

**Louisiana Housing Finance Agency  
LIHTC - 2009 Qualified Allocation Plan  
Selection Criteria**

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PLEASE NOTE THAT THE CRITERIA SELECTED BY APPLICANT WILL BE ENFORCED IN THE TAX CREDIT REGULATORY AGREEMENT. CRITERIA SELECTED BY APPLICATION DEADLINE CONSTITUTE AN IRREVOCABLE COMMITMENT WITH RESPECT TO THE CONSTRUCTION AND OPERATION OF A PROJECT. EVIDENCE TO SUPPORT QUALIFICATION FOR SELECTION CRITERIA MUST BE ATTACHED AS AN EXHIBIT TO THE APPLICATION "EVIDENTIARY MATERIALS FOR SELECTION CRITERIA".

## Selection Criteria Index Page

<b>I. Targeted Project Type (Maximum of One)</b>	<b>Point Ranges</b>
A. De-concentration Project	2-10 Points
B. Rehabilitation Project	2-12 Points
C. Redevelopment Project	4 Points
D. Abandoned Project	10 Points
E. High Vacancy Projects	2-6 Points
F. Scattered Site Project	4 Points
<b>II. Targeted Population Type (Maximum of One)</b>	
A. Single Room Occupancy Shelter	10 Points
B. Accessible Project	10 Points
C. Special Needs	6-10 Points
D. Lease to Own	10 Points
E. Adult Residential Care Project	3 Points
<b>III. Priority Development Areas and Other Preferences (All That Apply)</b>	
A. Extended Affordability Agreement	2-4 Points
B. Increased Unit Affordability	2-5 Points
C. Difficult Development Area (QCT/DDA)	2-4 Points
D. Rural Target Area (RD)	3-7 Points
E. Other Governmental Priority	3-9 Points
F. PHA Referrals and Sponsorship	2 Points
G. Local Government Support	2-9 Points
H. LHFA Targeted Parishes (Defined in Glossary)	5 Points
<b>IV. Location Characteristics</b>	
A. Neighborhood Features	0-10 Points
B. Superior Site (Assigned by LHFA)	5 Points
<b>V. Project Characteristics</b>	
A. Green Buildings	5 Points
B. Community Facilities	2 Points
C. Optional Amenities	1-5 Points
D. Additional Accessible Units	1-3 Points
E. Superior Design and Quality (Assigned by LHFA)	5 Points
<b>VI. Leverage, Efficiency and Viability</b>	
A. Ratio of Project's Intermediary Cost to Development Costs	2-4 Points
B. Leverage Ratio	1-5 Points
C. Leverage for Disability Funding	3 Points
D. Viability Penalty Points	Loss of 3 - 5 Points
<b>VII. Project &amp; Submission Penalty Points</b>	Loss of 3 - 15 Points

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**SELECTION CRITERIA AND EVIDENTIARY MATERIALS**

Points

**I. TARGETED PROJECT TYPE (Select Maximum of One)**

**A. *Deconcentration Projects*** (maximum of 10 Points)

(i) Project Diversity - Percentage of Low Income Units in Project does not exceed:  
(Not Qualified for Selection Criteria in I-F Scattered Site Project and II-E Lease to Own)

- (a) 60% of the Total Project units 2 \_\_\_\_
- (b) 50% of the Total Project units 3 \_\_\_\_
- (c) 40% of the Total Project units 4 \_\_\_\_

(ii) Geographic Diversity: Project is located in census tract in which the median income of the census tract exceeds 120% of the area median income 6 \_\_\_\_

**B. *Rehabilitation Project which constitutes:***

(i) Substantial Rehabilitation or Conversion: (for acquisitions only)  
• *Capital Needs Assessment* must evidence Substantial Rehabilitation 2 \_\_\_\_

(ii) Rehab of Historic Property 10 \_\_\_\_  
• *Must evidence Historic Designation by SHPO*

**C. *Redevelopment Project*** 4 \_\_\_\_

- Provide written certification from HUD or RD if property is Distressed Property

**D. *Abandoned Project*** (For Acquisitions Only - Not Qualified for Selection Criteria II-D Lease to Own) 10 \_\_\_\_

- Submit letter from local governmental unit that all units in the Project are substandard and have been vacant for at least six months
- Capital Needs Assessment must certify 100% vacancy

**E. *High Vacancy Projects*** (For acquisitions only)

- (i) Minimum of 25% but less than 50% 2 \_\_\_\_
- (ii) Minimum of 51% but less than 75% 4 \_\_\_\_
- (iii) 75% or above 6 \_\_\_\_

- \* Submit letter from local jurisdiction that unit has been vacant for at least 90 days and is likely to remain vacant because unit is substandard.
- \* Capital Needs Assessment must evidence inspection of vacant units.

**F. *Scattered Site Project*** 4 \_\_\_\_

- Submit list of each separate address and square footage and costs of each separate building.

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**II. TARGETED POPULATION TYPE (Select Maximum of One)**

**A. Single Room Occupancy Shelter 10\_\_\_\_\_**

- Submit evidence from local governmental unit or appropriate continuum of care district that project satisfies need for homeless shelter

**B. Accessible Project (Not qualified for VD Additional Accessible Units) 10\_\_\_\_\_**

- Application must include the following:
  - (i) Description of Supportive Services tailored to each Special Needs Household (See Supportive Services Definitions)
  - (ii) Costs per annum of Supportive Services per Special Needs Household or written commitment from governmental or non-profit agency that Supportive Services will be provided to Project without cost
  - (iii) experience of Taxpayer/Owner in developing Projects servicing Special Needs Households
  - (iv) evidence of Project Based Subsidy for Handicapped Households

**C. Special Needs Households other than Elderly Households and provides Supportive Services (Check one or more)**

- (i) Homeless Households \_\_\_\_\_
- (ii) Handicapped Households \_\_\_\_\_
- (iii) Single Parent Households \_\_\_\_\_
- (iv) Large Family Households \_\_\_\_\_
- (v) Foster Parent Households \_\_\_\_\_

- (a) Fifty Percent serve such households 10 \_\_\_\_\_
- (b) Twenty-Five Percent serve such households 6 \_\_\_\_\_

- Application must include the following:
  - (i) Description of Supportive Services tailored to each Special Needs Household (See Supportive Services Definitions)
  - (ii) Costs per annum of Supportive Services per Special Needs Household or written commitment from governmental or non-profit agency that Supportive Services will be provided to Project without cost
  - (iii) Experience of Taxpayer/Owner in developing Projects servicing Special Needs Households

**D. Lease To Own 10\_\_\_\_\_**

Owner must agree to sell units at Minimum Purchase Price.

- Not eligible if executing extended use agreement

The award is subject to a transactional structure acceptable to the agency according to industry best practices that protects the expectations of tenants anticipating title transfer of their units in fee simple absolute or condo or cooperative ownership.

**E. Adult Residential Care Project (Submitted under Elderly Project Sub-Pool only)**

Application must include the following: 1) Proof that it provides personal care for activities of daily living and instrumental activities of dailing living available 24 hours a day; chore services, age and ability appropriate social and recreational activites, assistance with meals, medication administration assistance, coordination/provision of transportation,housekeeping and landry and intermittent nursing services. 2) Such projects must have proof of approval to receive Medicaid waiver funds through the Louisiana Department of Health and Hospitals. Projects will be allowed to adjust unit sizes to be consistent with the ARCP Licensing Standards for ARCP development

3\_\_\_\_\_

**III. PRIORITY DEVELOPMENT AREAS AND OTHER PREFERENCES (All That Apply)**

**A. Extended Affordability Agreement**

Project will execute agreement in which Owner irrevocably waives its rights under the provisions of I.R.C. §42(h)(6)(E) and (F) until after the (not eligible for lease-to-own projects)

- (i) 25<sup>th</sup> year 2 \_\_\_\_\_
- (ii) 30<sup>th</sup> year 3 \_\_\_\_\_
- (iii) 35<sup>th</sup> year 4 \_\_\_\_\_

\*Not eligible if executing Agency’s Option to Purchase and Right of First Refusal Agreement

**B. Increased Unit Affordability**

*Twenty-Five percent or more of project units serve households whose incomes satisfy the following percentages of median income*

- (i) less than 20% 5 \_\_\_\_\_
- (ii) more than 20% but less than 30% 4 \_\_\_\_\_
- (iii) more than 30% but less than 40% 3 \_\_\_\_\_
- (iv) more than 40% but less than 45% 2 \_\_\_\_\_

\* Cash flows must use maximum rent at 30% of imputed income at 50% AMI for all units in Project

**C. Difficult Development Area (QCT/DDA)**

- (i) *Project Located in Qualified Census Tract/Difficult Development Area (QCT/DDA)* 2 \_\_\_\_\_

Census Tract Number: \_\_\_\_\_ Parish Location: \_\_\_\_\_

- (ii) *Copy of Final Concerted Community Revitalization Plan adopted by local governmental unit included in Application* 2 \_\_\_\_\_

**D. Rural Target Area (RD)**

- (i) *Project located in Rural Development Target Area* 3 \_\_\_\_\_

Census Tract Number: \_\_\_\_\_ Parish Location: \_\_\_\_\_

- (ii) *Copy of Final Concerted Community Revitalization Plan adopted by local governmental unit included in Application* 4 \_\_\_\_\_

**E. Other Governmental Priority listed below:**

- (i) Enterprise Community or Renewal Community 6 \_\_\_\_\_
- (ii) HUB Zone 3 \_\_\_\_\_

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**F. PHA Referrals and Sponsorship**

- (i) Developer submitted an certified agreement stating they will accepts referral from local PHA to which Developer agrees to rent low income units to households at the top of PHA's waiting list (See Attachment to Application for Form of Referral Agreement) 2\_\_\_\_\_

**G. Local Government Support**

Local Government reduces project development costs by providing CDBG, local HOME or other local governmental assistance/funding in the form of loan, grants, rental assistance, or a combination of these forms or by:

- Waiving water and sewer tap fees;
- Waiving building permit fees;
- Foregoing real property taxes during construction;
- Contributing land for project development;
- Providing below market rate construction and/or permanent financing;
- Providing an abatement of real estate taxes;
- Providing other project operational cost subsidies, and/or other financial contributions.

- (i) 7% or more of total project development cost reduction 4\_\_\_\_\_
- (ii) Greater than or equal to 4% but less than 7% of total project development cost reduction 3\_\_\_\_\_
- (iii) 2% but less than 4% of total project development cost reduction 2\_\_\_\_\_

The above referenced Local Government Funds must be actual “awarded funds” as evidenced by a signed commitment obligating the funds to the project.

- (iv) Project has obtained local government support as evidenced by a signed commitment letter, The project must submit an original letter of support for the project on official letterhead from the highest ranked public official of the City in which the project is located or fully executed City Proclamation in support of the project AND proof of support from the majority members of the City Council. (These points are not dependent upon qualifying for (i), (ii) or (iii) above). 5\_\_\_\_\_

**H. LHFA Targeted Parishes** 5\_\_\_\_\_

- Project is located in a priority parish as established by the LHFA, namely:

Terrebone, West Baton Rouge, Iberville, Caldwell, East Carroll, Franklin, Grant, Jackson, La Salle, Lincoln, Madison, Morehouse, Natchitoches, Rapides, Richland, St. Helena, Tangipahoa, Tensas, Union, Washington, West Carroll, West Feliciana and Winn Parishes

**IV. LOCATION CHARACTERISTICS**

**A. *Neighborhood Features***

(i) Points Gained\*: (maximum of 10 Points)

Points will be awarded for the following services located within the specified distance of the site. Distance will be measured by odometer from the automobile entrance of the proposed project site to the closest automobile entrance to the parking lot of the applicable service. Applicant should ensure that the service is suitable for the targeted population. Points will only be awarded for the services listed below. One Half (0.5) points will be awarded for any service listed that is located over 1 mile but is within 2 miles.

**1 point <= (1) mile**

Grocery Store	_____	Public Library	_____
Public Transportation	_____	Convenience Store	_____
Hospital/Doctor Office	_____	Bank/Credit Union	_____
Elementary School	_____	Post Office	_____
Pharmacy/Drug Store	_____		
Adult/Child Day Care/ After School Care	_____		

Total Positive Points \_\_\_\_\_

(ii) Points Deducted\*: (No Maximum for Deductions)

(There is **no limit** on the amount of points that can be deducted for negative neighborhood services.) Five points **each** will be deducted if any of the following incompatible uses are adjacent to the site; two points **each** will be deducted if any of the following incompatible uses listed are within 1/2 mile of the site.

Junk yard/dump	_____	Pig/chicken farm	_____
Salvage yard	_____	Processing plants	_____
Wastewater treatment <i>facility</i>	_____	Industrial	_____
Distribution facilities	_____	Airports	_____
Electrical utility substations	_____	Liquor Store	_____
Railroads	_____	Prisons	_____
Adult entertainment/video/ theater	_____	Solid waste disposal	_____

Total Negative Points \_\_\_\_\_

\*The Market Study for every project must include a separate section that evidences whether the Project satisfies the positive points listed or incurs the negative points listed above. If this section remains unaddressed in the market study, maximum negative points will be assessed.

**B. *Superior Site Designation*** (Assigned by LHFA)

5\_\_\_\_\_

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**V. PROJECT CHARACTERISTICS**

**A. *Green Buildings*** 5\_\_\_\_  
See Glossary for definition of “Green Building.”

**B. *Community Facilities*** 2\_\_\_\_  
(Community facilities must be consistent with definition contained in QAP)

**C. *Optional Amenities***

(i) Washers and dryers are installed and maintained in every unit 3\_\_\_\_  
(ii) Dishwashers maintained in each unit 1\_\_\_\_  
(iii) Disposals maintained in each unit 1\_\_\_\_

**D. *Additional Accessible Units***

*Accessible Units in excess of Section 504 of II C Accessible Project Rehabilitation Act of 1973 (Not Qualified for Selection Criteria II-C Accessible Project) Assume Section 504 applies to all Projects, i.e.,5% of units must be accessible for people with mobility impairments and 2% for people with hearing or vision impairments.*

(i) Number of Units:\_\_\_\_\_ = more than 8% of the total units but less than or equal to 10% of the total units 1\_\_\_\_  
(ii) Number of Units:\_\_\_\_\_ = more than 10% of the total units but less than or equal to 15% of the total units 2\_\_\_\_  
(iii) Number of Units:\_\_\_\_\_ = more than 15% of the total units 3\_\_\_\_

- Submit number, percentage and description of construction and/or equipment provided for each Accessible Unit.
- \* Unit count must represent at least (1) one unit above the 504 requirement

**E. *Superior Design and Quality Designation (Assigned by LHFA)*** 5\_\_\_\_



**VI. LEVERAGE, EFFICIENCY AND VIABILITY**

**A. *Ratio of Project's Intermediary Cost to Development Costs***

(See Project Summary for Formula to calculate ratio)

- (i) Less than or equal to 10% 4\_\_\_\_
- (ii) More than 10% but less than or equal to 15% 3\_\_\_\_
- (iii) More than 15% but less than or equal to 20% 2\_\_\_\_

**B. *Leverage Ratio (Divided Total Dollars from Sources by Net Equity and round down to nearest whole multiple)***

- (a) Equals 1 1\_\_\_\_
- (b) Equals 2 2\_\_\_\_
- (c) Equals 3 3\_\_\_\_
- (d) Equals 4 4\_\_\_\_
- (e) Equals 5 5\_\_\_\_

Specify Sources: \_\_\_\_\_ ÷ Net Equity: \_\_\_\_\_ = \_\_\_\_\_ Leverage Ratio

**C. *Leverage for Disability Funding - Leverage consists of federal or other funds for persons with disabilities:***

List: \_\_\_\_\_ 3\_\_\_\_

**D. *Viability Penalty Points***

- (i) Net Equity is less than or equal to five (5) times Developer Fee -3\_\_\_\_

\_(a)\_ ÷ \_(b)\_ must be greater than \_(c)\_

- (a) Specify Net Equity from Syndication Information
- (b) Specify Developer Fee
- (c) Must be greater than five (5) or penalty points apply

- (ii) Rehabilitation Hard Costs are less than \$20,000 per unit -5\_\_\_\_

Specify Total Rehab Hard Costs: \$ \_\_\_\_\_ ÷ Number of Units: \_\_\_\_\_ = \$ \_\_\_\_\_/unit

- (iii) Development fee exceeds 25% of hard costs for rehabilitation -5\_\_\_\_

**VII. PROJECT & SUBMISSION PENALTY POINTS**

A. Any project which utilizes a condominium or division of a site for the purpose of receiving Low Income Housing Tax Credits in excess of the QAP stated maximum -15\_\_\_\_

B. Any project involving repair of physical damage on which an insurance claim is made and received but applicant fails to disclose and utilize insurance proceeds in the development budget to reduce the use of Low Income Housing Tax Credits -15\_\_\_\_

- Attach Insurance Certification for any Redevelopment Project (III.F.) or Rehabilitation Project (III.G.)

C. Incomplete or Missing Exhibits, Appendices or Documents -4\_\_\_\_

- Does not include Required Exhibits which must be submitted by Application Deadline. Missing Required Exhibits will result in Application being rejected.

Applications for a project that will have units in more than one local government jurisdiction must provide resolutions from all jurisdictions in which there are project units.

D. Failure to properly tab appendixes in final application -5\_\_\_\_