

**LOUISIANA HOUSING CORPORATION**

**2016 DISTRESSED PROJECTS INITIATIVE NOTICE OF FUNDING AVAILABILITY**

**FREQUENTLY ASKED QUESTIONS (FAQ)**

**RELEASE DATE: September 30, 2016**

The Louisiana Housing Corporation (LHC or Corporation) released the 2016 Distressed Projects Initiative Notice of Funding Availability (NOFA) on September 21, 2016. Questions received regarding the NOFA are answered below. The deadline for submitting applications for Community Development Block Grant (CDBG) funds through the NOFA is October 7, 2016.

1. Given the 10% carryover and PIS deadlines for projects with 2015 credits, will LHC be prepared within 10 days of awarding these funds to close a project (by 11/21)? If not, can the project bridge the CDBG award during development; can the CDBG be committed and actually funded post development to repay bridge financing? Just added clarification – we are asking about LHC’s ability to close on the CDBG funding within 10 days of awarding the funds on 11/9.

**Closing on awarded CDBG funds will occur as timely as possible depending on the project’s ability to satisfy applicable requirements. Be advised that projects applying under this NOFA are subject to the requirements of 24 CFR 58.22. Applicants should include in their submission a request to return the awarded 2015 tax credits for a reallocation of 2016 tax credits to allow for developmental delays that will be associated with obtaining environmental clearance. A Return/Reallocation fee of 5% of the awarded tax credits will be required upon approval.**

**CDBG funds may be funded post development to repay temporary financing provided the costs necessitating the CDBG funds are determined to be unforeseen hard costs related to the development of the project.**

2. What TDC limits are being enforced for these projects? What costs can be eliminated from the TDC calculations?

**Applicants are required to adhere to the maximum total development costs established in the 2015 Qualified Allocation Plan. Any project exceeding the aforementioned limits must receive a waiver to the TDC limits with the approval of CDBG funds from the LHC Board of Directors.**