

LOUISIANA HOUSING CORPORATION
LOW-INCOME HOUSING TAX CREDIT PROGRAM
SPECIAL INTERIM QUALIFIED ALLOCATION PLAN

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I. General Program Information

A. Introduction

The Low Income Housing Tax Credit Program (the “**LIHTC Program**”) was enacted under Section 42 of the Internal Revenue Code of 1986, as amended (the “**Code**”) to promote the development of affordable and workforce housing. This **Special Interim** Qualified Allocation Plan (the “**2014 QAP**”) has been developed by the Louisiana Housing Corporation (the “**Corporation**”), in compliance with Section 42 of the Code. This **Special Interim** QAP reflects a policy framework within which the Corporation will allocate low-income housing credits (“**LIHTCs**” or “**Credits**”) and other resources to taxpayers for the development of affordable housing that addresses the housing needs of Louisiana’s citizens by targeting areas of significant economic growth and industrial investments.

Mission and Allocation Goals - The Corporation shall administer the LIHTC Program and other resources to encourage the development and preservation of appropriate types of rental housing for households that have difficulty finding suitable, accessible, affordable rental housing in the private marketplace. The Corporation’s intent is to maximize the production of suitable, accessible, affordable residential rental units that are added to the state’s housing supply and to prevent the loss of existing residential rental housing by encouraging the rehabilitation of affordable rental housing units. The Corporation welcomes the participation of for-profit organizations and non-profit organizations in the acquisition, development and operation of accessible affordable housing developments in rural and urban communities. The Corporation anticipates the production of affordable housing units in rural, emerging growth areas/cities and/or un-served parishes of the State.

The goal of the Corporation and the Board, through the allocation process and provisions of this **Special Interim** QAP, is to encourage affordable housing development in high opportunity areas by targeting areas of increased economic growth and industrial investments. Integrating housing in high-opportunity areas gives low income families and children better chances of success. High opportunity areas include areas with sustainable employment, high performing schools, quality health care and child care, and safe neighborhoods.

B. Allocation Pools (Applicants may make one pool selection ONLY)

The State’s 2014 housing credit ceiling will be divided between the Qualified Non-Profit/CHDO Pool and the General Pool.

1. Qualified Non-Profit/CHDO Pool: At least ten percent (10%) of the 2014 housing credit ceiling available under Section 42(h)(3)C(ii) will be awarded to a Qualified Non-Profit/CHDO Pool for reservations to qualifying Applications which evidence the material participation of a Qualified Non-Profit organization.

Applications for reservations from the Qualified Non-Profit Pool/CHDO Pool must submit the following:

- IRS 501(c)(3) or 501(c)(4) Determination Letter of non-profit organization
- Articles and Bylaws of non-profit organization
- CHDO approval letter from participation jurisdiction if applying as a CHDO and evidence that CHDO has one or more employed staff with demonstrated development experience.
- Non-profit Participation Information as required by the Application
- Development Services Agreement evidencing that Qualified Non-Profit or CHDO will receive at least fifty-one percent (51%) of the Developer Fee.

2. General Pool: The allotment of Credits to the General Pool is anticipated to be \$9,000,000.

Projects may only select **one (1) pool**. Projects must choose to compete in either the Qualified Non-Profit Pool/CHDO Pool or the General Pool. Projects that are deemed feasible and viable with the highest ranked score will be awarded from the selected pool until such time that insufficient credits are available to award the next highest ranked project.

Following final approval of the awards, any unfunded projects will remain on a waiting list in statewide rank order. Any Credits returned in calendar year 2013 in accordance with the provisions of Section 42(h)(3)C(iii) from a prior year allocation will be available to projects on the basis of their state wide rank order.

Note: QNP/CHDO pool must have full 10% allocation and will not be collapsed into the General Pool.

Qualified Non-Profit/CHDO Pool (At least 10%)	\$	1,200,000
General Pool (90%)	\$	9,000,000
Total estimate 2014 Per Capita Ceiling	\$	10,200,000

C. Maximum Tax Credits

1. Project and Developer Limits: No project will be reserved Credits in excess of \$1,000,000 from the 2014 credit ceiling. No Developer, including related persons thereof or agents thereof or any person having an identity of interest with any such Developer, related persons thereof or agents thereof or any combination of the foregoing shall be reserved tax credits in excess of \$1,000,000 under the 2014 housing credit ceiling.

Notwithstanding the Developer Fee Limit stated in any QAP to the contrary, a Developer may participate in a project sponsored by a Qualified Non-Profit organization in which the Developer provides payment and performance guarantees on behalf of such nonprofit sponsor and in which the Developer's participation in such Project causes the Developer to exceed the Developer Fee limits only if the Qualified Non-Profit sponsor, Developer and Taxpayer-Owner of such Project enter into an appropriate agreement with the Corporation to limit the Developer Fee in such project to be allocated to such Developer to a percentage of the maximum approved Developer Fee. The referenced percentage is to be determined by a fraction in which (a) the numerator is the amount of credits allocated to such Project that would permit the Developer to avoid the maximum credits per Developer and (b) the denominator is the amount of credits allocated to such Project.

2. Bond Exceptions to Project and Developer Limits: The limitation of tax credits per project and per Developer shall not apply to the tax credits which are generated from a bond financing if the total number of low income units in the project is described in a notice of public hearing published in a newspaper of general circulation within the parish where the project is located and a public hearing is held in a local forum proximate to where the project is located. The public hearing must follow a Notice of Public Hearing published at least fourteen (14) days prior to the hearing. Such Public Notice must specify the number and percentage of low-income units in the project if the project contains fifty or more units or, if not specified in the Public Notice, the number and percentage of low-income units in the Project must be approved by the governing authority of the jurisdiction within which the Project is located.

D. Governing LIHTC Program Document

The Qualified Allocation Plan is the governing document for the LIHTC Program. If any inconsistencies with other program documents, including the electronic Application, are noted, the

Qualified Allocation Plan is the controlling document and dictates the Corporation's requirements for the LIHTC Program. The **Special Interim QAP** is scheduled to be adopted by the Directors of the Board at the June 12, 2013 Meeting. The **Special Interim QAP** will be posted to the Corporation's website by no later than Noon, CT on Thursday, June 13, 2013. Applicants will be allowed to submit written questions to the Special Interim QAP ONLY until Wednesday, June 19, 2013 by 10:00 AM so that they may be addressed during a FAQ session following the workshop. Questions should be submitted to QAPCOMMENTS@LHC.LA.GOV.

E. Modification of Program Instructions, Requirements, and Procedures

The Corporation reserves the right to amend, modify or withdraw any of the program instructions, requirements or procedures contained herein that are inconsistent or in conflict with state and federal laws and/or regulations and in accordance with the Corporation's underwriting and asset management requirements.

F. Other Funding Sources

1. **HOME Investment Partnership Program:** The Corporation has available \$3,000,000 in HOME funds for projects that will be awarded Low Income Housing Tax Credits in conjunction with the **Special Interim QAP**. The maximum amount of HOME funds available to a single project will be the lower of \$1,000,000 or the maximum amount of HOME Funds allowed per HOME assisted unit under HUDs FHA 221(d)(3) limits for elevator structures. HOME Funds will accrue interest at a rate not exceeding the long-term applicable federal rate and will be payable from fifty percent (50.0%) of Surplus Cash so that at the end of the Extended Use Period the unpaid balance of the HOME Note combined with any other soft financing does not exceed 80% of the residual value of the project. Please note that effective January 1, 2011 HOME activities with commitments that are over 12 months old with no funds disbursed will be automatically cancelled by HUD and the funds uncommitted.

If HOME or CDBG Funds are made available from the mandatory CHDO set-aside, the CHDO must be the sole managing member or general partner of the taxpayer/owner of the project receiving a CHDO set-aside. In accordance with CPD Notice 12-007, a CHDO may not be reserved any HOME Funds unless the Corporation has determined that the CHDO staff has demonstrated development experience and capacity.

2. **CDBG Funds:** The Corporation has approximately \$3 million in CDBG Funds to be used in conjunction with the **Special Interim QAP**. CDBG Funds are restricted to projects receiving Tax Credit awards that are located in the Gustav and Ike designated disaster areas (as defined in the glossary). The maximum amount of CDBG Funds allowed to a single project is \$1,000,000. CDBG Funds may be used in combination with either Credits allocated under the State's housing credit ceiling or with credits generated in connection with buildings financed by tax-exempt bonds that are subject to the volume cap in accordance with the Section 42(h)(4) of the Code. Projects receiving an award of 9% credits will be subject to the project and developer limits outlined in the 2014 QAP. CDBG Funds will be awarded in the form of a cash flow payable loan. CDBG Funds will accrue interest at a rate not exceeding the long-term applicable federal rate and will be payable from fifty percent (50.0%) of Surplus Cash so that at the end of the Extended Use Period the unpaid balance of the HOME Note combined with any other soft financing not exceeding 80% of the residual value of the project. Projects are not limited to requesting either CDBG or HOME funds. No single project will be awarded both CDBG and HOME funds under the 2014 QAP. Projects may request Credits and qualify for either CDBG or HOME Funds. Projects must indicate in the application how much "Other Funding Sources" are being requested and which source is the first and second preference.

3. **30% Basis Bump Up Determination:** Applicants may qualify for 30% Basis Bump Up if located in a Difficult Development Area (DDA) or a Qualified Census Tract (QCT).

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II. Allocation Process

A. Instructions for Submission of Applications

1. Competitive Applications: Electronic Applications for a Tax Credit reservation from the Calendar Year 2014 housing credit ceiling must include all appendixes, exhibits and attachments properly labeled electronically along with a non-refundable Application Fee, Analysis Fee, Market Study Fee and the Subsidy Layering Review Fee (if applicable). The fees must be computed and submitted by no later than Friday, August 30, 2013 at 4:30 PM CT in accordance with the Non-Refundable Fee Schedule specified in Sub-letter C within this section.

The application deadline is 4:30 pm, Central Standard Time, Wednesday, August 28, 2013.

LHC will provide on its website electronic application processes that must be submitted in connection with the Special Interim QAP. By submitting an application, applicants agree to conduct a transaction with the LHC by electronic means. In addition, applicants agree to permit the LHC to transfer the electronic application to any ancillary service providers, including but not limited to underwriters and market analysts employed in the QAP process.

Electronic applications shall be disqualified under the following circumstances: 1) if the sender or its informational processing system inhibits the ability of the LHC to print or store the electronic application; 2) if the application is incomplete or not received by the application deadline; 3) if the application is not in a form capable of being processed by the LHC's processing system designated for the purpose of receiving applications for this QAP; 4) if each applicant doesn't create a unique id and password to access and complete electronic application(s); or 5) if valid email address isn't provided. Applications will not be accepted via email transmission. Please start early and save your electronic application(s) in stages to avoid the possibility of last minute network traffic failures and or bottlenecks. The final and complete application submission deadline is 4:30 PM CT, Wednesday, August 28, 2013. Questions related to the submission of the electronic application will be accepted up to the application deadline. Such questions must be submitted via email to QAPCOMMENTS@LHC.LA.GOV.

For purposes of the QAP, the application must be submitted to <https://webapps18.lhc.la.gov/> (secure electronic application link).

When the final application is submitted, the applicant will receive an electronic message from the LHC notifying the applicant that the application was "received" and applicants should retain a hard copy of the notification. However such receipt will not prove that the application was complete or that it meets all other necessary requirements. LHC retains the right to request and retain all original documents that are submitted electronically in the application. An applicant's failure to provide original documents within 72-hours after receiving the Corporation's written request for such documents will result in automatic disqualification of the application.

2. Applications Must be Complete: Applications must be complete and include all appendixes, exhibits and attachments. **Applications are due Wednesday, August 28, 2013 at 4:30 PM CT.** Applicable fees must be submitted to the Corporation by no later than 4:30 PM CT on Friday, August 30, 2013 or be subject to disqualification as incomplete. **Fees must be paid only by cashier's check, electronic wire transfer, or money order.**

Address: Louisiana Housing Corporation
2415 Quail Dr.
Baton Rouge, LA 70808

3. **APPLICANTS ARE RESPONSIBLE AND ACCOUNTABLE FOR THE ACCURACY OF INFORMATION SUBMITTED AND FOR COMPLIANCE WITH PRESCRIBED RULES BY IRS, THE LHC OR THE CORPORATION**

HAVE FULL AND FINAL AUTHORITY TO DETERMINE IF AN APPLICATION IS INCOMPLETE AND SHALL BE DISQUALIFIED.

4. Application Deadline: The application deadline for delivering complete applications for review is:

4:30 pm, Central Standard Time, Wednesday, August 28, 2013

Applications not received electronically with all appendixes, exhibits and attachments on or before 4:30 pm, Central Time, **Wednesday, August 28, 2013** shall be disqualified.

B. Timeline of 2014 Credit Ceiling Reservations for Competitive Applications

Estimated Competitive Application Timetable:

May 8, 2013	Timeline and Draft QAP presented to the Board of Directors
May 10, 2013	Statewide Publication of Draft QAP/Public Hearing Notice
May 28, 2013	Official Public Hearing (Location LHC)
May 29, 2013	Public Meeting (New Orleans, Louisiana)
June 5, 2013	Release/Posting of Preliminary Final QAP – Simultaneous submission to Board of Directors and the public
June 12, 2013	Board adopts Final QAP – Simultaneous submission to Governor
June 12, 2013	Board Approval of RFP for Approved Market Analyst
June 19, 2013	Final day written questions to the QAP may be submitted.
June 26, 2013	Application Workshop
August 28, 2013	Application Deadline
August 30, 2013	Application Fees Deadline
October 9, 2013	Presentation of Preliminary ranking and scores presented to Board of Directors
October 11, 2013	Posting of Draft Preliminary Ranking and Scores
October 14, 2013	Begin Challenge Period
October 28, 2013	End of Challenge Period

November 11-15, 2013

Staff review committee

December 11, 2013

Board Approval of Final Rank and Reservation of Tax Credit Projects

C. Bond Financed Applications

Applicants desiring to verify that a bond financed project satisfies the Qualified Allocation Plan must submit the application and all documents electronically along with the non-refundable Application and analysis fees (and the Subsidy Layering Review Fee, if applicable) computed in accordance with the Non-Refundable Fee Schedule specified in Sub-letter C within this section must be received prior to completing any review. Processing of bond financed projects must be submitted to the Corporation 45 days in advance of the meeting at which such project will be subject to approval by the Agency's Board of Directors in accordance with the latest approved Qualified Allocation Plan. Bond financed projects must satisfy all elements of the Qualified Allocation Plan. Bond Financed Applications may be submitted for projects located in any of the Parishes throughout the state. Cost and profit limitations and minimum score may be waived by the Governor in the executive order allocating private activity volume cap or by the Agency's Board of Directors following a staff review that determines that such additional costs are justifiable and reasonable under the circumstances or are attributable to unique development characteristics (e.g. location in a difficult to develop area, limited commercial space or tenant services or common areas essential to the character of the development). Development Costs per unit in excess of the QAP limits will be permitted only (a) upon submission of a report by an Independent Qualified Construction Consultant retained by the Corporation that (i) describes the elements of the Project's Plans and Specifications, Schedule of Values and budgeted development costs causing the Total Development Costs per unit to exceed the QAP limits and (ii) concludes that the excess costs are justified and not unreasonable based upon the review of the Independent Qualified Construction Consultant and (b) the construction contract for the Project in accordance with the Plans and Specifications reviewed by the Independent Qualified Construction Consultant is awarded on the basis of a competitively solicitation to the lowest responsible bidder. The fees for the report of the Independent Qualified Construction shall be paid by the Applicant. Taxpayer/Owners of bond-financed projects must enter into an appropriate regulatory agreement and compliance monitoring agreement prior to receiving Forms 8609.

D. Non-Refundable Fee Schedule

Tax Credit recipients will be required to pay a Credit Award Fee upon award of a Tax Credit reservation by the LHC or the Corporation. The following non-refundable fees govern the Application, processing, reprocessing and reservation of Tax Credits and the fees to monitor and report non-compliance. All fees **must** be paid either with a wire transfer, money order or with a certified check. If any other form of payment is received, the unacceptable form of payment will be returned and the Application will be disqualified.

Please note that the Market Study Fee, Application Fee and Analysis Fee are due by no later than 4:30 PM CT on Friday, August 30, 2013. If the appropriate fees are not submitted to the LHC or the Corporation, the application may be disqualified as being incomplete. Credit Award Fee will be due upon execution of the Credit Reservation Letter.

1. Application Fee

1 to 4 units	\$ 100.00
5 to 32 units	\$1,000.00
33 to 60 units	\$1,500.00
61 to 100 units	\$2,500.00
Over 100 units	\$5,000.00

2. Analysis Fee

1 to 4 units	\$ 100.00
5 to 32 units	\$1,000.00
33 to 60 units	\$1,500.00
61 to 100 units	\$2,500.00
Over 100 units	\$5,000.00

3. Reprocessing Fee
 The reprocessing fee established in the fee schedule of the application will be required whenever reprocessing changes occur. The applicant must receive approval of the Corporation for any reprocessing change to a project and the fee will be required at the time the reprocessing changes are submitted to the Corporation for approval.

1 to 4 units	\$ 50.00
5 to 32 units	\$ 500.00
33 to 60 units	\$ 750.00
61 to 100 units	\$1,250.00
Over 100 units	\$2,500.00

4. Credit Award Fee 5% of Credit Reserved

5. Annual Compliance/Monitoring Fee
 The Minimum Fee will be charged based on project size. The Corporation reserves the right to charge such additional amounts at any time as may be required to monitor compliance in accordance with the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto.
 Minimum Fee is as follows:

<u>Project Size</u>	<u>Minimum Fee</u>
1-4 units	\$ 20.00
5-16 units	\$ 80.00
17-32 units	\$ 160.00
33 and over	Amount equal to 50% of units in Project times \$10.00

6. Subsidy Layering/PIS Review Cost
 (Note: If HUD or RD Housing Assistance or other Government Assistance is provided to Project a Subsidy Layering Review is required in addition to the PIS Review)

Subsidy Layering Review	¼ Analysis Fee
PIS Review	\$250.00

7. Market Study Fee (tentative) \$4,000-\$4,500

ALL FEES COLLECTED BY THE LHC OR THE CORPORATION ARE NON-REFUNDABLE

E. Competitive Evaluation

1. Notice to Applicant and Rank Ordering of Applications: The LHC or the Corporation will notify the applicant upon receipt of an Application. Information will not be provided as to the Application's processing status during the review and selection process following the Final Application Deadline. However, the LHC or the Corporation's staff will process the score of each Application based upon information contained within the attached Selection Criteria and the processed score for review to the Board of Directors.

Staff will post to the LHC's or Corporation's designated website a copy of each Application's score and the tentative rank order list of all Applications prior to the submission to the Corporation's Board of Directors.

Challenge Period: The LHC's or the Corporation's challenge period runs from October 14, 2013 thru October 28, 2013. During this period an applicant may challenge **in writing** the Feasibility Viability Analysis Report, Market Study Analysis and Staff's scoring. Complete challenge information, submitted electronically (to the designated e-mail site provided in the challenge letter from the Corporation) must be received by no later than 4:30 PM CT on October 28, 2013 for acceptance or review. **Written objections during the challenge period may be based only upon the interpretation of information submitted in the application by the Final Application Deadline as supplemented for clarification during the challenge period.**

Though not required, developers will be offered the opportunity to meet with staff/review committee to review any **challenge material which was properly submitted during October 14th - October 28th**. The aforementioned meetings will be offered during the week of November 11, 2013 and November 15, 2013.

NOTE: Applicants must indicate in the first sentence of their challenge response if they wish to schedule a meeting with the review committee.

Final Rank Order: Staff will provide each developer a reconciliation of their scores and ranking by no later than 4:30 PM CT on November 25, 2013.

Appeals Committee

A committee composed of a revolving three (3) member panel established at the discretion of the Executive Director and Board Chairman will review matters involving staff's decisions at the written request of the developer. The Appeals Committee will have discretion as to which matters will merit further review or consideration by the full Board of Directors. Requests for such review must be submitted **in writing** to the Executive Director by no later than 4:30 PM CT, December 2, 2013.

Based upon such written challenges received by no later than 4:30 PM CT on October 28, 2013 and scheduled meetings with the staff/review committee during November 11, 2013 and November 15, 2013 and any appeals as outlined in the above paragraph, the staff will submit a supplemental report at the December 11, 2013 meeting of the Board of Directors concerning the scoring of each Application. **The Board of Directors will approve the Final Rank Order and Awards of Applications on December 11, 2013.**

No information other than requested supplemental clarifying information during the challenge period will be accepted during the review and selection process following the Final Application Deadline.

THE FINAL RANK ORDER OF AN APPLICATION DOES NOT CONSTITUTE ANY ENTITLEMENT TO A RESERVATION OF TAX CREDITS IF A PROJECT IS OTHERWISE NOT FEASIBLE OR NOT VIABLE OR FAILS TO SATISFY OTHER REQUIREMENTS UNDER THE QAP.

2. Corporation's Request for Supplemental Data and /or Clarification: The Corporation retains the right to request supplemental data to support information contained in an Application and/or information to explain or clarify data contained in an Application.
3. Communication with Contact Person: The LHC staff will communicate only with the contact person listed in the Application. Information received from persons other than the contact person will be disregarded by the Corporation unless staff requested information be delivered directly by such other person.
4. Threshold Requirement: The qualified allocation plan requires applications to meet the minimum threshold requirements prior to receipt of a reservation of tax credits.
5. Tie-breaking Procedures: Credits for Applications submitted for a competitive funding round will be reserved to projects in descending order of score until all Credits available for reservation have been reserved. In the event of a tie between Applications for which there are insufficient Credits to reserve to each project, the LHC will use the following tie-breaking procedure:

****Projects receiving the same score using the competitive selection criteria of the state Qualified Allocation Plan will be awarded tax credits in the order of a sub-ranking score using the total points for such Projects evidenced in the following categories from the Selection Criteria:**

- Selection Criteria IA (i): Projects promoting project diversity by percentage of limiting low-income units.
- Selection Criteria IA (ii): Projects which promote geographic diversity by being located in a census tract with high area median incomes.

If the use of the sub-ranking score does not break a tie, the project requesting the lower amount of tax credits will be allocated credits in advance of other projects requesting higher amounts of credits. In the event that there are remaining tied projects requesting the same amount of tax credits, preference will be given to the project with the earliest application submittal.

6. Reservations Pursuant to Qualified Allocation Plan and Federal Regulations: The Corporation reserves the right to make, revise, rescind or withdraw any reservations according to the 2014 Qualified Allocation Plan and in accordance with published federal regulations, rulings, guidelines and notices.
7. Waiting List: All unfunded applications meeting minimum threshold will be placed in rank order on the Corporation's approved waiting list for further Credit reservations as Credits become available in calendar year 2014. The 2014 waiting list shall remain active until either the next funding cycle, next QAP is drafted and approved or at such time the Board deems the waiting list not in effect.
9. Corporation Credit Allocation: Notwithstanding any contrary statement or representation by the LHC, or any contrary understanding or belief by the applicant, no decision of the Corporation regarding the allocation of Credits shall be final until the applicant receives

an IRS Form 8609 properly issued by the Corporation. Prior to the receipt of the IRS Form 8609 the Corporation may, in its discretion and at any time prior to the applicant's receipt of an IRS Form 8609, rescind or modify any allocation of Credit, if the Taxpayer or a Partner/Member of the Taxpayer has undertaken any action which is not consistent with the clear language of the QAP from which the Credit was allocated. The Forms 8609 will not be issued if the Taxpayer or a Partner/Member of the Taxpayer has been found to be noncompliant with any provision of federal, state, or local law or regulation (including the terms of the pertinent QAP).

10. **Binding Arbitration:** Any and all disputes concerning, but not limited to any process, reservation, requirement, recapture procedure or other that evolves under this QAP or funding rounds or initiatives, will be resolved via binding arbitration at the expense of the developer.

F. Project Threshold Requirements

All applications must meet threshold requirements. Applications which fail to meet threshold requirements are ineligible to be considered for credits. Unless noted otherwise, projects with tax-exempt bond financing must also meet all threshold requirements to receive Tax Credits.

1. **Site Control:** Site control is required at time of application and may be documented by in the form of either a fully executed purchase agreement, an option to purchase or a valid title in the name of the taxpayer or developer.
2. **Zoning:** Appropriate zoning is required and may be evidenced in the form of (i) an official local jurisdiction map that the site is actually zoned for the proposed project type or (ii) a letter from an official of the jurisdiction stating either that (a) the proposed project is consistent with existing zone requirements or (b) if the site is not currently zoned for the project type, that changing the existing zoning requirements to permit the project to be constructed will be completed by a date certain (not later than the date specified in the QAP for tax credit reservations). This documentation must be included in the final application submitted no later than the application deadline.
3. **Infrastructure:** Evidence of essential infrastructure and proximity to other services is required and proof of such must be included in the application for the following:
 - (i) **Utilities:** Evidence of electrical, water and sewer lines to the property site, or if such facilities are not currently available, how such facilities will be available to the site.
 - (ii) **Transportation:** Evidence that reasonable transportation services are currently proximate to the site, or if such transportation services are not, a narrative statement of how tenants will **access commercial**, educational, recreational and other services upon completion of project.
 - (iii) **Educational Facilities:** Evidence that (a) primary educational facilities are reasonably available to school-age children of tenants if the project is for family units or, if such **facilities are not**, a narrative statement of how school-age children will access public educational facilities and (b) the local public school system has been notified about the estimated prospective population count of school age children in the project when the project is placed in service (**Note: This is applicable to both new construction and rehabilitation projects.**).

4. **Environmental Review:** All projects involving use of existing structures must submit an Environmental Restrictions Checklist completed by a professional licensed to conduct environmental testing. Any finding that environmental hazards exist must be mitigated or abated in accordance with an Operating and Maintenance plan that addresses how each hazardous material or condition will be addressed, including the training of on-site personnel in accordance with applicable local, State and Federal laws or regulations. Costs associated with environmental hazard mitigation or abatement must be included in the project's budget.
5. **Tenant Referrals from LRA/OCD, PHAs, and the LHC:** Taxpayer shall acknowledge and agree to rent low income units to households referred by the LRA/OCD, and/or the local PHA if the tenants referred to the Taxpayer satisfy the requirements of the Project's Management and/or Operating Plan.
6. **Minimum Internet/Cable Capacity Requirements:** All units must be equipped with networks to provide cable television, telephone and internet access in the living area and each bedroom. The following networks (combined or distinct) must be capable of being accessed and activated by tenants: (i) telephone network installed for phones using CAT5e or better wiring, (ii) network for data installed using CAT5e or better, networked from the unit back to a central location or similar configured wireless network and (iii) TV services network using COAX cable. The wiring for such networks should be available to tenants free of charge but tenants may be charged the actual fee incurred by the Taxpayer for activating and making available any services provided directly by the Project or through third party providers. The equivalent of wireless network access is acceptable.
7. **Energy Efficiency:** Projects are required to meet the Energy Star Qualified Homes Version 3 (Rev.05) (Exhibit EE- ENERGY STAR Reference Design) minimum requirement. All of the energy efficiency components must be clearly and individually listed in an original stamped letter from either the architect or engineer of record. The letter must state that the entire construction envelope meets or exceeds the 2009 International Energy Conservation Code. Manufacturer's cut sheets must be submitted to document the energy efficiency of each component for which points are claimed.

Rural Development Rehabs will be allowed a waiver of the minimum threshold requirements on rehabilitation projects only if RD submits a letter with the application authorizing the specific waiver(s) and concurring with the submitted request.

Rehabilitation Projects are not required to adhere to the minimum Energy Efficiency requirements unless:

- (i) The Capital Needs Assessment requires replacement of the item or
 - (ii) The applicant chooses to replace an item or
 - (iii) The Corporation's designated architect, in consultation with the Corporation's contracted underwriter, determines that an early replacement of an item with a more energy efficient system substantially improves the quality of life for residents with substantial benefits attributable to reduce deposits to reserves for replacement and/or reductions in operating expenses.
8. **Design Features:** All projects must meet the following design features: (1) All projects must have a 15-year or more maintenance-free exterior, such as brick, stucco, fiber-cementitious material or other Corporation approved acceptable durable materials. Vinyl siding is not an acceptable material. Additional product may be added to this list subject to review by the Corporation's Construction Department or designated architect. (2) All

projects must have at least a 25 year roof warranty. (3) All projects must have at least double paned, double insulated windows, as defined by this QAP.

9. **New construction projects** must meet new FEMA Guidelines dated 4/12/2006 or the most current available for the location of the proposed project for elevation of housing relative to Base Flood Elevation. An Architect's certification must be provided for any project located inside a levee protected area.
10. **Rehabilitation projects** must submit a Capital Needs Assessment which specifically addressing the current FEMA Guidelines.
11. **Historic rehabilitation projects** must include in their submission information concerning minimum project requirements, including but not limited to Energy Efficiency requirements, Design Features, Base Flood Elevation requirements and Internet Cable requirements for consideration of applicable waivers at time of application.

G. Project Team/Developer Threshold Requirements

1. Developer Experience:

Such Managing General Partner or Sponsor must:

1. be identified in the application
2. become a general partner or managing member of the ownership entity, and
3. remain responsible for overseeing the project and operation of the project for a period of two (2) years after placed in service.

All owners and principals must disclose all previous participation in the low income housing tax credit program. Additionally owners and principals that have participated in an out of state tax credit allocation may be required to complete an Authorization for Release of Information form.

No developer or taxpayer utilizing a debarred participant in the development or operation of a project may be reserved or allocated tax credits.

2. Property Management Experience:

The property management company must have at least:

- a. One similar (size and type) tax credit project in their current or past portfolio, and
- b. One staff person serving in a supervisory capacity with regard to the project who has been certified as a tax credit compliance specialist.

Such certification must be from an organization approved by the LHC or the Corporation. None of the persons or entities serving as management company may have in their portfolio a project with material or uncorrected non-compliance beyond the applicable cure period. The management company listed on the application must be retained by the ownership entity for at least two (2) years after project completion, unless Taxpayer releases such the agent for nonperformance of duties.

The development must be managed by an On-Site Manager that has received LIHTC Compliance Certification dated no more than 12 months prior to the Application deadline from a program deemed acceptable to the Corporation in accordance with industry recognized training standards.

3. **Project Team Disqualifications:**

The LHC or Corporation shall disqualify any taxpayer, its representative or agent, managing general partner, sponsor or management company, who is not in good standing with the LHC or Corporation, as defined herein. One who is "not in good standing" will be considered ineligible to receive a reservation/allocation of credits during this Funding Round. One is considered to be "not in good standing" with the LHC or Corporation if one has met one or more of the following criteria:

- a. has been debarred or received a limited denial of participation in the past ten years by any federal or state organization from participating in any development program;
- b. within the past ten years has been in a bankruptcy, an adverse fair housing settlement, an adverse civil rights settlement, or an adverse federal or state government proceeding and settlement;
- c. has been involved within the past ten years in a project which previously received an allocation of tax credits but failed to meet standards or requirements of the tax credit allocation or failed to fulfill one of the representations contained in an application for tax credits without the express approval of the LHC or the Corporation;
- d. has been found to be directly or indirectly responsible for any other project within the past five years in which there is or was uncorrected noncompliance more than three months from the date of notification by the LHC or Corporation or any other state allocating agency unless the LHC or the Corporation determines, in its discretion, that the uncorrected non-compliance was not the fault of the person in question;
- e. interferes with a tax credit application for which it is not an owner or Principal at a public hearing or other official meeting;
- f. has outstanding flags in HUD's national 2530 National Participation system;
- g. has been or is currently involved in any project awarded Tax Credits in 2010 or earlier for which the final cost certification requirements were not met by August 28, 2013;
- h. has been or is currently involved in any project awarded tax credits after 2000 where there has been a change in general partners or managing members during the last five years that the LHC or Corporation did not approve in writing beforehand;
- i. are delinquent or in default on any LHC or Corporation obligation (including but not limited to HOME repayment) as of August 28, 2013 (final application date) will be considered ineligible to receive a reservation/allocation of credits during this Funding Round;
- j. has an outstanding audit report requirement or unresolved audit deficiencies as of August 28, 2013 (final application date) will be considered ineligible to receive a reservation/allocation of credits during this Funding Round;
- k. has unresolved outstanding 8823's or other outstanding Compliance Violations as of August 28, 2013 (final application date) will be considered ineligible to receive a reservation/allocation of credits during this Funding Round; or

- I. are currently out of compliance with or project schedules by greater than ninety days as of August 28, 2013 (final application date) on current projects at the LHC or Corporation.

A disqualification under Subsection (F)(3) will result in the individual or entity involved not being allowed to receive an award of LIHTC in the 2014 cycle and removing from consideration any application where they are identified.

LHC or Corporation staff will provide each taxpayer notice by no later than July 15, 2013, via certified mail and electronic correspondence that the taxpayer is subject to disqualification based upon specific non compliance. The taxpayer, agent or representative, managing general partner, sponsor or management company must respond in writing, for receipt by the LHC or Corporation **via certified mail ONLY by no later than August 1, 2013 to Tax Credit Manager**, specifying reasons that they object to the findings of the LHC or Corporation. Staff will review all objections received and provide the results of their review to the applicant and Board of Directors by no later than August 7, 2013 so that the taxpayer, agent or representative, managing general partner, sponsor or management company may prepare an appeal, if he or she desires, to the Board of Commissioners at the regularly scheduled August 14, 2013 meeting.

The taxpayer, agent or representative, managing general partner, sponsor or management company's written appeal and supporting documents should be submitted for the Board's review no later than 11:00 am CST on Wednesday August 1, 2013.

Based upon staff's review, a final recommendation to the Board of Directors will be presented at its regularly scheduled August 14, 2013 meeting. The decision of the full board regarding disqualification status will be final.

Prospective applicants are hereby notified that any and all expenses incurred in the preparation of applications to be submitted during this round are incurred at their own risk and are subject to forfeiture.

H. Other Program Requirements

1. **Local Community Notification:** The Applicant must include in the Application evidence that a Public Notice was published in a local newspaper having general circulation in the city, town, township or municipality of the proposed development area **AND** in the official journal of the local governing authority three (3) separate times between May 15, 2013 and August 27, 2013.

See attached list of acceptable local newspapers and official journals of local governing authority. If any applicant proposes to submit an application in an area not listed or covered by the attached, a written request for additional information must be submitted by no later than July 1, 2013 at 4:30 PM CT to QAPCOMMENTS@LHC.STATE.LA.US.

2. **This notice must include:**

- The name of the project owner;
- The project name;
- The project address or location;
- The maximum number of units;
- Mix of units

- The nature of the project (i.e. new construction or rehabilitation, elderly or family, etc and construction type and occupancy type along with proposed community facility and supportive services;
- State the project is competing for 9% Tax Credits provided by Louisiana Housing Corporation; and
- Total development cost including funding sources and amounts.

Applicant must provide proof that correspondence has been submitted to the Mayor and appropriate local governing authority of the smallest jurisdiction within which the project is to be located, such as City Council, where the project is proposed notifying them of the project and including above referenced notice information.

3. **Total Development Cost and Unit Size Limitations:** No project will be reserved credits if the limits and other requirements by type and size of unit specified below are not satisfied.

- a. **Minimum Square Footage and Full Bathrooms Per Unit Type:**

<u>Unit Type</u>	<u>Bathrooms</u>	<u>Square Feet</u>
Efficiency	1	450
1 Bedroom	1	650
2 Bedroom	1	800
3 Bedroom	2	1100
4 Bedroom	2	1400

- (i) **Waiver of Minimum Bathroom and Bedroom Size.** The minimum bath rooms and bedroom size may be waived for an existing project which is being rehabilitated only if a federal program finances the unit and the federal agency administering the program which finances the unit requests a waiver of such limits.

- (ii) **Reduction of Minimum Square Footage Per Unit.** The minimum square feet per unit may be reduced by 10% for existing units if the local jurisdiction within which the units are located certifies that such units will comply with all applicable zoning and building codes.

- b. **Maximum Average TDC Per Unit by Development Type:**

	<u>Max. TDC/ Unit</u>
Acquisition/Rehab (incl. elderly)	\$125,000
New Construction/Conversions (incl. elderly, non-elevated)	\$150,000
New Construction/Conversions (incl. elderly, elevated)	\$175,000
Historic Property	\$250,000
Scattered Site	\$185,000

- c. **Governmental Grants and Historic Credit Syndication Proceeds included in Cost Limits.** The costs of a development funded by a governmental grant or with the proceeds from syndicating historic credits will be included in the total development costs for the purposes of establishing the Maximum Average TDC per Unit and for purpose of calculating maximum qualified basis of a building or Project.

- d. Exclusion of Costs of Community Facilities and Community Services Facilities from Cost Limits: The costs associated with Community Facilities and Community Service Facilities will be excluded from total development costs for the purpose of establishing the Maximum Average TDC per Unit. The costs of Community Facilities which are functionally related and subordinate to the residential units and the costs of Community Service Facilities not in excess of the sum of (i) twenty-five percent (25%) of so much of the eligible basis of the qualified low-income housing project of which it is a part does not exceed fifteen million dollars (\$15,000,000) plus (ii) ten percent (10%) of the eligible basis of such project as is not taken into account under (i) may be included in eligible basis of a building or Project.
 - e. SRO Projects: Single Room Occupancy Projects will not be subject to Maximum Average TDC Per Unit Limits if the local governmental unit by resolution or ordinance endorses the SRO Project and certifies that the SRO Project will provide shelter to homeless persons or will receive Stewart-McKinney Act Funds.
 - f. Projects Reallocated Credits Based on Housing Discrimination: Notwithstanding any other calendar year Qualified Allocation Plan to the contrary, additional costs to projects which are delayed based upon housing discrimination and which are reallocated credits will not be subject to cost limits if the project is otherwise feasible and viable and the Corporation's Board of Directors acknowledges that the increased costs were due to circumstances beyond the control of the Taxpayer.
 - g. Bond Financed Projects: Bond financed projects are not subject to the Maximum Average TDC Per Unit Limits if no other State or Federal subsidies are provided.
 - h. Construction and Design Standards: All projects must adhere to the Construction and Design Standards as contained in Exhibit A. Requirements for New Construction Scattered Site Projects are also contained in Exhibit A.
4. **Project Amenities:** All properties other than SRO Projects must include HVAC systems, refrigerators, stoves, an on-site laundry (1 washer and 1 dryer per every 10 units- except for Elderly Projects). If washers and dryers are installed and maintained in every unit at no additional cost to tenants, an on-site laundry is not required. All amenities, with the exception of the on-site laundry, must be available to the tenants at no additional charge. The requirement of an on-site laundry shall not apply to rehabilitation projects with 12 or fewer units.

5. **Profit Limits:**

Developer Fees

Developer Fees for a project shall not exceed fifteen percent (15%) of the Developer Fee Base.

No Developer Fee, including payments to consultants, will be allowed unless a Development Services Agreement is submitted as an Exhibit to the Tax Credit Application Package. The Developer Fee Base will include only the amount of Builder Profit, Builder Overhead and General Requirements at the maximum limits permitted by the Corporation and will exclude all payments to the Developer or persons related to or having an identify of interest with the Developer. Fees paid to CHDOs or non-profits will not be added to the total amount of developer's profit cap.

Architect Fees

Architect Fees shall not exceed 7% of construction contract

Builder Profit

Builder Profit shall not exceed six percent (6%) of the Builder Profit Fee Base.

Builder Overhead

Builder Overhead shall not exceed two percent (2%) of the Builder Profit Fee Base.

General Requirements

The actual costs associated with General Requirements shall not exceed six percent (6%) of the General Requirements Base. Bond Premium paid by the Developer or the Taxpayer/Owner will be excluded from the General Requirements.

Syndication Costs

Syndication Costs in excess of ten percent (10%) and fifteen percent (15%) of Gross Equity for privately placed and publicly offered Syndications, respectively, will be treated as part of the Developer Fee.

6. **Self-Owned Equipment Limitations:** Costs deemed to lease self-owned equipment or to lease equipment owned by persons related to or having an identity of interest with the Developer or Builder will be considered as builder profit and overhead; provided, however, that certifications as to costs of fuel, lubrication, normal expenditures for such identified equipment, maintenance, repair and depreciation will be considered as a construction cost.
- I. **Subcontractor Limits Related to builder Profit and Overhead:** No overhead and builder profit will be allowed when (i) more than fifty percent (50%) of the contract sum in the construction contract is subcontracted to one subcontractor, material supplier or equipment lesser or (ii) seventy five percent (75%) or more with three or fewer subcontractors, material suppliers or equipment lessors.
- J. **Pro Forma Cash Flows:** All projects must submit fifteen year pro forma cash flows complying with the following requirements:
 - a. **Rate of Increase Assumptions for Revenues and Expenses:** Revenues may be projected to increase at a rate not in excess of two percent (2%) and expenses must be projected to increase at a rate of not less than OCAF or three percent (3%).
 - b. **Required Debt Service Ratios:** Debt service ratios may not fall below 1.15 (1.10 for RHS Properties) unless the Taxpayer/Owner executes an appropriate escrow or acceptable guarantee in an amount equal to the maximum cumulative cash flow shortfall. If Debt Service Ratios during the credit period with respect to all debt exceeds 1.4, the excess cash flow must be deposited to the Reserves for Replacement or used to prepay hard debts. The Minimum Reserve Balance shall be increased by such excess cash flow.
 - c. **Maximum Return on Taxpayer Capital for Projects with HOME Funds and Distributions of Surplus Cash:** Any project which receives HOME Funds from the

LHC or the Corporation and which evidences satisfaction of the Minimum Reserve Balance will be permitted a Capital Recovery Payment on Taxpayer Capital equal to 350 basis points above the comparable Treasury bill yields as of the Closing Date that are coterminous with the return of taxpayer capital over a maximum ten year period. Tax Credit equity shall be disregarded as Taxpayer Capital. Surplus Cash evidenced in annual audits may be distributed each fiscal year so long as such distributions are limited to not exceeding fifty percent (50%) of such Surplus Cash.

- d. Terms Required for Cash Flow Notes: Any cash flow note associated with the acquisition of an existing project must be accompanied by a schedule establishing the imputed principal of the cash flow note under Section 1274(b) of the Internal Revenue Code and any basis adjustment of the note and project pursuant to Section 1.1275-4(c) of the Treasury Regulations. All cash flow notes must mature on or before the end of the economic life of the project which may not exceed 55 years unless such cash flow note is a Developer Fee Cash Flow Note, in which case such Developer Fee Cash Flow Note must mature by the end of the initial Compliance Period of 15 years.
- e. Vacancy Rate Assumptions: Assume a five percent (5%) vacancy rate and two percent (2%) bad debt unless the project is located in a "soft" market as determined by the Independent Qualified Housing Consultant within which a higher vacancy allowance will be required.
- f. Required Deposit to Reserves for Replacement: Minimum replacement reserves should equal \$250 per unit per year for new construction developments for seniors and \$300 per unit per year for new construction developments for families and developments involving rehabilitation. If the reserve deposits specified in Capital Needs Assessment exceed the foregoing minimum reserve deposits following rehabilitation, then the deposits to the reserved for replacement shall be the higher amount specified in the Capital Needs Assessment. Notwithstanding the foregoing, if HUD or RD finances the first mortgage, the annual deposit to the Reserves for Replacement may be determined in accordance with HUD or RD policies or regulations. Deposits to the Reserves for Replacement will be regulated and monitored in accordance with the Tax Credit Regulatory Agreement.
- g. Maximum Rents: Pro forma Rents for Application purposes may not exceed the lowest of market rents evidenced in the market study, HUD's most recently published fair market rents (FMR) or the maximum rent permitted by Section 42 or any subsidy program which benefits the project. Actual rents may not exceed the maximum rent permitted by Section 42 of the Code.
- h. Minimum Operating and Maintenance Expenses: Minimum operating and maintenance expenses shall not be less than \$3,600 per unit per year. For an existing project undergoing rehabilitation the Minimum Operating and Maintenance Expenses shall be increased if, following a review of the prior three years of audits of the project's operations, the expenses exceed the minimums and if the rehab to be completed will not reduce the historic expenses. SRO Projects shall evidence appropriate subsidies to sustain the proposed operating budget.
- i. Minimum Reserve Balance: Minimum operating reserves should equal six months of projected operating expenses. Initial operating reserves of up to \$2,000 per unit per year may be funded from project development sources. Initial operating reserves exceeding \$2,000 per unit must be funded either with deferred developer fees, unsecured debt or soft cash flow debt.

- K. Capital Needs Assessment:** A Capital Needs Assessment by an architect or engineer, dated no earlier than 90 days before the Application deadline, is required for all existing projects. Should the Capital Needs Assessment identify the presence of hazard material, a hazard mitigation plan MUST be submitted in the application and the costs of mitigation included in the project's budget.
- L. Receipt of Cost Certifications and GAAP Audits:** Prior to mailing a Form 8609 for a project, the LHC or the Corporation must receive (i) an unqualified GAAP Audit as required by Treasury Regulation 1.42-17(a)(5), (ii) a Financing Certification, (iii) a Syndication Certification and (iv) a proposed baseline operating budget (including trending assumptions) as of the date sustaining occupancy is to be attained. The GAAP audit and the Financing Certification must certify all sources and uses of funds through the Placed in Service Date of a project and must clearly distinguish and show (a) costs that may be included in eligible and qualified basis and (b) costs which may not be included in eligible and qualified basis.
- M. Subsidy Layering Review:** A subsidy layering review will be conducted in connection with any project receiving Governmental Assistance from HUD or RD in addition to housing tax credits for each of acquisition, rehabilitation and new construction uses. Note: By letter dated December 13, 2010 from Milan M. Ozdinec, Deputy Assistant Secretary, Office of Public Housing and Voucher Programs, the Corporation is authorized to perform SLRs on HUD's behalf.
- N. Processing Projects With Federal Funds or Insurance:** Projects receiving Federal Funds or insurance under a Federal program will be reserved credits only after the federal agency advises the LHC or the Corporation in writing that the federal agency providing such funds or insurance has no objections to the reservation of tax credits to the Project.
- O. Financing Commitments:** Fully executed Financing Commitments including terms of the commitments for all sources of funds must be included with the Application.
- P. Legal Description of Project Property Site:**

Projects in Urban and Rural Areas: The legal description and cost of the portion of a site on which the Project is located must be submitted in the Application involving a Project in Urban and Rural Areas. The legal description shall include parish, municipality, subdivision, tracts, section, ranges, boundaries, directions and measurements.

Scattered Site Projects in Urban Areas: A Scattered Site Project located in an urban area may identify only the street addresses for each separate site.

Consistency of Project Description: The legal description and/or street addresses of the Property Site included with the Application must be consistent with all subsequent documents submitted to the Corporation during the development and operation of the Project. If a material inconsistency in the legal description of the Project Site between the Application Deadline and any reservation or allocation of credits is identified and such inconsistency constitutes a Site Change, the tax credits reserved and/or allocated to the Project will be subject to rescission and/or recapture.

Additional Sites: No additional sites may be included in a Scattered Site Project following the Application Deadline unless the Project is located in a Redevelopment Area and the local governmental unit requests the addition of new sites within the Redevelopment Area; however, no additional sites may be included in a Project following carryover allocation.

Map Requirement: A map identifying the Project Site must be included with all legal descriptions and/or street addresses. The map must show parish, municipality, subdivision, tracts, section, ranges, boundaries, directions, and measurements.

Project Directions: Directions to the project site from the nearest major highway must be included in the application.

Q. Project Information:

1. Certification of Construction Documents: At least 45 days prior to commencement of construction or Substantial Rehabilitation of a project, the owner must submit certification of architect that (i) the unit configuration by bedroom size and square footage by bedroom size is consistent with the configuration in the project's Application, (ii) the project as completed complies with applicable Fair Housing Accessibility Guidelines and Uniform Federal Accessibility Standards, and as required by or subject to bonus points awarded in this QAP and (iii) if HOME or other federal funds have been invested, the requirements of Section 504 of the Rehabilitation Act of 1973 are satisfied. In addition to the Certifications shown in Exhibit A, Attachments IV and V, the Applicant shall submit Architect's Certifications at each of the following three (3) stages:
 - I. At the time the application is submitted. The certification should outline the proposed design and construction commitments.
 - II. At the time of Construction/Bid Documents are completed. The certification should verify that all the commitments outlined in the QAP and also described in the first Architect's Certification have been met.
 - III. When construction is completed. The certification should verify that the project was built per QAP commitments, as well as previous Architect's Certifications.

The Developer must notify the Corporation Construction Department when a notice-to-proceed has been issued by the Developer to the Construction Contractor.

2. Signage on Property: Developers will be required to display a sign upon start of construction through completion on the project site stating that the project is being financed by Louisiana Housing Corporation.
3. Staff Visits: The Corporation will make a minimum of three (3) site visits to projects before the issuance of 8609s. This is to ensure that the project is being constructed as stated in the application and in accordance with the QAP. The LHC reserves the right to add additional site visits if deemed necessary.
4. Construction Progress/Schedule Form: Upon receiving a Low Income Housing Tax Credit Award, applicants are required to submit (i) a complete and updated AMEC Model through the Closing Date and as of the placed in service date of the project along with PIS documents and (ii) to submit on the first business day of each month electronically a Construction Progress/Schedule Form including AIA documents. Failure to submit or the submission of erroneous information may result in the forfeiture or recapture of the tax credit award or allocation.

R. Market Study and Appraisals

LHC Evaluation

Market Studies will be ordered by LHC from approved disinterested market analysts to perform market studies. The approved market analysts must be a member of the National Council of Affordable Housing Market Analyst (NCAHMA) or a similar professional organization. The Corporation will limit the number of projects awarded in the same application round to those that it determines can be supported in the market. The Corporation is not bound by the conclusions or recommendations of the market analysts(s) and will use its discretion in evaluating the criteria listed in this subsection. In exercising its discretion, the Corporation will comply with the requirements of Section 42(m)(1)(A)(iv) if in the exercise of such discretion results in the allocation of any housing credit dollar amount which is not made in accordance with the established priorities and selection criteria of the **Special Interim QAP**. The Corporation will make every effort to minimize costliness of the market studies with emphasis on time efficiency.

The Corporation is relying on the information prepared by third party market analysts and is to be held harmless by the action or inactions of the market analysts or their staffs. If there is conflicting information in studies supplied in the same area, a supplemental study may be required by an approved market analyst of the Corporation's choosing during the challenge period. The applicant(s) requiring the supplemental study will be responsible for the cost of the supplemental study.

The Corporation will post its current Housing Needs Assessment to its website at www.lhc.la.gov. Developers are encouraged to utilize this information in evaluating prospective application projects and sites. All market analysts must consider this document in preparing individual market studies.

The Corporation has the right to request additional or further analysis based upon market anomalies. The cost of any additional market studies to reconcile data will be at the developer's expense. Prior to ordering the additional market study, the Corporation will notify the developer and of the cost involved.

The Corporation will not allow a project to restructure (i.e. change the bedroom configuration, rent structure, elderly to family, etc) during the competitive cycle, once the application has been submitted.

Market studies are deemed current for a period of 6-months from date of completion.

Project Evaluation and Market Study Information

Market studies must establish the housing needs of low-income individuals in the area to be served by a project and evidence the housing needs of Targeted Households, Large Families, tenants with children, Special Needs Households (if project serves Special Needs Households) in the Market Area and the unmet needs of such individuals and families following the construction and/or development of the Project.

Except as permitted by Section 42(g)(9) of the Code, projects may not give preferences to potential tenants based upon 1) residing in the jurisdiction of a particular government, 2) having a particular disability or 3) being a part of a specific occupational group.

The following five (5) criteria are **threshold requirements** for inclusion in all market studies:

- i. The project's capture rate,
- ii. The project's absorption rate,

- iii. The vacancy rate at comparable properties (what qualifies as a comparable will vary based on the circumstances), and
- iv. The project's effect on existing or awarded properties with 9% tax credits or the LHC or the Corporation loans.
- v. The project's ability to meet housing demand established in the Corporation's Housing Needs Assessment

The Corporation is not bound by the conclusions or recommendations of the market analyst(s) and will use its discretion in evaluating the analysis.

Content of Market Study

In addition to threshold requirements, the Market Study must provide information under noted boldfaced captions with tabs and an index to locate the following within the Market Study:

1. **Executive Summary:** A statement summarizing the findings of the market study.
2. **Credentials:** Statement of experience and competence of the market analyst.
3. **Independence and No Identity of Interest:** A certification that the market analyst is independent and has no identity of interest with the developer of the proposed or existing project and that the market analyst was retained to perform the market study without conditions, including compensation based upon finding market need.
4. **Property Site:** A description of the proposed property site along with a map site identifying area of the Project. Color photographs of the site and neighborhood, a map clearly identifying the location of the project and the closest transportation linkages, shopping, schools, medical services, public transportation, places of worship and other services such as libraries, community centers, banks, etc.
5. **Demographic Analysis:** Analysis of the Income Qualified Renter Demand in the market area.
6. **Market Area:** Geographic definition and analysis of the primary and secondary market area which Project serves including a discussion of the Local/community perspective of rental housing market and housing alternatives
7. **Operations and Development Comparisons:** A description of comparable developments in the market area served by Project, including the following information or analysis, labeled accordingly:
 - a. **Subsidy** whether or not each comparable development is subsidized.
 - b. **Rent Levels and Vacancy:** a description of rent levels and vacancy rates of comparable properties, including subsidized and non-subsidized developments in market area served by Project.
 - c. **Operating Comparisons:** analysis of operating expenses using data from comparable properties in the market area served by Project, if available, or, if not available, using IREM or ULI data.
 - d. **Project Operating Statement:** projected operating funds and expenses of the subject Project.

- e. Public Housing: a summary of (i) the number and quality of units in developments owned by the local public housing authority and a statement concerning vacancy rates and waiting lists and (ii) the number of vouchers administered by the local public housing authority and the estimate of the households on the waiting list for vouchers.
 - f. Absorption Analysis: expected market absorption of the proposed rental housing units in the subject Project each month following certificate of occupancy.
 - g. Market Impact Statement: A description of the impact of the proposed housing units in the market area, including the impact of the proposed housing units on tax credit and other existing affordable rental housing in market areas.
8. **Federal Housing Agency Coordination**: The Independent Qualified Housing Consultant must identify all multifamily housing developments in the primary market area of the proposed project, which are financed by HUD, RD and the LHC or the Corporation. The consultant must provide a table evidencing the following information for each such project:
- a. Name of Project
 - b. Number of Units in Project
 - c. Type of Federal loan or credit enhancement, e.g., 515 loan, 202, 221(d)(4), etc.
 - d. Average vacancy rate in comparable projects in prior twelve-month period.
9. **Pipeline Analysis**: Certification of the number of building and demolition permits (or its equivalent) for multifamily housing units issued over the preceding 24 months by the local jurisdiction within which the project is located and that any planned or construction in progress will not adversely affect the market's absorption of the units in the project.
10. **Certification of Demand**: A Certification of Demand for New Units and Conversion executed by the Qualified Housing Consultant.
11. **Statement of Housing Needs of Low-Income Individuals and Large Family Households**: A statement of housing needs of Large Families and tenant populations with children in the primary market area and the extent there will be unmet needs for such individuals and families following construction/rehab of the Project.
12. **Location Characteristics**: Part II of the Selection Criteria contains a number of positive points and negative points relating to the location of a Project. Each Market Study must include a separate section that evidences whether the Project satisfies the positive points listed or incurs the negative points listed. The decision of the market analyst on location characteristics (neighborhood features) will be final.
13. **Appraisals: For rehabilitation projects** an Appraisal must be submitted establishing the fair market value of any existing property when the purchase price of such property exceeds \$500,000 or the Acquisition Costs of buildings are included in Eligible Basis. Appraisals must be current and cannot be dated prior to October 31, 2012 to be deemed current and acceptable.
14. **Sources for Data**: Market analysts must clearly define all sources for data.
15. Information contained in the report must adhere to standard FHA/HUD Guide on Market Studies.

III. Post-Award Processes & Requirements

A. Carryover Allocation of Tax Credits

Projects may qualify for a carry-forward allocation of tax credits under the Ten Percent (10%) Basis Exception within twelve (12) months of the date of the allocation. A Taxpayer/Owner must deliver to the Corporation all carry forward allocation documentation, including an appropriate attorney or CPA opinion in the format prescribed by the LHC or the Corporation, on or before December 20, 2013 at 4:30 PM CT for any project awarded credits from the 2013 credit ceiling. Projects awarded credits from the 2014 credit ceiling will be required to submit carry forward allocation documentation on or before March 31, 2014. Projects that have not met the 10% expenditure test as of December 20, 2013 will receive a "Carryover Allocation Agreement" in lieu of the "Carryover Allocation Certification". Such projects shall have until June 15th of the following year to provide the necessary documentation evidencing their 10% basis expenditure test has been met.

Each Carryover Allocation Certification will be done on a Project-Wide basis with a designation stating the appropriate credit ceiling from which the allocation is made.

B. Placed in Service and Annual Audit

1. Placed in Service Audit: The Financing Certification, Syndication Cost Certification, GAAP Audit and Baseline Operating Budget must be received by not later than the April 1st of the calendar year following the year in which the Project is placed in service. The GAAP audit must specifically identify any unexpended contingency construction reserve and any operating/rent up reserve and must be consistent with the Sources and Uses as updated in the AMEC Model. The carry forward allocation of credits is subject to recapture if required certifications, audit and Baseline Operating Budget are not received by such date. The Taxpayer/Owner may request only a one-year extension for submission of the certificates and audits from the Corporation and only if the Taxpayer has elected to begin the first year of the credit period following the year in which the Project is placed in service. Payment of developer fees to CHDO or non-profit partners partnering with a for-profit as a co-developer must be shown as fully paid in the placed in service audit. CHDOs and non-profit partners must receive not less than twenty percent (20%) of the Developer Fee for transactions receiving tax credits.
2. Annual Audit: Following the placed in service date of a project, Taxpayers must submit a completed AMEC Model and annual electronic audits to the Corporation in a format prescribed in the LHC's or the Corporation's audit instructions and using the HUD Chart of Accounts. Taxpayers will be required to submit a fiscal year budget in advance for the project and quarterly unaudited statements to the Corporation. All cash distributions and withdrawals from operating reserves and/or reserves for replacement must be explained in footnotes to the audit and all payments to Related Persons and contractors with an identity of interests to the Taxpayer/Owner must be identified. Annual budgets approved by the Taxpayer and Management Company must be received at least thirty (30) days in advance of the fiscal year. Annual audits must be received by not later than April 1st of each calendar year if the fiscal year is a calendar year or not later than ninety (90) days following the end of a fiscal year that is not a calendar year.

All AMEC models and audits must be submitted to: LIHTCAnnualAudits@lhc.la.gov

3. The Management Company of record for the project will be required to provide to the Corporation, electronically, through a Corporation approved medium any changes in contact information as well as but not limited to information on number of vacancies and unit mix.

C. Compliance Training Requirements

Taxpayer/Owners will be required to evidence to the Corporation at least ninety (90) days prior to a Project's Placed In Service Date that the proposed on-site manager or the Management Company has completed compliance training within the prior (12) twelve months in a program deemed acceptable to the Corporation in accordance with industry recognized training standards. No Form 8609 will be issued without evidence of such training.

D. Fees to CHDO or Non-profit General Partner

Prior to delivery of Form 8609 a for-profit co-general partner with a CHDO or non-profit general partner must certify payment of the fee paid to the CHDO or non-profit general partner is consistent with Development Services Agreement submitted with the Tax Credit Application. Developer Fees to CHDOs or non-profit general partners in connection with projects receiving an allocation must not be less than twenty percent (20%) of the total Developer Fees. Fees paid to CHDOs or non-profits, up to 20% of the developer's fee, will not be included in the developer's maximum profit cap. Therefore the total developer's fee may be up to 18%.

E. Notification of Material Changes

It is the **applicant's responsibility** to notify the Corporation, in writing via certified US Mail, of any occurrence of a material change in a project. Such notifications must be sent to: *Louisiana Housing Corporation; Attn: Tax Credit Manager, 2415 Quail Drive, Baton Rouge, LA 70808.* Notwithstanding any provision of any other program requirements, no project that the LHC or the Corporation determines to have materially changed shall be deemed feasible or viable. **Louisiana Housing Corporation Board of Directors approval is required on all requests seeking material changes in a project.** A material change will be governed by Reasonable Man Standard.

Material Changes After Final Application Deadline: A material change occurring after the Final Application Deadline may result in cancellation of either the tax credit reservation or the carry-forward allocation of tax credits.

F. Notification of Reprocessing Change

It is the applicant's responsibility to notify the Corporation, in writing, of any occurrence of a reprocessing change in a Project. A reprocessing change may occur prior to delivery of Form 8609 to a Project; however, Form 8609 will be withheld until the Taxpayer submits a revised Application and Reprocessing Fee. Following receipt of the revised Application and reprocessing fee, the Corporation will complete a new legal, feasibility and viability review in order to determine any adjustment of maximum qualified basis and/or the tax credits to be allocated to the Project. Projects subject to reprocessing are at risk of credit loss if such Project fails to satisfy the minimum score or if other projects on the waiting list which are not reserved credits have higher scores.

G. Site Change

Any Site Change will automatically cancel any reservation, commitment or allocation of tax credits to such Project.

H. Deviations from Selection Criteria in Filed Application

When an Applicant requests a deviation from the selection criteria in the filed application and the deviation is not a Material Change as defined by the QAP or a change that a Reasonable Man would determine to materially change the project, the following penalty shall apply:

The developer shall select a substitute benefit or enhancement identified in the selection criteria in the QAP of equal or greater point value, Corporation staff shall consider approval of the

request and require the replacement benefit to the project be incorporated into the project, thereby enhancing the project by the same point value. There shall be no additional penalty to the developer.

If the developer or the Corporation determines there is no appropriate substitute project enhancement of equal or greater point value, the developer and all affiliates shall be subject to penalty points in the applicant's next tax credit funding round equal to the point value of the representation that cannot be satisfied.

When an Applicant requests a deviation from the selection criteria in the filed application and the deviation is a Material Change as defined by the QAP or by the Reasonable Man's Standard, the following penalties shall apply (e.g. Applicant got funded when someone else would have gotten funded).

1. The developer shall select a substitute benefit or enhancement in the QAP of equal or greater point value, the Corporation's Board of Directors may approve the request and require the replacement benefit to the project be incorporated into the project, thereby enhancing the project by the same point value. There shall be no additional penalty to the developer.
2. If the developer does not select a substitute benefit or enhancement in the QAP of equal or greater point value:
 - a. The developer may surrender its allocation and there shall be no additional penalty to the developer.
 - b. If the developer does not surrender the allocation and no substitute selection criteria is selected, the developer and all affiliates shall be subject to penalty points in a single application in the applicant's next tax credit funding round equal to three times the point value of the selection criteria that cannot be satisfied.

Applicants requesting more than one (1) Material Change relating to selection criteria in a single funding cycle shall be subject to a one year suspension from the applicant's next tax credit funding round.

Any Material Change requested due to the reliance on a representation made by a Governmental Corporation remains at the discretion of the Board and the penalties, if any, to be assessed by the Board. Such reliance will not permit a site change. Any site change will automatically cancel any reservation, commitment or allocation of tax credits to such project.

The Board may waive penalties in extraordinary circumstances.

Notwithstanding the above, the Applicant/Developer must notify the Corporation of any changes to the project, including but not limited to unit mix and development type. It is the Applicant's responsibility to provide required public notification of any such changes.

I. Re-Allocation of Recaptured Tax Credits Based Upon Housing Discrimination

Tax Credits which are recaptured from a Taxpayer will be reserved automatically to a project in an amount approved in a reprocessing of the Project Application upon receipt of all of the following:

- (i) Evidence that HUD or the Department of Justice has determined to proceed to process a complaint of housing discrimination because such a complaint has merit based upon evidence contained or certified in such complaint,
- (ii) A revised Application,

- (iii) An opinion of tax counsel to the Taxpayer that the project remains qualified for a Tax Credit reservation, and
- (iv) A report that the project remains feasible and viable at the time of the reallocation, and;
- (v) If additional credits are available, and additional soft costs have been incurred in the defense of housing discrimination, these costs may be included in the feasibility/viability analysis in an amount not to exceed the actual cost and the amount that the Corporation has currently available and subject to underwriter and Corporation review.

J. Reasonable Professional Fees and Other Soft Costs

The Corporation retains the right to determine safe harbors for reasonable professional fees and other soft costs that may be included in a project's development cost budget unless otherwise specified in the QAP. Absent compelling reasons that professional fees and other costs should exceed such safe harbors, any professional fee or soft cost in excess of Corporation approved safe harbors will either be excluded from the development cost budget in determining the gap for tax credit underwriting purposes or will be deemed to be paid through a deferred developer fee.

K. Quality Production

The Corporation will require each Taxpayer's Architect to certify that the design and materials used to submit the Estimate and Certificate of Costs with the application satisfy the State's new building code.

L. Extended Use Agreement, Compliance Monitoring and Other Requirements

The Corporation has approved the form of a Tax Credit Regulatory Agreement to be dated as of December 31 of the calendar year immediately preceding the first year of the Credit Period, pursuant to which the Corporation requires the Applicant/Taxpayer to fulfill the commitments and representations made in this Application. An Extended Use Agreement in accordance with the Code and Tax Regulations has been incorporated into the Tax Credit Regulatory Agreement. Upon execution, the Tax Credit Regulatory Agreement must be filed in the mortgage/conveyance records of the Parish within which the Project is located. A separate Compliance Monitoring Agreement also has been approved by the Corporation and must be executed and returned to the Corporation when the Project is placed in service and prior to the Corporation providing Form 8609. The Corporation may impose reporting and record keeping requirements, nondiscrimination regulations, and any other special conditions considered desirable by the Corporation or the U.S. Department of Treasury.

M. Special Requirements for Acquisition/Rehab Projects:

- (i) Audited Financials of Project from Seller: The latest project audit and financials of a project prior to its transfer by the seller to a purchaser applying for Credits must be submitted to verify operating, reserves for replacement and other reserve balances immediately prior to the project's sale to the purchaser.
- (ii) Sales Price with Related Persons in Seller and Purchaser: If there is a related person or IOI person in both the seller and the purchaser, the sale price shall not exceed appraised value without approval by the Corporation. Any reserve balances retained by the seller in an acquisition/rehab of a project having a related person or IOI person in both the seller and the purchaser shall reduce the sales price taken into account for gap analysis purposes in an amount equal to the difference between the appraised value and the sum of the sales price and such seller retained reserves.

N. Return/Reallocation Protocol

Every request for a voluntary credit return/reallocation must be formally submitted in writing. Each voluntary credit return/reallocation request will be evaluated by staff and placed on the upcoming Board agenda for Board consideration. If the request involves any material changes, approval for the material change will be included in the board material package. The LHC Board will be required to provide approval to allocate any credits from the current housing credit ceiling but under the rules of the QAP from which the returned credits were originally allocated.

Analysis

1. Circumstances requiring the return/reallocation –Identify the circumstances requiring the request such as third party involvement, material changes to the project, delays in the project schedule or benchmark dates;
2. Foreseeable circumstances –Identify any measures the developer has taken to prevent or resolve the circumstances, determine whether circumstances resulted from force majeure or circumstances beyond the control of the developer/owner; and
3. Consequences of disapproval –Identify what effects, if any would occur if the request for return/reallocation is not approved, determine what other options are available to the project.

Procedure

1. Staff alerts the Program Administrator of the receipt of any request to voluntarily return a prior year credit in exchange for an allocation from the current housing credit ceiling;
2. If a reprocessing or material change is involved, required application with back-up documents are forwarded to the underwriter;
3. Staff reviews formal requests using the aforementioned factors and provides a project summary to LHC Administration that includes a recommendation to approve or disapprove the voluntary return/reallocation;
4. The voluntary return/reallocation request is included on the upcoming agenda of the Board of Directors. The request to approve any material changes and the return/reallocation will be included in the resolution summary;
5. Outcome of any such request documented in the project file and on the non-closed project report;
6. Taxpayer/owner provided written correspondence advising of the outcome of the request; and
7. Upon approval of a reallocation of credits developer/owners become subject to an award fee equivalent to 5% of the reallocated credits.

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IV. Glossary

ABANDONED UNIT: A unit which has been certified by the Developer/Owner and the local jurisdiction within which the unit is located that the unit is Substandard and has not been occupied for at least one hundred and eighty (180) days or is designated as an LLT unit as of July 31, 2012. Evidence must be submitted with the Application that the local jurisdiction specifically identified the unit and stated that the unit is substandard and has been vacant for at least one hundred and eighty (180) days. The Capital Needs Assessment must indicate that the total value of the combined abandoned units are valued at no less than 10% of the total development costs of the proposed new project.

ABANDONED PROJECT: A project consisting of at least twenty (20) units and in which 100% of the units are Abandoned Units. The Capital Needs Assessment must indicate that the total value of the combined abandoned units are valued at no less than 10% of the total development costs of the proposed new project.

ACCESSIBLE: A site, building, facility or portion thereof that complies with the accessibility requirements of the Fair Housing Act and is handicap adaptable.

ACCESSIBLE UNITS: Units which satisfy Section 504 of the Rehabilitation Act of 1973 and fully meet the handicap accessibility requirements of the Uniform Federal Accessibility Standard.

ACQUISITION COSTS: The actual costs of the buildings on the Property Site prior to rehabilitation of such buildings plus any additional indirect costs of acquiring the buildings.

ACQUISITION COST BASE: The Acquisition Costs exclusive of any Developer Fee or Acquisition Fee.

ACQUISITION FEE: Any fee, other than a broker fee paid to an independent professional broker listing the Project, for arranging the purchase of the building or Project for which tax credits are requested.

ADAPTABLE: The flexibility of certain building spaces to add features or adjust elements in a short time by unskilled labor without structural or material changes to accommodate the needs of persons with different types or degrees of disability. Examples of adaptable features include counter tops or closet rods that are supported by adjustable supports rather than built into the wall at a fixed level.

ADDITIONAL AFFORDABILITY PROJECT: A Project that agrees to have a set aside equal to twenty percent (20%) set asides for households in each of the following income classes:

- (a) at or below twenty percent (20%) or less of the AMI,
- (b) above 20% AMI but less than or equal to thirty percent (30%) of the AMI and
- (c) above 30% AMI but less than or equal to forty percent (40%) of the AMI and
- (d) above 40% AMI but less than or equal to fifty percent (50%) of the AMI.

AFFILIATE: Any corporation, entity, partnership, venture, syndicate, or arrangement in which a local housing authority has an ownership or governance interest of less than a majority either directly or indirectly through one or more subsidiaries.

ADVANCE RESERVATION (FORWARD COMMITMENT): A reservation of credits from a credit ceiling in a calendar year following the competitive funding round in which a project has been evaluated.

AMEC MODEL: The Asset Management Electronic Model to be used for performing Asset Management functions in connection with 1602 or TCAP awarded projects **or in conjunction with annual or quarterly audits for projects that have received an allocation of credits.**

AMENITIES: Equipment and/or facilities which are for the exclusive benefit of the residents and which are not essential to constituting a residential rental unit and which are not being submitted as a

Community Facility. Examples of such amenities are: 1) recreational facilities such as basketball or tennis courts, 2) swimming pools, 3) learning centers, 4) family counseling facilities, 5) gates accessible only with ID or other device and 6) non-essential appliances, e.g.: built-in dishwashers, clothes washers and dryers and microwave ovens. (Air conditioning or heating systems are not considered an amenity). Amenities that are constructed in one phase of a multiple phase project qualify as an amenity in all subsequent phases of such project.

AMI: Area median income as determined by HUD and as may be adjusted by family size.

ANALYSIS FEE: The fee by that name as calculated in accordance with the Non-Refundable Fee Schedule.

APPLICATION CHECKLIST: The form by that name contained in the Application for Tax Credits.

APPLICATION FEE: The fee by that name as calculated in accordance with the Non-Refundable Fee Schedule.

ASSET MANAGER: The Corporation or a third party asset manager selected by the Corporation.

AUDIT INSTRUCTIONS: The instructions to be posted to the LHC's or Corporation's web site and to be used by an independent CPA to submit placed in service and annual audits.

BASELINE OPERATING BUDGET: The budget established for a project during the first year of the Credit Period that is formatted in accordance with the Corporation's Chart of Accounts.

BEDROOM: An area of a unit to be used for sleeping and not primarily for family activities other than sleeping.

BUILDER: The licensed general contractor or any other entity executing a contract with the Developer/Owner to construct and/or rehabilitate a housing unit.

BUILDER OVERHEAD: Portion of a general contractor's expenses necessary to conduct business which directly concerns the Project and may include such items as office rent, fuel, lights, telephone and telegraph, stationery, office supplies, fire and liability insurance for the office, salaries of office employees such as a bookkeeper, social security taxes, public liability insurance, workmen's compensation insurance, and unemployment compensation taxes for office personnel. The allowance does not include salaries of the builder or executives of the builder.

BUILDER PROFIT FEE BASE: The construction hard costs specified in the Estimate and Certificate of Actual Cost which hard costs must be audited by an independent certified public accountant in accordance with generally accepted auditing standards utilizing generally accepted accounting principles and reduced by any General Overhead.

BUILDING: A discrete edifice or other man-made construction consisting of an independent foundation, outer walls and roof.

CAPITAL FUNDS: Funds appropriated to the Local PHA to carry out capital and management activities in accordance with the provisions of Section 9 of the United States Housing Act of 1937, as amended

CAPITAL NEEDS ASSESSMENT: An inspection report of an existing building or project by an architect or engineer conducted in accordance with Fannie Mae's Capital Needs Assessment Guidance to the Property Evaluation which (i) identifies the age and condition of the building or project and related major systems (including climate control equipment, plumbing and fixtures, cooking and other kitchen equipment, roofs, exterior siding and electrical systems), (ii) specifies the required repair and/or rehabilitation of the buildings and systems (including the estimated costs of each) over at least twenty years following the Placed in Service Date, (iii) estimates the useful remaining life of the project and related major systems following their repair, (iv) specifies the minimum amount which must be deposited to the repair and replacement reserve over twenty years to maintain property quality and habitability

standards and (v) either identifies the presence of environmental hazards, such as asbestos, lead paint and mold on the property or contains an Exhibit A Phase I Environmental. Note: No project will be awarded credits if hazardous materials are identified without a hazard mitigation plan submitted with the application and costs accounted for such plan in the project budget. The Capital Needs Assessment cannot not be dated prior to six months of the application due date.

CAPITAL RECOVERY PAYMENT(S): The monthly payments, or, if no cash exists for the payment thereof, the monthly accruals to reimburse the Owner, with interest, for the capital contributions made by Owner.

CAPITALIZED COSTS: The expenditures relating to the acquisition, rehabilitation or construction of a building and any facilities functionally related and subordinate thereto which may be included in the adjusted basis of the building for depreciation.

CARRYOVER ALLOCATION: A commitment by the Corporation following receipt from the Taxpayer of the ten percent (10%) carryover certification of a portion of the current calendar year credit authority to a project that will not be placed in service by the end of the current calendar year. Projects receiving a carryover allocation must be completed and placed in service in accordance with the Project Schedule and not later than two years after receiving a carryover allocation.

CASH FLOW NOTE: Any evidence of indebtedness which is issued or assumed in connection with the acquisition or construction of a building and which (i) is not payable in whole or in part in accordance with a fixed amortization schedule or (ii) is payable in whole or in part only to the extent of profit or the cash flows of the Project.

CDBG FUNDS: Community Development Block Grant Funds.

CHART OF ACCOUNTS: The standard chart of accounts to be posted to the LHC's or the Corporation's website and which will be used to submit annual audits of a project to the LHC or the Corporation.

CHDO: A community housing development organization as defined at 24 CFR Part 92.2 of the Federal Regulations.

CLOSING DATE: The date that title to the Project transfers to the Taxpayer if not previously conveyed to the Taxpayer and date on which the Construction Contract, all financing agreements and final notes are executed and all mortgages are recorded (or, if not actually recorded, delivered to a recordation agent for recording as appropriate title policies are released).

CODE: The Internal Revenue Code of 1986, as amended.

COLLAPSED STATEWIDE POOL: Pool comprised of the balance of remaining funds from any collapsed pool for reservation to unfunded qualifying applications in statewide rank order. Any unfunded projects remaining in a pool, after the pool collapse, will be transferred to the Collapsed Statewide Pool for consideration. The Collapsed Statewide Pool may not be selected as a pool option.

COMMUNITY FACILITIES: Facilities located on the Project Site which are functionally related and subordinate to a Project and which are intended to primarily (not exclusively) benefit tenants of a Project but which are available to neighborhood residents without charge or a fee. Community facilities must be relative to the type of project and number of units and in compliance with locale codes. It must contain at least 15 net square feet for each residential units. It must also have a kitchen or kitchenette that will be available to all residents. Community facilities may not be amenities. If a Project is a phase of a larger development, only the Community Facility identified on the Project Site of the phase may qualify as a Community Facility for that phase only and shall not be qualified for any other phase. **(Excluded from receiving Community Facility Selection Criteria points are Scattered Site Rental Projects on Non-Contiguous Land and all Homeownership Projects including lease-to-own projects.)**

COMMUNITY SERVICE FACILITY: Any facility which is (i) located in a Qualified Census Tract and (ii) designed to serve primarily individuals whose income is sixty percent (60%) or less of area median income within the meaning of section 42(g)(1)(B) of the Code by satisfying the following conditions:

First, the facility must be used to provide services that will improve the quality of life for community residents.

Second, the taxpayer must demonstrate that the services provided at the facility will be appropriate and helpful to individuals in the area of the project whose income is 60 percent or less of area median income. This may, for example, be demonstrated in the market study required to be conducted under §42(m)(1)(A)(iii), or another similar study.

Third, the facility must be located on the same tract of land as one of the buildings that comprises the qualified low-income housing project.

Finally, if fees are charged for services provided, they must be affordable to individuals whose income is 60 percent or less of area median income.

COMPLETION DATE: The last date permitted in the Construction Contract for completing construction and /or rehabilitation.

CONCERTED COMMUNITY REVITALIZATION PLAN: A plan, including measurable and/or tangible objectives, approved by a local governmental unit following a public hearing which describes an area and the incentives and the measures to coordinate and target resources to the area for purposes of redeveloping or revitalizing the area and which identifies the strategies and organizations to implement revitalization.

CONSTRUCTION CONTRACT: The agreement between the Developer and the Contractor for construction and/or rehabilitation of the Project.

CONSTRUCTION DOCUMENTS: Architectural and Engineering drawings and specifications, addenda, change orders and other documents related to the design, construction and completion of a project.

CONSTRUCTION START DATE: The date on which construction work pursuant to a construction contract actually begins.

CONTACT PERSON: The person listed as the Contact Person by the Taxpayer in the Tax Credit Project Summary or such substitute individual specified in writing by the Managing General Partner or Managing Member. The Contact Person may not be a professional who will render any independent and/or unqualified professional opinion to the LHC or the Corporation.

CONTINGENCY FEE: A fee to be earned by a Developer or other professional in consideration of achieving a specified benchmark for earning such fee.

CONSTRUCTION CONTINGENCY: An amount not in excess of the lower of ten percent (10%) of the Hard Cost or such lower amount as may be determined by the LHC or the Corporation as reasonable for the construction or rehabilitation of a project.

CONTRACTOR: The person who is licensed as a general construction contractor by the state and who has executed a construction contract with the Taxpayer.

CONTROL: Having the capacity or the power to designate 25% or more of the board or management of an entity or general partner of a limited partnership.

CONVERSION: The process of rehabilitating a nonresidential building to residential rental use.

CREDIT CEILING: The dollar amount of credits available in a calendar year for allocation by the LHC or the Corporation.

DEBARRED PARTICIPANT: Any developer, person, company, firm, staff or development team member or employee thereof, who (i) is currently debarred, suspended, declared ineligible or is prohibited from participating in any housing program sponsored by any federal agency, local government or instrumentality thereof or (ii) is convicted or pleads guilty to any criminal offense related to the construction, development, ownership, management or operation of a housing development.

DEBARMENT CAUSES: Providing fraudulent documents or committing fraudulent acts, failing to fulfill reasonable LHC or Corporation requests in a prescribed time period following expenditure or use of the LHC or the Corporation resources, or having a controlling ownership interest in a project determined to be in material non-compliance with any federal, state or local requirement related to the development or operation of such project. Other causes may be determined by the LHC or the Corporation to constitute cause for debarment following an appropriate administrative hearing on the record which permits the person subject to sanction an opportunity to contest the facts specified as the debarment cause.

DEBARMENT PROCEDURES: The procedures established by the LHCA or the Corporation pursuant to which the compliance division recommends debarment of a Developer to the LHC's or the Corporation's General Counsel and upon the LHC's or the Corporation's General Counsel's concurrence with such recommendation the Board of Commissioners approve the debarment following an opportunity of the Developer to contest the recommended actions at a public meeting of the Corporation's Board of Directors.

DEBARMENT SANCTION: Includes, but is not limited to, suspension from participation in LHC's or the Corporation programs, cancellation of reservations or commitments, funding of additional escrows, etc. Corporation applied sanctions will be reported to other state, federal or local governments, or instrumentalities thereof.

DEBT SERVICE RATIO: Payments on any amortizing mortgage secured debt divided by the sum of all operating expenses plus Required Reserve Deposit.

DELTA PARISHES: Caldwell, East Carroll, Franklin, Madison, Morehouse, Ouachita, Pointe Coupee, Richland, Tensas, West Carroll.

DEVELOPER: Any person or entity (including persons or entities which constitute Related Persons to such person or entities or have an identity of interest with such person or entity) which owns or develops a Project, including any general partner of a partnership, any Builder related to or having an identity of interest with the person or entity which owns or develops the project and any consultant receiving any fee or compensation to assist in the development of a Project.

DEVELOPER FEE: Any profit, fee or income realized by the Developer in connection with the development of the project as specified in a GAAP Audit and which satisfy the Developer Fee Terms.

DEVELOPER FEE BASE: The Development Costs of a Project reduced by (i) any Acquisition Costs, (ii) any Land Costs, (iii) any payments deemed lease payments for self-owned equipment, (iv) any payments to related persons or to persons with an identity of interest to the Developer, and (v) any Developer Fees (including Builder Profit and Overhead when there is an identity of interest between the Builder and the Developer).

DEVELOPER FEE TERMS: The fees and income of a Developer as may be specified in the Development Services Agreement between a Developer and the Taxpayer which must meet the following requirements and/or include the following information:

- (1) The fee is reasonable and does not exceed the limits on Developer Fees established by the LHC or the Corporation;
- (2) The taxpayer is legally obligated to pay the fee;

- (3) The portions of the fee, if any, allocable to Land Costs, Organizational Costs, Acquisition Costs and Syndication Costs;
- (4) The fee is not paid (or to be paid) by the taxpayer to itself; and
- (5) If the fee is paid (or to be paid) by the taxpayer to a related person, and the taxpayer used the cash method of accounting, the taxpayer could properly accrue the fee under the accrual method of accounting (considering, for example, the rules of section 461(h) of the Code).

DEVELOPMENT COSTS: The costs of acquiring land or buildings or constructing and/or rehabilitating buildings and facilities functionally related and subordinate to such buildings as certified in a GAAP Audit by an independent certified public accountant in accordance with generally accepted auditing standards utilizing generally accepted accounting principles as of the placed in service date of the building or as of the end of the first year of the credit period for the building.

DEVELOPMENT PLAN OF ACTION: A plan of action to redevelop an area defined by a local governmental unit or Qualified Non-Profit organization in accordance with the requirements of Section 42(i)(3)(E) of the Code.

DEVELOPMENT SERVICES AGREEMENT: The agreement(s) with a Developer, including any consultants, evidencing (i) the Developer Fee Terms, including the amount of the Developer Fee and how it's to be paid, (ii) how the Developer Fee will be determined, (iii) who is the Developer and the Developer's relationship to the Taxpayer or to the general partner of the Taxpayer, (iv) the individuals controlling the Developer who are primarily responsible for performing the services of the Developer and (v) the nature of the services to be performed by the Developer.

DEVELOPMENT TEAM: Any party identified in the Application as such or any other party identified who advances funds to the Developer or Taxpayer prior to an allocation.

DHH: The Louisiana State Department of Health and Hospitals.

DIFFICULT DEVELOPMENT AREAS: Areas designated by HUD as an area which has high construction, land, and utility costs relative to area median gross income.

DISABLED HOUSEHOLD: A household composed of one or more persons at least one of whom has: (1) a disability as defined in Section 223 of the Social Security Act or (2) is determined to have a physical or emotional impairment that is expected to be on long-continued and indefinite duration and the impairment substantially impedes his/her ability to live independently, and is of such a nature that such ability could be improved by more suitable housing conditions **OR** (3) has a developmental disability as defined in Section 102 of the Developmental Disability Assistance and Bill of Rights Act.

DISABILITY EQUIPPED UNITS: Units which satisfy Section 504 of the Rehabilitation Act of 1973 and fully meet the handicapped accessibility requirements of the Uniform Federal Accessibility Standard.

DISTRESSED PROPERTY: Any federally-assisted building for which a waiver of the ten year period described in Section 42(d)(2)(B)(ii) is obtained or a building which qualifies for such a waiver but for the building having been last placed in service more than ten years prior to the Application deadline or any project financed by RD and placed in service 15 years or earlier from the Application Deadline which project requires rehab (exclusive of soft and intermediary costs) of \$20,000 or more per unit.

DSS: The Louisiana State Department of Social Services.

ECONOMIC LIFE: The maturity of any debt funded by either HUD or RD; provided that economic life shall not exceed fifty-five (55) years or the period which may be reported for federal income tax purposes as the economic life of a building.

ELDERLY HOUSEHOLD: A household composed of Elderly Persons; provided that a non-Elderly Person may reside in the household only if such household qualifies pursuant to the Fair Housing Act.

ELDERLY PERSON: A person who is 62 years of age or more at the time of initial occupancy.

ELDERLY HOUSING PROJECT: A project included under the Fair Housing Act determined to be Elderly Housing.

ELIGIBLE TARGET POPULATION FOR PERMANENT SUPPORTIVE HOUSING:

- (i) A member of the household has a substantial, long-term disability including but not limited to serious mental illness, addictive disorder, developmental disability, physical, cognitive, or sensory disability or disabling chronic health condition that qualifies them for Medicaid-funded supports and services operated by the DHH program offices for Behavioral Health, Developmental Disabilities or Aging and Adult Services.
- (ii) A household shall be considered to be in need of permanent supportive housing if a member has a physical, mental or emotional impairment which is expected to be of long-continued or indefinite durations, substantially impedes their ability to live independently without supports; and is of such a nature that such ability could be improved by more suitable housing conditions.
- (iii) The household's income is 50% or below of Area Median Income.

EQUITY: Funds which are provided by investors in a project and which are contingent upon the value attributed to the tax benefits generated by ownership of the project.

EXISTING HOUSING: Housing units which have previously been occupied.

EXPENDITURES EXCLUDED FROM ELIGIBLE BASIS:

(A) Items noted in the IRS Audit Guidelines, including Land Costs and the following enumerated items:

- Organization Costs
- Syndication Costs
- Bridge loan interest and origination fees
- Permanent loan credit enhancement, origination fees and closing costs
- Reserves required by the lender
- Marketing/advertising
- Compliance fees

(B) Items noted in Internal Revenue Service National Office Technical Advice Memorandums Nos. 100727-00; 100740-00; 100743-00; 100745-00; and 100748-00; including the following:

- Developer Fees Allocated to Land
- Unused Construction Contingency
- Rent up Costs
- Local Impact Fees (See "C" below which reverses this treatment)
- Landscaping not affected by replacement of building and considered inextricably associated with the land
- Surveys not used to determine if improvements can be built on site
- Bond Issuance Costs
- Partnership Syndication and Formation

(C) Revenue Ruling 2002-9 now requires impact fees incurred by developer of residential rental building to be capitalized under Section 263A as indirect costs allocable to the building.

EXTREMELY LOW INCOME HOUSEHOLDS: Households in which the household income at initial occupancy is thirty percent (30%) or less of area median income.

FACILITY: A least consisting of a building commensurate with the activities to take place or the services to be provided therein.

FEDERAL HOUSING ACT: The United States Housing Act of 1937, as amended through April 1, 2005.

FEDERALLY ASSISTED BUILDING: Any building which is substantially assisted, financed or operated under Section 8 of the United States Housing Act of 1937, Section 221(d)(3), 221(d)(4) or 236 of the National Housing Act, Section 515 of the Housing Act of 1949, or any other housing program administered by the Department of Housing and Urban Development or by Rural Housing Service of the Department of Agriculture.

FEDERALLY SUBSIDIZED BUILDINGS: Federally Subsidized Buildings are only buildings financed with tax-exempt bonds under Section 103 of the Code. Any below market Federal loan will not cause a building to be Federally Subsidized.

FHA LIMITS: The 203(b) limits for FHA insurance of single family housing as published by HUD.

FINAL ALLOCATION: The mailing of Form 8609 to the Taxpayer. The Corporation must adjust the amount of tax credits specified in a reservation or a carryover allocation based upon the feasibility/viability review and subsidy layering review as of the project's placed in service date.

FINANCING CERTIFICATION: A certification by the Taxpayer on the form provided by the LHC or the Corporation which specifies among other matters (a) Sources of Funds for a Project, (b) Syndication Information, (c) Subsidies provided to a Project and (d) amounts allocated to various development costs as of Application, reservation and placed in service dates.

FLEXIBLE FUNDS: Funds made available by or through the Louisiana Housing Corporation that do not impose either rent or occupancy restriction on any units other than Maximum Low-Income Units.

FOSTER PARENT HOUSEHOLD: A household providing shelter to an unrelated child who was assigned for foster parenting to such household by the Department of Social Services.

FRAIL ELDERLY: An elderly person with at least one impairment in *Activities of Daily Living* and/or multiple impairments in instrumental *Activities of Daily Living* as determined by DSS/DHH or the DHH/DSS.

GAAP AUDIT: An audit in accordance with generally accepted auditing standards performed by an independent certified public accountant using the LHC's or the Corporation Chart of Accounts:

- I. At Placed in Service Date: At a minimum a GAAP Audit as of a project's placed in service date must contain:
 - (a) an audit of the certificate of actual cost in accordance with generally accepted auditing standards utilizing generally accepted accounting principles evidencing no line item with a "to be paid" amount in excess of five percent (5%) of such line item;
 - (b) an audit of the sources and uses through the Placed in Service Date of a project specifying separately (i) uses to be included in eligible basis, (ii) land costs and costs properly capitalizable to land, (iii) Acquisition Costs, (iv) Organizational Costs, (v) Syndication Cost paid by the Taxpayer and (vi) Developer Fees which are properly allocable to (iii), (iv) and (v);
 - (c) an identification of all identities of interest and related persons to the Taxpayer receiving payment from the Taxpayer; and

- (d) an identification of all subcontractors owned in whole or in part by employees of the developer or the contractor and a statement of the percentage of construction costs subcontracted to a subcontractor.

II. Annual Audit: At a minimum a project's annual audit must (i) identify all transactions involving related persons, (ii) distinguish operating expenditures from capital expenditures and (iii) specify Surplus Cash.

GENERAL REQUIREMENT BASE: Hard cost plus bond premium and miscellaneous fees paid by contractor.

GENERAL REQUIREMENTS: The actual costs for those items incurred in the construction of a Project and directly pertaining to the Project, excluding amounts paid to the Contractor or Developer which may be characterized as Overhead.

GOVERNMENTAL ASSISTANCE: Includes any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit tax benefit, or any other form of direct or indirect assistance from the Federal, State or local government for use in, or in connection with, a specific housing project.

GREEN BUILDING: A building that meets one of the following criteria:

(A) LEED Criteria: Building design and construction emphasizing sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality that achieves the points necessary to qualify as LEED Certified (a minimum of 26 points under the LEED Green Building Rating System® for lodging). The LEED (Leadership in Energy and Environmental Design) Green Building Rating System® is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings created by the US Green Building Council. See the LEED-NC (New Construction) Application Guide for Lodging. For existing buildings, see LEED-EB (Existing Buildings).

(B) Green Communities Criteria: Built according to the Green Communities Criteria, the first national framework for healthy, efficient, environmentally smart affordable homes. To achieve Enterprise Green Communities Certification under the 2011 Criteria, all projects must achieve compliance with the Criteria mandatory measures applicable to that construction type. Additionally, New Construction projects must achieve 35 optional points, and Substantial and Moderate Rehab projects must achieve 30 optional points. For the full criteria and online certification process visit <http://www.greencommunitiesonline.org>

(C) National Green Building Standard ICC 700 Criteria: Built in accordance with the requirements of National Green Building Standard ICC-700-2008.

GROCERY STORE: A full scale store or market that stocks perishable (including but not limited to fresh meat, milk and eggs), produce and vegetables.

GROSS EQUITY: The nominal dollar amount invested in the Taxpayer by the Syndicator.

GUSTAV DESIGNATED DISASTER AREAS: Louisiana – Acadia, Allen, Ascension, Assumption, Avoyelles, Beauregard, Calcasieu, Cameron, Catahoula, Concordia, East Baton Rouge, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jefferson Davis, Jefferson, La Salle, Lafayette, Lafourche, Livingston, Madison, Morehouse, Orleans, Ouachita, Plaquemines, Pointe Coupee, Rapides, Richland, Sabine, Saint Bernard, Saint Charles, Saint Helena, Saint James, Saint John the Baptist, Saint Landry, Saint Martin, Saint Mary, Saint Tammany, Tangipahoa, Tensas, Terrebonne, Union, Vermillion, Vernon, Washington West Baton Rouge, West Carroll, West Feliciana and Winn Parishes.

HABITABILITY STANDARDS: The Physical Conditions Standards promulgated in HUD Regulations at 24 CFR 5.703, including the major areas of housing: the site, the building exterior, the building systems, the dwelling units, the common areas and health and safety conditions.

HARD COSTS: Costs of constructing or renovating a project as evidenced in the Estimate and Certificate of Actual Costs reduced by any amount which reduces the Builder Fee Base. Hard Costs do not include Acquisition Costs, Builder Profit, Builder Overhead, Developer Fees or Soft Costs (such as architectural, engineering, consultant, legal fees, etc).

HISTORIC REHABILITATION CREDIT: Tax Credits authorized to be taken by a Taxpayer for the rehabilitation of an historic property in accordance with the requirements of Section 38 of the Code.

HISTORIC PROPERTY: Property designated as historic by the State Historic Preservation Office SHPO or local governmental historic commission renovated in accordance with the Secretary of the Interior's Standards for Historic Rehabilitation. A property located in a historic district that does not qualify as historic either individually or collectively by SHPO does not meet the requirement of a historic rehab.

HOMELESS PERSON/HOUSEHOLD: A Person or household sleeping in a place not meant for human habitation or in an emergency shelter; and a person or household in transitional housing for homeless persons who originally came from the street or an emergency shelter.

HOMEOWNERSHIP PROJECT: Project consisting of townhouses, duplexes with firewalls or buildings with not more than one unit per building. Applicants for Homeownership Projects must execute the LHC's or the Corporation's form of an **Option to Purchase and Right of First Refusal Agreement** which provides to an individual tenant the option to purchase a unit at the Minimum Purchase Price. **No points will be awarded for Community Facilities located in a Homeownership Project.**

HOUSEHOLDS IN POVERTY: Households at or below the most recent Poverty Threshold as determined by the U.S. Census Bureau.

HOUSEHOLDS WITH LONG TERM DISABILITY: A household in which a household member has Substantial Long Term Disability.

HOUSING NEEDS ASSESSMENT: The current assessment of the State's housing posted on the LHC's or the Corporation's website at www.lhc.la.gov.

HUD: The U.S. Department of Housing and Urban Development.

HURRICANE DISPLACED HOUSEHOLD: A household displaced from its principal residence and living in a homeless shelter or other temporary housing as a result of Hurricane Katrina or Rita.

IDENTITY OF INTEREST: An identity of interest is construed to exist when:

- (i) There is any financial interest of the Developer or Taxpayer in the Builder or any financial interest of the Builder in the Developer or Taxpayer.
- (ii) Any officer, director or stockholder or partner of the Developer or Taxpayer who is also an officer, director or stockholder or partner of the Builder.
- (iii) Any officer, director, stockholder or partner of the Developer or Taxpayer has any financial interest in the Builder; or any officer, director, stockholder or partner of the Builder has any financial interest in the Developer or Taxpayer.
- (iv) The Developer or Taxpayer advances any funds to the Builder.
- (v) The Developer or Taxpayer supplies and pays, on behalf of the Builder, the cost of any architectural services or engineering services other than those of a surveyor, general

superintendent, or engineer employed by a Developer or Taxpayer in connection with its obligations under the construction contract.

(vi) The Developer or Taxpayer takes stock or any interest in the Builder compensation as consideration of payment.

(vii) There exists or comes into being any side deals, arrangements, contracts or undertakings entered into or contemplated, thereby altering, amending, or canceling any of the required closing documents, except as approved by the LHC or the Corporation.

(viii) Any relationship (e.g., family) existing which would give the Builder or Developer or Taxpayer control or influence over the price of the contract or the price paid to any subcontractor, material supplier or lessor of equipment.

(ix) Any member of the Development Team advances any funds to the Developer or Taxpayer at any point prior to an allocation.

For purposes of determining an identity of interest between parties not identified in (i) through (ix), such parties will be identified as either the Developer and Taxpayer or the Contractor as appropriate to establish the identity of interest.

IKE DESIGNATED DISASTER AREAS: Louisiana - Acadia, Allen, Beauregard, Calcasieu, Cameron, Iberia, Jefferson, Jefferson Davis, Lafourche, Livingston, Orleans, Plaquemines, Sabine, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion, and Vernon Parishes.

INCOME QUALIFIED RENTER DEMAND: Number of households projected to be at 60% or less of area median income which can afford to pay the rent proposed at subject project provided such rent does not exceed 30% of their household income.

INCREASE IN CREDIT FOR CERTAIN STATE DESIGNATED BUILDINGS: Except with respect to a building financed with tax-exempt bonds under Section 103 of the Code, buildings may be designated by the LHC or the Corporation as located in a difficult development area and as requiring an increase in credit in order for such building to be financially feasible as part of a qualified low-income housing project.

INDEPENDENT QUALIFIED HOUSING CONSULTANT: A disinterested professional housing consultant who has no identity of interest with any Builder or Developer participating in the Housing Tax Credit Program in any state and who by virtue of academic training, licensing and/or experience is a recognized expert skilled in the requirements of conducting a market survey and demand study.

INFILL PROJECT: A project that includes the development of vacant or underused parcels of land within existing urban areas that are already largely developed or previously developed. The site must be surrounded on at least two sides with adjacent established development (residential or commercial). Agricultural land does not qualify as infill.

IREM: Institute for Real Estate Management.

LAND COSTS: The purchase price related to the purchase of undeveloped land plus the following additional costs:

- excavating and earth-moving expenses
- finders/brokerage fees for assistance in acquiring title to land
- costs for excavation of water retention ponds
- cost of land surveys
- unpaid back real estate taxes and similar assumed costs
- legal and professional fees related to the acquisition of land
- environmental impact tests and perk tests

provided, however that the purchase price of land shall not include any appreciated value above the price paid for such land by the Developer or by any other entity related to the Developer or by any entity in

which the Developer had an ownership interest within the ten (10) year period immediately preceding the sale of the land to the Taxpayer.

LARGE FAMILY HOUSEHOLD: A household with at least five persons at initial occupancy of a unit.

LEED: The acronym for Leadership in Energy and Environmental Design.

LHC: The Louisiana Housing Corporation.

LIQUOR STORE: A store that sells alcoholic beverages (including but not limited to beer, wine and spirits) for consumption elsewhere and such sales make up 50% or more of the store's inventory.

LLT: Louisiana Land Trust.

LLT Unit: Is a property owned by LLT or a LLT property transferred to another public entity and has not been redeveloped.

LOCAL GOVERNMENT: The Governing authority of a parish or local governmental unit as referenced in the Louisiana Constitution of 1974.

LOCAL GOVERNMENTAL SUPPORT: Project has local governmental support as evidenced by (i) a commitment letter on official letterhead signed by the chief elected official of the Local Government in which the project is located or (ii) fully executed City Proclamation in support of the project executed by the majority members of the Local Government or (iii) a certified resolution of the governing authority of the Local Government in support of the Project.

LOCAL NON-PROFIT SPONSOR: A 501(c)(3) or 501(c)(4) organization in which not more than fifteen percent (15%) of the members of the governing board are domiciled outside the service area of the non-profit and at least seventy-five percent (75%) of the governing board are domiciled within the Project's Market Area or is a State certified Community Housing Development Organization ("CHDO") with a service area encompassing the Project's market area.

LOCAL PARTICIPATING JURISDICTION (LOCAL PJ): One of any governmental unit or consortium of governmental units receiving HOME Funds directly from HUD and which is not a state recipient.

LOCAL PHA: A local public housing authority organized and existing under the State's Housing Authorities Law at Chapter 30 of Title 40 of the Louisiana Revised Statutes of 1950, as amended.

LOUISIANA DEVELOPER: Any Managing General Partner or Sponsor who submits evidence of having filed Louisiana tax return (Form 990 in the case of a Non-profit) in the two calendar years preceding the year in which an Application for tax credits is submitted, or if no return was required to be filed for the two (2) calendar years preceding the year in which an application for tax credits is submitted, then a CPA's statement to that effect is required.

LOW INCOME UNIT: A low-income unit as defined in Section 42(i)(3) of the Code.

LRA: The Louisiana Recovery Authority.

MANAGING GENERAL PARTNER: The entity or individual(s) that controls or owns all of an entity which is designated in the Application as the managing general partner or the primary sponsor/operator of the Project.

MARKET AREA: An area referenced on a map included with the Market Study and certified by the Independent Qualified Housing Consultant to be an appropriate market area to be served by the project in view of geographic and other barriers and demographic and mobility factors for low income households at or below 60% of AMI.

MARKET STUDY: An analysis performed by an Independent Qualified Housing Consultant which evidences demand for the proposed market matrix of a project, including demand capture rate at the subject property by bedroom type and which further the housing needs of the Targeted Households, Large Families, Tenants with children and Special Needs Households if the Project serves Special Needs Households.

MATERIAL CHANGE: Notwithstanding the provisions of any prior Qualified Allocation Plan, a material change for any project, including projects receiving an allocation from a prior calendar year credit Housing Credit Ceiling, shall mean any reprocessing change which results (i) in the project deemed not feasible or not viable or (ii) a reduction of points from the Selection Criteria below the minimum score or below the score of the highest ranked project on the waiting list for the year in which the credits were allocated. Any change caused by force majeure or circumstances beyond the control of an Owner will not be a material change if the Corporation's Board of Directors concurs that such change was beyond the control of the Owner. The Corporation also considers the following to be material changes:

- Removal of any managing general partner;
- Bankruptcy of any managing general partner;
- Deletion or change of resident amenities and/or services such as activity centers, children centers, community centers, computer rooms, laundry rooms, etc.;
- Changes in residential unit design that increases or decreases by 10% or greater the number of units, unit mix, square footage of each unit, etc.;
- A 10% or greater change in the total number of structures;
- Change in the type and quality of construction materials, as well as mechanical and/or electrical systems that result in a 10% or greater change of the total construction cost;
- Delays in project schedule or benchmark dates in excess of 180 days, and,
- Notwithstanding the foregoing, any change that a reasonable man would determine to materially change the project.

MATERIAL PARTICIPATION: Having an ownership interest other than a passive ownership interest and which participation is regular, continuous and substantial.

MILITARY IMPACT AREA: Generally a small or medium size metropolitan housing market area or a remote or isolated non-metropolitan area where:

1. Military-connected households comprise 25 percent or more of the total households in the market area. Military-connected households include active duty military personnel, civilian employees of the military service (Department of Defense) or other Federal Corporation at or in support of the installation, and employees of contractors and sub-contractors directly associated with the military installation and their dependents. Unaccompanied active duty military personnel housed in military-controlled group quarters housing (barracks, BOQ's) are excluded; and
2. The Department of Economic Development has expressed written concern about the continued stability of the current level of military strength and mission at the installation based on the absence of suitable affordable housing, or public announcement from the Department of Defense or the military service, advise that the stability of the military installation is at risk because of the absence of affordable housing.

MINIMUM RESERVE BALANCE: At least 1/6 of the largest annual deposit to Reserves for Replacement and Repair.

MINIMUM REHABILITATION EXPENDITURE REQUIREMENTS: The minimum rehabilitation expenditure during a twenty-four (24) month period required to qualify as a new building or to qualify an existing building for acquisition credits has been increased to the greater of (i) twenty percent (20.0%) of the adjusted basis of a building or (ii) \$6,000 if the qualified basis attributed to such rehabilitation expenditures when divided by the number of low-income units in the building is \$6,000 or more.

MINIMUM PURCHASE PRICE: An amount equal to the sum of (i) the principal amount of outstanding indebtedness secured by the building (other than indebtedness incurred in the five year period ending on the date of the sale to the tenants) and (ii) all Federal, State and local taxes attributable to such sale. Except in the case of Federal income taxes, these shall not be taken into account under clause (ii) any additional tax attributable to the Application of clause (ii).

MIXED FINANCE PROJECT: A project described in Section 35(d) of the Federal Housing Act that is financially assisted with private resources in addition to amounts provided under the Federal Housing Act.

MIXED OCCUPANCY PROJECT: A Project involving the occupancy of units by Special Needs Households and the occupancy of units by households which are not Special Needs Households.

MIXED USE BUILDING: A building consisting of units available for residential rental use and other property the use of which is not related to residential rental use, e.g., commercial office space, owner-occupied residences, etc.

NEIGHBORHOOD IMPACT: With respect to a clearly defined neighborhood described on a map outlining such neighborhood, either (i) the construction of at least one hundred (100) new residential units or (ii) the demolition of at least fifty (50) functionally obsolete residential units and the construction and/or reconstruction of not less than fifty (50) residential housing units.

NEIGHBORHOOD NETWORK: A multi-service community learning center located in a *facility* of a Project promoting self-sufficiency by (i) improving computer access for tenants, (ii) advancing literacy, (iii) preparing residents to take advantage of employment opportunities and (iv) providing access to healthcare information and other social services.

NEIGHBORHOOD NETWORK FUNDING: Financial commitments or funding evident in the operating pro forma of a Project committed to providing a Neighborhood Network that includes (i) a business plan for staffing, technical support, and ongoing funding, and a strategy for achieving ongoing partnerships with other neighborhood, community, or educational groups, (ii) the location and size of the space to be used for the *facility* to be used as a Neighborhood Network, (iii) an estimate of the number and percentage of residents who will benefit directly from the services of the Neighborhood Network and (iv) a detailed estimate of the center's initial cost and ongoing operating expenses.

NET EQUITY: The Gross Equity invested in the Taxpayer as discounted and compounded to the placed in service date.

NEW CONSTRUCTION: Housing units which have not previously been occupied.

NON-FEDERALLY SUBSIDIZED NEW BUILDINGS: Any new building placed in service by a taxpayer before December 31, 2013 and which is not federally subsidized qualifies for a credit percentage not less than nine percent (9.0%).

OCD: The Office of Community Development in the Office of the Governor.

OCAF: Operating Cost Adjustment Factor published annually for the State of Louisiana.

ON-SITE SECURITY: Twenty-four (24) hour on-site security through the use of cameras, security gate or on-site personnel in an official capacity as a professional security guard. Security personnel may be uniformed or non-uniformed.

OPTION TO PURCHASE AND RIGHT OF FIRST REFUSAL AGREEMENT: The Agreement by that name attached as an Appendix to the Application.

ORGANIZATIONAL COSTS: Costs of organizing the Taxpayer, including the legal and accounting costs necessary to organize the Taxpayer and facilitate the filings of the necessary legal and other regulatory paperwork at the state and national level are of a character which, if expended incident to the creation of

the taxpayer having an ascertainable life, would (but for Section 709(a) of the Code) be amortized over such life.

OWNER OCCUPIED BUILDING: A Building containing more than one but less than five units in which one of the units is occupied by the owner of such unit and which is located in an area in which the local governmental unit has approved by a Development Plan of Action.

PAYMENT STANDARD: One of the following standards of payment selected by the Taxpayer in connection with a Low Income Unit occupied by an Extremely Low Income Household: (a) 50% AMI, (b) 55% AMI or (c) 60% AMI.

PERMANENT SUPPORTIVE HOUSING: Housing that is (i) safe and secure, (ii) affordable to the eligible target population (as defined under “Eligible Target Population for Permanent Supportive Housing” in this glossary, (iii) permanent, with continued occupancy as long as the eligible target population pays the rent and complies with the terms of the lease or applicable landlord/tenant laws in the State of Louisiana and (iv) linked with supportive services that are flexible and responsive to the needs of the individual, available when needed by the eligible target population and accessible where the tenant lives, if necessary.

PHA REFERRAL AGREEMENT: The executed form of the PHA Referral Agreement attached as an Appendix to the Application.

PHYSICAL CONDITION STANDARDS: HUD Standards for housing which is decent, safe, sanitary and in good repair.

PLACED IN SERVICE DATE: The date on which the first unit in building of the Project is available for occupancy in accordance with the requirements of the Code and the local jurisdiction within which the Project is located. For rehabilitations which qualify as a separate new building, such date occurs at the end of the 24 month period over which such expenditures are aggregated.

POVERTY CENSUS TRACT: Census tract in which the percentage of Households in Poverty exceed 15% of the total households of such census tract.

PRESERVATION PROPERTY: Is project that previously received credits but is at end of compliance period.

PRIORITY HUD REHABILITATION PROJECT: A project in which the mortgage is either FHA insured or HUD held and which receives a Project Based Subsidy or is subject to occupancy restrictions which are as restrictive as the restrictions applicable to a Low Income Unit.

PRIORITY NEIGHBORHOOD SUPPORTED PROJECT: A project that is specifically identified to be constructed, reconstructed, or rehabilitated in a neighborhood plan consistent with the LRA Local Planning Process.

PRIORITY ELDERLY REHABILITATION PROJECT: A project (i) that was substantially damaged or destroyed by Hurricane Katrina or Rita, (ii) in which one hundred percent of the units were occupied by elderly or disabled residents and received a *Project Based Subsidy* that has been abated but may be reinstated or moved to another site if the Priority Elderly Rehabilitation Project is rehabilitated or relocated, (iii) cannot be restored or reconstructed with the proceeds of insurance claims alone, according to the capital needs assessment and (iv) currently in financial default.

PRIORITY STRATEGIC PROJECT: A Priority Elderly Rehabilitation Project, a Priority HUD Rehabilitation Project or a Strategic Priority Project.

PROJECT: At least one building together with any facilities functionally related and subordinate on a Project Site. Multiple buildings are part of the same project only if such buildings:

- (i) Have similarly constructed units;

- (ii) Are proximate, i.e., located on a single tract of land; and
- (iii) Are owned by the same person and are financed pursuant to a common plan.

PROJECT BASED SUBSIDY: Projects receiving operating subsidies based upon either (i) Section 8 project based assistance contract, (ii) rental assistance from RD or (iii) other operating subsidies in connection with housing supported under the Stewart McKinsey Act and (iv) Project Rental Assistance (PRACs), (v) Annual Contribution Contract (ACC) subsidies or other such operating subsidies in connection with a Federal or State operated program.

PROJECT SCHEDULE: A schedule required to enumerate the activities and the timelines or deadlines for completing such activities and placing the project in service. At a minimum, the Project Schedule shall evidence the Closing Date and Construction Start Date following benchmark dates:

- (i) date that expenditure of ten percent (10%) of Project's Total Development Costs is to be achieved,
- (ii) date that final zoning will be approved,
- (iii) date that land and buildings are to be purchased,
- (iv) date that environmental clearance will be obtained,
- (v) date constituting the Closing Date,
- (vi) date that building permits will be obtained,
- (vii) date that constitutes the Construction Start Date,
- (viii) date that ten percent (10%) of construction will be complete,
- (ix) date that fifty percent (50%) of construction will be complete,
- (x) date that ninety percent (90%) of construction will be complete,
- (xi) date that project will receive certificates of occupancy and be placed in service and
- (xii) date for submitting the audited cost certifications.

PROJECT SITE OR PROPERTY SITE: The legal description of the land on which the Project is located as submitted in an Application on or before the Application Deadline.

PSH: Permanent Supportive Housing.

PUBLIC HOUSING AGENCY PROJECT: A project that includes a signed self certification form dated not earlier than 60 days of the application submission which verifies that a PHA is sponsoring and developing the project referenced in the application. The PHA must have at least 51% controlling interest in the General Partner of a Limited Partnership or Managing Member of a Limited Liability Company and receive at least 51% of the developer fee. The application must contain the current project specific certification signed by both the developer/taxpayer and the PHA.

QUALIFIED CENSUS TRACT: Any census tract which is designated by HUD in which either 50% or more of the households have an income which is less than 60% of the area median gross income or which has a poverty rate of at least 25 percent (25%).

QUALIFIED NON-PROFIT ORGANIZATION: An organization (i) described in paragraph (3) or (4) of Section 501(c) of the Code, (ii) exempt from tax under Section 501(a) of the Code, (iii) determined by the LHC or the Corporation not to be affiliated with or controlled by a for-profit organization and (iv) one of the exempt purposes of such organization includes the fostering of low-income housing.

QUALIFIED PURCHASE CONTRACT: A contract defined in Section 42(h)(6)(F) of the Internal Revenue Code.

QUALIFIED REHABILITATION EXPENDITURE: Rehabilitation costs incurred within any 24 month period selected by the building owner and which are allocable to or substantially benefit one or more low-income units in a building and in which the hard costs of such rehabilitation equal or exceed the greater of \$6,000 per low-income unit in the building or twenty percent (20%) of the adjusted basis of the building.

RD: Means the Rural Development division of the U.S. Department of Agriculture.

RD PROJECT: Any existing project financed by United States Department of Agriculture Rural Development under Section 520 of the Housing Act of 1949.

REASONABLE MAN STANDARD: Standard in which a prudent person would have acted or would have been expected to have acted, based upon all objective facts and circumstances, in the same manner.

REDEVELOPMENT AREA: An area or areas within Qualified Census Tracts which is specified by a local governmental unit as requiring revitalization and within which the local governmental unit provides incentives and/or resources amounting to or valued at five percent (5.0%) of Total Development Costs on a priority basis in order to promote redevelopment pursuant to a Concerted Community Revitalization Plan.

REDEVELOPMENT PROJECT: A Project which is (i) a Distressed Property, (ii) Redevelopment Property, (iii) Owner-Occupied Property covered by a Development Plan of Action, or (iv) Urban Redevelopment Property.

REDEVELOPMENT PROPERTIES: A Project located in a Redevelopment Area.

RELATED PERSON: Any person bearing a relationship to such person as specified in sections 267(b) or 707(b)(1) of the Code, or if the persons for whom a relationship is being determined are engaged in trades or businesses under common control (within the meaning of subsections (a) and (b) of section 52 of the Code.

RENT UP/LEASE COSTS: Costs, such as advertising, sample unit costs, on site rental managers and staff and initial rental costs, necessary to fully rent a low-income building which may be amortized over the period necessary to rent all units, (e.g. 24 or 36 months).

REPROCESSING CHANGE: Any change other than a material change relating to (i) adjustments of sources or uses of funds greater 5% but less than 10%, (ii) increases or decreases in the number of units, unit mix, square footage, etc. greater than 5% but less than 10%, (iii) increases or decreases in the number of buildings greater than 5% but less than 10%, (iv) an applicant's inability to comply with the project schedule proposed in the Application by more than three months in any element of the Project and (v) any increase in the interest rate of long term debt required to complete the Project.

REPROCESSING FEE: The fee by that name calculated in accordance with the Non-Refundable Fee Schedule.

REQUIRED EXHIBITS: The Exhibits and/or Appendices specified as Required Exhibits in the Application and does not include the Exhibits and/or Appendices to support Selection Criteria items.

REQUIRED RESERVE DEPOSIT: For new construction, assume \$250 per unit per year. For projects other than new construction assume \$300 per unit per year or the amount specified in Capital Needs Assessment required to be deposited to Reserves for Replacement. Notwithstanding the foregoing, if HUD and RD finance the first mortgage, the annual deposit to the Reserves for Replacement may be determined in accordance with HUD or RD policies or regulations. Deposits to the Reserves for Replacement will be regulated and monitored in accordance with the Tax Credit Regulatory Agreement.

RESERVATION: An agreement on the part of the Corporation to allocate tax credits at a future date to a Taxpayer, subject to the Taxpayer satisfying the elements of the Qualified Allocation Plan and all conditions established by the Corporation with respect to the submission of all documents and information required by the Corporation prior to the delivery of Form 8609 to the Taxpayer.

RESERVES FOR REPLACEMENT: A special reserve to be established for each project from which the costs of replacement and repair of the project is to be funded.

RESIDENT MANAGER UNIT: The unit occupied by a full-time resident manager in the project.

REVITALIZATION: To impart new life or vigor for the purpose of redeveloping an area.

RURAL AREA PROJECT: Any area outside the corporate limits of the following 10 Louisiana cities: New Orleans, Baton Rouge, Shreveport, Lafayette, Lake Charles, Kenner, Bossier City, Monroe, Alexandria, and Houma.

(RURAL PROJECT: Omitted)

SCATTERED SITE PROJECT: A project consisting of buildings containing housing units in which all such units are rent restricted provided that each building is located on a single lot which is subdivided by the local jurisdiction and for which an option to purchase separately may be executed and further provided that a single building may not contain more than two (2) housing units. Evidence of a Scattered Site Project must consist of a subdivision plot or proposed subdivision plot evidencing separate lots for each building. If a Scattered Site Project is located on non-contiguous land, no points will be awarded for Community Facilities.

SERVICES: Benefits made available to the tenants of a Project.

SINGLE PARENT HOUSEHOLD: A household with children in which the parent or guardian of such children resides in the household and in which no other adult resides in such household at initial occupancy.

SITE CHANGE: Except with respect to the substitution of lots in a scattered site project, any change resulting in the change of the project's site location to a different tract of land. Any such change will automatically cancel any reservation, commitment or allocation of tax credits to such Project.

SMALL PROJECT: A project in which the total number of units do not exceed thirty (30) units.

SMO: Statewide Management Organization designated by DHH for the management of supportive services for Permanent Supportive Housing.

SPECIAL NEEDS HOUSEHOLD: A household which constitutes a Single Parent Household, Large Family Household, a Foster Parent Household, an Elderly Household, a Disabled Household or a Homeless Household.

SPECIAL NEEDS PROJECTS: A Project in which at least twenty-five percent (25%) of the units are set aside for Special Needs Households in accordance with the Tax Credit Regulatory Agreement; provided, however, that a Special Needs Project constituting an Elderly Project must satisfy the requirements of the Fair Housing Act.

SPONSOR: The person(s) owning one hundred percent (100%) of the interests in and who controls the Managing General Partner or Managing Member. A non-profit organization may sponsor another non-profit organization or a for-profit subsidiary entity only if such non-profit sponsor is legally entitled to designate all board members of the sponsored non-profit and/or owns 100% of the stock or ownership interest in the subsidiary as evidenced in the articles of incorporation of the sponsored non-profit or the subsidiary's articles of organization. As this paragraph pertains to PHA's, the PHA must be receiving an Annual Contribution Contract from HUD.

SRO: A Project of single room occupancy providing Supportive Services in dwelling units that do not contain bathrooms or kitchen facilities and are appropriate for use as Supportive Housing.

STAND-ALONE NON-PROFIT: A 501(c)(3) or 501(c)(4) organization or for-profit wholly-owned subsidiary of such organization which serves as the sole general partner of a limited partnership owning a project or the sole and exclusive manager of an LLC which owns the project. The managing agreement must be submitted with Application for LLC-owned projects.

STATE ASSISTED BUILDING: Any building which is substantially assisted, financed or operated under any State law similar in purpose to any of the laws referred to in the definition of Federally-Assisted Building.

STORM WINDOWS: double paned, double insulated windows.

STUCCO: A durable finish for exterior walls, usually composed of cement, sand, and lime, and applied while wet.

SUBSIDIARY: Any corporation, entity, partnership, venture, syndicate, or arrangement in which a local housing authority receiving an Annual Contribution Contract shall participate by holding a 100% ownership interest or participating in its governance, in which commissioners, officers, employees, and agents of such authority constitute a majority of the governing body of such entity.

SUBSTANDARD: Any housing unit which does not satisfy the Habitability Standards and requires Substantial Rehabilitation.

SUBSTANTIAL REHABILITATION: Any rehabilitation in which Hard Costs equal or exceed \$20,000 per unit.

SUPPORTIVE HOUSING: Housing designed to meet the special needs of the targeted special needs households occupying the housing and providing Supportive Services targeted to such special needs households.

SUPPORTIVE SERVICES FOR PSH: The range of services tailored to the needs of the category or categories of persons with special needs occupying housing in which such services are provided. The intensity of services delivered may vary based on the target population and individual needs but, for typical individuals would include an intensive service mix covering these types of services:

- Outreach and engagement
- Support in accessing housing (including assistance with applications, arranging for utilities and arranging for relocation)
- Crisis prevention and intervention
- Support in acquiring skills and knowledge for community living including acquiring benefits and money management
- Providing opportunities for social support and peer support
- Advocacy, clinical case management, clinical interventions
- Facilitating arrangement for child care
- Service Coordination including services of a tenant services liaison
- Arranging access for acute and emergency care
- Mental health and substance abuse treatment
- Linkage to education and employment
- Arranging access to transportation and

SUPPORTIVE SERVICES FOR SPECIAL HOUSEHOLDS TYPES OTHER THAN PSH: The range of services tailored to the needs of the category or categories of persons with special needs occupying housing in which such services are provided. The costs of Supportive Services must be specified in the Application and separately identified as an expense item in the operating pro-forma or must be provided by a governmental or non-profit Corporation which evidences in writing a commitment to provide supportive services to special needs households in the Project without charge. For purposes of this definition, Supportive Services are presumed to be provided if such services qualify under HUD Regulations and if HUD informs the Corporation in writing that services evidenced in the Application qualify under HUD regulations. Supportive Services must be provided for a period commencing at the placed in service date of a project and ending not earlier than the end of the tax credit compliance period for a project. A description of Supportive Services must contain minimum supportive services required under HUD regulations for such special needs group and may include:

- Daycare
- After-school programs
- Financial and budgeting seminars

- Job training
- Homebuyer training and seminars
- Supervised recreational activities for children
- Transportation to seminars
- Preventive health care programs/health screening on a regular basis
- Transportation to facilitate access to social services, doctors, shopping
- Computer labs/internet hookup and/or tutors
- Library
- Dry-cleaning and/or laundry
- Grocery pickup and/or delivery
- Continuing education
- Information and senior counseling
- Homemaker/housekeeping
- Meals
- 24 hour security/neighborhood watch programs
- Community pets (cost of care provided by project)
- Community gardening
- Weekly exercise class
- Grandparent mentoring programs
- Weekly "day trips" to shopping centers/specialty shopping
- Reading service and library
- Social and recreational programs planned and overseen by the project manager. (Monthly birthday parties/holiday dinners and/or parties/potluck dinners, movie nights, bingo)

SURPLUS CASH: Any cash remaining at the end of each fiscal year of the Owner after:

1. the payment of : (i) all sums due or currently required to be paid under the terms of (a) the first mortgage and/or the note secured thereby ("First Mortgage") and (b) if applicable, subordinate mortgages with cash flow priority ("Priority Cash Flow Indebtedness") approval by the LHC or the Corporation; (ii) all amounts required to be deposited in the reserve fund for replacements; (iii) all other obligations of the mortgaged property other than the First Mortgage and Priority Cash Flow Indebtedness, unless funds for payment are set aside or deferment of payment has been approved by the LHC or the Corporation; (iv) Deferred Developer Fee, and (v) the Capital Recovery Payments; and
2. the segregation of: (i) an amount equal to the aggregate of all special funds required to be maintained by the project; and (ii) all tenant security deposits held.

SYNDICATION: The process of acquiring an ownership interest in the Taxpayer by the Syndicator and investing equity in the Taxpayer by the Syndicator.

SYNDICATION COSTS: Costs which are not includable in the tax credit basis for either the low income housing credit or the rehabilitation tax credit nor are allowable for depreciation purposes and which are the costs of syndicating a partnership and its related investment units.

SYNDICATION COST CERTIFICATION: A certification by the Taxpayer and Syndicator on the form provided by the Corporation which specified among other information costs or items incurred for the packaging of the investment units and the promotion as an investment, including any marketing of the actual units, the production of any marketing memorandums or promotional materials, the mobilization of any broker/dealers who will sell the investment units and the actual sales commissions paid to the sellers of the partnership (whether they are unrelated third parties or the individuals who promoted the investment), including due diligence related aspects of the syndication and legal costs associated with the offering, opinions, inquiries as to certain aspects of the syndication, etc.

SYNDICATION PROCEEDS: The funds generated by the Syndicator from investors seeking to acquire tax benefits in Projects through the Syndicator.

SYNDICATOR: The person or agent involved in directly providing equity to the Taxpayer or the person which owns or controls the person providing such equity Syndication Costs.

TARGETED HOUSEHOLDS: The households identified in a Market Study for which the Project will provide housing.

TARGETED PARISHES: Parish designated as such by the Governor's Office.

TAX CREDIT REGULATORY AGREEMENT: The form of Tax Credit Regulatory Agreement provided by the Corporation pursuant to which the requirements of Section 42 of the Code are satisfied and pursuant to which the Corporation enforces the commitments and representations made by the Taxpayer in the Application.

TAXPAYER: The legal entity which will own and operate a project and which will be identified on Form 8609 as the Taxpayer.

TAXPAYER CAPITAL: Amounts other than Gross Equity as evidenced in the audit of the Taxpayer as of the Placed-in-Service Date of the Project as paid-in capital.

TOTAL DEVELOPMENT COSTS: Development Costs plus the cost of land.

ULI: Urban Land Institute.

UNIT: Any accommodation containing separate and complete facilities for living, sleeping, eating, cooking and sanitation. Such accommodations may be served by centrally located equipment, such as air conditioning and heating.

URBAN REDEVELOPMENT AREA: An area or areas (i) which are within a city of 20,000 or more but which are outside of a Qualified Census Tract, (ii) which do not exceed in the aggregate 5% of the geographic area of the city and, (iii) which are specified by a local governmental unit as requiring redevelopment or revitalization pursuant to a Concerted Community Revitalization Plan.

URBAN REDEVELOPMENT PROPERTY: A project which is located within an Urban Redevelopment Area.

VACANT UNIT: A structure or unit which is certified by the Developer/Owner and the local jurisdiction to have not been occupied for a period of at least 90 days and which is reasonably expected to remain vacant for an indefinite duration because the unit is substandard.

VASH VOUCHER: Veterans Affairs Supportive Housing voucher as administered by the Veterans Administration and made available through HUD Public Housing Authorities.

V. EXHIBITS

<u>EXHIBIT A-CONSTRUCTION AND DESIGN STANDARDS</u>	<u>54</u>
<u>EXHIBIT B- COMPLIANCE MONITORING AGREEMENT</u>	<u>57</u>
<u>EXHIBIT C- CASUALTY LOSS/DISASTER EVENT GUIDE.....</u>	<u>73</u>

Exhibit A-Construction and Design Standards

GENERAL

These standards establish both general and minimum criteria for the design and construction of housing developments that receive financing assistance from the Louisiana Housing Corporation under this QAP.

The Corporation requires full conformance with current federal, state and locally adopted building, plumbing, electrical, fire protection, and engineering codes and standards. The Corporation also requires full conformance with all federal, state and local regulations regarding zoning and subdivisions, floodplains, wetlands and other environmental concerns.

The Corporation recognizes and endorses the Federal *Energy Star Programs*.¹ The Corporation also encourages the incorporation of *Universal Design* and *Green Building* design initiatives into the project.² The LHC's or the Corporation's standards will complement or supplement national, state or local regulations. In any situation where conflicting standards exist, the more stringent standard will apply.

All construction related contracts shall be in American Institute of Architects (AIA) formats, including the contract between the Applicant and Architect and/or other consulting professionals, the Applicant and General Contractor, and the contracts between the General Contractor and all subcontractors.

All drawings and specifications shall be completed utilizing these standards, and stamped by a licensed architect or professional engineer registered with the appropriate State of Louisiana Licensing Board. All other professionals involved with the project will be responsible to the primary "professional of record." These professionals may include architects, land surveyors, and civil, structural, mechanical, and electrical engineers.

All design and construction shall be done in accordance with the most current edition of the following standards and codes as they may apply:

1. Uniform Federal Accessibility Standards and Section 504 requirements.
2. State of Louisiana Fire Code including various National Fire Protection Association (NFPA, NFPA 101) Codes.
3. State of Louisiana Plumbing and Mechanical Codes.
4. State of Louisiana, Division of Water Supply and Pollution Control, Standards of Design for Sewerage and Water Treatment Systems, Design Standards for Small Public Drinking Water Systems, Department of Environmental Services, Water Well Board Standards.
5. State of Louisiana Energy Code.
6. International Building Code (IBC) current edition as adopted by the State of Louisiana.
7. HUD 24 CFR Part 5 Uniform Physical Conditions Standards.
8. HUD Housing Quality Standards (24 CFR Part 982.401).
9. HUD Requirements for the Notification, Evaluation, and Reduction of Lead- Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance (24 CFR Part 35).
10. Energy Star Program Standards relating to indoor air quality, HVAC systems, insulation, lighting and appliances.

¹ Energy Star website – www.energystar.gov

² Universal Design website – www.aarp.org/families/home_design
Enterprise Foundation website – www.greencommunitiesonline.org
Green Building Council website – www.usgbc.org

I. Construction Compliance and Monitoring Criteria for Syndicated Tax Credit Transactions

Construction documents

Not more than 45 days prior to the commencement of construction the applicant must submit to the Corporation the following:

- Complete plans and specifications in electronic PDF format.
- Construction contract, complete with timeline and schedule of values. The Corporation recommends the use of AIA Document 101.
- Certification by Architect of plans and specifications.

The Corporation shall review the plans and specifications for compliance with minimum threshold requirements selection criteria requirements and applicable minimum building codes. Within 30 days of receipt, the Corporation will notify developer if there are of any concerns or the need for clarity. Notwithstanding the Corporation review, the applicant remains responsible and accountable for compliance with applicable IRS and LHC rules and regulations.

Building permits

Copies of all building permits shall be submitted to the Corporation when available. Should building permits not be available at the start of construction the applicant may submit a "will issue" letter from the local jurisdiction stating that building permits will be issued once certain requirements are met.

Construction monitoring and compliance

The Corporation will make periodic site inspections during the course of construction to verify conformance with the plans and specifications Ad selection criteria requirements.

The applicant shall submit to the Corporation the following:

Notice to Proceed

Monthly application for payment certified by the Architect and/or project manager and the applicant. The Corporation recommends the use of AIA Document G702 and G703. The submission of monthly applications for payment is intended for monitoring progress and does not require Corporation approval to release payment.

A copy of all change orders to monitor changes to the plans and specifications and the schedule of values. All change orders shall be submitted with monthly applications for payment. The Corporation recommends the use of AIA Document G701. The Corporation shall not have the authority to approve change orders, but will review change orders to ensure compliance with minimum threshold and selection criteria requirements. The Corporation shall immediately notify the applicant if it determines that the change orders submitted conflicts with the minimum threshold or selection criteria requirements.

The Corporation shall notify the applicant, in writing, of any scheduled inspections and the applicant must have a representative present during such inspection. During each scheduled inspection the Corporation shall verify compliance with the plans and specifications, minimum threshold requirements, and selection criteria requirements. The Corporation will notify the applicant immediately upon discovery of allege non-compliance and request that the applicant take appropriate corrective action.

CONSTRUCTION Completion

At construction completion the applicant shall submit the following:

- Certificate of Substantial Completion. The Corporation recommends AIA Document G704.
- Certificate of Occupancy(s) if applicable.

Prior to issuance of IRS form(s) 8609, the Corporation will perform their final inspection to verify compliance with plans and specifications, minimum threshold requirements and selection criteria requirements.

Within 30 days of receipt of the above referenced items, the Corporation shall schedule a final inspection. Should the Field Report show that the project is in compliance, the Corporation will proceed with issuance of 8609. Should the Field Report describe issue(s) of non-compliance, the Corporation will immediately notify the applicant. Once the applicant has addressed the non-compliant issue(s) and notifies the Corporation via written communication that all reported issues have been addressed, the Corporation shall issue the 8609(s).

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Exhibit B- Compliance Monitoring Agreement

I

WHEREAS, the undersigned taxpayer-owner (the "Owner") of the qualified low-income buildings and/or project described in **Exhibit A** hereto acknowledges and agrees that, pursuant to §42(l) of the Internal Revenue Code of 1986, as amended (the "Code"), the Secretary of Treasury (the "Secretary") may require certifications concerning information in such form and such manner as the Secretary prescribes with respect to any qualified low-income building under §42 of the Code; and

II

WHEREAS, §42 of the Code provides for a low-income housing credit (the "Housing Credit") that may be claimed as part of the general business credit under §38 of the Code; and

III

WHEREAS, the Housing Credit determined under §42 of the Code is allowable only to the extent that the Owner receives a housing credit allocation from a housing credit Corporation such as the Louisiana Housing Corporation (the "Corporation"), unless the building is exempt from the allocation requirements by reason of §42(h)(4)(B) of the Code; and

IV

WHEREAS, under §42(m)(1)(A) of the Code, the Housing Credit for any building is zero unless the amount was allocated pursuant to a qualified allocation plan (the "Allocation Plan") of the LHC or the Corporation; and

V

WHEREAS, under §42(m)(1)(D) of the Code, the Housing Credit for any project qualifying under §42(h)(4) of the Code is zero unless the project satisfies the requirements for allocation of a Housing Credit under the Allocation Plan of the LHC or the Corporation; and

VI

WHEREAS, under §42(m)(1)(B)(iii) of the Code, an allocation plan is not qualified unless it contains a procedure that the Corporation (or an agent of, or private contractor hired by, the Corporation) will follow in monitoring compliance with the provisions of §42 of the Code and notifying the Internal Revenue Service (the "IRS") of any non-compliance of which the Corporation becomes aware; and

VII

WHEREAS, §42(m)(1)(B)(iii) of the Code is effective on January 1, 1992, and applies to all buildings placed in service for which a Housing Credit is, or has been, allowable at any time; and

VIII

WHEREAS, final regulations relating to (i) the requirement that State allocation plans provide a procedure for the Corporation to monitor for compliance with the requirements of §42 of the Code, (ii) how the Corporation is to report any non-compliance to the IRS, and (iii) the affect of such regulations on the LHC or the Corporation, owners of buildings or projects for which a Housing Credit is claimed, and taxpayers claiming the Housing Credits are contained in Section 1.42-5 of the Treasury Regulations (the "Compliance Regulations"); and

IX

WHEREAS, the Compliance Regulations provide that a procedure for monitoring for non-compliance under §42(m)(1)(B)(iii) must include the following:

- A. Record-keeping and Record Retention Provisions;
- B. Certification and Review Provisions;
- C. Inspection Provisions; and
- D. Notification of Non-Compliance Provisions.

X

WHEREAS, pursuant to the Record-keeping provisions of §1.42-5(b)(1), the Corporation must require the Owner to keep records for each qualified low-income building that show for each year in the compliance period:

- (i) the total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit);
- (ii) the percentage of residential units in the building that are low income units;
- (iii) the rent charged on each residential rental unit in the building (including any utility allowances);
- (iv) the number of occupants in each low-income unit, but only if rent is determined by the number of occupants in each unit under §42(g)(2) (as in effect before the amendments made by the Revenue Reconciliation Act of 1989);
- (v) the low-income unit vacancies in the building and information that shows when, and to whom, the next available units were rented;
- (vi) the annual income certification of each low-income tenant per unit, unless an exception to the annual re-certification is available because an entire building is occupied by low-income tenants under Section 42(g)(8)(B) of the Code;
- (vii) documentation to support each low-income tenant's income certification; for example, a copy of the tenant's federal income tax return, Forms W-2, or verifications of income from third parties such as employers or state agencies paying unemployment compensation, unless an exception to the annual re-certification is available because an entire building is occupied by low-income tenants under Section 42(g)(8)(B) of the Code. *[Tenant income is calculated in a manner consistent with the determination of annual income under §8 of the United States Housing Act of 1937 ("Section 8"), not in accordance with the determination of gross income for federal income tax liability.]* In the case of a tenant receiving housing assistance payments under Section 8, the documentation requirement of this subparagraph (vii) is satisfied if the public housing authority provides a statement to the building owner that the tenant's income does not exceed the applicable income limit under Section 42(g) of the Code.
- (viii) the eligible basis and qualified basis of the building at the end of the first year of the credit period; and
- (ix) the character and use of the nonresidential portion of the building included in the building's eligible basis under §42(d) (e.g., tenant facilities that are available on a comparable basis to all tenants and for which no separate fee is charged for use of the facilities, or facilities reasonably required by the project).

XI

WHEREAS, pursuant to the Record Retention provisions of §1.42(5)(b)(2), the Corporation must require the Owner to retain records described in §1.42-5(b)(1) for at least six years after the due date (with extensions) for filing the federal income tax returns for that year; provided, however, that the records for the first year of the credit period must be retained for at least six years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building; and

XII

WHEREAS, pursuant to the Certification provisions of §1.42-5(c)(1) the Corporation must require the Owner to certify at least annually to the Corporation that, for the preceding 12-month period:

- (i) the project met the requirements of:
 - (a) the 20-50 test under §42(g)(1)(A) or the 40-60 test under §42(g)(1)(B), whichever minimum set-aside test was applicable to the project; and
 - (b) if applicable to the project, the 15-40 test under §42(g)(4) and 142 (d)(4)(B) for "deep rent skewed" projects;
- (ii) there was no change in the applicable fraction (as defined in §42(c)(1)(B)) of any building in the project, or that there was a change, and a description of the change;
- (iii) the Owner has received an annual income certification from each low-income tenant, and documentation to support that certification; or, in the case of a tenant receiving §8 housing assistance payments, the statement from a public housing authority described at 26 CFR 1-42-5(b)(1)(vii), unless an exception to the annual re-certification is available because an entire building is occupied by low-income tenants under Section 42(g)(8)(B) of the Code;
- (iv) each low-income unit in the project was rent-restricted under §42(g)(2);
- (v) all units in the project were for use by the general public (as defined in Section 1.42-9 of the Treasury Regulations), including the requirement that no finding of discrimination under the Fair Housing Act, 42 U.S.C. 3601-3619, occurred for the Project. A finding of discrimination includes an adverse final decision by the Secretary of the Department of Housing and Urban Development (HUD), 24 CFR 180.680, an adverse final decision by a substantially equivalent state or local fair housing agency, 42 USC 361a(a)(1), or an adverse judgment from a federal court;
- (vi) the buildings and low-income units in the project were suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards), and the State or local government unit responsible for making local health, safety or building code inspections did not issue a violation report for any building or low-income unit in the project. If a violation report or notice was issued by the governmental unit, the owner must attach a statement summarizing the violation report or notice or a copy of the violation report or notice to the annual certification submitted to the Corporation under paragraph (c)(1) of the Compliance Regulations. In addition, the owner must state whether the violation was corrected;
- (vii) there was no change in the eligible basis (as defined in §42(d)) of any building in the project, or if there was a change, the nature of the change (e.g., a common area has become commercial space or a fee is now charged for a tenant facility formerly provided without charge);
- (viii) all tenant facilities included in the eligible basis under §42(d) of any building in the project, such as swimming pools, other recreational facilities, and parking areas, were provided on a comparable basis without charge to all tenants in the building;

- (ix) if a low-income unit in the project became vacant during the year, that reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units in the project were or will be rented to tenants not having a qualifying income;
- (x) if the income of tenants of a low-income unit in the project increased above the limit allowed in §42(g)(2)(D)(ii), the next available unit of comparable or smaller size in the project was or will be rented to tenants having a qualifying income; and
- (xi) an extended low-income housing commitment as described in section 42(h)(6) of the Code was in effect (for buildings subject to section 7108(c)(1) of the Omnibus Budget Reconciliation Act of 1989, 103 Stat. 2106, 2308 - 2311 (1989)), including the requirement under section 42(h)(6)(B)(iv) that an owner cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437f (for buildings subject to section 13142(b)(4) of the Omnibus Budget Reconciliation Act of 1993, 107 Stat 312, 438 - 439 (1993)); and
- (xii) all low-income units in the project were used on a non-transient basis (except for transitional housing for the homeless provided under section 42(i)(3)(B)(iii) or single-room-occupancy units rented on a month-by-month basis under section 42(i)(3)(B)(iv)).

XIII

WHEREAS, pursuant to the Review provisions of §1.42-5(c)(2), the Corporation must:

- (i) review owner certifications under Section 1.45-5(c)(1) for compliance with the requirements of Section 42,
- (ii) conduct on-site inspections of all buildings in the project by the end of the second calendar year following the year the last building in the project is placed in service and, for a least 20 percent of the project's low-income units, inspect the units and review the low-income certifications, the documentation supporting the certifications, and the rent records for the tenants in those units; and
- (iii) at least once every 3 years, conduct on-site inspections of all buildings in the project and, for at least 20 percent of the project's low-income units, inspect the units and review the low-income certifications, and then the documentation supporting the certifications, and the rent records for the tenants in those units; and
- (iv) require that the Corporation randomly select which low-income units and tenant records are to be inspected and reviewed by the LHC or the Corporation. *[The review of tenant records may be undertaken wherever the owner maintains or stores the records (either on-site or off-site). The units and tenant records to be inspected and reviewed must be chosen in a manner that will not give owners of low-income housing projects advance notice that a unit and tenant records for a particular year will or will not be inspected and reviewed. However, the Corporation may give an owner reasonable notice that an inspection of the building and low-income units or tenant record review will occur so that the owner may notify tenants of the inspection or assemble tenant records for review (for example, 30 days' notice of inspection or review).]*

XIV

WHEREAS, pursuant to the Frequency and Form of Certification provisions of §1.42-5(c)(3), the Corporation must require that Owners submit certifications under penalty of perjury at least annually covering each year of the 15-year compliance period under §42(i)(1); and

XV

WHEREAS, pursuant to the Inspection provisions of §1.45-5(d), the Corporation must have the right to perform an on-site inspection of any low-income housing project at least through the end of the compliance period of the buildings in the project, which inspection is a separate requirement from any tenant file review under paragraph (c)(2)(ii) of the Compliance Regulations; and

XVI

WHEREAS, pursuant to the Notification of Non-Compliance provisions of 1.42-5(e)(2) and (3), the Corporation agrees to give notice to the Owner and to the IRS, respectively, if the Corporation (i) does not receive required certifications of the Owner, (ii) does not receive or is not permitted to inspect the tenant income certifications, supporting documentation, and rent records or (iii) discovers by inspection, review, or in some other manner, that the project is not in compliance with the provisions of §42; and

XVII

WHEREAS, pursuant to the provisions of §1.45-5(e)(4), relating to the correction period, the Owner will be permitted by the Corporation to supply any missing certifications and bring the project into compliance with the provisions of §42 within a period which ends not later than 90 days from the date the Corporation mails a Notice of Non-Compliance to the Owner; and

XVIII

WHEREAS, pursuant to the provisions of §1.45-5(g), the Owner acknowledges that compliance with the requirements of §42 is the responsibility of the Owner and that the LHC or the Corporation's obligation to monitor for non-compliance pursuant to §42 and the Compliance Regulations does not make the Corporation liable for the Owner's non-compliance.

XIX

WHEREAS, this Compliance Monitoring Agreement is intended to comply with the requirements of §42(m)(1)(B)(iii) and the Compliance Regulations with respect to the procedures which the Corporation (or an agent or other private contractor of the LHC or the Corporation) will follow in monitoring for non-compliance and in notifying the IRS of such non-compliance of which the Corporation becomes aware;

NOW, THEREFORE, the Louisiana Housing Corporation, acting through its duly authorized officers, and the undersigned Owner hereby agree, covenant and represent as follows:

SECTION 1. Record-keeping by the Owner. The Owner agrees to develop and maintain, securely onsite, for each qualified low-income building for each year of the compliance period for such buildings or project described in **Exhibit A** the records and information which the Corporation must require the Owner to keep as described in paragraph X of the preamble hereof and as required pursuant to §1.42-5(b)(1) of the Compliance Regulations.

SECTION 2. Record Retention by the Owner. The Owner agrees to maintain and retain the records and information described in paragraph X of the preamble hereof for the time described in paragraph XI of the

preamble hereof and for the time which the Corporation must require the Owner to maintain and retain such records and information pursuant to §1.42-5(b)(2) of the Compliance Regulations.

SECTION 3. Certifications by the Owner. The Owner agrees to submit by February 15th of each calendar year the certifications of the form attached hereto as **Exhibit B** with respect to the immediately preceding calendar year which the Corporation must require from the Owner as described in paragraph XII of the preamble hereof and as required pursuant to §1.42-5(c)(1) of the Compliance Regulations.

SECTION 4. Submission of Low-Income Tenant Annual Income Certification Documentation and Rent Records. The Owner agrees to submit (i) by February 15th of each calendar year on the form attached hereto as **Exhibit C** information on tenant income and rent for each low income unit and (ii) within fifteen (15) calendar days of a written request of the Corporation (a) a copy of the annual income certifications, and the documentation the owner has received to support that certification, with respect to the number and/or percentage of low-income tenants and (b) the rent record for each low-income tenant in the percentage (not less than 20%) of low-income units in the project described in **Exhibit A** as specified by the Corporation.

SECTION 5. Project Inspection. The Owner agrees, acknowledges and specifically provides that the Corporation has the right to perform an on-site inspection of the project described in **Exhibit A** at least through the end of the latter of the compliance period or extended use period. The Corporation has the right to inspect a project at any time as it deems necessary.

SECTION 6. Delivery of IRS Forms. The Owner agrees to provide to the Corporation the following:

- (a) Copy of IRS Form 8609 for each qualified low-income building;
- (b) Copy of Schedule A to Form 8609 for each qualified low-income building;
- (c) Copy of IRS Form 8586.

SECTION 7. Annual Compliance/Monitoring Fee. The Owner agrees to submit on or before December 31 of each year, beginning with the year any building in the Project is placed in service, the Annual Compliance Monitoring Fee constituting a minimum fee to be computed as follows:

<u>Project Size</u>	<u>Minimum Fee</u>
1-4 units	\$ 20.00
5-16 units	80.00
17-32 units	160.00
33-60 units	*
61-100 units	*
Over 100 units	*

*Minimum fee is amount equal to 50% of units in Project times \$10.00.

The Corporation reserves the right to charge such additional amounts at any time as may be required to monitor compliance in accordance with the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto.

The Owner further acknowledges and agrees that failure to submit the Annual Compliance/Monitoring Fee will result in the Corporation reporting that the Owner has failed to deliver the appropriate certifications and/or other documentation necessary to satisfy the Compliance Regulations.

SECTION 8. Captions. The captions or headings in this Compliance Monitoring Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Compliance Monitoring Agreement.

SECTION 9. Counterparts. This Compliance Monitoring Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 10. Acceptance by Owner. The undersigned Owner hereby acknowledges receipt of an executed counterpart of this Compliance Monitoring Agreement and hereby approves the terms and provisions thereof and agrees to be bound by all the provisions thereof applicable to Owner.

SECTION 11. Notification Provision. The Owner is solely held responsible in notifying the Corporation of any type of adverse action to the project that may arise. In case of natural disaster and/or man made occurrence immediate notification is to be made by certified mail with a reasonable time period (after verbal notification by phone). In the case of a sale, transfer, assumption, dation en payment or any other legal notification to include but, not limited to foreclosure notice, notice of default, notice of condemnation or lis pendens concerning the project, individual or corporate ownership interest of project, and/ or stockholder interests. The Corporation must be notified via certified mail within 48 hours of the developer receiving notices.

The Corporation must approve any and all types of changes to ownership including sales, transfers, assumptions or assignments thereof. Documents being sent to the Corporation for approval & review concerning sales, transfers and/or assumptions or assignments will be submitted 45 days prior to closing and/or transfer dates. Failure to follow this process will lead to the issuance of an 8823.

LOUISIANA HOUSING CORPORATION

PRESIDENT

(Name of Owner)

By: _____
Title: _____

Dated: _____, 20__



LIHTC Housing Development Casualty Loss/Disaster Event Guide

Introduction

The Louisiana Housing Corporation's (LHC) portfolio of Section 42 developments are not immune to incidents such as weather related emergencies, unforeseeable accidents, fires, and the like. In the event of such a situation, the Owner/Developer/Property Manager (henceforth referred to as the 'Owner') is required to take steps to mitigate damages. It is recommended that you become familiar with this information and keep this guide conveniently located for quick reference. Although most disasters are caused by circumstances beyond anyone's control, proper planning, preparation and decision making will help to minimize the impact for the Responsible Party, the Corporation and the residents.

Owners should thoroughly review their management practices to ensure that they will maintain the project's low-income occupancy and keep in compliance with program requirements.

Definitions

An **emergency** is defined as: any occurrence or condition that requires prompt and immediate action to remedy any possible negative effects.

A **disaster** is defined as: any occurrence, or series of occurrences, that would significantly disrupt the normal operations of the property, and possibly jeopardize the safety, health and well-being of the residents and staff. The following are classifications used in defining a disaster:

1. Accident – fire, explosion, medical, transportation, etc.
2. Environmental – tornado, hurricane, electrical storm, downed trees/branches, power failure, etc.
3. Human Origin – riot, sabotage, arson, physical violence, etc.

A **casualty loss** is defined as: the damage, destruction, or loss of units resulting from an identifiable event that is sudden, unexpected, or unusual.

Policy

If LHC discovers that an Owner has failed to follow Low-Income Housing Tax Credit (LIHTC) requirements, the Agency will notify the Owner that the property is out of compliance. **LIHTC regulations require LHC to report all findings of noncompliance to the Internal Revenue Service (IRS) even if the violation is promptly corrected.** LHC will submit Form 8823 to the IRS documenting that a violation has occurred.

Casualty losses that cause the property to become unsuitable for occupancy must be reported to LHC in writing, using the attached *Notice of Casualty Loss* form, within three (3) business days of the

incident. Also, the Owner must submit a plan to LHC within 30 days that sets a timeframe for reconstruction or replacement of lost units. If an Owner fails to report a casualty loss to LHC within three (3) business days of an incident, LHC will report the incident as a noncompliance to the IRS with IRS Form 8823.

LHC must report the loss and replacement of the units to the IRS within 90 days. If the units have not been fully replaced, LHC will attach a copy of the owner's plan and timeframe for replacement to its report. Once all units have been restored and available for occupancy, LHC will file a closed IRS 8823 to show that the units are back in compliance.

Repair/Replacement

An Owner who is unfortunate enough to experience property destruction has an opportunity to restore the property without the penalty of recapture. No recapture will occur if the damage is repaired within a reasonable time period not to exceed two (2) years from the close of the year that the casualty loss occurred. If the loss is not restored by the end of the taxable year in which it occurred, then the owner should not claim credits for that year, but there is no recapture of credits previously claimed. Special rules apply to federally declared disaster areas. In these circumstances, the property must still be repaired within a reasonable time period not to exceed two (2) years from the close of the year that the casualty loss occurred, but credits can continue to be claimed even if the repairs are not completed by the end of the year of loss.

Temporary Emergency Housing

In accordance with IRS Revenue Procedure 2007-54, the LHC has granted permission for owners of Section 42 LIHTC properties to provide temporary emergency housing to individuals who were living within the Corporation's jurisdiction at the time and were affected by events that are declared major disasters by the President. IRS Rev. Proc. 2007-54 provides a procedure for owners to rent, on a temporary basis, vacant low-income units to certain displaced low-income individuals that reside in major disaster areas. Owners are permitted to house displaced low-income individuals no longer than four months beyond the date of the President's major disaster declaration.

Prior to housing any displaced low-income individuals, the Owner must obtain written approval from the Corporation to participate in temporary emergency housing relief.

An individual is a 'displaced individual' if he/she was displaced from their principal place of residence as a result of a major disaster and the principal place of residence is in a city, parish, or other local jurisdiction designated for Individual Assistance by FEMA as a result of the major disaster.

Insurance Requirements

The Qualified Allocation Plan (QAP) sets specific insurance expectations in order to encourage prompt restoration and replacement of units involved in a casualty loss.

Builder's Risk Insurance. Builder's risk insurance is required during any period of construction or substantial rehabilitation and during the period of reconstruction after a casualty. This coverage must be in completed value form.

Property Insurance. The Project must be covered by a "causes of loss-special form" policy (formerly known as an "all risk policy"). The policy must include an agreed value clause which must be

updated annually. The policy must include replacement cost coverage, i.e. an endorsement or clause that provides for all claims to be made on a replacement cost basis (not on an actual cash value basis) and without any deduction being made for depreciation. The policy must be an amount equal to the greater of:

- (i) 100% of the full replacement cost of the Improvements (without any deduction being made for depreciation); or
- (ii) the amount specified in the agreed value clause (i.e. the amount specified by the insurer to suspend any co-insurance clause).

The policy must include a deductible of not more than \$50,000 per occurrence. Further, the policy must be reviewed annually on each June 30th to ensure that the policy is current and that the limit will be increased over time to reflect the effect of inflation.

Flood Insurance. Flood insurance is required for Improvements located in a Special Flood Hazard Area ("SFHA") that has federally mandated flood insurance purchase requirements -i.e., any area designated by the Federal Emergency Management Agency ("FEMA"). Flood insurance is not normally required if the Improvements are not located within a SFHA, even though an unimproved portion of the Land may fall within such an area. The LHC may require flood insurance for Improvements located outside of a Special Flood Hazard Area but within a risk area designated by FEMA (Zone B, Zone C, or Zone X) on a case-by-case basis if LHC determines that conditions warrant such coverage.

The required amount of insurance per building is the maximum amount of insurance available under the National Flood Insurance Program, with a deductible not to exceed \$3,000. Flood insurance policies will be reviewed annually on each June 30th to ensure that the policy is current and that the limit will be increased over time to reflect the effect of inflation.

Non-Compliance

Failure to meet local health, safety, and building codes; and HUD's Uniform Physical Condition Standards for Public Housing in order to maintain properties that are suitable for occupancy, and failure to maintain the low-income occupancy requirements of properties during the 15-year compliance period could result in consequences up to and including tax credit recapture by the Internal Revenue Service.

NOTICE OF CASUALTY LOSS

Use this form when your site suffers a loss to a building or unit. The Louisiana Housing Corporation (LHC) must be notified within three (3) business days.

The LHC should be notified if the loss results from a major event such as fire or flood, the loss results in a household being transferred or removed from the unit, or if an occupied unit will not pass a Uniform Physical Condition Standard (UPCS) inspection for more than 48 hours.

☐ Faxed to 225-763-8740 Attn: Ricky

☐ Emailed to rpatterson@lhc.la.gov

Date LHC Notified: _____ Date of Loss: _____

Property Name: _____ BIN #: _____

Property Address: _____

Address where loss occurred: _____

☐ Same as above

Primary Contact: _____

Title: _____ On Site Manager: _____

Phone or cell: _____ Email: _____

Management Company: _____ Contact: _____

Phone or cell: _____ Email: _____

Type of loss: ☐ Fire ☐ Flood ☐ Roof Leak ☐ Other _____

Brief Description of loss: _____

Reported by: _____

Fire Dept or Police notified? ☐ Yes ☐ No *If yes, please attach a copy of the report*

Estimated back in compliance date: _____

Please attach a copy of the plan to bring the unit back into compliance.

Signature

Date

Print Name

Position

Louisiana Housing Corporation
LIHTC - Special Interim Qualified Allocation Plan
Selection Criteria

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I. Targeted Project Type (All That Apply)

Point Ranges

A. De-concentration Project	4-20 Points
B. Redevelopment Project	6 Points
C. High Vacancy Projects	2-6 Points
D. New Construction Scattered Site	8-12 Points
E. Rehabilitation (Non-Scattered Site)	6-8 Points
F. Rehabilitation (Scattered Site/Rehabilitation or Combination Infill)	10 Points
G. Significant Economic Growth or Industrial Investment	30-50 Points
H. Mixed Income Projects	3-5 Points

II. Targeted Population Type

A. Special Needs Households	3-5 Points
-----------------------------	------------

III. Priority Development Areas and Other Preferences (All That Apply)

A. Extended Affordability Agreement	2-4 Points
B. Increased Unit Affordability	4-6 Points
C. Difficult Development Area (QCT/DDA)	2-4 Points
D. Rural Area Project	10 Points
E. Other Governmental Priority	3-6 Points
F. Public Housing Agency Project	3 Points
G. Governmental Support	2-4 Points

IV. Location Characteristics

A. Neighborhood Features	0-10 Points
--------------------------	-------------

V. Project Characteristics

A. Green Buildings	5 Points
B. Community Facilities	2 Points
C. Optional Amenities	1-5 Points
D. Additional Accessible Units	1-3 Points
E. On-site security	3 Points

VI. Leverage, Efficiency and Viability

A. Leverage for Disability Funding	3 Points
B. Project's TDC	3 Points
C. Viability Penalty Points	Loss of 5 - 10 Points

VII. Project & Submission Penalty Points

Loss of 4 - 39 Points

SELECTION CRITERIA AND EVIDENTIARY MATERIALS

I. TARGETED PROJECT TYPE (Select All That Apply)

Points

NOTE: Points may only be selected from one of the following categories: Selection Criteria Items I.D. New Construction Scattered Site Project, I.E. Non Scattered Site Rehabilitation Projects, and I.F. Scattered Site Rehabilitation/New Construction or Infill Projects. No project will be allowed points from more than one of the aforementioned categories.

A. *De-concentration Projects* (maximum of 20 Points)

(i) Project Diversity - Percentage of Low Income Units in Project does not exceed:

- | | | |
|-----|--------------------------------|---------|
| (a) | 60% of the Total Project units | 4 ____ |
| (b) | 50% of the Total Project units | 8 ____ |
| (c) | 40% of the Total Project units | 10 ____ |

(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 for the Parish 10 ____

B. *Redevelopment Project* 6 ____

Check Type:

- | | |
|--|-------|
| Distressed Property: | _____ |
| Redevelopment Property: | _____ |
| Owner Occupied Property with Development Plan of Action: | _____ |
| Urban Redevelopment Property: | _____ |

Note: Redevelopment Project must be located in a Redevelopment Area as defined by the QAP. Support documentation must evidence that the incentives and/or resources amounting to or valued at five percent (5.0%) or more of the Total Development Costs are committed to the targeted area by local government.

C. *High Vacancy Projects*

- | | | |
|-------|----------------------------------|--------|
| (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 (residential or non-residential) for at least 90 days and is likely to remain vacant because unit is substandard.
- Capital Needs Assessment must evidence inspection of vacant units.
- Market Study must directly address causes of vacancy, specific need for vacant unit sizes in the market

D. *New Construction Scattered Site Project (only one selection allowed)**

- | | | |
|------|---|---------|
| (i) | New Construction Scattered Site Project | 8 ____ |
| (ii) | New Construction Scattered Site Lease to Own* | 12 ____ |

* Points will not be allowed for both Selection Criteria Items D and F under I. Targeted Project Type.

* Owner must agree to sell units at minimum purchase price by not later than the 16th year of Compliance period. 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. *Non Scattered Site Rehabilitation Projects (only one selection allowed)*

- (i) Non Scattered Site Abandoned Project 6 ____
 - Submit letter from local governmental unit that all units (residential or non-residential) in the Project are Substandard and have been vacant for at least six months
 - Capital Needs Assessment must also certify 100% vacancy
- (ii) Substantial rehabilitation or conversion of Historic Property 7 ____
- (iii) Rehabilitation or conversion of Non-Historic Property 8 ____
 - Submit list of each separate address and square footage and costs of each separate building.

F. *Scattered Site Rehabilitation/New Construction or Infill Projects (only one selection allowed)**

- (i) Scattered Site Rehab/New Construction or Combination Infill 10 ____
- (ii) Scattered Site Rehab/New Construction or Combination Infill – Lease to Own* 10 ____

*** Points will not be allowed for both Selection Criteria Items D and F under I. Targeted Project Type.**

** Owner must agree to sell units at minimum purchase price by not later than the 16th year of Compliance period. 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. Infill projects must be consistent with the definition contained in the QAP.

G. *Significant Economic Growth or Industrial Investment (only one selection allowed)*

- (a) Increase in permanent direct jobs greater than 150 jobs or \$1 Billion Investment 50 ____
- (b) Increase in minimum 100 to 150 permanent direct jobs or \$750 Million Investment 40 ____
- (c) Increase in a minimum of 50 to 99 permanent direct jobs or \$500 Million Investment 30 ____

Note: Points will only be allowed for Significant Growth or Industrial Investment in areas with a minimum of 50 to 99 permanent direct jobs or \$500 million collectively scheduled to be invested in the next three (3) years. Support documentation must consist of an official announcement(s) by the Louisiana Economic Development Commission, the Governor's office, or documentation provided by the local jurisdiction. The capital investment may consist of a single announcement of capital investment or an aggregate of announcements of capital investments totaling at least \$500 million within an area. For purposes of this selection criteria item, an area will be considered a 25 mile radius beginning at the center of the proposed investment project and ending at the center of the proposed LIHTC project as verified by the market analyst commissioned by the Corporation. If investment projects are combined to satisfy the requirement, verification will be required by the market analyst that the investment projects are located within 25 miles of the proposed LIHTC project.

A sample listing of capital investment announcements issued by the Louisiana Economic Development Commission is listed below. The list is not all inclusive as there are other announcements that meet the requirements of the selection criteria item. Economic growth or industrial investment is not limited to the manufacturing industry.

Announcement Date	Company	Location	Capital Investment
4/17/2013	Dyno Nobel	Waggaman	\$1 Billion
2/28/2013	South Louisiana Methanol LP	Vacherie	\$1.3 Billion
1/17/2013	Magnolia LNG	Lake Charles	\$2.2 Billion
1/15/2013	G2X Energy	Lake Charles	\$1.3 Billion
11/1/2012	CF Industries	Donaldsonville	\$2.1 Billion
5/3/2012	Sempra Energy's LNG	Lake Charles	\$6 Billion
7/19/2011	Chenier Energy	Lake Charles	\$6.5 Billion

H. Mixed Income Projects (only one selection allowed)

- (a) Percent of non-qualified units equal to or greater than 20% 5 _____
- (b) Percent of non-qualified units less than 20% but greater than or equal to 10% 3 _____

Note: Projects that promote economic integration by creating mixed income housing will receive points based on the percent of non-qualified units (market rate housing without income restrictions) included in the project.

II. TARGETED POPULATION TYPE (Select All That Apply)

A. Special Needs Households other than Elderly Households and provides Supportive Services – this does not apply to Permanent Supportive Housing
(Check one or more)

- (i) Homeless Households _____
- (ii) Disabled Households _____
- (iii) Tenant populations of individuals with children _____

- (a) Twenty Percent serve such households 5 _____
- (b) Ten Percent serve such households 3 _____

• 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

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

A. *Extended Affordability Agreement (Lease to own projects ineligible)*

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

- (i) 25th year 2 _____
- (ii) 30th year 3 _____
- (iii) 35th year 4 _____

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

B. *Increased Unit Affordability*

At least 5% percent or more of project units serve households with incomes at or below 30% AMI.

- (i) At least 5% less than 10% of units serve households (other than PSH) with incomes at or below 30% AMI 4 _____
- (ii) At least 10% but less than 15% of units serve households (other than PSH) with incomes at or below 30% AMI 5 _____
- (iii) At least 5% and less than 10% of units serve PSH households with incomes at or below 20% AMI 6 _____

(To qualify for points in this section, units must be reflected on the rental income page of the application. Project must evidence ability to maintain lower rate units via rental income, grants or subsidies. To qualify for PSH points (iii) applicant **must** submit letter of PSH Support for the PSH Executive Council))

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 2 _____
governmental unit included in Application

D. *Rural Area Project* (as defined in the glossary) 10 _____

E. *Other Governmental Priority listed below:*

- (i) Renewal Community 6 _____
(ii) HUB Zone 3 _____
(Classification must be current to receive points.)

F. *Public Housing Agency Project* (as defined in the glossary) 3 _____

G. *Governmental Support* (The below referenced Governmental Funds must be actual “awarded funds” as evidenced by a signed commitment obligating the funds to the project.)

Governmental support reduces project development costs by providing CDBG, HOME, or other 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;

- (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 _____

IV. LOCATION CHARACTERISTICS

A. *Neighborhood Features* (Points in this section are capped by the applicant’s selection and verified through submitted market study)

- (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	_____
Hospital/Doctor Office or Clinic	_____	Bank/Credit Union (must have live tellers)	_____
Elementary School	_____	Post Office	_____
Pharmacy/Drug Store	_____		

Public Transportation (shuttle services excluded) _____

Louisiana Licensed (current) Adult/Child Day Care/After School Care _____

Elementary School receiving a grade of "B" or better by the Louisiana Department of Education _____

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 ½ mile of the site.

Junk yard/dump	_____	Pig/chicken farm	_____
Salvage yard	_____	Processing plants	_____
Wastewater treatment facility	_____	Industrial	_____
Distribution facilities (all)	_____	Airports	_____
Electrical utility substations	_____	Liquor Store	_____
Prisons	_____	Solid waste disposal	_____
Adult entertainment/video/ Theater	_____	Bar, Club or Lounge	_____

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.

V. PROJECT CHARACTERISTICS

A. Green Buildings 5_____
See Glossary for definition of "Green Building."

B. Community Facilities (See Glossary) 2_____
(Community facilities must be consistent with definition contained in QAP. Homeownership projects are not eligible to receive points for community facilities.)

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. 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	1_____
-----	--	--------

- but less than or equal to 10% of the total units
- (ii) Number of Units: _____ = more than 10% of the total units 2 _____
but less than or equal to 15% of the total units
- (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. *Project has On Site Security (as defined in Glossary)* 3 _____

VI. LEVERAGE, EFFICIENCY AND VIABILITY

A. Leverage for Disability Funding (Non-Governmental Support)

3_____

Leverage consists of non-governmental funds for persons with disabilities:

List: _____

B. Project's TDC per unit is at least 10% below the maximum TDC/unit

3_____

C. Viability Penalty Points

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

-5_____

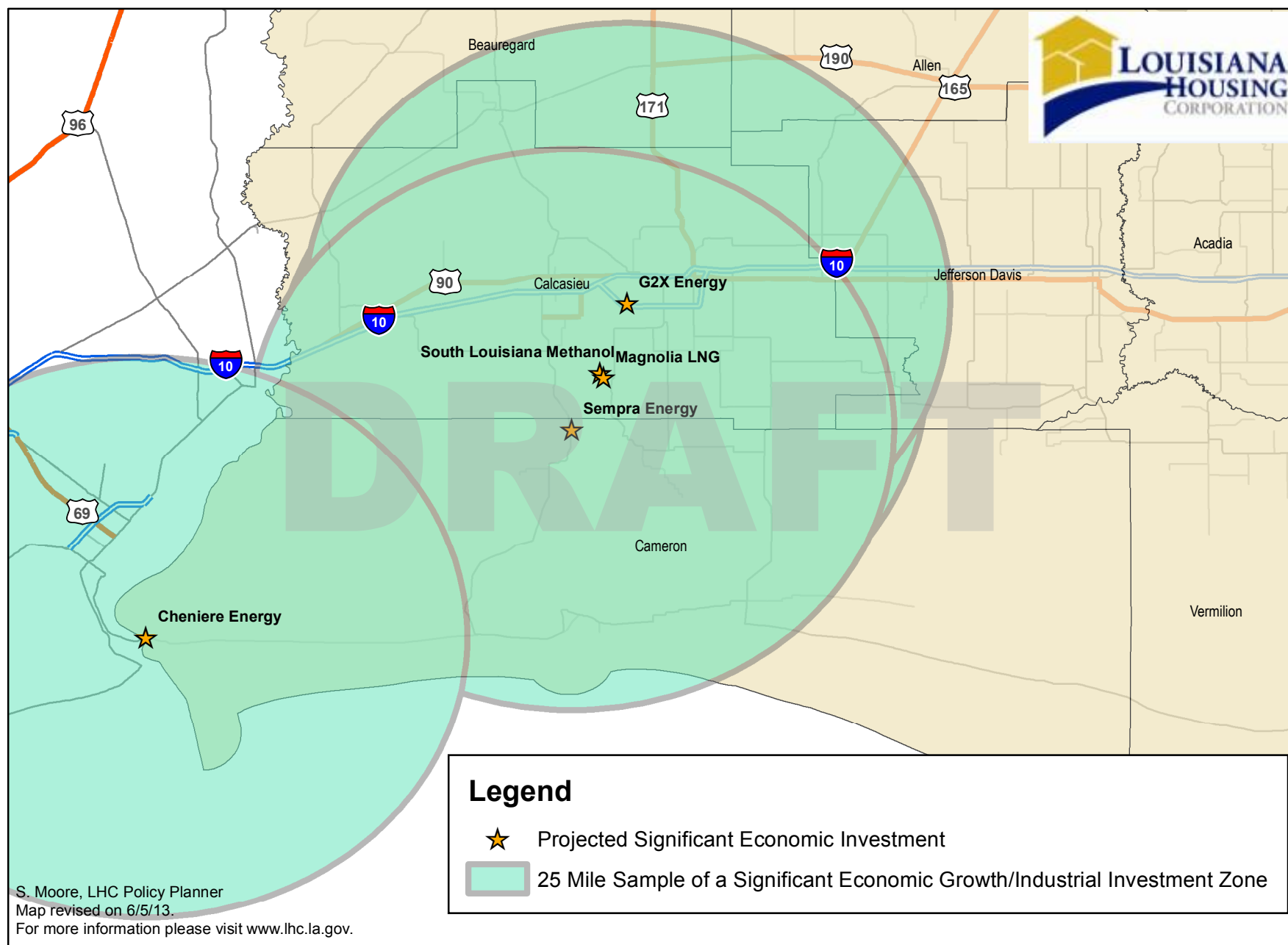
Specify Total Rehab Hard Costs: \$ _____ ÷ Number of
Units: _____ = \$ _____/unit

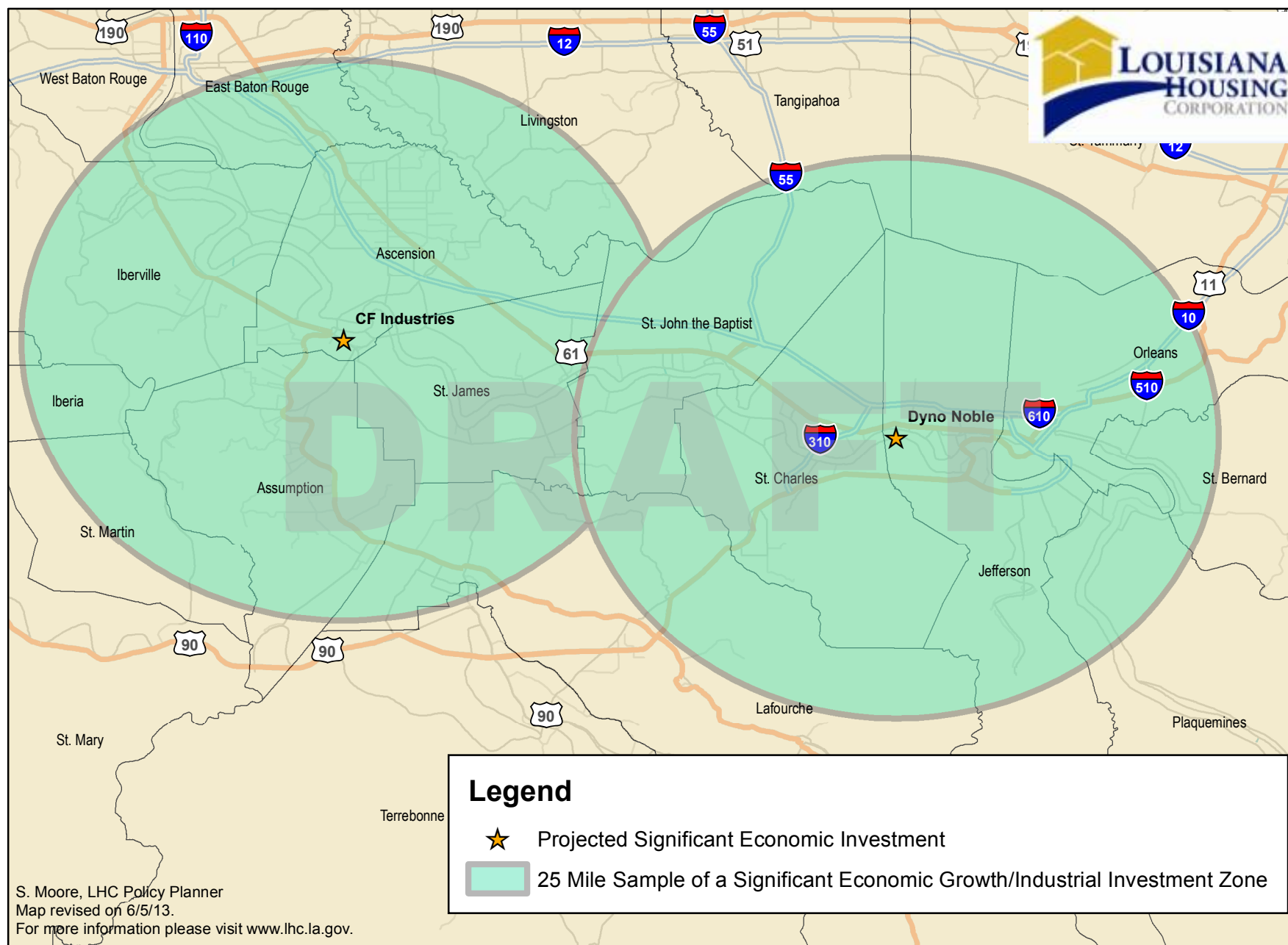
- (ii) Development fee exceeds 25% of hard costs for rehabilitation

-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 label appendixes in final application submittal -5_____





Legend



Projected Significant Economic Investment



25 Mile Sample of a Significant Economic Growth/Industrial Investment Zone

S. Moore, LHC Policy Planner
Map revised on 6/5/13.
For more information please visit www.lhc.la.gov.