

Frequently Asked Questions (FAQ)

(Revised June 1, 2016)

LOUISIANA HOUSING CORPORATION (LHC)

2016 SPRING AFFORDABLE HOUSING INITIATIVE NOTICE OF FUNDING AVAILABILITY

1. Page 1. "Non-entitlement areas."

Please confirm that communities in Lafayette Parish, but outside Lafayette City limits, qualify for "non-entitlement" preference.

A: Lafayette has a consolidated form of government. Under this type of government the City of Lafayette and all of the unincorporated areas in the parish are counted in the entitlement area. The other incorporated portions of Lafayette Parish (Scott, Carencro and Broussard) are outside of the entitlement area.

2. Page 2 states "The highest scoring projects will be awarded until funds are exhausted." Is this the highest scoring application from both the entitlement and non-entitlement areas? Or, will the highest scoring application from the non-entitlement area be exhausted then move to the entitlement or highest score?

A: Non-entitlement area applications will be awarded first, and then consideration will be given to entitlement area applications.

3. Page 13 – Incomplete projects. If an entity received a HOME award and hasn't closed yet, does that denote an incomplete project? Or, is it for projects that closed and haven't been completed?

A: A project that has previously received HOME funding and is not complete for any reason is ineligible to apply in this round.

4. Can a project have rental units within the City limits and outside the City limits? The jurisdiction for both would be the Parish.

A: The NOFA does not prohibit units being inside and/or outside of city limits, however the location may have a bearing on if the project is in an entitlement or non-entitlement area.

5. Page 18- 7 Points will be awarded to projects that have completed environmental clearance review – must be submitted with the file.

- a. Please expand on this section.
- b. If the NOFA was published on May 11th how could a project have completed the entire process by June 13? Mr. Brass has to review the environmental submission first (say 7 day turnaround as shortest) and then there is a 15 publication/comment period. Then there is another 15 day comment period for HUD's approval and review of release of funds. If a project submitted a full PHASE I with all of the LHC required documents on May 11th – they could not get through the LHC process by June 13.
 - i. How can any application have completed the clearance review?
 - ii. Is LHC expediting environmental review for this NOFA? If so, how many days is the turnaround for review and publication from LHC?
 - iii. Please provide a list of what documents would evidence that a project has completed environmental clearance review.
 - iv. Is page 18 really referencing something different? Did the NOFA intend to provide 7 points for the submission of the Phase I and Part 58 documentation for the environmental clearance process by LHC?

A: Completion of the environmental process for the applicant does not mean completion of the process for LHC. Points are awarded for work that the applicant can perform and provide in the application package, which does not include requesting and receiving a Release of Funds. Points are awarded to applicants that have a completed Phase I and Part 58 checklist with all the consultation letters, responses to letters and all other required backup for the Part 58 review.

6. What is an example of obtaining discretionary public land use approvals? What is the example for new construction? What is an example for rehab?

A: This refers to having appropriate zoning for the project proposed. It applies to both new construction and rehab projects. Example of which are: current zoning maps with the explanation of current zoning classifications or a letter from the zoning body that the proper zoning is in place.

7. Is there a per project limit on the \$4 Million for HOME Funds?

A: The 2016 Spring Affordable Housing Initiative NOFA has a maximum HOME award of \$1,350,000 per project.

8. Match: What are EXAMPLES of eligible sources that qualify as a match under the HOME program? What HUD notice or regulation is this requirement? What is an example of a match that is not eligible?

A: The regulations that cover forms of eligible match are in the HOME regulations at 24 CFR 92.220. Generally, the match contribution must be a gift or grant to the project and must not originate from a federal source or from a party with an interest in the project, such as the owner or developer. An example of an allowed governmental contribution of match would be the waiving of a sewer impact fee or building permit fee. Additional forms of governmental match could be the construction of the infrastructure for the project, such as a street that serves the project if the cost of the street is paid for with nonfederal funds. Another form of match would be an AHP grant from the Federal Home Loan Bank. If the development recognizes this as a grant to the project, then the assistance is considered as a dollar-for-dollar match contribution. If the AHP assistance is recognized by the development as a loan, the savings in interest cost between the AHP loan and the market rate loan is recognized as the match contribution. Other forms of match include donated land when the land is donated expressly for the construction of affordable housing, volunteer unskilled labor, (such as sweat equity in a Habitat for Humanity project, and valued at \$10 per hour), and donated professional services such as architect fees, legal fees, etc. These may be recognized at the fair market value that the professional normally charges but cannot be used if it is only a reduction in fees but rather must be wholly-donated. The regulations cited above goes into greater detail.

9. Application Delivery: The online tax credit application may be submitted prior to the deadline of June 13th. How should the Bond Application be transmitted? Can it be uploaded as part of the tax credit application (other document?) How should the NOFA responses get transmitted? As other supporting documents? Can the online system accommodate these? The online system for all of the application documents seems efficient. Page 13 says hard copies of application- then also discusses online system for submission. Is it both online and hard copy? Why?

A: Applications should not be submitted using the LIHTC Online Application. Applications must be submitted using the LHC Excel Model and the Bond Application as described in the NOFA and posted to the LHC site at (link). On page 13 of the NOFA it states that “Complete hard copies of both the LIHTC and LHC Tax Exempt Bond application”...must be submitted along with “Complete electronic copies of both the LIHTC and LHC Tax Exempt Bond application....”

10. Aging out of Foster Care -Some developments (e.g. HUD 202 Elderly) prohibit occupancy for residents below a certain age. Any provision to not penalize them since they are prohibited by HUD from providing this assistance?

A: In order for a project to receive points in this category, the project must be able to serve youths aging out of foster care.

11. Can the corporation confirm the order of preference of awards for this NOFA? Are entitlement area projects categorically excluded until all non-entitlement projects that meet the threshold have been funded? Will strong projects from entitlement areas still be considered for funding?

A: All non-entitlement area projects will be considered prior to any entitlement area projects. If funds remain after preliminary award to non-entitlement projects, entitlement area projects will be considered.

12. Will LHC accept the discounted value of land purchased from a local government entity at 10% of appraised value as “Governmental Support”?

A: Yes, provided that sufficient documentation of the local government support is included in the submission. Documentation may include but is not limited to a bill of sale, appraisal, and/or agreement between the local governmental entity and the taxpayer.

13. Due to the complex nature of submissions requiring online, digital, and physical copies of the LIHTC, HOME, and Tax Exempt Bond applications, will LHC provide a full ordered submission checklist?

A: The requirements and order of submission is contained in the NOFA under Requirements and Order of Submission.

14. Is a finished-construction elevation certificate required at submission, or will an Architect’s certification suffice until after project awards? Our project has sixty-one (61) parcels and this presents an excessive cost burden to undergo to submit an application.

A: According to the 2016 QAP, a finished-construction Elevation Certificate must be provided for new construction or substantial rehabs. An architect’s certification is acceptable for projects located inside a levee protected area.

15. Are Census Tracts eligible designations to receive points from section VIII? Demonstrated Need?

A: No.

16. Are the established maximum average TDC per unit by Development type in the QAP applicable to this NOFA?

A: Yes.

17. Is the \$1,000 bond application fee in addition to the fee schedule described in the NOFA?

A: Yes, the bond fee is in addition to the other NOFA related fees such as application and analysis fees.

18. Item II. Ability to Leverage HOME Funds with Local Governmental Funding states points will not be allowed to overlap with points in the QAP Item E. Governmental Support. Is this to mean that points selected in the Spring NOFA will supersede the points in the QAP?

A: Applicants cannot claim points under Section III, F –Governmental Support in the QAP and Points under II – Ability to Leverage HOME Funds with Local Governmental Funding in the NOFA.

19. Can the Corporation clarify the geographic specificity implied in I. Location Points in the Spring NOFA – In the QAP these points are awarded to projects in parishes without a project within 10 years? Would a zip code or census tract qualify under the term “town”?

A: A town is an incorporated area with its own form of local government so a census tract that is not independently incorporated does not qualify.

20. A CHDO with development experience has been approached by a local nonprofit with little development experience. The CHDO is amenable to partnering with the local nonprofit to rehabilitate single-family scattered-site rental housing, but not to the CHDO’s owning it. Can the local nonprofit obtain the property or at least an option on the property and sign a Development Services Agreement with the CHDO to develop the property, to be owned by the local nonprofit non-CHDO development? Or must the CHDO actually take title to the property, renovate it, and then convey it; if the latter, before agreeing to do the work, can the CHDO require the local nonprofit commit to acquire the property at a fixed price post rehab?

A: To be eligible under the CHDO Set-Aside Initiative, the applicant must be the CHDO, and the CHDO must hold title to the property. The CHDO would also have to have a binding agreement to turn over the rental property to the other nonprofit in which the other nonprofit would assume all of the responsibilities of the CHDO, including repayment of the loan, and long-term affordability enforced through deed restrictions, etc.. At the time of application the applicant will have to be able to demonstrate site control. This can be done by binding purchase agreements. Actual transfer of the property can take place at closing or a later date but must occur prior to the disbursement of HOME funds for anything other than property acquisition.

21. Where do we go to confirm and, from LHC's perspective, adequately document that a town has had no LHC funded multifamily developments in 10 years?

A: Prospective applicants are encouraged to thoroughly evaluate the status and funding of affordable housing projects in the prospective cities and towns in which they are proposing a new development. In addition to its internal data base and information provided by the market study analyst, LHC will verify if a proposed development is in a city or town that has not been funded within the past 10 years. Applicants may send in written requests for

verification to home@lhc.la.gov prior to the June 13th submission dates. Only written inquiries will be accepted.