



LOUISIANA HOUSING FINANCE AGENCY

MEMORANDUM

TO: Board of Commissioners

FROM: Tax Credit Department

DATE: October 15, 2010

SUBJECT: Memorandum for allocation of remaining returned Tax Credit Assistance Program Funds

Issue: LHFA Strategy for allocating remaining TCAP funds of approx. \$1.7M

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 LA received approximately \$39,383,397 in TCAP funds from HUD.

The Agency has allocated \$37.5M with approximately \$1.7M of TCAP remaining due to developers returning previously allocated funds. The Agency is currently implementing this initiative to provide additional TCAP funds for increases in construction costs for existing TCAP-awarded projects as evidenced in a change order to be approved by the LHFA. Additionally, this initiative will allow projects with a current allocation of TCAP funds to exceed the current \$1M maximum amount. The maximum TCAP Funds (including the additional approved TCAP Funds per this initiative) per project will be \$1.5M. Note: Only projects that have achieved a prior Environmental Clearance pursuant to the prior commitment of HOME, CDBG and/or TCAP are eligible to apply.

Staff processing strategy:

Timeline

- 1) Send out notice of fund availability to developers by no later than close of business on Friday, October 15th, advising of the existence of additional Tax Credit Assistance Program Funds.

Additional TCAP funds **10/15/2010**

- 2) Applications will be due by close of business on Friday, October 29th.
- 3) Staff will rank and score applications and post preliminary rankings by no later than close of business on November 1, 2010.
- 4) Submission of recommended awards to be present to BOC on November 10, 2010.

Rank and Scoring

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

- A. Projects that have expended 100% of prior TCAP Funds award and that can expend all TCAP Funds including any additional TCAP Funds by December 30, 2010 as verified by Foley and Judell. 50 points
- B. Projects that have expended 50% or more of prior TCAP Funds and that can expend all TCAP Funds including any additional TCAP Funds by December 30, 2010 as verified by Foley and Judell 30 points
- C. Projects requesting less than an \$100,000 of additional resources all TCAP Funds including any additional TCAP Funds by December 30, 2010. 40points
- D. Projects requesting more than \$100,000 but less than \$250,000 all TCAP Funds including any additional TCAP Funds by December 30, 2010. 30points
- E. Rural Projects 25points

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 submitted to the Agency.
2. Identification of all eligible costs in the construction/rehabilitation budget that may be filled with an increase in TCAP funds.

The Developer/Taxpayer must certify that no other resources are available to fill the identified funding gap.