

## Frequently Asked Questions

### LOUISIANA HOUSING CORPORATION

#### 2015 SPRING AFFORDABLE HOUSING INITIATIVE NOTICE OF FUNDING AVAILABILITY

April 16, 2015

**NOTE: The questions below are only minimally edited and are in the same or nearly the same form as submitted to the Corporation.** Responses to the Frequently Asked Questions (FAQ) are provided as a courtesy to our developers and meant to provide clarification with regard to the 2015 Qualified Allocation Plan (QAP) and The Louisiana Housing Corporation (LHC) 2015 Spring Affordable Housing Initiative Notice of Funding Availability (NOFA). Be advised that the QAP is the controlling document and responses below are not intended to circumvent or substitute any of the directives or requirements of the QAP.

**1. Q: Does LHC require 3 separate applications for a single development requesting MRB, LIHTC and HOME?**

**A:** No, there are 2 applications; the 2015 Low Income Housing Tax Credit (LIHTC) Application and the Bond Application. Both applications can be accessed using the following link:

<http://www.lhc.la.gov/page/low-income-housing-tax-credit-documents> .

Refer to page 12 of the NOFA for further details regarding the submission requirements.

**2. Q: Is there a minimum owner/developer equity contribution required for HOME funds?**

**A:** No.

**3. Q: Do City HOME funds count as “Leveraging of Local Governmental Funds”?**

**A:** Yes, but City HOME funds may not be used as a match to LHC awarded HOME funds.

**4. Q. How can I double check to make sure this development meets the requirements for “Previous Participation” points?**

**A:** You may submit a request to [HOME@lhc.la.gov](mailto:HOME@lhc.la.gov) for confirmation.

**5. Q. What are the 221(d) 3 limits under this NOFA for Shreveport?**

A: HUD no longer uses 221 (d) (3) to determine the maximum assistance. The maximum assistance allowed is now determined by the Section 234-Condominium Housing, elevator-type limits. These basic limits for all areas of Louisiana are:

2014 Section 234 –Condominium Housing Limits: <i>Effective January 1, 2014</i>	
Bedrooms	Elevator-type Basic Limit
0 BR	\$57,234
1 BR	\$65,611
2 BR	\$79,782
3 BR	\$103,212
4+ BR	\$113,295

LHC has requested approval from HUD to increase the limits. If LHC receives an affirmative response from HUD prior to the preliminary award of funds under this NOFA, it will post the new limits on its website. Absent a granted increase from HUD, these limits will be used in determining the amount of HOME funds that can be awarded to a project.

**6. Q. If proposing all 1 BR units as HOME units, would a \$1,500,000 allocation indicate the need for 25 HOME units with 20% at 50% AMI?**

A: You cannot propose that all of the HOME units are 1 type. As per CPD98-02, HOME units must be proportional across unit configuration.

**7. Q. Can the State HOME units overlap with City HOME units?**

A: The total HOME assistance must be determined by adding both HOME sources together and then determining the percentage of HOME funding vs. other total permanent funding. This percentage is multiplied against the number of units in each configuration. The number of required HOME units is the next whole number. For example: If a 100 unit development which is receiving \$1,500,000 in HOME funds has a total permanent financing of \$12,000,000 then  $1,500,000/12,000,000 = .125$ ; If the configuration of the 100 units is 60 x 1 bedroom and 40 x 2 bedroom then  $60 * 0.125 = 8.375$  or 9 whole units;  $40 * 0.125 = 5$  whole units. So the total number of HOME units would be  $9 + 5 = 14$  whole units. Since there are more than 5 total HOME units at least 20% (of each configuration) must be at 50% AMI so  $9 * 0.2 = 1.8$  or 2 and  $5 * 0.2 = 1$ .

**8. Q. The HOME NOFA discusses identity of interest on page 4. During the NOFA workshop I raised the question related to Public Housing Agencies (PHA) and Rural Action Development (RAD) deals. The Department of Urban Housing and Development (HUD) requires that PHAs have a substantial role in the RAD converted properties. They can meet that requirement by being part of the General Partnership (GP). In a RAD 4% transaction the PHA typically will sell the property to the Partnership. HUD views the PHA's subsidiary nonprofit and for profit entities**

**as having an identity of interest. (They are required to report their entities on the audit financial statements as well).**

A: LHC does not consider the situation described as a violation of the identity of interest prohibition. Therefore, the LHC would not disqualify an application based on this situation.

**9. Q. Do we need the environmental to be completed as a Part 58?**

A: Yes , the project must have both a Part 58 and a Phase I.

**10. Q. Will LHC sign for HOME funds or local City Official?**

A: The Responsible Entity for this project will be HUD. If another Participating Jurisdiction (PJ) puts HOME funds into the project, those funds will have to be cleared separately. All funds that are administered through the LHC will be cleared by the same Part 58 review.

**11. Q Does LHC want lead base paint and asbestos assessments?**

A: These assessments are a requirement of the federal funding. Any lead or asbestos must be abated.

**12. Q. Can the PHA's Plan (similar to a consolidated plan) serve as the local government plan?**

A: No.

**13. Q. Since the PHA is a local government entity chartered under state law, do the funds they put into the project count as a government funding source? This is in reference to 10 points for funding from local government that is greater than 5% of projects development cost.**

A: No. Since the PHA is the applicant the funds contributed by them would be considered owner equity.

**14. Q. Does projects development cost mean hard costs or all costs including the costs to issue the bonds, third party studies, etc.?**

A: Development costs include both hard and soft costs as set forth in requirement outlined in the Code of Federal Regulations Title 42 Part 92.

**15. Q. Does the PHA need evidence of utilities for currently operating developments?**

A: Yes.

**16. Q. What is an example of discretionary public land use approvals? The NOFA says you don't have to have building permits – so what is an alternative example? What is LHC trying to get from developments with this section?**

A: Proof that the project site has correct zoning. This can be provided by a zoning map that indicates the current zoning of the site and a key that explains what each zoning classification means or a letter from the Zoning or Planning Commission specific to the site.

**17. Q. Page 17 under readiness to proceed, last 2.5 says Project is ready to proceed without requiring (it is blank – maybe a typo). What words are supposed to complete that sentence?**

A: The complete sentence should be “Project is ready to proceed without requiring any additional development approvals.”

**18. Q. If we have 20 N/A items in a row as part of the binder, can we group them together under one tab?**

A: No, each question should have its own tab.

**19. Q. Will the final scoring and applications be made public at any point?**

A: A final awards list will be posted to the LHC website which will list final scores and awarded projects. Copies of submitted applications are available through a public records request after the funding round has ended.

**20. Q. Can the local government funds be committed, contingent to award of LHC 2015 Spring NOFA HOME Funds?**

A: Yes.

**21. Q. Can you clarify if the "previous participation - project that competed in a prior LHC funding round but was unfunded" includes the concurrent 9% application process?**

A: Previous participation refers to a LHC funding round that ended prior to issuance of the Spring NOFA. See question 4 above.

**22. Q. Can this application also be our request for PSH PBV from LHA or if we need to provide some other documentation?**

A: Requests for Permanent Supportive Housing (PSH) Project-Based Vouchers (PBV) should be sent to Nicole Sweazy at [nsweazy@lhc.la.gov](mailto:nsweazy@lhc.la.gov).

**23. Q. Are we to complete the LIHTC application online and then the 4% Bond application online, but the NOFA states that documents should be in a binder and mailed. Can you please clarify?**

A: The LIHTC and Bond applications should not be completed online. Print each section of the applications and submit 1 bound hard copy.

**24. Q. What are the fees associated with the funding round?**

A: Please refer to the fee schedule located in the 2015 QAP pages 16-17 with regards to application, analysis, and award fees.

**25. Q. When are market study fees due?**

A: Market study fees are due within 7 days of issuance of the preliminary award.