

## Regarding Application Scoring – 2022-2023 PRIME-2 NOFA

The LHC issued a NOFA on August 22, 2022 for the PRIME-2 program, and issued a series of announcements, with the seventh and last amendment issued on February 22, 2023. The NOFA made available \$149M in CDBG-DR loans in support of 4% LIHTC transactions. As a result of the overwhelming response and quality of applications, LHC expects to increase the amount of funds available. Funding would be committed to the highest-scoring applications which otherwise meet the program requirements.

In an effort to ensure transparency and accuracy in its scoring of applications, the LHC issued preliminary score summaries to each of fifty-eight (58) individual applicants on January 24, 2023. These summaries showed, side-by-side, the LHC’s ‘Application / Review’ score, and the score shown on the applicant’s ‘Supplemental App’. Applicants were asked to respond toward a reconciliation of any differences, and toward a final score.

After issuance of these individual preliminary score summaries, the LHC determined that its Affordability Value formula (NOFA §6.3) was effectively providing an advantage to transactions eligible for LIHTC Basis Boost, when the LHC’s intent was to neutralize that scoring advantage. Simply put: as written in the NOFA, a transaction in a Qualified Census Tract (and which could bring to bear the value of LIHTC Boosted Basis) would require less CDBG than a transaction that did not have the economic lift from Basis Boost. Two otherwise identical transactions are shown below for illustration:

	<b>Property Eligible for Basis Boost</b>	<b>Property Not Eligible for Basis Boost</b>
Total Uses	\$20M	\$20M
Sources: 1 <sup>st</sup> Mortgage	\$2M	\$2M
Sources: Equity before Basis Boost	\$8M	\$8M
Sources: Equity from Basis Boost	\$2.4M	\$0
Sources: Total Equity	\$10.4M	\$8M
Sources: (Gap) CDBG	\$7.6M	\$10M

As shown above, a transaction eligible for Basis Boost would qualify for more credits (and generate more equity) and require correspondingly less CDBG, than a property that was not eligible for Basis Boost. The higher CDBG required for the property not eligible for Basis Boost would disadvantage that property in the scoring. It is the LHC’s specific intent not to concentrate housing in areas designated as QCT; competitive scoring which provides an advantage to properties located in QCTs is not consistent with the LHC’s broader goal of ensuring affordable housing is available across the state.

To ensure that the above two transactions were competing fairly for CDBG under the NOFA, and to nullify the inherent advantage of the property with Basis Boost, the LHC revised all Basis Boosted calculations to add Basis Boost to CDBG, arriving at the amount of CDBG that would have been requested by that property if it had not had Basis Boost.

This had the effect of reducing all scores for properties with Basis Boost, relative to the score preliminarily shared by the LHC. However, the list of highest-scoring applications was relatively unaffected. 18 of the 20 highest scoring deals under the original methodology were also among the 20 highest scoring deals under the corrected methodology. In order to provide clarity and full transparency, attached to this notice is a listing of all of the project scores including the initial score, revised score and current ranking.

The LHC regrets any confusion, which may have resulted from our not communicating the scoring adjustment ahead of the February 3, 2023 communication.

Project Name and Tracking #		LHC Initial CDBG Score				Revised CDBG Score						
		CDBG Eff	Affd Value = Max 15,	Calcasieu	Total	Is Basis Boosted	A	B	C	Total Revised Score (C - A + B)	Revised Rank	
Initial Affd Value Score (incorrectly subtracting Equity from BB from CDBG (Max 15))	New Score Affd Value Score (Correctly Adding Equity from BB to CDBG (Max 15))						Total Initial Score					
#	Project Name											
2022-36	Fairmont Towers	20.2	15.0	0.0	35.2	Yes	15.0	15.0	35.20	35.20	1	
2022-52	Chateau du Lac	16.6	7.7	3.0	27.3	No	7.7	7.7	27.30	27.30	2	
2022-12	Ridge Commons	17.0	9.9	0.0	26.9	No	9.9	9.9	26.90	26.90	3	
2022-13	Loop Commons	17.0	9.9	0.0	26.9	No	9.9	9.9	26.90	26.90	3	
2022-11	Landry Commons	17.1	8.9	0.0	26.0	No	8.9	8.9	26.00	26.00	6	
2022-57	Belle Maison Apartments	17.8	10.3	3.0	31.1	Yes	10.3	5.8	31.10	26.60	5	
2022-64	Deerwood Apartments	15.4	11.5	3.0	29.9	Yes	11.5	6.3	29.90	24.70	7	
2022-56	The Reserve at Power Place	14.8	10.9	3.0	28.7	Yes	10.9	6.7	28.70	24.50	8	
2022-66	Benoit Townhomes	13.6	7.8	3.0	24.4	No	7.8	7.8	24.40	24.40	9	
2022-06	Renaud Place Townhomes	17.8	13.3	0.0	31.1	Yes	13.3	5.8	31.10	23.60	10	
2022-47	Natchitoches Thomas Apartments	17.9	11.8	0.0	29.7	Yes	11.8	5.7	29.70	23.60	11	
2022-59	Parkway Commons	15.1	4.8	3.0	22.9	No	4.8	4.8	22.90	22.90	12	
2022-49	Arbours at Bordeaux	13.8	8.9	3.0	25.7	Yes	8.9	5.6	25.70	22.40	13	
2022-50	Calcasieu Heights Senior Village	14.3	8.5	3.0	25.8	Yes	8.5	5.1	25.80	22.40	14	
2022-07	MacArthur Place	15.3	12.3	0.0	27.6	Yes	12.3	7.0	27.60	22.30	15	
2022-38	Lakeside Gardens Apartments	16.2	10.7	0.0	26.9	Yes	10.7	5.9	26.90	22.10	16	
2022-55	Morningside at Gerstner Place	13.2	8.8	3.0	25.0	Yes	8.8	5.7	25.00	21.90	17	
2022-03	Arbours at Acadiana	14.8	11.3	0.0	26.1	Yes	11.3	6.7	26.10	21.50	18	
2022-51	Vineyards at Iowa	15.6	2.8	3.0	21.4	No	2.8	2.8	21.40	21.40	19	
2022-05	Canterbury Crossing Apartments	13.2	7.7	0	20.9	No	7.7	7.7	20.90	20.90	20	
2022-30	King Oaks V	15.4	9.7	0.0	25.1	Yes	9.7	5.3	25.10	20.70	21	
2022-37	Galilee City Apartments	14.3	9.9	0.0	24.2	Yes	9.9	6.3	24.20	20.60	22	
2022-73	St. Mary's Place	15.5	3.6	3.0	22.1	Yes	3.6	2.0	22.10	20.50	23	
2022-20	Sabine Trace (Site A, B, & C)	17.3	3.0	0.0	20.3	Yes	3.0	3.0	20.30	20.30	24	
2022-67	Woodring Apartments Phase II	12.6	4.6	3.0	20.2	No	4.6	4.6	20.20	20.20	25	
2022-04	Arbours at Lafayette Phase II	14.0	9.8	0.0	23.8	Yes	9.8	6.1	23.80	20.10	26	
2022-48	Second Street Station Apartments	13.8	8.9	0.0	22.7	Yes	8.9	6.2	22.70	20.00	27	
2022-61	Capstone at The Oaks Apartments ("CATO")	12.2	7.3	3.0	22.5	Yes	7.3	4.8	22.50	20.00	28	
2022-42	Highland Place Townhomes	14.8	9.0	0.0	23.8	Yes	9.0	5.1	23.80	19.90	29	
2022-41	Ram's Village	14.7	9.0	0.0	23.7	Yes	9.0	5.1	23.70	19.80	30	
2022-22	Crestview Apartments	11.2	12.6	0.0	23.8	Yes	12.6	8.5	23.80	19.70	31	
2022-65	Retreat at Power Center	11.5	5.1	3.0	19.6	No	5.1	5.1	19.60	19.60	32	
2022-69	Blue Heron Senior	11.1	5.5	3.0	19.6	No	5.5	5.5	19.60	19.60	32	
2022-23	The Oaks of Opelousas LP	13.0	10.7	0.0	23.7	Yes	10.7	6.6	23.70	19.60	32	
2022-72	Le Jolliet Phase 2	11.8	7.0	3.0	21.8	Yes	7.0	4.7	21.80	19.50	35	
2022-32	Peaks of Shreveport	11.5	9.5	0.0	21.0	Yes	6.7	5.0	21.00	19.30	36	
2022-40	Cheniere Lake Townhomes	13.5	5.3	0.0	18.8	No	5.3	5.3	18.80	18.80	37	
2022-25	Epis de Riz	11.9	10.4	0.0	22.3	Yes	10.4	6.8	22.30	18.70	38	
2022-01	Park at Woodrich	13.6	8.1	0	21.7	Yes	8.1	5.0	21.70	18.60	39	
2022-02	Ansley Park	13.5	8.1	0.0	21.6	Yes	8.1	5.0	21.60	18.50	40	
2022-17	Lake Trace	12.5	8.5	0.0	21.0	Yes	8.5	5.5	21.00	18.00	41	
2022-60	Guillory Gardens	10.7	4.0	3.0	17.7	No	4.0	4.0	17.70	17.70	42	

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Initial Affd Value Score (incorrectly subtracting Equity from BB from CDBG (Max 15))	New Score Affd Value Score (Correctly Adding Equity from BB to CDBG (Max 15))						Total Initial Score				
#	Project Name										
2022-31	Peaks on River Parkway	10.4	10.0	0.0	20.4	Yes	10.0	7.0	20.40	17.40	43
2022-39	Riser Senior Estates	12.5	7.5	0.0	20.0	Yes	7.5	4.8	20.00	17.30	44
2022-34	2725 Southern Avenue	13.1	6.3	0.0	19.4	Yes	6.3	4.1	19.40	17.20	45
2022-27	Arbours at The Bayou	12.5	4.4	0.0	16.9	No	4.4	4.4	16.90	16.90	46
2022-26	Epis de Riz Senior	11.2	8.9	0.0	20.1	Yes	10.4	6.8	20.10	16.50	47
2022-21	Sebastian Place	10.5	8.6	0.0	19.1	Yes	8.6	5.9	19.10	16.40	48
2022-58	The Retreat at Westlake	10.6	2.8	3.0	16.4	No	2.8	2.8	16.40	16.40	49
2022-19	Silverwood Village	12.7	5.2	0.0	17.9	Yes	5.2	3.4	17.90	16.10	50
2022-70	Lake Charles Seniors Manor	9.0	4.0	3.0	16.0	No	4.0	4.0	16.00	16.00	51
2022-46	Peaks of Natchitoches	10.6	7.7	0.0	18.3	Yes	7.7	5.2	18.30	15.80	52
2022-35	4941 McDaniel	13.8	2.9	0.0	16.7	Yes	2.9	1.8	16.70	15.60	53
2022-24	Cypress Commons	9.7	8.0	0.0	17.7	Yes	8.0	5.6	17.70	15.30	54
2022-09	Audubon Park	12.2	3.0	0.0	15.2	Yes	3.0	3.0	15.20	15.20	55
2022-08	Parkway Pines Apartments	11.9	3.0	0.0	14.9	Yes	3.0	3.0	14.90	14.90	56
2022-14	Tiger Manor Apartments	11.3	3.0	0.0	14.3	No	3.0	3.0	14.30	14.30	57
2022-28	Notre Dame Apartments	8.5	5.0	0.0	13.5	No	5.0	5.0	13.50	13.50	58

## Summary of Changes to Ranking Resulting from Scoring Reconciliation and Adjustment,

Note: Green background indicates transaction within top 20

		Initial Rank	Revised Rank
2022-01	Park at Woodrich	31	39
2022-02	Ansley Park	32	40
2022-03	Arbours at Acadiana	12	18
2022-04	Arbours at Lafayette Phase II	20	26
2022-05	Canterbury Crossing Apartments	36	20
2022-06	Renaud Place Townhomes	2	10
2022-07	MacArthur Place	7	15
2022-08	Parkway Pines Apartments	56	56
2022-09	Audubon Park	55	55
2022-11	Landry Commons	13	5
2022-12	Ridge Commons	9	3
2022-13	Loop Commons	9	3
2022-14	Tiger Manor Apartments	57	57
2022-17	Lake Trace	34	41
2022-19	Silverwood Village	48	50
2022-20	Sabine Trace (Site A, B, & C)	38	24
2022-21	Sebastian Place	45	48
2022-22	Crestview Apartments	22	31
2022-23	The Oaks of Opelousas LP	23	32
2022-24	Cypress Commons	49	54
2022-25	Epis de Riz	28	38
2022-26	Epis de Riz Senior	40	47
2022-27	Arbours at The Bayou	51	46
2022-28	Notre Dame Apartments	58	58
2022-30	King Oaks V	16	21
2022-31	Peaks on River Parkway	37	43
2022-32	Peaks of Shreveport	34	36
2022-34	2725 Southern Avenue	44	45
2022-35	4941 McDaniel	52	53
2022-36	Fairmont Towers	1	1
2022-37	Galilee City Apartments	19	22
2022-38	Lakeside Gardens Apartments	9	16
2022-39	Riser Senior Estates	41	44
2022-40	Cheniere Lake Townhomes	46	37
2022-41	Ram's Village	23	30
2022-42	Highland Place Townhomes	20	29
2022-46	Peaks of Natchitoches	47	52
2022-47	Natchitoches Thomas Apartments	4	11
2022-48	Second Street Station Apartments	26	27
2022-49	Arbours at Bordeaux	15	13
2022-50	Calcasieu Heights Senior Village	14	14
2022-51	Vineyards at Iowa	33	19
2022-52	Chateau du Lac	8	2
2022-55	Morningside at Gerstner Place	17	17
2022-56	The Reserve at Power Place	6	8
2022-57	Belle Maison Apartments	5	6
2022-58	The Retreat at Westlake	53	49
2022-59	Parkway Commons	25	12
2022-60	Guillory Gardens	49	42
2022-61	Capstone at The Oaks Apartments ("CATO")	27	28
2022-64	Deerwood Apartments	3	7
2022-65	Retreat at Power Center	42	32
2022-66	Benoit Townhomes	18	9
2022-67	Woodring Apartments Phase II	39	25
2022-69	Blue Heron Senior	42	32
2022-70	Lake Charles Seniors Manor	54	51
2022-72	Le Jolliet Phase 2	30	35
2022-73	St. Mary's Place	29	23