



October 20, 2016

Edselle Keith Cunningham, Jr., Interim Executive Director  
Louisiana Housing Corporation  
2415 Quail Drive  
Baton Rouge, LA 70808

Re: **Selection Criteria for the LIHTC – 2017 Qualified Allocation Plan**

Mr. Cunningham:

The New Orleans Redevelopment Authority (NORA) would like to provide comments concerning the development of Selection Criteria for the LIHTC – 2017 Qualified Allocation Plan.

First, NORA recommends that the 2016 QAP definitions of Distressed Property and Redevelopment Property referenced in Section I. Targeted Project Type B. Redevelopment Project include all properties purchased by the Louisiana Land Trust (LLT) under the Road Home program. These properties have been vacant since August 29, 2005 and are concentrated in previously developed areas with high levels of vacancy. As this criterion was structured in 2016, former LLT properties would not have met the definition of “Distressed Property” or “Redevelopment Property.” NORA believes that its portfolio of former LLT properties should qualify as both Distressed Property and Redevelopment Property given the federal assistance used to acquire the properties, the vacancy period of greater than ten years, and the public sector’s goal to return these properties to commerce as efficiently as possible.

Second, NORA recommends that Section I. Targeted Project Type C. High Vacancy Projects be expanded to award points to projects built on currently vacant land that had been previously developed with vacant housing units. NORA and the Louisiana Land Trust have demolished vacant, uninhabitable units on properties across the city in an effort to remediate blight. The structures, if left in place, would have qualified for these points, but would have had a negative impact on the surrounding neighborhood. As this criterion was structured in 2016, it may have indirectly contributed to blight and vacancy in urban neighborhoods by encouraging the retention of uninhabited structures. NORA believes its development partners should be given a scoring preference for bringing these previously developed vacant parcels back into commerce.

Finally, NORA recommends that Section III. Priority Development Areas and Other Preferences prioritize the redevelopment of government/publicly-owned land, regardless of market value. While we appreciate that the contribution of government/publicly-owned land is considered in this criterion, measuring its value as a percentage of Total Development Costs (TDC) puts our development partners at a disadvantage because the costs of construction are high, particularly for scattered sites in an urban infill context, and the appraised value of land in transitional real estate markets is relatively low. As this criterion was structured in 2016, it is quite possible that we could discount the land by 90%, but the value of the discount would be less than 2% of TDC. NORA believes that points should be awarded to



projects solely on the basis of whether the project is completely composed of government/publicly-owned land, not its appraised value.

We would welcome the opportunity to discuss our comments and concerns about the Selection Criteria for the LIHTC – 2017 Qualified Allocation Plan with the Louisiana Housing Corporation. Please let us know if you have any questions or if we can be of further assistance. We appreciate the Louisiana Housing Corporation's ongoing support in NORA's mission to reduce blight through neighborhood revitalization.

Sincerely,



Brenda M. Breaux  
Executive Director