LOUISIANA HOUSING CORPORATION ("LHC")
NOTICE OF FUNDING AVAILABILITY AND PROGRAM IMPLEMENTATION
GUIDELINES FOR
AVAILABILITY OF CDBG-NDR PROGRAM FUNDS FOR
LAFOURCHE PARISH MULTIFAMILY RENTAL HOUSING PROGRAM

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I. KEY INTRODUCTORY INFORMATION

I.A. Prohibited Influence

Any attempt to directly contact and influence any member of the Selection Committee, Lafourche Parish Council members, or other LHC staff associated with this Notice of Funding Availability (NOFA) prior to the selection decision will be grounds for disqualification.

I.B. Developer Forum and Written Comments in Response to the NOFA

To provide a forum for comment following the issuance of this NOFA, the LHC will hold a Developer Forum and accept written comments. The Developer Forum will be held pursuant to the schedule in this NOFA, at §II.A.5, Timeline, at LHC Headquarters. Written comments will also be received and considered. If necessary and appropriate, this NOFA may be amended to reflect written comments, received pursuant to the dates provided at §II.A.5, Timeline.

I.C. Applicant’s Obligation to Respond to the NOFA as Amended

The LHC reserves the right to amend this NOFA, prior to the Last Date for Submission of Applications to the LHC hereunder (see §II.A.5, Timeline). Respondents are solely responsible for monitoring the publication of the NOFA for amendments, and for submitting a proposal which conforms to this NOFA, as amended.

I.D. Documents available on LHC Web Site with Final NOFA

These documents are provided in the form used by the LHC, in its investment and administration of Piggyback/Disaster-Recovery Loans. The actual documents used for the selected transaction will be heavily based on these templates, and applicants will be required to execute documents with the LHC in substantially the same form.

- Excel File: Lafourche NOFA Exhibit A
- CDBG Piggyback Program Award Acceptance Agreement
- CDBG Piggyback Program Intercreditor Agreement
- CDBG Piggyback Program Subordination Agreement
- CDBG Regulatory Agreement
- CDBG Piggyback Program Performance and Completion, and Operating Deficit Guaranty
- CDBG Piggyback Program Gap Financing Note
- CDBG Piggyback Program Gap Financing Loan Agreement
- CDBG Piggyback Program Mortgage, Assignment of Leases and Rents and Security Agreement
II. OVERVIEW

The Louisiana Housing Corporation (LHC or Corporation) hereby releases this Notice of Funding Availability (NOFA) for the availability of Six Million Seven Hundred Fifty Thousand Dollars ($6,750,000) of Community Development Block Grant – National Disaster Resilience funds (CDBG-NDR Funds). This NOFA is designed to provide ‘gap’ funding for the development of a single, resilient multifamily affordable housing development in Lafourche Parish. The LHC expects a single award. The LHC expects that the awarded project will utilize CDBG-NDR funds with 4% Low Income Housing Tax Credits and mortgage financing proceeds. These CDBG-NDR funds are made available as part of Louisiana’s Strategic Adaptations for Future Environments (LA SAFE¹), an initiative conducted across a six-parish area and intended to help communities envision long-term needs and opportunities based on projected land losses and coastal flood risks over the next 50 years.

The NOFA will be posted to the LHC website no later than 5:00 P.M. CST on the Publication Date. Applicants must submit a Letter of Intent to Submit prior to submitting an Application. Applications shall be received no later than the Deadline to Submit. The successful applicant will be awarded CDBG-NDR funds on or about the Award Date. See §II.A.5, Timeline.

All CDBG-NDR funds will be awarded in the form of a soft cash flow loan repayable from Surplus Cash. CDBG-NDR funds will accrue interest at a rate not exceeding the long-term applicable federal rate (AFR) and will be payable from a percentage of Surplus Cash. Any deferred developer fees will be paid from the owner’s share of Surplus Cash in conjunction with the repayment of the soft cash flow loan, not later than initial fifteen-year compliance period for LIHTCs.

II.A. Goals and Objectives

The Resilient Housing Prototype in Lafourche Parish is a Resilient Housing project that demonstrates an ideal development pattern for an area where the future flood risk is projected to remain relatively low. Areas with low flood risk are well positioned to receive population and economic growth as people retreat from higher risk locations. As populations migrate northward from south and central Lafourche Parish, medium-density, affordable residential developments are prioritized in these receiver communities. This housing prototype will build density on a reduced footprint and will be resilient to flooding and wind damage. It will incorporate high-performance energy-efficiency, healthy living and resource conservation practices. Landscaping and shared green space will manage storm water while adding beauty to the surrounding neighborhood. As people move from high-risk to low-risk areas, high-quality, mixed-income development is a key strategy to maintain housing affordability, revitalize neighborhoods and preserve green space. This project will serve a model for resilient construction practices as Lafourche adapts to its changing future.

During the first round of LA SAFE outreach and engagement events, the project team hosted Lafourche Parish stakeholders at the Mathews Government Complex in Mathews, Louisiana. At this meeting, attendees expressed concerns about population changes in the parish, declining home values and flood risk, noting an opportunity to plan and build for future conditions. Specifically, residents mentioned population loss/movement and declining home values and tax base a combined 37 times during this first meeting. In the second round of meetings, residents continued to express interest in projects that included mixed-income development and responsible storm water management. Residents identified Lockport as an ideal location for a new housing development due to its relatively low future flood risk compared with other locations in the parish making it a likely receiver community for those retreating from higher risk areas. In meeting rounds three and four in Lafourche Parish the project team continued to work collaboratively with residents as well as parish leadership to develop a project based on the ideas presented by residents in previous rounds. Residents continued to suggest that development in Lafourche Parish should occur in existing communities on high ground that have existing infrastructure, such as Lockport, Thibodaux, Raceland, or Mathews. Additionally, nearly 80% of residents polled in the third round of meetings indicated that they would like to see affordable housing in their parish.

Lafourche Parish has invested considerably in planning for its future, and the resilient housing prototype resulting from this NOFA should be consistent with the Parish’s Comprehensive Plan, as reflected in their Vision Statement: “Lafourche residents envision their future as a safe and resilient community that celebrates its cultural heritage, with a strong, diverse economy and a trained employee base, resilient housing choices and amenities, increased access to jobs and bayous and a region that works together for the health and safety of coastal Louisiana.” Developers responding to this NOFA are strongly encouraged to review the Comprehensive Plan\(^2\) and to include a discussion in their response addressing how their proposed development will intersect with the Parish’s carefully constructed plans for the future.

The NOFA is designed to address unmet resilient affordable housing needs by providing soft funds to a project located in Lafourche Parish. The development funded through this NOFA must benefit low and moderate income persons. HUD defines “low income” residents as those families whose total household income, adjusted for family size, and does not exceed 50% of the area median income. HUD defines “moderate income” residents as those families whose total household income, adjusted for family size, and does not exceed 80% of the area median income. To achieve the low-mod benefit requirement, more than half of the units must be “affordable,” serving populations whose total household income, adjusted for family size, does not exceed 80% of the area median income, with rents below 30% of 80% of AMI, adjusted for bedroom size.

\textbf{II.A.1. Program Objective}

The Program’s objective is to finance the development of a disaster-resilient, energy-efficient, mixed-income multifamily rental housing development in Lafourche Parish.

\(^2\) http://www.lafourchegov.org/departments/permits/planning/comprehensive-resiliency-plan
II.A.2. Desired Project
The LHC reserves sole and absolute discretion regarding whether a proposal provides reasonable assurances regarding (a) the capacity of the sponsor to successfully complete and operate its proposed project; (b) whether the physical location is acceptable; and (c) whether the quality of the design is acceptable. If the LHC rejects a proposal for one of these reasons, the rejection is final and is not subject to appeal. Accordingly, the LHC will consider the following before making any award:

II.A.2.a. Developer Experience / Capacity
The LHC desires to fund a project with a sponsor who has previously developed a multifamily project of similar scope and nature. The sponsor must have the ability to serve as guarantor (completion and operating deficit guaranties, see §II.D.6.d, Guaranties). The proposed management agent should have recent experience providing quality property management services to multifamily properties of similar scope and nature. Accordingly, the submission must summarize the sponsor and proposed management agent’s recent, relevant experience.

II.A.2.b. Location Quality
The submission (supported by Market Study) establishes that the proposed location is consistent with the likely success of the proposed unit-mix and affordability-mix configuration.

II.A.2.c. Construction / Design Quality
The sponsor commits to design elements consistent with quality features and amenities, which should include resource-efficient, healthy and durable building systems, approaches, fencing and/or access control features as appropriate to the design/location of the project, clubhouse/community space, open space and landscaping, parking, and/or in-unit features including market-standard square-footage of units, window treatments, appliances, and finishes. Put plainly, the LHC is seeking well-built and attractive multifamily housing which will be a positive contribution to its community.

In addition, and characteristic of this NOFA, the LHC is seeking a disaster-resilient project with building construction quality features. The LHC may, in its sole discretion, reject any submission in which the construction quality, design and features of the proposed housing are not generally consistent with these goals. Proposals must include a site plan. Note Scoring Criteria at §V.D, (55 points maximum) Disaster Resilience.

II.A.3. Program Funding
As a result of the extensive LA SAFE\(^3\) community planning process, the LHC has set aside Six Million Seven Hundred Fifty Thousand Dollars ($6,750,000.00) for a project sited within Census Tracts 209, 210, 211, 212 or 213 within Lafourche Parish. These funds are Community Development Block Grant National Disaster Resilience (“CDBG-NDR”) funds, which may be

\(^3\) For more information on LA SAFE, go to [https://lasafe.la.gov/](https://lasafe.la.gov/)
utilized in combination with other sources of funding. All types of other funding sources may be used by sponsors. It is the LHC’s intent to make a single award.

II.A.4. Form of CDBG Funding
CDBG-NDR funding is to be offered in the form of a Gap Financing Loan (see §II.D, Gap Financing Loan).

II.A.5. Timeline
The following timeline will apply:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
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<tbody>
<tr>
<td>Friday, December 14, 2018</td>
<td>Notice of Funding Availability (NOFA) published</td>
</tr>
<tr>
<td>Thursday, January 10, 2019</td>
<td>Developer Forum Held</td>
</tr>
<tr>
<td>Friday, January 18, 2019</td>
<td>Written comments submitted by 5:00 p.m. CST this date may be addressed in an amendment to the NOFA (“Written Comments Deadline”)</td>
</tr>
<tr>
<td>Wednesday, January 23, 2019</td>
<td>Publication Date of the Amended NOFA</td>
</tr>
<tr>
<td>Friday, May 03, 2019</td>
<td>5:00 p.m. CST deadline for submission of Intent to Submit and payment of Market Study Fee for proposed development (“Letter of Intent to Submit Deadline”)</td>
</tr>
<tr>
<td>Friday, May 31, 2019</td>
<td>5:00 p.m. CST deadline for submission of applications to the LHC (“Application Submission Deadline”).</td>
</tr>
<tr>
<td>Friday, June 21, 2019</td>
<td>LHC preliminary review of applications complete; deficiency letters issued to Applicants</td>
</tr>
<tr>
<td>Friday, June 28, 2019</td>
<td>5:00 p.m. CST deadline for applicant response to deficiency letters due to LHC (“Deficiency Response Submission Deadline”)</td>
</tr>
<tr>
<td>Friday, July 12, 2019</td>
<td>LHC award letter(s) issued.</td>
</tr>
<tr>
<td>Thursday, October 10, 2019</td>
<td>Projected latest date for commencement of construction. See §II.E.3.a, Form of AAA.</td>
</tr>
<tr>
<td>December, 2020</td>
<td>Estimated Construction Completion, C of O and Placement in Service (15 months)</td>
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II.A.6. Method of Award

II.A.6.a. Point System
Competition will be on points. See §V, SELECTION CRITERIA for the point system.
II.A.6.b. **Funding Priority**
Complete applications received on or before the Application Submission Deadline, for which a Letter of Intent was received by the Letter of Intent to Submit Deadline and which respond to the LHC’s deficiency letter by Deficiency Response Submission Deadline, will compete against each other for funding. The LHC expects the funding to be sufficient for one application; however, the LHC reserves the right to award the funds to more than one applicant, based upon funding availability. The LHC will award to the highest scoring application(s), and such award(s) may be contingent on an allocation of bonds. In the event an awarded project does not receive an allocation, the LHC will award to the next highest scoring application.

II.A.7. **CDBG Application Submission**
Applications must include Applicant / Company Name & Return Address and must be submitted to the LHC at the following address:
   - Attn: LHC Lafourche NOFA Coordinator
   - Louisiana Housing Corporation
   - Housing Production
   - 2415 Quail Drive
   - Baton Rouge, Louisiana 70808
   - Re: 2018 Lafourche Resilient Housing NOFA
   - Email: [disasterrecovery@lhc.la.gov]

II.A.8. **Questions Regarding These Application Guidelines**
Stakeholders may submit questions by email to the LHC Lafourche Parish CDBG Administrator, (see §II.A.7, CDBG Application Submission). Answers to written questions received by 5:00 p.m. CST, on the Written Comments Deadline will be posted on the LHC Web site by 5:00 p.m., CST, on the Publication Date of the Amended NOFA.

II.A.9. **Potential Supplemental Funding**
The LHC does not envision making additional funding available for this Program. Applicants should not assume or expect funding availability through the LHC in excess of the amount stipulated in §II.A.3, Program Funding.

II.B. **Primary Requirements**

II.B.1. **4% LIHTCs and/or Non-LIHTC**
The timing of this NOFA precludes coordination with 9% LIHTCs. However, the award of CDBG under this NOFA may coordinate with an allocation of 4% LIHTCs through the LHC. If a project would be feasible with 4% LIHTCs, the LHC encourages the sponsor to apply for 4% LIHTCs through LHC. Applicants may submit a combined application, and may incorporate a request for 4% LIHTCs into their request for CDBG hereunder. 4% LIHTCs are not required; however, scoring is impacted by the leveraging of other sources, and the LHC believes the CDBG leveraging score
of applications which do not use 4% LIHTCs would be lower than necessary to effectively compete for funds.

II.B.2. Location

Only projects located in Lafourche Parish are eligible to apply for funds under this NOFA. Specifically, the applicant project must be located within Census Tracts 209, 210, 211, 212 or 213 and may be located within a Special Flood Hazard Area (SFHA), as outlined by the latest preliminary or adopted Flood Insurance Rate Map (FIRM). Applicant projects must utilize minimum finished floor elevations of three feet (3’) above the Base Flood Elevation.

II.B.3. Flood Zones

The submission must indicate the flood-zone determination of the site. Notwithstanding other requirements, the LHC will approve sites with a building elevation above the 500-year flood-zone determination and will otherwise require that finished floor of living spaces and all equipment, fixtures and mechanical systems be constructed no less than three feet (3’) above the 100-year flood-zone determination.

II.B.4. Non-Residential Uses

Projects may not include non-residential uses, such as commercial or retail space.

II.B.5. Minimum Project Size

Projects must have at least thirty-five (35) residential rental units. Sponsors should note funds available under this NOFA total $6.75M, and there is no maximum award per unit.

II.B.6. Maximum Project Size

There is no maximum project size. However, the LHC reserves the right to determine that a proposed development is larger than supportable by the market. Any proposal for a development of greater than 50 residential rental units must receive pre-clearance from the LHC before submitting. To submit a project of greater than 50 units, a sponsor must submit a request in writing to the LHC Lafourche NOFA Coordinator (see §II.A.8, Questions Regarding These Application Guidelines), no later than the Letter of Intent to Submit Deadline and payment of fees for the required market study (see §II.A.5, Timeline).

II.B.7. Maximum CDBG Award

The maximum CDBG award is $6,750,000.00. There is no per-unit maximum; however note that the awarded project must have at least 35 units (resulting in an effective maximum CDBG per unit of $192,857). Note also that CDBG efficiency is a scoring criterion (See §V.C, (30 points maximum) CDBG Leverage.
II.B.8. CDBG Leverage Requirement
There is no leveraging requirement. However, applicants are advised that leveraging is a scoring criterion. See §V.C, (30 points maximum) CDBG Leverage.

II.B.9. Eligible Uses
CDBG-NDR funds awarded under this NOFA will only reimburse CDBG-eligible costs incurred to develop a project. No CDBG-NDR funds will be advanced to reimburse a project cost unless the electronic Funds Requisition Form with back-up AIA certification, invoices and receipts is submitted and approved. No funds will be disbursed until all legal agreements are signed and all environmental conditions are satisfied. The purchase of land is an eligible use of funds under this NOFA; however, in no case will the entire award to an activity under this NOFA be allowed for only the acquisition of land. Construction costs must be included as a budgeted item and funds may be drawn on a pari passu basis with construction-period funding sources, subject to the approval of the LHC. In the event this approval is not granted, funds may be drawn at completion. CDBG-NDR will not be disbursed for any costs enumerated at 24 CFR §570.207.

II.B.10. Requirements Regarding Timeframe for Expenditure of Funds
For awards under this NOFA, LHC will strictly adhere and impose deadlines for committing and expending funds based upon the activity proposed and other information provided in the application. Any funds not expended within the timeframes included in the loan agreement documents may be recaptured by the LHC. Projects must adhere to the following:

- Awards for Soft Funds may be terminated at any time prior to the award expiration date due to the absence of program/project progress. Funds advanced prior to the termination of a project (whether voluntary or involuntary) must be repaid to the LHC.

- Applicants must adhere to the project schedule included in the application submission and if the project utilizes low income housing tax credits it must satisfy placed in service requirements outlined in Section 42 of the Internal Revenue Code.

- All CDBG-NDR funds must be requested and drawn by January 31, 2022.

II.B.11. CDBG National Objective Requirement
Projects must have at least 51% of units affordable to (i.e., with rents and tenant-paid utilities at or below 30% of 80% AMI), and reserved for occupancy by, households with incomes at or below 80% AMI. This requirement must be satisfied over the entire term of the CDBG Regulatory Agreement (35 years).

II.B.12. No PSH / Extremely Low-Income Affordability Requirement
Applicants should note that there is no Permanent Supportive Housing (PSH) requirement in this NOFA. The required project will not receive PSH vouchers for units, and is neither required nor expected to set-aside or otherwise make available any PSH units.
II.B.13. **Low-Income Limitation**
There is no requirement for low-income units beyond the requirement stipulated at §II.B.11, CDBG National Objective Requirement and the scoring criterion stipulated at §V.E, (15 points maximum) Project Characteristics, and the set-aside requirements related to the LIHTC program.

II.B.14. **Market Units Requirement**
No fewer than 20% of the units must be available for rent to market households (i.e., unrestricted as to income) at market rents (i.e., unrestricted).

To be clear: this NOFA requires a mixed-income property, in which at least 20% of the units are market, and at least 51% of the units are restricted at or below 80% AMI.

II.B.15. **Market Study and Rent Comparability Study Requirement**
Applications must include a market study (meeting LHC requirements). Additionally, all applications must include a Rent Comparability Study to establish the market rents that the project is likely to achieve once built, using the protocol from HUD’s Section 8 Renewal Policy Guide Chapter 9 (Chapter 9 and HUD’s Rent Comparability Grid are available from HUD). To ensure market studies are received in time to support the LHC’s review of applications, market studies (including Rent Comparability Studies) will be ordered by the LHC prior to the date on which proposals are due under this NOFA. Accordingly, Sponsors must submit a Letter of Intent to Submit by the Letter of Intent to Submit Deadline (see §II.A.5, Timeline), and must pay for the market study at that time. The LHC will order market studies based on the Letter of Intent and payment of fee for the Market Study (see §III, CDBG APPLICATION PACKAGE AND FEES), and intends to receive the Market Studies contemporaneous with the Application Submission Deadline.

II.B.16. **Scattered site projects are not eligible for funding**
Scattered site projects are not eligible for funding unless all sites are contiguous (i.e., no physical separation) or adjacent (i.e., separated only by a street or easement). Sponsors should note that LHC and the IRS place restrictions on the use of LIHTCs in scattered site projects.

II.B.17. **On-site management requirement**
Projects must be configured for on-site property management presence, including management and maintenance functions.

II.B.18. **Lease to Own Not Eligible**
Because the LHC will structure its investment as a 35-year loan, there cannot be a lease-to-own option for tenants. The successful project will be structured as rental, only.
II.B.19. Physical Characteristics
Notwithstanding any and all commitments to Disaster Resilience and Building Quality represented by the Applicant’s response to §V.D, (55 points maximum) Disaster Resilience the LHC specifically requires the following physical attributes:

- Commitment by the developer to construct stormwater infrastructure sufficient to capture (detain/retain) stormwater at a volume greater than would be experienced in a 25-year (4% annual chance of occurrence) flood event, based on a hydrological study.
- All projects must, at a minimum, comply with Appendix B of the LHC 2018 QAP. Note however that the scoring at §V, SELECTION CRITERIA strongly preferences applications which identify and commit to more rigorous standards for building construction and energy efficiency.

II.B.20. Project Readiness Requirement: Site control
The sponsor must demonstrate site control, to the satisfaction of the LHC, in its sole discretion. Site control must be in the form of either:
(a) Ownership or ground lease (pre-dating the publication date of this NOFA\(^4\)), or
(b) An option to purchase or lease (with the option period extending at least until six months following the Application Deadline), acceptable to the LHC in its sole discretion.

II.B.21. Project Readiness Requirement: Funding commitments
The sponsor must demonstrate it has commitments for funding from other sources, to the satisfaction of the LHC, in its sole discretion.
(a) Commitments for all non-CDBG sources of funding.
   (i) Commitments must be dated after the publication date of this NOFA.
   (ii) The LHC reserves the right to require updated commitments as it deems necessary.
   (iii) Commitments for LIHTC equity must provide for at least 10% pay-in prior to the first payment of CDBG from the LHC.
   (iv) Conditions contained in commitments shall be subject to determination by the LHC as to reasonableness. The LHC may reject any commitment (and deem the application deficient) if, in the sole discretion of the LHC, any condition is outside of market requirements and/or is unlikely to be satisfied.
(b) Projects that will utilize 4% LIHTCs need not have an LIHTC reservation from LHC—the LHC will award 4% LIHTCs to the applicant who is awarded CDBG. The application must have a syndication / investor commitment acceptable to the LHC. Additionally, awarded projects utilizing 4% LIHTCs do not need approval from the Bond Commission prior to CDBG award; any award of CDBG for a project utilizing 4% LIHTCs will be made contingent on approval from the Bond Commission.

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\(^4\) Purchase or lease of a site after this date would constitute a prohibited choice-limiting action that cannot take place until the LHC has issued environmental clearance to the sponsor of an awarded project.
II.B.22. **Construction Must Not Have Started**
Projects for which construction has started are not eligible. In addition, sponsors should note that CDBG environmental requirements include a requirement that no choice limiting actions (for example, purchasing the project site, or starting construction) may occur until the LHC has issued environmental clearance.

II.B.23. **Other Compliance Requirements**
In addition to requirements discussed in this Section, all awardees must meet the CDBG regulatory compliance requirements contained in the template legal documents available on the LHC's web site.

II.B.24. **Non-Compliance in Federal or Other Agency Programs**
Sponsors (and/or their Affiliates) cited for non-compliance in federal housing programs or in a project/program administered by the LHC or the State’s Office of Community Development shall not receive a reservation of CDBG funds from the LHC unless or until such non-compliance is cleared. Existing material issues of non-compliance by applicants or their affiliates shall be the basis for a non-award under this NOFA. Applicants who are uncertain as to their compliance status with the LHC or OCD should inquire prior to the Letter of Intent to Submit Deadline.

II.B.25. **Duration of Requirements**
All requirements will be applicable for the duration of the LHC CDBG Regulatory Agreement (35 years).

II.B.26. **CDBG Gap Funding**
For purposes of structuring the CDBG application, sponsors should assume that CDBG funds will close any funding gap (subject to the limitations on CDBG funding discussed herein). The CDBG award will be limited to the lesser of the amount requested or the amount determined to be necessary to fill the funding gap by the LHC Feasibility and Viability Analysis (underwriting and application review). CDBG funding will be limited to the lesser of the amount necessary to fill the gap based on the post-completion subsidy layering analysis, or the amount of the award.

II.B.27. **LIHTC projects will require processing by the LHC**
This processing requires:
(a) If the LHC determines that the proposed project has excess sources of funds, the CDBG award or the LIHTC allocation will be reduced by the amount of the excess sources determined by the LHC, in coordination with the LHC’s underwriting review. The determination regarding which source to curtail shall rest with the LHC.
(b) If the LHC determines that the proposed project does not have sufficient sources of funds, the LHC may not increase the CDBG award beyond the amount requested and will not increase the award beyond the available funds stipulated in this NOFA, and it is possible that LHC will reject the sponsor’s CDBG / LIHTC application, if in the LHC’s determination the insufficiency of sources renders the project infeasible.
II.B.28. Restrictions on Development Costs
The LHC does not impose any limits on project development cost in this NOFA and does not impose any per-unit development cost limits.

II.B.29. Non-Assignability of Application and Award
The responding applicant must be a principal of the sponsoring development entity with the legal authority to enter into a legal agreement with the LHC. Any awards made will be made to the established single-asset entity partnership proposed in the application, addressed to the principal of that entity submitting the application. Any assignment by the responding applicant of such an award, without the prior, written consent of the LHC will immediately and irrevocably void the award. Any change in the proposed ownership from that which is stipulated in the application will constitute an assignment.

II.B.30. Bonding Requirements
The minimum requirements shall be as follows:
(a) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
(b) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

II.C. Bond and CDBG Requirements
For sponsors planning to utilize tax-exempt bond financing, the LHC provides the following guidance, which sponsors should take into consideration:

II.C.1. Fees
Sponsors should determine any fees that the issuing agency may charge.

II.C.2. Construction Timing Considerations
Sponsors are reminded that the CDBG program’s environmental review requirements prohibit sponsors from taking any ‘choice limiting actions’ such as purchasing land or commencing construction, prior to receiving environmental approval from the LHC. Sponsors are reminded that the issuer and/or the IRS may have additional requirements (such as the IRS limitations on ‘original expenditures’) that may affect the sponsor’s timing for commencing construction.

II.C.3. Public Notice Requirement
Sponsors are reminded that bond financing includes a public notice requirement.
II.C.4. CDBG Compliance Requirements
Sponsors who are not already familiar with the full range of CDBG compliance requirements should review the template Loan Agreement and should ask their legal advisors to review it as well. The following is a brief summary of certain aspects of some of these compliance requirements.

II.C.4.a. Environmental Clearance
Sponsors are required to obtain environmental clearance pursuant to 24 CFR Part 58 from the LHC. Prior to receipt of environmental clearance from the LHC, the sponsor or developer may not undertake, or commit any funds to, physical or choice-limiting actions, including property acquisition, demolition, tenant relocation, rehabilitation, conversion, repair or construction. Violations of this provision may result in the denial of any funds under this program. Sponsors are encouraged to ensure that site control exists for sufficient period of time to allow environmental clearance process to be completed before purchase must occur.

II.C.4.b. Accessibility
Projects will be subject to accessibility requirements under Section 504 of the Rehabilitation Act of 1973, as well as the accessibility requirements of the Fair Housing Act, the Americans with Disabilities Act and the Architectural Barriers Act.

II.C.4.c. Davis-Bacon
Construction will be subject to Davis-Bacon wage and record-keeping requirements.

II.C.4.d. Formerly Occupied Properties
For properties that were occupied at the time of Hurricane Isaac but have not become re-occupied, sponsors must provide reasonable efforts to enable former tenants to return if they are otherwise eligible for a unit within the property. Unless waived by HUD, this is a Federal requirement pursuant to Section 414 of the Stafford Act.

II.C.4.e. Uniform Relocation Act (“URA”)
If the project site is not owned by the sponsor at the time the CDBG application is made, and the purchaser has the power of eminent domain the seller must receive the URA voluntary sale notice. If the project site is occupied at the time the CDBG application is made, the application must include an exhibit explaining either that no relocation of tenants will result, or that such relocation will be temporary (and including an adequately supported estimate of relocation costs). Projects that would result in permanent relocation of tenants (as such term is defined in the URA) are not eligible.

II.C.4.f. Lead Based Paint
HUD’s lead based paint regulations at 24 CFR Part 35 will apply. Sponsors should be aware that HUD’s requirements differ from those of the Louisiana Department of Environmental Quality. The HUD regulations require, among other things, that lead hazard evaluation and reduction
activities be carried out for projects originally constructed before 1978 and receiving CDBG assistance. Capitalized terms in this paragraph are as defined in 24 CFR Part 35. For any project that includes an existing building that was completed prior to January 1, 1978, the application must include an exhibit discussing whether the building is Target Housing. Sponsors should note that CDBG has specific requirements which apply to Target Housing.

II.C.4.g. Section 3
HUD’s Section 3 requirements (for outreach to low-income individuals and to businesses owned by such individuals) apply, in connection with the construction of the project, and apply to any contract or subcontract in excess of $100,000.

II.C.4.h. Other
Other applicable CDBG requirements may apply; see the template legal documents, available on the LHCs web site.

II.D. Gap Financing Loan

II.D.1. Gap Financing Terms
CDBG-DR financing will be in 1st or 2nd lien, repayable from one-third (33.33%) of annual Surplus Cash with the balance due at term, in thirty-five (35) years. There will be no deferral of amounts due on the CDBG Loan based on the deferred developer fee. Loans will become due upon the earlier of (a) maturity at 35 years; (b) sale or refinancing of the property; or (c) acceleration as the result of material noncompliance with the terms of the Loan. Applicants will be required to submit audited annual financial statements that include a Surplus Cash computation as defined by LHC and as established in the Loan Agreement. Surplus Cash is a balance sheet measurement that subtracts short-term obligations from available cash. If Surplus Cash were positive, it would be distributed as discussed at §II.D.5, Required Payments From Surplus Cash.

II.D.2. Interest Rate and Residual Value
The CDBG-DR Gap Financing loan will be at 0% interest. The developer may request 1% interest, or interest at the AFR, but this will be permitted only if the balance when the Gap Financing Loan matures at Year 35 is projected by the LHC in its underwriting analysis to be less than 80% of residual value, based in interest accrual, and repayments from projected Surplus Cash. Note that default interest may be charged, pursuant to the terms of the Legal Documents.

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5 Note, it will only be in 1st lien if the underwriting determination is that the property cannot support a permanent 1st mortgage.
6 The deferred developer fee must be projected in the underwriting to be recoverable from the developer’s portion of Surplus Cash, within 15 years. The developer fee will be reduced to accommodate this restriction, if required.
7 The loan will be at 0% interest. The developer may request 1% interest, or interest at the AFR, but this will be permitted only if the projected balance of the Gap Financing Loan at Year 35 is less than 80% of residual value.
8 Due on sale or refinancing, unless the LHC, in its sole discretion, agrees to resubordinate to new financing.
II.D.3. Loan Term
The CDBG Loan will have a 35-year maturity date. This may be extended (at origination) only in the event there will be 1st mortgage financing with a longer maturity date. The loan balance, if any, is due and payable at maturity. Loans will be due on sale, refinancing, or if accelerated pursuant to the terms of the legal documents.

II.D.4. Timing for Funding
The LHC anticipates that funding will occur pari passu with other construction-period financing. During construction (see template Loan Agreement (pari passu9)). Pari passu funding requires a construction lender or bridge lender, on whose inspection and oversight capabilities the LHC, in its sole discretion, is willing to rely. Pari passu funding is subject to the LHC reaching agreement with the other construction period funder(s) on a mutually acceptable Intercreditor Agreement.

II.D.5. Required Payments From Surplus Cash
(c) Gap Financing Loans will be payable from sale / refinance proceeds, from a defined share of Surplus Cash, and upon maturity.
(d) The LHC will receive one-third (33.33%) of Surplus Cash generated from the operation of the property.
(e) The following must be paid solely from the sponsor’s share of Surplus Cash: deferred developer fee, any tax credit adjusters, any asset management fees or investor service fees greater than $4,000 per year in total, and the replenishment of any reserves, if required by any other financial partners. However, normal monthly deposits to the Reserve for Replacements may be paid from operations as if they were operating expenses (ongoing deposits to other reserves, and replenishment deposits to any reserve account, may be made only from Surplus Cash that is distributed to the owner).

II.D.6. Loan Documents

II.D.6.a. In General
Gap Financing Loans will be documented using the LHC’s template legal documents available on the LHC’s web site (“CDBG Legal Documents”). By submitting an application, sponsors agree to execute the template legal documents without modification.

II.D.6.b. CDBG Regulatory Agreement
The CDBG Regulatory Agreement will be subject to only those liens and encumbrances specifically agreed to by the LHC. The CDBG Regulatory Agreement will be recorded to survive foreclosure or transfer of ownership.

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9 Pari passu basically means “in equal proportion”. In concept, if CDBG funding were 50% of total construction period funding (excluding LIHTC equity), and if all funders agreed to fund based on percentage of completion, then the Parish would fund 50% of each draw.
II.D.6.c. Mortgage
The LHC CDBG Gap Financing Loan will have either (a) first lien position, or (b) second lien position behind the lien of permanent financing acceptable to the LHC (in which case, if the first lien lender so requests, the lender agrees to execute the LHC’s standard form of Subordination Agreement available on the LHC’s web site).

II.D.6.d. Guaranties
Sponsors should note that the LHC will require one or more Key Principals to give a Guaranty of Completion, an Operating Deficit Guaranty, and a Guaranty of Non-Recourse Carveouts, to the LHC. See the template legal documents on the LHC’s web site for details on these guaranties.

II.D.6.e. Closing Costs
The sponsor will be responsible for all costs related to closing the loan, whether or not closing occurs, including all title costs, recording costs, legal fees, abstract fees, survey costs, or such other costs associated with the funding. These costs will include the LHC’s lender counsel fees. For proposal purposes, these may be estimated at $65,000; however the actual cost may be higher or lower.

II.D.6.f. Loan Documents Control
Conflicts between the CDBG Legal Documents and any other documents executed in connection with the project will be resolved in favor of the LHC CDBG Legal Documents. Sponsors should note that the LHC will not be a party to “operating agreements” and other agreements between the sponsor and its investor(s). In particular, sponsors should note that no agreements can be made between the sponsor and its investors and lenders regarding cash distributions, except as regards the share of Surplus Cash that is distributable to the project owner.

II.D.6.g. Representations and Warranties
Sponsors should note that the CDBG Legal Documents contain representations and warranties that are ongoing, and accordingly it is possible that a sponsor may receive an Award Acceptance Agreement (“AAA”) but, because of subsequent non-compliance or other issues, be unable to close.

II.E. CDBG Award Process

II.E.1. Process for Reviewing Application

II.E.1.a. Communication with Contact Person
The LHC will communicate only with the contact person listed in the Application. Information received from persons other than the contact person will have no binding effect on the LHC.
II.E.1.b. **Authority of Contact Person**
The sponsor must submit written authorization, signed by a duly authorized representative of the sponsor, delegating the contact person to represent the sponsor with the LHC in all matters regarding the application.

II.E.1.c. **Completeness**
The review process will begin with a review for completeness. Applications that are materially incomplete will be rejected without further review. The LHC shall determine materiality in its sole and absolute discretion.

II.E.1.d. **Potential LHC Requests for Clarification**
The LHC may, but shall not be obligated to, follow-up with an applicant during the application review process in a telephone conversation in order to obtain clarification should the LHC determine it to be advisable or necessary. Sponsors should endeavor, however, to provide thorough and complete applications as they may not have an opportunity for subsequent communications either oral or written other than the response to the deficiency letter.

II.E.1.e. **Deficiency Letter**
Sponsors who submitted complete applications may receive a deficiency letter based on the LHC’s review of the application. The deficiency letter will include the LHC’s preliminary score. Sponsors must respond to the deficiency letter according to the timeframe indicated by the LHC. If all material deficiencies are not remedied (in the sole and absolute discretion of the LHC within the allowed period), the application will be rejected.

II.E.1.f. **Order of Award**
Complete applications without deficiencies (including applications that cure deficiencies within the allowed response period), and that are determined to comply with the requirements hereof, will be awarded in descending order of point score (subject to availability of funding, and subject to the requirements hereof).

II.E.2. **Rejected Applications**
The LHC may reject an application that is not materially complete by the due date, or if the sponsor fails to cure all deficiencies within the allowed period. All determinations regarding whether the application is complete, or whether the sponsor has adequately addressed any deficiencies, shall be determined by the LHC in its sole and absolute discretion.

II.E.3. **Award Acceptance Agreement (“AAA”)**

II.E.3.a. **Form of AAA**
The LHC will issue Award Acceptance Agreements to the sponsor of the awarded application, in substantially the form of the LHC template CDBG Award Acceptance Agreement (“AAA”) that
can be found on the LHC Web site. Sponsors should note that the AAA will require commencement of construction within 120 days after issuance of the AAA.

II.E.3.b. Funding Reservation
Funding will be reserved for the awarded project for the time period allowed in the AAA for the sponsor’s execution and return of the AAA (30 days).

II.E.3.c. Recapture
If the sponsor does not execute the AAA within the allowed time period, if the sponsor does not comply with the terms of the AAA, or if the sponsor relinquishes its AAA after executing it, the LHC will reverse the funding reservation and may award to the next highest scoring applicant.

II.E.3.d. Reservation Pursuant to Federal Regulations
The LHC reserves the right to make and revise reservations in accordance with published federal regulations, rulings, guidelines and notices. The LHC will not commence funding until environmental clearance has been issued.

III. CDBG APPLICATION PACKAGE AND FEES

Applicants assume the risk of the delivery method chosen, including delivery via private courier or the U.S. Mail. Be advised that fees arriving after the Letter of Intent to Submit or the Application deadline, whether via personal delivery, U.S. Mail, Federal Express, UPS, or other comparable method of delivery, will not be accepted for any reason. Applications must be submitted using the 2018 Underwriting Application Model.

III.A. PDF version of application
Applicants are required to submit a PDF, including all required pages from the LHC Underwriting Application Model, exhibits and addenda, with signatures where required. This PDF must have navigational utilities (bookmarks) to support the LHC’s review. The LHC will appreciate organizational clarity of the materials submitted.

III.B. LHC Electronic Application
The LHC will require an LHC electronic application as part of the CDBG application package. This package must be submitted electronically. Sponsors must use the current LHC format (2018 QAP funding round). The Excel version of LHC’s application model is available through LHC.
III.C. Attachments, Appendices, Addenda, Exhibits and Certifications / Organization of Materials, and Checklist

III.C.1. Cover letter
The cover letter summarizing the proposal should indicate whether the developer is additionally requesting 4% LIHTCs, and identifying and establishing the authority of the contact person.

III.C.2. LHC Selection Criteria
This is an Excel tool that documents the scoring selections made by the Applicant and establishes that the project’s requested amount is within the limits set forth in this NOFA. See Exhibit A.

III.C.3. All required certifications and appendices must be included and signed
The LHC expects these documents electronically, as PDFs. Signed documents should additionally be submitted as original, paper documents.

III.C.4. Conforming Third-Party Reports
(a) All applications must include a market study meeting LHC requirements. See the LHC 2018 QAP, Section Q. See §II.B.15, Market Study and Rent Comparability Study Requirement. The LHC will commission this Market Study, based on the Applications notification of Intention to Submit, and payment of fees for the Market Study.
(b) All required appraisals, the market study and the rent comparability study must state conclusions as of a date within 90 days of the date of application submission.
(c) The market study will be supplemented by a Rent Comparability Study meeting the requirements of HUD’s Section 8 Renewal Policy Guide Chapter 9. The rent comparability study will be prepared by the same analyst who prepares the market study. See

III.C.5. Certifications and appendices
Certifications and appendices for projects must meet applicable LHC requirements. Required certifications and appendices are enumerated in the 2018 LHC QAP, and are listed in the required application model, at the ‘Checklist’ worksheet. All existing submission requirements of the QAP must be included in the application, except as denoted here.
(a) This NOFA does not require ‘documents in support of pool selection’ as there are no pools associated with this NOFA
(b) This NOFA does not require ‘documents in support of selection criteria’ as the QAP selection criteria does not apply to this NOFA.
(c) This NOFA does not require Appendix 35 Matching Certification, as no matching funds are required or awarded points.
III.D. Application Submission

This NOFA does not commit the LHC to award any contract nor to pay any costs incurred in the preparation or delivery of applications. Furthermore, the LHC reserves the right to accept or reject, in whole or in part, any and all applications submitted, and/or to cancel this NOFA. The LHC also reserves the right to ask for additional information or conduct interviews from/with any applicant and/or all applicants as may be necessary or appropriate for purposes of clarification. LHC reserves the right, at its sole discretion, to suspend or amend the provisions of this NOFA. Any such revisions will be formalized by the issuance of an amendment to this NOFA.

<table>
<thead>
<tr>
<th>APPLICATION FEE [Due at Application Deadline]</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>35 to 60 units</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>61 to 100 units</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>Over 100 units</td>
<td>$5,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ANALYSIS FEE [Due at Application Deadline]</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>35 to 60 units</td>
<td>$1,500.00</td>
</tr>
<tr>
<td>61 to 100 units</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>Over 100 units</td>
<td>$5,000.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MARKET STUDY FEE [Due with Letter of Intent to Submit]</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Any number of units</td>
<td>$4,500.00</td>
</tr>
</tbody>
</table>

Other fees charged shall be consistent with the fee schedule published in the LHC 2018 Qualified Allocation Plan §IV.C.

IV. UNDERWRITING CRITERIA FOR PURPOSES OF SIZING THE CDBG REQUEST

The LHC will employ the following criteria when evaluating applications and requires sponsors to employ the following criteria in the electronic application.

IV.A. Rents and Rent Loss

IV.A.1. Rents for Market Rate Units.
The proposed rents for market rate units must be not less than 95% and not more than 100% of the comparable market rents identified in the rent comparability study.

IV.A.2. Rents for Rent-Restricted Units
Not less than 95% and not more than 100% of the maximum rent-restricted rent, but not more than 100% of the comparable market rent identified in the market study.

IV.A.3. Utility Allowances
Sponsors should rely on the utility allowances for Lafourche Parish.
IV.A.4. Rent Loss
7.0% of gross potential rents (for vacancy loss, bad debt loss, and concession loss). If the project involves acquisition of an existing project that has experienced rent loss in excess of 7.0%, the application must include an exhibit discussing how the proposed project will overcome the factors that led to the higher historical rent loss. New construction projects that are expected to incur rent loss in excess of 7.0% are not eligible to be funded.

IV.B. Operating Expenses
Below are the low- and high-range operating expenses per unit per year. If any category of proposed operating expenses is less than the low-range shown below, or more than the high-range shown below, the application must include an exhibit providing adequate support for the amount proposed for that expense category.

<table>
<thead>
<tr>
<th>Operating Expense Category</th>
<th>Low Range</th>
<th>High Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real estate taxes</td>
<td>$450</td>
<td>$800</td>
</tr>
<tr>
<td>Property insurance</td>
<td>$775</td>
<td>$1375</td>
</tr>
<tr>
<td>Project Paid Utilities</td>
<td>$275</td>
<td>$550</td>
</tr>
<tr>
<td>Management Fee</td>
<td>$350</td>
<td>$425</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>$1,500</td>
<td>$2,000</td>
</tr>
</tbody>
</table>

IV.C. Replacement Reserve Deposit
The proposed replacement reserve deposit must $300 per unit per year in the first year, and deposits must increase 2.5% per year, each year thereafter.

IV.D. Inflation
The Pro Forma page of the electronic application must reflect the following inflation rates: 3% annually for expenses and 2% annually for revenue.

IV.E. First Mortgage Underwriting

IV.E.1. Commitment
The application must include a commitment from a lender, providing adequate support for the proposed first mortgage terms.

IV.E.2. Debt Service Coverage Ratio (on 1st Mortgage).
The first year debt service coverage ratio on the Pro Forma Calculation page of the electronic application must be not less than 1.15:1 and not more than 1.40:1. The DSCR must not drop below 1.0 during the term of the 1st mortgage. If a sponsor determines that an first year debt service coverage ratio above 1.40:1 is necessary, the application must include an exhibit that
supports the need for the higher initial DSCR (for example, a long term cash flow projection showing that the higher initial DSCR is needed in order to maintain an acceptable minimum DSCR over the term of the 1st mortgage).

**IV.E.3. First Mortgage Amount**

Unless approved in writing by the LHC, the actual amount of the first mortgage loan at closing may not exceed the amount specified in the CDBG application. The debt service payment of the closed loan may not exceed the debt service payment in the application.

**IV.F. Operating Expense Cushion**

Operating expense cushion is operating expenses divided by Cash Flow available (row 41 on the Operating Proforma page of the LHC electronic application) divided by Total Operating Expenses (row 20).

(a) **If the Gap Financing Loan is in First Lien Position.** The operating expense cushion must be at least 10%.

(b) **If the Gap Financing Loan is in Second Lien Position.** The operating expense cushion must be at least 7%.

**IV.G. Developer Fee**

(a) The proposed developer fee in the CDBG Application is governed by the LHC 2018 QAP. Developers may propose a lower fee, as needed for competitive scoring (see §V.C, (30 points maximum) CDBG Leverage) or development feasibility.

(b) Builders fees (including General Requirements, Overhead and Profit) will be governed by the limits and rules contained in the 2018 QAP.

(c) In accordance with LHC policy, certain proposed soft costs such as consultant fees and contingency fees will be treated as part of the proposed developer fee.

(d) The actual developer fee is limited to the proposed developer fee specified in the CDBG Application.

(e) If a portion of the developer fee is proposed to be deferred and the deferred amount must be collected to preserve LIHTC eligible basis, the LHC will determine within its underwriting and review process whether the proposed deferred portion is reasonably likely to be repaid during the first 15 years of project operations post-construction-completion, from the portion of Surplus Cash that is distributable to the owner.

(f) No more than 20% of the cash (i.e., non-deferred) portion of the developer fee as projected on the final, pre-closing proforma, may be drawn at initial closing and no more than 50% (cumulative) may be drawn through completion of construction. The remainder of developer fee paid from development sources may be paid only from the final draw of CDBG.

**IV.H. Initial Reserves**

(a) If a CDBG award is issued, the award will require the funding of any initial reserves that are specified in the CDBG Application.
(b) The CDBG Application may include an initial deposit to the Reserve for Replacements.
(c) The CDBG Application may include other initial reserves (such as a debt service reserve, lease-up reserve, or operating deficit reserve). If any such additional reserves are proposed:
   (i) During the term of the Gap Financing Loan, funds may be withdrawn only for (i) project operating expenses approved in advance by the LHC or (ii) to repay the Gap Financing Loan.
   (ii) Withdrawals may be replenished only from the portion of Surplus Cash that is distributed to the project owner, or from non-project funds.
   (iii) Funds in the operating deficit reserve may be used to satisfy obligations under the Operating Deficit Guaranty.
(d) Sponsors should note that some initial reserves are deducted for purposes of determining compliance with the CDBG Leverage Requirement.

V. SELECTION CRITERIA

V.A. Minimum Score
There is no minimum point score for award of CDBG funds; however, the LHC reserves the right to determine that the highest scoring application is of insufficient overall quality to merit award, and to require changes to that application to improve its overall score, as a condition of award.

V.B. Maximum Point Score
The maximum point score is 100. All scoring will be governed by this NOFA; no points will be awarded for QAP Selection Criteria. All points awarded will be based on the criteria in this Section of this NOFA. The scoring breakdown will be as follows:
(a) CDBG Leverage—30 total possible points
(b) Disaster Resilience and Building Quality—55 total possible points (see also Exhibit B)
(c) Project Characteristics—15 total possible points

V.C. (30 points maximum) CDBG Leverage
Less CDBG relative to TDC produces a higher score; more CDBG relative to TDC produces a lower score. Each project’s point score will be computed as follows: CDBG funding reservation requested divided by total Development Costs, times 30, rounded to one decimal place.
(a) Example 1: $6.75 million CDBG reservation request, $13.5 million total Development Costs:

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10 Note that in theory the only way to achieve the full 30 points for CDBG Leverage is to not request CDBG; the LHC does not expect this outcome—in practice we expect applications to average 15 points for this scoring category (i.e., CDBG is half of total development costs). The intention is to strongly encourage sponsors to leverage other sources, and to disadvantage applications which rely solely or disproportionately on CDBG for funding development costs.
(i) $6,750,000 \div $13,500,000 = 0.500;
(ii) 0.500 \times 30 = 15.000 \text{ (rounded to 15.0)}
(iii) 30 – 15 = 15 \text{ points.}

(b) Example 2: $6.75 million CDBG reservation request, $11.4 million total Development Costs:
(i) $6,750,000 \div $11,400,000 = 0.5921;
(ii) 0.5921 \times 30 = 17.763 \text{ (rounded to 17.8)}
(iii) 30 – 17.8 = 12.2 \text{ points}

V.D. (55 points maximum) Disaster Resilience and Building Quality
An expert scoring panel will assess each application’s Disaster Resilience and Building Quality proposal against the Lafourche Parish Resilient Housing and Building Quality Scoring Rubric found at Exhibit B. Qualified professionals will serve as panelists and will each individually score each application; the average of the scores will be the Disaster Resilience and Building Quality Score.

V.E. (15 points maximum) Project Characteristics
There is one scoring criteria within this category, with awardable points for each, as follows:

(a) **Incremental Affordability—15 points maximum.** This criterion applies to projects in which the ratio of units set aside at 50% AMI to units set aside at 60% AMI.
   - Ten (10) points are earned if the ratio is equal to or greater than 1:4, or 25%.
   - Fifteen (15) points are earned if the ratio is equal to or greater than 1:3, or 33.33%.

For eligibility, for every four units at 60%, at least one unit must be at 50%. Projects selecting Incremental Affordability will earn an additional ten (10) or fifteen (15) scoring points under this NOFA. See Exhibit C.
VI. EXHIBIT A

LAFOURCHE NOFA APPLICATION ADDENDUM
For example only. Download the document from the LHC Web site.

LAFOURCHE PARISH MULTIFAMILY RENTAL HOUSING PROGRAM
Required Inputs in Blue Background Cells

<table>
<thead>
<tr>
<th>Project Name and Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name:</td>
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<tr>
<td>Development Firm Name:</td>
</tr>
<tr>
<td>Development Firm Street Address:</td>
</tr>
<tr>
<td>Development Firm City, ST Zipcode:</td>
</tr>
<tr>
<td>Development Firm Contact Person Name:</td>
</tr>
<tr>
<td>Development Firm Contact Person Title:</td>
</tr>
<tr>
<td>Development Firm Contact Person Email:</td>
</tr>
<tr>
<td>Development Firm Contact Person Office Phone:</td>
</tr>
<tr>
<td>Development Firm Contact Person Cell Phone:</td>
</tr>
</tbody>
</table>

Contact Person must be authorized to represent development entity

Scoring (NOFA §V)

§V.C. (30 points maximum) CDBG Leverage

<table>
<thead>
<tr>
<th>CDBG Requested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Development Cost</td>
</tr>
<tr>
<td>CDBG Leverage</td>
</tr>
<tr>
<td>CDBG Leverage</td>
</tr>
<tr>
<td>CDBG Leverage Points</td>
</tr>
</tbody>
</table>

§V.D. (55 points maximum) Disaster Resilience
[to be determined by LHC]

§V.E. (15 points maximum) Project Characteristics

Incremental Affordability—15 points maximum.

| Units at 60%: |
| Units at 50%: |
| Ratio: |

Enter 50% and 60% Units Above
VII. EXHIBIT B

Lafourche Parish NOFA Disaster Resilience and Building Quality Scoring Rubric

Note: There are eleven scoring categories (A-K). Maximum points in categories B through G is one scoring level above the scoring achieved in category A, and no points will be awarded in categories B through H for any score of 0 points in category A. For example, if a property earns 2 points in category A, it cannot score more than 5 points in each of categories B through G. If a property earns 0 points in category A, it is not eligible for any points under categories A-G of this scoring rubric. The maximum score is 110 points; the maximum score for a property which scores 2 points in category A is 72 points (as categories B-G would be limited to 5 points each). Note that scoring ten points in categories B through G is unlikely unless ten points are scored in category A.

The maximum rubric score of 110 points will be converted to the maximum Disaster Resilience and Building Quality score within the NOFA of 55 points, using the formula [Rubric Score] / 110 X 55, rounded to the tenths decimal place; for example, a score of 87 points against the rubric would be divided by 110 (=.7909) and multiplied by 55 (=43.5), rounded to the tenths decimal place (=43.5). Therefore a score of 87 points (out of 110 possible) against this rubric would yield 43.5 points (out of 55 possible) in the total score.

Applications will be assessed regarding proposed features of project design (“Measures”) to reduce risk of harm to residents and the property in the wake of natural disasters and preserve immediate post-disaster habitability (categories A-G), as well as certain considerations of quality construction and design (categories H-K). For each Disaster Resilience Measure, the LHC is seeking strategies and commitments to building specifications which mitigate flood risk, and is specifically interested in strategic elevation of units and mechanical systems, storm water detention and retention systems, dry and wet flood proofing, IBHS Fortified building standards, and other approaches which will result in a dramatically greater level of flood resilience than is otherwise required by existing standards.11 For Building Quality Measures, the proposal should provide specifics, or commitments to specific standards and techniques, which will be required of the construction, and enforced through the funding of the CDBG. These may include specifications for the site, foundation, roof, walls, windows and doors, and mechanical systems which result in a better constructed, more durable, higher-quality, more-energy efficient and healthy living environment.

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11 Note the threshold requirements at §II.B.19, Physical Characteristics. Scoring points will not be awarded solely for meeting requirements. Points will be awarded for meeting and exceeding requirements.
<table>
<thead>
<tr>
<th>Cat.</th>
<th>10 points</th>
<th>5 points</th>
<th>2 points</th>
<th>0 points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Categories A – G = Disaster Resilience Factors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A (Disaster Resilience)</td>
<td>Project incorporates <strong>specific, clear, realistic</strong> Measures to greatly reduce risk of physical harm to residents and the property and preserve habitability of units during and in the aftermath of severe weather events.</td>
<td>Project incorporates <strong>specific</strong> Measures to reduce risk of physical harm to residents and property and preserve habitability of units during and in the aftermath of severe weather events. However: the Measures are <strong>not fully realistic, clear and convincing</strong> and/or the measures are <strong>likely to reduce risk, but not likely to greatly reduce risk.</strong></td>
<td>Project incorporates Measures to reduce risk of physical harm to residents and property and preserve habitability of units during and in the aftermath of severe weather events. However: the Measures are <strong>not specifically delineated, unclear, unconvincing, or unrealistic</strong> and/or are <strong>not likely to reduce risk.</strong></td>
<td>Project <strong>does not incorporate</strong> Measures to reduce risk of physical harm to residents and property and preserve habitability of units during and in the aftermath of severe weather events.</td>
</tr>
<tr>
<td>B (Disaster Resilience)</td>
<td>Budgeted development, operating and replacement costs for Measures are <strong>detailed and tie clearly to the Measures.</strong></td>
<td>Development, operating and replacement costs of the Measures are outlined, but there is <strong>inadequate supporting detail and/or the costs cannot be easily corresponded to the Measures.</strong></td>
<td>Project provides detail on development, operating cost or replacement costs of Measures, <strong>but does not address all three categories of cost.</strong></td>
<td>There are <strong>no detailed developments, operating, or replacement costs outlined for the Measures proposed.</strong></td>
</tr>
<tr>
<td>Cat.</td>
<td>10 points</td>
<td>5 points</td>
<td>2 points</td>
<td>0 points</td>
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<tr>
<td>C (Disaster Resilience)</td>
<td>Measures are <strong>highly</strong> cost-efficient both initially, and over time. This should include a basic Benefit-Cost analysis which considers the cost of repair/replacement, lost rents, and other costs which would result without these interventions.</td>
<td>Measures are <strong>moderately</strong> cost-efficient both initially, and over time.</td>
<td>Measures are cost-efficient initially or over time, but are not cost-efficient initially and over time.</td>
<td>Information does not demonstrate that Measures are cost-efficient either initially or over time.</td>
</tr>
<tr>
<td>D (Disaster Resilience)</td>
<td>Units and areas required to be accessible to persons with disabilities are addressed fully in the plan and proposed <strong>Measures are clearly consistent with accessibility requirements.</strong> Persons with disabilities are <strong>reasonably likely to fare as well as non-disabled persons in a disaster.</strong></td>
<td>Accessibility is clearly achievable relative to the proposed Measures; however it is not clear that persons with disabilities are reasonably likely to fare as well as non-disabled persons in a disaster.</td>
<td>It is <strong>unclear</strong> how persons with disabilities will access units and common areas, or otherwise be affected, as a result of the Measures; however, there is no indication that the Measures would preclude accessibility or that persons with disabilities are likely to fare worse than non-disabled persons in a disaster.</td>
<td>It is possible that proposed Measures would violate accessibility requirements or that persons with disabilities will at greater risk of physical harm in a disaster <strong>despite or because of</strong> the proposed Measures.</td>
</tr>
<tr>
<td>E (Disaster Resilience)</td>
<td>All Measures are <strong>likely to be</strong> replicable elsewhere.</td>
<td>Some Measures are <strong>potentially</strong> replicable elsewhere.</td>
<td>Some Measures are <strong>theoretically</strong> replicable elsewhere.</td>
<td>It’s <strong>difficult to conceive</strong> of any of the proposed Measures being replicable elsewhere.</td>
</tr>
<tr>
<td>Cat.</td>
<td>10 points</td>
<td>5 points</td>
<td>2 points</td>
<td>0 points</td>
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</tr>
<tr>
<td>F (Disaster Resilience)</td>
<td>All Measures have proven to have worked elsewhere.</td>
<td>Many Measures have been applied elsewhere successfully.</td>
<td>Some Measures have been applied elsewhere successfully.</td>
<td>There is no discussion or evidence of the prior efficacy of the proposed Measures in a disaster context.</td>
</tr>
<tr>
<td>G (Disaster Resilience)</td>
<td>Proposed Measures will positively affect neighboring properties. The proposal should describe how the proposed measures will positively impact neighboring properties (e.g. allow the units to be occupied / in service during and after an event therefore reducing the vacancy time and contributing to the health of the neighborhood, or capture storm water which could impact neighboring properties, etc.)</td>
<td>Proposed Measures will not negatively affect neighboring properties and might positively affect neighboring properties.</td>
<td>Proposed Measures will not negatively affect neighboring properties.</td>
<td>Proposed Measures might negatively affect neighboring properties.</td>
</tr>
</tbody>
</table>

Categories H – K = Building Science and Construction
<table>
<thead>
<tr>
<th>Cat.</th>
<th>10 points</th>
<th>5 points</th>
<th>2 points</th>
<th>0 points</th>
</tr>
</thead>
<tbody>
<tr>
<td>H (Building Quality)</td>
<td>Applicant has provided a binding commitment with specific details to use high durability building systems, assemblies, materials, finishes, and mechanical systems <strong>beyond the threshold requirements</strong>, and has <strong>demonstrated</strong> the long-term costs (capital replacement, maintenance, utilities) <strong>are lower</strong> based on these investments.</td>
<td>Applicant has provided a binding commitment with specific details to use high durability building systems, assemblies, materials, finishes, and mechanical systems <strong>beyond the threshold requirements</strong>, but has not demonstrated the long-term costs <strong>are lower</strong> based on these investments.</td>
<td>Applicant has provided a binding commitment to use high durability building systems, assemblies, materials, finishes, and mechanical systems <strong>beyond the threshold requirements</strong>, but has not provided specific details and has not demonstrated the long-term costs <strong>are lower</strong> based on these investments.</td>
<td>Applicant has provided no information regarding a commitment to the use of higher-durability building systems, assemblies, materials and components, beyond the threshold requirements of this NOFA.</td>
</tr>
<tr>
<td>I (Building Quality)</td>
<td>Applicant has provided a binding commitment in proposal to an energy efficiency standard <strong>significantly more rigorous</strong> than threshold requirements of NOFA.</td>
<td>Applicant has provided a binding commitment in proposal to an energy efficiency standard <strong>more rigorous</strong> than threshold requirements of NOFA.</td>
<td>Applicant has provided a binding commitment in proposal to selected energy efficiency investments and initiatives which exceed the threshold requirements of NOFA.</td>
<td>Applicant has provided no information regarding a commitment to achieve an energy efficiency standard <strong>beyond the threshold requirements of the NOFA</strong>.</td>
</tr>
<tr>
<td>Cat.</td>
<td>10 points</td>
<td>5 points</td>
<td>2 points</td>
<td>0 points</td>
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<td>----------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
</tr>
<tr>
<td>J (Building Quality)</td>
<td>Applicant has provided details regarding a binding commitment to a comprehensive building envelope design which clearly exhibits high energy and performance standards.</td>
<td>Applicant has provided a binding commitment to a comprehensive building envelope design which exhibits moderate energy and performance standards.</td>
<td>Applicant has provided a binding commitment to selected components of a building envelope design which contributes to energy and performance standards, but the approach is not comprehensive.</td>
<td>There is no discussion in the proposal regarding the building envelope design.</td>
</tr>
<tr>
<td>K (Building Quality)</td>
<td>Applicant has provided details regarding a binding commitment to the comprehensive use of building and interior materials, HVAC ventilation and filtration systems, and other considerations toward healthy indoor air quality.</td>
<td>Applicant has provided a binding commitment to comprehensive use of materials, HVAC, and interior design features which support healthy indoor air quality and universal design but full details or documentation is lacking.</td>
<td>Applicant has provided a binding commitment selected components of an approach to support healthy indoor air quality but commitment lacks key universal design elements.</td>
<td>Plans do not address healthy indoor air quality and universal design.</td>
</tr>
</tbody>
</table>
VIII. EXHIBIT C

Examples of Affordability Mixes Which Comply with the Requirements of this NOFA

Note, these examples are based on 100-unit properties, for simplicity. These illustrations should not imply a requirement or expectation for a 100-unit property. The minimum number of required units is 35.

### Example 1

<table>
<thead>
<tr>
<th>20%</th>
<th>30%</th>
<th>50%</th>
<th>60%</th>
<th>80%</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>40</td>
<td>11</td>
<td>49</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above is acceptable:
- >40% of units under 60% AMI (LIHTC requirement);
- >51% of units ≤ 80% AMI, (program requirement);
- >20% market rate units (program requirement); and
- Note that this property has not elected points for Incremental Affordability.

### Example 2

<table>
<thead>
<tr>
<th>20%</th>
<th>30%</th>
<th>50%</th>
<th>60%</th>
<th>80%</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>45</td>
<td>0</td>
<td></td>
<td>40</td>
<td></td>
</tr>
</tbody>
</table>

The above is acceptable:
- >40% of units under 60% AMI (LIHTC requirement);
- >51% of units ≤ 80% AMI (program requirement);
- >20% market rate units (program requirement); and
- Note that the ratio of 50% units to 60% units is 15:45 (.33). This meets the required ratio of 1:3 (.333) for Incremental Affordability, and this property would earn fifteen (15) points for Incremental Affordability.

### Example 3

<table>
<thead>
<tr>
<th>20%</th>
<th>30%</th>
<th>50%</th>
<th>60%</th>
<th>80%</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>60</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above is acceptable:
- >40% of units under 60% AMI (LIHTC requirement);
- >51% of units ≤ 80% AMI (program requirement);
- >20% market rate units (program requirement); and
- Note that the ratio of 50% units to 60% units is 15:60 (.25). This meets the required ratio of 1:4 (.25) for Incremental Affordability, and this property would earn ten (10) points for Incremental Affordability.

### Example 4

<table>
<thead>
<tr>
<th>20%</th>
<th>30%</th>
<th>50%</th>
<th>60%</th>
<th>80%</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above is acceptable:
- >40% of units under 60% AMI (LIHTC requirement);
- >51% of units ≤ 80% AMI, (program requirement);
- >20% market rate units (program requirement); and
- Note that this property has not elected points for Incremental Affordability.