



REVISED

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

MEMORANDUM

DATE: August 11, 2010
TO: Development Community
FROM: Louisiana Housing Finance Agency Tax Credit Staff
RE: Memorandum for allocation of returned Tax Credit Assistance Program Funds

Issue: LHFA Strategy for allocating remaining TCAP funds of approx. \$3M

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 Louisiana received approximately \$39,383,397 in TCAP funds from HUD. A Taxpayer must evidence an ability to have expended seventy-five percent (75.0%) of the TCAP Funds awarded to the Taxpayer's LIHTC Project by February 16, 2011 and one hundred percent (100.0%) by February 16, 2012.

The Agency has allocated nearly \$36M with approximately \$3M of TCAP remaining due to developers returning previously allocated funds. This initiative is meant to provide additional TCAP funds for increases in costs for existing LIHTC projects. Maximum request per project will be \$1M. Note that only projects that received an allocation of LIHTC between October 1, 2006 and **September 30, 2009** (based upon HUD Notice CPD09-03) are eligible to apply and who have not received their 8609s.

Staff processing strategy:

Timeline

- 1) Send out draft notice to developers by no later than close of business on Wednesday, July 14th, advising of Public Hearing on Allocation of Additional Tax Credit Assistance Program Funds to be held on Thursday, July 29th from 8:30 a.m.- 10:00 a.m.
- 2) Based upon public input, staff will present the final Initiative to Multi-Family Committee for approval on August 11th.

- 3) Applications will be due by close of business on August 25, 2010.
- 4) Staff will rank and score applications and post preliminary rankings by no later than close of business on September 1, 2010.
- 5) Submission of recommended awards to be presented to BOC on September 8, 2010.

REVISED

Rank and Scoring

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

- | | |
|--|-----------|
| A. Rural Projects | 30 points |
| B. Projects that can expend funds within 60 days as evidenced through their submitted completed AMEC model and as verified through Foley and Judell. | 20 points |
| C. Projects with TCAP funds whose request for additional GO-Zone credits was not filled during latest GO-Zone initiative and who are willing to accept TCAP funds in lieu of additional GO Zone credits, | 15 points |

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 with signed certification.
2. Certification from Foley and Judell on status of expenditure of funding.
3. Identification of all eligible costs in the construction/rehabilitation budget that may be filled with an increase in TCAP funds
4. Certification that the developer fee will be limited to the amount contained within the most recent feasibility/viability report. This includes no decrease in deferred developer fee. Increased developer fee will not be allowed.

This initiative is not intended to allow any changes in the project's design, unit mix, and/or selection criteria or increase any of the project's total development cost as reflected in the last review of the project by the agency. The Developer/Taxpayer must certify that no other resources are available to fill the identified funding gap.