Louisiana Housing Corporation

2024 Qualified Allocation Plan

Frequently Asked Questions

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 are meant to provide clarification with regard to the 2024 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. **<u>V.E. Onsite Security</u>**
   What is the definition of local town crime surveillance initiative? Can this be achieved where there is not a local town crime surveillance initiative if we create a neighborhood watch program or agree to share our footage with the local police department?
   LHC Response: Local town crime surveillance initiative is a public-private partnership allowing residents and small business owners to assist their local law enforcement agency by sharing important video footage. This helps save valuable time and resources and strengthens neighborhoods by deterring crime, encouraging community-law enforcement coordination, and supporting criminal apprehension.

   LHC is aware that this is a relatively new initiative within the state and that not all cities currently have the capabilities or system in place. That being said, LHC will allow applicants to earn the point by providing a signed agreement between the applicant and their local law enforcement that they agree to share their surveillance footage with them when requested. The creation of a neighborhood watch without a written agreement with local law enforcement to share surveillance footage would not be sufficient.

2. **Has LHC had communication with any law enforcement agencies in the state about the proposed scoring item for integration with local town crime surveillance initiatives? City police departments around the state will start receiving an influx of requests for letters stating that proposed camera systems integrate with their initiatives, and it would be helpful if LHC could provide them some direction on how to respond to those requests, if this scoring item remains in the OAP. Regardless, applicants need clear direction on what this scoring item requires (access to site cameras for police? coordination of hardware specifications?) if this remains in the QAP. Please also consider**

the fairness of this scoring item if only a small handful of municipalities in the state have the infrastructure to permit this integration.
LHC Response: The majority of local town crime surveillance initiatives require that residents and business owners that are willing to participate in the program register their privately owned camera systems via online registration forms and will provide specific requirements per their initiatives.

LHC is aware that this is a relatively new initiative within the state and that not all cities currently have the capabilities or system in place. That being said, LHC will allow applicants to earn the point by providing a signed agreement between the applicant and their local law enforcement that they agree to share their surveillance footage with them when requested.

3. **Is there one point available for each item, or two points if any of the items are checked?**
LHC Response: Applicants can select 1 or more of the three selections listed under V.E.(i). However, only 2 points will allowed for either security cameras, security gate, or on-site security guard. There is 1 additional point available for (V.E.(ii). security cameras that connect with local town crime surveillance initiative.

4. **I. A Project Diversity**
Please confirm that 80% AMI units will not count as market-rate units for the purposes of this scoring criteria. A comment was made that this was modeled after the PRIME NOFA which requires, "Market Rate," units, however, those units ARE restricted at 80% AMI, and wouldn't be eligible for points in this section.
LHC Response: 80% units will not count as market-rate units for the purposes of the scoring criteria. Project Diversity points require market-rate units without income restrictions. Projects evidencing units using the Income Averaging structure will not be allowed points under this category.

5. **Section IV Threshold Requirements:**
A. Project Threshold Requirements:

#1.a – Resiliency Standards

- **Restricting development in SFHA's without providing a building elevation option may make sense in greenfield or rural contexts but will restrict development from some urban sites with good existing infrastructure. Additionally, an exemption for rehabs could support LHC's resiliency goals for the state's affordable housing stock, particularly where the rehab includes elevation of the structure to reduce future flood risk. Language in this section appears to permit development within SFHA if the buildings are elevated, which is inconsistent with the language above. Are projects allowed to be located in SFHAs as long as the building and all mechanical and electrical equipment has been elevated to above BFE? If not, Section A.11 is in direct contradiction with Section A.1.a. that seems to allow for building in an SFHA. Please confirm.**

  LHC Response: The restriction is applicable to new construction projects and projects with a new construction component on the project site. The building footprint may be in Zone B or X-Shaded (500-YR); however, all building mechanicals and finished residential floors must be built at elevations of no less than three feet above the higher of (a) the lowest point within the building footprint, or (b) the nearest road centerline.

#2. Section 811 PBRA

- **Please provide additional clarification about the administration of this program and the Agency's expectations of the developer in its execution. How should this commitment be demonstrated in the application documents?**
  LHC Response: Applicants should evidence a commitment agreement to accept 811 vouchers in their pre-submission packet.

- **Will the 10% required set-aside 811 voucher units apply to the extremely low income targeting units**?
  LHC Response: the 811 set-aside requires 80% of the mandatory 5% set-aside of 30% AMI Units. The 10% set-aside referenced above is the percentage of 1 bedroom units for new construction properties. Selection Criteria points for extremely low income targeting units will be allowed for additional units set-aside above the required 5%.
    - 4 points will be allowed for units (other than PSH) with incomes at or below 30% AMI.
    - 3 points will be allowed for units that serve PSH households with income at or below 20% AMI.

  Points will not be applicable to projects with HAP Contracts or USDA/RD with PBRA**.**

#6. Environmental Review

- **Is a Phase I required along with a checklist or will either suffice?**
  LHC Response: All projects involving use of existing structures must submit an Environmental Restrictions Checklist completed by a professional licensed to conduct environmental testing.

D. Underwriting Guidelines # 8. 30% AMI and Target Population

- **Are projects required to set-aside 30% AMI PSH units if there is an existing HAP contract?**
  LHC Response: Yes, projects must set-aside at least 5% of units for households with incomes at or below 30% AMI with or without a HAP contract.

6. **The language regarding IBHS inspection has been added. Is this type of pre-development building assessment a service that TUVSUD is providing, or would the project architect be able to make an assessment of the ability of a structure to meet both NPS Historic Standards and FORTIFIED standards? Please provide more specificity on who performs this inspection, what it needs to conclude and how that is documented in an application.**
   LHC Response: Typically, a Professional Engineer (PE) in collaboration with IBHS can prepare this assessment for Fortified standards. The project Architect can review the historic aspect if they have a background in historic preservation.

7. **Section II, Division A – The chart and written descriptions of available LIHTCs offer two different funding scenarios. Please clarify the amounts allocated to new construction, urban, and CNI projects.**

LHC Response: LHC has set-aside the following LIHTC amounts to the Allocation Pools listed below:

- Rural Areas – Total amount set-aside $4 million ($2 million rehab Sub-Pool and $2 million NC Sub-Pool)
- Urban Areas – Total amount set-aside $6 million regardless of construction type.
- Choice Neighborhood Initiative – Up to $1.5 million for a singular project located in a designated CNI area and meets the criteria listed in Section II – Available Sources, A. Division of Available LIHTCs #5.

8. **If a nonprofit project does not win in the Qualified Non-Profit/CHDO Set Aside Pool does it then move to the applicable Pool of 2; 3; 4 and/or 5?**
   LHC Response: Projects not funded in the QNP/CHDO pool will fall into a statewide pool.

9. **Is LHC able to clean up its application website to remove duplicative document uploads?**
   LHC Response: There may be multiple options to upload the same documents. However, applicants are only required to upload a document once and can leave the duplicate locations empty.

10. **For the Tie Breaker – how is the percentage of low-income units scored? For example: Project A: 100% units at 60% AMI; Project B: 75% of units at 60% AMI and 25% of units at 50% AMI. Are Project A and Project B ranked the same?**
    LHC Response: The "Tie Breaking" procedure is utilized in the event there are several projects with the same score within eligibility for funding. For purposes of the tie breaking process, the reference to item "I. Selection Criteria IA(i): Project Diversity - percentage of low-income units" does not relate to the number of Low-Income units, but rather whether or not those points were selected at all in the application's selection criteria. For instance, a 100 percent low income development does not score any points under the selection criteria category even though it has the highest "percentage of low income units." So, that project would have no points for this tier of the tie-breaker. The first tier of the tie-breaker is based on the point scored for that category.

11. **A.14 – Historic Rehabilitation Projects – Additional clarification regarding IBHS inspections for historic properties is needed. In our discussions with IBHS they will not inspect a structure without detailed as-built plans, which many developers will not have. Please also provide a contact person at IBHS that will coordinate these inspections.**
    LHC Response: IBHS is independent of LHC. Please direct your questions as it relates to IBHS directly to the credentialing entity: https://ibhs.org/about-ibhs/engineering-group/

12. **Section V.B Asset Management:**
    The Development Community requests clarity from LHC regarding the proposed new Asset Management Review fees and the potential overlap with Annual Compliance Monitoring Fees.
    LHC Response: The fees established as the Asset Management Fee are not inclusive of the Compliance Monitoring Fee. The two fees are separate and distinct from each other.

13. **Are evictions not allowed if we select the eviction prevention points?**
    LHC Response: Owners/agents still retain the discretion to evict tenants who represent a threat to site staff and/or residents due to violent behavior, drug activity, vandalism, non-payment of rent, or any other just cause. Owners/agents must report evictions to the LHC.

14. **Please clarify the threshold of "combine resources, share ownership, governance, returns and risks" as outlined in the scoring criteria Appendix A. V.I**
    LHC Response: The minority joint venture is between one or more MBEs, WBEs, and another company, in which the percentage of profit or loss to which the certified firm or firms is entitled or exposed for participation in the contract, as outlined in the joint venture agreement, is at least 25% of the total profit or loss.

15. **Please clarify eligibility in the case where the taxpayer is sponsored by a qualified entity. Will said qualified entity receive these points as of right or must they joint venture with a separate qualifying entity to qualify under this criteria?**
    LHC Response: The qualified entity must partner with a separate qualifying entity to qualify under this criteria and earn the available points.

16. **Please define the Total Development Cost in use for the calculation of Minority Participation, as there are multiple calculations, adjustments, and exclusions to the TDC depending on the use or review presented within the QAP and AMEC application**.
    LHC Response: The adjustments and exclusions to a project's TDC as stated in the QAP are tied to the HUD TDC limits used in the underwriting process. For purposes of calculating the percentages of TDC relative to minority participation, the projects actual unadjusted TDC per the application will be used.

17. **Please define vendor participation as it relates to minority participation.**
    LHC Response: Vendor participation is defined as any person, firm or company hired to provide goods or services on/to the project, including but not limited to title companies, law firms, architects, engineers, interior designers, real estate management firms, plumbers, electricians, and landscapers.

18. **Does a minority-owned business have to be certified by 1 of the 3 entities listed or can the definition below be applied to determine eligibility?**

    A qualified small business is a real estate development company that meets the following criteria: 1) actively engaged in development activity for at least 3 years; 2) has participated in at least three (3) development projects in some capacity; and 3) has been involved in the development of no more than 500 units of housing. A non-profit entity is eligible to receive points as an Owner/Developer and/or Management Agent if a minimum of fifty-one percent (51%) of the members of their board are minorities, women, or veterans as evidenced by the nonprofit's organizational documents. Furthermore, the Agency encourages business opportunities for new or underutilized small diverse businesses in the development team."
    LHC Response: The ownerships must be certified by either: Louisiana Minority Supplier Development Council (LAMSDC), Women's Business Enterprise Council South (WBEC), or U.S.

Department of Transportation or the State of Louisiana and meet the criteria of a qualified small business.

19. **Providence recommends that LHC clarify the requirements and expectations for applicants taking these points. Specifically, is this a commitment to identify and engage with development team members that meet requirements for the development, or should team members be identified during the application process. The later raises concerns about capacity to participate in speculative work that may not be awarded credits or may otherwise not develop into paid work, as well as limitations and timing for selecting or bidding team members competitively to ensure cost containment which usually occurs after tax credit award.**
    LHC Response: Applicants electing minority participation points will be required to identify minority team members at the time of the application process. Points will not be awarded to those that have only identified possible development team members.