



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

MEMORANDUM

DATE: June 21, 2011
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

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

On June 8, 2011, the LHFA Board of Commissioners adopted the 2011/2012 Qualified Allocation Plan (2011/2012 QAP). As outlined in the 2011/2012 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, Friday, July 1, 2011.**

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 must be organized and formatted with tabs to address each referenced informational requirement and should be forwarded to the attention of Ms. Marjorianna Willman, Tax Credit Manager at mwillman@lhfa.state.la.us . Only submittals received by the Agency by not later than the close of business, July 1, 2011, will be accepted for review and consideration at the August 10, 2011 Board of Commissioner meeting.