

Neighborhood Landlord Rental Program III "NLRP3"

Louisiana Housing Corporation Policies and Procedures

Version 1.0 - March 1, 2024



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Version History

Version	Date	Revision Summary
1.0	03/01/2024	First draft.



Program Definitions

Affordable Rents	The rents for each residential rental housing unit by bedroom size published by LHC by parish location for each Qualified Project reduced by the Utility Allowance applicable to the unit. These rents cannot exceed the allowable published rents when Section 8 vouchers are present.
Construction Loan	The loan originated by a Lender to an Eligible Borrower to finance the construction of a New Unit or the renovation of an Existing Unit.
Conversion Date	The date the Lender receives payment pursuant to the Take-out Commitment.
Eligible Costs	The following constitute Eligible Costs:
	Development hard costs. Development hard costs are the actual cost of constructing or rehabilitating housing.
	2. <u>Related soft costs</u> . Other reasonable and necessary costs incurred by the owner or LHC and associated with the financing or development (or both) of New Units or Existing Units assisted with CDBG Funds.
Eligible Parishes	Acadia, Allen, Ascension, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Catahoula, Claiborne, De Soto, East Baton Rouge, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson Davis, Lafayette, LaSalle, Lincoln, Livingston, Madison, Morehouse, Natchitoches, Ouachita, Pointe Coupee, Rapides, Red River, Richland, Sabine, St. Helena, St. James, St. Landry, St. Martin, St. Tammany, Tangipahoa, Union, Vermilion, Vernon, Washington, Webster, West Baton Rouge, West Carroll, West Feliciana, and Winn.
Great Floods of 2016	One or both of the floods identified by DR-4263 or DR-4277 floods for which FEMA Individual Assistance was approved.
HUD	U.S. Department of Housing and Urban Development ("HUD").
HUD Designated Most Impacted Parishes	The following ten (10) Parishes: Ascension, Acadia, East Baton Rouge, St. Tammany, Lafayette, Vermilion, Livingston, Washington, Ouachita, and Tangipahoa.



Identity of Interest

An identity of interest is construed to exist when:

- 1. There is any financial interest of the Developer or Owner in the Builder or any financial interest of the Builder in the Developer or Owner.
- 2. Any officer, director, stockholder, or partner of the Developer or Owner who is also an officer, director, stockholder, or partner of the Builder.
- 3. Any officer, director, stockholder, or partner of the Developer or Owner has any financial interest in the Builder; or any officer, director, stockholder, or partner of the Builder has any financial interest in the Developer or Owner.
- 4. The Developer or Owner advances any funds to the Builder.
- 5. The Developer or Owner supplies and pays, on behalf of the Builder, the cost of any architectural services or engineering services other than those of a surveyor, general superintendent, or engineer employed by a Developer or Owner in connection with its obligations under the construction contract.
- 6. The Developer or Owner takes stock or any interest in the Builder compensation as consideration of payment.
- 7. There exists or comes into being any side deal, arrangement, contract, or undertakings entered into or contemplated, thereby altering, amending, or canceling any of the required closing documents, except as approved by the LHC or the Corporation.
- 8. Any relationship (e.g., family) existing which would give the Builder or Developer or Owner control or influence over the price of the contract or the price paid to any subcontractor, material supplier, or lessor of equipment.
- 9. Any member of the Development Team advances any funds to the Developer or Owner at any point prior to an allocation.

For purposes of determining an identity of interest between parties not identified in (1) through (9), such parties will be identified as either the Developer and Owner or the Contractor as appropriate to establish the identity of interest. The Corporation may reduce any allowable costs where an Identity of Interest has been found among the parties to transactions involving the sale, development, and/or operation of the project.



Income Restricted	During the Affordability Period, residential housing units may only be rented to a Qualified Household.	
Ineligible Applications	Applications will be deemed ineligible if any of the following conditions exist at the time of application submission:	
	1. Any person and or entity on the federal debarred list, or an organization representing such person or entity is on the list.	
	2. Any person and/or entity that received notice that they are currently out of compliance with LHC regarding annual audits or they are in arrears with other LHC-financed projects.	
	3. Homeownership Developments proposed by entities that currently have unsold properties funded by LHC CDBG Funds.	
	4. Any person and/or entity that currently has a LHC financed project with compliance issues that are unresolved for greater than ninety days.	
	5. Any person and/or entity has two or more projects previously awarded financing by LHC that are currently incomplete.	
	6. Any Applicant is not in compliance with any other LHC or OCD disaster program.	
Ineligible Costs	No NLRP3 Funds may be used:	
	1. to purchase land or property before or after the NOFA was published	
	2. for development, operations, or modernization of public housing financed under the 1973 Act (Public Housing Capital and Operating Funds)	
	3. to refinance any loan	
	4. for any Developer or Consultant fees	
LHC	Louisiana Housing Corporation.	
OCD	State of Louisiana, Division of Administration, Office of Community Development.	
Period of Affordability	10 years after the initial, complete, lease up of all units by qualified tenant(s)	



Permanent Loan	The loan by LHC, either through a conversion of the LHC		
	prescribed construction loan agreement or through a separate		
	LHC permanent loan documents.		
Priority Eligible	HUD Designated Most Impacted Parishes.		
Parishes			
Qualified	A tenant household in which no member is related to the		
Household	Borrower and for which household income does not exceed either 80% of AMI published by HUD as adjusted by family size or		
	such lower amount for Set-Aside Units as provided for in an Application for a Take-out Commitment		
Qualified Project	A project not in excess of seven (7) residential housing units located in an Eligible Parish and in which each residential housing unit is a Qualified Unit on a site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management,		
	and financing and are to be assisted with CDBG Funds as a single undertaking located within a five-mile radius of each other within a single governmental entity (If located within a city, town, or other similar political subdivision, then all sites must be within the same political subdivision for rental projects. If located outside of a local jurisdiction, then all sites must be within the same Parish. The project includes all the activities associated with the site(s) and building(s).)		
Qualified Unit	A residential rental unit that is Income Restricted and Rent Restricted subject to HUD regulatory requirements.		
Rent Restricted	Rent charged a Qualified Household during the Affordability Period may not exceed Affordable Rents.		
Set-aside	A Qualified Project with five (5) or more residential housing units in which the household income for at least one of the residential housing units does not exceed 50% of area median income published by HUD for the affordability period.		
Take-out Funds	Approximately \$12,676,668 (twelve million, six hundred seventy-six thousand, six hundred sixty-eight dollars) of Community Development Block Grant Funds ("CDBG Funds") available to LHC by the Office of Community Development (OCD)		
Utility Allowance	The utilities for which an allowance is provided to tenants include electricity, natural gas, water, sewer and trash collection. If a		



	tenant pays any of these costs in addition to their rent, a utility allowance is required
Vacant Unit	A residential housing unit that does not have a tenant occupant. In order to be eligible for the NLRP3 Initiative, all the units contained in the Application must have been vacant prior to the date the NOFA Is published. A landlord may not intentionally displace a tenant to be able to apply to the NLRP3 Initiative.



Neighborhood Landlord Rental Program Phase III

Program Overview

The purposes of the Louisiana Neighborhood Landlord Rental Program Phase III ("**NLRP3 Initiative**") are:

- To repair damaged housing stock in Eligible Parishes that will be made available at affordable rents for households at or below eighty percent (80%) of area median income ("AMI");
- To produce affordable residential rental housing units outside of a Special Flood Hazard Area (SFHA). Acceptable zones are B, X (shaded), C, X (unshaded), X500 X protected by levee;
- To revitalize communities damaged by the Great Floods of 2016 by eliminating the blight of vacant properties in order to increase the availability of affordable rental housing for households at or below eighty percent (80%) AMI;
- To implement the NLRP3 Initiative in a manner that (i) engages Lenders who commit to new construction and/or renovation financing for residential rental properties located in Eligible Parishes, (ii) is most efficient and cost-effective throughout the Eligible Parishes, and (iii) is low-risk to developers ("Eligible Borrowers") who submit Applications, thereby ensuring that the budgeted Take-out Funds for residential rental housing units under the NLRP3 Initiative construct and repair the maximum number of affordable residential rental housing properties in one of the FEMA Disaster-Declared Parishes or one of the HUD-Designated Most Impacted Parishes ("Eligible Parishes") as a result of the Great Floods of 2016; provided that properties located in HUD-Designated Most Impacted Parishes ("Priority Eligible Parishes") will receive priority awards of Take-out Funds; and
- To implement the NLRP3 Initiative in a manner that eligible applicants will address
 impacted properties that have been declared Slum and Blight properties by the
 planning office in the Parish of the proposed project.

Funding Available

Total funding to be awarded under NRLP3 is Twelve Million Six Hundred Seventy-six Thousand Six Hundred and Sixty-eight Dollars (\$12,676,668.00). The amount is subject to upward or downward adjustment by the LHC.

CDBG-DR Eligible Activity

NLRP3 qualifies under HCD Section 105 (a)(1), (4) and (14) acquisition, clearance, rehabilitation, reconstruction, and new construction, elevation, and loan financing.



CDBG-DR National Objective

This program meets the LMI Housing National Objective as all funds exclusively serve low- and moderate-income households.

Method of Disbursement

LHC issued a NOFA on July 22 2023. Awards are issued as Take-out Assistance in an amount not exceeding the advances on a Construction Loan plus accrued interest up to the conversion date.

Maximum Award

Maximum Award

The maximum amount of NLRP3 Initiative funding is based on the number of units in each structure. Final award will be the lesser of the cost of construction or other limits that may be set by the NLRP3 Initiative program guidelines and procedures. The maximum NLRP3 funding allowed by unit type is:

NUMBER OF UNITS PER STRUCTURE	MAXIMUM NLRP3 TAKE-OUT ASSISTANCE
1 Unit	\$175,000
2 Units	\$315,000
3 Units	\$425,000
4 Units	\$510,000
5 Units	\$575,000
6 Units	\$620,000
7 Units	\$725,000

Maximum NLRP3 Assistance

A CHDO, NPO, PHA, LDA, or RRPO was eligible to apply for assistance up to seven hundred twenty-five thousand dollars (\$725,000) for no more than 7 units. Only one property was allowed per application. No applicant was eligible submit more than three (3) complete applications totaling a maximum of 7 units.

Maximum Award Take Out

LHC will fund Take-out Assistance on the Conversion Date only in an amount not exceeding the aggregate advances on a Construction Loan plus accrued interest to the



Conversion Date. An RRPO will be allowed up to 8 months of accrued interim construction interest from the date of the Notice to Proceed awarded to them by the program. A CHDO, NPO, PHA, or LDA will be allowed up to 10 months of accrued interim construction interest from the date of the Notice to Proceed awarded to them by the program. Contingency of not more than 10% will not be included in the Permanent Loan if not used as approved in writing by the LHC during construction. Change orders will be reviewed and approved only on an as-needed basis. Change orders may not be used to exceed the maximum amount of NLRP3 Take-out Assistance; development costs that exceed the maximum Take-out Assistance will be the sole responsibility of the Borrower. No change order should be undertaken unless there has been expressed written approval by the LHC.

Eligibility

Eligible Borrower

An Eligible Borrower is one of the following entities:

- Community Housing Development Organization ("CHDO")
- 501(c)(3) or 501(c)(4) Not-For-Profit Organization ("**NPO**") with a board approved mission to further affordable housing, or demonstrated through the NPO by-laws mission statement.
- Local Public Housing Authority ("PHA")
- A local development agency ("LDA") that is not a parish or municipality
- A residential rental property owner ("RRPO") whose unit either sustained damage due to the Great Floods of 2016 or has been declared a Slum and Blight property by the planning office in the Parish of the proposed project.

New Construction is limited to (CHDO, NPO, LDA, or PHA)

Qualified Project

A project not in excess of seven (7) residential housing units located in an "**Eligible Parish**" on a site with any building (including a manufactured housing unit) or buildings located on the site that are under common ownership, management, and financing and are to be assisted with CDBG Funds as a single undertaking within a single governmental entity (if located within a city, town, or other similar political subdivision then all sites must be within the same political subdivision for rental projects.)

Geographic Location of Qualified Project

The Qualified Project must be located in one of the FEMA Disaster Declared Parishes or one of the HUD Designated Most Impacted Parishes ("**Eligible Parish**") as a result of the March 2016 and August 2016 Severe Storms and Flooding, as follows: Acadia, Allen,



Ascension, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Catahoula, Claiborne, De Soto, East Carroll, East Baton Rouge, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson Davis, Lafayette, LaSalle, Lincoln, Livingston, Madison, Morehouse, Natchitoches, Ouachita, Pointe Coupee, Rapides, Red River, Richland, Sabine, St. Helena, St. James, St. Landry, St. Martin, St. Tammany, Tangipahoa, Union, Vermilion, Vernon, Washington, Webster, West Baton Rouge, West Carroll, West Feliciana, and Winn.

The most impacted and distressed Parishes are: Ascension, East Baton Rouge, Lafayette, Livingston, Ouachita, Tangipahoa, Acadia, Vermilion, Washington, and St. Tammany.

Qualified Project Ownership Requirements by Eligible Borrowers

<u>Nonprofit Ownership at NOFA Publication</u>: Qualified Projects submitted by an Eligible Borrower that is a CHDO, NPO, PHA, or LDA must have provided evidence of an executed ground lease or evidence of ownership by the CHDO, NPO, PHA or LDA as of the date that the application was submitted.

Ownership of Qualified Project by Eligible Borrower Other Than Nonprofit: Qualified Projects submitted by Eligible Borrowers that is neither a CHDO, NPO, PHA nor a LDA must have been owned by the Applicant as of the date of the Great Floods of 2016 and had to have sustained flood related damages, based upon the parish affected by one or both of the floods identified by DR-4263 or DR-4277 in which FEMA Individual Assistance was approved as follows:

DR-4263: March 08, 2016

DR-4277: August 11, 2016

Property Eligibility Requirements

To be eligible under the NLRP3 Initiative, a property must be a residential rental property to be repaired, reconstructed, or newly constructed and satisfy each of the following criteria:

- Must be a residential rental structure with up to 7 units. Properties with more than 7 units contained within a single structure are not eligible under the Program;
- Must be a site-built, modular or manufactured home;
- Must be located in one of the Eligible Parishes; and
- Must complete an environmental review.

The Qualified Project must be outside of a Special Flood Hazard Area (**SFHA**).



Construction Contractor and Fixed Price Construction Contract

Borrowers were required to submit with each Application a fixed-price construction quote with a Louisiana-licensed contractor ("Contractor") who will construct New Units or renovate Existing Units in a Qualified Project at a not-to-exceed fixed contract price. A construction contingency of not more than 10% ("Contingency") could have been included in each Approved Budget, but such Contingency may not be used during construction or renovation without the express written approval of the Lender and the LHC.

Borrowers who would like to perform the construction of the qualified project themselves were required to provide two bids from a Louisiana-licensed Contractor, in addition to their own bid to perform the same services. The bids to self-perform were required to be submitted on a line-item basis, and Borrowers are prohibited from earning profit and overhead on their self-performed bid scope. Borrowers who elect to perform the construction of the qualified project must carry a valid Louisiana Contractor license.

Vacancy Requirement

To be eligible for the NLRP3 Initiative, all the units contained in the Application were required to have been vacant by July 7, 2022. A participating landlord may not intentionally displace a tenant to be eligible to apply to the NLRP3 Initiative.

Identity of Interest

Identity of interest means any relationship (generally based on family ties or financial interests) between the seller and purchase (prospective owner), (b) the owner and/or general contractor and the subcontractor, material supplier or equipment lessor, or (c) the owner and the lender, which could reasonably give rise to a presumption that the parties to the transaction may operate in collusion in establishing the purchase price of the property, the cost of the rehabilitation work, or the terms of the financing. Examples of identity of interest relationships include:

- There is any financial interest of the Developer or Owner in the Builder or any financial interest of the Builder in the Developer or Owner.
- Any officer, director or stockholder or partner of the Developer or Owner who is also an officer, director or stockholder or partner of the Builder.
- Any officer, director, stockholder or partner of the Developer or Owner has any financial interest in the Builder; or any officer, director, stockholder or partner of the Builder has any financial interest in the Developer or Owner.
- The Developer or Owner advances any funds to the Builder.
- The Developer or Owner supplies and pays, on behalf of the Builder, the cost of any architectural services or engineering services other than those of a surveyor,



general superintendent, or engineer employed by a Developer or Owner in connection with its obligations under the construction contract.

- The Developer or Owner takes stock or any interest in the Builder compensation as consideration of payment.
- There exists or comes into being any side deals, arrangements, contracts or undertakings entered into or contemplated, thereby altering, amending, or canceling any of the required closing documents, except as approved by the LHC or the Corporation.
- Any relationship (e.g., family) existing which would give the Builder or Developer or Owner control or influence over the price of the contract or the price paid to any subcontractor, material supplier or lessor of equipment.
- Any member of the Development Team advances any funds to the Developer or Owner at any point prior to an allocation.

For purposes of determining an identity of interest between parties not identified above, such parties will be identified as either the Developer and Owner or the Contractor as appropriate to establish the identity of interest.

The Corporation may reduce any allowable costs where an Identity of Interest has been found among the parties to transactions involving the sale, development and/or operation of the project.

Ineligible Applications

Applications were deemed ineligible if any of the following conditions existed at the time of application submission:

- Any person and/or entity is on the federal debarred list, or an organization representing such person and/or entity is on the list.
- Any person and/or entity has received notice that they are currently out of compliance with LHC regarding annual audits, or they are in arrears with other LHCfinanced projects.
- Homeownership Developments are proposed by entities that currently have unsold properties funded by LHC CDBG Funds.
- Any person and/or entity currently has an LHC-financed project with compliance issues that are unresolved for greater than ninety days.
- Any person and/or entity has two or more projects previously awarded financing by LHC that are currently incomplete.
- Any Applicant is not in compliance with any other LHC or OCD disaster program.



Conflict of Interest/Ethics Policy

All individuals are permitted to apply for this program if their rental homes were damaged by the Great Floods of 2016.

HUD conflict of interest regulations prohibit local elected officials, sub-recipient employees, and consultants who exercise functions with respect to CDBG Disaster Recovery activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, from receiving any benefit from the activity either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.

For purposes of this section, "family" is defined to include parents (including mother-in-law and father-in-law), grandparents, siblings (including sister-in-law and brother-in-law), and children of an official covered under the CDBG conflict of interest regulations at 24 CFR Sec. 570.489(h). An organization that employs or is about to employ any of the parties indicated above would also be deemed a conflict.

If the need to determine whether or not a conflict of interest exists, an LHC attorney will make the determination. If required, the LHC attorney will produce an exception request which will be submitted to the State's Office of Community Development /Disaster Recovery Unit (OCD/DRU) and/or the State Ethics Commission. The State is able to consider granting an exception to the conflict of interest provision should it be determined by the that adequately and publicly addressed all of the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and the effective and efficient administration of the program.

Eligible Costs

The following constitute Eligible Costs:

- <u>Development hard costs</u>. Development hard costs are the actual cost of constructing or rehabilitating housing.
- Related soft costs.
 - o Interim Construction interest
 - Reasonable origination and closings charges as described by the construction loan lender
 - Reasonable Architectural and or Engineering Services as required for the construction of new units
 - Title and or recording fees for the closing of the interim construction financing as required by the lender



- o Survey Costs
- o Appraisal costs as required by the interim construction-financing lender

Other reasonable and necessary costs incurred by the owner and associated with the financing or development (or both) of New Units or Existing Units may be considered by LHC on a case-by-case basis for approval.

Ineligible Costs

The following costs are ineligible under the NLRP3 Initiative:

- Any cost to purchase land or property before or after the NOFA was published
- Any cost for development, operations or modernization of public housing financed under the 1973 ACT (Public Housing Capital and Operating Funds)
- Any cost to refinance any loan
- Any Developer or Consultant fees

Occupancy and Set Aside Unit Requirements During Period of Affordability

Occupancy Requirements for Completed Units

All residential housing units following completion must be occupied by households ("Qualified Households") at or below eighty percent ("80%") of area median income ("AMI"). For NPOs this will be the standard unless elected for increased set aside by NPO's to households at or below ("50%"). As indicated above, all units must be leased up by qualified tenants to begin the period of affordability.

Affordability Period and Set-Aside Units

For Qualified Projects with more than four residential housing units, the NLRP3 Initiative will require a specified number of set aside units ("**Set-aside Units**") to be occupied by Qualified Households with lower household incomes based upon the number of residential housing units in a Qualified Project and for an Affordability Period as specified below:

RESIDENTIAL HOUSING UNITS	QUALIFIED HOUSEHOLD INCOMES	SET-ASIDE UNITS	AFFORDABILITY PERIOD
4 or fewer units	80% AMI and below	None	Ten (10) years
5 units	80% AMI and below	One (1) for 50% AMI Household	Ten (10) years



6-7 units	80% AMI and below	Two (2) for 50% AMI	Ten (10) years
		Household	-

Construction Loan Take Out Requirements

Lender Construction Loan Terms

A Lender's Construction Loan may accrue interest at a not-to-exceed rate of interest required by the Lender and as approved by the LHC during construction. A Lender's Construction Loan must provide that:

- The construction of a New Unit or the renovation of an Existing Unit will be completed within a not-to-exceed fixed budget containing all not-to-exceed closing fees and closing costs approved by the Lender and the LHC (the "Approved Budget") and
- the construction must be completed by a not-later-than completion date ("Completion Date") approved by the LHC and the Lender. This completion date should be included in the construction quote and/or contract.

A Construction Loan must be structured with a promissory note ("Construction Note") secured by a mortgage ("Construction Mortgage") that will be negotiated and assigned by the Construction Lender to the "LOUISIANA HOUSING CORPORATION" following completion of construction or renovation of a residential housing unit and upon receipt by the Lender of a guaranteed payment ("Take-out Commitment") by the LHC. If the Lender does not utilize the LHC prescribed construction loan documents, a separate LHC promissory note, mortgage, loan agreement and associated documents will be utilized for the Permanent Loan, which will be executed simultaneously at the construction loan closing by the Lenders closing agent. All recorded construction mortgages and LHC closing documents will be recorded against subject property at said closing. Closing costs advanced from Construction Loan should include costs associated with the LHC loan, including a lender's policy of title insurance.

Timing of Take-Out Assistance to Lender

Upon the Borrower satisfying the terms of LHC's loan agreement, all advances by the Construction Lender on the Construction Loan will be paid by the LHC to the date the Take-out Assistance is paid to the Lender ("**Conversion Date**"). Take-out Assistance shall include the aggregate advances for eligible costs on a Construction loan plus unpaid accrued interest for private Landlord's at or below 80% AMI to the Conversion Date.

Effect of Lien Position of Permanent Loan on Conversion Date

<u>Permanent Loan in Senior Lien Position</u>: If the Permanent Loan is in the senior lien position, the Conversion Date will be the later of (i) the date a certificate of occupancy of the Qualified Project is delivered to the Construction Lender and the LHC and (ii) the



date the Construction Lender receives payment in full pursuant to the Take-out Commitment. Occupancy by a Qualified Household must occur not later than 90 days from the Conversion Date.

<u>Permanent Loan in Subordinate Lien Position</u>: If the Permanent Loan is subordinate to a third party permanent lien lender, the Conversion Date will be delayed until all residential rental units in the Qualified Project is occupied by a Qualified Household.

Recourse Requirements and Guarantee by Principals of Eligible Borrowers

Construction Loans must be full recourse against Eligible Applicants and must be further guaranteed by Principals of an Eligible Applicant having a twenty percent (20%) ownership interest or more in the Eligible Applicant.

In the event of a sale, conveyance or other transfer of the property prior to the expiration of the affordability period, the Borrower shall repay to LHC the pro rata amount of the NLRP Phase 3 direct assistance for the unexpired term of affordability.

Cross Defaults of Multiple Qualified Project During Affordability Period

An Eligible Applicant owning two or more Qualified Projects will be required to cross default all Qualified Projects only during the Affordability Periods for each of the multiple Qualified Projects. Cross defaults will not be activated any Qualified Project prior to the Conversion Date of that Qualified Project.

Senior Lien Financing Limitations

<u>Seller Financing to Nonprofits</u>: Seller financing evidenced in an Application submitted by a CHDO or NPO may only be provided by a local redevelopment authority or another instrumentality of government.

<u>Net Asset and Liquidity Requirements Related to Liens Senior to Permanent Loan</u>: If the LHC's Permanent Loan is to be subordinate to a Senior Loan, the Eligible Borrower and its Principals must submit financial information satisfactory to the LHC evidencing net assets and liquidity as follows:

- Aggregate Net Worth: ≥ 110% of Take-out Commitment
- Financial Liquidity: ≥ 20% of Take-out Commitment

Construction Monitoring by Lenders, Oversight and Progress Payments

Monitoring of construction progress will be the responsibility of the Lender providing the Construction Loan. All construction progress payments by the Lender or the Eligible Borrower to the Contractor may be monitored by the LHC on a prescribed requisition



form approved by the Lender and the LHC. All construction progress payments to Contractor must be supported with back-up invoices and receipts. Lender will be required to certify actual costs paid by the Construction Lender with respect to advances to the Eligible Borrower. The Eligible Borrower will be required to provide proof of payments either by EFT, check, or money order to the Contractor performing the construction services. No cash payments will be accepted as evidence of payment to the contractor. The eligible borrower will also be required to provide lender inspection reports.

Take-Out Commitment Funding Source

The funding source of the Take-out Commitment by the LHC on the Conversion Date is approximately \$1,676,668 (twelve million, six hundred seventy-six thousand, six hundred sixty-eight dollars) of Community Development Block Grant Funds ("CDBG Funds") made available to LHC by OCD.

Terms of Construction Loan and Conversion to Permanent Loan When Assigned to LHC

Prior to the Conversion Date, the terms of the Construction Loan will correspond to the terms requirements specified by the Lender. The Construction Loan will either be assigned to the LHC on the Conversion Date and convert to a permanent loan ("Permanent Loan") or shall be paid off or paid down on the Conversion Date under separate LHC loan documents, if the Lender has not utilized LHC-prescribed construction loan documents. On and after the Conversion Date, the terms of the Permanent Loan will correspond to the requirements of the LHC. Whichever form of LHC loan agreement is utilized, the Permanent Loan will mature not later than ten (10) years following the Conversion Date.

Terms of Permanent Loan - Payment Only Upon Default

The Permanent Loan will not bear interest and will be subject to principal payments only upon a determination that the Eligible Borrower failed to maintain the property financed by the Permanent Loan as a Qualified Project or that there is a default under the Permanent Loan Document that cannot be cured. If the residential rental units in a Qualified Project remain affordable during the applicable Affordability Period and if there have been no default findings by the LHC, the Permanent Loan will be forgiven at the end of the applicable Affordability Period.

The Construction Loan is not required to have mortgage lien position.

Construction Loan Closing Documentation

Eligible Borrowers will be required to execute a Conditional Commitment of NLRP3 Funds upon award of a Take-out Commitment that must be acknowledged by the Construction Lender. LHC-approved financing documents ("NLRP3 Loan Documents")



must be executed at Closing. NLRP3 Loan Documents may include the form of a Lender's Construction Note and Construction Mortgage and other NLRP3 Loan Documents being submitted for the Qualified Project. The form of the Louisiana Neighborhood Landlord Rental Program Regulatory Agreement ("NLRP3 Regulatory Agreement") must be executed and recorded at the Closing of the Construction Loan. LHC requires proof of recordation, which can be a stamped copy showing the location where the loan was recorded in the mortgage records. Lenders will be required to submit to the LHC (within five Business Days of Closing) a docket ("Closing Docket") containing all NLRP3 Loan Documents, including Other Required Documents and Proceedings identified in a standard Index of Closing Documents ("Closing Index") that the LHC will approve in advance of Closing. Similarly, a Borrower using non-borrowed funds to finance construction must submit to the LHC a Closing Docket and arrange to commence construction financing using Other Required Documents and Proceedings identified in the Closing Index that the LHC will approve in advance of Closing.

Participating Lenders

Lenders are asked to use standard NLRP3 Loan Documents at each Closing. NLRP3 Loan Documents will be prepared and distributed in advance of the Application Period by the LHC. If Lenders do not choose to execute LHC Loan Documents, they are permitted to use their own loan documents. In no event should the lender's loan documents obligate the Borrower to interest and costs not approved by LHC or include any prepayment penalty.

Lender Fees and Closing Costs

An Application must identify all Lender fees to be charged to an Eligible Borrower, including Lender Application Processing Fees, Lender Commitment Fees, Lender Closing Fees, Lender Legal Fees, and Lender Construction Monitoring Fees. Costs associated with closing of the permanent loan are to be advanced from the Construction Loan, which includes any filing fees and lender policy of title insurance issued by Construction Lender closing agent. All Lender fees must be reasonable and are subject to review and approval by the LHC.

Period of Affordability

The NLRP3 Initiative requires Qualified Households to occupy the residential housing units in a Qualified Project on and after the Conversion Date for a period of ten (10) complete calendar years ("Affordability Period"). The Affordability Period and percentage of Area Median Income (AMI) for each Qualified Household in a Qualified Project will be specified in the Take-out Commitment and the Permanent Loan documents as of the Conversion Date. This date will normally reflect ten (10) years after the initial, complete lease-up by qualified tenant(s) i.e. 10 years following the date that the last unit is leased to a qualified tenant.



Federal Requirements

No Choice Limiting Action Until Environmental Review

Borrower and its contractors are prohibited from undertaking or committing any funds or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction, or leasing or disposition prior to the execution of the "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter, and that the violation of this provision may result in the denial of any NLRP3 Funds under this Agreement. Entering a contract obligating the borrower to any of the above constitutes a choice limiting action.

Environmental Review

The timeline for an Environmental Assessment ("**EA**") level (i.e., requiring a Phase I Report for new construction or rehabilitation) environmental process is 90-120 days from the receipt of a comprehensive environmental review record ("**ERR**"). The range of time required to completely review an ERR for a given property varies and is largely dependent upon how well the ERR submission is compiled. The stated condition of the property and recognized environmental conditions ("**REC**") in vicinity of the project dictate follow-up necessities (i.e., 404 wetlands permits or Phase 2 reports) which further prolong the review process. There is no official HUD timeline for all of the steps of the environmental review process.

The only steps that have associated time constraints are the 8-step process (if applicable has 15 and 7-day notice periods), the FONSI/NOI public notice period prior to submitting the RROF (15-18 days), and the HUD review/comment period prior to the authorization to use grant funds ("**AUGF"**) which (15-18 days but more often than not) gets extended. Those three steps can take anywhere from 45-60 days if not longer.

Cross-Cutting Federal Requirements

All Qualified Projects will be subject to CDBG Federal Grant Requirements referenced in the Neighborhood Landlord Rental Program Regulatory Agreement ("NLRP Regulatory Agreement") required to be filed as of record as a covenant running with the land for all Qualified Projects financed under the NLRP3 Initiative. The NLRP Regulatory Agreement will be enforceable against the Eligible Borrower and its successors and assigns during the Affordability Period. Included among the CDBG Federal Grant Requirements are compliance requirements with Section 504 of the Rehabilitation Act of 1973, Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations; and the regulations at 24 CFR Part 107 (Equal Opportunity in Housing); and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs).



Davis-Bacon

Davis-Bacon wage and reporting requirements apply to projects funded directly by or assisted in whole or in part with CDBG Funds. There are no exemptions or thresholds beyond the standard Davis-Bacon Act \$2,000 threshold that applies to the total value of the project construction, not just the amount of the CDBG assistance, in addition to the development of structures over 7 units. Public Housing Authorities must follow their own established policies as it relates to this federal requirement. Davis-Bacon will apply prospectively only to a project for which the construction contract was awarded and/or for which construction started prior to the date that the Corporation announced and invited applications for CDBG assistance.

Duplication of Benefits (DOB)

The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG Disaster Recovery funding with respect to any part of a loss resulting from a major disaster for which they have already received financial assistance under any other program or from insurance or any other source.

The Stafford Act also requires that the LHC perform a duplication of benefits analysis pertaining to each Applicant within the NLRP3.

The State will require the Applicant to indicate in the application the types, amounts, and purposes of assistance both approved and received to date related to the Great Floods of 2016. The amount of approved assistance will be counted in the duplication of benefits analysis. Sources of assistance will include, but are not limited to, Federal Emergency Management Agency (FEMA), Small Business Administration (SBA), Insurance, and Community Development Block Grant (CDBG). Any Applicant who received SBA funding to rehabilitate their home/property will be evaluated for acceptance in the NLRP3 Program on a case-by- case basis. Any other assistance received that already covers unmet needs identified under this program will be considered when calculating an award.

The program will utilize duplication of benefit (DOB) feeds from the memorandum of understanding (MOU) between SBA and FEMA to verify the amount received from its federal partners.

Section 3 Requirement

Compliance requirements of Section 3 of the HUD Act of 1968, as amended, are triggered when a recipient receives in excess of \$200,000 for construction, reconstruction, rehabilitation, or demolition. Section 3 requires that economic opportunities that are generated by the use of Federal funds be made available to lowand very low-income persons who reside in the project's service area and the businesses that employ them, to the greatest possible extent. Section 3 establishes goals for (1) job



training and employment opportunities for any new hires that result from the investment of Federal funds, and (2) contracting and subcontracting opportunities that result from Federal fund investments.

Monitoring Plan

Monitoring and evaluation of program performance and compliance by recipients of Disaster Recovery CDBG funds is a requirement of the Department of Housing and Urban Development (HUD). Monitoring program, statutory and/or regulatory requirements are the responsibility of the Louisiana Housing Corporation (LHC) and LHC's Sub-recipients. Sub-recipients are responsible for carrying out their programs to meet these compliance requirements, including monitoring their project administrators, contractors, and subcontractors in accordance with Community Development Block Grant (CDBG) regulation 24CFR 570.501 and Louisiana Office of Community Development Administrative Manual Section 12.

Record Keeping

The LHC will maintain accurate rental property program files and records for general administration activities, for each applicant, for a period of five (5) years after the State grants closeout. Such files will be open for inspection by the State, HUD, as to qualifications, bids, and awards. The LHC staff will utilize a Recovery Housing shared "Z" drive to record and maintain all file records. "LiveWire" a Sharepoint system will be used internally by the LHC to track each applicant as they move through the process, under the "Rental Program Tracker". This software system will manage the data and permit the staff to generate weekly, monthly and annual reports about housing rehabilitation activities. All eligibility information, inspection notes and contractor complaints will be recorded.

Program Documents which are printed and stored at the LHC Quail Drive site are kept in a locked fire-proof cabinet in the department area.

Construction Standards

Construction Standards

All construction must comply with Louisiana State Uniform Construction Code (LSUCC), local planning and zoning, and local authorities and jurisdictions. Federal regulations which may pertain to the specific project such as the Fair Housing and Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, as amended, also apply. LHC strongly encourages that the 2010 ADA/ABA standard be used when designing accessible units and public facilities.



Minimum Construction Requirements

1. <u>Development and Unit Characteristics</u>: The LHC is seeking well-built and attractive multi-family and single-family housing which will be a positive contribution to its community. Borrowers should commit to design elements consistent with quality features and amenities, which should include resource-efficient, healthy and durable building systems and approaches, fencing and/or access control features as appropriate to the design/location of the project, open space and landscaping, parking, and/or in-unit features including market-standard square-footage of units, window treatments, appliances, and finishes.

2. New Construction

- New construction shall be restricted to site-built or modular homes that meet the local and state building codes.
- Design shall provide for an aesthetically pleasing living facility of average/modest construction that is consistent with the character of the surrounding neighborhood, subject to local and state building codes.
- HUD New Green Building Standards (for reconstruction/new construction only): HUD guidance has dictated that all new construction will be required to meet a level of standard greater than the HUD Green Building Checklist. The Federal Register Notice dictating this grant specifies that if there is no executed contract for new construction at the time of grant award, then one of the following building techniques will need to be followed:
 - LEED Criteria: Building design and construction emphasizing sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality that achieves the points necessary to qualify as LEED Certified (a minimum of 26 points under the LEED Green Building Rating System® for lodging). The LEED (Leadership in Energy and Environmental Design) Green Building Rating System® is a voluntary, consensus-based national standard for developing high- performance, sustainable buildings created by the US Green Building Council
 - National Green Building Standard ICC 700 Criteria: Built in accordance with the requirements of National Green Building Standard ICC-700-2012 or ICC-700-2015.
 - Energy Star Version 3 Criteria: A new home or apartment that has earned the ENERGY STAR label has undergone a process of inspections, testing, and verification to meet strict requirements set by the US EPA. ENERGY STAR-certified homes and apartments use significantly less energy than typical new homes and apartments while delivering better comfort, quality, and durability.



- 3. <u>Rehabilitation</u>: Rehabilitation of vacant units shall provide for safe, sanitary, efficient and aesthetically pleasing living facility of average/modest construction upon completion.
- 4. <u>Utility Services</u>: All units must include a washer, dryer, and dishwasher.
- 5. Minimum Internet/Cable Capacity Requirements: All units must be equipped with networks to provide cable television, telephone and internet access in the living area and each bedroom. The following networks (combined or distinct) must be capable of being accessed and activated by tenants: (i) telephone network installed for phones using CAT5e or better wiring, (ii) network for data installed using CAT5e or better, networked from the unit back to a central location or similar configured wireless network and (iii) TV services network using COAX cable. The wiring for such networks should be available to tenants free of charge but tenants may be charged the actual fee incurred by the Taxpayer for activating and making available any services provided directly by the Project or through third party providers. The equivalent of wireless network access is acceptable.
- 6. Energy Efficiency Requirements: All units must be energy-efficient. Since NLRP3 is funded through the Community Development Block Grant-Disaster Recovery (CDBR-DR) program, all construction must adhere to the Green Building Standards as outlined in Federal Register (FR) 5989-N-01. Requirements vary based on the type of project: new construction or rehabilitation. Specific requirements can be found based on project type in Appendix B. Rehabilitation projects must meet the guidelines specified in the HUD CPD Green Building Retrofit Checklist-https://www.hudexchange.info/resource/3684/guidance-on-the-cpd-grean-building-chhecklist/.

The NLRP3 Initiative does not assume responsibility for enforcing or determining compliance with local codes, zoning restrictions, and regulations, nor does it make interpretations regarding their application in any specific instance. The Qualified Borrower shall be responsible for obtaining all applicable building permits and inspections leading to obtaining a certificate of occupancy and/or final inspection. These items, including a passed program inspection, will be a prerequisite to close on any property constructed or rehabilitated through the NLRP3 Initiative.

Cost Reasonableness

A Cost Reasonableness Analysis is performed on all projects by the LHC Construction Department, using information provided in project applications and RS Means costing data. In order to perform the cost reasonableness analysis, Applicants must submit a scope of work and a floor plan for their proposed project. The cost of construction submitted by the Applicant must fall within twenty percent (20%) of the cost obtained by the LHC staff for the project to be considered as cost reasonable. For projects deemed as not cost reasonable to be funded, either such projects must be redesigned or the construction must be competitively bid through a public bid process.



Documentation to Determine Cost Reasonableness

The LHC Construction Department requires the following information and documentation in order to perform the cost reasonableness analysis.

New Construction Project

Applications proposing new construction must be submitted with the following required supporting documents:

- Site plan
- Floor plan
- Front, side and rear elevations
- Certification Regarding Sources and Uses of Funds Statement and No Duplication of Funds
- Evidence that project meets zoning requirements
- Evidence that the proposed housing unit is not in a flood hazard area
- Scope of Work
- Stop Work Order Provision Document
- Five Year Pro Forma
- Lender's Commitment contingent upon receipt of LNLRP
- Documentation of other committed and available funds
- Borrower's checklist and acknowledgment
- Signature Page

Reconstruction Project

Applications proposing reconstruction must be submitted with the following required supporting documents:

- Site plan
- Floor plan
- Front, side and rear elevations
- Certification Regarding Sources and Uses of Funds Statement and No Duplication of Funds
- Evidence that project meets zoning requirements



- Evidence that the proposed housing unit is not in a flood hazard area
- Scope of Work
- Stop Work Order Provision Document
- Vacancy Certification
- Tenant Certification
- Five Year Pro Forma
- Lender's Commitment contingent upon receipt of LNLRP
- Documentation of other committed and available funds
- Borrower's checklist and acknowledgment
- Signature Page

Rehabilitation Project

Applications proposing rehabilitation must be submitted with the following required supporting documents:

- Site plan
- Floor plan
- Interior Photos
- Exterior Photos
- Certification Regarding Sources and Uses of Funds Statement and No Duplication of Funds
- Proposed compliance alignment of the scope of work with HUD CPD Green Building Retrofit Checklist
- Evidence that project meets zoning requirements
- Evidence that the proposed housing unit is not in a flood hazard area
- Construction Contract (If work has been started on the units)
- Scope of Work (If work hasn't been started on the units)
- Vacancy certification
- Tenant Certification
- Stop Work Order Provision Document



- Five Year Pro Forma
- Lender's Commitment contingent upon receipt of LNLRP
- Commitment contingent upon receipt of LNLRP
- Documentation of other committed and available funds
- Borrower's checklist and acknowledgment
- Signature Page

Determining Cost Reasonableness

Once the Housing Finance Specialist (HFS) has confirmed they have the documentation sufficient for a cost reasonableness analysis, the HFS will send this information to an LHC inspector. The inspector utilizes this information by inputting the line item costs within Xactimate or RS Means. If the line item scope is in line with what Xactimate or RS Means indicates, the project is cost reasonable.

Cost Reasonableness for Owners Electing to Perform the Rehabilitation of the Project

The documentation required for owners electing to self-perform is much the same as indicated in section (10.1). In addition, the documents within section (10.1), the below is also needed:

1. Two additional quotes from a qualified state licensed contractor matching the same line item scope as the owner prepared quote.

With this additional documentation, the HFS will send all three quotes obtained to the LHC inspector. The inspector will run all three quotes through Xactimate or RS Means, and the most cost reasonable quote will be selected to move forward.

Application Review

The application for each type of project should contain the required documents as indicated in Section's 8 and 9 of the program policies. In addition, the HFS should have initiated the steps outlined in Section 10 before moving to fully complete the application review.

The HFS utilizes the appropriate "Louisiana Neighborhood Landlord Rental Program Phase III Checklist" (Exhibit VI) to indicate all required criteria is followed before an award is determined. This form should be completed by the HFS and approved by either the Housing Finance Manager (HFM), or Housing Program Administrator (HPA).



Closing Documents

Executed Closing Documents

The following NLRP3 closing documents are executed by all required borrowers or guarantors before a notice to proceed is awarded to the project:

- NLRP3 Permanent Loan (Exhibit VII)
- NLRP3 Permanent Mortgage (<u>Exhibit VIII</u>)
- NLRP3 Regulatory Agreement (<u>Exhibit IX</u>)
- NRLP Guaranty (Exhibit X)
- NLRP Take Out Commitment (<u>Exhibit XI</u>)

Notice to Proceed

Upon the execution of the closing documents, the program awards a Notice to Proceed (<u>Exhibit XII</u>) to the applicant. This document indicates any environmental requirements indicated by the Environmental Analyst (EA).

Inspection Process

Applicant Providing Construction Funds

In the event that the applicant is supplying all funds necessary to complete the rehabilitation or new construction, the following inspection schedule and documents are required:

- 25% Complete
- 50% Complete
- 75% Complete
- 100% Complete (Certificate of Occupancy is Required)
- HQS Inspection

The above referenced inspections are performed by an LHC inspector. It is the applicant's obligation to inform the program as to when these inspection stages are required. The applicant should email the disasterrecovery@lhc.la.gov email address and schedule the inspection a week ahead of the inspection milestone. When these emails are received, the HSF informs the LHC inspection staff. Once the inspection is completed, the LHC inspector emails the completed inspection form to the HSF, and this is uploaded to the applicant's folder in the "Z "drive.



Construction Lender Providing Funds

In the event that the applicant has a construction lender supplying all funds necessary to complete the rehabilitation or new construction, the following inspection schedule and documents are required:

- 100% Complete (Certificate of Occupancy is Required)
- HQS Inspection

The above referenced inspections are performed by an LHC inspector. It is the applicant's obligation to inform the program as to when these inspection stages are required. The applicant should email the disasterrecovery@lhc.la.gov email address and schedule the inspection a week ahead of the inspection milestone. When these emails are received, the HSF informs the LHC inspection staff. Once the inspection is completed, the LHC inspector emails the completed inspection form to the HSF, and it is uploaded to the applicant's folder in the "Z "drive."

Tenant Selection and Approval

Timeline for Occupancy

The borrower has 90 days from the receipt of the Certificate of Occupancy to secure an eligible tenant for occupancy. During the compliance period, the borrower has 90 days from each the end lease date to secure an eligible tenant for occupancy. The borrower should make every concerted effort to follow the deadlines set forth. Failure to do so by the borrower could lead to non-compliance and recapture of federal funds.

Allowable Rents

The rents for each residential rental housing unit by bedroom size are published by LHC by parish location for each Qualified Project reduced by the Utility Allowance applicable to the unit. These rents cannot exceed the allowable published rents when Section 8 vouchers are present. The rents are updated as HUD's Income Limits are revised.

Tenant Selection Packet

Before any tenant may move into a completed unit, the borrower must provide the program with a completed "Rental Property Owner Guide" (<u>Exhibit XIII</u>). This document is a guide to indicate the allowable rents, indicate the income for the prospective tenant, protections for the tenant, and lease to be executed. Completed tenant packets are submitted to <u>disasterrecovery@lhc.la.gov</u>.

Tenant Approval or Denial by the Program

Once the program receives a tenant selection packet, the HFS utilizes the information within the packet to confirm the eligibility of the tenant as it pertains to the published HUD Income Limits. The HFS utilizes the "Tenant Income Checklist" (Exhibit XIV) to



document their findings during the review of the packet. Upon the review of the packet one of two letters are submitted to the borrower to indicate the program response to the tenant selection:

- NLRP3 Tenant Acceptance (Exhibit XV)
- NLRP3 Tenant Denial (<u>Exhibit XVI</u>)

The borrower cannot move forward with allowing tenant occupancy until the program has approved the tenant. This is also a requirement during the entirety of the five-year affordability time period. Failure to do so could lead to non-compliance and recapture of federal funds.

Rental Tenant Information Portal

Upon the program's acceptance of a potential tenant, and evidence of an executed lease agreement, the HFS inputs this information into the "Rental Tenant Information" portal. This portal is equipped to maintain the income level of each tenant, and tracks the start and end of each executed lease.

Payment Process

Setting Up Vendors

All applicable parties are set up in LHC's accounting system of record "ACPAC" before any payment is processed for completed work. The following is required for any party:

- W9 (<u>Exhibit XVII</u>)
- 1199A Direct Deposit (If requesting EFT) (Exhibit XVIII)

Once the HSF has obtained the required documentation the following occurs:

- Saved the documents as "Applicantname_vendor".
- Saved PDF should be uploaded to applicant's portal under the "Rental Program Tracker".
- Fill out the applicable boxes under the portal as it relates to the amount going to each vendor and their tax ID, address, and contact information.
- Lastly, the check box under the applicant portal labeled "Vendor Info Uploaded" should be marked checked.

The LHC accounting department gets an alert email and uses this portal to view the saved document and ensure it is set up in ACPAC.

Requirements to Initiate the Construction Take Out

The following is required by the borrower in order the initiate the Construction Take Out:



- Passed Final and HQS Inspection.
- All required insurance should have the Louisiana Housing Corporation listed as an additional insured, and submitted to the program.
- Eligible Borrowers must list each Qualified Project on the LHC search website at: LaHousingSearch.org.
- If 1st Lien is present, a "NLRP3 Tenant Acceptance Letter"

Creating a Draw Request

The following documents are needed to create a Construction Take out Draw Request:

- Draw Request Checklist (<u>Exhibit XIX</u>)
- Louisiana Neighborhood Landlord Rental Program Checklist
- Environmental Approval
- Notice to Proceed
- 1st page of recorded NLRP3 Permanent Loan
- Contract between applicant and contractor
- Cost Reasonableness Review
- All checks payable to the contractor to equal the contract and change orders
- Inspections
- Lender Certification (If applicable)
- Certificate of Occupancy
- Tenant Approval Letter (If 1st lien is present)

Once all of the appropriate documentation is gathered and is sufficient for payment, the HFS presents the information to the HFM or HPA for final approval and creates the new draw request form.

Upon its approval the check box under the applicants' portion of the portal labeled "Take out Issued" is checked, and the draw may be forwarded to LHC Accounting for final processing.



Compliance Period

Yearly Monitoring

The "Rental Tenant Information Portal" sends an email alert to the assigned HFS 30 days prior to the date in which a tenant lease is set to expire. Upon this email alert, the HFS contacts the borrower and ensures the following is submitted to the program:

- Evidence that the LHC is still listed as an additional insured on all required insurance documents
- If the tenant wishes to the reside in the unit after the end lease term, a "Lease Roll Over" (<u>Exhibit XX</u>) should be submitted to the program.

The HFS should inform the borrower that a yearly HQS inspection is required in the event a tenant elects to remain in the unit after the lease term. The HFS also indicates to the borrower that in the event the tenant elects to vacate the unit, the borrower has 90 days to submit a new tenant selection packet to the program for review. Failure by the borrower to have an eligible tenant re-occupy the property within 90 calendar days could lead to non-compliance and recapture of federal funds. A passed HQS inspection is necessary to coincide with the approval of a new eligible tenant.

Loan Forgiveness

Upon satisfaction of the yearly monitoring requirements the NLRP3 will consider the borrowers loan obligation reduced by 20% increments until the final forgiveness. Final forgiveness is not awarded until the NLRP3 can confirm that the unit was occupied by an eligible tenant for the full five-year timeframe. Upon loan forgiveness, the program creates a 1099 for the full amount of the loan and submits it to the borrower for tax purposes.

Appeals Process

Any applicant may appeal a decision by the program concerning eligibility of the project. These appeals will be accepted by mail or email submissions and will be tracked within the SharePoint. The HPA and HFM will review the appeal and award a final decision in writing to the applicant within 30 business days of the receipt of the request.

Exhibits

All legal documents/regulatory agreements and other records for each development are maintained on LHC Z drive. The Program is subject to LHC's record retention policies for CDBG-DR funded programs which can be found on LHC Z drive at Z:\Community Planning and Dev\2016 Flood Programs\Landlord Program Phase III.



Exhibit I

Louisiana Housing Corporation

Certification of Understanding Concerning Stop Work

I UNDERSTAND THAT BY SUBMITTING THIS APPLICATION:

IF I HAVE NOT ALREADY ENTERED A FULLY EXECUTED WRITTEN CONSTRUCTION CONTRACT, I MUST STOP ALL REPAIR OR RECONSTRUCTION WORK AND CANNOT ENTER ANY CONTRACT TO DO REPAIR OR RECONSTRUCTION WORK UNTIL I RECEIVE ENVIRONMENTAL CLEARANCE AND NOTIFICATION FROM THE NEIGHBORHOOD LANDLORD PROGRAM TO PROCEED.

IF I HAVE ALREADY ENTERED A FULLY EXECUTED WRITTEN CONSTRUCTION CONTRACT TO REPAIR OR RECONSTRUCT MY HOUSE, I AM ALLOWED TO PROCEED WITH THAT WORK, BUT I CANNOT MAKE ANY AMENDMENTS OR CHANGE ORDERS TO THAT CONTRACT UNTIL I RECEIVE ENVIRONMENTAL CLEARANCE AND NOTIFICATION FROM THE NEIGHBORHOOD LANDLORD PROGRAM TO PROCEED.

FAILURE TO COMPLY WITH THESE REQUIREMENTS MAY RESULT IN MY INELIGIBILITY FOR GRANT ASSISTANCE FROM THE PROGRAM.

[NOTE: IF THE APPLICANT HAS ANY QUESTIONS ON THE APPLICABILITY OF THIS REQUIREMENT, HE/SHE MAY SEEK WRITTEN GUIDANCE FROM NEIGHBORHOOD LANDLORD PROGRAM STAFF]

FRAUD WARNING: This application is submitted in connection with a request to receive federal funds and/or assistance for disaster recovery as the result of damages sustained from presidentially declared disasters, specifically the flooding events in Louisiana in March and August of 2016. I understand that if I fraudulently or willfully misstate any fact in connection with this application or a grant, should I receive one, I shall be subject to a fine as provided under 18 U.S.C. § 1001 or imprisoned for not more than five years or both, as well as subject to fine or imprisonment under the Louisiana Criminal Code. (R.S. 14:67, Theft; R.S. 14:67, Identity Theft; and/or R.S. 14:72, Forgery). This applies to information contained in this application and any future information I provide in connection with my application or grant.

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Exhibit II

HUD CPD Green Building Retrofit Checklist

The CPD Green Retrofit Checklist promotes energy efficiency and green building practices for residential retrofit projects. Grantees must follow the checklist in its entirety and apply all measures within the Checklist to the extent applicable to the particular building type being retrofitted. The phrase "when replacing" in the Checklist refers to the mandatory replacement with specified green improvements, products, and fixtures only when replacing those systems during the normal course of the retrofit.

WATER AND ENERGY CONSERVATION MEASURES

Water-Conserving Fixtures Install or retrofit water conserving fixtures in any unit and common facility, use the following specifications: Toilets-- 1.28 gpf; Urinals-- 0.5 gpf; Showerheads-- 2.0 gpm; Kitchen faucets-- 2.0 gpm; and Bathroom faucets-- 1.5gpm. [gpf = gallons per flush; gpm = gallons per minute] **ENERGY STAR Appliances** Install ENERGY STAR-labeled clothes washers, dishwashers, and refrigerators, if these appliance categories are provided in units or common areas. Air Sealing: Building Envelope Seal all accessible gaps and penetrations in the building envelope. If applicable, use low VOC caulk or foam. **Insulation:** Attic (if applicable to building type) For attics with closed floor cavities directly above the conditioned space, blow in insulation per manufacturer's specifications to a minimum density of 3.5 Lbs. per cubic foot (CF). For attics with open floor cavities directly above the conditioned space, install insulation to meet or exceed IECC levels. **Insulation: Flooring** (if applicable to building type)



Install \geq R-19 insulation in contact with the subfloor in buildings with floor systems over

vented crawl spaces. Install a 6-mil vapor barrier in contact with 100% of the floor of the crawl space (the ground), overlapping seams and piers at least 6 inches. **Duct Sealing** (if applicable to building type) In buildings with ducted forced-air heating and cooling systems, seal all penetrations of the air distribution system to reduce leakage in order to meet or exceed ENERGY STAR for Homes' duct leakage standard. Air Barrier System Ensure continuous unbroken air barrier surrounding all conditioned space and dwelling units. Align insulation completely and continuously with the air barrier. **Radiant Barriers: Roofing** When replacing or making a substantial repair to the roof, use radiant barrier sheathing or other radiant barrier material; if economically feasible, also use cool roofing materials. Windows When replacing windows, install geographically appropriate ENERGY STAR rated windows. Sizing of Heating and Cooling Equipment When replacing, size heating and cooling equipment in accordance with the Air Conditioning Contractors of America (ACCA) Manuals, Parts J and S, or 2012 ASHRAE Handbook--HVAC Systems and Equipment or most recent edition. **Domestic Hot Water Systems** When replacing domestic water heating system(s), ensure the system(s) meet or exceed the efficiency requirements of ENERGY STAR for Homes' Reference Design. Insulate pipes by at least R-4. **Efficient Lighting: Interior Units**

Follow the guidance appropriate for the project type: install the ENERGY STAR Advanced Lighting Package (ALP); *OR* follow the ENERGY STAR MFHR program guidelines, which require that 80% of installed lighting fixtures within units must be ENERGY STAR-qualified or have ENERGY STAR-qualified lamps installed; *OR*



when replacing, new fixtures and ceiling fans must meet or exceed ENERGY STAR efficiency levels.

Efficient Lighting: Common Areas and Emergency Lighting (if applicable to building type)
Follow the guidance appropriate for the project type: use ENERGY STAR-labeled fixtures or any equivalent high-performance lighting fixtures and bulbs in all common areas; <i>OR</i> when replacing, new common space and emergency lighting fixtures must meet or exceed ENERGY STAR efficiency levels. For emergency lighting, if installing new or replacing, all exist signs shall meet or exceed LED efficiency levels and conform to local building codes.
Efficient Lighting: Exterior
Follow the guidance appropriate for the project type: install ENERGY STAR-qualified fixtures or LEDs with a minimum efficacy of 45 lumens/watt; <i>OR</i> follow the ENERGY STAR MFHR program guidelines, which require that 80% of outdoor lighting fixtures must be ENERGY STAR-qualified or have ENERGY STAR-qualified lamps installed; <i>OR</i> when replacing, install ENERGY STAR compact fluorescents or LEDs with a minimum efficacy of 45 lumens/watt.
INDOOR AIR QUALITY
Air Ventilation: Single Family and Multifamily (three stories or fewer)
Install an in-unit ventilation system capable of providing adequate fresh air per ASHRAE 62.2 requirements.
Air Ventilation: Multifamily (four stories or more)
Install apartment ventilation systems that satisfy ASHRAE 62.2 for all dwelling units and common area ventilation systems that satisfy ASHRAE 62.1 requirements. If economically feasible, consider heat/energy recovery for 100% of corridor air supply.
Composite Wood Products that Emit Low/No Formaldehyde



Composite wood products must be certified compliant with California 93120. If using a composite wood product that does not comply with California 93120, all exposed edges and sides must be sealed with low-VOC sealants.

Environmentally Preferable Flooring
When replacing flooring, use environmentally preferable flooring, including the FloorScore certification. Any carpet products used must meet the Carpet and Rug Institute's Green Label or Green Label Plus certification for carpet, pad, and carpet adhesives.
Low/No VOC Paints and Primers
All interior paints and primers must be less than or equal to the following VOC levels: Flats50 g/L; Non-flats50 g/L; Floor100 g/L. [g/L = grams per liter; levels are based on a combination of the Master Painters Institute (MPI) and GreenSeal standards.]
Low/No VOC Adhesives and Sealants
All adhesives must comply with Rule 1168 of the South Coast Air Quality Management District. All caulks and sealants must comply with regulation 8, rule 51, of the Bay Area Air Quality Management District.
Clothes Dryer Exhaust
Vent clothes dryers directly to the outdoors using rigid-type duct work.
Mold Inspection and Remediation
Inspect the interior and exterior of the building for evidence of moisture problems. Document the extent and location of the problems, and implement the proposed repairs according to the Moisture section of the EPA Healthy Indoor Environment Protocols for Home Energy Upgrades.
Combustion Equipment
When installing new space and water-heating equipment, specify power-vented or direct vent combustion equipment.
Mold Prevention: Water Heaters



Provide adequate drainage for water heaters that includes drains or catch pans with

drains piped to the exterior of the dwelling. **Mold Prevention: Surfaces** When replacing or repairing bathrooms, kitchens, and laundry rooms, use materials that have durable, cleanable surfaces. Mold Prevention: Tub and Shower Enclosures When replacing or repairing tub and/or shower enclosures, use non-paper-faced backing materials such as cement board, fiber cement board, or equivalent in bathrooms. **Integrated Pest Management** Seal all wall, floor, and joint penetrations with low-VOC caulking or other appropriate sealing methods to prevent pest entry. [If applicable, provide training to multifamily buildings staff.] **Lead-Safe Work Practices** For properties built before 1978, if the project will involve disturbing painted surfaces or cleaning up lead contaminated dust or soil, use certified renovation or lead abatement contractors and workers using lead-safe work practices and clearance examinations consistent with the more stringent of EPA's Renovation, Repair, and Painting Rule and HUD's Lead Safe Housing Rule. **Radon Testing and Mitigation** (if applicable based on building location) For buildings in EPA Radon Zone 1 or 2, test for radon using the current edition of American Association of Radon Scientists and Technologists (AARST)'s Protocols for Radon Measurement in Homes Standard for Single-Family Housing or Duplexes, or AARST's Protocol for Conducting Radon and Radon Decay Product Measurements in Multifamily Buildings. To install radon mitigation systems in buildings with radon level of 4 pCi/L or more, use ASTM E 2121 for single-family housing or duplexes, or AARST's Radon Mitigation Standards for Multifamily Buildings. For new construction, use AARST's Reducing Radon in New Construction of 1 & 2 Family Dwellings and Townhouses, or ASTM E 1465.



Exhibit III

Louisiana Housing Corporation

Duplication of Benefits Certification

damage cause by the March or August Floods of 2016.
Property Address :
If funds were received, you must provide evidence of the dollars indicated below within the application.
SBA: \$
NFIP: \$
Insurance Proceeds: \$
Other:\$
Briefly explain:
I didn't receive any funds to assist in the repair of my rental property
Note this form should be completed for each structure that received assistance
By signing this from I certify that I have made known all funds received to date from outside sources to repair my rental property.
Landlord Signature Date

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Exhibit IV



LHC.LA.GOV

<u>Vacancy Certification</u> <u>Louisiana Neighborhood Landlord Rental Program Phase 3</u>

NOTE: This form should be completed for each unit included in the application

I,	certify that my property located at
(Property Address)	was vacant as of July 22, 2022.
By signing this form I certify that my propert	y was vacant as of July 22, 2022
Applicant Signature	Date

Neighborhood Landlord Rental Program (NLRP3) Policies and Procedures



Exhibit V

Louisiana Housing Corporation

Previous Tenant Outreach Certification

Note this form should be completed for each tenant occupied unit included in the application

time of reconst	, have made an effort to the reach the previous or tenants, whom occupied my property,, at the the March or August flood. I have informed the tenant/s that I am actively working to repair or truct the referenced property.
Primary	y Tenant Name:
Second	lary Tenant Name:
The me	eans in which I reached out to the tenant/s was as follows:
	By Phone Date
	By Certified Mail (See attached to this form)
	In Person Date
	Via Newspaper (See attached to this form)
Did the	e tenant/s express interest in re-occupying the property upon its completion? (Yes/No)
	Describe Where the Tenant/s Currently Resides (Include current address and whether or not the s has a current lease with the property in which they reside):

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By signing this from, I certify that I have made even	ery concerted effort to reach out to the previous tenant.
Landlord Signature	Date

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Exhibit VI

	Lou Cor	Jisiana H poration	lousing	Neighborh Program		lord Renta	al Program	Phase III		
Nan	ne of Appl	icant								
Is th	ne applicai	nt in good sta	anding with th	e Secretary	of State a	nd Sam.Go	ov?			
Is th	ne contrac	tor in good st	anding with S	ecretary of	State and	Sam.GOV,	and is lice	nsed?		
Арр	olication A	ddresses								
1	Does the	site plan indi	cate the appr	opriate din	nensions to	demonst	rate the in	tended pui	rpose?	
	If no, des	cribe what is	missing or wh	nat is provi	ded:					· · · · · · · · · · · · · · · · · · ·
								-		
			ided that show				or new cons	struction a	re there	
	schematio	s showing w	hat the struct	ure will be	once cons	tructed?				
	If no, des	cribe what is	missing or wh	nat is provid	ded:					•
								1		
3	Is there a	completed s	cope of work	provided?						
	Is the con	tractor licens	sed?							
	If no, des	cribe what is	missing or wh	nat is provid	ded:					•



									_
4 15	s there a	Green Buildir	ng Checklist p	rovided, a	nd does it	match wha	at is proposed o	n the scope of	
	vork?							·	
It	no, desc	ribe what is	missing or wh	iat is provi	ded:				7
L									_
5 15	s the subj	ect property	located in a f	lood zone	?				
If	f not wha	t zone is the	property loca	ted?					
		c zone is the	property rote						
6 A	re any of	the properti	es currently o	occupied o	r have the	n been occ	upied between	the flood and	
n	iow?								
It	ryes, indi	icate the pro	perty in whicl	n a tenant	is or has o	cupied sin	ice the flood.		7
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7 V	Vhat type	of scope of	work is prese	nt?					1
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If	f no, desc	ribe what is	out of line						
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3 15	s the stop	work provis	ion documen	t present?					
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9 15	s there co	nstruction fi	nancing avail	able?					
	Mho is pro	widing the co	onstruction fi	nancing?					
V	viio is pic	oviumg the co	JIISTI UCTIOII II	nancing					
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Exhibit VII

The following documents can be found at Z:\Community Planning and Dev\2016 Flood Programs\Landlord Program Phase III\Closing Document.

- Neighborhood Landlord Rental Program Phase III Permanent Loan Agreement
- Neighborhood Landlord Rental Program Phase III Permanent Mortgage
- Neighborhood Landlord Rental Program Phase III Regulatory Agreement
- Neighborhood Landlord Rental Program Phase III Guaranty
- Neighborhood Landlord Rental Program Phase III Take-Out Commitment Agreement



Exhibit VIII

				ianc	ı Но	usin	g					
		C	orpor	ation								
Neighborhood Landlord Rental Program Phase III(NLRP3) Notice to Proceed												
Louisiana Housing Corporation (the "LHC"), hereby authorizes (the												
"Borrower") to proceed with the rehabilitation of the property located at												
Any deviations or changes in the scope of work, plans, specifications, and/or cost estimates for the rehabilitation/reconstruction work to be performed shall be presented by the Contractor to the LHC as well as to the Borrower prior to the implementation of any such changes. If approved, the LHC will provide written notice of such approval to the Contractor. Any invoices submitted for changes or deviations in plans, specifications, or cost estimates not approved by the LHC will not be paid.												
		noca	рргочесть	y the life t	VIII HOU DC	para.						
Th	is notice is	also subje	ct to the e	nvironmer	ntal require	ements as	listed belo	w:				
None												
None												
	F. 11				1 11		12					
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C:												
Signature												
Name:												
Title:												
5.1												
Date:												



Exhibit IX

Neighborhood Landlord Rental Program Phase III Rental Property Owner Guide can be found at:

https://www.lhc.la.gov/resources-for-housing-recovery?description=&type=22



Exhibit X

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Tenant Income Checklist Name of Applicant Application Addresses Race and Ethnicity White (Non Hispanic X Black (Non Hispanic) Native American Other Asian Single Non-Eldery Related Two Parent Other Connie Hall Other Name/Relationship Source of Income Hourly/Monthly Rate Family Size Max Income Total: \$ Total: \$ Number of Bedrooms Max Rent Proposed Rent Is the Rent in Line Proposed Rent Is the Rent in Line		Louisia	na	Hous	sing					
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Exhibit XI

Louisiana Housing Corporation

[DATE]

[PROPERTY OWNER NAME]
[PROPERTY OWNER MAILING ADDRESS]
[PROPERTY OWNER CITY, STATE ZIP]

RE: Notification of Tenant Denial Loan Number: [ID #] Property Address: [PROPERTY ADDRESS]

Dear [PROPERTY OWNER NAME]:

On [DATE], the Neighborhood Landlord Rental Program Phase III (NLRP3) received a Request for Tenancy Approval form for the unit located at [PROPERTY ADDRESS] on behalf of [TENANT NAME].

Based upon the information provided, the NLRP3 has determined that the prospective tenant is incomeeligible for occupancy and the tenancy pre-approval requirements have been met.

It is recommended that this letter be kept for your records and placed in the tenant file.

If you have any questions regarding this notice, please contact [REVIEWER] at [REVIEWER PHONE NUMBER].

Sincerely,

Neighborhood Landlord Rental Program Phase III

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•



Exhibit XII

Louisiana Housing Corporation

[DATE]

[PROPERTY OWNER NAME] [PROPERTY OWNER MAILING ADDRESS] [PROPERTY OWNER CITY, STATE ZIP]

RE: Notification of Tenant Denial Loan Number: [ID #] Property Address: [PROPERTY ADDRESS]

Dear [PROPERTY OWNER NAME]:

On [DATE] the Neighborhood Landlord Rental Program Phase III (NLRP3) received a Request for Temang Approval for the unit located at [PROPERTY ADDRESS] on behalf of [PROSPECTIVE TENANT NAME]. Based upon the information provided, the LHC has determined that the prospective tenant is not income eligible for occupancy and the tenancy pre-approval requirements have not been met. This decision was based upon the following information:

- List each item of noncompliance individually
 - O Include the mechanism to remedy the noncompliance with each item
- List
 - Remedy

Please provide the information requested above to proceed with the tenancy pre-approval process.

All rental property owners who chose to participate in the NLRP3 agreed to comply with program requirements, including occupancy restrictions, in exchange for funding through the program. Units assisted through the NLRP3 must be occupied by income eligible households at the time of the initial lease. Please refer to Tenant Selection Packet for current income limits and program rents. If you believe that this determination was made in error, or have any questions regarding the tenancy preapproval process, please contact [enter contact info].

Sincerely,

Neighborhood Landlord Rental Program Phase III

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Exhibit XIII

Form W-9 (Flov. Docombor 2014) Department of the Treesury

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Departr	December 2014) ment of the Treasury I Ravenue Service	Identification Number	ber and Certification requests send to							
	1 Name (as shown	on your income tax return). Name is required on this line; do	o not leave this line blank.							
page 2.	2 Business name/o	Isrogarded entity name, if different from above								
6	nstruction	mptions (codes apply only to entities, not individuals; see tions on page 3): t payee code (if any)								
Print or type Instructions	Note, For a sir	company. Enter the tax classification (C=C corporation, S= agis-member LLC that is disregarded, do not check LLC; ch cation of the single-member owner.			Examption code (if an	from FATO	A repor	ting		
훈등	Other (see inst	_				esortis maintaine	ed cruthide t	to (15)		
Specific	5 Address (humber	, street, and apt. or suite no.)	F	Requester's name a	and address	(optional)				
8	6 City, state, and 2	IP code								
	7 List account num	iber(s) here (optional)	•							
Par	Taxpa	yer Identification Number (TIN)								
		propriate box. The TIN provided must match the name			urity numb	xer				
reside entitie	nt allen, sole prop s, it is your emplo	individuals, this is generally your social security num rietor, or disregarded entity, see the Part I instruction yer identification number (EIN). If you do not have a r	ns on page 3. For other	a L	_			Ш		
	n page 3.			OF	Identificati	on numbo		_		
	If the account is in lines on whose nur	n more than one name, see the instructions for line 1 inber to enter.	and the chart on page 4	for Employer	-		П	┪		
Par	Certific	cation								
Under	penalties of perju	ry, I certify that:								
2. I ar	m not subject to b	n this form is my correct taxpayer identification num ackup withholding because: (a) I am exempt from ba n subject to backup withholding as a result of a failu	ckup withholding, or (b)	I have not been r	notified by	the Intern				
no	longer subject to I	oackup withholding; and	re to report all interest of	dividends, or (c) the ind i	as House	a line ui	atram		
		other U.S. person (defined below); and	t trans EATOA mandina	to coment						
		ntered on this form (if any) indicating that I am exemp riss. You must cross out Item 2 above if you have bee			ty sublect	to backur	withh	dina		
Intered general Instruc	ise you have falled st paid, acquisition ally, payments oth ctions on page 3.	to report all interest and dividends on your tax return or abandonment of secured property, cancellation or than interest and dividends, you are not required t	 For real estate transact of debt, contributions to 	ctions, Item 2 do an Individual reti	es not app rement arr	ily. For mo angement	rtgage t (IRA),	and		
Sign Here			Date	•						
Gen	eral Instruc	tions	 Form 1098 (home mort) (tuition) 	gage Interest), 1006	8-E (student	loan Intere	st), 1006	l-T		
		e Internal Revenue Code unless otherwise noted.	• Form 1099-C (canceled							
as legi	developments. Into siation enacted after	rmation about developments affecting Form W-9 (such we release it) is at www.irs.gov/fw9.	Form 1099-A (acquisition)							
	ose of Form		Use Form W-9 only if y provide your correct TIN. If you do not return For	•		•				
An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpeyer identification number (TIN) which may be your social security number (SSN), individual taxpeyer identification number (TIN), adoption taxpeyer identification muster (ATIN), or employer			to backup withholding. So By signing the filled-ou 1. Certify that the TIN y	ee What is backup it form, you:	withholding	? on page :	2			
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	1099-INT (Interest e		3. Claim exemption fro	m backup withhold	ing if you ar	re a U.S. ex	ompt pe	yoo. If		
	•	, including those from stocks or mutual funds)	applicable, you are also o any partnership income to	from a U.S. trade or	business is	not subjec	t to the			
		types of income, prizes, awards, or gross proceeds)	withholding tax on foreign	n partners' share o	f effectively	connected	income,			
broken	i) `	dual fund sales and certain other transactions by	 Certify that FATCA or exempt from the FATCA or page 2 for further information. 	reporting, is correc	t. See What	is FATCA	ang mat aporting	? on		
	Form 1099-S (proceeds from real estate transactions) page 2 for runner information.									

Cat. No. 10231X

Form W-9 (Rev. 12-2014)



Exhibit XIV

OMB No. 1510-0007

DIRECT DEPOSIT SIGN-UP FORM

- ign up for Direct Deposit, the payee is to read the back of this form fill in the information requested in Sections 1 and 2. Then take or this form to the financial institution. The financial institution will be information in Sections 1 and 2, and will complete Section 3. completed form will be returned to the Government agency
- The claim number and type of payment are printed on Government checks. (See the sample check on the back of this form.) This information is also stated on beneficiary/annuttant award letters and other documents from the Government agency.
- Payees must keep the Government agency informed of any address changes in order to receive important information about benefits and to

 A separate form must be completed for each type sent by Direct Deposit. 	re	main qu	aimed	for pay	ment	5.							
SECTI	ON 1 (TO BE CO	OMPL	ETED	BY P	AYEE)							
A NAME OF PAYEE (last, first, middle initial)		YPE OF						CHE	CKIN	IG	S	AVINGS	
ADDRESS (street, route, P.O. Box, APO/FPO)		<u> </u>	EPOSITI	ORAC	COUN	II NIU	MBER	-	_	_	_	_	
ADDITESS (sileet, folie, P.O. Box, AFOIFFO)		L	\perp										
CITY STATE	ZIP CODE		YPE OF Social Sec	urity				Fed.			Civillar		
TELEPHONE NUMBER			Supplement			ome							
AREA CODE			Railroad R SMI Servic			OPM							
B NAME OF PERSON(S) ENTITLED TO PAYMENT	Г		/A Compe						r				
												cliy)	
C CLAIM OR PAYROLL ID NUMBER		G THIS BOX FOR ALLOTMENT OF PAYMENT ONLY (If applicable) TYPE AMOUNT											
		TYPE							AM	OUN	Т		
Prefix Suffix													
PAYEE/JOINT PAYEE CERTIFICAT	ION	ı	JOINT	ACC	OUNT	HOLE	DERS"	CER	TIFIC	ATK	ON (OF	otiona	1)
I certify that I am entitled to the payment identified ab read and understood the back of this form. In a authorize my payment to be sent to the financial insti- to be deposited to the designated account.	signing this form, I	Inc	certify the										
SIGNATURE	DATE	SIGN	ATURE								DAT	E	
SIGNATURE	DATE	SIGN	ATURE								DAT	E	
SECTION 2 (TO BE C	OMPLETED BY	PAYE	E OR	FINA	NCIA	LIN	STITU	UTIC	N)		•		
GOVERNMENT AGENCY NAME		GOV	ERNME	NT AG	ENCY	ADD	RESS						

SECTION 3 (TO BE COMPLETED BY FINANCIAL INSTITUTION)

I ROUTING NUMBER

I ROUTING NUMBER FINANCIAL INSTITUTION CERTIFICATION RINT OR TYPE REPRESENTATIVE'S NAME SIGNATURE OF REPRESENTATIVE TELEPHONE NUMBER

GOVERNMENT AGENCY COPY



Exhibit XV

	Louisiana Housing Corporation	Neighborhood Landlord Rental Program Phase III						
		Draw Request Checklist						
Appl	icant							
Application	on Checklist/DOB review							
Environm	ental Approval							
EHVITOHIII	епта Арргоча							
Notice to	Proceed							
Promisory	/ Note							
Contract								
Cost Reas	onableness							
Change Orders (if applicable)								
All checks payable to the contract to equal contract and change orders								
Inspection	ns en							
Lender Ce	rtification (if applicable)							
Cortificati	o of Occupancy							
certificati	e of Occupancy							
Tenant Approval if 1st lien is present								



Exhibit XVI

Neighborhood Landlord Rental Program Phase III Lease Rollover Certification Form can be found at:

https://www.lhc.la.gov/resources-for-housing-recovery?description=&type=22



Exhibit XVII



LHC.LA.GOV

LOUISIANA HOUSING CORPORATION NEIGHBORHOOD LANDLORD RENTAL PROGRAM PHASE III REQUEST FOR CHANGE ORDER PAYMENT REQUISITION APPROVAL CHANGE ORDER REQUEST #_____

Homeowner:		
Address:		
Current Scope of Work Total: (as approve *Scope of Work, as sent to LHC Staff, n		
Description of Changes (attach supporting documentation, if necessary)	Decrease In Scope of Work Amount	Increase In Scope of Work Amount
TOTALS		
JUSTIFICATION:		
The amount of the Scope of Work will be (increased/decreased/) by a total of:		
The Scope of Work total, including this and any previously approved change orders will be: \$		
Will the Construction Period for this property be Increased, decreased, or unchanged?		
If the Construction Period is increased or decrease Provide an estimate of how many days:	-	
This document will become a supplement to the R Agreement will apply hereto.	ehabilitation/Reconstruction Agreeme	ent and all provisions of that
Requested by:	Date:	
Reviewed and Recommended by: LHC	Date:	
Approved by: NLRP III Program Manager	Date:	



Exhibit XVIII



LHC.LA.GOV

March 1, 2024

APPLICANT ENTITY Address City, State, Zip Code

RE: Project name

Louisiana Neighborhood Landlord Rental Program Phase 3 Loan Contingent Commitment

The Louisiana Housing Corporation ("LHC") is pleased to inform you of its contingent commitment to make available to you a loan for permanent financing ("Take-Out Assistance") in an amount up to \$ to take out the construction financing necessary for the proposed (rehabilitation, reconstruction or new construction) of (#) units located at , LA 70 under the Louisiana Neighborhood Landlord Rental Program Phase III ("NLRP3").

The LHC's commitment is contingent upon compliance with the provisions of the National Environmental Policy Act of 1969 (NEPA), as well as to the HUD environmental review regulations at 24 CFR Part 58.

You must stop and cannot start any repair or reconstruction work until you receive an environmental clearance and notification from the NLRP3 to proceed. Failure to comply with these requirements may result in ineligibility for the LNLRP3.

The funding source of the loan is Community Development Block Grant ("CDBG") funds. Your project is subject to CDBG Federal Grant Requirements to be referenced in the NLRP3 Regulatory Agreement required to be filed as a record of covenant running with the land for your project financed under the NLRP3. The NLRP3 Regulatory Agreement will be enforceable against you and your successors and assigns during the Affordability Period.

Upon satisfying the terms of LHC's loan agreement, all advances by the construction lender on the construction loan, up to the amount approved by LHC, will be paid by the LHC to the date the Take-Out Assistance is paid to the lender ("Conversion Date"). Take-Out Assistance shall include the aggregate advances for eligible costs on a construction loan plus unpaid accrued interest for LMI Landlords to the Conversion Date. LHC's Lien position will determine the Conversion Date:

Permanent Loan in Senior Lien Position: If the Permanent Loan is in the senior lien position, the Conversion Date will be the later of (i) the date a certificate of occupancy of the Qualified Project is delivered to the Construction Lender and the LHC and (ii) the date the Construction Lender receives payment in full pursuant to the Take-out Commitment. Occupancy by a Qualified Household must occur not later than 90 days from the Conversion Date.

<u>Permanent Loan in Subordinate Lien Position</u>: If the Permanent Loan is subordinate to a third party permanent lien lender, the Conversion Date will be delayed until all residential rental units in the Qualified Project are occupied by a Qualified Household.

A requirement of Take-Out Assistance will be all inspection documents verifying the completeness of work according to the scope of work. This can be provided by the lender financing the project. If you are providing all

An Equal Opportunity Employer



financing to complete the work, LHC will commit inspectors to verify costs, and these documents will be retained with your project file.

An additional requirement of the Take Out-Assistance is that your project conforms to one of the allowable green building techniques such as LEED Criteria, National Green Building Standard ICC 700, or Entergy Star Version 3 Criteria. A third party inspector should certify that the entire construction process was in compliance with one of these acceptable standards.

Note any additional Duplication of Benefits received during the construction phase, i.e., SBA, NFIP, FEMA, or any other insurance proceeds could ultimately affect the award amount referenced within this contingent commitment letter.

The closing of the construction financing should not take place until you receive a notice to proceed from the program.

Please contact Ray Rodriguez, Housing Finance Manager, at rrodriguez@lhc.la.gov or 225-763-8700 with any questions or concerns. We look forward to working with you on this initiative as we continue to walk the path of recovery and revitalize our communities.

Sincerely,

Director of Recovery Housing

Neighborhood Landlord Rental Program (NLRP3) Policies and Procedures