



## Frequently Asked Questions (FAQ)

### LOUISIANA HOUSING CORPORATION (LHC)

#### 2015 FALL AFFORDABLE HOUSING INITIATIVE NOTICE OF FUNDING AVAILABILITY (NOFA)

(As of 09/25/2015)

- 1. Can HOME funding be awarded to an LLC entity created for an upcoming development or would the funding be awarded to the CHDO individually for the development?**

If the LLC is a creation of the CHDO set-up as a single entity for the purpose of the development and the CHDO is the sole member then the funds would be awarded to the CHDO but could be loaned / granted to the LLC for the project. The intent to do this would have to be disclosed at the time of application.

- 2. Are 4% Reprocessing Applications eligible to compete for these HOME funds in cases where there have been unexpected in Hard Cost expenses?**

No. Projects that have received funding from LHC (including but not limited to HOME, Multi-Family Bonds or Low Income Housing Tax Credits (LIHTC)) which are currently incomplete or under construction are not eligible to apply during this round.

- 3. Does a developer need to show 2 years of LIHTC Management experience?**

The QAP and NOFA requires that the applicant, through their development and management team evidence, show experience in managing similar projects and that the projects are competently managed. Although there is no requirement that the development team show a specific number of years managing a LIHTC project it is necessary that there is someone on staff with LIHTC management experience.

- 4. Is the goal of "Preserving existing affordable housing with emphasis on developments with project based Section 8 Contracts" restricted to previously funded LIHTC/RD activities or does it also include projects funded by other sources, such as HUD, where project based Section 8 contracts are in place?**

While LIHTC/Rural Development (RD) projects are specifically mentioned it is not the intention of the NOFA to limit assistance only to projects funded with LIHTC or Rural Development resources. The United States Department of Housing and Urban Development (HUD) projects are eligible.

5. **If we have multiple N/A items in a row as part of the binder, can we group them together under one tab?**

No. Each individual section must be tabbed.

6. **Can the local government funds be committed, contingent to award of LHC 2015 Fall Affordable Housing Initiative NOFA Funds?**

Yes, if this is the only contingency.

7. **Leverage of Other Funds. Are points only given just for local government funds or to leveraged resources?**

Points are only given for funds leveraged by the developer from local government. LHC believes such funds, which may be in the form of waived fees, etc. demonstrates a deeper level of commitment to the project than do funds loaned to the project from a bank or other private source.

8. **Leveraging can that be a fee waiver from the city, impact waiver?**

Yes. To count toward the leveraging requirement the cash value of the waiver must be included and verified by the contributing agency.

9. **Page 2 of the NOFA states that applications are due on November 13<sup>th</sup>, however the timeline shows November 25<sup>th</sup>, can you please verify the application due date?**

The date shown in the timeline is correct. Applications are due no later than **Wednesday, November 25<sup>th</sup> at 4:00 PM CT.**

10. **When are market study, application and analysis fees due?**

All fees, including market study, application and analysis fees are due at the time of the application submittal. See fee requirements on pages 11 and 12 of the NOFA.

11. **Where can we find the actual applications for the NOFA and how should they be submitted?**

The applications can be found on the LHC website at <http://www.lhc.la.gov/page/low-income-housing-tax-credit-documents>, "Updated AMEC Model". Complete hard copies of both the LIHTC and LHC Tax Exempt Bond application and attachments must be submitted. Additionally, please provide a USB which contains both a PDF and a WORD version of the application. All material must be submitted by no later than **4:00 PM CT on Wednesday, November 25<sup>th</sup>.**

**12. What is the required submittal for the 2.5 points in Section III “Project is ready to proceed without requiring any additional development approvals”?**

The project must contain adequate verification that all funds are in place, all zoning and permits are approved and that but for approval on the bonds, credits and HOME funds the project is ready to proceed.

**13. Is the HOME loan forgiven if not paid off at the end of the compliance period?**

No. See question #23 below.

**14. While HOME funds cannot be used to "cash out" the value of property in such cases, please confirm that HOME funds can still be used for other eligible costs required by the current owner (assumed to become general partner of Tax Credit LP or LLC Owner) to rehab and preserve affordable housing.**

HOME funds may be used to pay eligible costs of the project that is not acquisition.

**15. Under Ineligible Uses on Page 4 it states: Projects that previously received funding from LHC are ineligible. Does this include projects that originally received grant funding from Louisiana Housing Finance Agency (LHFA), from The Louisiana Office of Community Development (OCD), or long ago (e.g., HOME grants secured more than 15-20 years ago or that have since lapsed)?**

Any project that has received funding from LHC (formerly LHFA) (including but not limited to HOME, Multi-Family Bonds or Low Income Housing Tax Credits) which is currently incomplete or under construction is not eligible to apply during this round. Additionally any project that is currently within its existing compliance period, either with HOME funds or Tax Credits, regardless of their source, is ineligible to apply.

**16. Must the Bond Application be submitted with the AMEC LIHTC Application, or only after conditional commitment of 4% Credits and HOME funds required to fill cost gaps?**

The Bond application must be submitted simultaneously with the LIHTC/HOME application.

**17. On page 12 under INELIGIBLE APPLICATIONS it is stated: Projects previously awarded financing by LHC. Would this still apply if the Sponsor of a previous project proposes an additional phase?**

If the proposed project is a different project yielding additional units of production then it would be eligible. It is not eligible if the proposal is only an increase in funding or additional work on a project that was previously submitted and awarded.

- 18. The HOME NOFA says QAP points are to be added together with NOFA points to yield a total score. Page 17. The QAP at page A-22 defines Rural Area Projects as those located outside specified Cities and awards points. 2016 Selection Criterion, page 6 of 9. The HOME NOFA awards no points for Rural Parishes, but defines the term differently. Page 16. Please confirm that Rural Area Project points awarded per the QAP remain applicable.**

Points for rural area projects are only awarded through the QAP, therefore, the definition included in the QAP governs the points.

- 19. To apply under the NOFA are we to use Version 1.9 - "Electronic Application ... 2014" linked to the LHC "What's New" page?**

The applications can be found on the LHC website at <http://www.lhc.la.gov/page/low-income-housing-tax-credit-documents>, "Updated AMEC Model". Complete hard copies of both the LIHTC and LHC Tax Exempt Bond application and attachments must be submitted. Additionally, please provide a USB which contains both a PDF and a WORD version of the application. All material must be submitted by no later than **4:00 PM CT on Wednesday, November 25<sup>th</sup>**.

- 20. Where we do we find the Bond Application form that must be used?**

The Bond application may be found on the LHC website at: <http://www.lhc.la.gov/page/multifamily-bond>

- 21. Does the NOFA's prohibition against collecting the first 50% of Developer Fee prior to project completion only apply to HOME funds and not to other project funding Sources budgeted to pay Developer Fees?**

The LHC will withhold an amount equal to 50% of the developer fee until the construction is complete and "once all "HOME" assisted units have been initially leased to eligible tenants." If the developer fee is scheduled to be paid by other sources, then the developer fee will be withheld from the HOME final draw and or retainage.

- 22. I see there are an application fee, an analysis fee, and a market analysis fee. Is this a separate set of fees from those required for the 4% application? Or are these the same as the application, analysis, and market analysis fees required for the 4%?**

Fees are not collected twice, these fees are the same.

- 23. On page 6, there is a statement that "Projects with multiple environmental issues will cause the award of HOME Funds to be canceled. Does this cancellation apply even if the environmental issues are undergoing remediation at the time of application and we can provide a schedule of projected completion? To clarify, HOME funds would not be used for the environmental remediation.**

Yes the restriction would still apply even if the site is currently undergoing remediation. HOME has very strict deadlines and sites must be in a condition, absent unknown issues, that is ready to be built upon.

- 24. It is not clear in what form the funds are awarded. Will they be awarded as a grant or loan? And if as a loan, is this loan forgivable?**

As stated on page 2 of the NOFA "All HOME Funds will be awarded in the form of a soft cash flow loan payable from Surplus Cash." This means that the HOME funds provided under this NOFA will be in the form of a loan. Additionally the funds will carry an interest rate equal to the Applicable Federal Rate at the time of the award. The loans will be for the term of the affordability period (generally 20 years) and payable from available cash flow. All funds not paid prior to the maturity of the loan will be due at maturity. See question 13 above.