



Louisiana Housing Corporation

The following resolution was offered by Board Member Larry Ferdinand and seconded by Board Vice-Chairwoman Jennifer Vidrine:

RESOLUTION

A resolution authorizing and approving the Louisiana Housing Corporation (“LHC” or “Corporation”) to proceed with the recommended strategies for awarding \$33,850,000 of Community Block Grant-Disaster Recovery (“CDBG-DR”) Funds to create or preserve multifamily rental units in impacted parishes; and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Corporation (the “Corporation” or “LHC”), as authorized by the State of Louisiana, has been ordered and directed to act on behalf of the State of Louisiana (the "State") in allocating and administering programs and/or resources made available pursuant to the Section 42 of the Internal Revenue Code (the “LIHTC Program”) and is working jointly with the Office of Community Development to award funds under the Community Development Block Grant (“CDBG”) Program; and

WHEREAS, the Office of Community Development has made available to the Corporation approximately Thirty-Three Million Eight Hundred Fifty Thousand Dollars (\$33,850,000) in Community Block Grant-Disaster Recovery (CDBG-DR) Funds to create or preserve multifamily rental units in designated 2016 flood-impacted disaster parishes; and

WHEREAS, the Corporation has recommended strategies for awarding the CDBG –DR Funds to create or preserve multifamily rental units in designated 2016 flood-impacted disaster parishes accordance with plan attached hereto as **Exhibit A**.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation (the “**Board**”), acting as the governing authority of said Corporation, that:

SECTION 1. The Corporation is hereby authorized to proceed with the recommended strategies for awarding CDBG-DR funds to create or preserve multifamily rental units in designated 2016 flood-impacted disaster parishes pursuant to the plan attached hereto as **Exhibit**

A and shall issue any policy and procedure documents, including but not limited to Notices of Funding Availability and/or Program Guidelines, as necessary to implement this directive.

SECTION 2. The Corporation staff and legal counsel are authorized and directed to prepare the forms of such notices, documents, and/or agreements as may be necessary to implement the recommended strategies for the awarding of the funding made available to the Corporation by the Office of Community Development.

SECTION 3. The Chairman and Executive Director 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 LHC, the terms of which are to be consistent with the provisions of this resolution.

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

YEAS: Lloyd Spillers, Jennifer Vidrine, Michael T. Anderson, Thomas Enright (on behalf of Louisiana State Treasurer Ron J. Henson), Tammy P. Earles, Larry Ferdinand, Elton M. Lagasse, Andreanecia M. Morris, Willie Rack, Donald B. Vallee, Gillis R. Windham.


NAYS: None.

ABSTAIN: None.

ABSENT: None.

And the resolution was declared adopted on this the 8th day of November, 2017.


Chairman


Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation (the “**Corporation**”), do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board on November 8, 2017, entitled “A resolution authorizing and approving the Louisiana Housing Corporation (“LHC” or “Corporation”) to proceed with the recommended strategies for awarding \$33,850,000 of Community Block Grant-Disaster Recovery (“CDBG-DR”) Funds to create or preserve multifamily rental units in impacted parishes; 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 November, 2017.



Secretary

(SEAL)

2016 Flood Recovery CDBG-LIHTC-‘Piggyback’ Program

Total Proposed Piggyback Program Budget: \$36.7M

Recommended Timeline:

- **Notice of Funds Availability posted:** December 4, 2017
- **Deadline for applications:** March 4, 2018

Program Objective, Loan and Affordability Structure and Eligible Applicants:

- To address long-term affordable rental housing needs in the flood-impacted parishes.
- The program will create or preserve multifamily rental units by “piggybacking” on structures with conventional first mortgages and equity from the sale of low income housing tax credits (LIHTC’s), in 4% transactions with bond financing. This program will replicate the model used after Hurricanes Katrina/Rita and Gustav/Ike, which has helped create over 8,000 multi-family housing units across the impacted parishes.
- Gap financing from CDBG-DR funds will be structured as 30-35 year soft second mortgages (residual income loans), whereby the borrowers pay an agreed upon portion of the net residual income generated by the property on an annual basis. The amount that is not repaid during the term of the loan is due in full at the end of the term.
- The affordability term mirrors the term of the loan (30-35 years).
- All developments funded through this program will benefit low and moderate income persons. If funded at \$33.85 million, the program is projected to result in approximately 500 new units of affordable housing, with average CDBG-DR per unit of \$63,850. This public subsidy will result in affordable housing for 30-35 years
- The funds will be awarded to developments through a competitive process, implemented by the Louisiana Housing Corporation.
- All applicants will be LIHTC, single asset entity limited partnerships, which are by definition for-profit entities.
- General partners of the limited partnerships may be for- or non-profit entities.
- A Public Housing Authority may participate as general partner.
- Projects must have at least 5% of the total unit’s set-aside for Permanent Supportive Housing (PSH)

Eligible Use of Funds & Method of Distribution.

CDBG- DR funds competitively awarded under this program will only fund CDBG-DR eligible costs incurred to develop a project. Pursuant to CDBG-DR rules, acquisition, construction and rehabilitation will be considered eligible uses of funds.

Scoring will primarily rely on the Louisiana Housing Corporation's 2017 Final Qualified Action Plan (QAP) scoring criteria, with the QAP score of the submitted application serving as part of the overall score in this competition. In addition to points selected against the scoring criteria set forth in the QAP, applicants may be awarded additional points based on the following:

- CDBG Efficiency: CDBG funds relative to total developmental costs.
- HUD Most-Impacted Parish. A property located in one of the ten Parishes identified by HUD as Most-Impacted by the Great Floods of 2016 will score an additional [5] points.
- Rent-Burdened Parish. A property located in a parish determined for this Program to have a low AMI relative to FMRs, will score an additional [3] points.

Maximum Award

The maximum award for which a project is eligible will be determined on a case-by-case basis after a project is thoroughly underwritten. Each project will be reviewed for affordable housing outcomes, financial feasibility and cost reasonableness.