

LOUISIANA HOUSING CORPORATION

The following resolution was offered by Commissioner John N. Kennedy and seconded by Commissioner Mayson H. Foster:

RESOLUTION

A resolution authorizing and approving an increase in the eligible basis of buildings located in the GO Zone pursuant to Section 42(d)(5) of the Internal Revenue Code in order to sustain their financial feasibility; and providing for other matters in connection therewith.

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

WHEREAS, Section 101 of The Gulf Opportunity Zone Act of 2005 (the "GO Zone Act") added a new Part II – Tax Benefits for Gulf Opportunity Zone (the "GO Zone") and enacted a new Section 1400N of the Internal Revenue Code (the "Code") that provided additional housing credit dollar amounts for the GO Zone pursuant to Section 1400N(c); and

WHEREAS, Section 1400N(c)(3)(A)(1) provides that, for purposes of Section 42, the GO Zone, the Rita Zone and the Wilma Zone "*shall be treated as difficult development areas designated under subclause (I) of section 42(d)(5)(C)(iii)*" without taking into account the limits on such areas under subclause (II) of such section; and

WHEREAS, Section 1400N(c)(3)(B) provided that only allocations of housing credit dollar amounts during the period beginning on January 1, 2006 and ending on **December 31, 2008** to buildings placed in service during such period qualified for treatment of the GO Zone as a difficult development area ("**DDA**"); and

WHEREAS, Section 8222(a) of the Small Business and Work Opportunity Tax Act of 2007 (the "**2007 SBWOT Act**") added a new paragraph (5) to Subsection (c) of Section 1400N extending the time within which a building located in the GO Zone that received an allocation of GO Zone Credits may be placed in service to **December 31, 2010** and Section 8222(b) of the 2007 SBWOT Act amended Section 1400N(c)(3)(B) permitting the GO Zone, Rita Zone or Wilma Zone to continue to be treated as a DDA during a period "*ending on December 31, 2010*"; and

WHEREAS, Section 763 of the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 (the “**2010 Tax Act**”) amended Section 1400N(c)(5) by striking “January 1, 2011” and inserting “January 1, 2012” thereby extending the PIS Deadline for buildings allocated GO Zone Credits to December 31, 2011 but the 2010 Tax Act did **not** amend Section 1400N(c)(3)(B) to extend the treatment of the GO Zone as a DDA beyond December 31, 2010; and

WHEREAS, Section 3003 of Division C of the Housing and Economic recovery Act of 2008 (“**HERA**”) added a new clause (V) in Section 42(d)(5) to permit State housing credit agencies to designate buildings *as requiring an increase in credit under this subparagraph in order for such building to be financially feasible as part of a qualified low-income housing project...as located in a difficult development area*; and

WHEREAS, buildings located in the GO Zone which were initially underwritten with a 30% basis boost as a result of Section 1400N(c)(3)(A)(1) are at risk of losing credits necessary to sustain their financial feasibility solely because of a failure of the 2010 Tax Act to extend the DDA treatment of the GO Zone to a date corresponding to the date that such buildings must be placed in service; and

WHEREAS, the LHFA’s Board of Commissioners (the “**LHFA Board**”) adopted a resolution on April 13, 2011 (the “**GO Zone Basis Boost Resolution**”) to provide taxpayers constructing and/or rehabilitating buildings located in the GO Zone that received allocations of low-income housing credits (“**Credits**”) that treated such buildings as located in a difficult development area under clause (V) in Section 42(d)(5) in order to sustain their financial feasibility through the later of December 31, 2011 or a later date corresponding to the date that Congress extends the placed in service deadline for buildings allocated GO Zone Credits; and

WHEREAS, Congress failed to extend the placed in service deadline for buildings receiving GO Zone Credits beyond December 31, 2011; and

WHEREAS, the LHFA has been advised that a number of buildings located in the GO Zone were allocated Ike, Wilma, Rita and/or other Credits and were underwritten and approved using the 30% basis boost in reliance of the treatment of such buildings as located in a DDA under GO Zone Act, as amended, but that the Basis Boost Resolution did not anticipate that the placed in service deadline for buildings receiving Ike, Wilma, Rita and/or other Credits would extend beyond December 31, 2011; and

WHEREAS, the LHFA previously determined that the 30% basis boost was necessary to make projects, such as the Kingsley Court Project located in Calcasieu Parish (the “**Project**”), feasible; and

WHEREAS, the LHFA now intends to designate all buildings located in the GO Zone that were underwritten and approved using the 30% basis boost in reliance of the treatment of such buildings as located in a DDA as continuing to be located in a DDA

pursuant to the authority under Section 42(d)(5) of the Code in order to sustain the financial feasibility of all projects in which such buildings are a part, including the Project, beyond December 31, 2011 and through December 31, 2012; and

WHEREAS, the Louisiana Housing Corporation (the “**LHC**”) was created by and pursuant to the Louisiana Housing Corporation Act contained in Chapter 3-G of the Louisiana Revised Statutes of 1950, as amended (R.S. 40:600.86 through R.S. 40:600.111) (the “**LHC Act**”), and, pursuant to Section 1 of Act No.408 of the 2011 Regular Session of the Louisiana Legislature (the “**Housing Reorganization Act**”), the Board of Directors (the “**LHC Board**”) of the LHC assumed the powers, duties, functions and responsibilities of the LHFA Board pursuant to an amendment of Section 600.4 of Chapter 3-A of the LHFA Act by the Housing Reorganization Act, providing that the LHFA Board was abolished and, as of midnight on December 31, 2011, the activities, authority, power duties functions, programs, obligations, operations and responsibilities and any pending or unfinished business of the LHFA have been assumed and must be completed by the LHC with the same power and authority as the LHFA pursuant to Section 4 of the Housing Reorganization Act;

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation, in its capacity as the governing authority of the Louisiana Housing Finance Agency, that:

SECTION 1. Treatment of Buildings Allocated Credits as located in the GO Zone: Any building located in the GO Zone that received a basis boost and an allocation of Credits based upon the treatment of the GO Zone as a difficult development area shall continue to be treated under Section 42(d)(5)(V) of the Code as located in a difficult development area pursuant to the provisions of Section 42(d)(5) through December 31, 2012. The actions taken by any staff or officer of the Agency to provide assurance to Taxpayers that buildings being constructed and/or rehabilitated in the GO Zone with equity attributable to credits based upon the additional basis from such buildings being located in a difficult development area are hereby ratified and confirmed.

SECTION 2. The Agency’s staff, counsel, and Foley & Judell, L.L.P. as Tax Credit Counsel to the Agency, shall advise and confirm to Taxpayers that the Board’s

determination to treat buildings located in the GO Zone as located in a difficult development area notwithstanding the failure of the 2010 Tax Act to continue to treat the GO Zone as a difficult development area and the actions of the Board pursuant to this resolution have been taken to assure the financial feasibility of buildings located in the GO Zone.

SECTION 3. The Chairman or Vice-Chairman of the LHC Board or the Acting President of the LHFA and/or Secretary of the LHC Board be and they are hereby authorized, empowered and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the LHFA, the terms of which are to be consistent with the provisions of this resolution as approved by the LHFA's Counsel and Tax Credit Counsel.

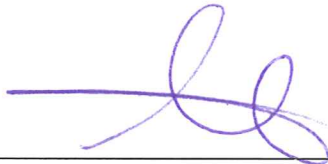
This motion having been submitted to a vote, the vote thereon was as follows:

YEAS: Michael L. Airhart, Dr. Daryl Burckel, Mayson H. Foster, John N. Kennedy, Frank H. Thaxton, III, Malcolm Young

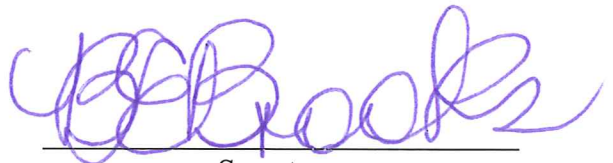
NAYS: N/A

ABSENT: Ellen M. Lee, Matthew P. Ritchie

And the motion was declared adopted on this, the 8th day of February, 2012.



Chairman



Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (the "LHC") acting as the governing authority of the Louisiana Housing Finance Agency (the "LHFA"), do hereby certify that the foregoing four (4) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on February 8, 2012, entitled: A resolution authorizing and approving an increase in the eligible basis of buildings located in the GO Zone pursuant to Section 42(d)(5) of the Internal Revenue Code in order to sustain their financial feasibility; and providing for other matters in connection therewith.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 8th day of February 2012.


Secretary

(SEAL)