



# The Road Home

BUILDING A SAFER,  
STRONGER, SMARTER LOUISIANA

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[www.road2LA.org](http://www.road2LA.org)



# Why focus on rental housing?

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- Pre-storm, 47% of housing stock in affected areas were rental units
- 82,000 rental housing units w/major or severe damage
- Creation of affordable rental units is a major key to the entire rebuilding effort



# Rental Housing Programs

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- The Road Home includes two major rental housing programs:
  - Small Rental Property Repair Program
  - CDBG-LIHTC “Piggyback” Program



# Small Rental: Concept Products

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- Fair Market Loan
  - 1 - 4 unit property owners
  - Up to \$10k forgivable loan
- Affordable Rental Loan
  - No interest, no payment loans from \$15k - \$75k
- Permanent Affordable Loan
  - Non-profits who agree to provide permanent affordable housing for 20 years
  - \$15k - \$75k per unit
  - Forgivable at 20 years



# Small Rental: Eligible Parishes

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100% of funds reserved for the most heavily damaged parishes, allocated by number of rental units damaged.

<i><b>Parish</b></i>	<i><b>Damage**</b></i>	<i><b>%Damage</b></i>	<i><b>Small Rental Pool</b></i>
Calcasieu	1,068	1.7%	15,126,714
Cameron	465	0.8%	6,586,069
Jefferson	7,955	13 %	112,671,361
Orleans	43,226	70.4%	612,235,354
Plaquemines	1272	2.1%	18,016,087
St. Bernard	4940	8.1%	69,968,136
St. Tammany	2196	3.6%	31,103,244
Vermilion	248	0.4%	3,302,984
Pilot Programs			50,000,000
		<b>Total</b>	<b>869,000,000</b>

\*\* Based on FEMA Rental Units w/Major or Severe Damages



# Small Rental Proposed Awards

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Rent levels are based upon standard HUD Fair Market Rents for each Metropolitan Statistical Area in 2006.

<b>New Orleans MSA</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>	<b>4BR</b>
Base Rent	\$723	\$840	\$1,086	\$1,250
Award	\$10,000	\$10,000	\$10,000	\$10,000
65% AMI Net Rent	\$637	\$765	\$884	\$988
Award	\$20,000	\$25,000	\$38,000	\$48,000
50% AMI Net Rent	\$410	\$489	\$560	\$619
Award	\$37,000	\$42,000	\$62,000	\$75,000
<b>Lake Charles MSA</b>	<b>1BR</b>	<b>2BR</b>	<b>3BR</b>	<b>4BR</b>
Base Rent	\$704	\$842	\$968	\$1,074
Award	\$10,000	\$10,000	\$10,000	\$10,000
65% AMI Net Rent	\$637	\$765	\$884	\$988
Award	\$17,000	\$21,000	\$24,000	\$27,000
50% AMI Net Rent	\$410	\$489	\$560	\$619
Award	\$35,000	\$42,000	\$48,000	\$54,000
<i>Based on 8.00% interest rate, 20 years</i>				



# Action Plan Amendment 4

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- Amendment Objectives for Small Rental:
  - Flexibility
  - Inclusiveness
  - Responsiveness
  - Efficiency



# Action Plan Changes

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- 80% of area median income (= New Orleans FMR)
- Elevation and storm design allowed
- Well designed
- Up to \$100k if necessary
- Covenants of 3-20 years



# CDBG-LIHTC Piggyback

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- The Piggyback Program combines:
  - 2007 and 2008 Gulf Opportunity Zone Low Income Housing Tax Credits (LIHTC)
    - Administered by the Louisiana Housing Finance Agency
    - \$113 million available (value of approximately \$1.1 B), much of which will be “piggybacked” with CDBG funds
  - \$594 million in Community Development Block Grant (CDBG) funds
    - Administered by the Office of Community Development



# Piggyback Program Objectives

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- The Piggyback Program seeks to:
  - Reconstruct / rebuild a significant share of rental housing lost in the hurricanes, where it was lost
  - Provide deep affordability for Louisianans with the lowest incomes
  - Create workforce housing in mixed-income communities
  - Avoid replicating the pre-storm excessive concentrations of poverty
  - Help special-needs populations achieve stable housing and successful lives



# Proposed Amendment #4

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- Why the proposed amendment?
  - Provide greater detail on the proposed program design
  - Clarify that CDBG Piggyback Funds may be used in conjunction with “regular” LIHTCs not just special GO Zone LIHTCs
  - Combine “Flexible Incentives for Mixed Income Development” with the Piggyback Program
    - \$42M + \$552 M = \$594M



# Piggyback Financing Tools

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- **The amendment defines the following tools:**
  - **Louisiana Project Based Rental Assistance**
  - **Louisiana Mixed Income Flexible Subsidy**
  - **Louisiana Additional Affordability Gap Financing**
  - **Louisiana Permanent Supportive Housing Gap Financing**
  - **Louisiana Supportive Services Grants**



# Eligibility for Mobile Homes

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**The amendment also updates the Homeowner Assistance for Mobile Home owner occupants. To be eligible:**

- Current: Mobile home owners currently must also own the land on which the damaged home was located
- Proposed change: Regardless of land ownership, owners of mobile homes may be made eligible, following criteria regarding ownership and immobilization of the structure