



Memorandum

Date: January 7, 2009

To: Developers of Feasible and Viable Projects with Soft Commitments that participated in the Lightning Round

From: Low Income Housing Tax Credit Department

Subject: Lightning Round B

This memorandum is issued in response to questions arising from the development community since the December 17, 2008 memorandum on this subject. This memorandum is intended to clarify and supersede the previous statements on this subject and should be considered the latest statement by the Louisiana Housing Finance Agency (the "Agency") on the matters covered.

The Board of Commissioners (the "Board") of the Agency adopted a resolution on December 10, 2008 providing for the reservation of currently unallocated and/or returned 2008 Lightning Round Per Capita Low Income Housing Tax Credits (LIHTC) to certain residential rental facilities that were applicants in the Agency's 2008 Lightning Round which were deemed feasible and viable but which lacked a firm commitment.

Projects eligible for participation in this initiative, hereafter referred to as "Lightning Round B," will be allowed to resubmit evidence that those projects have a firm commitment and/or to show that they have alternative funding sources if they were unable to receive CDBG, HUD or other funding. For purposes of proving that a project has a "firm commitment" from a syndicator for Lightning Round B, an original signed statement in writing must be either hand-delivered or mailed to the LIHTC Department of the LHFA at 2415 Quail Drive, Baton Rouge, Louisiana 70808, stating all of the following:

- A) "Named syndicator/investor" is committed to the subject project, pending completion of due diligent underwriting, and is in a position to provide funding within 90 days from the date of the letter; and
- B) "Named syndicator/investor" has equity funds on hand directly committed for investment to the project and any ministerial due diligence reviews will be completed within the 90 day period to be in a position to close by July 31, 2009.

In the event that projects requested CDBG funding and such CDBG funding was denied, the project must have a viable alternative committed funding source. A complete reprocessing application will be required for such substitute loan funding source if such other source is hard debt and not soft loan funds.

The deadline to submit the information outlined above is no later than 4:30 P.M. Central Standard Time on January 15, 2009. Projects awarded must meet carryover no later than June 1, 2009, with carryover documents being delivered to the Agency by no later than 4:30 on Monday, June 15, 2009.

Projects must close by no later than July 31, 2009. A “dry closing” is insufficient. Closing requires delivery to the Agency of a copy of all executed financing and real estate documents by the designated deadline. There is no evidence of a “closing” if the Agency does not receive a copy of all financing arrangements in final order, including evidence of (i) initial funding of closing costs/title transfer, (ii) the investment partner entering the partnership or LLC and (iii) final executed construction contract with a notice to proceed in a reasonable timeframe (not more than 30 days). All closings shall reflect the credit processing arrangements evidenced in the latest feasibility and viability analysis.

The deadline to submit all closing documents with evidence of signatures of all parties involved (i.e., lender, taxpayer/owner, syndicator, etc) in PDF form is August 5, 2009. Additionally, please provide a PDF copy of the executed architectural and construction contracts, along with the contractor’s “notice to proceed” (NTP), to the Agency by no later than August 5, 2009. Such closing documents shall be provided on disk to the address above.

If you have any questions and/or comments, feel free to email them to LaTosha Overton at loverton@lhfa.state.la.us or Louis Russell at lrussell@lhfa.state.la.us.