

# ADMINISTRATION OF AFFORDABLE HOUSING PROGRAMS AND ORGANIZATIONAL CULTURE FOLLOW UP

LOUISIANA HOUSING CORPORATION

PERFORMANCE AUDIT SERVICES

May 27, 2026

**LOUISIANA LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
BATON ROUGE, LOUISIANA 70804-9397**

**LEGISLATIVE AUDITOR**  
MICHAEL J. "MIKE" WAGUESPACK, CPA

**FIRST ASSISTANT LEGISLATIVE AUDITOR**  
BETH Q. DAVIS, CPA

**DIRECTOR OF PERFORMANCE AUDIT SERVICES**  
EMILY DIXON, CIA, CGAP, CRMA, MBA

**PERFORMANCE AUDIT MANAGER**  
KRISTEN JACOBS, CIA, CGAP, MA

**AUDIT TEAM**  
AMANDA G. SANFORD, CIA, PHD  
LAURYN DEBETAZ, MSW

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at [www.la.la.gov](http://www.la.la.gov). When contacting the office, you may refer to Agency ID No. 9726 or Report ID No. 40240014 for additional information.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Four copies of this public document were produced at an approximate cost of \$8.70. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Jenifer Schaye, General Counsel, at 225-339-3800.

May 27, 2026

The Honorable J. Cameron Henry, Jr.  
President of the Senate  
The Honorable Phillip R. DeVillier,  
Speaker of the House of Representatives

Dear Senator Henry and Representative DeVillier:

This report provides the results of our evaluation of the Louisiana Housing Corporation's (LHC) administration of affordable housing programs and LHC staff's perceptions of the agency's organizational culture.

Overall, we found LHC does not have effective processes for administering affordable housing programs.

Specifically, we found that while LHC produces housing for low-income households as required by state law and federal regulations, it could better target that production to households with lower income levels to assist those with the highest need. For example, during calendar years 2019 through 2025, 5,853 (29.1%) of 20,138 funded housing units targeted households classified as very low- or extremely low-income, but these households made up 94.8% of Louisiana's estimated housing shortage.

In addition, LHC needs to improve its project management processes. We found LHC operations are often fragmented, project documentation does not contain consistent project tracking numbers, and LHC's use of technology does not always track projects through their complete lifecycle.

LHC also does not systematically track or analyze Low-Income Housing Tax Credit (LIHTC) project data, such as project costs or development timelines. As a result, LHC cannot always ensure that cost increases are reasonable or that projects are delivered in a timely manner.

We found, too, that LHC does not have an effective process for managing and tracking long-term compliance activities to ensure properties are inspected according to federal regulations and LHC policy. As a result, LHC does not always conduct all inspections as required.

Additionally, LHC does not always report health and safety violations identified during LIHTC inspections to the IRS, as required by federal regulations. For example, for 24 LIHTC property inspections conducted during calendar years

2019 through 2024, LHC did not report identified health and safety violations to the IRS for 22 (91.7%) properties.

We also found LHC could better meet its mission and goals with improved planning. While LHC has a strategic plan, it does not include goals to track and measure success. In addition, LHC has not developed a comprehensive statewide housing plan as required by state law.

Our evaluation of the LHC staff's perceptions of organizational culture found that overall, LHC has had longstanding challenges with organizational culture, agency-wide communication, and leadership turnover.

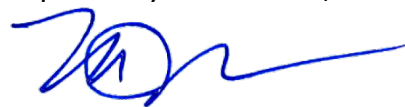
Specifically, we found that LHC has not had consistent leadership, with five of the eight executive directors serving between calendar years 2019 and 2025. As a result, LHC has a history of challenges with change management and communication within the agency.

A survey of LHC staff in 2025 indicated that most LHC employees are passionate about the work they do, but the agency needs to address other ongoing issues with its organizational culture. The survey's results indicated that morale among the staff is low, and employees reported low levels of job satisfaction, stemming from staffing issues, increased workloads without adequate compensation, and a feeling of being undervalued.

The report contains our findings and recommendations. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the Louisiana Housing Corporation for its assistance during this audit.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

MJW/aa

---

# Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA



## Administration of Affordable Housing Programs and Organizational Culture Follow Up Louisiana Housing Corporation

May 2026

Audit Control # 40240014

---

### Introduction

---

We evaluated the Louisiana Housing Corporation (LHC)'s administration of affordable housing programs and LHC's organizational culture during calendar years 2019 through 2025. We focused this audit on multifamily rental housing funded by the United States (U.S.) Department of Housing and Urban Development (HUD)'s HOME Investment Partnerships (HOME), HUD's Community Development Block Grants for Disaster Recovery (CDBG-DR), and Low-Income Housing Tax Credits (LIHTC) provided by the U.S. Internal Revenue Service (IRS). We conducted this audit because Louisiana has a shortage of affordable and accessible housing and to follow up on concerns with agency culture identified in our February 2022 audit of LHC.<sup>1</sup>

Act 408 of the 2011 Regular Legislative Session<sup>2</sup> established LHC as the single state authority directed to coordinate housing programs administered by the state. This legislation also specifies that LHC operates on self-generated revenue and is not a budget unit of the state. LHC administers a variety of programs to create and promote affordable housing, including multifamily rental housing, single-family rental housing, and homeownership programs. LHC administers federal and state funds through programs that are designed to advance the development of energy efficient and affordable housing for low- and moderate-income families, drives housing policy for Louisiana, and oversees the state's Disaster Housing Task Force. LHC is overseen by a Board of Directors that is responsible for establishing statewide policies for financing affordable housing, approving LHC's budget, appointing LHC's executive director,<sup>3</sup> and approving housing projects using agency resources, such as LIHTC.

---

<sup>1</sup> [Louisiana Housing Corporation](#), issued February 17, 2022

<sup>2</sup> Louisiana Revised Statutes (La. R.S.) 40:600.86-40:600.111

<sup>3</sup> Subject to confirmation by the Louisiana Senate

**Overview of Affordable Housing.** According to the U.S. Interagency Council on Homelessness, the shortage of affordable housing across the U.S. stems from multiple causes, including a shortage of available land and labor, increased costs of raw materials, restrictive zoning laws, and stagnating wages. In addition, the National Low-Income Housing Coalition (NLIHC) states that the private sector cannot build or operate homes affordable to extremely low-income households without public subsidies to offset costs. As a result of the COVID-19 pandemic, supply chain disruptions and inflation further drove up the costs of materials and labor, causing housing costs to increase significantly across the country. In Louisiana, natural disasters, including the 2016 statewide flooding and the 2020-2021 hurricanes Laura, Delta, and Ida, also damaged or destroyed substantial housing inventory. Housing stock has been slow to rebuild in part because of increasing insurance premiums and high material costs. Overall, state and local governments must work together to address barriers to affordable housing, including funding mechanisms, land and property tax policies, land use controls, zoning ordinances, and building codes.

Housing is considered **affordable** when occupants pay no more than 30% of gross household income toward housing costs, including rent and utilities.

Each year, HUD develops income limits for federally funded affordable housing programs based on area median income (AMI) estimates and fair market rent (FMR) areas (*see text box at right*). To determine eligibility for housing assistance, HUD classifies a household's income by the percentage of AMI that the household earns:

1. Extremely low-income households earn 30% of AMI or lower,
2. Very low-income households earn between 31% and 50% of AMI, and
3. Low-income households earn between 51% and 80% of AMI.

**Area median income (AMI)** is a measure of median family income in a geographic area. A "family" is two or more persons related by birth, marriage, or adoption living within the same household.

The **fair market rent (FMR)** is a standard measure of rent in a geographic area. Approximately 40% of rents fall below this rate.

In 2025, AMI in Louisiana ranged from \$54,100 in the Morehouse Parish metro area to \$98,000 in the Slidell-Mandeville-Covington metro area, with a median AMI of \$80,350.<sup>4</sup> Exhibit 1 contains examples of household income for both a family of four and for individuals at different levels of AMI, as well as examples of occupations at these income levels. Appendix C contains additional information about AMI, income limits, and FMR for each parish in Louisiana.

---

<sup>4</sup> Based on HUD's 2025 AMI in Louisiana's Metropolitan Statistical Areas and HUD Metro FMR Areas.

### Exhibit 1 Incomes at Different Levels of AMI in Louisiana As of December 31, 2025

Louisiana's 2025 AMI was approximately **\$80,350\***

**Annual Income for a Family of Four**

**\$64,275**



**\$40,175**



**\$32,150**



**Annual Income for One Person**

**\$45,025**

Court, Municipal, and License Clerks (\$45,480)  
Pipelayers (\$45,590)

**\$28,150**

Institution and Cafeteria Cooks (\$28,060)  
Pharmacy Aides (\$28,350)

**\$16,900**

Waiters and Waitresses (\$16,273)\*\*  
Home Health and Personal Care Aides (\$18,004)\*\*\*

**Low Income**  
80% AMI

**Very Low Income**  
50% AMI

**Extremely Low Income**  
30% AMI

\*Based on HUD's 2025 AMI in Louisiana's Metropolitan Statistical Areas and HUD Metro FMR Areas.

\*\*Median wage in the Baton Rouge Regional Labor Market Area

\*\*\*Entry-level wage in the Lafayette Regional Labor Market Area

**Source:** Prepared by legislative auditor's staff using information from the U.S. Bureau of Labor Statistics May 2023 Occupational Employment and Wage Statistics for Louisiana, HUD's 2025 Income Limits, and the Louisiana Workforce Commission's [2025 Louisiana Workforce Development Report](#).

**Affordable Housing Programs.** LHC's mission is to "ensure that every Louisiana resident is granted an opportunity to obtain safe, affordable, energy-efficient housing." LHC administers multiple funding sources to support the development of affordable housing, most of which come from federal agencies. This audit evaluates the administration of multifamily rental housing programs supported by tax credits allocated by the IRS and two HUD award programs:

Throughout this report, we use **developer** as a general term to mean all parties responsible for a project's development. This may include project applicants, housing developers, contractors, and/or property owners, depending on the project phase.

- **LIHTC** awards tax credits to developers for the acquisition, rehabilitation, and/or new construction of rental housing targeted to

lower-income households. The IRS allocates two types of tax credits, commonly referred to as 4% and 9% credits, which allow developers to claim tax credits covering 30% and 70% of eligible development costs, respectively. Each calendar year, the IRS allocates a fixed amount of 9% credits to LHC, while 4% credits are not limited.<sup>5</sup> Our 2025 report *Low-Income Housing Tax Credit Cost Containment*<sup>6</sup> provides additional information about the LIHTC program and differences between the two credit types. During calendar years 2019 through 2025, the IRS allocated \$99,185,108 in 9% LIHTCs to LHC.

- **Multifamily Revenue Bonds** provide financing to developers to acquire, construct, and/or rehabilitate affordable housing for low- to moderate-income families and individuals in the form of tax-exempt private activity bonds. All 4% LIHTC projects must secure financing for at least 50% of their eligible development costs from these bonds.<sup>7</sup> Each calendar year, the IRS allocates a fixed amount of tax-exempt bonds to the Louisiana State Bond Commission (SBC), who approves bonds for housing projects recommended by LHC. During calendar years 2019 through 2025, the IRS allocated \$3,717,304,955 in bonds to SBC, half of which (\$1,858,652,478) is reserved for housing projects.<sup>8</sup>
- **HOME** provides loans to developers to build, buy, or rehabilitate affordable housing and provides direct rental assistance to low-income individuals. HUD awards LHC a fixed amount of HOME dollars each federal fiscal year to use for both single- and multifamily housing, and LHC loans these amounts to developers or prospective homeowners. LHC earns income from HOME loan interest, which is then reinvested in future HOME projects. During federal fiscal years 2019 through 2024,<sup>9</sup> HUD allocated \$102,173,141 in HOME funds to LHC.
- **CDBG-DR** grants are special federal allocations that HUD awards to states in response to natural disasters. LHC administers Louisiana's CDBG-DR awards on behalf of the Office of Community Development (OCD). Similar to HOME, CDBG-DR dollars are awarded to affordable housing developers as loans; however, income earned from CDBG-DR loan interest is returned to OCD. HUD awarded \$4,862,522,000 in CDBG-DR funding to Louisiana to support disaster recovery efforts in response to the 2016 statewide floods and the 2020-2021 hurricanes Laura, Delta, and Ida. Of these allocations, approximately \$1.1 billion

---

<sup>5</sup> As long as projects meet all criteria, as determined by LHC, they are automatically approved for 4% LIHTCs.

<sup>6</sup> [Low-Income Housing Tax Credit Cost Containment](#), issued April 30, 2025

<sup>7</sup> For 4% projects that will be placed in service after December 31, 2025, this amount will be reduced to 25% of eligible costs.

<sup>8</sup> This amount is for both single- and multifamily housing.

<sup>9</sup> Federal fiscal years 2019 through 2024 cover the period beginning October 1, 2018, and ending September 30, 2024. State allocations for federal fiscal year 2025 have not been published by HUD as of May 2026.

was reserved for rental housing and housing assistance programs and approximately \$2.5 billion was reserved for homeownership assistance. According to LHC, almost all CDBG-DR funded projects also have either LIHTC or HOME funding.

Exhibit 2 contains the total amount of each of these funding sources either spent or approved for affordable housing during state fiscal years 2019 through 2025.

<b>Exhibit 2</b>				
<b>Amounts Spent/Approved for Affordable Housing Development</b>				
<b>Fiscal Years 2019 through 2025*</b>				
<b>Funding Source</b>	<b>Federal Agency</b>	<b>Allocation Type</b>	<b>Years</b>	<b>Amount Spent/Approved</b>
LIHTC (4%)**	IRS	Tax Credits	Calendar Years 2019 - 2025	\$112,058,560
LIHTC (9%)**	IRS	Tax Credits		94,511,443
Multifamily Revenue Bonds***	IRS	Volume Cap		1,680,015,064
CDBG-DR****	HUD	Disaster-specific Grants	State Fiscal Years 2020 - 2025	449,190,489
HOME*****	HUD	Formula Funds		51,938,145
<b>Total (spent and/or approved for use)</b>				<b>\$2,387,713,701</b>
<p>*The federal government does not allocate funds on the same cycle; therefore, the award and expenditure cycles do not align. In addition, states often have multiple years to spend their allocations.</p> <p>** These amounts do not contain LHC's costs to administer the LIHTC program, which totaled \$9,203,689 for state fiscal years 2020 through 2025.</p> <p>***Bond amounts approved by SBC for LHC multifamily projects.</p> <p>****Includes LHC's expenditures for both single- and multifamily housing, but does not include any award amounts that have been obligated to housing projects but not yet expended. According to OCD, approximately 96.4%, or \$4.6 billion, of the total HUD allocation for the 2016 floods and the 2020-2021 hurricanes were obligated as of February 1, 2025.</p> <p>*****Includes LHC's expenditures for both single- and multifamily housing.</p> <p><b>Source:</b> Prepared by legislative auditor's staff using LIHTC applications, project information, and expenditures data provided by LHC; CDBG-DR information obtained from OCD; and multifamily revenue bond approvals provided by SBC.</p>				

In addition, LHC administers other sources of funding, such as HUD's National Housing Trust Fund, that may pair with LIHTC funding. Other state and federal agencies also administer funding streams that are used to support affordable housing, including Historic Tax Credits administered by the Louisiana Department of Culture, Recreation, and Tourism and Rural Development and Housing Preservation loans that are directly administered by the U.S. Department of Agriculture. The braiding of multiple funding streams increases the complexity of managing affordable housing for LHC due to the oversight and involvement of different state and federal agencies. For example, each funding source has its own federal regulations, eligibility requirements, affordability periods, reporting requirements, etc. Appendix D contains a summary of the federal laws and regulations referenced throughout this report.

**Process Overview.** Multiple LHC divisions are involved in the administration of these affordable housing programs. See Appendix E for a description of these divisions and their primary roles and responsibilities in affordable housing production. The process by which LHC administers each housing program varies by funding stream; however, each project goes through three general phases: award, development, and long-term compliance. During the award phase, developers apply to LHC, other state and federal agencies, and private financial institutions for funding, and LHC makes award decisions. During the development phase, developers build housing and LHC conducts periodic construction inspections. At the end of the development phase, LHC reviews final project documentation and projects are placed in service. During the long-term compliance phase, LHC monitors projects' compliance with tenant eligibility and minimum habitability standards, as required by federal regulations.

**Organizational Culture at LHC.** Our 2022 performance audit of LHC identified concerns with agency culture, such as unfavorable views of leadership, low employee morale, inefficient communication, and perceived favoritism. In addition, the audit identified the lack of stable leadership as a factor contributing to staff concerns. Staff perceptions of agency culture and overall morale affect an agency's ability to administer programs and meet its mission and goals. According to the Society of Human Resource Management (SHRM),<sup>10</sup> a positive workplace culture fosters higher productivity and lower turnover, while a negative workplace culture can lead to significant disruptions in agency operations and service delivery.

To conduct this audit, we obtained project applications, project files, tracking sheets, database backups, and various project lists from LHC. Using this information, we compiled a project list of multifamily projects awarded, under construction, or placed in service during calendar years 2019 through 2025. To follow up on our previous report, we conducted a survey of all 109 LHC staff and received 85 responses, for a response rate of 78.0%.

The objectives of this audit were:

**Objective 1: To evaluate LHC's administration of affordable housing programs and their associated outcomes.**

### **Exhibit 3 Historic Renovation of Multifamily Rental Housing in New Orleans**



**Source:** Photograph taken by legislative auditor's staff in 2025.

---

<sup>10</sup> [Workplace Culture Fosters Employee Retention Worldwide](#), SHRM, December 2024

**Objective 2: To evaluate staff perceptions of the organizational culture at LHC and its impact on the administration of affordable housing.**

Our results are summarized on the next page and discussed in detail throughout the remainder of the report. In addition,

- Appendix A contains LHC's response.
- Appendix B contains our scope and methodology.
- Appendix C contains information about the 2025 AMI, income limits, and FMR for each parish in Louisiana.
- Appendix D contains a summary of the federal laws and regulations referenced throughout this report.
- Appendix E contains a description of LHC divisions involved in the administration of affordable housing and their primary roles and responsibilities in affordable housing production.
- Appendix F contains changes in median gross rent for each parish in Louisiana between calendar years 2019 and 2023.
- Appendix G contains information on cost changes by cost type for LIHTC projects placed in service during calendar years 2019 through 2025.
- Appendix H contains a full summary of the results of our 2025 LHC staff survey.

## Objective 1: To evaluate LHC's administration of affordable housing programs and their associated outcomes.

---

Overall, LHC does not have effective processes for administering affordable housing programs, including several project management inefficiencies. As a result, LHC does not always produce housing for populations with the greatest need, does not systematically track costs or project timeframes, does not always monitor properties as required by federal regulations and LHC policy, and does not always report noncompliance as required by federal regulations. Improved planning, better data, and more effective processes could improve LHC's outcomes. Specifically, we found the following:

- **While LHC produces housing for low-income households as required by state law and federal regulations, LHC could better target affordable housing production to households at lower income levels to assist those with the highest need.** For example, during calendar years 2019 through 2025, 5,853 (29.1%) of 20,138 funded housing units targeted households classified as very low- or extremely low-income, but these households made up 94.8% of Louisiana's estimated housing shortage.
- **LHC needs to improve its project management processes. For example, LHC operations are often fragmented, project documentation does not contain consistent project tracking numbers, and LHC's use of technology does not always track projects through their complete lifecycle.** Project management inefficiencies limit LHC's ability to effectively manage affordable housing projects.
- **LHC does not systematically track or analyze LIHTC project data, such as project costs or development timelines.** As a result, LHC cannot always ensure that cost increases are reasonable or that projects are delivered timely, which can lead to delays in access to housing for vulnerable populations.
- **LHC does not have an effective process for managing and tracking long-term compliance activities to ensure properties are inspected according to federal regulations and LHC policy. As a result, LHC does not always conduct all inspections as required.** In addition, LHC has inspected fewer properties since calendar year 2019, even though the number of properties needing inspection has grown, which increases the risk that tenants are living in unsafe housing or that ineligible tenants are living in rent-restricted units.

- **LHC does not always report health and safety violations identified during LIHTC inspections to the IRS, as required by federal regulations. For example, of a selection of 24 LIHTC property inspections conducted during calendar years 2019 through 2024, LHC did not report identified health and safety violations to the IRS for 22 (91.7%) properties.** If LHC does not report instances of noncompliance to the IRS, the IRS cannot enforce penalties against developers who do not comply with health and safety standards.
- **Improved planning would help LHC better meet its mission and goals. While LHC has a strategic plan, it does not include measurable goals to track and measure success.** In addition, LHC has not developed a comprehensive statewide housing plan as required by state law, which would help integrate state and local housing efforts.

Our findings and recommendations are discussed in more detail in the following sections.

---

**While LHC produces housing for low-income households as required by state law and federal regulations, LHC could better target affordable housing production to households at lower income levels to assist those with the highest need. For example, during calendar years 2019 through 2025, 5,853 (29.1%) of 20,138 funded housing units targeted households classified as very low- or extremely low-income, but these households made up 94.8% of Louisiana’s estimated housing shortage.**

According to U.S. Census data, 848,769 (18.9%) of Louisiana’s 4.5 million residents lived in poverty in 2023.<sup>11</sup> In addition, according to Louisiana State University Shreveport (LSUS),<sup>12</sup> 281,123 (48.4%) of the 580,687 rental households in Louisiana were housing cost burdened in 2023 (*see text box at right*). When renters are cost burdened, they may not be able to afford other basic necessities such as food, transportation, childcare, or healthcare. In 62 (96.9%) of 64 parishes, the annual income required to afford the 2025 FMR for a one-bedroom unit in that parish exceeded HUD’s very low-income

An individual or household is considered **housing cost burdened** when they spend more than 30% of their income on housing costs, including rent and utilities.

<sup>11</sup> Poverty data for 2023 were the most recent data available at the time of this analysis.

<sup>12</sup> [Rental Housing Affordability in Louisiana 2023](#), LSUS Center for Business and Economic Research

household limit (i.e., 50% of AMI), meaning that tenants in these parishes are more likely to be cost burdened. See Appendix C for additional information on income levels and the affordability of the HUD FMR in each parish, as well as the income required to afford a one-bedroom unit at FMR.

State law<sup>13</sup> directs LHC to have the maximum amount of flexibility, responsibility, and discretion to ensure that all residents of the state have access to decent, safe, sanitary, accessible, and affordable housing. To accomplish this directive, state law also requires LHC to substantially increase the supply of residential housing for persons and families of low- or moderate-income,<sup>14</sup> senior citizens, and persons with disabilities due to insufficient production of residential housing at prices that these populations can afford.

**Louisiana has a shortage of rental homes that are affordable to households whose incomes are at or below 50% of AMI, known as very low-income and extremely low-income households.**

According to LSUS, Louisiana consistently faces a housing shortage for households with extremely low or very low income. On average, during calendar years 2019 through 2023, there was a shortage of 223,455 affordable and available units for extremely low- and very low-income households. These households make up 94.8% of the average 235,642 housing-unit shortage in the state during the same timeframe. Affordable housing programs, such as LIHTC and HOME, are important incentives for developers to build affordable units. According to the NLIHC,<sup>15</sup> developers and landlords cannot build or operate rental homes at prices that are affordable to extremely low-income households without these subsidies, as the rent that these households can afford to pay is not enough to cover construction, maintenance, or operations costs. Exhibit 4 shows the housing surplus and deficit in Louisiana by income level for calendar years 2019 through 2023.

**Extremely low-income** households are often headed by seniors, people with disabilities, or workers earning low wages. Because of their low incomes and the severe shortage of affordable rental homes, these renters are the most at risk for homelessness.

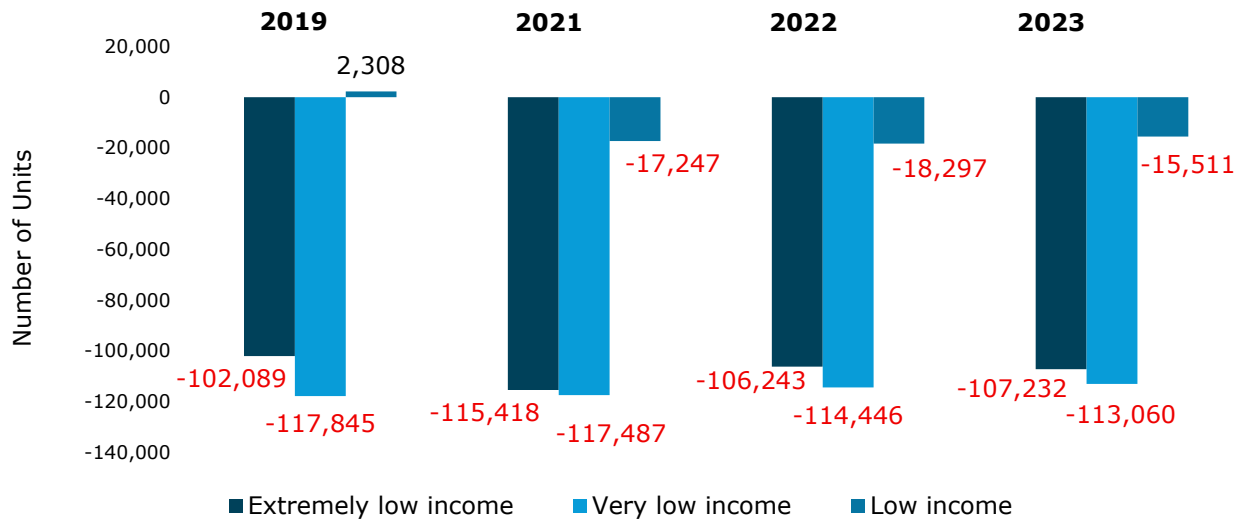
---

<sup>13</sup> La. R.S. 40:600.86

<sup>14</sup> While state law does not specify what incomes are considered low or moderate, HUD defines "low income" as an annual income between 51-80% of AMI and "moderate income" as an annual income between 81-120% of AMI.

<sup>15</sup> [Critically Needed Reforms to the Low-Income Housing Tax Credit](#), NLIHC, October 2024

**Exhibit 4**  
**Housing Surplus and Deficit in Louisiana by Income Level**  
**Calendar Years 2019 through 2023\***



\*Data for 2020 are not available.

**Source:** Prepared by legislative auditor's staff using information from housing affordability studies for calendar years 2019 through 2023 from the [LSUS Center for Business and Economic Research](#).

**LHC approves multifamily rental housing developments that primarily focus on low-income populations, rather than extremely or very low incomes with the highest need. However, LHC could better use its LIHTC Qualified Allocation Plan (QAP) to prioritize the development of units for extremely low- and very low-income households.** The QAP contains LHC's housing priorities for LIHTC funding, as well as minimum project requirements and competitive scoring criteria for award decisions. During calendar years 2019 through 2025, 5,853 (29.1%) of 20,138 units approved by LHC<sup>16</sup> served extremely low- and very low-income households; however, these households made up 93.4% of Louisiana's affordable housing unit shortage in 2023. The remaining 13,837 (68.7%) rent-restricted housing units served low-income households, while 448 (2.2%) units were funded to rent at market rates. While federal law requires LIHTC-funded properties to guarantee a certain percentage of units for households at 50% or 60% of AMI, LHC's QAPs in calendar years 2019 through 2025 include limited requirements for the development of units for tenants below these income levels. According to the National Council of State Housing Agencies (NCSHA), outside of minimum federal requirements, Congress allows states to develop their QAPs so they can design programs that best suit local affordable housing needs. Overall, LHC has met federal regulations for producing housing at the required income levels. However, most of the affordable units produced through the LIHTC program do not address the greatest housing needs. Exhibit 5 shows the number of

<sup>16</sup> Based on the number of proposed units in applications for 293 LIHTC and HOME projects awarded, under construction, or placed in service during calendar years 2019 through 2025.

rent-restricted units approved by LHC by income type for calendar years 2019 through 2025, along with the 2023 affordable housing shortage of units by income type for 2023.

**Exhibit 5**  
**Housing Units Approved by LHC in Comparison to Statewide Rental Housing Shortage**  
**Calendar Years 2019 through 2025**

Description	AMI Distribution	Number of Units*	Percent of Units	Shortage of Units in CY 2023**	Percent of CY 2023 Shortage of Units
Extremely Low Income	30% AMI or less	1,612	8.0%	107,232	45.5%
Very Low Income	31% to 50% AMI	4,241	21.1%	113,060	47.9%
Low Income***	51% to 80% AMI	13,837	68.7%	15,511	6.6%
<b>Rent-Restricted Total</b>		<b>19,690</b>	<b>97.8%</b>	<b>235,803</b>	<b>100.00%</b>
Unrestricted	Over 80% AMI	448	2.2%		
<b>Total Units</b>		<b>20,138</b>	<b>100.0%</b>		

\*Includes 293 LIHTC and HOME properties that were awarded, under construction, or placed in service during calendar years 2019 through 2025 based on unit estimates contained in LIHTC applications and unit totals recorded in HOME documentation. Because our analysis is partially based on applications, the number of units actually constructed may be higher or lower.

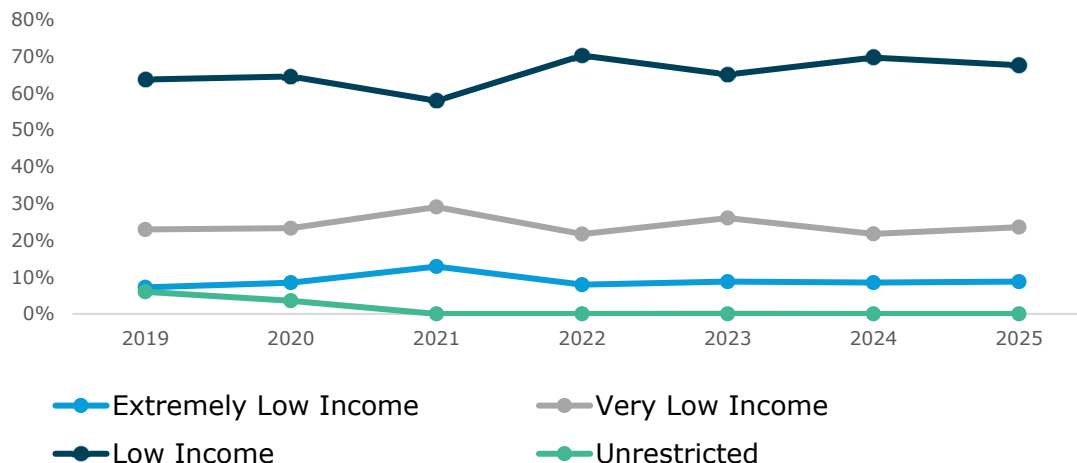
\*\* According to [Rental Housing Affordability in Louisiana 2023](#), LSUS Center for Business and Economic Research.

\*\*\*Includes 168 housing units at HOME properties that were not supported by LIHTC. All other units were funded by LIHTC or a combination of LIHTC and HOME.

**Source:** Prepared by legislative auditor's staff using information from LSUS and funded LIHTC applications and HOME property information provided by LHC.

In addition, LHC has consistently prioritized low-income households for LIHTC developments. While this is all that is federally required for LIHTC, only a small percentage of new units built using LIHTC are affordable for those with extremely low incomes. As a result, extremely low-income renters living in LIHTC units are often severely cost burdened, meaning they spend more than half of their household income on housing costs. Increasing the number of rental units for very low- and extremely low-income households is important to address the state housing shortage for these groups. Exhibit 6 shows the percentage of LIHTC units by income level that were approved by LHC during calendar years 2019 through 2025.

**Exhibit 6**  
**Percentage of LIHTC Units Awarded by Income Level**  
**Calendar Years 2019 through 2025**



**Source:** Prepared by legislative auditor's staff using LIHTC applications provided by LHC.

LHC could better use its QAP to prioritize developments for extremely low- and very low-income households. Of the LIHTC developments LHC approved during calendar years 2019 through 2025, 65.6% of units, on average, targeted low-income households, 24.1% targeted very low-income households, and 9.0% targeted extremely low-income households. According to NCSHA, agencies should review their housing priorities on a regular basis and update QAPs to reflect current priorities. The 2019 through 2024 QAPs did not include policy priorities to encourage housing development for specific populations; however, the 2025 QAP prioritized elderly housing. In 2025, six (28.6%) of 21 funded 9% LIHTC projects elected to build for this population, which resulted in an increase in elderly housing units from 45<sup>17</sup> to 196, or 335.6%, from calendar year 2024. LHC could include explicit housing priorities in its QAPs to encourage development that is targeted to extremely low- and very low-income households.

**LHC did not fund housing developments in 18 (28.1%) of 64 parishes during calendar years 2019 through 2025.<sup>18</sup> In eight (44.4%) of these 18 parishes, more than 20% of the population lived in poverty in 2023.** LHC could also use its QAP to prioritize development in more rural areas of the state, including in parishes with levels of poverty higher than the 2023 state average of 18.9%. According to NCSHA, agencies should design their QAPs to encourage housing development in locations throughout the state where there is a need. While

<sup>17</sup> In QAP year 2024, one (4.5%) of 22 funded 9% LIHTC projects designated units for elderly. This project designed all 45 units for this population.

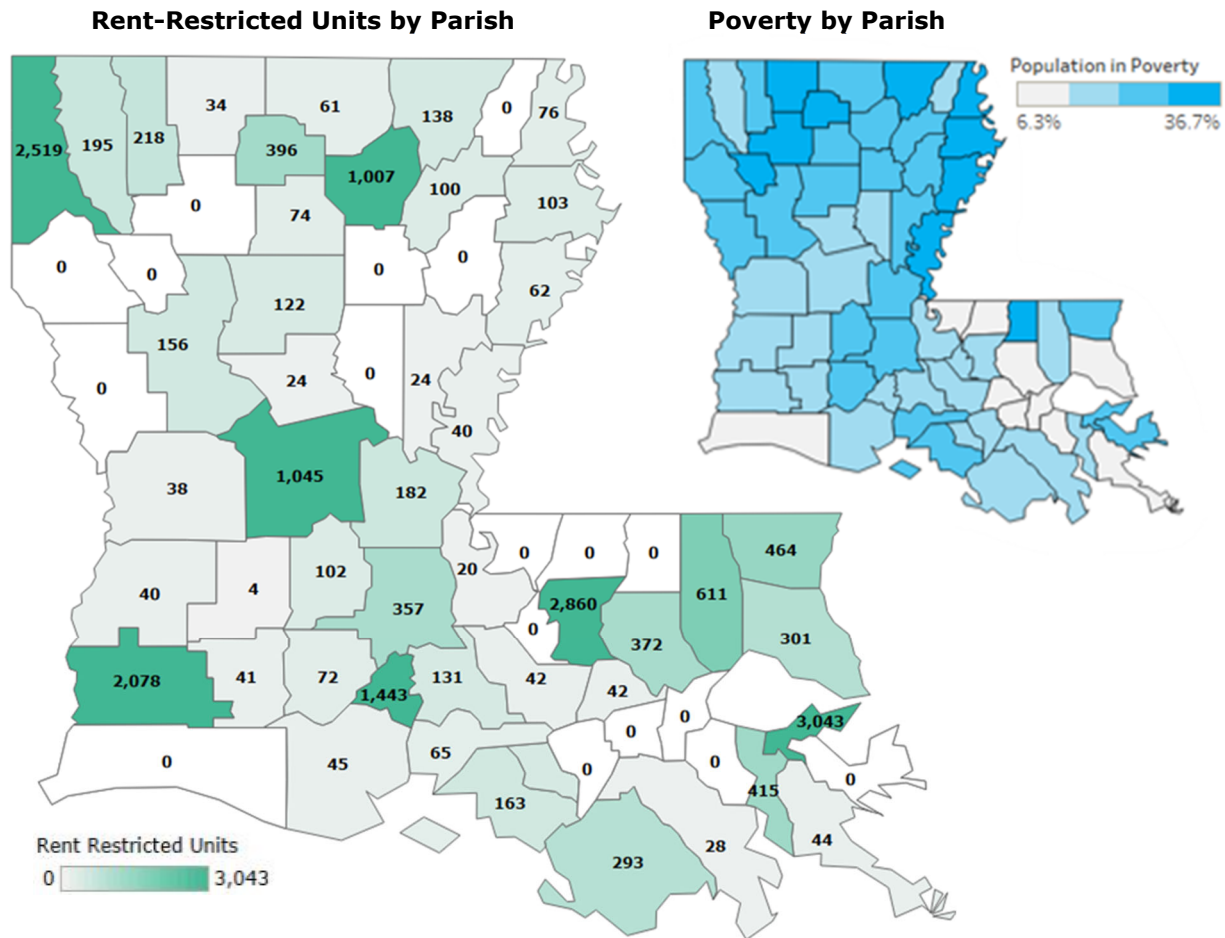
<sup>18</sup> There were 293 LIHTC and HOME projects awarded, under construction, or placed in service during calendar years 2019 through 2025.

LHC's 2021 through 2025 QAPs<sup>19</sup> each reserve a portion of the annual 9% LIHTC allocation for housing development in rural areas, there were no HOME or LIHTC-funded properties produced in 18 (28.1%) of Louisiana's 64 parishes during calendar years 2019 through 2025. All 18 parishes are rural, and eight (44.4%) had a poverty level above the state average. Exhibit 7 contains a map showing the percent of each parish living in poverty according to 2023 U.S. Census data and an additional map showing the number of HOME and LIHTC rent-restricted units funded, placed in service, or under construction during calendar years 2019 through 2025.

---

<sup>19</sup> The 2019 QAP also reserved a portion of the annual 9% LIHTC allocation for projects in rural areas, but there was no reservation explicitly mentioned in the 2020 QAP.

### Exhibit 7 Maps of Poverty by Parish and Rent-Restricted Units by Parish\* Calendar Years 2019 through 2025



**Percentage of Population in Poverty by Parish**

Acadia - 24.4%	East Baton Rouge - 18.6%	Madison - 36.7%	St. Landry - 24.0%
Allen - 20.4%	East Carroll - 35.7%	Morehouse - 30.7%	St. Martin - 16.6%
Ascension - 10.3%	East Feliciana - 13.5%	Natchitoches - 24.1%	St. Mary - 22.1%
Assumption - 13.9%	Evangeline - 23.0%	Orleans - 22.6%	St. Tammany - 12.2%
Avoyelles - 27.4%	Franklin - 25.6%	Ouachita - 24.0%	Tangipahoa - 19.4%
Beauregard - 14.1%	Grant - 16.1%	Plaquemines - 13.4%	Tensas - 32.8%
Bienville - 32.1%	Iberia - 22.6%	Pointe Coupee - 17.8%	Terrebonne - 16.5%
Bossier - 16.4%	Iberville - 15.5%	Rapides - 18.9%	Union - 28.6%
Caddo - 22.3%	Jackson - 24.3%	Red River - 29.4%	Vermilion - 19.2%
Calcasieu - 17.8%	Jefferson - 16.3%	Richland - 23.5%	Vernon - 18.3%
Caldwell - 25.4%	Jefferson Davis - 17.8%	Sabine - 22.7%	Washington - 24.2%
Cameron - 6.3%	Lafayette - 17.4%	St. Bernard - 22.6%	Webster - 26.9%
Catahoula - 28.1%	Lafourche - 18.0%	St. Charles - 9.8%	West Baton Rouge - 16.0%
Claiborne - 35.0%	LaSalle - 15.5%	St. Helena - 30.0%	West Carroll - 15.7%
Concordia - 34.8%	Lincoln - 30.7%	St. James - 10.5%	West Feliciana - 11.6%
DeSoto - 21.8%	Livingston - 13.1%	St. John the Baptist - 12.6%	Winn - 22.0%

\*Rent-restricted units are from 293 LIHTC and HOME projects awarded, under construction, or placed in service during calendar years 2019 through 2025. Poverty data are from 2023.

**Source:** Prepared by legislative auditor’s staff using data obtained from the U.S. Census Bureau and LIHTC applications and HOME documentation provided by LHC.

**Building more affordable housing is important, as the state faced both a shortage of affordable and available housing units and rising monthly rents between calendar years 2019 and 2023.** For example, monthly rent for one-bedroom rental housing units increased by 22.5%, or \$150, on average, between calendar years 2019 and 2023. Rent for a one-bedroom unit increased the most in the Monroe Metro Area, rising from \$585 in 2019 to \$810 in 2023, a 38.5% increase. As rental prices increase, renters face a greater possibility of eviction which, in turn, increases their likelihood of experiencing homelessness. Exhibit 8 shows the increase in median rent for one-bedroom rental units in Louisiana Metropolitan Statistical Areas between calendar years 2019 and 2023. Appendix F contains this same information for each Louisiana parish.

<b>Exhibit 8 Increase in Monthly Rent for One-Bedroom Units in Louisiana Metropolitan Statistical Areas Calendar Years 2019 through 2023*</b>				
<b>Metro Area</b>	<b>Rent in 2019</b>	<b>Rent in 2023</b>	<b>Increase in Rent</b>	<b>Percent Change</b>
Monroe, LA Metro Area	\$585	\$810	\$225	38.5%
Lake Charles, LA Metro Area	660	910	250	37.9%
Hammond, LA Metro Area	639	792	153	23.9%
Lafayette, LA Metro Area	699	863	164	23.5%
New Orleans-Metairie, LA Metro Area	828	985	157	19.0%
Houma-Thibodaux, LA Metro Area**	742	871	128	18.6%
Alexandria, LA Metro Area	530	622	92	17.4%
Baton Rouge, LA Metro Area	800	897	97	12.1%
Shreveport-Bossier, LA Metro Area	728	812	84	11.5%
<b>Average</b>	<b>\$684</b>	<b>\$834</b>	<b>\$150</b>	<b>22.5%</b>

\*Median gross rent data for 2023 were the most recent data available at the time of this analysis.  
 \*\*Houma-Thibodaux also includes Bayou Cane in 2023.  
**Source:** Prepared by legislative auditor's staff using data obtained from the U.S. Census Bureau.

**Recommendation 1:** LHC should work to increase the number of affordable and available housing units for extremely low- and very low-income households, which may include using its QAP to encourage developers to build more units for those households.

**Summary of Management's Response:** LHC agreed with this recommendation and stated that it has contracted for a comprehensive statewide Housing Needs Assessment. This initial report should be returned to the LHC by the end of May 2026. The Assessment will guide the agency in targeting assistance for populations most in need, which will be reflected in future funding opportunities. See Appendix A for LHC's full response.

**Recommendation 2:** LHC should evaluate the number of affordable units produced using LIHTC and HOME funding across the state to address unmet housing needs by parish.

**Summary of Management’s Response:** LHC agreed with this recommendation and stated that the Housing Needs Assessment will provide this evaluation. LHC also stated that it will continue to follow IRS guidelines and explore opportunities to expand beyond the minimum IRS low-income housing requirements in order to provide additional affordable units for low- and very low-income individuals and families. See Appendix A for LHC’s full response.

---

**LHC needs to improve its project management processes. For example, LHC operations are often fragmented, project documentation does not contain consistent project tracking numbers, and LHC’s use of technology does not always track projects through their complete lifecycle. Project management inefficiencies limit LHC’s ability to effectively manage affordable housing projects.**

According to the International Organization for Standardization (ISO),<sup>20</sup> effective project management is important because it can optimize performance, produce consistent and predictable outcomes, and enhance the ability to focus efforts on processes and improvement. Both LHC’s internal audit function and HUD have identified deficiencies in LHC’s project management processes. For example, in 2017, HUD found deficiencies with LHC’s maintenance of project records for HOME, which resulted in the recapture of funds. In 2023, HUD found that LHC’s policies and procedures for the HOME program were outdated and not reflective of current federal regulations; however, LHC still uses the 2017 HOME policies and procedures manual. In 2024, LHC’s internal audit function found that CDBG-DR program files were not complete, not sufficiently maintained, and organized poorly across multiple network drives belonging to different departments. LHC’s internal audit recommended that LHC establish and maintain a complete program record of all work performed by program management in one central location and ensure that files are reviewed to ensure they appear to contain all applicable and necessary documents from each department involved in the program. However, LHC’s file systems still contain incomplete project records and records that are stored in multiple locations inaccessible to staff in all relevant departments.

**LHC operations are often fragmented, project documentation does not contain consistent project tracking numbers, and LHC’s use of technology does not track projects through their complete lifecycle.**

Developing affordable housing projects is a complex process that involves multiple LHC departments, especially if a project is financed by multiple funding streams. For example, a single project may be financed by LIHTC, HOME, and CDBG-DR

---

<sup>20</sup> ISO 9000:2015(E) 2.3.4

funds, which requires coordination between three different groups of LHC staff within the same division. Other LHC divisions, such as Construction and Compliance, Environmental and Labor Compliance, and Asset Management, are also involved in the day-to-day management of affordable housing developments.<sup>21</sup> LHC's divisions must coordinate activities and communicate project information accurately and timely to keep projects moving efficiently through their lifecycle and ensure that LHC and housing developments both comply with federal regulations. Projects may also involve numerous external stakeholders, including private developers and financial institutions, nonprofit organizations, other state or federal agencies, and local governments, which creates additional complexities and further demonstrates the importance of clearly documented and consistent project management procedures.

We identified several inefficiencies in LHC's project management processes that limit LHC's ability to ensure projects move through various project phases (e.g., application, award, construction, compliance, etc.) timely and appropriately. For example, because of the high level of fragmentation in LHC's processes and its inconsistent documentation procedures, LHC could not provide us with a comprehensive list of projects in our audit scope.<sup>22</sup> As a result, we had to compile information from 11 LHC sources to identify all relevant projects.

According to LHC, it adopted the Housing Development System (HDS) as a single, shared system of record for all departments. However, not all staff involved in administering affordable housing programs use HDS. In addition, information is not always entered into HDS timely, and data are often incomplete, inaccurate, or missing altogether. As a result, HDS does not contain all relevant project information across affordable housing programs. LHC staff use a mixture of manual project tracking systems (e.g., Excel or Access spreadsheets) and databases to manage affordable housing programs. Because these systems are also highly fragmented, contain different project characteristics, and often contain different names, numbers, or milestone dates for the same project, it is challenging to compile information across systems and documents. According to our 2025 LHC staff survey, staff also stated that LHC's data systems required too much manual tracking, were not integrated across LHC, and lacked data integrity. Exhibit 9 provides examples of LHC's project management deficiencies.

---

<sup>21</sup> Appendix E contains a description of LHC divisions and their primary roles and responsibilities in affordable housing development.

<sup>22</sup> There were 293 LIHTC and HOME-funded multifamily rental housing properties awarded, under construction, or placed in service during calendar years 2019 through 2025.

**Exhibit 9**  
**Project Management Deficiencies**  
**As of December 31, 2025**

Deficiency	Description	Examples
Operational fragmentation	LHC has a high degree of fragmentation in its operations, and its processes are often siloed.	<ul style="list-style-type: none"> <li>Each LHC department stores project documentation on siloed network drives. Within the multifamily rental programs division, each funding stream is also managed by different staff within additional silos.</li> <li>Not all staff use LHC's primary affordable housing data system (HDS), which was adopted to be a shared system of record.</li> <li>LHC's standard operating procedures do not always contain procedures for communicating or sharing project information or data between departments.</li> </ul>
Inconsistent documentation	LHC does not have standard policies for organizing or documenting all of its project files.	<ul style="list-style-type: none"> <li>File systems are often duplicative. For example, the same files are often stored in multiple locations, and in some cases, entire years' worth of project files are duplicated.</li> <li>Project file documentation varies year-to-year. For example, some years are organized by project, while others are organized by document type.</li> <li>Staff create unnecessary folders (e.g., using their name or leaving them unnamed) that contain project documentation.</li> </ul>
Inconsistent project numbers	LHC does not have a standard policy for assigning project numbers.	<ul style="list-style-type: none"> <li>Project numbers are not formatted consistently across LHC's data or tracking systems.</li> <li>Project numbers do not always remain the same for the duration of a project's lifecycle.</li> </ul>
Inaccurate, incomplete, and inconsistent data	LHC's data and tracking systems often contain inaccurate or incomplete information. Information tracked by multiple departments is often recorded differently.	<ul style="list-style-type: none"> <li>Incomplete or missing information includes milestone dates (e.g., placed-in-service dates), addresses, and in some instances, entire projects.</li> <li>Inaccurate information includes incorrect milestone dates, project statuses that are not updated, funding statuses that are not updated, and illogical combinations of project characteristics (e.g., unfunded projects with active project statuses).</li> <li>Tracking spreadsheets do not always contain the same fields over time, and how project information is recorded depends on the staff member creating the spreadsheets.</li> <li>Separate tracking systems have different dates for the same project milestone, different project names, different project numbers, etc.</li> </ul>
Fragmented data systems	LHC's data management systems are fragmented, and many systems rely on manual entry and updates.	<ul style="list-style-type: none"> <li>LHC does not have a comprehensive list of affordable housing projects across its programs.</li> <li>Project tracking systems contain information about only select project characteristics, and these project trackers are maintained independently of one another.</li> </ul>

**Source:** Prepared by legislative auditor's staff using LHC's standard operating procedures and data, files, tracking systems, and other project information for LIHTC, HOME, and CDBG-DR projects provided by LHC.

Consistently assigning and formatting project numbers for all projects, beginning at the application stage, would help LHC better manage projects across LHC departments and throughout project lifecycles. While LHC generally uses a standard format for LIHTC project numbers, consisting of the two-digit award year

and a unique two-to-three-digit number, we found several projects that have different numbers across program staff's files, in HDS, and in compliance staff's files. For example, one project was formatted 2015-004 in program files, LA-15-004 in HDS, and had both 15-4 and 15-004 in compliance files. In addition, some projects have multiple project numbers corresponding to different funding streams. For example, LIHTC projects with HOME funding also receive a separate HOME project number. However, the primary tracking system for LIHTC does not contain HOME project numbers. In addition, some projects receive new project numbers if they apply for additional tax credits (e.g., to rehabilitate previously-funded projects). However, LHC does not always assign new numbers to these projects, and there is no systematic way to identify which projects have received additional credits.

Unique and consistent project numbers are also important because many housing developments have similar names, have separate project phases under the same name, and sometimes change their names. Assigning unique identifiers that remain consistent throughout a project's lifecycle would allow LHC to more effectively maintain project information and help to ensure that projects are not overlooked. We interviewed four other state housing agencies,<sup>23</sup> and found that all four assign LIHTC project numbers when they receive an application, while LHC does not assign LIHTC project numbers until an application passes its preliminary review. In addition, these state housing agencies all stated that they have consistent project numbers that are used during the entire project lifecycle and often delineate funding streams and project type.

**Recommendation 3:** LHC should standardize its project filing system so that information is easily accessible, complete, and accurate.

**Recommendation 4:** LHC should standardize how it creates and maintains project tracking data, including specifying what project information should be recorded and where, how often data should be updated, and how data integrity will be verified.

**Recommendation 5:** LHC should improve the communication and sharing of project information and data between LHC departments, including ensuring that documentation is entered into the appropriate data systems timely.

**Recommendation 6:** LHC should consistently assign and format project numbers at the time of application and ensure that project numbers follow projects through their full lifecycle.

**Recommendation 7:** Once LHC addresses recommendations 3 through 6, it should update its policies and procedures to reflect changes.

---

<sup>23</sup> Alabama Housing Finance Authority, Florida Housing Finance Corporation, Mississippi Home Corporation, and Texas Department of Housing and Community Affairs.

**Summary of Management's Response:** LHC agreed with all five of these recommendations and stated that it is currently transitioning its technology services to the Office of Technology Services, which will include employee training and standardization of all systems throughout every program administered by LHC. This plan includes instituting a centralized database to house all project data and will encompass tracking numbers from application through close-out. LHC also stated that the LHC Board requested updated policies and procedures, and it is complying with the request. See Appendix A for LHC's full response.

---

**LHC does not systematically track or analyze LIHTC project data, such as project costs or development timelines. As a result, LHC cannot always ensure that cost increases are reasonable or that projects are delivered timely, which can lead to delays in access to housing for vulnerable populations.**

LIHTC-funded housing developments are costlier to build than market-rate housing, and they often take several years to produce, which can further impact costs. Successful project management, particularly cost management, is important for ensuring that projects are completed on time and on budget. Good cost management helps to keep costs reasonably on target and helps project managers make informed decisions about assigning resources, assessing risks, and making adjustments throughout a project's timeline. Inadequate cost management can lead to costs going over budget, project delays, changing needs, and even project failure.

As shown previously in Exhibit 9, we identified several inefficiencies in LHC's project management processes, which also make it difficult for LHC to monitor, analyze, and evaluate project data. As a result, LHC does not actively or systematically track or analyze historical project costs, cost changes, or development timelines for LIHTC projects, which would help LHC determine the drivers of cost increases, develop better strategies to contain project costs, and identify other areas of improvement to more effectively administer the LIHTC program.

**LHC does not systematically track changes in project costs during development. Of 168 LIHTC projects placed in service during calendar years 2019 through 2025, 83 (49.4%) had certified final costs that exceeded their application estimates by more than 10%.** LHC's QAPs in calendar years 2019 through 2025 all require developers to notify LHC of any material changes to a project during its development, including a 10% or higher change in the project's sources of funding or its costs. However, LHC does not systematically track changes in project costs during development. Increases in

project costs can mean that developers may ultimately claim more tax credits than LHC initially awarded them, as development costs are used to determine LIHTC award amounts.<sup>24</sup> However, this is more problematic for 4% LIHTC projects than 9% projects, as there is no legal limit on the amount of 4% credits that LHC can award, so developers have less incentive to keep costs low. Cost increases for 4% projects are also important because the IRS Code requires that at least 50% of eligible project costs for 4% LIHTC projects be financed by tax-exempt bonds.<sup>25</sup> Thus, cost increases will likely require an increase in bonds for these projects to remain financially feasible, but SBC is also limited in the amount of bonds it can issue annually.

Overall, total development costs (TDC) for the 168 LIHTC projects completed during calendar years 2019 through 2025 increased by approximately \$339.0 million, from \$2.3 billion estimated in project applications to \$2.6 billion in certified final project costs. However, cost increases for 4% LIHTC projects account for almost two-thirds of the total cost increase, despite accounting for just 67 (39.9%) of the 168 projects completed during this time. In addition, while the overall cost increase from application to final cost certification for these 168 projects was 15.0%, 10 projects had cost increases of more than 50%. According to LHC, these cost increases were primarily the result of increased material and labor costs caused by COVID-19; changes in project scope, such as increasing the number of units constructed or revising the project design to meet the requirements of other funding sources; and project delays resulting from titling issues. For example, Projects 1 and 10 in Exhibit 10 both added 208 units during development, each going from 176 units to 384 units, a 118.2% increase. Exhibit 10 shows the 10 projects with the highest cost increases.

---

<sup>24</sup> Not all project development costs are considered eligible costs for determining LIHTC award amounts. For example, costs associated with permanent financing are not eligible costs.

<sup>25</sup> For 4% projects that will be placed in service after December 31, 2025, this amount will be reduced to 25% of eligible costs.

**Exhibit 10**  
**Completed LIHTC Projects with Cost Increases More Than 50%**  
**Calendar Years 2019 through 2025\***

Project Name	LIHTC Type	Construction Type	Parish	Application Cost Estimates	Final Certified Costs	Percent Change
Project 1	4%	Mix**	Rapides	\$18,292,286	\$53,928,790	194.8%
Project 2	9%	Rehabilitation	Caddo	6,235,124	14,418,854	131.3%
Project 3	4%	New Construction	Orleans	24,992,922	41,591,169	66.4%
Project 4	9%	New Construction	Washington	7,235,821	11,823,181	63.4%
Project 5	9%	Mix	Orleans	10,400,004	16,707,542	60.6%
Project 6	9%	New Construction	Caddo	9,576,464	14,932,113	55.9%
Project 7	4%	New Construction	East Baton Rouge	7,452,283	11,567,248	55.2%
Project 8	9%	New Construction	East Baton Rouge	16,233,349	25,121,739	54.8%
Project 9	4%	New Construction	East Baton Rouge	7,452,283	11,426,207	53.3%
Project 10	4%	Rehabilitation	Rapides	15,419,760	23,385,113	51.7%

\*Based on 168 LIHTC properties placed in service during calendar years 2019 through 2025 that have completed final cost certifications.

\*\*A "mix" construction type involves both new construction and rehabilitation.

**Source:** Prepared by legislative auditor's staff using LIHTC applications and audited final cost certifications provided by LHC.

Increases in hard costs (e.g., construction costs) accounted for 72.7% of total LIHTC cost increases for LIHTC projects completed during calendar years 2019 through 2025. Hard costs are the actual costs of constructing or rehabilitating a project, but do not include acquisition costs (e.g., the purchase of buildings and/or land), developer fees, contractor fees, or other types of soft costs. Soft costs are costs associated with architectural, engineering, consultant, and legal fees; insurance; permits; and appraisals, etc. Exhibit 11 shows the changes in different types of LIHTC costs from application to final cost certifications for the 168 LIHTC projects placed in service during calendar years 2019 through 2025. Appendix G provides more detailed information about cost increases by cost type for these projects.

<b>Exhibit 11</b>					
<b>Cost Changes by Cost Type for 168 Completed LIHTC Projects Calendar Years 2019 through 2025*</b>					
<b>Type of Cost</b>	<b>Application Estimates</b>	<b>Final Certified Costs</b>	<b>Change in Costs (\$)</b>	<b>Percent Change in Cost Type</b>	<b>Percent of Total Change in Costs</b>
Hard Costs (e.g., construction costs)	\$1,122,900,801	\$1,369,248,990	\$246,348,189	21.9%	72.7%
Contract Costs (e.g., builder overhead and profit)	166,833,246	199,869,105	33,035,859	19.8%	9.7%
Soft Costs (e.g., financing costs, developer fees, professional fees, etc.)	649,502,734	715,052,262	65,549,528	10.1%	19.3%
Acquisition Costs (e.g., purchase of buildings and/or land)	322,908,101	316,952,964	-5,955,137	-1.8%	-1.8%
<b>Total</b>	<b>\$2,262,144,882</b>	<b>\$2,601,123,321</b>	<b>\$338,978,439</b>	<b>15.0%</b>	
*Based on 168 LIHTC properties placed in service during calendar years 2019 through 2025 that have completed final cost certifications. <b>Source:</b> Prepared by legislative auditor's staff using LIHTC applications and audited final cost certifications provided by LHC.					

**LHC could improve its tracking of development timeframes as longer project timelines can increase project costs and delay access to affordable housing.** Federal regulations require different completion deadlines for 4% and 9% LIHTC projects. Generally, 9% projects should be placed in service within three years after their award date, while 4% projects do not have a strict time limit. Of the 168 LIHTC properties placed in service during calendar years 2019 through 2025, 60 (35.7%) took longer than three years to place in service following their award date. Among these, 38 (63.3%) were 9% projects. In addition, six (3.6%) of these 168 projects took more than five years to complete, with the longest taking 7.7 years, as shown in Exhibit 12.

**Exhibit 12**  
**LIHTC Projects with Completion Times over Five Years**  
**Calendar Years 2019 through 2025\***

Project Name	LIHTC Type	Construction Type	Parish	Award Date	Placed-in-Service Date	Completion Time (Years)
Project 1	4%	New Construction	Orleans	4/1/2012	12/20/2019	7.7
Project 2	9%	Rehabilitation	Caddo	9/13/2017	8/10/2023	5.9
Project 3	4%	Mix**	Lafayette	2/11/2015	12/14/2020	5.8
Project 4	4%	New Construction	East Baton Rouge	6/13/2018	9/18/2023	5.3
Project 5	4%	New Construction	East Baton Rouge	6/13/2018	9/15/2023	5.3
Project 6	4%	New Construction	Caddo	10/9/2019	10/31/2024	5.1

\*Based on 168 LIHTC properties placed in service during calendar years 2019 through 2025 that have completed final cost certifications.

\*\*A "mix" construction type involves both new construction and rehabilitation.

**Source:** Prepared by legislative auditor's staff using LIHTC project data provided by LHC.

According to LHC, project timeframes were also impacted by material and labor shortages during COVID-19 and project delays resulting from titling issues. However, Project 1 in Exhibit 12 took 7.7 years to complete because of long delays between different buildings obtaining their certificates of occupancy. There was also a long construction delay early in this project, but according to LHC, the reasons for the delay are not documented in the project's files.

The longer a project takes to complete, the longer vulnerable populations must wait to access affordable housing. In addition, costs are likely to increase over time. For example, interest rates may go up, the cost of materials and labor may increase, or natural disasters can impact supply chains or construction timelines. Soft costs, such as legal, accounting, or engineering fees, may also increase with longer project timelines.<sup>26</sup> Increased costs may also require developers to secure additional funding, which can further increase financing and legal fees and create further project delays. While many cost increases are beyond developers' control, better cost management strategies and project tracking could allow LHC to provide guidance to developers at particular project milestones to ensure that projects stay on track. This could also help to contain costs or ensure that any cost increases are reasonable.

**Because LHC does not systematically track or analyze historical project costs for LIHTC projects, it has not established reasonable cost limits for Louisiana housing developments.** Instead, LHC applies the HUD TDC limits, which are intended for public housing projects and may not accurately reflect the true cost of developing projects in Louisiana. NCSHA recommends that state housing agencies develop a standard for limiting TDC to reasonable amounts. According to NCSHA, state housing agencies should examine building and land costs across their state and evaluate certified cost data on existing LIHTC

<sup>26</sup> Our report [Low-Income Housing Tax Credit Cost Containment](#), issued April 30, 2025, provides additional information about LIHTC costs and explanations for typical project cost changes.

developments to produce cost limits tailored to their states' needs. It also encourages state housing agencies to consider the impacts of project location, construction type, populations served, and other project characteristics on cost limits. While LHC maintains multiple tracking spreadsheets for LIHTC project information, LHC does not systematically track or analyze historical LIHTC project costs.

LHC began using HUD's TDC limits as the overall cost limitation for LIHTC projects in 2018. Each year, HUD determines TDC limits for public housing agencies;<sup>27</sup> however, LIHTC, HOME, and CDBG-DR are not considered public housing funding and are exempt from these limits. According to developers, the HUD TDC limits are unrealistic because they do not consider additional costs of LIHTC projects, such as complex financing, historic rehabilitation, or the cost burdens to meet fortified and sustainability requirements of other funding sources often paired with LIHTC. For example, CDBG-DR funding requires more stringent resiliency and energy efficiency standards than LHC's QAP requires for LIHTC, but developers must meet the requirements of all funding sources. As a result, the HUD TDC limits may not accurately reflect the true cost of developing LIHTC properties in Louisiana. For example, of the 189 LIHTC projects awarded, under construction, or placed in service during calendar years 2019 through 2025 for which a HUD TDC limit was available, 65 (34.4%) were approved with exceptions for cost estimates<sup>28</sup> that exceeded their HUD TDC limit at the time of application.<sup>29</sup> If project estimates at the time of application continue to exceed HUD TDC limits, it may indicate that the HUD TDC limits are too restrictive for LIHTC developments in Louisiana.

Other states,<sup>30</sup> such as Alabama and Mississippi, establish their own state- and/or region-specific TDC limits by evaluating historic and current cost data for LIHTC developments in their state. In addition, Alabama does not publish the TDC limits it establishes. According to Alabama, developers will use published limits as targets and submit applications whose costs come in right at those limits rather than actively seeking to contain costs. By not publishing their limits, Alabama said that developers must submit applications with the lowest possible cost estimates because they do not know Alabama's threshold in advance. According to LHC, it uses the HUD TDC limits because they are readily available and easier to use than creating its own cost limits. LHC said that staff would need to compile cost data for the past 10 to 15 years, and this information is not currently stored in a database. However, if LHC tracked and analyzed historic cost data, it could establish TDC limits that more accurately capture the real costs of LIHTC developments regionally and/or statewide.

---

<sup>27</sup> HUD administers the Public Housing Capital Fund Program, which provides financial assistance to public housing agencies to make improvements to existing public housing and to develop new public housing.

<sup>28</sup> LHC uses an adjusted measure of TDC for comparison to HUD TDC limits. Adjusted TDC takes into account the differences between new construction and acquisition-rehabilitation projects and allows for a fair comparison between different project types. Adjusted TDC is typically lower than TDC.

<sup>29</sup> LHC may approve costs in excess of HUD TDC limits in some circumstances, such as extraordinary site costs.

<sup>30</sup> Of the 12 states' QAPs we reviewed in our April 2025 informational report on LIHTC cost containment strategies, Louisiana was the only state that used the HUD TDC limits as its cost limit.

**Recommendation 8:** LHC should track and analyze cost data from applications and final cost certifications for affordable housing projects in Louisiana.

**Summary of Management's Response:** LHC partially agreed with this recommendation and stated that it conducts thorough financial viability analyses, both at the application phase and during any potential financial recertification, though it acknowledges the information presented in the report. LHC also stated that it has identified operational and personnel deficiencies that are being addressed through enhanced training, supervision, and internal performance improvement measures. See Appendix A for LHC's full response.

**Recommendation 9:** LHC should track and analyze project development timeframes for affordable housing projects in Louisiana.

**Summary of Management's Response:** LHC partially agreed with this recommendation and stated that it tracks these timeframes yet acknowledges the need for bolstered compliance and inspection processes. LHC also stated that the enhanced training and management monitoring noted in its response to Recommendation 8 will ensure tracking improvements. See Appendix A for LHC's full response.

**Recommendation 10:** LHC should consider establishing a standard to develop cost limits that more accurately reflect the development costs of affordable housing projects in Louisiana.

**Summary of Management's Response:** LHC agreed with this recommendation and stated that it can and will implement changes in future funding opportunities and is exploring development cost caps. LHC also stated that it anticipates the centralized database noted in its response to Recommendation 3 will track development costs across all projects. See Appendix A for LHC's full response.

---

**LHC does not have an effective process for managing and tracking long-term compliance activities to ensure properties are inspected according to federal regulations and LHC policy. As a result, LHC does not always conduct all inspections as required. In addition, LHC has inspected fewer properties since calendar year 2019, even though the number of properties needing inspection has grown, which increases the risk that tenants are living in unsafe housing or that ineligible tenants are living in rent-restricted units.**

LHC's Construction and Compliance Division plays a large role in helping LHC meet its mission of providing every Louisiana resident an opportunity to obtain safe housing by conducting long-term compliance monitoring. This monitoring includes verifying that tenants meet income eligibility requirements and conducting physical property inspections to assess health and safety, operability, and appearance. Federal requirements for inspecting affordable housing properties can vary by funding type, the amount of funds used, and how long a property has been in service. The number of properties LHC must inspect also varies each year because new properties are placed in service and some properties reach the end of their affordability period. In addition, some properties also require monitoring more frequently than others<sup>31</sup> if the developers have a history of noncompliance. Because of the complexity of federal requirements and the number of properties requiring long-term monitoring, it is important to have clear processes for transitioning projects into the long-term compliance phase and for tracking compliance activities.

**LHC does not have an effective process for managing and tracking long-term compliance activities to ensure properties are inspected according to federal regulations and LHC policy. As a result, LHC does not always conduct all inspections as required.**

Federal regulations require all LIHTC properties to guarantee affordability (*see text box at right*) for 30 years; however, LHC is only required to inspect LIHTC properties at least once every three years for the first 15 years of the affordability period. For years 16 through 30 of LIHTC affordability, LHC must still inspect the properties, but it has more flexibility in determining how frequently inspections occur. Because of COVID-19 inspection waivers<sup>32</sup> and project management

The **affordability period** is the amount of time a property must carry rent, habitability, and occupancy restrictions.

---

<sup>31</sup> HOME regulations, for example, require a follow-up inspection within 12 months for any observed deficiencies.

<sup>32</sup> The IRS waived compliance monitoring requirements for LIHTC properties from April 1, 2020, through December 31, 2022. HUD waived compliance monitoring requirements for HOME properties from April 10, 2020, through September 30, 2022.

inefficiencies in the way LHC maintains its compliance documentation, we could not determine whether every property was inspected according to its individual schedule. However, we identified 10 LIHTC properties that LHC did not inspect at all during calendar years 2019 through 2025. Each was in its first 15 years of affordability during this entire timeframe, so each should have been inspected at least once. In addition, LHC does not always update its data to reflect the inspections that it has conducted, which makes it difficult for staff to ensure that the correct properties are included in each year's monitoring schedules. In total, LHC's compliance tracking spreadsheets did not include any inspection records for 71 LIHTC properties within their 30-year affordability period during calendar years 2019 through 2025, even though some of these properties were inspected.<sup>33</sup> Six other active LIHTC properties were not included in LHC's compliance tracking spreadsheets, though four were inspected.

LHC's inspection policy is not clear for LIHTC properties in years 16 through 30 of their affordability period. LHC's QAP states that inspections will occur every three years, but it does not state whether they will continue this cycle for the full 30 years. LHC's LIHTC Compliance Manual does not state how frequently inspections should occur in the second half of the affordability period (i.e., years 16 through 30), but does state that LHC has a risk assessment process for determining inspection frequency. According to LHC, however, it has not been able to conduct risk assessments or perform quality control activities in several years due to staffing challenges. Because HOME and CDBG-DR funding are subject to recapture by HUD, and because LIHTCs are subject to recapture from the IRS during the first 15 years, LHC said that it prioritizes these inspections.

LHC could improve its processes for transitioning projects to the long-term compliance phase and for tracking compliance activities. LHC's standard operating procedures do not contain a clear process for moving projects between their development phase, which is primarily managed by programs staff, and their compliance phase. According to staff, the processes used to move projects between divisions vary by funding type, but all rely heavily on manual data entry and email

communication. However, necessary project documentation is not always attached to emails, uploaded to HDS timely, or uploaded to HDS at all. Because compliance staff do not have access to the project files stored on programs staff's network drives, they must request missing documentation, which creates additional inefficiencies in the process and increases the risk that properties are not transferred between phases timely. In addition, LHC staff we interviewed provided conflicting accounts of the steps in these processes and how information and data were shared across departments.

Throughout this section, we use the term **compliance portfolio** to refer to the list of all active LIHTC and HOME projects subject to long-term compliance monitoring by LHC.

---

<sup>33</sup> These 71 properties include the 10 LIHTC properties that LHC did not inspect at all during calendar years 2019 through 2025 that were in the first 15 years of affordability during this entire timeframe.

In addition, LHC does not have documented procedures for creating or maintaining its compliance tracking spreadsheets. Compliance staff use the emails and monthly reports provided by programs staff to manually create annual tracking spreadsheets for properties in their portfolio and indicate which properties are scheduled for inspection in that calendar year. The spreadsheet is manually updated throughout the year as inspections occur; however, as previously discussed, LHC does not always update this information. These spreadsheets do not contain consistent information and are often missing key project details. For example, several properties were missing placed-in-service dates, which determine when compliance inspections are supposed to begin. In addition, inspection statuses (e.g., completed and closed, not completed, etc.) were not consistently recorded. According to LHC staff, the format and contents of the tracking spreadsheets depend on which staff member initiates them. Failing to capture sufficient or consistent information makes it difficult for LHC to track compliance monitoring activities over time, ensure that all properties are being inspected according to regulations and/or LHC policy, or ensure that all properties that should be monitored are listed in the portfolio.

**Exhibit 13**  
**Affordable Housing**  
**Development in Baton Rouge**

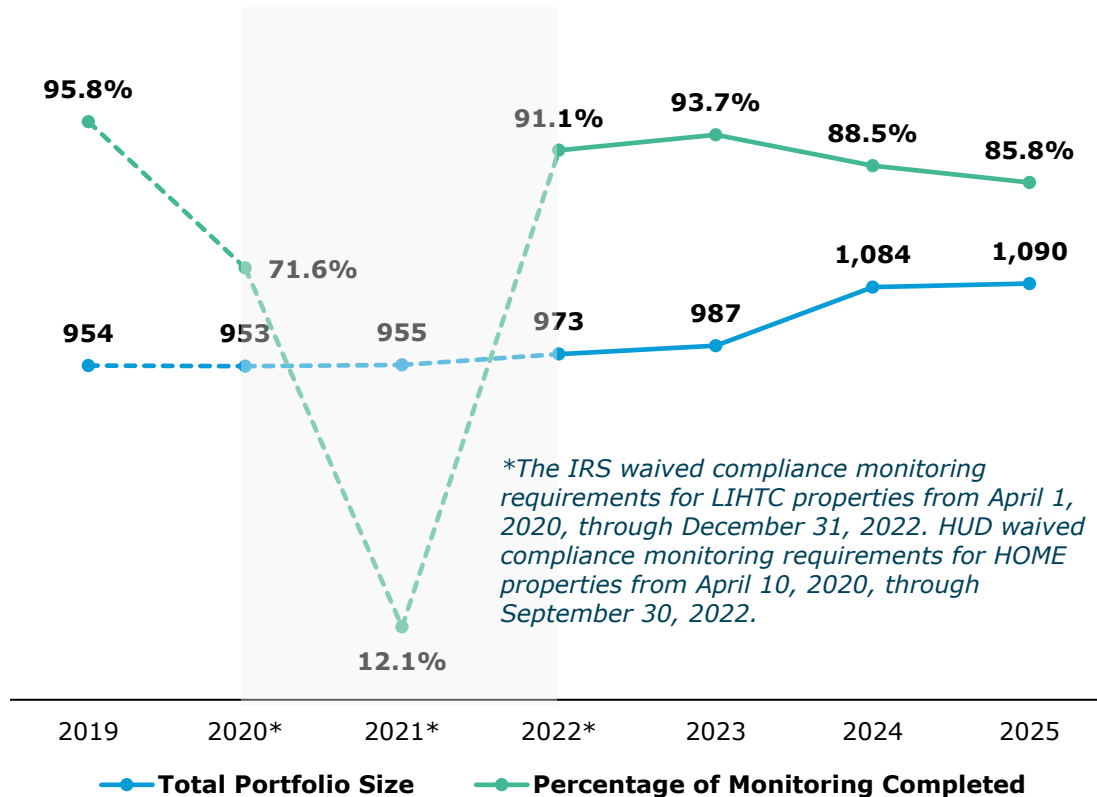


**Source:** Photograph taken by legislative auditor's staff in July 2025.

**According to LHC's compliance tracking spreadsheets, LHC has inspected fewer LIHTC and HOME properties since calendar year 2019, even though the number of properties needing inspection has grown, which increases the risk that tenants are living in unsafe housing or that ineligible tenants are living in rent-restricted units. For example, LHC's inspection completion rate has declined 10.0%, from 95.8% of LIHTC and HOME inspections completed in calendar year 2019 to 85.8% in calendar year 2025.** Because new properties are placed in service and existing properties reach the end of their affordability periods each year, the size of LHC's compliance portfolio changes annually. Between calendar years 2019 and 2025, the size of LHC's annual compliance portfolio increased from 954 LIHTC and HOME properties to 1,090 LIHTC and HOME properties, a 14.3% increase. Not all of these properties required monitoring every year, as regulations typically require that inspections occur at least once every three years. As the size of LHC's portfolio grows, so does the number of properties that will require monitoring in any given year; however, the percent of inspections LHC completed has declined during calendar years 2019 through 2025 by 10.0%. Failure to monitor all properties as required by federal regulations and LHC's policy increases the risk that tenants are living in unsafe housing, as assessing health and safety conditions are a key component of property inspections. In addition, not inspecting a property's tenant files increases the risk that developers are renting to tenants with ineligible incomes or are overcharging

rents. Exhibit 14 shows LHC’s annual LIHTC and HOME compliance monitoring portfolio and the percent of monitoring activities for scheduled properties completed during calendar years 2019 through 2025.

**Exhibit 14**  
**LIHTC and HOME Compliance Portfolio Size and Completion Rate of Scheduled Compliance Monitoring Activities**  
**Calendar Years 2019 through 2025**



**Source:** Prepared by legislative auditor’s staff using LHC’s internal compliance tracking spreadsheets for calendar years 2019 through 2025.

According to LHC, the Construction and Compliance Division has a difficult time maintaining staff to conduct property inspections, which contributes to difficulty in monitoring its portfolio. While LHC’s compliance portfolio varies year-to-year, on average, LHC had 999 properties in its portfolio during calendar years 2019 through 2025 and should have inspected an average of approximately 434 properties each year according to its compliance tracking spreadsheets. In fiscal year 2025, LHC had one staff member to conduct physical inspections and tenant file reviews as their primary job role, resulting in a supervisor and the division’s director taking on these tasks in addition to their other regular duties. In addition, during state fiscal years 2020 through 2025, the Construction and Compliance Division had an average turnover of 42.5% for staff whose primary role includes physical inspections and tenant file reviews. According to LHC, retaining staff for

compliance monitoring is difficult because the job requires constant travel across the state, resulting in staff frequently staying in hotels to complete monitoring.

**Recommendation 11:** LHC should develop a clear, standardized process for transferring properties to its Construction and Compliance Division.

**Summary of Management's Response:** LHC agreed with this recommendation and stated that its Chief Administrative Officer has begun implementing a reorganization of the Construction and Compliance Division to ensure processes are standardized. Once standardized and implemented, these processes will be regularly evaluated and monitored to ensure compliance and continuous improvement. See Appendix A for LHC's full response.

**Recommendation 12:** LHC should develop a complete and accurate list of all properties in their long-term monitoring phase, including relevant data about those properties, such as project numbers and placed-in-service dates.

**Summary of Management's Response:** LHC partially agreed with this recommendation and stated that it maintains this list, however acknowledges the information presented in the report regarding improved accuracy and additional data. See Appendix A for LHC's full response.

**Recommendation 13:** LHC should develop a consistent, standardized process for tracking inspections.

**Summary of Management's Response:** LHC agreed with this recommendation and stated that as referenced in response to Recommendation 11, this process is encompassed in the divisional reorganization. In addition, the centralized database described in response to Recommendation 3 will include inspection tracking. See Appendix A for LHC's full response.

**Recommendation 14:** LHC should clarify its policy for inspecting LIHTC properties in years 16 through 30 of their affordability period and update this policy in relevant LIHTC documentation, including the QAP and LIHTC Compliance Manual.

**Summary of Management's Response:** LHC agreed with this recommendation and stated that its internal processes are being evaluated for improvement in implementation, including regular evaluations and monitoring by management. In addition, this evaluation encompasses review of inspection policies for years 16 through 30 of affordability. LHC also stated that after evaluating, these policies and relevant LIHTC documentation will be updated. See Appendix A for LHC's full response.

**Recommendation 15:** LHC should ensure that it monitors all properties in its compliance portfolio according to federal regulations and LHC policy.

**Summary of Management’s Response:** LHC agreed with this recommendation and stated that it recognizes the need to strengthen oversight and monitoring procedures to ensure all properties remain in compliance with applicable federal regulations and LHC policy. LHC also stated that it is implementing enhanced compliance review protocols and regular reporting measures to improve accountability and ongoing regulatory adherence. See Appendix A for LHC’s full response.

---

**LHC does not always report health and safety violations identified during LIHTC inspections to the IRS, as required by federal regulations. For example, of a selection of 24 LIHTC property inspections conducted during calendar years 2019 through 2024, LHC did not report identified health and safety violations to the IRS for 22 (91.7%) properties. If LHC does not report instances of noncompliance to the IRS, the IRS cannot enforce penalties against developers who do not comply with health and safety standards.**

Compliance monitoring requirements are stricter for LIHTC properties in the first 15 years of a property’s affordability period because developers claim tax credits during this timeframe<sup>34</sup> and because the IRS can recapture some or all of these tax credits during the first 15 years of affordability if a property is not in compliance with regulations. Federal regulations require LHC to report all violations identified at LIHTC properties to the IRS during these first 15 years, and these noncompliance reports allow the IRS to determine whether any tax penalties should be levied against noncompliant developers. In addition, federal regulations require LHC to develop procedures to ensure developers correct deficiencies at HOME properties timely. LHC’s HOME Compliance Manual states that LHC may also report instances of noncompliance to HUD in some circumstances, but LHC has the primary responsibility of enforcing corrective actions at HOME properties.

**LHC does not always report health and safety violations identified during LIHTC inspections to the IRS, as required by federal regulations. For example, we reviewed a selection of 24 LIHTC property inspections conducted during calendar years 2019 through 2024<sup>35</sup> and found that LHC did not report identified health and safety violations to the IRS for 22 (91.7%) of these inspections.** According to IRS guidance,<sup>36</sup> LHC must report any

---

<sup>34</sup> Developers claim LIHTC during the first 10 years of the affordability period.

<sup>35</sup> We excluded property inspections conducted during calendar year 2025 because the 2025 monitoring cycle was ongoing during our audit. See Appendix B for information about our methodology.

<sup>36</sup> [Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition Audit Technique Guide: Guide for Completing Form 8823](#), IRS, January 2024

violations identified during LIHTC inspections to the IRS during the first 15 years of the affordability period, regardless of the severity of violations or whether they have been corrected. Exhibit 15 contains a description of the categories LHC uses to conduct physical inspections and examples of violations that must be reported.

<b>Exhibit 15 Deficiency Categories for Physical Inspections As of December 31, 2025</b>		
<b>Category</b>	<b>Description</b>	<b>Example Violations</b>
Life, Health, and Safety	Deficiencies that pose a potential danger to residents, classified as either moderate or severe. Life-threatening violations must be corrected within 24 hours.	A missing, damaged, or expired fire extinguisher or an inoperable smoke alarm
Function and Operability	Deficiencies of fixtures, features, and appliances that eliminate or critically reduce usability, but are not likely to directly harm a resident.	A leaking sink or inoperable stove burners
Condition and Appearance	Deficiencies where the property does not meet reasonable expectations of condition and appearance, which could result in the property suffering reputational harm or residents incurring additional costs.	Building exterior needing to be pressure washed or damaged vehicles in the parking lot

**Source:** Prepared by legislative auditor's staff using information from HUD, LHC, and Novogradac.

We reviewed a targeted selection of 24 LIHTC inspections conducted during calendar years 2019 through 2024<sup>37</sup> and found that LHC did not report identified health and safety violations for 22 (91.7%) of these properties to the IRS. LHC identified 135 health and safety violations on its monitoring reports for these 24 inspections, 18 (13.3%) of which were reported on the two noncompliance reports LHC filed with the IRS. According to LHC, completing IRS noncompliance forms is a time-consuming task. Noncompliance forms must be filed separately for each building at a property, and separate "corrected noncompliance" forms must also be filed for previously reported violations. In addition, LHC said that its data system is not capable of automatically generating noncompliance forms from inspection reports; forms must be manually created by LHC inspectors. According to LHC, it is not possible for the Construction and Compliance Division to report every violation given its staffing levels. LHC said that it prioritizes filing noncompliance reports for tenant violations (e.g., ineligible income or overcharged rent) and health and safety violations.

According to LHC, the IRS allows flexibility in determining what constitutes reportable noncompliance. IRS guidance provides state housing agencies with discretion to determine whether properties are suitable for occupancy and whether property conditions meet minimum habitability standards. However, the IRS still requires LHC to report any noncompliance of which it becomes aware, regardless of

<sup>37</sup> We selected 24 LIHTC inspections with completed monitoring reports in calendar years 2019 through 2024 that were all within the first 15 years of compliance monitoring. LHC conducted a total of 2,316 inspections during calendar years 2019 through 2024 according to its compliance tracking spreadsheets. See Appendix B for more information about our methodology.

its severity or status of correction. Other states we interviewed said that they report all or almost all noncompliance issues to the IRS. Florida and Texas both said that they report every instance of noncompliance to the IRS. Mississippi said that it does not report violations if they are corrected while the inspector is still on-site, but it reports all violations that remain uncorrected when the inspector leaves the property. Alabama, however, stated that it only reports life-threatening health and safety violations to the IRS, similar to LHC. In addition, both Texas and Alabama said that their data systems are capable of automatically generating IRS noncompliance forms, which makes it easier to report violations.

**If LHC does not report instances of noncompliance to the IRS, the IRS cannot enforce penalties against developers who do not comply with health and safety standards.** The IRS routinely analyzes noncompliance forms submitted by state housing agencies to determine whether an audit of developers is needed. These audits may result in penalties against developers, including the recapture of some or all of the LIHTCs awarded by LHC. In addition, failing to report noncompliance may make it more difficult for LHC to track developers that should be disqualified from future funding opportunities. For example, LHC's LIHTC Compliance Manual states that uncorrected noncompliance at any time during the 30-year affordability period may result in developers losing "good standing" with LHC. In addition, QAPs in calendar years 2019 through 2025 all include criteria for disqualifying developers that are not in good standing or have unresolved compliance violations. LHC's failure to report noncompliance to the IRS or track noncompliance for all properties in its portfolio limits its ability to conduct oversight and ensure that only qualified developers are awarded funding.

**Even though LHC does not conduct all required monitoring activities or report all instances of noncompliance as required by federal regulations, LHC certified its compliance with these regulations to the IRS every year during calendar years 2019 through 2024.**<sup>38</sup> IRS regulations require state housing agencies to annually report their compliance monitoring activities to the IRS. This report contains LHC's attestation that it has followed federal regulations in conducting housing inspections and reporting instances of noncompliance to the IRS. LHC certified its compliance with these regulations every year during calendar years 2019 through 2024. As discussed previously, however, LHC did not conduct inspections of all LIHTC properties as required by federal regulations, and LHC did not file noncompliance forms with the IRS for all identified instances of noncompliance during calendar years 2019 through 2024. In addition, LHC did not conduct compliance monitoring for its entire annual portfolio in any year during the same timeframe, as shown previously in Exhibit 14. Exhibit 16 contains an image of the annual IRS certification that must be completed by LHC. The red box indicates the two questions that LHC is reporting incorrectly.

---

<sup>38</sup> LHC tax forms for calendar year 2025 were not available as of April 2026.

**Exhibit 16**  
**Annual Low-Income Housing Credit Agencies Report**  
**IRS Form 8610 Part III**  
**As of December 31, 2025**

<b>Part III Compliance With Low-Income Housing Requirements</b>
<p><b>13</b> Does the state’s qualified allocation plan in effect for 2025 include compliance monitoring procedures as required in section 42(m)(1)(B)(iii) and Regulations section 1.42-5(a)(2), including monitoring for habitability standards through regular site visits? (If “No,” attach an explanation.) . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p><b>14</b> Has the housing credit agency, for 2025 (or its most recent 12-month operating period), complied with all applicable requirements under the compliance monitoring procedures in its qualified allocation plan? (If “No,” attach an explanation.) . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p><b>15</b> Has the housing credit agency, for 2025 (or its most recent 12-month operating period), complied with the requirements of its monitoring procedures to fulfill its notification of noncompliance responsibilities under Regulations section 1.42-5(e)? (If “No,” attach an explanation.) . . . . . <input type="checkbox"/> Yes <input type="checkbox"/> No</p>

**Source:** Prepared by legislative auditor’s staff using a blank 2025 IRS Form 8610 obtained from the IRS website.

According to LHC, this form only requires LHC to certify that it is following its internal procedures for monitoring and reporting noncompliance. However, we could not identify IRS regulations or other IRS guidance to verify this statement. In addition, both LHC’s QAPs for calendar years 2019 through 2025 and its LIHTC Compliance Manual either restate the relevant provisions of the IRS Code and IRS regulations, refer users to the federal regulations, or are not sufficiently clear as to determine what LHC’s internal procedures require. Developing a more effective process for managing and tracking compliance monitoring activities, as discussed previously, would also help LHC to verify that it meets its federal obligations prior to certifying its compliance with the IRS.

**Recommendation 16:** LHC should ensure that all instances of noncompliance are reported to the IRS for all LIHTC-funded properties, as required by federal regulations.

**Summary of Management’s Response:** LHC agreed with this recommendation and stated that it is committed to ensuring that all identified instances of noncompliance are properly documented, reviewed, and reported to the IRS in accordance with federal requirements. In addition, internal compliance procedures are being strengthened to promote timely reporting, oversight, and corrective actions taken where necessary. See Appendix A for LHC’s full response.

**Recommendation 17:** LHC should ensure that it meets all federal requirements for LIHTC compliance monitoring before certifying its annual compliance to the IRS.

**Summary of Management’s Response:** LHC agreed with this recommendation and stated that it is committed to ensuring that all federal

requirements for LIHTC compliance monitoring are met before any compliance certifications. Internal compliance procedures are being strengthened to promote timely reporting, oversight, and corrective action taken where necessary. See Appendix A for LHC's full response.

**Recommendation 18:** LHC should seek written guidance from the IRS regarding accurate completion of IRS Tax Form 8610 Part III, including forms submitted during calendar years 2019 through 2024.

**Summary of Management's Response:** LHC agreed with this recommendation and stated that it will be seeking written guidance from the IRS. See Appendix A for LHC's full response.

---

**Improved planning would help LHC better meet its mission and goals. While LHC has a strategic plan, it does not include measurable goals to track and measure success. In addition, LHC has not developed a comprehensive statewide housing plan as required by state law, which would help integrate state and local housing efforts.**

LHC's mission is to ensure that every Louisiana resident is granted an opportunity to obtain safe, affordable, energy-efficient housing. Strategic planning is an important step for agencies to meet their mission and goals. The U.S. Government Accountability Office (GAO) identified key practices that federal organizations can take to effectively build and use evidence to manage its performance, including (1) plan for results, (2) assess and build evidence, (3) use evidence, and (4) foster a culture of learning and continuous improvement.<sup>39</sup> These strategies can also be used by state agencies to meet their goals.

**Improved strategic planning would help LHC better meet its mission and goals. While LHC has a strategic plan, it should develop measurable goals as part of the plan to track and measure success.** LHC's 2023-2026 Strategic Plan includes 10 strategic goals; however, the goals outlined in the plan do not include performance measures or benchmarks. For example, one of LHC's strategic goals is to "create housing that increases economic development, jobs, and builds community." One of the goal's objectives is to "address unmet needs of low-income and critical needs populations by increasing accessibility to housing," but the plan does not indicate how LHC will address this goal or what successful outcomes would be. LHC compiles quarterly strategic plan progress reports to track its progress towards meeting its plan objectives. However, because LHC's strategic plan does not include measurable goals or desired benchmarks, the progress

---

<sup>39</sup> [Evidence-Based Policymaking: Practices to Help Manage and Assess the Results of Federal Efforts](#), GAO, July 2023

reports do not determine whether LHC has been successful at meeting its goals. For example, in September 2025, the progress report included two measures of success for its objective to address unmet needs of low-income and critical needs populations by increasing accessibility to housing: (1) Projected Rental Unit Allocation and (2) Number of Rehab Units. However, without a goal or benchmark, LHC cannot determine whether it has been successful.

Other states, such as North Carolina and Texas, include measurable goals in their strategic plans. For example, one of North Carolina's objectives is that by January 2027, it will increase the number of cumulative households served by 25% over households served as of December 2021, and its target is to serve an additional 167,500 households. While Texas's goal to provide federal tax credits to develop rental housing for very low- and low-income households does not include benchmarks, it does include several measures it can use to track progress, as shown in Exhibit 17.

**Exhibit 17**  
**Texas Strategic Plan Performance Metrics**  
**Texas Department of Housing and Community Affairs' Strategic Plan**  
**Fiscal Years 2025 to 2029**

**Goal:** To provide federal tax credits to develop rental housing for very low- and low-income households.

**Metrics:**

- Number of units funded through the housing tax credit program
- Average annual tax credits amount per unit of new construction
- Average total development costs per unit for new construction
- Average annual tax credits amount per restricted units for rehabilitation projects
- Average total development costs per unit for rehabilitation projects
- Number of restricted units constructed through new construction
- Number of restricted units funded through rehabilitation projects

**Source:** Prepared by legislative auditor's staff using the [Texas Department of Housing and Community Affairs' Strategic Plan for Fiscal Years 2025 to 2029](#).

**Better data could help improve strategic planning.** LHC contracts with a vendor to develop a statewide housing needs assessment. The most recent housing needs assessment was conducted by Louisiana State University in 2019, which relied on publicly available data, such as U.S. Census data. LHC is currently contracted with Novogradac<sup>40</sup> for a needs assessment with the goal of completing the plan in June 2026. However, in addition to publicly available data, Novogradac is using data provided by LHC as part of the needs assessment. As discussed previously, LHC's data are not always complete or accurate, which can impact the results of the statewide needs assessment. For example, LHC reports all units for properties funded through the LIHTC program, not just the rent-restricted units directly supported by LIHTC. As a result, LHC is overstating the number of

---

<sup>40</sup> Novogradac is a national certified public accounting and consulting firm that specializes in real estate, affordable housing, community development, and renewable energy.

affordable units funded through LIHTC. In addition, not having a comprehensive list of projects, complete and accurate project information, or inventory of hard and soft costs limits LHC's ability to determine how its efforts are impacting the state or addressing the different housing needs for vulnerable populations, households at different income levels, and areas of the state. Better data can also help LHC use the needs assessment and strategic plan to tailor QAPs or other funding announcements to meet specific goals and priorities.

**LHC has not developed a comprehensive statewide housing plan as required by state law, which would help integrate state and local housing efforts.** Act 408 of the 2011 Regular Legislative Session required LHC to establish the Housing and Transportation Planning and Coordinating Commission (HTPCC) as an advisory committee. The primary purpose of the HTPCC is to advise LHC in coordinating the integration of planning and spending by local governments, parish and municipal governing authorities, redevelopment authorities, and the Louisiana Department of Transportation and Development on housing and transportation needs. State law requires the HTPCC to create a statewide housing plan for state agencies, and the LHC Board of Directors must approve the statewide housing plan and any subsequent updates. However, the HTPCC has not been active since 2015, and LHC has not created a statewide housing plan.

Several states have issued statewide housing plans.<sup>41</sup> For example, Illinois' Affordable Housing Task Force issues an Annual Comprehensive Housing Plan that sets funding, resources, and programming to advance the state's policy priorities and increase access to affordable housing. Michigan issued a comprehensive statewide housing plan in 2022 that sets the stage for a coordinated, data-driven, outcome-oriented approach to housing to ensure that all citizens have a quality home that meets their needs and is located where they benefit from a range of amenities.

Addressing affordable housing involves coordination and communication of state and local initiatives. Developing a comprehensive state housing plan could help the state and local governments work more closely together to prioritize housing needs and implement solutions to housing barriers. Several factors can affect the development of affordable housing, such as local government land and property tax policies, land use controls, zoning ordinances, building codes, and fees and charges, as well as outdated infrastructure and land availability. According to the National Conference of State Legislatures (NCSL),<sup>42</sup> local governments can address some barriers to affordable housing development through actions such as updating zoning regulations to permit more density and housing types, streamlining permitting processes to expedite construction and reduce delays and associated costs, revising building codes to increase flexibility in construction and reduce costs, and eliminating or reducing parking requirements to allow for more housing units.

---

<sup>41</sup> Including Illinois, Massachusetts, Michigan, Rhode Island, Utah, and Oregon.

<sup>42</sup> ["Increasing the Housing Supply by Reducing Costs and Barriers,"](#) NCSL, June 2024

**Recommendation 19:** LHC should develop measurable goals and/or benchmarks as part of its strategic plan.

**Summary of Management's Response:** LHC agreed with this recommendation and stated that now that it has resolved its financial shortfalls, it is conducting a comprehensive review of every department and program to solidify a comprehensive and uniform strategic plan. See Appendix A for LHC's full response.

**Recommendation 20:** LHC should develop a comprehensive statewide housing plan as required by state law.

**Summary of Management's Response:** LHC agreed with this recommendation and stated that the Housing Needs Assessment will dictate the statewide plan in accordance with state law. Once the Housing Needs Assessment is completed, it will develop a statewide housing plan and present it to the LHC Board of Directors for review and approval. See Appendix A for LHC's full response.

## Objective 2: To evaluate staff perceptions of the organizational culture at LHC and its impact on the administration of affordable housing.

---

Overall, LHC has had longstanding challenges with organizational culture, agency-wide communication, and leadership turnover. Our 2022 performance audit found that LHC needed to address ongoing issues with the organizational culture, employee morale, and enhancing communication and accountability.<sup>43</sup> We conducted a survey of all current LHC staff<sup>44</sup> to follow up on our previous performance audit and the results of our 2025 LHC staff survey suggest that these issues have not improved at LHC.<sup>45</sup> Specifically, we found the following:

- **LHC has not had consistent leadership, with five of the eight executive directors serving between calendar years 2019 and 2025.** As a result, LHC has a history of challenges with change management and facilitating communication within the agency. Results from our 2025 LHC staff survey indicate that these challenges are ongoing.
- **The 2025 staff survey results indicate that most LHC employees are passionate about the work they do, but LHC needs to address other ongoing issues with its organizational culture, including improving employee morale and increasing transparency.** Survey results indicate that morale is low within LHC as a whole and staff report low levels of job satisfaction. In addition, survey responses indicate that low levels of job satisfaction stem from staffing issues, increased workloads without adequate compensation, and staff feeling undervalued.

Our findings and recommendations are discussed in more detail in the following sections.

---

<sup>43</sup> [Louisiana Housing Corporation](#), issued February 17, 2022

<sup>44</sup> We conducted our survey between November 12 and 26, 2025.

<sup>45</sup> To follow up on our previous report, we conducted a survey of LHC's 109 staff and received 85 responses, for a response rate of 78.0%.

---

**LHC has not had consistent leadership, with five of the eight executive directors serving between calendar years 2019 and 2025. As a result, LHC has a history of challenges with change management and facilitating communication within the agency. Results from our 2025 LHC staff survey indicate that these challenges are ongoing.**

An agency's organizational culture affects employee productivity and performance, which ultimately affects the agency's ability to meet its mission and goals. Low morale and unclear communication within LHC contribute to inefficient processes for managing affordable housing in the state. The GAO<sup>46</sup> emphasizes that leaders must set the direction, pace, and tone of changes, and they should engage employees throughout changes being made at an agency; develop an effective, ongoing communication strategy; and establish clear policies and procedures. These change leadership strategies can mitigate uncertainty that results from organizational change, boost employee morale, and build trust between leadership and staff.

**Change leadership** initiates and/or manages the change process and energizes it on an ongoing basis, taking steps to remove barriers or accelerate its pace.

**LHC has not had consistent leadership, with five executive directors serving between calendar years 2019 and 2025.** Effective change leadership and communication is especially important because during calendar years 2019 through 2025, LHC did not have consistent upper management. Since its creation in 2011, LHC has had eight different executive directors,<sup>47</sup> five of which served during calendar years 2019 through 2025 alone. The LHC Board of Directors appointed the current executive director in December 2024. Frequent changes in executive leadership can lead to instability and uncertainty, as well as affect overall employee morale. Managing operational changes and changes in leadership, including clearly communicating changes to staff can build trust with agency employees and lead to better outcomes.

**LHC has a history of challenges with change leadership and communication within the agency resulting from inconsistent leadership.** Between 2016 and 2019, the Department of State Civil Service (DSCS) conducted a series of two competency analyses with LHC, focus groups with staff and management, and leadership training for management. These found that staff and management often had different perceptions within LHC. Management commonly reported that information flow was siloed; staff reported that information was not shared with employees and that their input was not requested or valued. These perceptions were largely attributed to a lack of trust and transparency; staff fears

---

<sup>46</sup> [Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations](#), GAO, July 2003

<sup>47</sup> Including two interim executive directors that only served in an interim capacity.

of management's motives, goals, and of layoffs; and a lack of understanding of roles and processes. DSCS recommended that LHC clearly articulate the agency's vision and values, create a comprehensive communication plan for the organization, and engage with staff to define roles and processes to address the perception that management does not understand and/or value processes perceived as critical by staff. LHC did not create a communication plan as recommended; however, the agency came up with an action plan, included communication protocols in its standard operating procedures, and created a code of conduct.

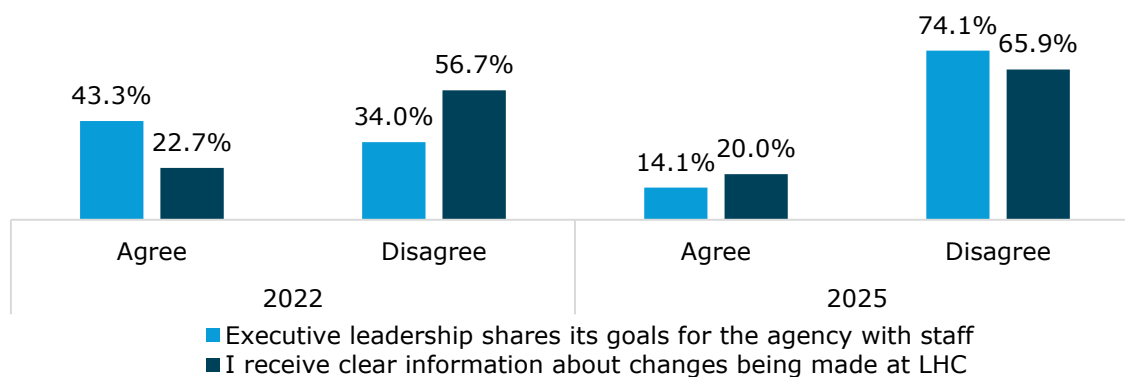
DSCS also found that staff and management had differing views of agency change leadership. Management commonly reported that the agency did not have a clear direction, causing management to be unaware of changes and unable to help or reassure staff. Staff commonly reported that change is not sustained, projects linger and stagnate, and that staff input is not sought on changes. DSCS recommended that LHC identify projects that are "in limbo" and put emphasis on finishing them, which would help in changing perceptions and lead to additional incremental changes; celebrate small wins and incremental development; and deploy project management practices to ensure projects are completed timely. In 2019, DSCS stated that LHC saw some improvement in these areas following focus groups and leadership training; however, differences in staff and leadership perspectives remained and DSCS recommended that LHC continue to focus on improving its communication and change leadership.

**Our survey results indicate that change leadership and communication challenges previously identified by DSCS and our 2022 audit are ongoing.** According to the GAO,<sup>48</sup> organizational change can have detrimental effects on an agency's productivity and on workplace morale. Management should more clearly communicate organizational changes to staff to build trust and encourage smooth transitions. In our 2025 LHC staff survey, 63 (74.1%) of 85 respondents disagreed that executive leadership shares its goals for the agency with staff, and 56 (65.9%) disagreed that they receive clear information about changes being made at LHC. These results indicate that staff views of leadership's communication with staff have worsened since our 2022 audit. Exhibit 18 compares survey responses on leadership's communication with staff about goals and upcoming changes from our surveys in 2022 and 2025. Appendix H contains the full results of our 2025 LHC staff survey.

---

<sup>48</sup> [Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations](#), GAO, July 2003; [DOE Needs Greater Leadership Stability and Commitment to Accomplish Cleanup Mission](#), GAO, May 2022

**Exhibit 18**  
**Comparison of Results on Leadership Communication with Staff from**  
**2022 and 2025 LHC Staff Surveys\***  
**As of November 2025**



\*The 2022 LHC staff survey was conducted in November 2021 and received 99 responses from 136 staff. The 2025 LHC staff survey was conducted in November 2025 and received 85 responses from 109 staff.

**Source:** Prepared by legislative auditor's staff using the results of LLA's 2022 and 2025 LHC staff surveys.

Better change leadership and communication would help LHC develop a more cohesive, effective agency culture and improve outcomes. According to DSCS, agencies that effectively communicate create an atmosphere in which timely and high-quality information flows smoothly up, down, and inside an organization and employees are encouraged to openly express ideas and opinions. During calendar year 2025, new leadership restructured parts of the agency, instituted several new policies, conducted a round of layoffs, and moved all LHC employees housed in satellite offices into its main building. Staff have expressed confusion regarding changes, including uncertainty as to who their supervisor is, not understanding why changes were made, and frustration about increased workloads. In addition, several staff stated that many of these changes were instituted without communicating plans to staff, which caused confusion and uncertainty and contributed to declining morale. According to the GAO,<sup>49</sup> employee involvement strengthens the change process by including frontline perspectives and experiences. Further, employee involvement helps to create the opportunity to establish new networks and break down existing organizational silos, increase employees' understanding and acceptance of organizational goals and objectives, and gain ownership for new policies and procedures.

**Recommendation 21:** LHC should improve communication throughout the agency.

**Summary of Management's Response:** LHC agreed with this recommendation and stated that this issue has been specifically targeted by

<sup>49</sup> [Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations](#), GAO, July 2003

Executive Staff, which has already implemented bi-weekly meetings with department directors to ensure strengthened communication throughout the agency. See Appendix A for LHC's full response.

**Recommendation 22:** LHC should create a comprehensive agency-wide communication plan, as previously recommended by DSCS.

**Summary of Management's Response:** LHC agreed with this recommendation and stated that it will create a comprehensive agency-wide communication plan which will include regular meetings between Executive Staff and all employees to increase transparency and collaboration. See Appendix A for LHC's full response.

---

**The 2025 staff survey results indicate that most LHC employees are passionate about the work they do, but LHC needs to address other ongoing issues with its organizational culture, including improving employee morale and increasing transparency.**

According to the GAO,<sup>50</sup> management should continually assess an agency's needs to maintain a workforce that has the required knowledge, skills, and abilities to meet these needs and achieve objectives. The design of a performance evaluation and feedback system, supplemented by an effective rewards system, can help employees understand the connection between their performance and the entity's success.

In May 2025, LHC conducted a round of layoffs due to budgetary restraints, resulting in 37 positions<sup>51</sup> being abolished, 22 employees being laid off, and seven other employees being relocated to vacancies created by the layoffs. According to LHC, layoffs were necessary because of an estimated \$3.0 million budgetary shortfall, and LHC had taken several measures to reduce expenses to avoid layoffs, including reducing agency travel and other non-critical expenses, implementing a hiring freeze, and offering a retirement incentive for eligible employees. As discussed previously, longstanding challenges with communication and coordination within the agency and newly-implemented changes have caused staff's perception of some aspects of organizational culture and agency practices to worsen, indicated by our survey results discussed above and below.

**While staff feel passionate about the work they do, survey results indicate that this has declined since 2022.** According to our 2025 LHC staff survey, 68 (80.0%) of 85 respondents stated they are passionate about their work at LHC, which is a decrease from 89.9% (89 of 99 respondents) of staff who stated

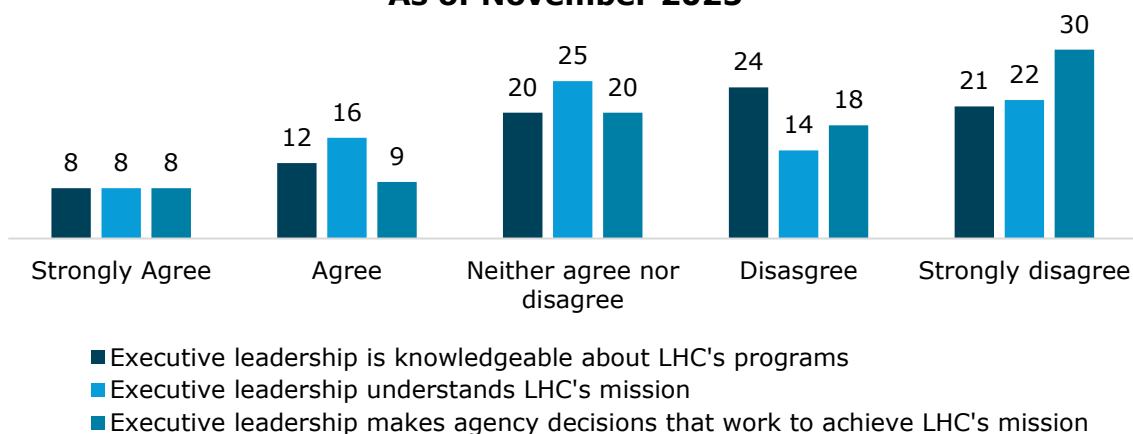
---

<sup>50</sup> [Standards for Internal Control in the Federal Government](#), GAO, May 2025

<sup>51</sup> Of the 37 eliminated positions, 13 (35.1%) were vacant at the time of the layoff.

the same in 2022. Multiple staff reported that they enjoy working to help the people of Louisiana secure affordable housing and believed that LHC's work was important and valuable to the state. However, staff have less favorable views of leadership and its understanding of the agency. Approximately half, or 52.9% (45 of 85) of survey respondents, disagreed that executive leadership understands LHC's programs. In addition, 56.5% (48 of 85) survey respondents disagreed that executive leadership makes decisions that work to achieve the agency's mission. As discussed previously, employee involvement in the change process can increase understanding and acceptance of organizational goals and objectives. Clearly defining staff roles and organizational processes, as recommended by DSCS, would aid in addressing the perception that management does not understand and/or value processes perceived as critical by staff, facilitate employee input, increase employee engagement, and foster accountability for these roles and processes. Exhibit 19 includes the results of survey questions asking about staff's perceptions of executive leadership.

**Exhibit 19**  
**2025 LHC Staff Survey Responses about Executive Leadership**  
**85 Respondents**  
**As of November 2025**



**Source:** Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.

**Survey results indicate that morale is low within LHC as a whole and staff report low levels of job satisfaction. In addition, survey responses indicate that low levels of job satisfaction stem from staffing issues, increased workloads without adequate compensation, and staff feeling undervalued.** Six (7.1%) of 84<sup>52</sup> respondents agreed that morale was high at LHC. However, low morale has been a persistent issue at LHC. LHC staff also reported low morale during our 2022 audit, though 18 (18.2%) of 99 staff at LHC reported that morale was high at that time. In 2025, 25 (29.4%) of 85 respondents rated their level of job satisfaction as either "excellent" or "good," while 39 (45.9%) of 85 respondents rated their job satisfaction as "fair" or "poor". Survey respondents

<sup>52</sup> One respondent did not answer this question.

cited frustration regarding staffing at LHC, including too few staff, inconsistent pay raises, and not feeling valued.

According to the GAO,<sup>53</sup> defined succession and contingency plans for key roles help an entity continue to achieve its objectives (*see text box at right*). Succession plans choose and train succession candidates to assume key roles, whereas contingency plans assign responsibilities in case a key role is vacated without advanced notice. Survey respondents stated that staffing levels are too low to effectively manage workloads. For example, 10 (24.4%) of 41<sup>54</sup> survey respondents indicated that staffing levels are negatively impacting the operation of programs and the execution of services and LHC's mission, and 64 (75.3%) of 85 respondents disagreed that their department has enough staff to perform its expected duties. Survey respondents also indicated that workloads have increased without adequate compensation. Examples of survey responses related to staffing include:

**Succession plans** address an entity's need to replace competent personnel over the long-term.

**Contingency plans** address an entity's need to respond to sudden personnel changes.

- "Our department, and LHC overall, is currently understaffed, which places a significant burden on existing employees. Many of us are overworked and expected to manage responsibilities that exceed the capacity of our current team."
- "My department has been short staffed for almost a year, and leadership has made it clear that this department will not be getting any additional people to complete the work that is expected of us."
- "Staffing levels in individual sections/areas do not consistently align with the amount of work or level of importance of the work performed in the section/area."

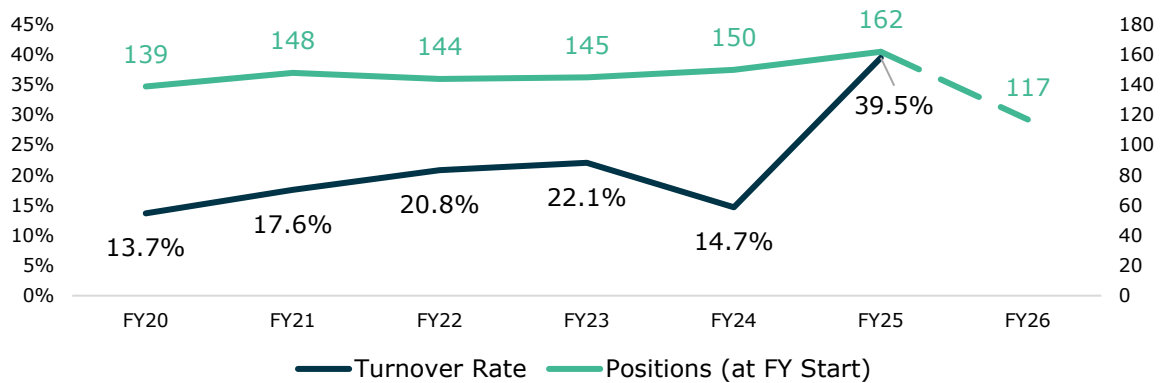
Turnover at organizations can also result in a loss of knowledge and experience. During fiscal years 2020 through 2025, turnover at LHC averaged 21.4% annually (approximately 23 staff), which was slightly higher than the statewide turnover rate of 17.8% for state fiscal year 2025.<sup>55</sup> Addressing inefficiencies, including streamlining and clarifying processes as discussed in Objective 1 of this report, could affect the number of staff that are needed to effectively and efficiently fulfill LHC's duties. However, based on our survey responses, LHC staff perception is that there are too few staff to complete required duties. LHC should create succession and contingency plans for key roles within the agency to ensure that LHC's objectives are achieved and that the operation of programs and execution of services is not impaired, and communicate these plans with staff. Exhibit 20 shows LHC's turnover rate and overall staffing levels during fiscal years 2020 through 2025.

<sup>53</sup> [Standards for Internal Control in the Federal Government](#), GAO, May 2025

<sup>54</sup> Responses to open-ended questions were optional our 2025 LHC staff survey. Thus, not all 85 respondents answered this question.

<sup>55</sup> [State of Louisiana Annual Report on Turnover: Fiscal Year 2025](#), DSCS

**Exhibit 20**  
**Staffing and Turnover**  
**Fiscal Years 2020 through 2025**

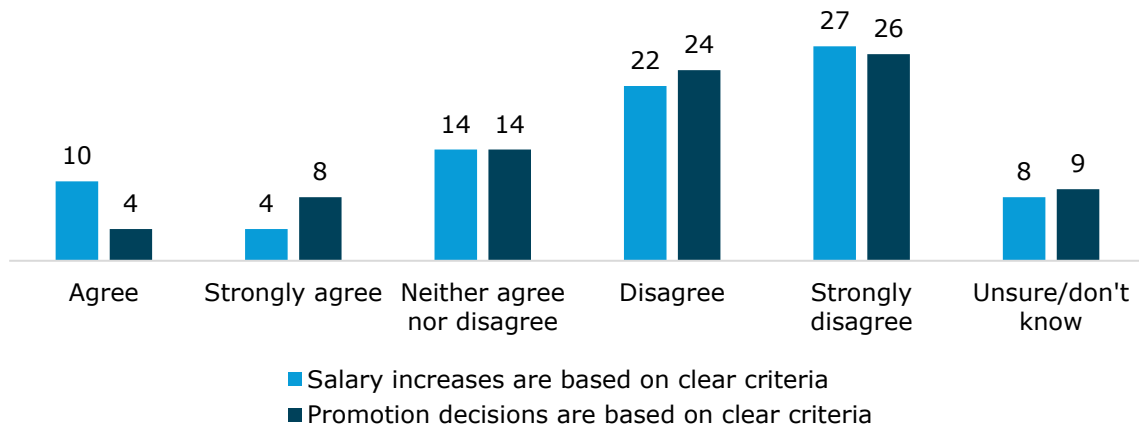


**Source:** Prepared by legislative auditor's staff using staffing reports from LaGov.

**Survey respondents perceive that hiring decisions, salary increases, and promotion and termination decisions are not based on clear criteria.**

According to our 2022 audit, 53 (54.6%) of 97 survey respondents did not believe that hiring, raises, and promotion decisions were based on clear criteria. Our 2025 survey indicates that staff still disagree that clear criteria are used for these decisions, with 38 (44.7%) of 85 stating that hiring criteria are not clear; 49 (57.7%) of 85 stating that salary increase criteria are not clear; and 50 (58.8%) of 85 stating that promotion decisions are not clear. Survey comments and staff interviews in both our 2022 and 2025 audits suggest that perceptions of favoritism exist regarding who receives promotions and increased pay. Exhibit 21 shows results of our 2025 LHC staff survey regarding promotion decisions and salary increases.

**Exhibit 21**  
**2025 LHC Staff Survey Responses Regarding Salaries and Promotions**  
**85 Respondents**  
**As of November 2025**



**Source:** Prepared by legislative auditor's staff using the results of LLA's 2025 LHC staff survey.

Examples of survey responses related to perceived favoritism, hiring, promotions, and salary decisions include:

- "There is a severe lack of transparency and consistency in LHC's staffing practices. Since the mass layoff, multiple positions have been filled without any public notice, posting, or explanation of required qualifications. Promotion and salary decisions are equally obscure."
- "Hiring, salary increases and promotions are not derived from clear criteria. The criteria are based upon current relationships with leadership and staff, not individual qualifications."
- "Hiring people who are truly qualified for the high level positions and compensating the ones that are doing more work than what their job entails."

The DSCS analyses discussed previously also found the perception of favoritism to be present among focus group participants. Specifically, staff perceived that duties were not always defined, making it hard to hold staff accountable; favorites were not held accountable while those out of favor were; and some staff were given promotions, work assignments, and/or overtime allowances based on favoritism. To address these perceptions, DSCS reiterated that LHC should clearly define staff roles and organizational processes.

**Recommendation 23:** LHC should work to improve employee morale.

**Summary of Management's Response:** LHC agreed with this recommendation; however, it emphasizes that the May 2025 layoff greatly impacted morale. LHC also stated that with improved communication planning, clarifying raise/promotion criteria, and balancing employee workloads, morale will improve. See Appendix A for LHC's full response.

**Recommendation 24:** LHC should create succession and contingency plans for key roles within the agency to ensure that LHC achieves its objectives and that staffing changes do not disrupt agency operations and service delivery.

**Summary of Management's Response:** LHC agreed with this recommendation and stated that the improved communication plans detailed in its response to Recommendations 21 and 22 will include specifically outlined protocols whereby managers and key employees will train and collaborate with their staff to ensure any changes do not disrupt agency operations and ensure continuity of service. See Appendix A for LHC's full response.

**Recommendation 25:** LHC should ensure that salary increase and promotion decisions are based on clear criteria that are communicated to staff.

**Summary of Management's Response:** LHC agreed with this recommendation and stated that it has begun actively addressing this issue by scheduling training sessions with State Civil Service to instruct human resources, managers, and supervisors on setting concise annual goals. Clear annual goals with measurable criteria will be tied into salaries and promotions, increasing transparency across the agency. See Appendix A for LHC's full response.

## **APPENDIX A: MANAGEMENT'S RESPONSE**

---





# *Louisiana Housing Corporation*

May 21, 2026

Michael J. "Mike" Waguespack, CPA  
Legislative Auditor  
1600 North Third Street  
Baton Rouge, LA 70804

***Delivered via Electronic Mail***

**RE:** Administration of Affordable Housing Programs and Organizational Culture Follow Up - Louisiana Housing Corporation - Audit Control #40240014

Dear Mr. Waguespack,

The Louisiana Housing Corporation ("LHC" or "Agency") is in receipt of the Affordable Housing audit report. This response is provided jointly on behalf of the LHC and its Board of Directors. The current Executive Staff was put in place towards the end of 2024/beginning of 2025. At Page 43 of the audit report, it is noted that the LHC faced serious budgetary shortfalls during this time period. These shortfalls, and the LHC's dire financial position in 2024-2025, cannot be emphasized enough. The Agency faced the legitimate possibility of shutting its doors, and this Executive Staff was specifically tasked with making the Agency financially viable.

Per LA R.S. 40:600.90(I)(1), the corporation "shall operate from self-generated funds and shall not be a budget unit of the state." The ability to fulfill the LHC's crucial mission, therefore, hinges on the reality that it must keep itself financially stable from its own self-generated funds. Accordingly, the current Executive Staff committed all focus towards financial survivability for the first year it was in place. The LHC is pleased to report, through the diligent work of its staff at large, the Agency has greatly strengthened its financial solvency, both in the present and looking to its long-term future. The LHC is now positioned to refine process control, efficiency, and program administration throughout each and every one of the agency's departments.

As indicated specifically below, the LHC appreciates and welcomes the audit report's recommendations, as it has already begun implementing program and departmental analysis to ensure this agency's mission is fulfilled and to redress many of the issues raised in the report. Both the Low Income Housing Tax Credit program, and the Construction and Compliance department, are being thoroughly assessed to adopt the recommendations provided. As it pertains to agency morale, the LHC is certain the further removed the agency is from the May 2025 layoff (necessitated by the agency's financial shortfall), morale will improve across the board. This Executive Staff is firmly committed to the well-being of its staff at large, and to the mission of this agency. No Executive Staff changes are anticipated now or in the near future.

Please find specific responses to each recommendation below.

*Recommendation 1: LHC should work to increase the number of affordable and available housing units for extremely low- and very low-income households, which may include using its QAP to encourage developers to build more units for those households.*

Agreed. The LHC has contracted for a comprehensive Housing Needs Assessment throughout the State of Louisiana. This initial report should be returned to the LHC by the end of May 2026. The Assessment will guide the agency in targeting assistance for populations most in need, which will be reflected in future funding opportunities.

*Recommendation 2: LHC should evaluate the number of affordable units produced using LIHTC and HOME funding across the state to address unmet housing needs by parish.*

Agreed. The Housing Needs Assessment noted in response to Recommendation 1 will provide this evaluation. Further, the LHC will continue to follow IRS guidelines and explore opportunities to expand beyond the minimum IRS low income housing requirements in order to provide additional affordable units for low/very low income individuals and families.

*Recommendation 3: LHC should standardize its project filing system so that information is easily accessible, complete, and accurate.*

Agreed. The LHC is currently transitioning its technology services to the Office of Technology Services (OTS). This transition includes employee training and standardization of all systems throughout every program administered by the LHC. This technological plan includes instituting a centralized database to house all project data. This database encompasses tracking numbers from application through close-out, and enables any employee to view and be informed about any aspect of a project.

*Recommendation 4: LHC should standardize how it creates and maintains project tracking data, including specifying what project information should be recorded and where, how often data should be updated, and how data integrity will be verified.*

Agreed. See response to Recommendation 3.

*Recommendation 5: LHC should improve the communication and sharing of project information and data between LHC departments, including ensuring that documentation is entered into the appropriate data systems timely.*

Agreed. See response to Recommendation 3.

*Recommendation 6: LHC should consistently assign and format project numbers at the time of application and ensure that project numbers follow projects through their full lifecycle.*

Agreed. See response to Recommendation 3.

*Recommendation 7: Once LHC addresses recommendations 3 through 6, it should update its policies and procedures to reflect changes.*

Agreed. The LHC Board has requested updated policies and procedures, and the Agency is complying with the Board's request.

*Recommendation 8: LHC should track and analyze cost data from applications and final cost certifications for affordable housing projects in Louisiana.*

Agreed in part. The LHC does conduct thorough financial viability analysis, both at the application phase and during any potential financial recertification, though acknowledges the information presented in the report. The LHC has identified certain operational and personnel deficiencies, which are being addressed proactively through enhanced training, supervision, and internal performance improvement measures. Management remains committed to strengthening overall operations and ensuring employees are equipped to meet all Agency standards and expectations.

*Recommendation 9: LHC should track and analyze project development timeframes for affordable housing projects in Louisiana.*

Agreed in part. The LHC tracks these timeframes yet acknowledges, as will be encompassed further below, the need for bolstered compliance and inspection processes. The Agency's enhanced training and management monitoring, as noted in response to Recommendation 8, will ensure tracking improvements.

*Recommendation 10: LHC should consider establishing a standard to develop cost limits that more accurately reflect the development costs of affordable housing projects in Louisiana.*

Agreed. The LHC can and will implement changes in future funding opportunities, and the Agency is exploring development cost caps. The LHC anticipates the centralized database described in response to Recommendation 3 will track development costs across all its projects.

*Recommendation 11: LHC should develop a clear, standardized process for transferring properties to its Construction and Compliance Division.*

Agreed. The Chief Administrative Officer has begun implementing a reorganization of our Construction and Compliance Division to ensure processes are standardized. Once standardized and implemented, these processes will be regularly evaluated and monitored to ensure compliance and continuous improvement. The centralized database described in response to Recommendation 3 will greatly aid transfer processes.

*Recommendation 12: LHC should develop a complete and accurate list of all properties in their long-term monitoring phase, including relevant data about those properties, such as project numbers and placed-in-service dates.*

Agreed in part. The LHC maintains this list, however acknowledges the information presented in the report regarding improved accuracy and additional data.

*Recommendation 13: LHC should develop a consistent, standardized process for tracking inspections.*

Agreed. As referenced in response to Recommendation 11, this process is encompassed in the divisional reorganization. The centralized database described in response to Recommendation 3 will include inspection tracking.

*Recommendation 14: LHC should clarify its policy for inspecting LIHTC properties in years 16 through 30 of their affordability period and update this policy in relevant LIHTC documentation, including the QAP and LIHTC Compliance Manual.*

Agreed. The LHC's internal processes are being evaluated for improvement in implementation, including regular evaluations and monitoring by management. This evaluation encompasses review of inspection policies for years 16 through 30 of their affordability period. After evaluating, these policies and relevant LIHTC documentation will be updated.

*Recommendation 15: LHC should ensure that it monitors all properties in its compliance portfolio according to federal regulations and LHC policy.*

Agreed. The LHC recognizes the need to strengthen oversight and monitoring procedures to ensure all properties remain in compliance with applicable federal regulations and LHC policy. Enhanced compliance review protocols and regular reporting measures are being implemented to improve accountability and ongoing regulatory adherence.

*Recommendation 16: LHC should ensure that all instances of noncompliance are reported to the IRS for all LIHTC-funded properties, as required by federal regulations.*

Agreed. The LHC is committed to ensuring that all identified instances of noncompliance are properly documented, reviewed, and reported to the IRS in accordance with applicable federal requirements.

Internal compliance procedures are being strengthened to promote timely reporting, oversight, and corrective action taken where necessary.

*Recommendation 17: LHC should ensure that it meets all federal requirements for LIHTC compliance monitoring before certifying its annual compliance to the IRS.*

Agreed. The LHC is committed to ensuring that all federal requirements for LIHTC compliance monitoring are met before any compliance certifications. Internal compliance procedures are being strengthened to promote timely reporting, oversight, and corrective action taken where necessary.

*Recommendation 18: LHC should seek written guidance from the IRS regarding accurate completion of IRS Tax Form 8610 Part III, including forms submitted during calendar years 2019 through 2024.*

Agreed, the LHC will be seeking written guidance from the IRS.

*Recommendation 19: LHC should develop measurable goals and/or benchmarks as part of its strategic plan.*

Agreed. This specifically mirrors the articulation in the body of this letter above. Now that the agency has resolved its financial shortfalls, it is conducting a comprehensive review of every department and program to solidify a comprehensive and uniform strategic plan.

*Recommendation 20: LHC should develop a comprehensive statewide housing plan as required by state law.*

Agreed, and as noted above in response to Recommendation 1, the Housing Needs Assessment will dictate the statewide plan in accordance with state law. Once the Housing Needs Assessment is completed, a statewide housing plan will be developed and presented to the LHC Board for review and approval as required by law.

*Recommendation 21: LHC should improve communication throughout the agency.*

Agreed. This issue has been specifically targeted by Executive Staff, which has already implemented bi-weekly meetings with department directors to ensure strengthened communication throughout the agency.

*Recommendation 22: LHC should create a comprehensive agency-wide communication plan, as previously recommended by DSCS.*

Agreed, the LHC will create a comprehensive agency-wide communication plan. This plan will include regular meetings between Executive Staff and all employees to increase transparency and collaboration.

*Recommendation 23: LHC should work to improve employee morale.*

Agreed. However, the LHC emphasizes that the May 2025 layoff greatly impacted morale. With improved communication planning, clarifying raise/promotion criteria, and balancing employee workloads, morale will improve.

*Recommendation 24: LHC should create succession and contingency plans for key roles within the agency to ensure that LHC's achieves its objectives and that staffing changes do not disrupt agency operations and service delivery.*

Agreed. Improved communication plans detailed in responses to Recommendations 21 and 22 will include specifically outlined protocols whereby managers and key employees will train and collaborate with their staff to ensure any changes do not disrupt agency operations and ensure continuity of service.

*Recommendation 25: LHC should ensure that salary increase and promotion decisions are based on clear criteria that are communicated to staff.*

Agreed. The LHC has begun actively addressing this issue by scheduling training sessions with State Civil Service to instruct human resources, managers, and supervisors on setting concise annual goals. Clear annual goals with measurable criteria will be tied into salaries and promotions, increasing transparency across the Agency.

Please do not hesitate to contact me if any further information or clarification is needed regarding this matter.

Sincerely,



Kevin J. Delahoussaye  
Executive Director

## APPENDIX B: SCOPE AND METHODOLOGY

---

This report provides the results of our performance audit of the Louisiana Housing Corporation (LHC)'s administration of affordable housing programs and our follow-up to our 2022 audit on LHC's organizational culture. We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. This audit generally covered calendar years 2019 through 2025. Our audit objectives were:

- 1. To evaluate LHC's administration of affordable housing programs and their associated outcomes.**
- 2. To evaluate staff perceptions of the organizational culture at LHC and its impact on the administration of affordable housing.**

We conducted this performance audit in accordance with generally-accepted *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We obtained an understanding of internal control that is significant to the audit objectives and assessed the design and implementation of such internal control to the extent necessary to address our audit objectives. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of applicable contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

To answer our objectives, we performed the following audit steps:

- Researched federal and state laws and regulations relevant to the administration of Low-Income Housing Tax Credits (LIHTC), HOME Investment Partnerships (HOME), and Community Development Block Grants for Disaster Recovery (CDBG-DR), as well as additional regulatory guidance published by the United States (U.S.) Department of Housing and Urban Development (HUD) and the Internal Revenue Service (IRS).
- Researched recommended practices for the administration of affordable housing programs, including project and cost management.

- Reviewed LHC policies and procedures for administering affordable housing programs, including agency standard operating procedures, program manuals specific to each funding type, and compliance manuals.
- Met with LHC leadership, agency staff, and members of the LHC Board of Directors to better understand LHC's affordable housing programs and processes.
- Met with stakeholders, including affordable housing developers, attorneys, and consultants, to gain an understanding of project development, the various processes involved, and relationships with LHC.
- Met with agency staff from the Louisiana Office of Community Development (OCD); the Louisiana Office of Culture, Recreation, and Tourism; and the State Bond Commission (SBC).
- Obtained and reviewed cooperative endeavor agreements between OCD and LHC for the administration of CDBG-DR funds.
- Obtained and reviewed LHC's Qualified Allocation Plans for calendar years 2019 through 2025.
- Obtained a SQL backup of LHC's Housing Development System and conducted reliability testing.
- Obtained and analyzed project lists and tracking spreadsheets maintained by various LHC divisions, including an Access LIHTC database, property transfer lists, pipeline reports, an internal audit database, HOME reports, construction monitoring lists, and long-term compliance tracking spreadsheets.
  - Analyzed compliance tracking spreadsheets to identify the number of LIHTC and HOME properties in LHC's compliance portfolio during calendar years 2019 through 2025, the number of properties LHC indicated should be monitored each year, and the number LHC indicated were monitored.
- Obtained and analyzed project documentation for LIHTC- and HOME-funded projects that were awarded, under construction, or placed in service during calendar years 2019 through 2025, including LIHTC project applications; project evaluations, rankings, and scoring documents, as applicable; rental agreements and compliance monitoring agreements between developers and LHC; audited final cost certifications for LIHTC projects, where applicable; compliance inspection reports; and noncompliance forms for LIHTC properties (IRS Form 8823).

- Analyzed these documents to identify the number of rent-restricted and market-rate units funded per property; to determine overall statistics related to projects costs, identify averages within cost types, and detail specific costs; to compare audited final costs for LIHTC projects with application estimates to determine how costs change during development and which costs account for cost increases; and to determine the average length of time it took to complete LIHTC projects.
- Obtained copies of LHC compliance forms (IRS Form 8610) submitted to the IRS during calendar years 2019 through 2024.
- Analyzed a targeted selection of compliance monitoring reports from physical property inspections conducted at LIHTC properties to determine whether LHC submitted noncompliance forms (IRS Form 8823) as required by federal regulations.
  - LHC conducted a total of 2,316 inspections during calendar years 2019 through 2024 according to its compliance tracking spreadsheets. Of these, we selected 24 inspections that (1) occurred at a LIHTC property, (2) were within their first 15 years of affordability, (3) had a completed monitoring report, and (4) had identified health and safety violations on the monitoring report. Due to IRS COVID waivers from April 1, 2020, through December 31, 2022, we selected more inspections from each of the non-COVID years. We selected five inspections from each of the calendar years 2019, 2023, and 2024, and we selected three inspections from each of the calendar years 2020, 2021, and 2022. This analysis was non-statistical and the results were not projected to the population of inspections.
- Toured LIHTC-funded new construction and historic renovation properties in New Orleans, including one building prior to rehabilitation.
- Shadowed a LIHTC inspection in Baton Rouge that included both a tenant file review and a physical property inspection.
- Researched affordable housing administration in other states, including reviewing performance audits of other state housing agencies, reviewing other state housing agencies' strategic plans, and reviewing other states' statewide housing plans.
- Interviewed state housing agency staff at the Alabama Housing Finance Authority, the Florida Housing Finance Corporation, the

Mississippi Home Corporation, and the Texas Department of Housing and Community Affairs.

- Obtained multifamily bond approvals from SBC for 4% LIHTC projects awarded during calendar years 2019 through 2025.
- Obtained LHC's total federal allocations for HOME and CDBG-DR funding from the HUD website, and LIHTC and bond volume cap allocations from the IRS website.
- Obtained and analyzed LHC expenditures during state fiscal years 2020 through 2025.
- Obtained and reviewed LHC's audited financial statements from state fiscal years 2020 through 2025.
- Obtained and analyzed LHC staffing, salary, and turnover data for state fiscal years 2020 through 2025 from LaGov.
- Obtained and analyzed median gross rent and poverty data in Louisiana Metropolitan Statistical Areas (MSAs) and parishes from the U.S. Census Bureau's website.
- Obtained and analyzed area median income, income limits, and fair market rent (FMR) data in Louisiana MSAs, HUD metropolitan FMR areas, and parishes from HUD's website.
- Obtained and reviewed LHC planning documents, including the 2023-2026 LHC Strategic Plan, a draft of the 2026-2029 LHC Strategic Plan, the 2019 Louisiana Housing Needs Assessment conducted by Louisiana State University, the 2020-2024 State of Louisiana Consolidated Plan, and the 2025-2029 State of Louisiana Consolidated Plan.
- Conducted a survey of LHC staff to follow up on concerns about LHC's organizational culture identified in our 2022 audit of LHC.
  - We surveyed all 109 LHC staff between November 12 and 26, 2025. We received 85 responses, for a response rate of 78.0%.
- Compared the results of the 2025 LHC staff survey to the results of the 2022 LHC staff survey, where applicable.
- Obtained Louisiana Department of State Civil Service (DSCS) reports for competency analyses, focus groups, and leadership training DSCS conducted at LHC during calendar years 2016 through 2019.
- Obtained and reviewed documentation related to the May 2025 LHC layoffs from DSCS.
- Provided our results to LHC and the LHC Board of Directors to review and incorporated edits throughout the report.

## APPENDIX C: AREA MEDIAN INCOME, INCOME LEVELS FOR INDIVIDUALS, AND FAIR MARKET RENTS FOR ONE-BEDROOM UNITS CALENDAR YEAR 2025

Parish	AMI*	Low Income (80% AMI)	Very Low Income (50% AMI)	Extremely Low Income (30% AMI)	One-Bedroom FMR	Annual Wage Needed to Afford One-Bedroom FMR**	Hourly Wage Needed to Afford One-Bedroom FMR***
Acadia Parish	\$69,200	\$38,750	\$24,250	\$15,650	\$688	\$27,520	\$13.23
Allen Parish	65,200	37,000	23,100	15,650	783	31,320	15.06
Ascension Parish	91,700	51,350	32,100	19,250	1,081	43,240	20.79
Assumption Parish	77,200	43,250	27,050	16,250	830	33,200	15.96
Avoyelles Parish	54,700	36,300	22,700	15,650	694	27,760	13.35
Beauregard Parish	85,000	47,600	29,750	17,850	765	30,600	14.71
Bienville Parish	55,300	36,300	22,700	15,650	785	31,400	15.10
Bossier Parish	81,700	45,750	28,600	17,150	892	35,680	17.15
Caddo Parish	81,700	45,750	28,600	17,150	892	35,680	17.15
Calcasieu Parish	91,100	48,300	30,200	18,100	877	35,080	16.87
Caldwell Parish	86,800	38,550	24,050	15,650	694	27,760	13.35
Cameron Parish	91,100	48,300	30,200	18,100	877	35,080	16.87
Catahoula Parish	65,700	37,000	23,100	15,650	688	27,520	13.23
Claiborne Parish	47,300	36,300	22,700	15,650	754	30,160	14.50
Concordia Parish	54,000	36,300	22,700	15,650	688	27,520	13.23
De Soto Parish	81,700	45,750	28,600	17,150	892	35,680	17.15
East Baton Rouge Parish	91,700	51,350	32,100	19,250	1,081	43,240	20.79
East Carroll Parish	39,900	36,300	22,700	15,650	688	27,520	13.23
East Feliciana Parish	91,700	51,350	32,100	19,250	1,081	43,240	20.79
Evangeline Parish	58,100	36,300	22,700	15,650	728	29,120	14.00
Franklin Parish	58,700	36,300	22,700	15,650	775	31,000	14.90
Grant Parish	78,000	42,200	26,350	15,850	762	30,480	14.65
Iberia Parish	75,500	38,000	23,750	15,650	732	29,280	14.08

Parish	AMI*	Low Income (80% AMI)	Very Low Income (50% AMI)	Extremely Low Income (30% AMI)	One-Bedroom FMR	Annual Wage Needed to Afford One-Bedroom FMR**	Hourly Wage Needed to Afford One-Bedroom FMR***
Iberville Parish	\$79,000	\$44,250	\$27,650	\$16,600	\$816	\$32,640	\$15.69
Jackson Parish	60,400	36,300	22,700	15,650	816	32,640	15.69
Jefferson Davis Parish	80,600	45,150	28,250	16,950	690	27,600	13.27
Jefferson Parish	89,800	50,300	31,450	18,900	1,236	49,440	23.77
La Salle Parish	92,200	40,450	25,250	15,650	705	28,200	13.56
Lafayette Parish	84,700	47,450	29,650	17,800	930	37,200	17.88
Lafourche Parish	75,700	42,400	26,550	15,900	934	37,360	17.96
Lincoln Parish	70,800	38,050	23,800	15,650	772	30,880	14.85
Livingston Parish	91,700	51,350	32,100	19,250	1,081	43,240	20.79
Madison Parish	50,400	36,300	22,700	15,650	688	27,520	13.23
Morehouse Parish	54,100	36,300	22,700	15,650	688	27,520	13.23
Natchitoches Parish	72,600	39,250	24,500	15,650	783	31,320	15.06
Orleans Parish	89,800	50,300	31,450	18,900	1,236	49,440	23.77
Ouachita Parish	73,400	40,000	25,000	15,650	767	30,680	14.75
Plaquemines Parish	89,800	50,300	31,450	18,900	1,236	49,440	23.77
Pointe Coupee Parish	91,700	51,350	32,100	19,250	1,081	43,240	20.79
Rapides Parish	78,000	42,200	26,350	15,850	762	30,480	14.65
Red River Parish	63,400	36,900	23,100	15,650	688	27,520	13.23
Richland Parish	69,100	36,550	22,800	15,650	727	29,080	13.98
Sabine Parish	68,600	37,550	23,450	15,650	749	29,960	14.40
St. Bernard Parish	89,800	50,300	31,450	18,900	1,236	49,440	23.77
St. Charles Parish	89,800	50,300	31,450	18,900	1,236	49,440	23.77
St. Helena Parish	91,700	51,350	32,100	19,250	1,081	43,240	20.79
St. James Parish	94,700	51,750	32,350	19,450	741	29,640	14.25
St. John the Baptist Parish	89,800	50,300	31,450	18,900	1,236	49,440	23.77
St. Landry Parish	62,800	36,300	22,700	15,650	688	27,520	13.23
St. Martin Parish	84,700	47,450	29,650	17,800	930	37,200	17.88
St. Mary Parish	70,600	39,550	24,750	15,650	767	30,680	14.75
St. Tammany Parish	98,000	53,100	33,200	19,950	1,236	49,440	23.77
Tangipahoa Parish	80,400	45,050	28,150	16,900	851	34,040	16.37

Parish	AMI*	Low Income (80% AMI)	Very Low Income (50% AMI)	Extremely Low Income (30% AMI)	One-Bedroom FMR	Annual Wage Needed to Afford One-Bedroom FMR**	Hourly Wage Needed to Afford One-Bedroom FMR***
Tensas Parish	\$54,900	\$36,300	\$22,700	\$15,650	\$816	\$32,640	\$15.69
Terrebonne Parish	75,700	42,400	26,550	15,900	934	37,360	17.96
Union Parish	73,400	40,000	25,000	15,650	767	30,680	14.75
Vermilion Parish	80,300	45,000	28,150	16,900	816	32,640	15.69
Vernon Parish	71,800	40,250	25,150	15,650	881	35,240	16.94
Washington Parish	64,900	36,300	22,700	15,650	816	32,640	15.69
Webster Parish	53,200	36,300	22,700	15,650	688	27,520	13.23
West Baton Rouge Parish	91,700	51,350	32,100	19,250	1,081	43,240	20.79
West Carroll Parish	77,000	39,800	24,900	15,650	688	27,520	13.23
West Feliciana Parish	91,700	51,350	32,100	19,250	1,081	43,240	20.79
Winn Parish	68,000	37,350	23,350	15,650	816	32,640	15.69

\*HUD calculates AMI as the median family income in a given geographic area. HUD defines "family" as a householder with one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. HUD does not calculate AMI for individuals, but use AMI to calculate income limits for households of different sizes, including for individuals.  
 \*\*The amount an individual would need to earn annually in order to spend no more than 30% of annual income on housing costs.  
 \*\*\*The amount an individual would need to earn hourly in order to spend no more than 30% of annual income on housing costs.  
**Source:** Prepared by legislative auditor's staff using Section 8 Income Limits and Fair Market Rents data obtained from HUD.



## **APPENDIX D: FEDERAL LAWS AND REGULATIONS REFERENCED THROUGHOUT REPORT**

---

This appendix summarizes federal laws and regulations referenced throughout this report for the Low-Income Housing Tax Credit (LIHTC) and HOME Investment Partnerships (HOME) programs.

### **Low-Income Housing Tax Credit Program (LIHTC)**

#### Internal Revenue Code (IRS Code)

- 26 United States Code Annotated (U.S.C.A.) § 42(g): This section explains the percentage of a property's units that must be rent-restricted to particular income levels.
- 26 U.S.C.A. § 42(h): This section explains how the IRS allocates LIHTCs to state housing agencies, includes requirements that state housing agencies must follow when allocating LIHTCs to projects, and defines the "extended use" portion of the affordability period.
- 26 U.S.C.A. § 42(i): This section defines the "compliance period" portion of the affordability period and describes LIHTC recapture.
- 26 U.S.C.A. § 42(m): This section includes requirements that state housing agencies must follow when creating their qualified allocation plans, requires that state housing agencies limit LIHTC awards to amounts necessary for a project's financial feasibility and long-term viability, and includes requirements for LIHTC projects funded with multifamily revenue bonds.

#### U.S. Treasury Regulations

- 26 U.S. Code of Federal Regulations (C.F.R.) § 1.42-1T and 26 C.F.R. § 1.42-6: These sections detail timeframe requirements that projects must meet to retain awarded tax credits.
- 26 C.F.R. § 1.42-5 and 26 C.F.R. § 1.42-18: These sections detail the compliance monitoring requirements that agencies must follow for LIHTC projects and annual reporting requirements to the IRS.

### **HOME Investment Partnerships Program (HOME)**

- 24 C.F.R. § 92.252(e) and 24 C.F.R. § 92.504(d): These sections detail HOME affordability periods, explain requirements for inspecting HOME properties, and require state housing agencies to establish property standards and procedures for correcting noncompliance.



## APPENDIX E: LHC DIVISIONS RESPONSIBLE FOR AFFORDABLE HOUSING PRODUCTION

Division*	Description
Accounting Division	Responsible for LHC’s financial operations, including recording and processing payment transactions for HOME and CDBG-DR programs, as well as recording fees collected from developers across LHC programs.
Asset Management Division	Responsible for monitoring compliance with reporting requirements, regulatory compliance, payment obligations, and ensuring the payment of loans.
Construction and Compliance Division	<p><u>Construction Monitoring</u>: Supervises the progress of new construction and rehabilitation projects across all LHC programs to ensure that federal regulations are followed and that all construction agreements between LHC and the developer are met.</p> <p><u>Compliance Monitoring</u>: Performs periodic assessment of each property in the areas of management, physical property condition, and financial viability.</p>
Environmental and Labor Compliance Division	Responsible for conducting reviews of developments and potential environmental impacts to determine whether projects meet federal, state, and local environmental standards. Projects receiving HOME and CDBG-DR funding are required to complete an environmental review process.
Rental Housing Production (Programs)	<p>Receives, reviews, and scores project funding applications (as applicable) and makes award decisions.</p> <p>Works directly with project developers to obtain and maintain project documentation throughout the award and development phases.</p>
<p>*This appendix does not include all LHC divisions that administer affordable housing programs. Our audit focuses on LIHTC, HOME, and CDBG-DR programs for the production of multifamily rental housing.</p> <p><b>Source:</b> Prepared by legislative auditor’s staff using information obtained from LHC’s website, documentation provided by LHC, and LHC staff interviews.</p>	



## APPENDIX F: CHANGES IN MEDIAN RENT FOR ONE-BEDROOM UNITS IN LOUISIANA PARISHES BETWEEN CALENDAR YEARS 2019 AND 2023

Parish	Rent in 2019	Rent in 2023	Increase in Rent	Percent Change
Acadia Parish	\$313	\$382	\$69	22.0%
Allen Parish	479	618	139	29.0%
Ascension Parish	868	1,315	447	51.5%
Assumption Parish	681	623	-58	-8.5%
Avoyelles Parish	352	445	93	26.4%
Beauregard Parish	535	601	66	12.3%
Bienville Parish	454	331	-123	-27.1%
Bossier Parish	783	875	92	11.7%
Caddo Parish	687	816	129	18.8%
Calcasieu Parish	623	833	210	33.7%
Caldwell Parish	273	408	135	49.5%
Cameron Parish*	-	-	-	-
Catahoula Parish	370	708	338	91.4%
Claiborne Parish	400	484	84	21.0%
Concordia Parish	260	433	173	66.5%
De Soto Parish	338	430	92	27.2%
East Baton Rouge Parish	797	946	149	18.7%
East Carroll Parish	275	402	127	46.2%
East Feliciana Parish	430	339	-91	-21.2%
Evangeline Parish	342	433	91	26.6%
Franklin Parish	297	337	40	13.5%
Grant Parish	401	289	-112	-27.9%
Iberia Parish	513	693	180	35.1%
Iberville Parish	505	707	202	40.0%
Jackson Parish	333	213	-120	-36.0%
Jefferson Davis Parish	455	346	-109	-24.0%
Jefferson Parish	836	967	131	15.7%
Lafayette Parish	764	869	105	13.7%
Lafourche Parish	634	731	97	15.3%
LaSalle Parish	504	274	-230	-45.6%
Lincoln Parish	572	645	73	12.8%
Livingston Parish	655	784	129	19.7%
Madison Parish	371	368	-3	-0.8%
Morehouse Parish	435	363	-72	-16.6%
Natchitoches Parish	522	585	63	12.1%

Parish	Rent in 2019	Rent in 2023	Increase in Rent	Percent Change
Orleans Parish	\$869	\$1,019	\$150	17.3%
Ouachita Parish	567	713	146	25.7%
Plaquemines Parish	560	533	-27	-4.8%
Pointe Coupee Parish	412	378	-34	-8.3%
Rapides Parish	578	719	141	24.4%
Red River Parish	256	366	110	43.0%
Richland Parish	313	615	302	96.5%
Sabine Parish	334	484	150	44.9%
St. Bernard Parish	773	741	-32	-4.1%
St. Charles Parish	601	677	76	12.6%
St. Helena Parish	208	236	28	13.5%
St. James Parish	388	547**	159	41.0%
St. John the Baptist Parish	442	289**	-153	-34.6%
St. Landry Parish	341	501	160	46.9%
St. Martin Parish	505	737	232	45.9%
St. Mary Parish	620	588	-32	-5.2%
St. Tammany Parish	865	1,094	229	26.5%
Tangipahoa Parish	659	753	94	14.3%
Tensas Parish	331	338	7	2.1%
Terrebonne Parish	668	901	233	34.9%
Union Parish	278	356	78	28.1%
Vermilion Parish	599	600	1	0.2%
Vernon Parish	499	604	105	21.0%
Washington Parish	511	519	8	1.6%
Webster Parish	446	479	33	7.4%
West Baton Rouge Parish	676	890	214	31.7%
West Carroll Parish	268	339	71	26.5%
West Feliciana Parish	479	325	-154	-32.2%
Winn Parish	374	611	237	63.4%

\*Median gross rent data were not available for Cameron Parish.

\*\*Value is median gross rent for a one-bedroom unit in 2022. Data were not available for St. James or St. John the Baptist Parishes in 2023.

**Source:** Prepared by legislative auditor's staff using data obtained from the U.S. Census Bureau.

## APPENDIX G: COST CHANGES BETWEEN APPLICATION ESTIMATES AND FINAL COST CERTIFICATIONS FOR LIHTC PROJECTS PLACED IN SERVICE DURING CALENDAR YEARS 2019 THROUGH 2025

Cost Type	Cost Category	Examples	Estimated Cost at Application	Final Certified Cost	Change (\$)	Change (%)
Hard Costs	Site Work	Demolition, roads and walkways, lawns and plantings, etc.	\$124,924,580	173,434,770	48,510,190	38.8%
	Construction	Building materials	992,463,284	1,195,546,332	203,083,048	20.5%
	Other Hard Costs	Hard costs outside of the construction contract, such as construction performance bonds paid by the property owner	5,512,937	267,888	-5,245,049	-95.1%
<b>Hard Costs Subtotal</b>			<b>\$1,122,900,801</b>	<b>\$1,369,248,990</b>	<b>\$246,348,189</b>	<b>21.9%</b>
Contract Costs*	Other Contract Costs	Builder's risk, builder's liability, and worker's compensation insurance	18,978,506	33,329,153	14,350,647	75.6%
	General Requirements	Contractor costs necessary to perform required duties, such as equipment purchases and construction supervision costs	61,265,200	76,623,515	15,358,315	25.1%
	Builder Overhead	Administrative contractor expenses such as office rent, office supplies, and salaries of office employees	22,041,829	24,060,180	2,018,351	9.2%
	Builder Profit	Contractor compensation	64,547,711	65,856,257	1,308,546	2.0%
<b>Contract Costs Subtotal</b>			<b>\$166,833,246</b>	<b>\$199,869,105</b>	<b>\$33,035,859</b>	<b>19.8%</b>
Soft Costs	Professional Fees	Accounting, architect, and engineering fees	51,317,016	200,974,379	149,657,363	291.6%
	Financing Costs	Loan and legal fees associated with private, long-term financing	24,290,837	63,756,164	39,465,327	162.5%

Cost Type	Cost Category	Examples	Estimated Cost at Application	Final Certified Cost	Change (\$)	Change (%)
	Other Soft Costs	Tax credit application fees, cost certification fees, and third-party reports (e.g., environmental assessments, market studies, and appraisals).	\$53,863,415	\$58,682,667	\$4,819,252	8.9%
	Developer Fee	Developer compensation	261,816,731	274,576,111	12,759,380	4.9%
	Construction Soft Costs	Construction contingency costs, building permits, and construction interest	184,360,184	106,688,938	-77,671,246	-42.1%
	Syndication Costs	Costs for the process where developers partner with financial intermediaries through selling LIHTCs	5,371,423	1,493,158	-3,878,265	-72.2%
	Reserves	Escrows and operating deficit reserves	68,483,128	8,880,845	-59,602,283	-87.0%
<b>Soft Costs Subtotal</b>			<b>\$649,502,734</b>	<b>\$715,052,262</b>	<b>\$65,549,528</b>	<b>10.1%</b>
Acquisition Costs	Acquisition Costs	Purchase of land and/or buildings	322,908,101	316,952,964	-5,955,137	-1.8%
<b>Acquisition Costs Subtotal</b>			<b>\$322,908,101</b>	<b>\$316,952,964</b>	<b>-\$5,955,137</b>	<b>-1.8%</b>
<b>Totals</b>			<b>\$2,262,144,882</b>	<b>\$2,601,123,321</b>	<b>\$338,978,439</b>	<b>15.0%</b>
<p>*Older versions of LHC's LIHTC application treated contract costs as hard costs, while the version used since calendar year 2019 treats them as soft costs. Both application versions were used for projects placed in service during calendar years 2019 through 2025.  <b>Source:</b> Prepared by legislative auditor's staff using LIHTC applications and audited final cost certifications provided by LHC.</p>						

# APPENDIX H: RESULTS OF THE 2025 LHC STAFF SURVEY, NOVEMBER 2025

This appendix contains the results of our 2025 LHC staff survey. We surveyed all 109 LHC staff between November 12 and 26, 2025. We received 85 responses, for a response rate of 78.0%.

<b>Table H.1 LHC's Workplace Culture 85 Respondents As of November 2025</b>					
Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
I feel passionate about the work I do at LHC.	48.2%	31.8%	12.9%	3.5%	3.5%
I am treated with respect in my workplace.	17.6%	36.5%	18.8%	17.6%	9.4%
I feel appreciated in my workplace.	12.9%	20.0%	20.0%	27.1%	20.0%
My supervisor(s) cares about my professional development.	31.8%	18.8%	25.9%	16.5%	7.1%
My supervisor(s) models ethical values.	30.6%	29.4%	27.1%	5.9%	7.1%
Agency leadership models ethical values.	10.6%	7.1%	24.7%	25.9%	31.8%
Agency leadership prioritizes staff well-being.	9.4%	5.9%	16.5%	21.2%	47.1%
A spirit of cooperation and teamwork exists within my immediate workgroup.	38.8%	37.6%	8.2%	8.2%	7.1%
I enjoy working at LHC.	18.8%	16.5%	41.2%	18.8%	4.7%
<b>Source:</b> Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.					

<b>Table H.2 "How Would You Rate Your Overall Job Satisfaction as an LHC Employee?" 85 Respondents As of November 2025</b>		
Rating	Number of Respondents	Percent
Excellent	8	9.4%
Good	17	20.0%
Average	21	24.7%
Fair	19	22.4%
Poor	20	23.5%
<b>Source:</b> Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.		

<b>Table H.3</b> <b>Current Employee Morale</b> <b>85 Respondents</b> <b>As of November 2025</b>					
Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Current employee morale is high in my department.	10.6%	24.7%	27.1%	22.4%	15.3%
Current employee morale is high at LHC generally.*	0.0%	7.1%	19.0%	26.2%	47.6%
*84 respondents answered this question. <b>Source:</b> Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.					

<b>Table H.4</b> <b>Change in Employee Morale over the Last Year</b> <b>85 Respondents</b> <b>As of November 2025</b>						
Question	Greatly Improved	Improved	Stayed about the Same	Declined	Greatly Declined	Unsure/ Don't Know
Employee morale has _____ in my department.	2.4%	3.5%	29.4%	31.8%	25.9%	7.1%
Employee morale has _____ at LHC generally.	0.0%	3.5%	8.2%	24.7%	56.5%	7.1%
<b>Source:</b> Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.						

<b>Table H.5</b> <b>Unprofessional Behaviors Personally Experienced by Staff*</b> <b>85 Respondents</b> <b>As of November 2025</b>			
Question	Yes	No	Unsure/ Don't Know
Unprofessional behavior, such as yelling, demeaning comments, intimidation, etc.	40.0%	60.0%	0.0%
Retaliatory behavior/actions	23.5%	63.5%	12.9%
Unethical behavior/actions	28.2%	60.0%	11.8%
Pressure to do something unethical/against your morals	12.9%	76.5%	10.6%
*We asked respondents if they had personally experienced any of these behaviors from someone currently employed at LHC. <b>Source:</b> Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.			

<b>Table H.6 Unprofessional Behaviors Witnessed by Staff* 85 Respondents As of November 2025</b>			
<b>Question</b>	<b>Yes</b>	<b>No</b>	<b>Unsure/ Don't Know</b>
Unprofessional behavior, such as yelling, demeaning comments, intimidation, etc.	45.9%	50.6%	3.5%
Retaliatory behavior/actions	29.4%	56.5%	14.1%
Unethical behavior/actions	30.6%	51.8%	17.6%
Pressuring someone to do something unethical/against their morals	17.6%	64.7%	17.6%
*We asked respondents if they had witnessed any of these behaviors from someone currently employed at LHC. <b>Source:</b> Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.			

<b>Table H.7 Employee Grievances 85 Respondents As of November 2025</b>					
<b>Question</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neither Agree nor Disagree</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
I am aware of LHC's grievance policy.	25.9%	44.7%	11.8%	15.3%	2.4%
I feel comfortable bringing up concerns with my supervisor(s).	18.8%	29.4%	16.5%	18.8%	16.5%
If I were to file a formal grievance, I believe it would be handled in accordance with LHC policy.	7.1%	23.5%	22.4%	21.2%	25.9%
If I were to file a formal grievance, I believe it would be handled fairly.	5.9%	20.0%	22.4%	24.7%	27.1%
If I were to file a formal grievance, I would worry about experiencing retaliation.	27.1%	24.7%	23.5%	9.4%	15.3%
<b>Source:</b> Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.					

<b>Table H.8 Staffing 85 Respondents As of November 2025</b>						
Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Unsure/ Don't Know
Hiring decisions are based on clear criteria.	7.1%	12.9%	24.7%	28.2%	16.5%	10.6%
Salary increases are based on clear criteria.	11.8%	4.7%	16.5%	25.9%	31.8%	9.4%
Promotion decisions are based on clear criteria.	4.7%	9.4%	16.5%	28.2%	30.6%	10.6%
Termination decisions are based on clear criteria.	7.1%	10.6%	21.2%	18.8%	35.3%	7.1%
My department has enough staff to perform its expected duties.	3.5%	9.4%	10.6%	27.1%	48.2%	1.2%
My department has sufficient staff to accomplish its goals effectively.	4.7%	8.2%	11.8%	30.6%	43.5%	1.2%

**Source:** Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.

<b>Table H.9 "Was Your Department Impacted by the May 2025 Layoffs?" 85 Respondents As of November 2025</b>		
Question	Number of Respondents	Percent
Yes	65	76.5%
No	10	11.8%
Unsure/Don't Know	10	11.8%

**Source:** Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.

<b>Table H.10 "On Average, How Often Do You Receive Training*" 85 Respondents As of November 26, 2025</b>		
Frequency	Number of Respondents	Percent
Once or more per month	4	4.7%
Quarterly	8	9.4%
Once every six months	1	1.2%
Annually	12	14.1%
Once every few years	12	14.1%
Never	11	12.9%
Unsure/Don't know	7	8.2%
Other**	30	35.3%

\*We defined "training" as any in-person or online training session related directly to job duties or professional development at LHC.  
 \*\*Respondents selecting "other" provided varying training frequencies, including "daily" and "when there are changes."  
**Source:** Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.

<b>Table H.11 Staff Training* 85 Respondents As of November 2025</b>						
Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	N/A - I Do Not Receive Training
Training I receive is relevant to my role and responsibilities.	20.0%	30.6%	21.2%	11.8%	2.4%	14.1%
Training I receive is helpful in performing my job.	18.8%	30.6%	20.0%	14.1%	2.4%	14.1%
I receive training on changes to laws/regulations impacting my program.	12.9%	23.5%	20.0%	24.7%	3.5%	15.3%
I have received supervisory training for my department.	14.1%	20.0%	15.3%	16.5%	9.4%	24.7%
I have received cross-training on roles/ responsibilities for other departments.	2.4%	22.4%	25.9%	17.6%	14.1%	17.6%
I would benefit from more training.	38.8%	29.4%	21.2%	2.4%	1.2%	7.1%
*We defined "training" as any in-person or online training session related directly to job duties or professional development at LHC. <b>Source:</b> Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.						

<b>Table H.12 Supervision and Leadership: Immediate Supervisors 85 Respondents As of November 2025</b>						
Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	N/A - I Do Not Have an Immediate Supervisor
My immediate supervisor is knowledgeable in my program area.	40.0%	27.1%	10.6%	9.4%	3.5%	9.4%
My immediate supervisor has the management skills to effectively supervise staff.	25.9%	40.0%	16.5%	5.9%	2.4%	9.4%
<b>Source:</b> Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.						

<b>Table H.13</b> <b>Supervision and Leadership: Program Area Managers</b> <b>85 Respondents</b> <b>As of November 2025</b>						
Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	N/A - I Do Not Have a Program Manager
My manager is knowledgeable in my program area.	35.3%	18.8%	12.9%	4.7%	2.4%	25.9%
My manager has the management skills to effectively lead my program area.	31.8%	17.6%	17.6%	4.7%	2.4%	25.9%

**Source:** Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.

<b>Table H.14</b> <b>Supervision and Leadership: Department Directors</b> <b>85 Respondents</b> <b>As of November 2025</b>						
Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	N/A - I Do Not Have a Department Director
My department director is knowledgeable in my program area.	38.8%	23.5%	14.1%	9.4%	3.5%	10.6%
My department director has the management skills to effectively lead my department.	30.6%	28.2%	22.4%	5.9%	2.4%	10.6%

**Source:** Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.

<b>Table H.15</b> <b>Supervision and Leadership: LHC's Executive Leadership</b> <b>85 Respondents</b> <b>As of November 2025</b>					
Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
Executive leadership is knowledgeable about LHC's programs.	9.4%	14.1%	23.5%	28.2%	24.7%
Executive leadership understands LHC's mission.*	9.4%	18.8%	29.4%	16.5%	25.9%
Executive leadership makes agency decisions that work to achieve LHC's mission.	9.4%	10.6%	23.5%	21.2%	35.3%
*LHC's mission is to "ensure that every Louisiana resident is granted an opportunity to obtain safe, affordable, energy-efficient housing." <b>Source:</b> Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.					

<b>Table H.16</b> <b>Supervision and Leadership: LHC's Board of Directors</b> <b>85 Respondents</b> <b>As of November 2025</b>						
Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Unsure/ Don't Know
LHC's Board of Directors is knowledgeable about LHC's programs.	4.7%	15.3%	35.3%	20.0%	10.6%	14.1%
LHC's Board of Directors understands LHC's mission.*	7.1%	31.8%	31.8%	9.4%	8.2%	11.8%
LHC's Board of Directors makes agency decisions that work to achieve LHC's mission.	4.7%	16.5%	34.1%	18.8%	12.9%	12.9%
*LHC's mission is to "ensure that every Louisiana resident is granted an opportunity to obtain safe, affordable, energy-efficient housing." <b>Source:</b> Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.						

<b>Table H.17</b> <b>Departmental Policies and Procedures</b> <b>85 Respondents</b> <b>As of November 2025</b>						
Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	N/A - We Do Not Have Policies and Procedures in My Department
My department has clear policies and procedures that guide me in my job.	17.6%	52.9%	11.8%	12.9%	3.5%	1.2%
My department leadership ensures that staff follow all policies and procedures.	21.2%	51.8%	17.6%	5.9%	2.4%	1.2%
My department has clear policies and procedures for communicating with staff in other departments.	11.8%	43.5%	27.1%	9.4%	7.1%	1.2%
My department has clear policies and procedures for coordinating work efforts with staff in other departments.	10.6%	44.7%	24.7%	11.8%	7.1%	1.2%

**Source:** Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.

<b>Table H.18</b> <b>Agency Communication at LHC</b> <b>85 Respondents</b> <b>As of November 2025</b>					
Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
I receive clear information about changes being made within my department.*	13.1%	29.8%	17.9%	23.8%	15.5%
I receive clear information about changes being made at LHC generally.	5.9%	14.1%	14.1%	29.4%	36.5%
I am included in conversations about changes that may impact my job responsibilities.	8.2%	17.6%	16.5%	34.1%	23.5%
I am involved in making decisions that directly impact my job responsibilities.	3.5%	16.5%	20.0%	34.1%	25.9%
Executive leadership shares its goals for the agency with staff.	5.9%	8.2%	11.8%	29.4%	44.7%

\*84 respondents answered this question.  
**Source:** Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.

<b>Table H.19</b> <b>Interdepartmental Communication at LHC</b> <b>85 Respondents</b> <b>As of November 2025</b>						
Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	N/A - I Do Not Communicate with Staff in Other Departments in My Job Role
It is easy to communicate with staff in other departments.	18.8%	48.2%	20.0%	5.9%	7.1%	0.0%
I receive timely responses from staff in other departments when I need to communicate with them.	15.3%	45.9%	18.8%	14.1%	5.9%	0.0%

**Source:** Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.

<b>Table H.20</b> <b>"How Would You Rate the Overall Level of Communication _____"</b> <b>85 Respondents</b> <b>As of November 2025</b>						
Question	Excellent	Good	Average	Fair	Poor	N/A
In your program area.	35.3%	36.5%	17.6%	3.5%	1.2%	5.9%
Among employees in your department.	42.4%	37.6%	12.9%	5.9%	1.2%	0.0%
With employees in other departments.	14.1%	35.3%	25.9%	12.9%	10.6%	1.2%
At LHC generally.	7.1%	15.3%	29.4%	18.8%	27.1%	2.4%

**Source:** Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.

<b>Table H.21</b> <b>Interdepartmental Coordination at LHC</b> <b>85 Respondents</b> <b>As of November 2025</b>						
Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	N/A - I Do Not Work with Staff in Other Departments in My Job Role
I am able to access information/data from other LHC departments that I need to perform my job duties.	8.2%	41.2%	27.1%	14.1%	5.9%	3.5%
Information/data is shared easily across different LHC departments.	7.1%	34.1%	29.4%	20.0%	7.1%	2.4%
It is easy to work with staff from other departments.	12.9%	43.5%	25.9%	11.8%	3.5%	2.4%

**Source:** Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.

<b>Table H.22</b> <b>"How Would You Rate the Overall Level of Coordination _____"</b> <b>85 Respondents</b> <b>As of November 2025</b>						
Question	Excellent	Good	Average	Fair	Poor	N/A
In your program area.	25.9%	42.4%	17.6%	2.4%	1.2%	10.6%
Among employees in your department.	34.1%	45.9%	11.8%	3.5%	2.4%	2.4%
With employees in other departments.	8.2%	31.8%	31.8%	16.5%	5.9%	5.9%
At LHC generally.	5.9%	16.5%	29.4%	23.5%	20.0%	4.7%

**Source:** Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.

<b>Table H.23</b> <b>Data Programs Regularly Used by Staff*</b> <b>85 Respondents</b> <b>As of November 2025</b>		
Program	Number of Respondents	Percent
Disaster Recovery Grants Reporting System (DRGR)	8	9.4%
Emphasys Software	3	3.5%
Home Energy Score (HES)	9	10.6%
Homeless Management Information System (HMIS)	8	9.4%
Housing Development System (HDS)	40	47.1%
Integrated Disbursement and Information System (IDIS)	14	16.5%
Line of Credit Control System (a HUD system)	10	11.8%
Microsoft Access	18	21.2%
Microsoft Excel	77	90.6%
Microsoft Sharepoint	61	71.8%
Quickbase	8	9.4%
Sage Accounting Software	19	22.4%
SQL	6	7.1%
Yardi	8	9.4%
None	2	2.4%
Other**	17	20.0%

\*Respondents were asked to select all that apply to their job role.  
 \*\*Examples of "other" data programs include federal agency specific programs, such as for HUD or the U.S. Department of Health and Human Services, RS Means software for cost analyses, and LaGov.  
**Source:** Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.

<b>Table H.24</b> <b>"My Department Utilizes Available Technology/Data Programs _____"</b> <b>85 Respondents</b> <b>As of November 2025</b>						
Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	N/A - I Do Not Use Technology/Data Programs in My Job Role
That are easy to use.	12.9%	57.6%	22.4%	5.9%	0.0%	1.2%
That make it easy to share information with staff in other departments.	11.8%	48.2%	27.1%	7.1%	3.5%	2.4%
That allow me to complete my job duties timely.	11.8%	60.0%	15.3%	10.6%	1.2%	1.2%
That allow me to complete my job duties effectively.	14.1%	56.5%	17.6%	8.2%	2.4%	1.2%
That have adequate technical capabilities for my job duties.	14.1%	48.2%	23.5%	7.1%	5.9%	1.2%

**Source:** Prepared by legislative auditor's staff using results from LLA's 2025 LHC staff survey.