Chairman

Secretary

**STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE**

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (Board), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board on March 15, 2017, “A resolution approving Louisiana Housing Corporation (LHC or Corporation) staff’s recommended strategies for awarding the balance or 2016 Low Income Housing Tax Credits (LIHTC); 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 15th day of March 2017.

Secretary

(SEAL)

LOUISIANA HOUSING CORPORATION

STRATEGY FOR AWARDING REMAINING 2016 LIHTC

AS OF MARCH 15, 2017

The Louisiana Housing Corporation (LHC) hereby releases this strategy for awarding approximately \$350,000 in Low Income Housing Tax Credits (LIHTC) that is remaining from the 2016 housing credit ceiling. LHC has reviewed documentation on projects awarded 2015 and 2016 LIHTC that have been unable to achieve financial closing due to funding gaps. LHC staff has assessed the amounts of the funding gaps related to decreased credit pricing for each project and is proposing to award additional credits to each project based on credit pricing information submitted as listed in Attachment I.

Based on the financial submissions, most projects have additional gaps to fill unrelated to decreased credit pricing. Taxpayers will be given the opportunity to evidence within thirty (30) days of receipt of the attached letter (Attachment II) how the remaining funding gap will be filled. Any developer unable to evidence a feasible and viable project will be subject to recapture of awarded LIHTC. Any remaining or recaptured tax credits will be added to the 2017 Qualified Allocation Plan.

The funding strategy is not intended for funding gaps other than gaps created by the decrease in credit pricing such as funding gaps that existed at the time of the award that were filled with alternate funding such as deferred developer fees, developer loan, project modifications, or flood related matters. Projects requiring material changes as defined by the QAP or changes in the number of units, amenities or selection criteria will not be awarded additional credits.

Conditional award letters will be issued no later than 4:30 P.M. C.S.T. on Friday, March 17, 2017.

Documentation evidencing that the project is viable and feasible with balanced sources and uses must be received no later than 4:00 P.M. C.S.T. on April 17, 2017 and is a condition of the award of additional credits.

In order for the documentation to be considered complete, the following information must be included:

- I. Submission by the Taxpayer of (a) a pricing statement dated no earlier than 30 days prior to submission, specifying the amount of additional LIHTC that the project is conditional awarded, and (b) the additional equity per dollar of additional LIHTC to be invested in the project.
- II. Documentation that the project will be able to achieve a financial closing within 120 days of receiving notice of the award of additional credits;
- III. Updated funding commitments and site control documents;

- IV. Reprocessing application submitted on the LIHTC Online Application for review by the Agency's Underwriters that confirms the feasibility and viability of the project; and
- V. Reprocessing fees.

Guidelines for Requests of Additional LIHTC

Awards of additional credits are conditioned upon a project having an acceptable feasibility and viability review based on the submitted reprocessing application and subject to compliance with the applicable IRS Section 42 requirements. Reprocessing fees must be received by LHC by no later than April 17, 2017. An award fee in an amount equal to five percent (5%) of the LIHTC allocation will be required if additional tax credits are awarded to the project.

Questions related to this funding strategy should be submitted to Marjorianna Willman, Program Administrator at mwillman@lhc.la.gov.

DRAFT

NON CLOSED COMPETITIVE 9% PROJECTS REQUESTING ADDITIONAL FUNDING

LHC Tax Credit Projects Credit Pricing as Awarded									Current Credit Pricing and Additional Credits Needed to Fund the Projects								
Project Name & Location	Project Type	LIHTC Funding Source	Project Score	LHC Tax Credits Awarded	# Units	TDC	Credit pricing	Syndication Proceeds	Credit pricing	Syndication Proceeds	Pricing change	Syndication Proceeds gap	Credits Needed to Fill the Pricing Gap	Total credits Needed	Additional Credits Requested	Total Credits Requested	Comments
Glenwood Apts. - Kenner, Jefferson Parish	Acq / Rehab, PSH units, Nonprofit Pool	2016 Per Capita	76.5	\$515,000.00	58	\$7,548,471.00	\$0.86	\$4,429,000.00	TBD		TBD	TBD	TBD	TBD	TBD	TBD	Kenner HA has a new director and is not prepared to discuss the project.
Briarwood Estates at Bastrop - Bastrop, Morehouse Parish	Rural, New Construction / Scattered Site, Infill, DDA, PSH units	2016 Per Capita	82.5	\$664,605.00	41	\$6,734,242.00	\$0.87	\$5,788,856.00	\$0.85	\$5,635,597.00	(\$0.02)	\$153,259.00	\$18,073.81	\$682,678.81	\$35,395.00	\$700,000.00	Requesting \$35,395 in additional credits. Project would also take \$300,000 in HOME funds instead of credits.
Elysian II - Baton Rouge, East Baton Rouge Parish	New Construction , Infill	2016 Per Capita	83.0	\$553,236.00	100	\$15,440,769.00	\$0.95	\$5,255,217.00	\$1.02	\$5,643,007.00	\$0.07	\$0.00	\$0.00	\$553,236.00	\$142,307.00	\$695,543.00	The project is requesting \$54,200 in LIHTC. Willing to accept LHC HOME funds also.
Tangi Grove - Amite, Tangipahoa Parish	Rural, New Construction / Scattered Site, Infill, DDA, PSH units	2016 Per Capita	85.5	\$740,000.00	45	\$7,915,009.00	\$0.95	\$7,029,297.00	\$0.90	\$6,660,000.00	(\$0.05)	\$369,297.00	\$41,033.00	\$781,033.00	\$36,000.00	\$776,000.00	Requesting additional \$36,000 in credits and remove 2 PSH units from 20% AMI underwriting to allow for a larger permanent loan.
Wyche Apartments - Tallulah, Madison Parish	Rural, Acq/Rehab, DDA, PHS units	2016 Per Capita RE/RA	85.5	\$542,678.00	60	\$6,777,800.00	\$0.86	\$4,666,564.00	\$0.85	\$4,612,763.00	(\$0.01)	\$53,801.00	\$6,329.53	\$549,007.53	\$27,114.00	\$569,792.00	Requesting \$27,114 in additional credits.
Meadows at Arcadia - Arcadia, Bienville Parish	Rural, Acq/Rehab, DDA, PSH units	2016 Per Capita	88.0	\$749,435.00	30	\$8,735,729.00	\$0.97	\$7,268,795.00	\$0.91	\$6,856,695.00	(\$0.05)	\$412,100.00	\$45,042.42	\$794,477.42	\$55,565.00	\$805,000.00	Requesting \$55,565 in additional credits. Developer fee reduced to 12%.
Convent Trace - Convent, St. James Parish	Rural, Acq/Rehab, PHA, DDA, PSH units	2015 Per Capita	89.0	\$332,000.00	30	\$4,035,867.00	\$0.88	\$2,905,000.00	\$0.88	\$2,921,600.00	\$0.01	\$0.00	\$0.00	\$332,000.00	\$38,000.00	\$370,000.00	Project is requesting \$38,000 in additional credits. This project was also impacted by the floods.
Richland Apartments - Rayville, Richland Parish	Nonprofit Pool*, Rural, Acq/Rehab, PHA, DDA PSH units	2016 Per Capita	89.0	\$550,000.00	60	\$6,822,896.00	\$0.86	\$4,729,527.00	\$0.85	\$4,675,000.00	(\$0.01)	\$54,527.00	\$6,414.94	\$556,414.94	\$70,180.00	\$620,180.00	The project is requesting \$70,180 in additional credits.
Bastion Phase II - New Orleans, Orleans Parish	New Construction, DDA, PSH units, Veterans	2016 Per Capita	90.5	\$263,425.00	40	\$8,223,004.00	\$1.00	\$2,633,989.00	\$0.90	\$2,370,825.00	(\$0.10)	\$263,164.00	\$29,240.44	\$292,665.44	\$89,180.00	\$352,623.00	The developer has provided several scenarios, the lowest is \$89,198 in additional credits. Developer fee has been reduced to 11%.
Central Crossing - Convent, St. James Parish	Rural, Acq/Rehab, PHA, DDA, PSH units	2015 Per Capita	91.0	\$400,000.00	36	\$6,380,593.00	\$0.88	\$3,500,000.00	\$0.89	\$3,560,000.00	\$0.02	\$0.00	\$0.00	\$400,000.00	\$45,000.00	\$445,000.00	Project is requesting \$45,000 in additional credits. This project was also impacted by the floods.
River South - Baton Rouge, East Baton Rouge Parish	New Construction, DDA, PHA	2016 Per Capita - Re/RA	133.0	\$647,000.00	46	\$8,793,638.00	\$1.00	\$6,438,000.00	\$0.87	\$5,628,900.00	(\$0.13)	\$809,100.00	\$93,000.00	\$740,000.00	\$123,000.00	\$770,000.00	Requesting to remove community facilities and allow the use of facilities near the site owned by EBRPHA. An additional \$123,000 in credits and \$500,000 in HOME funds requested.
Totals				\$5,957,379.00									\$239,134.15	\$5,681,513.15	\$661,741.00	\$6,104,138.00	