

LOUISIANA HOUSING FINANCE AGENCY

RESOLUTION

A resolution approving a Notice of Public Hearing with respect to an amendment of the 2007/08 GO Zone and Per Capita Credit Qualified Allocation Plans to take advantage of the provisions of the **American Recovery and Reinvestment Act of 2009** (the “Stimulus Bill”) to distribute competitively a portion of the Capital Funds and the Treasury Grants under the Stimulus Bill while simultaneously increasing funds available to low-income housing projects with allocated credits on a priority basis (i) first, with inefficient syndications and (ii) second, under construction with cost overruns; and providing for other matters in connection therewith.

WHEREAS, the Board of Commissioners of the Louisiana Housing Finance Agency (the “Agency”) now desires to approve the publication of a Notice of Public Hearing relating to an amendment to the 2007/08 GO Zone and Per Capita Credit Qualified Allocation Plans to provide for the a reprocessing of projects with allocated credits to take advantage of the provisions of the Stimulus Bill to competitively distribute a portion of the Capital Funds (approximately \$25 million) and the exchange of Treasury Grants for a return of low-income housing credits while simultaneously increasing funds available to low-income housing projects with allocated credits (i) with inefficient syndications and (ii) under construction but with cost overruns; and

WHEREAS, the Board further desires to approve the implementation of a “Stimulus Round” to the 2007/08 GO Zone and Per Capita Credit Qualified Allocation Plans to take advantage of the provisions of the Stimulus Bill in connection with the following described projects:

(A) Projects Allocated Credits with Inefficient Syndications: A number taxpayers have credit investment commitments of less than eight-five cent (\$0.85) per dollar of credit.

(B) Projects Allocated Credits and Under Construction With Cost Overruns: A number of low-income housing tax credit projects under construction have significant cost overruns and could use additional credits and/or soft dollars to cover such cost overruns.

Returned GO Zone Credits will be exchanged for Treasury Grant Funds to projects located in the GO Zone.

feasibility and viability review of the project subject to satisfaction of the following conditions:

(i) *Receipt from the Taxpayer of a complete revised Project Application that provides a complete budget reflecting the exchange without any increase in the Developer Fee approved in the prior feasibility/viability review;*

(ii) *Receipt from the Taxpayer of a hold harmless and indemnification agreement on a form developed by the Agency's counsel; and*

(iii) *An opinion of tax counsel to the Taxpayer that the re-allocation of the Taxpayer's returned credits is permissible under the then existing federal income tax code and federal income tax regulations;*

(iv) *Confirmation from the syndicator that the exchange of credits is approved by the syndicator; and*

(v) *A copy of the proposed amended and restated ownership documents.*

Upon satisfaction of the foregoing conditions, the Agency and Officers will be authorized and directed to enter into a binding agreement to loan Capital Funds and/or loan or allocate all of a portion of the Treasury Grant obtained from the returned credits. All Taxpayers receiving Capital Funds and/or Treasury Grant Funds will be required to enter into appropriate agreements with the LHFA in accordance with provisions of the Stimulus Bill in order for the LHFA to comply with its asset management functions.

Returned GO Zone Credits will be exchanged for Treasury Grant Funds which will be made available only to projects located in the GO Zone.

Environmental Clearance: *Applicants requesting Treasury Grants are **not** subject to the same environmental pre-clearance requirements as are Capital Funds. Any Applicant requesting Capital Funds must have previously completed a Phase I Environmental Assessment, in accordance with 24 CFR Part 58, and have received a Notice to Proceed from an appropriate approving federal or State agency.*

Other Compliance Requirements for Capital Funds: *Applicants are also reminded that the Davis-Bacon Act is also be triggered with the utilization of Capital Funds. Any applicant intending to apply for Capital Funds must submit by ____, 2009 evidence that the Environmental Assessment has been completed.*

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Other Compliance Requirements for Capital Funds: Applicants are also reminded that the Davis-Bacon Act is also triggered with the utilization of Capital Funds. Any applicant intending to apply for Capital Funds must submit by ____, 2009 evidence that the Environmental Assessment has been completed.

and

WHEREAS, said Notice of Public Hearing shall be published in the following newspapers: (i) *The Advocate*, Baton Rouge, Louisiana; (ii) *Alexandria Daily Town Talk*, Alexandria, Louisiana; (iii) *Daily Advertiser*, Lafayette, Louisiana; (iv) *The Times-Picayune*, New Orleans, Louisiana; *Shreveport Times*, Shreveport, Louisiana; (v) *Lake Charles American Press*, Lake Charles, Louisiana; (vi) *The News Star*, Monroe, Louisiana; and (vii) *The Houma Daily Courier*, Houma, Louisiana; and the public hearing shall be held on March ____, 2009; and

WHEREAS, the proposed amendment is to be approved by the Agency at its regularly scheduled April meeting;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Louisiana Housing Finance Agency, acting as the governing authority of said Agency, that:

SECTION 1. The Agency's staff and Tax Credit Counsel are hereby authorized and directed to publish a Notice of Public Hearing in connection with an amendment to the 2007/08 GO Zone and Per Capita Credit Qualified Allocation Plans as referenced in the preamble hereto as follows:

Loan of Capital Funds and/or a Loan or Allocation of a portion of Treasury Grants Related to Projects in which the Taxpayer Voluntarily Returns to the Louisiana Housing Finance Agency All or a Portion of Allocated Credits: Tax Credits which are returned by a Taxpayer with respect to a project allocated credits under the 2007/08 GO Zone and Per Capita Credit Qualified Allocation Plans shall qualify for a loan of Capital Funds and/or a loan or allocation of Treasury Grants in an amount at least equal to the equity evidenced in the most recent

WHEREAS, the following language will be incorporated into 2007/08 GO Zone and Per Capita Credit Qualified Allocation Plans:

Loan of Capital Funds and/or a Loan or Allocation of a portion of Treasury Grants Related to Projects in which the Taxpayer Voluntarily Returns to the Louisiana Housing Finance Agency All or a Portion of Allocated Credits: *Tax Credits which are returned by a Taxpayer with respect to a project allocated credits under the 2007/08 GO Zone and Per Capita Credit Qualified Allocation Plans shall qualify for a loan of Capital Funds and/or a loan or allocation of Treasury Grants in an amount at least equal to the equity evidenced in the most recent feasibility and viability review of the project subject to satisfaction of the following conditions:*

(i) *Receipt from the Taxpayer of a complete revised Project Application;*

(ii) *Receipt from the Taxpayer of a hold harmless and indemnification agreement acceptable to the Agency's general counsel; and*

(iii) *an opinion of tax counsel to the Taxpayer that the re-allocation of the Taxpayer's returned credits is permissible under the then existing federal income tax code and federal income tax regulations; and*

(iv) *Confirmation from the syndicator that the exchange of credits is approved by the syndicator; and*

(v) *A copy of the proposed amended and restated ownership documents.*

Upon satisfaction of the foregoing conditions, the Agency and Officers will be authorized and directed to enter into a binding agreement to loan Capital Funds and/or loan or allocate all of a portion of the Treasury Grant obtained from the returned credits. All Taxpayers receiving Capital Funds and/or Treasury Grant Funds will be required to enter into appropriate agreements with the LHFA in accordance with provisions of the Stimulus Bill in order for the LHFA to comply with its asset management functions.

Returned GO Zone Credits will be exchanged for Treasury Grant Funds to projects located in the GO Zone.

SECTION 2. This resolution shall become effective upon its adoption.

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

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 11th day of March, 2009.

Secretary

Chairman