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VERSION CONTROL FORM

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This PRIME4 NOFA Version 2.0 will be the controlling document for the Program and supersedes any previous version(s) and/or Addendums.



Louisiana Housing
Corporation

LOUISIANA HOUSING CORPORATION (“LHC”)

NOTICE OF FUNDING AVAILABILITY AND PROGRAM IMPLEMENTATION

GUIDELINES

FOR

MULTIFAMILY PIGGYBACK / CDBG-DR LOAN FUNDING

2025 Piggyback Resilience Initiative - Mixed-Income (PRIME-4)

Published December 5, 2025

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1. General Overview

The Louisiana Housing Corporation (“LHC” or “Corporation”) hereby releases this Notice of Funding Availability and Program Implementation Guidelines (“NOFA” or “Program”) for the availability of **Twenty Million Dollars (\$20,000,000.00)** in Community Development Block Grant Disaster Recovery (CDBG-DR) funds. These CDBG-DR funds have been allocated by HUD for recovery activities related to damage resulting from Hurricane Ida and the May Floods in 2021 and Hurricanes Laura and Delta in 2020 and Federal Register Notices FR–6303–N–01; FR–6326–N–01; and FR–6368–N–01. Per this NOFA, **Ten Million Dollars (\$10,000,000.00)** of these funds are available for projects located in the 21 Most Impacted and Distressed areas identified by HUD, within the Parishes designated by FEMA as eligible for ‘Individual Assistance’ under FEMA Disasters 4611 and 4606 (See “Ida-May Floods Eligible Parishes” at §8, Definitions) and **Ten Million Dollars (\$10,000,000.00)** are available for projects located in the 15 Most Impacted and Distressed areas identified by HUD, within the parishes designated by FEMA as eligible for ‘Individual Assistance’ under FEMA Disasters 4559 and 4570 (see “Laura-Delta Eligible Parishes” at §8, Definitions).

The PRIME-4 Program (PRIME-4) will provide funding for the new construction of multifamily affordable rental housing, as stipulated herein.¹

Successful applicants will be required to utilize CDBG-DR funds paired with equity from the sale of 4% Low Income Housing Tax Credits (“LIHTC”) issued by the LHC which are available to projects which utilize LHC Multifamily Revenue Bonds (“LHC Tax-Exempt Bonds”) issued by the LHC in accordance with Section 42(h)(4) of the Internal Revenue Code of 1986, as amended (“Code”).

The PRIME-4 objective is to create multifamily rental developments which feature disaster-resilience characteristics and generally requiring mixed-income housing with 100% LIHTC units averaging affordability at or below 60% AMI.² Further requirements and program priorities are enumerated in this NOFA.

Only properties which can achieve all of the program requirements of PRIME-4, including its disaster resilience and affordability requirements, should apply for funding.

PRIME-4 is a competitive program, and funding will be awarded to the highest scoring applications only, subject to set-asides and other provisions intended to provide for statewide outcomes. See §3.1, Set-Asides and Limitations and §5, Scoring Criteria.

There will be no site changes allowed after submission, no supplemental funding requests accepted and no exceptions under this PRIME-4 NOFA.

¹ See §4.6, Construction Type.

² While the average affordability is below 60% AMI, the affordability mix requires moderate income units and the overall affordability mix includes a range of rent- and income-limits reflective of a mix of income levels.

The amount of funds available herein is subject to upward or downward adjustment by the LHC. The terms of this NOFA and the terms of the 2025 QAP are subject to revision. Any changes to this NOFA will be subject to notification through an amendment to this NOFA. Any changes to the 2025 QAP will be subject to notification through an amendment to the 2025 QAP. Such amendments may be issued at any time following public notice of a public hearing to be held for such amendments and required approvals of the amendments by the Governor. All terms for this program are subject to the State of Louisiana's HUD-approved Master Action Plan for the Utilization of Community Development Block Grant Funds in Response to 2020 and 2021 Federal Declarations in Louisiana, as amended and the 2025 Qualified Allocation Plan.

2. General Requirements

The following are general requirements which apply to all applications, awards and fundings under this NOFA.

2.1 General Provisions Regarding Funding

Twenty Million Dollars (\$20,000,000.00) in CDBG-DR funds will be made available through this NOFA. The highest scoring projects will be awarded until the funds are exhausted, subject to the provisions herein.

2.2 Eligible and Ineligible Uses

CDBG-DR funds awarded under this NOFA will only reimburse eligible costs incurred to develop a project. No CDBG-DR funds will be paid in advance to reimburse a project cost; all invoices and receipts to be submitted and approved. No funds will be disbursed until all funding commitments and grant agreements are signed, and environmental conditions are satisfied.

CDBG-DR funds are provided for necessary expenses for activities authorized under Title I of the Housing and Community Development Act of 1974 (HCDA) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation of risk associated with activities carried out for these purposes, in the “most impacted and distressed” areas (as identified by HUD) resulting from a major disaster.

Accordingly, each activity must: (1) address a direct or indirect impact from the disaster in a most impacted and distressed area; (2) be a CDBG-DR eligible activity (or be eligible under a waiver or alternative requirement); and (3) meet a national objective.

Purchases from affiliated persons or entities must be supported with an appraisal, acceptable to the LHC in its sole discretion. Construction/rehabilitation costs must be included as a budgeted item, and funds must be drawn on a pari passu basis with other construction-period funding sources.

CDBG-DR will not be disbursed for any costs enumerated at 24 CFR §570.207, as amended by Federal Register (Docket No. FR-6326-N-01, Appendix B, §II.B.1.) which permits the use of CDBG-DR funds for new construction activities.

2.3 General Restrictions Regarding Ineligible Applicants

Applications are ineligible for funding under this NOFA when ownership or proposed ownership includes any of the following:

- Any person or entity (or affiliate thereof) on the federal debarred list, or an organization controlled by such person or entity on that list.
- Any person or entity (or affiliate thereof) that is out of compliance with the LHC and/or Louisiana Office of Community Development-Disaster Recovery (OCD-DR) as of Application

Date of this NOFA regarding submission of annual audits and other financial reports, or who is in arrears on payments of LHC/OCD loans, or who is on the LHC Debarred List.

2.4 General Provisions Regarding Eligible and Ineligible Projects

Eligible projects must be located in an Ida-Eligible Parish or a Laura Delta Eligible Parish See §8, Definitions.

All borrowers must be LIHTC single asset entities organized as for-profit limited partnerships (“LPs”) or limited liability companies (“LLCs”). General Partners of LPs and Managing Members of LLCs may be for- or non-profit entities. A PHA may participate as General Partner or Managing Member. All projects must combine CDBG-DR 4% LIHTCs, allowable by LHC Tax-Exempt Bonds, which finance costs in accordance with Section 42(h)(4) of the Code. LHC Tax-Exempt Bonds may, but are not required to, finance a permanent first mortgage.

Eligible projects must meet all application and eligibility requirements of this Program Description, including underwriting requirements.

The following properties are Ineligible Projects:

- Properties not located in an Ida-May Floods Eligible Parish or a Laura-Delta Eligible Parish. See §8, Definitions.
- Properties not allowed with LIHTCs.
- Properties deemed non-feasible or non-viable by the LHC, based on its underwriting review.
- Properties failing to submit a complete and fully responsive application for award of funding, or to respond to questions and concerns put forth by the LHC by the deadline imposed by the LHC for such responses when submitting an inquiry to the applicant.
- Properties failing to submit timely and proper fees, when and as required. See §7.1, Application Fees.
- Lease to Own Properties; because of the structure of the CDBG-DR Gap Financing Mortgage, lease-to-own (Year 16) properties will not be permitted.
- Applications for CDBG-DR in conjunction with a request for an allocation of 4% LIHTCs which fail to achieve a minimum forty (40) point score against the scoring criteria established in the LHC 2025 QAP. See §5.2.

Applicants must demonstrate that project activities “tie-back” to the specific disaster and address a specific unmet recovery need for which the CDBG–DR funds were appropriated. PRIME-4 applications should clearly demonstrate that the proposed affordable multifamily rental developments address a lack of affordable rental units in the project geographical area as a direct or indirect result of Hurricanes Laura, Delta, Ida, or the May Floods.

2.4.1 National Objective

PRIME-4 funded projects must meet the low- and moderate-income persons or households national objective.

2.5 Non-Assignability of Application and Award

The entity or individual submitting an application for CDBG-DR must be a principal of the existing or proposed development team with the legal authority to execute a legal agreement on behalf of the LP or LLC ownership entity, with the LHC. All awards made will be to the established single-asset entity LP or LLC identified in the application and will be addressed to the principal of that entity submitting the application. Any assignment of such an award without the prior, written consent of the LHC may immediately and irrevocably void the award. Any change in the proposed ownership from that which is stipulated in the application will constitute an assignment.

2.6 Prior Awards

No awards under this NOFA may be combined with prior CDBG-DR awards issued by the LHC or OCD-DR which have not been de-obligated or canceled.

2.7 Strictly Enforced Deadlines

The LHC will strictly adhere and impose deadlines for committing and expending CDBG-DR funds awards under this NOFA based upon the activity proposed and other information provided in the application. Any CDBG-DR funds not committed or expended within the timeframes included in the loan documents may be de-obligated or recaptured by the Corporation. Projects must adhere to the following:

- CDBG-DR awards may be terminated at any time prior to the CDBG-DR award expiration date due to the absence of project progress or upon discovery or development of a project condition which, if apparent prior to award, would have prevented the award. CDBG-DR funds advanced prior to the completion and close-out of a project (whether voluntary or involuntary) must be repaid to the LHC if the project is not completed for any reason by the 100% Occupancy date listed in this NOFA.
- Applicants must submit a project schedule in their application submission and must adhere to the project schedule included in their application submission (and that schedule must conform to the schedule outlined at §7.6, Important Dates and Deadlines) and satisfy placed in service requirements required by Section 42 of the Code). Adherence to the schedule will also be a formal requirement of any award.

2.8 QAP Related Requirements

All applications must combine CDBG-DR with 4% LIHTCs and bond-financed mortgage proceeds. Accordingly, all PRIME-4 applications must conform to the standards and requirements related to these funding sources, as enumerated in the QAP governing the allocation of their LIHTCs.

2.9 Market Study Absorption Rate Requirement

The LHC will not fund a project for which the market study indicates the proposed units cannot be effectively absorbed. The LHC will require a determination by the market study analyst that the new units can be absorbed at a rate of no less than 15% (i.e., 15% of the units per month, resulting in full occupancy no later than seven months from initial leasing). Applicants should be reasonably confident that there is market demand for their proposed units, prior to incurring the costs to apply.³

2.10 Accessibility Requirements

All funded projects must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of Rehabilitation Act of 1973 (29 U.S.C. 794) and covers multifamily dwellings, as defined at 24 CFR 100.201, and must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619). These requirements must be met for the entire affordability period.

2.11 Insurance Requirements

Insurance requirements for projects are governed by the State of Louisiana Office of Risk Management Procedures Manual for Insurance Language in Contracts and Indemnification Agreements, Revised December 2019, Exhibit D. The entire procedures manual can be found at the following URL: <https://www.doa.la.gov/media/lugfise1/contract-manual-12-2019.pdf>

Additionally, all funded projects located in whole or in part within the Special Flood Hazard Area are required to carry flood insurance.

Projects must carry the lesser of full replacement coverage or the maximum available National Flood Insurance Program insurance on all individual buildings. Sponsors are hereby advised to ensure that costs for these insurance premiums are fully reflected in their proposed operating budgets.

2.12 Payment of Developer Fee

Thirty percent (30%) of the non-deferred portion of the Developer Fee may be paid out at the Closing from non-CDBG-DR sources. Another thirty percent (30%) of the non-deferred portion of the Developer Fee may be paid out when construction is complete. The remaining 40% of the

³ Note that this MS Absorption Rate requirement reflects market demand and is not a lease-up timeline requirement.

non-deferred portion of the Developer Fee may be disbursed from the final CDBG-DR (retainage) draw subject to conditions outlined in the closing documents.

2.13 Labor/Workers/Materials

2.13.1 Davis Bacon Prevailing Wage Compliance

If CDBG-DR funds are awarded, the project budget costs must be based on the prevailing wage rates. The then-current wage rates must be attached to the construction contract and accepted by the general contractor prior to closing.

2.13.2 Workers and Materials

The Applicant must ensure that not less than sixty percent (60%) of the total project labor hours and materials expenditures are purchased from within the State of Louisiana.

In-State Labor refers to workers whose primary place of residence is within the State of Louisiana at the time of hire for this project. In-State Materials refers to goods, products, or raw materials that are purchased from Louisiana vendors. Successful Applicants must submit documentation demonstrating compliance.

2.14 Environmental Clearance

Applicants must secure an Environmental Site Assessment prior to application and provide all reports in the Application. *However, no choice limiting actions, including, but not limited to, physical work or activity, may start until environmental clearance is obtained. All prohibitions regarding 'choice limiting actions' will apply, rendering the award void and applicant ineligible for award.*

LHC retains the right to withhold award for projects with environmental issues which cannot be addressed timely and cost-effectively or may cancel awards if the environmental issue is disclosed after award. Any remediation required shall be addressed and resolved to achieve clearance prior to closing.

2.15 Site Development Requirements

Construction that is financed by CDBG-DR funds must meet all applicable State and local building codes along with appropriate zoning ordinances in effect at the time of application. See §4.7, Eligible Sites regarding project siting requirements specific to this NOFA.

The proposed development must be properly zoned for its intended use. Documentation must be provided from the local governing authority where the proposed development will be located. The documentation must be dated within one (1) year of the application submission date and must include the development's name, physical location (i.e. street address or nearest intersection), intended use, zoning code and description of what the zoning allows. All information must be consistent with the development information provided on the application

form. In the event that zoning and permitting requirements are not applicable to the proposed site, then the Applicant must provide (a) a letter from the local authority stating that zoning is not required and (b) a letter from the utility providers verifying the availability of all requisite public utilities for the proposed development.

Site plan approval by local planning authority must be obtained in a timely manner and as prescribed in the Award Acceptance Agreement (AAA) to allow the project to meet the deadlines as stated in the AAA and this NOFA. The LHC, in its sole discretion, reserves the right to cancel any award that cannot feasibly receive approval and meet stated deadlines.

2.15.1 Site Control

Site control is required at the time of application and may be demonstrated by a purchase agreement dated prior to the publication of this NOFA, an option to purchase, or a valid title in the name of the taxpayer or developer dated prior to the publication of this NOFA.

Applicant must provide evidence that it has, and will maintain from the start of the application review process until the land is acquired, direct site control. The entity having control of the proposed site must be the same entity listed as the Applicant in the application. The seller/lessor/optionee must be identifiable in the purchase, lease or option agreement and must be listed in the application.

Site control documentation must clearly identify the physical location of the property (i.e. property address, full legal description or plat map identifying street names) and be consistent with the physical location identified on the application form. Any addendum/exhibit referenced on a contract must be included in the application or points will be deducted.

Applicants will not be allowed to change sites after application. No exceptions will be granted to this provision.

2.16 Regulatory Authority and Requirements

All PRIME-4 applications under this NOFA are governed by this NOFA, the Qualified Allocation Plan under which the applicants' LIHTC are awarded, Section 42 of the Internal Revenue Code and 24 CFR Part 570. Modification of federal statutes or regulations governing the CDBG-DR Program by Congress, the Department of Housing and Urban Development (HUD), the state legislature, or LHC may become effective immediately and apply to the activities funded under this NOFA. Changes in state or federal regulations or statutes which affect a project will not entitle the developer to an increase in award funds.

This NOFA does not include the text of all applicable regulations that may be applicable to a particular project. For proper completion of the Application, LHC strongly encourages potential applicants to consult the federal CDBG-DR Program regulations, and other federal cross-cutting

regulations. Applicants should also consult the Louisiana State Uniform Construction Code (LSUCC).

2.17 Completed Projects

Projects are considered complete only after certificates of occupancy have been issued for all buildings within a project, and the project sponsor has complied with all conditions precedent to the final release of CDBG-DR funds, as stipulated in the legal documents.

2.18 Overall Obligation

An applicant receiving funds under this NOFA will be expected to maintain the fiscal, physical and managerial soundness of the benefiting rental housing development for the Periods of Affordability covered by the CDBG-DR Regulatory Agreement and the LIHTC Regulatory Agreement. Applicants must ensure compliance with all federal cross-cutting and LHC regulatory and administrative requirements, including but not limited to:

- Implementing the project or program activity as proposed in the submitted application;
- Ensuring compliance with all reporting requirements;
- Managing funds disbursement and accounting;
- Preparing work specifications;
- Conducting inspections;
- Affirmatively market the units for rental;
- Documenting the Project's compliance with the Program; and
- Ensuring that all CDBG-DR and LIHTC requirements are met for the entire affordability period applicable to the project.

2.19 Cross Cutting Federal Requirements

All applicants shall comply with all applicable Federal requirements.

2.20 Uniform Relocation and Real Property Acquisition Act

Currently occupied properties are not eligible. Therefore, CDBG-DR may not be used to pay for URA related costs.

2.21 Housing Choice Opportunities

Projects awarded CDBG-DR funds must comply with Title VI of the Civil Rights Acts of 1964, the Fair Housing Act, Section 504, Executive Order 11063 and HUD regulations issued pursuant thereto so as to promote greater choice of housing opportunities.

2.22 Nondiscrimination Requirements

The Sponsor agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 14173, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and Contractor agrees to abide by the requirements of the Americans with Disabilities Act of 1990.

Sponsor agrees not to discriminate in its employment practices and will render services without discrimination on the basis of applicable protected classes.

3. Funds Available, Maximum and Minimum Funding

Total funding to be awarded under this NOFA for the PRIME-4 Program is **Twenty Million Dollars (\$20,000,000.00)**.⁴ However, see §3.1, Set-Asides and Limitations.

No CDBG-DR funds award may exceed \$10,000,000 in total funding to any single project and may not exceed \$150,000 per unit. However, note that applicants are disadvantaged when requesting a high percentage of CDBG-DR funds relative to total development costs through scoring criteria. See §5.2.1, CDBG-DR Efficiency.

For projects financed with CDBG-DR and 4% LIHTCs, the LHC will not award less than Three Million Dollars (\$3,000,000.00) in CDBG-DR Gap Financing unless the Applicant submits a waiver for applications of less than Three Million Dollars (\$3,000,000.00) in writing prior to or with their Application.

No waiver requests will be considered for amounts in excess of the maximum award amount.

The maximum unit development cost is based on the design building type (i.e., elevator, walk up, row house, detached/semi-detached), number of bedrooms, and geographic location of the proposed property. All projects must use the latest applicable cost limits for properties located in the HUD 2024 Unit Total Development Cost Limits document (see HUD PIH Office of Capital Improvements website):

https://www.hud.gov/sites/dfiles/PIH/documents/2024_Units_TDC_Limits.pdf

3.1 Set-Asides and Limitations

3.1.1 Laura and Delta Eligible Parishes Set-Aside

Total funding of **Ten Million Dollars (\$10,000,000.00)** is available to projects located within the Laura- and Delta-Eligible Parishes.

3.1.2 Ida and May Floods Eligible Parishes Set-Aside

Total funding of **Ten Million Dollars (\$10,000,000.00)** is available to projects located within the Ida and May Floods-Eligible Parishes.

3.1.3 PRIME-4 Applicant Award Limitation

No single Applicant may receive awards for more than three submitted applications in which CDBG-DR is combined with 4% LIHTCs. In the event that an Applicant submits more than three applications in which CDBG-DR is combined with 4% LIHTCs which would otherwise be eligible for funding, only the three highest-scoring applications will receive an award of funds.

⁴ If additional funding becomes available, additional awards may be made. The amount of funds available herein is subject to upward or downward adjustment by the LHC. Any changes will be subject to notification through an amendment to this NOFA. Such amendments may be issued at any time.

No single Applicant which received three or more total awards in the PRIME-2 and PRIME-3 funding rounds for CDBG-DR combined with 4% LIHTCs may receive more than two awards under PRIME-4 for CDBG-DR combined with 4% LIHTCs.

Definitions

4. PRIME-4 Affordability and Unit-Mix Requirements

PRIME-4 is a mixed-income Program. Applicants may not propose a property which is 100% LIHTC with all units at or below 60% AMI (however, see below). Properties developed under this program will have units available at a range of incomes and will operate as ‘mixed-income’ properties as a result.

The use of the LIHTC Income Averaging (“IA”) option is required; however, see §4.1, Seniors’ Housing Exception, §4.2, Project-Based Rental Assistance Exception, and §4.3, Conflicting Other Sources Exception.). Properties not meeting the requirements of these exceptions must undertake the following scenario:

- No (unrestricted) Market units, with 100% LIHTC units (i.e., a 100% ‘Applicable Fraction’), with average affordability of the LIHTC units at least 55% AMI and no greater than 60% AMI, with no fewer than 20% of units at 80% AMI.

To ensure a range of incomes, this Program requires applicants to elect ‘Income Averaging’ pursuant to Section 42(g)(1)I of the Internal Revenue Code (“Code”). When electing Income Averaging, this Program further stipulates that (a) no less than 100% of the units must be LIHTC restricted, and (b) the average income and rent restriction of restricted units (which may range between 20% and 80% AMI) is at least 55% AMI and no greater than 60% AMI, and (c) the averaging is based on a range of AMI-based income- and rent-restriction levels, which includes at least 20% of units at 80% AMI.

4.1 Seniors’ Housing Exception

Properties in which all units are reserved for occupancy by seniors, and the occupancy restriction complies with the requirements for ‘housing for older persons’ exemption under the Fair Housing Act, may structure their affordability to restrict all units to rents and incomes below 60% of Area Median Income. Note that all other affordability requirements (i.e., §4.4, §4.5) apply.

4.2 Project-Based Rental Assistance Exception

Properties in which no fewer than 20% of the units are covered by a project-based rental assistance contract with a term of no less than fifteen years may structure their affordability to restrict all units to rents and incomes below 60% of Area Median Income. Note that all other affordability requirements (i.e., §4.4, §4.5) apply.

4.3 Conflicting Other Sources Exception.

In the event other funding sources require an affordability mix which does not conform to the requirements of the PRIME-4 program, applicants may request a waiver in writing no later than the Application Deadline, which may be granted at the sole discretion of the LHC.

4.4 Deep Affordability / Permanent Supportive Housing

- Eligible projects must set aside no fewer than five percent (5%) of units at rents affordable at 20% AMI,⁵ and for occupancy by households with incomes at or below 30% AMI. Note that this requirement is inclusive of the Permanent Supportive Housing (PSH) unit set-aside requirements below.
- Eligible projects must set aside four percent (4%) of units as available. These units are eligible for PSH Vouchers but must be made available pursuant to the PSH Program requirements without regard to whether a voucher is available.
- Applications must accept Section 811 project based rental assistance (Section 811 PBRA) or other LHC sponsored rental assistance for up to 10% of the total restricted units. Also see §4.5, Unit Mix Requirements.

4.5 Unit Mix Requirements

Properties must have no fewer than forty (40) residential units.

Projects which do not have a project-based rental assistance contract must have at least ten percent (10%) of total units be one-bedroom units. See §4.4, Deep Affordability / Permanent Supportive Housing. Applicants must incorporate this requirement into their proposed unit mix.

Unit mixes (types of units by bedroom size) and affordability mixes (types of units by rent- and income-restriction) must be *reasonably* balanced. For example, the LHC will not accept a unit/affordability mix in which all 80% AMI units are one bedroom type, and all 40% AMI units are another bedroom type. Applications must justify significant imbalances, and Applicants are responsible for ensuring compliance with Fair Housing and Civil Rights laws in their unit/affordability mix.

4.6 Construction Type

PRIME4 requires new construction. Note that this **excludes** existing, occupied multifamily housing. However, adaptive-reuse buildings which are not currently used as housing will be considered New Construction for purposes of this definition.

4.7 Eligible Sites

Disaster Resilience of funded projects will be partly accomplished through project siting. The Federal Register Notices that govern the use of the available CDBG-DR funds (FR-6303-N-01, FR6326-N-01, and FR6368-N-01) require certain elevation standards for new construction, reconstruction, rehabilitation of substantial damage or rehabilitation resulting in substantial improvement of residential structures located in an area delineated in a special flood hazard

⁵ This NOFA requirement may be waived in the event of a conflict with project-based rental assistance contracts.

area or equivalent in FEMA's data sources. 24 CFR 55.2(b)(1) provides additional information on data sources. Projects funded under this NOFA must be new construction and must meet the following elevation standards as written in the applicable Federal Register Notices:

- All structures, defined at 44 CFR 59.1, designed principally for residential use, and located in the one percent annual chance (or 100-year) floodplain, that receive assistance for new construction, reconstruction, rehabilitation of substantial damage, or rehabilitation that results in substantial improvement, as defined at 24 CFR 55.2(b)(10), must be elevated with the lowest floor, including the basement, at least two feet above the one percent annual chance floodplain elevation (base flood elevation).
- For buildings qualifying and applying for Historic Tax Credits and located in a SFHA, if the residential units are above the required elevation noted above, and applicant satisfies all other requirements above, the site will qualify as eligible.
- Mixed-use structures with no dwelling units and no residents below two feet above base flood elevation, must be elevated or floodproofed, in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least two feet above base flood elevation.
- Structures that are elevated must meet federal accessibility standards.
- No residential buildings or structures of any kind may be located in a floodway.

Applicants should note the siting preferences and prohibitions outlined in the applicable QAP.

4.8 Mandatory Disaster Resilience Criteria

In addition to complying with other requirements, including but not limited to the applicable QAP, LSUCC and local planning and zoning requirements, the Americans with Disabilities Act, the Fair Housing Act and §504 of the Rehabilitation Act, the following design and construction elements are mandatory; proposed properties will be determined to be ineligible if they fail to incorporate these elements. See §4.7, Eligible Sites.

As a consequence of these criteria, all properties funded under this NOFA must—at a minimum and in addition to specific siting and elevation requirements—meet the, green and resilient building and energy efficiency standards detailed in §4.9 and §4.10 and at least one additional higher resilient standard such as, but not limited to elevated structures/mechanicals, building materials/technologies, power generation, topography and landscaping, retention/detention ponds, etc.). The goal is to develop property that is substantially more likely to fare better in major storms than existing properties in similar locations.

4.9 Green and Resilient Building Standards

Applicants must meet the Green and Resilient Building Standard as described in FR-6303-N-01, FR6326-N-01, and FR6368-N-01:

The Green and Resilient Building Standard requires that all construction funded by the with CDBG–DR funds must meet an industry-recognized standard that has achieved certification under (i) Enterprise Green Communities; (ii) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development); (iii) ICC–700 National Green Building Standard Green+Resilience; or (iv) Living Building Challenge.

4.10 Energy Efficiency Standards

Applicants must meet the Energy Efficiency Standard as described in FR-6303-N-01, FR6326-N-01, and FR6368-N-01:

All construction funded with CDBG-DR funds must achieve a minimum energy efficiency standard, such as (i) ENERGY STAR (Certified Homes or Multifamily High-Rise); (ii) DOE Zero Energy Ready Home; (iii) EarthCraft House, EarthCraft Multifamily; (iv) Passive House Institute Passive Building or EnerPHit certification from the Passive House Institute US (PHIUS), International Passive House Association; (v) Greenpoint Rated New Home, Greenpoint Rated Existing Home (Whole House or Whole Building label); (vi) Earth Advantage New Homes; or (vii) any other equivalent energy efficiency standard acceptable to HUD.

4.11 Broadband Internet

As described in FR-6303-N-01, FR6326-N-01, and FR6368-N-01, any substantial rehabilitation, as defined by 24 CFR 5.100, reconstruction, or new construction of a building with more than four rental units must include installation of broadband infrastructure. The applicant may request an exception if: (i) the location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible; or (ii) the cost of installing broadband infrastructure would result in an undue financial burden.

5. Scoring Criteria

PRIME-4 CDBG-DR funds will be used as Gap Financing for developments utilizing LHC Tax-Exempt Bonds in accordance with Section 42(h)(4) of the Code. CDBG-DR will be awarded to developments based on a scored application verified by LHC and using a scoring formula unique to this Program.

There are 100 total points available. Note that in event of ties, LHC will use the non-rounded total score, to the number of decimal places necessary to break a tie.

5.1 Minimum Threshold

Applications must meet all requirements outlined in this NOFA in order to be considered for funding. Applications must be complete and accurate at time of submission. Deficiency letters will not be issued and there will be no opportunity to correct or cure any deficiency in the application after it is submitted.

5.2 Various Scoring Explained

Minimum QAP Score - All projects must meet a minimum selection criteria score of forty (40) points.

NOFA Scoring - Funds will be awarded under this NOFA based on a competitive score, which allocates points for CDBG-DR Efficiency (see §5.2.1.1) and Affordability Value (see §5.2.2), only. There are 100 total available points; however, no property can receive all the available points because CDBG-DR Efficiency points will always be less than the (theoretical) maximum. In the event of ties, the CDBG-DR Efficiency and Affordability Value scores will be unrounded.

5.2.1 CDBG-DR Efficiency

Up to eighty (80) points will be awarded for the calculated CDBG-DR Efficiency of the Applicant's proposed development. This criterion rewards project applications which request a smaller percentage of CDBG-DR funds relative to total developmental costs. Projects will earn points based on the ratio. Each project's point score will be computed as follows, with final points rounded to the tenth decimal place:

- TDC (2025 LIHTC Application Model, 'Development Costs' Worksheet, Total Development Costs at Cell D140),
- Minus Adjusted CDBG-DR Gap Financing Loan reservation requested,
 - a. The Adjusted CDBG-DR equals total CDBG-DR plus equity attributable to boosted basis, if any.

- b. For clarity: the CDBG-DR request may be different than the Adjusted CDBG-DR amount used for scoring: if the property is requesting \$10M of CDBG-DR but has \$1.3M of equity attributable to QCT-

- Divided by the TDC,
- Times 80, rounded.

Example 1 (More Adjusted CDBG-DR relative to TDC):

Project with a TDC of \$28M, and an Adjusted CDBG-DR of \$13M.

TDC	\$28,000,000	<i>\$28M TDC</i>
Requested CDBG-DR	\$10,000,000	<i>Request CDBG-DR of \$10M</i>
Equity from Basis Boost	\$1,100,000	<i>Plus Basis Boost of \$1.1M</i>
Adjusted CDBG-DR	\$11,100,000	<i>= Adj. CDBG-DR of \$11.1M</i>
TDC	\$28,000,000	
Adjusted CDBG-DR Request	\$11,100,000	
TDC Less Adjusted CDBG-DR Request	\$16,900,000	<i>=TDC-Adj. CDBG-DR Request</i>
Divided by TDC	0.6036	<i>=\$16.9M ÷ \$28M TDC</i>
Times 80 (points)	48.29	<i>= 80 X 0.6036</i>
Times 80 (points) Rounded	48.3	<i>Rounded to nearest tenth</i>

Example 2 (Less Adjusted CDBG-DR relative to TDC):

Project with a TDC of \$35M, without Basis Boost and requesting CDBG-DR of \$9.85M.

TDC	\$35,000,000	<i>\$35M TDC</i>
Requested CDBG-DR	\$9,850,000	<i>Request CDBG-DR of \$9.85M</i>
Equity from Basis Boost	\$0	<i>No Basis Boost</i>
Adjusted CDBG-DR	\$9,850,000	<i>= Adj. CDBG-DR of \$9.85M</i>
TDC	\$35,000,000	
Adjusted CDBG-DR Request	\$9,850,000	
TDC Less Adjusted CDBG-DR Request	\$25,150,000	<i>=TDC-Adj. CDBG-DR Request</i>
Divided by TDC	0.7186	<i>=\$25.15M ÷ \$35M TDC</i>
Times 80 (points)	57.49	<i>= 80 X 0.7186</i>
Times 80 (points) Rounded	57.5	<i>Rounded to nearest tenth</i>

5.2.2 Affordability Value

Up to twenty (20) points will be awarded for the calculated Affordability Value of the Applicant's proposed development. This scoring criterion prefers developments in which there is a greater difference between market and restricted rents, reflecting a greater 'street value' of the affordability restrictions. For this calculation, LHC will divide (A) two times the Adjusted CDBG-

DR funding⁶ by the total difference over thirty-five (35) or forty (40) years^{7,8} between (B) the Gross Potential Rent (“GPR”) of all Residential Dwelling Units at Market-Rent and (C) the as-restricted GPR of the project with the proposed Affordability Mix, and (D) will multiply this by 20.

$$\text{Affordability Value Score} = 20 \times \frac{2 \times \text{Adjusted CDBG DR Funding}}{\text{Market GPR} - \text{As Restricted GPR}}$$

For example, Applicant A requests \$10M of CDBG-DR funding and proposes 100 one-bedroom units. The annual GPR over thirty-five years at market rent for these units would be \$37.8M (\$900 average monthly market rent,⁹ times 12 months, times 35 years, times 100 units, equals \$37,800,000). The Applicant proposes 20 one-bedroom units at 80% AMI, 20 one-bedroom units at 40% AMI, 55 one-bedroom units at 60% AMI and 5 one-bedroom units at 20% AMI, representing a 58% Income Average. The resulting as-restricted GPR over thirty-five years is \$28,011,900.¹⁰

The difference between the Market Rent GPR and the Restricted GPR at the proposed rents over the period of affordability is \$9,788,100. The developer has requested \$10,000,000 of CDBG-DR but has \$1,100,000 of equity investment corresponding to boosted basis. The Adjusted CDBG-DR is \$11,100,000 times two (\$22,200,000). The difference in rents is divided by two times the Adjusted CDBG-DR (\$9,788,100 / \$22,200,000 = .44090). The developer earns 8.82 points (.44090 X 20 = 8.818, rounded to 8.8). Scores will be rounded to the tenths decimal place. Scores may not exceed 20 points, even if the difference between Market Rent GPR and As-Restricted GPR over the Use Period is greater than two times the Adjusted CDBG-DR. See the Example Worksheet below.

⁶ For purposes of this calculation, CDBG-DR is adjusted. The Adjusted CDBG-DR equals total CDBG-DR plus equity attributable to boosted basis, if any.

⁷ No inflation is applied. The annual difference is multiplied by 35 or 40 only, which is the period of the CDBG-DR use restriction. See Footnote 8.

⁸ See §6.2: the CDBG-DR Use Restriction is 35 years unless the proposed 1st mortgage has a 40-year term, in which case the CDBG-DR Use Restriction is 40 years.

⁹ All figures in this example are provided for illustration only. The market rent would be based on the required Market Study. The AMI-based rents would correspond to the year and location and utility allowance. For these calculations the (50%) Very Low Income used is \$36,750, the assumed utility allowance is \$125.

¹⁰ In calculating the as-restricted GPR, the lower of the AMI-based restricted rent or the market rent determination in the Market Study is used. The Utility Allowance is factored into the rents (i.e., the rents are ‘net’ rents).

	\$70,000	Assumed AMI			
	\$10,000,000	Requested CDBG-DR			
	\$1,100,000	Equity from Basis Boost			
	\$11,100,000	Adjusted CDBG-DR			
Rents as Restricted					
Units	AMI	Gross	U/A	Lesser of Net Restricted or Market	Ext
20	80%	\$1,050	\$80	\$900	\$18,000
55	60%	\$788	\$80	\$707	\$38,885
20	40%	\$525	\$80	\$445	\$8,900
5	20%	\$263	\$80	\$182	\$910
Income Avg	58%			35-Year As-Restricted GPR	\$28,011,900
Rents as if Market					
Units	AMI	Gross	U/A	Net (GPR)	Ext
100	N/A	NA	NA	\$900	\$90,000
				35-Year Market GPR	\$37,800,000
35-Year Difference Between As-Restricted and Market GPR					\$9,788,100
Two-times the Adjusted CDBG-DR					\$22,200,000
Difference in GPR Divided by 2X Adjusted CDBG-DR					0.44090
Times Possible Points					20
Equals Calculated Points					8.818
Equals Earned Points Rounded					8.8
Simple Average Rent Reduction per Month					(\$341.50)
Weighted Rounded Average Rent Reduction per Month					(\$233.00)

6. Gap Financing Terms

CDBG-DR financing will be in 1st or 2nd lien, with annual payments equal to 50% of annual Surplus Cash.¹¹ The balance of the Loan is due at maturity.¹² There will be no deferral of amounts due based on the deferred developer fee.¹³ Loans will become due upon the earlier of (a) maturity; (b) sale or refinancing of the property;¹⁴ 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 in the following order of priority:

- One-half toward the CDBG-DR Gap Financing Loan.
- Any remaining amount to the applicant (and subject to any agreements between the partners or members).

The CDBG-DR Gap Financing Loan takes precedence over any provisions regarding Surplus Cash in the Borrower's organizational documents or the QAP. A submission under this NOFA acknowledges this legal principle, notwithstanding definitions or understandings regarding what may constitute "Surplus Cash" in other parties' agreements.

The following must be paid solely from the Borrower's share of Surplus Cash: deferred developer fee, any tax credit adjusters, any asset management fees or investor service fees greater than \$5,000 per year in total,¹⁵ any incentive payments to any affiliated entities, and the replenishment of any reserves, if required by any other financial partners. However, CDBG-required monthly deposits to the Reserve for Replacements may be paid from operations as if they were operating expenses; however, ongoing deposits to other reserves, and replenishment deposits to any reserve account, may be made only from Surplus Cash that is distributed to the Borrower.

¹¹ Note, it will only be in 1st lien if the LHC's underwriting determination is that the property cannot support a permanent 1st mortgage.

¹² The term of the CDBG-DR Gap Financing Loan will be 35 years in all cases except in those cases where the term of the 1st mortgage is 40 years. When the 1st mortgage is 40 years, the term of the CDBG-DR Loan will be 40 years.

¹³ 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 maturity is less than 80% of projected residual value.

¹⁴ Due on sale or refinancing, unless the LHC, in its sole discretion, agrees to resubordinate to new financing.

¹⁵ The permitted LP asset management fee, recognized as a priority item to be paid ahead of the Surplus Cash subject to repayment, will be (a) not greater than \$5,000 per annum, (b) inflated at 2% per annum, and (c) not subject to accrual. Sponsors may agree to different terms with their partners, but any amounts greater than the foregoing will not be recognized by the LHC in its determination of Surplus Cash, and in its determination of amounts due under the Loan.

The Borrower may defer any portion of developer fee; however, see §6.7, Limits on and Ceilings Applicable to Developer Fee. Developers may not propose DDF higher than can be recovered under these terms—and must reduce total developer fee in the event the deferral is greater than can be recovered under these terms.

No other subordinate loans may be repaid through the Borrower's share of SC, except loans made by an affiliate of the Borrower, without (a) disclosure of such proposed arrangements in the Application, and (b) the LHC's written consent, which shall be at its sole discretion.

6.1 Interest Rate and Residual Value

The CDBG-DR Gap Financing loan will be at 0% interest, unless the Applicant requests either 1% interest, or interest at the AFR, but an interest rate greater than 0% will be permitted only if the balance when the Gap Financing Loan matures is projected by the LHC in its underwriting analysis to be less than 80% of residual value, based on interest accrual, repayments from projected Surplus Cash and a projected valuation which applies a 6% cap rate to the property's market-rent based NOI in the year in which the CDBG-DR Loan matures. Note that Default Interest may be charged, pursuant to the terms of the Legal Documents.

6.2 Required Affordability

All affordability will be deed-restricted for 35 years, unless the term of the permanent 1st Mortgage is for a longer period, in which case the term of the CDBG-DR Mortgage and the term of the CDBG-DR affordability restrictions will match the 1st Mortgage term. The CDBG-DR Regulatory Agreement will prime the 1st mortgage; the CDBG-DR Period of Affordability will survive foreclosure.

6.3 Legal Documents

PRIME-4 loans will be structured around standard-form legal documents, including an Award Acceptance Agreement, Loan Agreement, Note, Mortgage, Regulatory Agreement, Subordination Agreement (if required by the senior lender), Completion Guaranty, Operating Deficit Guaranty, and Guaranty of Non-Recourse Carve-Outs. It is anticipated that these template legal documents will be posted no later than forty-five (45) days prior to the deadline for submission of applications under this NOFA. The CDBG-DR Loan Agreement will contain provisions for disbursements under the Insurance Reserve (see §6.4.4, Insurance Reserve Requirements and 6.6.1, Expense Underwriting).

Unless the Application contains a summary of specific provisions which the applicant requests be amended, in submitting an application in response to this NOFA the applicant asserts its agreement with the terms and requirements set forth in these legal documents. The submission of a request for amendment or modification of provisions in the legal documents is not binding on the LHC, and it reserves the right to make any award of funds contingent on closing without modification of the legal documents.

6.4 Underwriting Standards and Requirements

The underwriting standards and requirements for processing of QAP applications, and the 2025 electronic application model, will apply to projects under this NOFA. However, the following additional provisions will apply.

6.4.1 Replacement Reserve Deposit Requirements

To better ensure funded properties are physically viable for the term of the CDBG-DR loan, all applicants must make an initial deposit (from development sources) to the Replacement Reserve (IDRR) Account of \$1,000 per unit and an Annual Deposit to the Replacement Reserve (ADRR) of \$600 per unit. For underwriting purposes, and as will be required under the Loan Documents, the ADRR shall be inflated 3% between years 1-15, and shall be inflated 2% between years 16 and the Maturity of the CDBG-DR Loan.

Replacement Reserves will be subject to controls as stipulated in the Legal Documents. See §6.3, Legal Documents.

6.4.2 Operating Deficit Reserve Requirements

This program does not impose Operating Deficit reserve requirements but will recognize reasonable establishment of such reserves from development funds, as required by other funding partners. As enumerated in the Legal Documents, any reserves released from the account for purposes other than curing operating deficits as defined in the Loan Agreement must be in the form of a payment against the CDBG-DR Gap Financing Loan.

6.4.3 Lease-Up Reserve Requirements

This program does not impose Lease-Up reserve requirements but will recognize reasonable inclusion of such reserves within the development budget, as proposed by the Applicant. The transfer of these funds to the operating account must appear in the accountant's Cost Certification, and all uses of such funds must appear in the audit of the partnership in the year the project is placed in service.

6.4.4 Insurance Reserve Requirements

Review the insurance underwriting requirements at §6.6.1, Expense Underwriting. In addition, all transactions must fund an Insurance Reserve, from development sources other than CDBG-DR¹⁶, in an amount equal to four times the underwritten annual insurance cost ('Baseline Insurance Amount' or 'BIA'). These funds may be drawn from the Insurance Reserve annually to fund the difference between the BIA and the Actual Insurance Premiums ('AIP'). In the event that the balance of the Insurance Reserve drops to an amount equal to or less than two times the average of the last two years of Actual Insurance Premiums, all Surplus Cash shall be payable

¹⁶ Note that CDBG-DR cannot itself fund reserves, as they are not an 'incurred cost.' See §2.2.

to the Insurance Reserve until it is equal to four times the average of the last two years of Actual Insurance Premiums.

In the event the LHC subsequently offers a similar program to cover the costs of deficits associated with insurance costs in excess of underwritten amounts, the LHC will have the option to require applicants / borrowers to substitute this program option and the CDBG-DR will be reduced in amount corresponding to the amount of the Insurance Reserve, or the then-remaining balance of the Insurance Reserve will be paid to the LHC CDBG-DR Gap Financing Loan. The LHC will require that the insurance reserve established under its loan documents be released as a one-time payment of the Gap Financing Loan in the event of such a program, regardless of any similar reserve requirement in borrower's organizational documents or senior loan documents.

6.5 Rents

- Rents must be underwritten at no less than (a) 95% of the maximum net rent (gross rent less applicable utility allowance) for the set-aside applicable to the unit and no greater than (b) 100% of the maximum net rent (gross rent less applicable utility allowance) for the set-aside applicable to the unit. Notwithstanding, rents may not exceed (c) 100% of the market rent as established in the Market Study.
- PSH: PSH units are underwritten to the greater of 20% AMI rents, or rental assistance (PBV or PBRA) rents if a contract commitment for such rental assistance is submitted with the Application. For all properties, 4% of units are required to be set aside as PSH units.

6.6 First Mortgage Sizing

Certain required debt service coverage ratio (DSCR) requirements are governed by the applicable QAP. For purposes of underwriting the CDBG-DR, the LHC will additionally consider the following:

- The first year DSCR may be no less than 1.15 and no more than 1.20 unless a higher DSCR is required to ensure a DSCR equal to or greater than 1.0 during the term of the 1st.
- The initial DSCR of the permanent 1st may not exceed 1.4 (per the QAP).
- At maturity of the First Mortgage (if shorter than the maturity of the CDBG-DR Loan) the underwriting will model a refinancing of the First Mortgage to establish that at maturity the then-remaining balance can be refinanced with a mortgage at 7% interest, with \$200K in transaction costs.
- All CDBG-DR loans will be in Second lien position, except and unless there is no hard First Mortgage possible due to the property's inability to support a First Mortgage of greater than \$500,000 which otherwise conforms to the requirements. Properties which cannot support a

mortgage of at least this amount should propose that there be no permanent First Mortgage, and in these cases the CDBG-DR loan will be in First Mortgage position at the conversion to permanent financing but will be paid solely through a share of Surplus Cash.

6.6.1 Expense Underwriting

Applicants are responsible for proposing achievable but not excessive operating expenses in their applications. Proposals must conform to requirements of the applicable QAP.

Additionally, due to volatility of insurance costs, this program will require that the cost of insurance be underwritten at either \$1,500 per unit per annum (“PUPA”) (absent other documentation), or the documented amount of likely insurance costs in the Application. For purposes of the Insurance Reserve (see §6.4.4, Insurance Reserve Requirements), insurance at \$1,500 PUPA or the documented amount in the Application, will serve as the Baseline Insurance Amount.

Documentation in the Application, when proposing an amount higher or lower than the \$1,500 PUPA standard, must include a letter from the Insurance Broker estimating the cost and establishing that the proposed coverages meet requirements.

Note that all PRIME-4 transactions will be eligible, under the standard legal documents and corresponding to the terms governing the Insurance Reserve, for funding of the portion of operating deficits related to insurance premiums in excess of the Basic Insurance Amount. Insurance premiums should be estimated at the likely cost in the first year of operations, only. Estimates should not be inflated relative to projections of future increases as the Insurance Reserve is intended to address this issue.

6.6.2 PSH Underwriting

Projects must set aside and provide at least 4% of total units for PSH units.

As a result, all properties funded under this NOFA will have at least 4% PSH which is not supported with PSH Vouchers unless a commitment is obtained by the Borrower prior to the submission of the Application. Applicants must show ability to support PSH units without PSH vouchers in Application. See §6.2, Required Affordability.

All properties should endeavor to dedicate a number of accessible units. PSH units will be governed by the terms of the PSH Agreement. See §9, PSH Program Summary.

6.7 Limits on and Ceilings Applicable to Developer Fee

Projects funded under this NOFA will be permitted developer fees subject to the following rules:

- The total developer fee may not exceed fifteen percent (15%) of total development costs, less the developer fee;

- The total developer fee may not exceed the amount which generates equity from the sale of Low-Income Housing Tax Credits.¹⁷
- The LHC will require the proposed deferred fee to be actually deferred. The LHC will not permit the amount of the cash fee paid from development sources to be increased beyond the amount proposed in the application, regardless of the actual sources and uses as established in the LHC's Subsidy Layering Review.

Applicants should note the proposed fee paid from development sources will impact the amount of CDBG-DR requested and may propose lower-than-maximum fees, or may propose to defer a portion of the fee, subject to the above. See [§5.2.1, CDBG-DR Efficiency](#).

6.8 Payment and Performance Bond

Each funded Application that receives an award of CDBG-DR funds will be required to post a payment and performance bond during the period of construction corresponding to the requirements of the [Louisiana Disaster Recovery and Mitigation Grant Implementation Manual](#). The minimum requirements are as follows:

- 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.
- 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.

6.9 Project Readiness Requirement: Funding Commitments

The Application must demonstrate and include commitments for all funding sources, to the satisfaction of the LHC, as follows:

- Commitments for all non-CDBG-DR sources of funding.
- All commitments must be dated after the publication date of this NOFA.
- LHC reserves the right to require updated commitments as it deems necessary.
- Commitments for LIHTC equity must provide for at least 10% pay-in prior to the first payment of CDBG-DR funds from LHC.

¹⁷ Developers should not propose a higher total fee (inclusive of deferred fee) than can reasonably be anticipated to be basis-eligible, and for which their proposed equity investor is willing to purchase corresponding housing tax credits.

- All conditions contained in commitments shall be subject to determination by the LHC as to reasonableness. 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.

Projects that will utilize LIHTCs pursuant to Section 42(h)(4) of the Code must also submit a LIHTC Application in accordance with the requirements of Section 42(m) of the Code and the provisions of the 2025 QAP. The application for LIHTC and CDBG-DR funds will be a combined application. Any award of CDBG-DR funds for a project utilizing LHC Tax-exempt Bonds to obtain LIHTCs allowable pursuant to Section 42(h)(4) of the Code will be made contingent upon approval from the Louisiana State Bond Commission.

7. PRIME-4 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.

Applications must be complete and accurate at time of submission. Deficiency letters will not be issued and there will be no opportunity to correct or cure any deficiency in the application after it is submitted.

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 with any applicant 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.

7.1 Application Fees

QAP-required, non-refundable fees govern the application processing, reprocessing and reservation of LIHTC's and fees to monitor and report compliance. All fees must be paid as required by the [LHC Fee Schedule](#) effective August 8, 2025. There are no fees associated with the application for CDBG-DR funding.

7.2 Requirements and Order of Submission

By the Deadline for the Letter of Intent, submit a Letter of Intent with accompanying Market Study Checklist package, and payment of the Market Study fee. By the Deadline to Apply, submit a completed 2025 LIHTC Electronic Underwriting Application, Multifamily Revenue Bond Application, PRIME-4 CDBG-DR Supplemental Application,¹⁸ all support documentation required by the 2025 QAP, payment of the application and analysis fees.

No changes to the project will be allowed after Letter of Intent and Market Study Checklist package submission, which includes but is not limited to unit mix, number of units, and type of construction.

If the appropriate fees are not submitted to the LHC, the application shall be considered incomplete and subject to disqualification. See §7.6, Important Dates and Deadlines.

7.3 PRIME-4 CDBG-DR Supplemental Application

In addition to the 2025 LIHTC Electronic Underwriting Application, applicants will submit certain supplementary materials, information regarding the siting of the proposed project (see §4.7,

¹⁸ This will be released subsequent to the publication date of the NOFA, no later than the scheduled date for the Program Seminar / Developer Session (see §7.6)

Eligible Sites), and other forms, as required. These forms will be posted to the LHC website no later than the date for 'Posting by LHC of FAQ in response to written inquiries' (see §7.6).

7.4 Deadline to Submit

Applications must be received by the LHC, in their entirety, by no later than the date and time published herein (see §7.6, Important Dates and Deadlines). Note that a Letter of Intent to Submit, the Market Study Checklist package and the payment of Market Study fees have an earlier deadline, to enable the LHC to obtain the market studies concurrent with its review of the application. Failure to submit an LOI by the LOI Deadline may render an applicant ineligible to submit a corresponding application by the Application Deadline.

The Application must be addressed as follows:

Louisiana Housing Corporation
2415 Quail Drive
Baton Rouge, Louisiana 70808
Re: 2025 PRIME-4 CDBG-DR Program
Must include: Project Name, Sponsor Name and Return Address

7.5 Methods of Submission

Applicants assume the risk of the delivery method chosen, including delivery via private courier or the U.S. Mail. Be advised that applications arriving after the application deadline, whether via personal delivery, U.S. Mail, FedEx, UPS, or other comparable method of delivery, will not be accepted for any reason. Applications must be submitted using the 2025 LIHTC Electronic Underwriting Application using the instructions provided on the LHC website. The LHC requires applications be submitted to the [LHC Application Portal](#).

7.6 Important Dates and Deadlines

NOFA and application published and posted to LHC website	Friday, December 5, 2025
Tentative Date for Program Seminar / Developer Session Zoom or at the LHC	Thursday, December 11, 2025
Deadline to submit written inquiries regarding the NOFA to the LHC*	Friday, December 12, 2025
Posting by LHC of FAQ in response to written inquiries	Thursday, December 18, 2025
Letter of Intent, Market Study Checklist package and payment of Market Study Fee*	Tuesday, January 20, 2026
Application Deadline, including payment of application and analysis fees*	Monday, May 25, 2026

Award determinations published, on or before	Wednesday, July 8, 2026
Closings, by or before	Monday, February 15, 2027
Construction completion, by or before	Monday, August 28, 2028
100% Occupancy, by or before	Friday, December 22, 2028

*For each deadline imposed on the applicant, the materials must be provided no later than 4:00 pm, CST, on the date of the deadline.

7.7 Questions and Communication

LHC will consider written inquiries from applicants regarding this NOFA. Inquiries will only be considered if they are **submitted in writing via email to Development@lhc.la.gov by the deadline for the submission of written inquiries** set forth above. Inquiries shall include Subject Line: **PRIME-4 NOFA Inquiry** and **clearly reference the section of the NOFA** for which the applicant is inquiring or seeking clarification. Any and all written inquiries from applicants submitted in writing will be deemed to require an official response.

In addition to written responses to individual inquiries, an official response to each inquiry, along with the actual inquiry, will be posted by the deadline above in the form of a Frequently Asked Questions Addendum on www.lhc.la.gov.

LHC reserves the right to amend this NOFA at any time.

It is the sole responsibility of the applicant to inquire into and clarify any item of the NOFA that is not understood. The Corporation also reserves the right to decline to respond to any inquiry that will cause an undue burden or expense.

It is the strict policy of the LHC that prospective respondents to this NOFA refrain from initiating any contact or communication, direct or indirect, with LHC staff or members of the Louisiana Housing Corporation’s Board of Directors with regard to the competitive selection of applicants. Any violation of this policy will be considered as a potential basis for disqualification from consideration.

The LHC will produce public records in accordance with LA R.S. Title 44.

8. Definitions

- **Applicant** - A taxpayer or developer submitting an application to this NOFA.
- **Actual Insurance Premium** - The amount of the actual insurance premium incurred by the property to obtain required coverage, in each year.
- **Baseline Insurance Amount** - The amount of the annual insurance premium represented in the Application, as adjusted annually by the applicable inflation factor.
- **Completed Projects** - Projects are considered complete only after all units are a 100% construction complete and certificates of occupancy have been issued for all units.
- **Construction Completion** - All necessary title transfer requirements and construction work have been performed and the final drawdown of CDBG-DR funds has been disbursed for the project.
- **Corporation** – The Louisiana Housing Corporation (LHC).
- **Entity/Organization** – A legal body (non-profit, for-profit, local units of government) that will have legal ownership of the project and property before and after project completion. A developer may contract with an entity or be a part of a development team.
- **Ida-May Floods Eligible Parishes** - Properties which will be located in the following 21 parishes are eligible to apply and to receive awards under Ida Set-Aside within the PRIME-4 NOFA: Ascension, Assumption, Calcasieu, East Baton Rouge, Iberville (only zip codes 70764 & 70788), Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. Helena, St. James, St. John the Baptist, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Washington, West Baton Rouge (only zip code 70767).
- **Laura-Delta Eligible Parishes** - Properties which will be located in the following 15 parishes are eligible to apply and to receive awards under the Laura-Delta Set-Aside within the PRIME-4 NOFA: Acadia (only zip codes 70526 and 70578), Allen, Beauregard, Caddo, Calcasieu, Cameron, Jefferson Davis, Lafayette, Natchitoches, Ouachita, Rapides, St. Landry (only zip code 70570), St. Martin (only zip code 70517), Vermilion (only zip code 70510), Vernon.
- **Project** – A site or sites together with any building or buildings located on the site(s) that are under common ownership, management, accounting and financing and are to be assisted with CDBG-DR funds as a single undertaking located within a single governmental entity.
- **Seniors' Property** – A property in which the occupancy restriction complies with the requirements for 'housing for older persons' exemption under the Fair Housing Act.

- **Sponsor** – Person(s) with respect to the project concerned, having site control (evidenced by a deed, a sales contract, or an option contract to acquire the property), a preliminary financial commitment, and a capable development team.

9. PSH Program Summary

PSH is an “evidenced-based” best practice housing model which provides affordable rental housing units in a non-institutional setting linked with flexible community-based supportive services. This approach leads to reduced utilization of emergency room services and other high-cost health/social service interventions, and to cost savings that outweigh amounts spent to provide the supportive services.

LHC seeks to facilitate the development of permanent supportive housing for the eligible target populations located in the eligible parishes. PSH consumers will be supported by appropriate services provided through the Louisiana Department of Health (LDH) and its supportive service provider network.

Public Purpose: LHC requires LIHTC applicants/owners to make available to LDH priority consumers units in the property available to PSH clients. This will achieve the goal of creating opportunities for LDH priority populations to obtain deeply affordable permanent housing, in a residential setting, with appropriate services available. PSH units within the LIHTC properties will be set aside for members of the LDH eligible population. Applicants of elderly properties who wish to restrict PSH units to elderly PSH clients may do so, wherever such a restriction is otherwise lawful.

PSH Set-Aside Program Requirements. Under the PSH Set-Aside Program, LIHTC owners are required to work cooperatively with LDH who will refer potential tenants. LDH through its service provider network will be solely responsible for the development and provision of supportive Service Plans in the PSH Set-Aside Program. The initial PSH Set-Aside agreement will have a term of fifteen years to align with the LIHTC affordability term. The LIHTC owner (and its successors and assigns) shall accept renewals of the PSH Set-Aside agreement, if offered on substantially the same terms, for a term (or terms) not to exceed in the aggregate thirty-five years after the commencement date of the initial PSH Set-Aside Agreement. The PSH Set-Aside Agreement will provide that the LIHTC owner may terminate the Agreement upon 90 days’ advance written notice if, at any point, the LIHTC owner notifies LHC that LDH through its service provider network can no longer provide supportive services to the PSH consumers. However, neither expiration nor termination of the Agreement shall relieve the LIHTC owner of any of its obligations under leases with PSH residents, nor shall it otherwise relieve the owner of the affordability obligations enumerated in the CDBG-DR Regulatory Agreement.

Referral Process for PSH Set-Aside Units. Applicants must promptly notify the LDH PSH coordinator whenever an eligible PSH unit becomes available through vacancy (that is, whenever the LIHTC owner has not yet filled its PSH set-aside requirement). If LDH refers one or more PSH clients within seven business days after receipt of written notice from the owner or manager of the unit availability, the LIHTC owner must accept or decline such PSH consumer prior to considering any other applicant(s) for such unit. The LIHTC owner is not required to hold a unit if the PSH applicant fails to provide the needed information (for example, verification of income) within a reasonable time in accordance with requirements specified in the PSH Set-Aside Agreement.

The LIHTC owner is not obliged to accept a referred PSH applicant unless the potential tenant is acceptable in accordance with the applicant's standard nondiscriminatory resident selection criteria (which must be applied consistently to all applicants for units in the LIHTC property). LIHTC owners may vary the terms of the tenancy (including, specifically, requiring a lease term as short as month-to-month), so long as the applicant's decision is based on nondiscriminatory criteria consistently applied to all applicants for all units in the property. LDH will not refer a tenant to a property unless (a) the potential tenant has affirmatively expressed a desire to live in that specific LIHTC property, (b) the potential tenant has sufficient and sufficiently stable income to afford the rent and utilities (typically affordable at 20% AMI), and (c) the potential tenant is likely to uphold his or her responsibilities under the lease. The potential applicant must be the tenant / lessee on the lease agreement. During the fifteen-year Set-Aside Agreement term LDH will offer priority referral of applicants displaced by hurricanes. LHC provides additional guidance to LIHTC owners regarding PSH Set-Aside Program and the details associated with the LDH referral process, resident selection expectation and lease requirements through the PSH Set Aside Agreement.

The units initially identified for PSH must consist of a mix of accessible and non-accessible units and cannot be made up of more than 50% of the accessible units required under Section 504.¹⁹ PSH units must be integrated throughout the entire development and should not be segregated to one area of a building or development.²⁰ LHC anticipates that PSH applicants (both initially and over time) be able to exercise choice among available units; accordingly it is possible that the physical units used for PSH will change over time.

The eligible target populations for permanent supportive housing will be extremely low-income individuals and family households (i.e., with incomes at or below 30% of AMI)²¹ who have one or more of the following conditions:

- Displaced individuals in need of Permanent Supportive Housing (as determined by the LDH) living in the homeless shelter system or otherwise in temporary housing.
- The individual/household member has a substantial, long-term disability as determined by the LDH including any of the following:
 - Serious Mental Illness;
 - Addictive Disorder, i.e., individuals in treatment/recovery from substance abuse disorder;
 - Developmental Disability, i.e., intellectual disability, autism, or other disability acquired before the age of 22;

¹⁹ Unless the actual PSH applicants select a greater percentage of the accessible units

²⁰ However, the units initially identified for PSH should be selected from those units that are located on accessible routes.

²¹ Note however that households with PSH vouchers may earn up to 50% AMI.

- Physical, sensory, or cognitive disability occurring after the age of 22;
 - Disability caused by chronic illness (e.g., people with HIV/AIDs who are no longer able to work); and
 - Age-related disability (i.e., “frail elderly”).
- The household is homeless, or is determined by the LDH to be (1) most-at-risk of homelessness, and (2) in need of Permanent Supportive Housing. This will include family services clients with a goal of family reunification who are at risk for homelessness.
- The individual/household member is aging out of the state Foster Care system and is determined by the LDH to be in need of Permanent Supportive Housing.