FREQUENTLY ASKED QUESTIONS (FAQ)

LOUISIANA HOUSING CORPORATION (LHC)

2016 QUALIFIED ALLOCATION PLAN (QAP)

Updated as of 9/10/2015

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 are provided as a courtesy to our developers and meant to provide clarification with regard to the 2016 Qualified Allocation Plan (QAP). 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: If a project(s) gets funded in the non-profit pool with the total credits awarded less than $750,000 but more than the required 10% ($500,000) will the remaining credits collapse to the general pool?**

   A: After the minimum 10% is awarded from the non-profit pool, the balance of credits will be added to the collapsed general pool.

2. **Q: If a project has a capital needs assessment (CNA) dated April 5, 2015 will it be accepted as meeting the QAP requirement of being dated no earlier than six months before the application deadline?**

   A: April 5, 2015 is exactly six months before the application due date of October 5, 2015. Assuming the CNA meets all of the other requirements of the QAP it is acceptable.

3. **Q: Can you confirm the timing overlap ability of the initial compliance period exit (completed by 12/31/16) and the new application submission/award/certification (Nov 4th 2015 & June 15th 2016)?**

   A: If the initial 15 year compliance period for the building for which a credit allocation is sought, ends 12/31/2016 and the building is not acquired by the taxpayer prior to 12/31/2016, there should be no problem under section 42(e)(7).

4. **Q: Geographic Diversity - What is the preferred source for income calculations by Parish and QCT? (Ex. HUD FY 2015 MFI for income by Parish and FFIEC Census Reports 2015 Est. Tract MFI for income by Census Tract)?**

A: Median income must be verified using FFIEC Census Reports through the following link: https://www.ffiec.gov/censusproducts.htm only.

5. **Q: Targeted Population- In the event that a developer has shown good faith and effort to lease units to a targeted population type and the unit remains empty, is there a minimum period of time that a developer must wait to open the unit to the general population?**

   A: If points are allowed, the project must maintain the set-aside for the targeted population type.

6. **Q: Governmental Priorities- Does LHC use the HUB Zone map to determine both eligible HUB Zone locations and eligible QCT/DDA locations?**

   A: *Louisiana HUB Zone classifications must be verified using the project's census tract through the following link: https://www.sba.gov/content/hubzone-maps only.*

   QCT and DDA designations must be verified using the following link: http://www.huduser.org/portal/datasets/qct.html only.

   All classifications must be current as of August 31, 2015.

7. **Q: Leverage for Disability Funding- What type of documentation is required from the funding entity? Are there any entity limitations other than non-governmental? Is there a funding minimum required to be awarded the 3 points?**

   A: A firm commitment of funding must be included in the application submittal. There is no funding minimum; however, funding must be evidenced in the project's pro forma.

8. **Q: Please provide clarity as to whether it is the intent of the LHC to allow a "Distressed Property" located outside of a QCT to be deemed a "Redevelopment Project"?**

   A: Yes. A "Distressed Property" is one of the selections under a Redevelopment Project. By definition a Redevelopment Project must me located in a QCT.

9. **Q: Redevelopment Project - with the removal of the 5% resource requirement by local government, a PHA project would qualify for the redevelopment points as a distressed property as long as it proposes more than $20,000 per unit in rehab and has been placed in service 15 years or more from the application deadline. Would sufficient documentation be a letter from the PHA stating such and referencing the Capital Needs Assessment?**

   A: In addition to meeting the requirements for a Redevelopment Project, a distressed property must meet the QAP Glossary definition for Distressed Property. Support

documentation must come from the federal funding agency and must be supported by the Capital Needs Assessment prepared by a third party.

10. **Q: Given the extremely short time period from QAP adoption to the due date, if we resubmit a project that we submitted just months earlier in the 2015 round with no changes, will we be permitted to upload many of the same documentation since they are still current this year?**

    A: All financing commitments must be current. The QAP specifies certain timing restrictions on documents including but not limited to CNAs, appraisals and community notifications. As stated in the QAP, "Applicants are responsible and accountable for the accuracy of information submitted and for compliance with prescribed rules by the IRS. The LHC has full and final authority to determine if an application is incomplete and shall be disqualified."

11. **Q: The QAP requires a 35 year rather than a 15 year pro forma. Our lenders will typically only provide a 15-20 year term. Will the debt service ratio calculations only apply to a 15-year period?**

    A: Yes, a 15 year pro forma is acceptable.

12. **Q: I.G.(iii) Preservation Priority Project – This section states that to receive 10 points, the development must have project based section 8 for at least 30% of the units or federally funded rental subsidy (such as PHA) for at least 20% of the units. We read this to mean that a PHA project with its federal rental subsidy for 100% of the units will receive all 10 points. Please confirm your agreement.**

    A: That is incorrect. A project with a 100% rental subsidy will receive 6 points under the referenced selection criterion.

13. **Q: II.B. Veterans Households - Please clarify "project must evidence commitment to the project from the Veterans Administration." For example, what is an acceptable "commitment" and is a letter from the VA acknowledging such an acceptable form of "evidence"?**

    A: The application submission must include a marketing plan to reach Veterans and a letter of support or agreement from a Veteran's provider such as Supportive Services for Veteran's Families (SSVF) or Veterans Administration Health Care Center.

14. **Q: In Appendix A the definition of Infill Project needs to be clarified. The definition states the project must be in an "existing urban area". Can points be claimed on both an Infill Project and a Rural Area Project?**

A: Possibly, however, the proposed project would have to be considered in its entirety. The proposed project must be in an existing urban area meeting all the requirements of an infill and at the same time meet the criteria of a Rural Area Project as defined by the QAP.

15. Q: The QAP requires financial audits of acquisition/rehabilitation projects. Are projects allowed to submit other financial documents when audited financials are not required?

A: Yes, alternate documentation including tax returns and compiled financials are acceptable as long as the information clearly evidences the current financial condition of the project**.**

16. Q: Can you provide the link to the list of local newspapers and official journals?

A: The list of official journals can be obtained using the following link: http://www.lhc.la.gov/page/low-income-housing-tax-credit-documents.

17. Q: Can you please clarify what would be the due date for the market study fee and preliminary site information?

A: The market study fee and preliminary site information is due on September 11, 2015 by no later than 4:30 PM CT.

18. Q: What is required for the Preliminary Site Information submittal?

A: The below information must be sent via email to qapcomments@lhc.la.gov by no later than September 11, 2015 than 4:30 PM CT.

Project Site Information must include the following information:

- Taxpayer and contact person information;
- Project name and address;
- Map showing the project's location; and
- General Project Information including the number of units and buildings, unit mix, construction and development type, and targeted population.

19. Q: Are there any revisions in the QAP to address the Texas Fair Housing related legal rulings?

A: Yes, Appendix F- Fair Housing Principles and Requirements has been added to the QAP. Note specifically the requirement that each project must include within their application an Affirmative Marketing Plan.

20. Q: Please provide the wire transfer information for the market study fee.

A: Below are wiring instructions for wiring payments to LHC:

Receiving Bank Name: Chase Bank, N.A.
Receiver Name: Louisiana Housing Corporation
Receiver ABA#: 021000021
Bank Account#: 470328449
Description: Project Name & Description of Fees

Please email to qapcomments@lhc.la.gov the wire date and confirmation/reference number.

21. **Q: I'm resubmitting an application from the 2015 round. Since my market study is dated within 6 months and was commissioned by LHC, will I need to engage another?**

    A: No, provided there have been no changes to the proposed project, the market study commissioned by LHC and dated within 6 months is sufficient. Please submit the site information only.

22. **Q: We submitted a 9% application here in Bastrop last round that did not get funded. I plan on resubmitting an application this year, but had to change sites. That site is less than a mile from the original site that I submitted last round. Would I be required to pay another Market Study fee, or could the current Market Study be used?**

    A: Yes, changes to the project such as a site change will require a new market study.

23. **Q: We are working on a potential project that is a true scattered site/infill. The project will be in one Parish within 3 Cities and have multiple lots. We would like to know how the QAP will address Neighborhood features for multiple sites. If we have real infill lots that are not continuous within a neighborhood do we count the mileage from the closest lot?**

    A: Points related to location characteristics are confirmed by the market analyst and based on the specific attributes of a project and industry standards. Generally, a mid-point of the site locations is established for determining distances in a scattered site/infill project or the location with the largest concentration of the units for a project consisting of multiple distant locations is used.