

MINUTES OF THE MEETING OF THE  
CADDO PARISH COMMISSION'S  
LONG RANGE PLANNING COMMITTEE  
HELD ON THE 4<sup>TH</sup> DAY OF AUGUST, 2022

The Caddo Parish Long Range Planning Committee met in legal session on the above date at 12:20 p.m., in the 1<sup>ST</sup> Floor Conference Room, with Mr. Hopkins, Chairman, presiding, and the following members in attendance: Commissioners Atkins, Hopkins, Johnson, and Young (4). ABSENT: Commissioners Chavez, Gage-Watts, and Jackson (3).

Mr. Damon Humphrey gave the invocation, and Mr. Young led the Committee in the Pledge of Allegiance.

**CITIZENS COMMENTS**

Mr. Damon Humphrey came before the Committee representing Image Changers, Inc. that was awarded housing funds and looked forward to hear information in the meeting for an update on that.

Mr. Felton Colar came before the Committee representing the Northwest Louisiana Community Development Corporation (NwLA CDC) that sought an update on the appropriated funds their organization was awarded.

**NEW BUSINESS**

- *Discuss E. Edward Jones Housing Trust With National Development Council*

Mrs. Bryant stated that the Parish appropriated housing dollars through the E. Edward Jones Housing Trust Fund to three organizations. She explained that the Parish is contracted with the National Development Council (NDC) to provide consultant services for the Parish's housing program and reviewed the Parish's process to appropriate funds. In May 2022, the NDC provided the Parish a memo which communicated that the process was not in compliance with federal law and that the award process would have to be adjusted. Mrs. Bryant stated that Parish Administration has to make a determination on how to proceed. Mrs. Bryant introduced Mr. Sheldon Bartell and Mrs. Patricia Santa Cruz from the NDC is in attendance via Zoom and will share a presentation.

Mr. Bartell shared their screen for the presentation. Mr. Bartell informed the committee that the NDC will explain the rules on uses of America Rescue Plan Act (ARPA) funds for affordable housing. He explained that the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) rules have four sections: eligible uses, restrictions on use, program administration and regulation.

- Eligible Uses of SLFRF

Mr. Bartell explained that eligible uses include responding to public health and negative economic impacts of the pandemic. Mr. Bartell stated that the Treasury does not pre-approve use of funds. He advised the Parish that they have summarized the final rule in their presentation and that the Parish could pursue eligible projects under those rules. Mr. Bartell stated that affordable housing goals fall into the public negative economic impact category. He explained that uses of funds should be assessed based on their responsiveness to the intended beneficiaries and the ability of the response to address the impact or harm experienced by those beneficiaries. Mr. Bartell explained that uses that bear no relation or are grossly disproportionate to the type or extent of harm experienced would not be eligible uses. The final rule is for permitted recipients to presume that a household or population that experienced unemployment, experienced increased food or housing insecurity, or is low- and moderate-income, experienced negative economic impacts resulting from the pandemic.

- Differences between Recipient and Beneficiary

Mr. Bartell said that the recipient is Caddo Parish and that the recipient provides services to beneficiaries, those that experienced public health or negative economic impacts, through sub-recipients. Mr. Bartell also said that sub-recipients may not have experienced a negative economic impact. He explained that Caddo Parish may award funds to an entity, such as a for profit or non-profit developer, in order to implement a program to provide a service, such as creating more affordable housing to beneficiaries. Mr. Bartell said that the RFP is designed to identify and attract qualified entities that can produce more affordable housing for beneficiaries. He suggested the Parish to look for projects that have a gap in its financing. Mr. Bartell said that there are two classes of beneficiaries. Mr. Bartell explained that option one is for funds used for affordable housing projects, under the public health negative economic impact category, are presumptively eligible if the project meets certain core parameters and follow the expanded list of federal housing programs. He then explained that option two is for funds used for affordable rental housing, under the public health negative economic impact eligible use category, are presumptively eligible if the units funded serve households at or below 65% of the area median income for a period of 20 years or greater. Mr. Bartell said that one other option for a broader range of affordable housing investments may be eligible, if the project is related and reasonably proportional to addressing the negative economic impact. He said that depending on the needs of the local rental market, it may be reasonably proportional to address the negative impact of the pandemic by funding units that do not fall

into the presumptively eligible options aforementioned.

- Uses of Affordable Housing

Mr. Bartell explained that enumerated uses of affordable housing include programs or services that address housing insecurity, lack of affordable housing or homelessness, or are responsive to disproportionately impacted households and communities. He said that uses include supportive housing or other programs and services to improve access to stable, affordable housing among homeless individuals and development of affordable housing that increases the supply of affordable housing and high quality living units. Mr. Bartell said that increasing supply includes production, rehabilitation and presentation of affordable rental housing, and in some cases affordable home ownership. Mr. Bartell reiterated that affordable housing projects must be responsive and proportional to the harm identified. "This test may be met by affordable housing development projects, which may involve large expenditures and capital investments, if the developments increase the supply of long term affordable housing for low income housing," said Mr. Bartell. Mr. Bartell stated that another use of affordable housing is funding operating expenses, such as funding project short falls, funding the stabilization and rehabilitation or repair of public housing. Mr. Bartell said that according to the final rule, funds can be used to fund the full principal amount on certain loans and the loans must have maturity and affordability covenants of twenty years or longer. He said that the rule includes but is not limited to loans that fund low income housing tax credit projects. Mr. Bartell pointed out that if the Parish is going to fund the gap between the funds available and the total cost of the project, then it should be a loan.

- Eligible Uses of Public Health Negative Economic Impact

Mr. Bartell explained that recipients may use funds to make loans to finance affordable housing projects by funding the full principal amount of the loan, if the loan and the project meets funding requirements. Mr. Bartell explained that the requirements include the loan has a term of not less than 20 years, the affordability period of not less than 20 years after the assisted units are available for occupancy. Mr. Bartell further explained that to project affordability, the project owners of any properties receiving funds, which have received the low income housing tax credit, must agree to waive their right to request a qualified contract as defined in Section 42, page 6F of the IRS Code and the property owners must agree to repay any loan funds if the property becomes non-compliant. He pointed out that preservation for long term affordable housing is an important point. Mr. Bartell said that loans that fund investments in affordable housing projects, under the public health negative economic impact eligible use category that meets the aforementioned criteria, are considered to be expended to the borrower. Mr. Bartell explained that repayments are not subject to programming rules. He said that the repayment on long term loans would help build the housing trust and it would become a revolving program in the future. Mr. Bartell said that because the funds are paid back, the funds can be re-loaned to fund more projects in the future. Mr. Bartell stated that loan modifications will be permitted through the lender prior to the end of the affordability period, if the modifications do not result in repayment of old or substantially old funds. Mr. Bartell said that the start date for the 20-year loan could be the same start date of other covenants on the same project, or units, that are acquired by another source of federal or state funding. He explained that funds could be layered with a wide range of other federal, state, local and private resources. Mr. Bartell said that recipients using these funds in conjunction with another federal program must comply with all related statutory and regulatory requirements and policies of both or all programs Mr. Bartell said that if the Parish partially funds a portion of a project, then those funds must meet eligible use requirements.

- Flexible Funding for New Construction and Substantial Rehab of Affordable Housing

Mr. Bartell reiterated that Parish can fund gaps and expedite the construction or rehab of affordable housing projects including the economic challenges on materials and labor costs. Mr. Bartell said that the Parish could use funds to support shovel ready projects that have received other funding approvals from federal, state, local or private sources. He also said that the Parish could use funds to fill funding gaps to projects that receive an allocation of tax breaks with construction or preservation of affordable rental housing.

Mr. Jackson wanted to know how much longer the presentation will be. Mr. Bartell responded that it is not much longer.

Mr. Bartell stated that recipients may use funds to acquire properties that will be transitioned into affordable housing for households that experienced negative economic impact. He explained that those include acquisition of market rate rental properties, hotels and commercial properties that would be converted to affordable housing, and acquisition and preservation of publicly supported affordable housing. Mr. Bartell said that funds may be used to convert vacant or abandoned properties for affordable housing in disproportionately impacted communities. Mr. Bartell said that recipients may use funds to help fund pre-project development activities, such as site work and land acquisition. Mr. Bartell explained that recipients that plan to layer funds for new construction should review home, environmental and planning requirements. Mr. Bartell reiterated that the Parish must create an RFP that solicits affordable housing projects that are responsive and proportional to the harm identified. He also reiterated that this standard may be met by affordable housing development projects. Mr. Bartell said that may involve large expenditures of capital investments if the developments increase the supply of long-term affordable housing for households that experience negative impacts. Mr. Bartell reiterated the two types of affordable housing investments that would be presumed eligible and the eligibility requirements for projects and RFPs. He stated that recipients are strongly encourage to prioritize investments for affordable housing in close

proximity or strong transit linkages to employment, institutions that provide high quality educational childcare, health care and services, or healthy foods. Mr. Bartell advised the Parish not to limit the number of units. Mr. Bartell said to keep the applications for RFP for 45 days. He explained that if there are no respondents in the initial forty-five days, then the Parish can reopen RFP applications for an additional 45 days. He also said that if there are no respondents, it is likely there is no need. Mr. Bartell recommended that the Parish may need to consider reallocating away from housing to other needs. Mr. Bartell said that RFP applications must score highly than the feasible production of affordable housing units. He restated that proposal must in all probability result in an increase in the number of affordable units in Caddo Parish. Mr. Bartell restated that the Caddo Parish investment must be in the form of a low-interest rate loan with a term at least 20 years. Mr. Bartell said that bonus points can be awarded to RFP applications that promote established partnerships between well-established developers and less experienced minority developers. He also said that bonus points can also be awarded to RFP applications that develop close proximity to transit, patient childcare, health care and food.

Mr. Humphrey requested a copy of the presentation. Mrs. Bryant also requested a copy be sent to Administration to be dispersed to the meeting attendees.

Mrs. Bryant summarized that the Parish has to adjust its process on issuing an RFP based on NDC recommendations.

Mr. Young wanted to know why the Parish must use the RFP process instead of a grant process. He also wanted to know why a low-interest loan is recommended instead of a grant. Mr. Bartell responded that he requested Mrs. Bryant to share the memorandum with staff. He explained that the Code of Federal Regulations reads that any award over \$250,000 must go through an RFP process. Mr. Bartell stated that if the Parish does not make the funds a loan then the Parish will have "no control over the use of your money". Mr. Young wanted to know if the Parish or the sub-recipient would have to pay the money back. Mr. Bartell responded that it is likely the Parish would have to pay the money back and that it is up to the Parish to determine the percentage of the low-interest loans. He mentioned that the Parish would be audited.

Mr. Jackson stated that he would like to review the RFP. Mr. Jackson pointed out that he sent recommendations and did not see any of them included in the presentation. He said that bonus points for applications with established partnerships was one of his recommendation. Mr. Jackson voiced concerns that the application window is open for two periods of forty-five days when the Parish has six years to spend the money. Mr. Jackson said that a project may not occur this year, but some could come next year. He said that this is about long-term affordable housing stability in Caddo Parish. Mr. Jackson expressed concerns about requirements for internet access which is an essential utility. He said that during the pandemic, internet access was a negative effect. Mr. Jackson said that energy efficiency appliances was not included within the RFP. Mr. Jackson requested that some of his ideas be incorporated into the RFP. Mr. Jackson said that the Parish is somewhat moving in the right direction with the Notice of Funding Availability. Mr. Jackson requested the Parish to apologize to organizations that followed the Parish's process, because they submitted applications and were selected based on the established process to the organization's understanding. Mr. Jackson thought that it was a competitive process, because everybody had an opportunity to apply for the funds. He said that the Parish did not advertise the RFP in the official journal that is required by state law. Mr. Jackson explained that the process is competitive because everyone who submitted an application is not guaranteed to receive funding. Mr. Jackson expressed that he did not have a problem with the funds being a loan, because the Housing Trust Fund is established as a revolving loan. Mr. Jackson said that if the Parish follows the NDC recommendation to fund the gaps in projects, and no other projects, people would be exited out of the competitive process. Mr. Jackson said that he read the recent changes to the interim rule in the Treasury guidelines and there was no information about only gap funds could be provided. "It sounds like, to me, we're lining this up for big developers to come in here, make a play on money, and take this money back to wherever they come from", Mr. Jackson reiterated that the intent of this project was to build capacity while increasing our affordable housing supply here in Caddo Parish. He said that he will press against this concern until it is in black and white. "We don't need another 100 unit development in Caddo Parish. We got enough busted up stuff right here. Some shiny new toy in the peripheral of town, while Highland is being emptied out. Allendale, Mooretown, Cooper Road being emptied out," Mr. Jackson said. Mr. Jackson stated he will push incremental development. He expressed disappointment that the NDC favors the big guys with the most experience and the most money, while the current partners of the Parish are pushed out before the process had started. He said that the Parish has a lot of work to do to decide whether the Parish is going to help existing organizations in the Parish or the developers to consume the money.

Mr. Colar suggested that the established relationship between developers be defined. He said that there are missing components and the information presented does not fit smaller developers. Mr. Colar requested to attend the meeting that would set up the RFP process. Mr. Colar agreed with Mr. Jackson that incremental development and project financing would benefit small organizations to establish credibility and grow communities. Mr. Colar wanted to provide from his organization's view and fuse ideas together that would benefit all organizations.

Mr. Humphrey wanted to know if funding is financed by a loan, what developer fees or percentage of proceeds will be available. He said that his organization is a grassroots organization trying to help their community and they want to be able to build capacity as well as be more viable in their community. Mr. Herbert said that they were applying for a grant and a loan has to be paid back. Mr. Bartell responded that when an organization submits a proposal to the RFP, the organization would tell the Parish their proposed developer fees under their project costs. Mr. Herbert stated that with federal funds there is

a maximum threshold of 15% awarded for developer's fees. He pointed out that if an organization is not aware of the maximum threshold they could short change themselves. Mr. Bartell stated that during the technical assistance would be provided by the NDC. Mr. Bartell explained that a proposal would be under review for questions to be answered. Mrs. Bryant stated that the Parish would allow a question and answer period of the process. Mrs. Bryant explained that during the proposal review period questions asked by organizations and any addendums made by the Parish would be corresponded to all proposals.

Mr. Lester pointed out that projects increase affordable rental housing and affordable housing ownership. He said that the Louisiana Housing Corporation has an infrastructure of funding that caters to the needs of large developers, such as low-income housing tax credits, federal funds and disaster funds. Mr. Lester said that those organizations that want to do large scale affordable housing, such as 200 units, have the ability to do so. Mr. Jackson pointed out that it is on a non-competitive basis. Mr. Lester agreed that it is on a non-competitive basis. Mr. Lester said that the Parish has a unique opportunity to either create a miniature Louisiana Housing Corporation that allows large developers from New Orleans or Baton Rouge to do projects then leave, or look into local developers that pay property taxes and send their kids to school in Caddo Parish and help them do something in their own communities. Mr. Lester said that the funds allocated to the E. Edward Jones Trust Fund could be taken up in one project, but the pervasive needs of many communities would not be addressed. Mr. Lester pointed out that the three awarded non-profit and faith based non-profit developers are seeking to develop three different, distinct areas of the Parish. He said that those three organization's transportation to schools and other points submitted in the proposals target the areas mentioned in the presentation. Mr. Lester expressed concern that organizations submitted applications to the Parish standard only to see the Parish change the program for a company from the 504, 225 or 337 area codes.

Mr. Atkins agreed with Mr. Jackson that the Parish owes its colleagues and fellow citizens an apology. He said that the Parish is evolving and doing the best it can, however, the Federal government makes the final rules that the Parish has to be compliant. Mr. Atkins agreed that there is a big need for revitalization in Parish communities and it may be best done in small bits opposed to large visiting developers. He hopes that it all works out.

Mr. Jackson pointed out that Cooper Road, Allendale and Mooretown do not have a workforce center, healthcare clinics and are food deserts. He also pointed out that Youree Drive supports development on the perimeter of town as opposed to the aforementioned areas. Mr. Jackson said that development follows rooftops and until there are rooftops in the those communities, development will never happen to Cooper Road, Allendale and Mooretown. He hopes that the RFP takes into consideration the local issues.

Mr. Young wanted to know if the RFP can stress the need for rehabilitating existing structures instead of new builds. Mr. Atkins responded that there are two competing forces. Mr. Atkins explained that it is cheaper and more efficient to build new, and that it is more expensive and less complicated to redo old. Mr. Atkins said that there are more heads covered with a bigger project. Mr. Young rebutted that it is very expensive to tear down abandoned neighborhoods. Mr. Young explained that the Parish could save that longer term expense by investing in fixing up neighborhoods with some of this money.

Mrs. Bryant said that Administration has taken down Commissioner Jackson's recommendations, recommendations in relation to rehab and the attendees recommendations. She said that Administration plans to have the RFP completed by mid to late September, but it is going to take some time to hash out what is included in the RFP. Mrs. Bryant said that the Parish wants to get the RFP right and detailed.

Mr. Jackson wanted to know if only projects that have a gap can be funded. Mr. Young pointed out that it is permissible. Mr. Bartell clarified that the Parish has a small amount of funds and recommends the Parish starts first with projects that have funding gaps. Mr. Jackson said that Louisiana Housing Corporation has a \$10 million assistance fund and that the Treasury has promulgated their rules to allow ERAP-2 funds to be used on soft-cost gap financing and another \$350 million funds to be released. Mr. Jackson explained that these resources are readily available for developers to cover gap funding. Mr. Jackson reiterated that he does not agree that the Parish should concentrate on gap funds.

There being no further business to come before the Committee, the meeting was adjourned at 1:25 p.m.

  
Linda J. Montgomery  
Administrative Specialist I