



# Louisiana Housing Finance Agency

July 13, 2009

Marcia Sigal, Director  
Program Policy Division  
Office of Affordable Housing Programs  
Community Planning and Development  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street, S.W.  
Room 7164  
Washington, DC 20410

**RE: TCAP Submission Packet**

Dear Ms. Sigal:

Please accept this supplemental submission in compliance with the TCAP Submission Requirements as stated in U.S. Department of Housing and Urban Development Notice CPD-09-03.

## **A. Statement of intent to accept TCAP funds**

(1) The Louisiana Housing Finance Agency (the "Agency") intends to accept the Tax Credit Assistance Program ("TCAP") funds allocated for the State of Louisiana ("the State") in the total amount of \$39,383,397. The Agency will accept an additional amount available due to the return of allocation from other states.

(2) Currently the Agency administers (i) HUD's HOME Program for the State with a 2009 Allocation of \$16,231,176, (ii) through the Louisiana Office of Community Development, the Neighborhood Stabilization Program with an allocation of \$34,183,994 (iii) the Weatherization program which under the regular program received \$3,623,154 in 2009 and up to an additional \$50,657,478 under the American Recovery and Reinvestment Act of 2009 and (iv) the Low Income Home Energy Assistance program which received \$61,501,777 in funding for fiscal year 2009.

(3) The Agency has arranged to publish a Notice of Public Hearing (See Exhibit A) on June 19, 2009 and June 20, 2009 for a public hearing to be held on June 29<sup>th</sup> on the competitive Allocation of TCAP Funds. Comments will be accepted between the dates of publication and public hearing.

(4) The contact information for the individual designated as the agency contact for TCAP is Brenda Evans, 2415, Quail Drive, Baton Rouge, LA 70808. Her phone number is (225)763-8800, Ext. 298; fax number is (225)763-8776. The e-mail address is [bevans@lhfa.state.la.us](mailto:bevans@lhfa.state.la.us).

## **B. Description of Competitive Selection Criteria**

The Agency is pursuing a two-pronged approach in allocating the TCAP funds to projects awarded low-income housing credits.

First, in order to reach stalled projects and those considered most “shovel ready,” the Agency is competitively offering up to \$25,000,000 of TCAP funds to projects with credit allocations under the Amended 2007/08 Qualified Allocation Plans based upon the competitive criteria stated in Exhibit B. As an initial threshold requirement for receiving TCAP funding, these projects must have completed the required environmental review process by May 26, 2009 and must have submitted their electronic Applications by July 1, 2009 and with a final award date of August 12, 2009.

Second, the remaining \$14,383,397 of TCAP funds will be competitively awarded under the 2009 QAP based upon competitive criteria stated in Exhibit B. Competitive applications under the 2009 QAP are due to be submitted by July 6, 2009 with a final award date of September 9, 2009.

The LHFA TCAP selection criterion includes a priority for projects that will be completed by February 16, 2012 (see criteria A below). TCAP funds will be awarded to projects receiving low-income housing credits under the 2009 QAP and the 2007/08 QAPs on a competitive basis to projects receiving the highest score in accordance with the following criteria:

### **2007/2008 QAP:**

- |  |           |
|--|-----------|
| A. Readiness To Proceed <sup>(1)</sup> | 50 points |
| B. Rural Projects <sup>(2)</sup>       | 45 points |
| C. Projects Not Closed <sup>(3)</sup>  | 40 points |
| D. Special Need Project <sup>(4)</sup> | 35 points |
| E. Elderly Projects <sup>(5)</sup>     | 30 points |

<sup>(1)</sup>Readiness to Proceed – Projects that have building permits and for which public infrastructure is currently available at or adjacent to the site and whose Project Schedule commits to commencing construction within sixty (60) days of at TCAP Funds Award,

<sup>(2)</sup>Rural Projects – Any projects for residential property located in a rural area (as defined in Section 520 of the Housing Act of 1949).

<sup>(3)</sup>Projects Not Closed – Projects receiving an allocation of low-income housing credits under the 2007/08 QAPs but which have not completed a financial or real estate closing and have not commenced construction.

<sup>(4)</sup>Special Need Project – A project in which at least twenty-five (25%) of the units are set aside for Special Needs Household types (as defined in the 2007/08 or 2009 QAPs).

<sup>(5)</sup>Elderly Projects – A project in which all units are occupied by Elderly Households and in which no unit contains more than two bedrooms and which satisfies the requirements of the Fair Housing Act.

**2009 QAP:**

With the exception of criteria C “Projects not Closed” the competitive criteria specified above for award of TCAP Funds under the 2007/2008 QAPs will also apply to the award of TCAP Funds under the 2009 QAP.

Due to the requirements of the tax credits, all of the projects awarded must be placed in service by no later than December 31, 2011.

An award of LIHTC (9% and 4% credits) is defined as the date that the LHFA Board of Commissioners, in a public meeting, passes a resolution identifying the projects that will receive an award of LIHTC under Section 42(h) and Section 1400N.

For purposes of the TCAP awards, only projects that received an award of LIHTC (as defined above) between October 1, 2006 and September 30, 2009 are eligible for receipt of TCAP awards. The award of TCAP Funds will be (a) based upon the gap analysis contained in the feasibility/viability underwriting of a qualified low-income housing project and (b) to the highest ranked projects evidenced in the schedule of projects ranked in accordance with the competitive selection criteria. The schedule of projects in rank descending order will be attached to the resolution to be adopted by the Board of Commissioners of the Agency and will be available on the Agency’s website. The Board resolution will acknowledge and approve the following with respect to each Project competing for a competitive award of Tax Credits and TCAP Funds:

- (i) Project Name
- (ii) Project’s Competitive Score

- (iii) TCAP Funds Recommended by GAP Analysis
- (iv) Tax Credits Awarded by Agency's Board
- (v) TCAP Funds Awarded by Agency's Board
- (vi) Targeted/Environmental Clearance Date
- (vii) Targeted Project Start Date
- (viii) Number of Jobs Created by Project
- (ix) Number of Jobs Retained by Project
- (x) Project Description by Number of Buildings, Number of Units by Bedroom Size and Amenities (neighborhood network, recreation facilities, etc.)
- (xi) Targeted Project Completion Date/Certificate of Occupancy Date
- (xii) Targeted Date for Submission of Audited Cost Certification

The foregoing schedule for each project competing for TCAP Funds will be posted on the Agency's website.

**C. Commitment to Expenditure Deadlines**

(A) 2007/08 QAP:

TCAP Funds awarded to a Project under the 2007/08 QAP by September 30, 2009 must schedule a financial and real estate closing, including a closing of the TCAP Loan from the Agency, by not later than December 31, 2009.

(B) 2009 QAP:

TCAP Funds awarded to a Project under the 2009 QAP must schedule a financial/ real estate closing, including a closing of the TCA Loan from the Agency, by not later than March 31, 2010.

(C) TCAP DISBURSEMENT SCHEDULE:

Disbursements of TCAP Funds to Capital Costs of a Qualified Low-Income Housing Project will be based upon the following schedule:

- Closing <sup>(1)</sup>
- Not in excess of 25% of TCAP Fund Award
- 25% Completion                      - Not in excess of 50% of TCAP Fund Award
- 50% Completion                      - Not in excess of 75% of TCAP Fund Award
- 75% Completion                      - Not to exceed 100% of TCAP Fund Award

<sup>(1)</sup>Closing must occur not later than 90 days following award of TCAP Funds

(D) CONSTRUCTION MONITORING AND REDISTRIBUTION OF TCAP FUNDS BASED REVIEW PROJECT SCHEDULE DEFAULT: Projects awarded TCAP Funds will be required to submit monthly construction progress reports with each monthly requisition for TCAP Funds. The agency has an architectural compliance staff that will be engaged in performing on-site inspections to insure that projects adhere to their stated project schedules. TCAP Funds will be withdrawn from Projects failing to close within 30 days of their scheduled closing date. Absent extraordinary circumstances beyond the control of the taxpayer/owner, a Project with more than a 90-day variance in its Project Schedule is at risk of having the balance of TCAP Funds recaptured, withheld and/or re-allocated.

Projects that have more than a 90-day variance will be required to submit (i) a reprocessing application in accordance with the QAP requirements, (ii) proof that any delays were caused by factors outside the control of the developer and (iii) a revised timeline with support information indicating that the project will meet its adjusted project schedule. If the Board of Commissioners determines that the project is unable to progress in accordance with the revised timeline or is unable to be placed in service by the prescribed deadline, TCAP funds will be recaptured and further funding terminated. TCAP Funds withheld or recaptured will be awarded to other unfunded Projects on the Agency's waiting list of TCAP Eligible Projects as posted on the Agency's website based upon their rank order score in the competitive selection process. TCAP Eligible Project receiving a re-allocation of recaptured or withheld TCAP Funds must be able to close within sixty (60) days of an award and must be completed by not later than December 31, 2011.

#### **D. Recovery Act Accountability and Transparency Requirements**

To ensure continued compliance, the Agency has an existing website at [www.lhfa.state.la.us](http://www.lhfa.state.la.us). There is a link at the Agency's website entitled "Tax Credit Assistance Program (TCAP)". The link page includes or will include a description of (i) the competitive process outlined above for both the 2007/2008 Qualified Allocation Plan and the 2009 Qualified Allocation Program, (ii) the projects competing for an award of TCAP funding, (iii) the amount of each TCAP award to a project and (iv) the progress of each project awarded TCAP Funds in accordance with established timelines. This website will remain operational for the duration of the TCAP Grant period. The LHFA TCAP website currently has information concerning the proposed selection criteria. Upon final approval of HUD, the final selection criteria will be posted.


#### **E. Additional Elements of the Submission**

Please find attached the Standard Form 424 (Application for Funds) signed by the legally authorized representative for the agency.

**F. Central Contractor Registration (CCR): See Exhibit C.**

**G. Certification Regarding Lobbying: See Exhibit D.**

Any inquiries concerning TCAP should be addressed to Brenda Evans, Program Administrator, [bevans@lhfa.state.la.us](mailto:bevans@lhfa.state.la.us), 225-763-8800 Ext 298 (telephone) and 225/763-8776 (fax).

Sincerely,  


Milton J. Bailey  
President

Cc: Terri Ricks, General Counsel  
Rene Landry, Chief Fiscal Officer  
Louis Russell, Tax Credit Manager