



Board of Directors

Agenda Item #7

**Resolution regarding recommended strategies for
awarding the remaining 2016 LIHTC**

January 11, 2017

Table of Contents

Resolution	3
Recommended Strategy.....	6

LOUISIANA HOUSING CORPORATION

The following resolution was offered by Director _____ and approved by Director _____:

RESOLUTION

A resolution approving Louisiana Housing Corporation (LHC or Corporation) staff's recommended strategies for awarding the balance or 2016 Low Income Housing Tax Credits (LIHTC); and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Corporation (the "Corporation") has been ordered and directed to act on behalf of the State of Louisiana (the "State") in allocating and administering programs and/or resources made available pursuant to the Section 42 of the Internal Revenue Code (the LIHTC Program);

WHEREAS, the Corporation has approximately Three Hundred Fifty-Five Thousand (\$355,000) in LIHTC from the 2016 housing credit ceiling available to be used for projects previously awarded tax credits through the 2015 and 2016 competitive 9% funding rounds; and

WHEREAS, Corporation staff has recommended a strategy to allocate additional LIHTC to financially distressed projects located in declared disaster parishes that were directly or indirectly impacted by the March and August 2016 catastrophic flooding; and

WHEREAS, The Board of Directors of the Louisiana Housing Corporation (Board) desires to approve the recommendations of staff and to authorize and direct staff and counsel to implement the Strategy for Awarding Remaining 2016 LIHTC (Attachment I); and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation, that:

SECTION 1. The terms, conditions and parameters for awarding LIHTC to projects in conjunction with Strategy for Awarding Remaining 2016 LIHTC are hereby adopted and approved by the Board.

.SECTION 2. The Corporation staff and legal counsel are authorized and directed to prepare the forms of such notices, documents, and/or agreements as may be necessary to

implement the strategies described in this resolution and the Strategy for Awarding Remaining 2016 LIHTC.

SECTION 3. The Chairman and Executive Director of the Corporation are hereby authorized, empowered, and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Corporation, the terms of which are to be consistent with the provisions of this resolution as approved by counsel.

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

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, 11th day of January 2017.

Chairman

Secretary

**STATE OF LOUISIANA
PARISH OF EAST BATON ROUGE**

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (Board), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board on January 11, 2017, “A resolution approving Louisiana Housing Corporation (LHC or Corporation) staff’s recommended strategies for awarding the balance or 2016 Low Income Housing Tax Credits (LIHTC); and providing for other matters in connection therewith.”

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 11th day of January 2017.

Secretary

(SEAL)

LOUISIANA HOUSING CORPORATION
STRATEGY FOR AWARDING REMAINING 2016 LIHTC
AS OF JANUARY 11, 2017

The Louisiana Housing Corporation hereby releases this strategy for awarding approximately \$355,000 in Low Income Housing Tax Credits (LIHTC) that is remaining from the 2016 housing credit ceiling. Priority will be given to projects located in flood impacted parishes that have begun construction with the highest scoring projects awarded additional credits until the credits are exhausted. Any remaining credits will be added to the 2017 Qualified Allocation Plan. Applicants will not be allowed to change their LHC final score or make material changes to the project.

LHC is implementing this funding strategy to address projects funded 9% LIHTC through the 2015 and 2016 Qualified Allocation Plans (QAP) that have experienced an increase in hard costs related to the development of a project due to the catastrophic flooding that occurred in March and/or August 2016. Applicants must be able to evidence the current financial condition of the project, the circumstances leading to the financial condition and mitigating measures undertaken.

The funding strategy is not for funding gaps that existed at the time of the award that were filled with alternate funding such as deferred developer fees, developer loans, etc., or for additions to the project that are not necessary to complete the original project. Projects with material changes as defined by the QAP will not be awarded additional credits.

The funding strategy will be posted to the LHC website no later than 4:30 P.M. C.S.T. on Friday, January 13, 2017.

Applications shall be received no later than 4:00 P.M. C.S.T. on February 15, 2017.

In order for an application submission to be considered complete the following information must be included:

- I. Itemization of project costs that includes specific projected hard costs items in comparison to actual post-flood hard costs. The itemization must be certified by an architect or licensed contractor. LHC reserves the right to disregard any costs that are deemed unreasonable or disregard costs in which LHC determines that measures could have been taken to mitigate such costs;
- II. Submission by the Taxpayer of (a) a pricing statement dated no earlier than 30 days prior to submission, specifying the maximum amount of additional LIHTC that the Project may qualify for and use, (b) the additional equity per dollar of additional LIHTC to be invested in the Project and (c) the uses of the additional equity. The submission should also include an executed amended syndication cost certification from the Investor Partner/Member if the project has had financial closing;

- III. Sources and Uses reflecting a deferred developer fee equal to the amount of additional credits awarded to the project. If the project already has a deferred developer fee the deferred developer fee must increase by the amount of the requested LIHTC;
- IV. Reprocessing application submitted on the LIHTC Online Application for review by the Agency's Underwriters that confirms the continued feasibility and viability of the Project and that the additional LIHTC is not more than the amount necessary to assure the project's feasibility;
- V. Self certification of the project forgoing a qualified contract; and
- VI. Reprocessing fees.

Guidelines for Requests of Additional LIHTC

Projects will be awarded no more than 10% of the original LIHTC award. Credits will be reserved to applicants based on receipt of a completed submission with priority given to the highest scoring projects located in disaster declared parishes. Consideration may be given to projects not located in declared disaster parishes that were indirectly impacted by the flooding. **Please be advised that only complete submittals with all of the previously enumerated items will be deemed received by the LHC.**

All requests are subject to an acceptable feasibility and viability review based on the submitted reprocessing application and requests are subject to being in compliance with the applicable IRS Section 42 requirements. Reprocessing fees must be received by LHC by no later than February 17, 2017. An award fee in an amount equal to five percent (5%) of the LIHTC allocation will be required if additional tax credits are awarded to the project.

Requests for additional tax credits with supporting information should be submitted electronically through the online application **by no later than close of business, 4:30 pm CST, Wednesday, February 15, 2017. Questions related to this funding strategy should be submitted to Marjorianna Willman, Program Administrator at mwillman@lhc.la.gov.**