BOBBY JINDAL
GOVERNOR

MILTON J. BAILEY
PRESIDENT

Louisiana Housing Finance Agency

The following resolution was offered by Commissioner Guy T. Williams and seconded by Commissioner Katie Anderson:

RESOLUTION

A resolution providing for an award of Tax Credit Assistance Program Funds ("TCAP Funds") to certain residential rental facilities with existing TCAP funds that have increased construction costs as evidenced in a change order approved by Agency staff or Asset Manager; authorizing the Agency's staff, General Counsel, and Foley & Judell, L.L.P as the Agency's TCAP Asset Manager, to prepare the forms of such documents and agreements as may be necessary to award TCAP Funds in accordance with HUD Notice CPD-09-03 – REV issued May 4, 2009 but revised July 27, 2009 (the "HUD TCAP Notice"); and providing for other matters in connection therewith.

WHEREAS, the Louisiana Housing Finance Agency (the "Agency") has been ordered and directed to act as the housing credit agency under Section 42 of the Internal Revenue Code of 1986 as amended (the "Code"), on behalf of the State of Louisiana (the "State") in allocating and administering programs and/or resources to be made available pursuant to Section 42 of the Code (the "LIHTC Program"); and

WHEREAS, Title XII of the American Recovery and Reinvestment Act of 2009 (the "Recovery Act") appropriated $2.250 billion under the HOME Investment Partnerships (HOME) Program heading for a grant program to state housing credit agencies to facilitate development of LIHTC projects that will be completed by February 16, 2012 by providing funds for capital investments in such LIHTC projects; and

WHEREAS, the Recovery Act establishes certain requirements applicable to the TCAP Program, including deadlines for commitment and expenditures, transparency, and distribution of funds; and

WHEREAS, the HUD TCAP Notice requires the Agency to distribute TCAP Funds competitively under the Recovery Act and pursuant to the existing Qualified Allocation Plans ("QAP"), including a written description of all selection criteria and any weightings assigned to competitively award its TCAP Funds, and how the Agency will redistribute TCAP Funds to more deserving Projects from projects which are not in compliance with deadlines established in the written agreement between the Agency and project owners; and

WHEREAS, the Agency has submitted information to the U.S. Department of Housing and Urban Development ("HUD") about how the Agency will meet the Recovery Act accountability requirements, including the publication of a notice of public hearing in which the

project selection process and criteria was available to the public for comments from the public for a period of not less than five days; and

WHEREAS, the HUD TCAP Notice provides that the Agency (i) must repay TCAP Funds that were used for ineligible costs, or for a project that is never completed or for a project that failed to meet the requirements under Section 42, (ii) must repay, during the grant period, to the Agency's TCAP Line of Credit, in accordance with procedures established by HUD, (iii) must seek specific performance to obtain compliance in accordance with the required TCAP written agreement if a project fails to maintain compliance with the TCAP requirements, and (iv) has no repayment obligation in the event of foreclosure of a project if the grantee was performing asset management and took reasonable actions to ensure the long-term viability of the project; and

WHEREAS, the Agency has executed a *Tax Credit Assistance Program (TCAP) Grant Agreements* (HUD Form 40092), which obligated $39,383,397 (the "TCAP Grant") to the Agency; and

WHEREAS, the Recovery Act specifically requires that the Agency (i) commits not less than 75% of the TCAP Grant within one year of the enactment of the Recovery Act (i.e., by February 16, 2010), (ii) demonstrate that all project owners have expended 75% of the TCAP Grant within two years of the enactment of the Recovery Act (i.e., by February 16, 2011) and (iii) expend 100% of the TCAP Grant within three years of the enactment of the Recovery Act (i.e., February 16, 2012); and

WHEREAS, the HUD TCAP Notice requires the Agency to track and report on a regular basis in (i) the Integrated Disbursement Information System (IDIS), (ii) a supplemental Recovery and Management Performance System ("RAMPS") is expected to interface with IDIS in order to capture data elements that are required by the Recovery Act but not captured in IDIS, including job creation and job retention information, and (iii) OMB's FederalReporting.gov website's progress in committing and expending the TCAP Grant and requires TCAP Grant Funds not expended by the end of the three-year performance period to be recaptured by HUD; and

WHEREAS, following the completion of an environmental clearance for a project and approval of the Request for Release of Funds (RROF), the Agency must execute a legally-binding agreement with the owner of a project (the "TCAP Written Agreement") setting forth all of the TCAP Program and crosscutting federal grant requirements applicable to the funding, and must make these requirements enforceable through the recordation of a restriction that is binding on all owners and successors; and

WHEREAS, the TCAP Written Agreement must be signed and dated by the Agency and the project owner before any TCAP Funds are disbursed and must provide that such TCAP Funds may not be drawn from the U.S. Treasury in advance of the need to pay an eligible cost and, once drawn, must be expended for an eligible cost within 3 days; and

WHEREAS, the Recovery Act requires the Agency (i) to post on its website a description of its competitive selection criteria for awarding TCAP Funds to eligible projects, (ii)

to identify all projects selected for funding and post the amount of each TCAP Funds award on its website; and

WHEREAS, the Recovery Act requires the Agency to perform asset management functions, or contract for performance of these services, at the owner's expense, to ensure compliance with Section 42 of the Code and the long term viability of projects funded by the TCAP Program; and

WHEREAS, the Agency must comply with the federal requirements listed in the HUD TCAP Notice; and

WHEREAS, the Agency approved certain applications and other forms, documents and proceedings related to the LIHTC Program and, in accordance with the Memorandum for allocation of returned Tax Credit Assistance Program Funds dated October 15, 2010 (Exhibit A), has determined to be existing TCAP awarded projects that have increased construction costs for as evidenced in a change order approved by Agency staff; and

WHEREAS, the Agency has solicited competitive applications for TCAP Program funding in accordance with the TCAP Program; and

WHEREAS, the Agency's staff has scored and ranked the applications in accordance with the criteria listed in the Memorandum for allocation of returned Tax Credit Assistance Program Funds dated October 15, 2010 (Exhibit A) for each of the residential rental projects described in Exhibit B for funding; and

WHEREAS, the staff of the Agency is also prepared, based upon the analysis of Foley & Judell, L.L.P., to award TCAP Funds for each of the residential rental projects described in Exhibit B for funding.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners (the "Board") of the Louisiana Housing Finance Agency, acting as the governing authority of said Agency that:

SECTION 1. The residential rental facilities (the "Project") described in Exhibit B hereto are hereby approved for an award of TCAP Funds in the amounts specified in said Exhibit B based upon the recommendations and opinion of Foley & Judell, L.L.P., and the information contained in the TCAP submissions with respect to each such Project.

SECTION 2. The Agency's staff, General Counsel, and Foley & Judell, L.L.P., as Tax Credit Counsel, shall establish such procedures as may be necessary to award such TCAP Funds

to maintain the feasibility and viability of the Projects in accordance with the TCAP Written Agreement for each such project in order to comply with Federal Grant Requirement, including the Fair Housing Act, Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, Affirmatively Furthering Fair Housing, Section 504 of the Rehabilitation Act of 1973, the National Environmental Policy Act and Related Laws, the Lead-Based Paint Poisoning Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992, the Davis-Bacon Prevailing Wages under Section 1606 of Division A of the Recovery Act, the Anti-Lobbying Restrictions in 31 USC 1352 and implementing regulations at 24 CFR Part 87, the Drug-Free Workplace act of 1988, and OMB Regulations and Circulars and to set up the asset management functions of the Agency to assess the performance and viability of each project in accordance with underwriting model that will update at closing for each project and within the framework for performance under the Mark-to-Market Program administered by HUD's Office of Affordable Housing Preservation.

SECTION 3. Foley & Judell as the Agency's Participating Administrative Entity's ("PAE") Teaming Partner is hereby authorized and directed to prepare and submit a financial closing underwriting model in connection with the execution of each TCAP Written Agreement in order to memorialize the financial structure at closing of each project receiving TCAP Funds and to establish the appropriate benchmarks in such financial closing underwriting model for the Agency's asset management functions.

SECTION 4. The Agency's staff and counsel are authorized and directed to prepare the forms of such documents and agreements as may be necessary to award TCAP Funds to the Projects listed in Exhibit B.

SECTION 5. The Chairman, Vice Chairman, President, Vice President and/or Secretary of the Agency be and they are hereby authorized, empowered and directed to execute any forms

and/or documents required to be executed on behalf of and in the name of the Agency, the terms of which are to be consistent with the provisions of this resolution as approved by the Agency's General Counsel and Tax Credit Counsel, Foley & Judell, L.L.P.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS: Allison A. Jones, Michael L. Airhart, John N. Kennedy, J. Mark Madderra, Guy T. Williams, Donald B. Vallee, Adena R. Boris, Joseph M. Scontrino, III, Katie Anderson, Jerome Boykin, Sr., Elsenia Young

NAYS:

ABSENT: Mayson H. Foster, Tyrone A. Wilson, Neal P. Miller

And the resolution was declared adopted on this, the 10th day of November, 2010.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Commissioners of the Louisiana Housing Finance Agency (the "Agency"), do hereby certify that the foregoing five (5) pages constitute a true and correct copy of a resolution adopted by said Board of Commissioners on November 10, 2010, captioned, "A resolution providing for an award of Tax Credit Assistance Program Funds ("TCAP Funds") to certain residential rental facilities that have increased construction costs for existing TCAP awarded projects as evidenced in a change order approved by Agency staff; authorizing the Agency's staff, General Counsel, and Foley & Judell, L.L.P as the Agency's tax credit counsel, to prepare the forms of such documents and agreements as may be necessary to award TCAP Funds in accordance with HUD Notice CPD-09-03 – REV issued May 4, 2009 but revised July 27, 2009 (the "HUD TCAP Notice") and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Agency on this, the 10th day of November 2010.

Secretary

(SEAL)