



Louisiana Housing
Corporation

RENTAL RESTORATION AND DEVELOPMENT PROGRAM

AGENDA

1.

WELCOME

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2.

INTRODUCTIONS

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3.

RENTAL RESTORATION AND
DEVELOPMENT PROGRAM

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4.

ADJOURN

- Program Overview
- Questions / Answers



PROGRAM OVERVIEW

GOAL

Support the repair, reconstruction, or new construction of residential rental units in qualified areas impacted by Hurricanes Laura, Delta, and Ida and the May 2021 floods

FUNDS

\$32 million in Community Development Block Grant Disaster Recovery (CDBG-DR)

- Hurricanes Laura & Delta Areas: **\$16 Million**
- Hurricane Ida & The May 2021 Floods Areas: **\$16 Million**

PROGRAM OVERVIEW

The Louisiana Housing Corporation (“**LHC**”) will accept an application from an Eligible Borrower who will construct **new** residential rental housing units or will **repair vacant** residential rental housing units in a project that **will not exceed seven (7) residential housing units (“Qualified Project”)**.

An Eligible Borrower **must partner with a qualified commercial lender** that provides the firm commitment to be included in the Application to provide construction financing for a Qualified Project **or must fully fund all development costs** of the Qualified Project with the Borrower’s own funds.

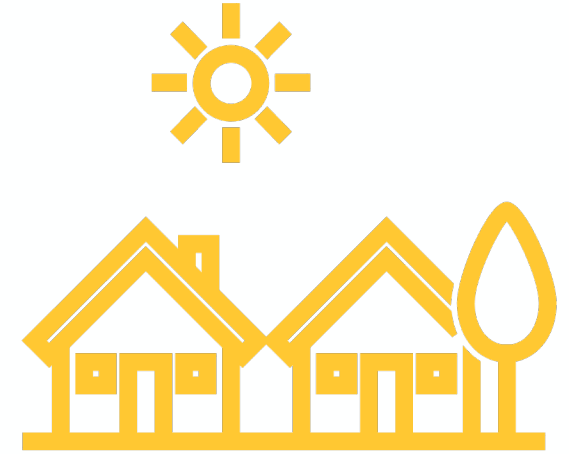
PROGRAM GOALS



**Repair damaged
rental housing
stock**



**Produce affordable
residential rental
housing**



**Revitalize
communities
impacted by disaster**



Louisiana Housing
Corporation

PROGRAM ELIGIBILITY

ELIGIBLE BORROWERS

- Community Housing Development Organization (CHDO)
- 501(c)(3) or 501(c)(4) Not-For-Profit Organization (NPO)
- Local Public Housing Authority (PHA)
- Local development agency (LDA) that is not a parish or municipality
- Private for-profit property owner (Residential Rental Property Owner)

ELIGIBLE BORROWERS

NEW CONSTRUCTION FINANCING RESTRICTIONS:

NON-PROFIT BORROWERS (CHDO, NPO, PHA, OR LDA)

May submit applications involving the construction of New Units

FOR-PROFIT BORROWERS (NEITHER A CHDO, NPO, PHA, OR LDA)

May submit applications involving the construction of New Units only in the following rural parishes:

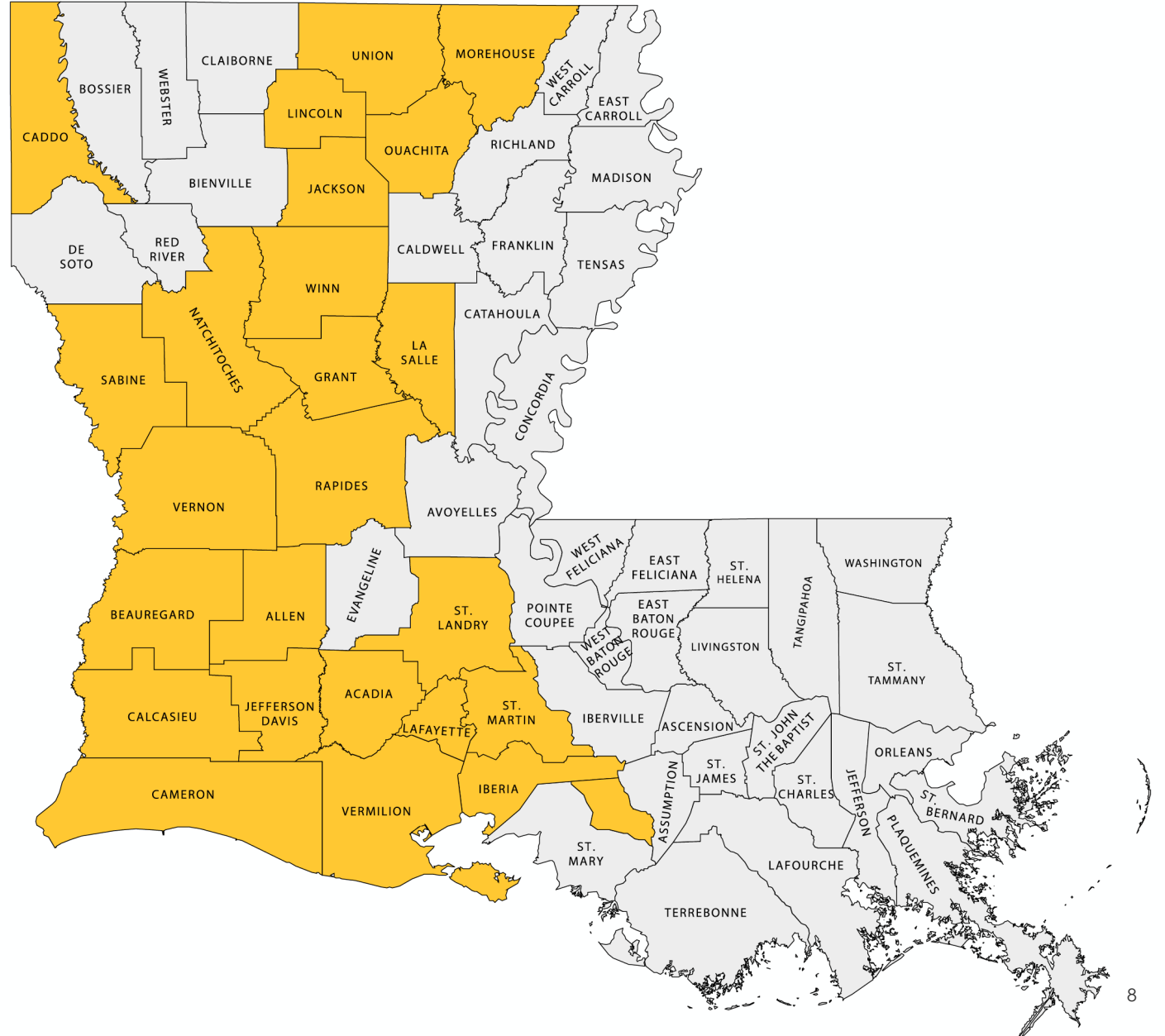
Allen, Beauregard, Jefferson Davis, Natchitoches, Vermilion, Vernon, Assumption, Tangipahoa, Washington, Iberville, Grant, Iberia, Jackson, LaSalle, Lincoln, Morehouse, Sabine, St. Helena, Union, Winn, East Feliciana, Pointe Coupee, and West Feliciana



PROGRAM ELIGIBILITY

FEMA Disaster-Declared Parishes: Hurricanes Laura and Delta

- Acadia
- Allen
- Beauregard
- Caddo
- Calcasieu
- Cameron
- Grant
- Iberia
- Jackson
- Jefferson Davis
- La Salle
- Lafayette
- Lincoln
- Morehouse
- Natchitoches
- Ouachita
- Rapides
- Sabine
- St. Landry
- St. Martin
- Union
- Vermilion
- Vernon
- Winn

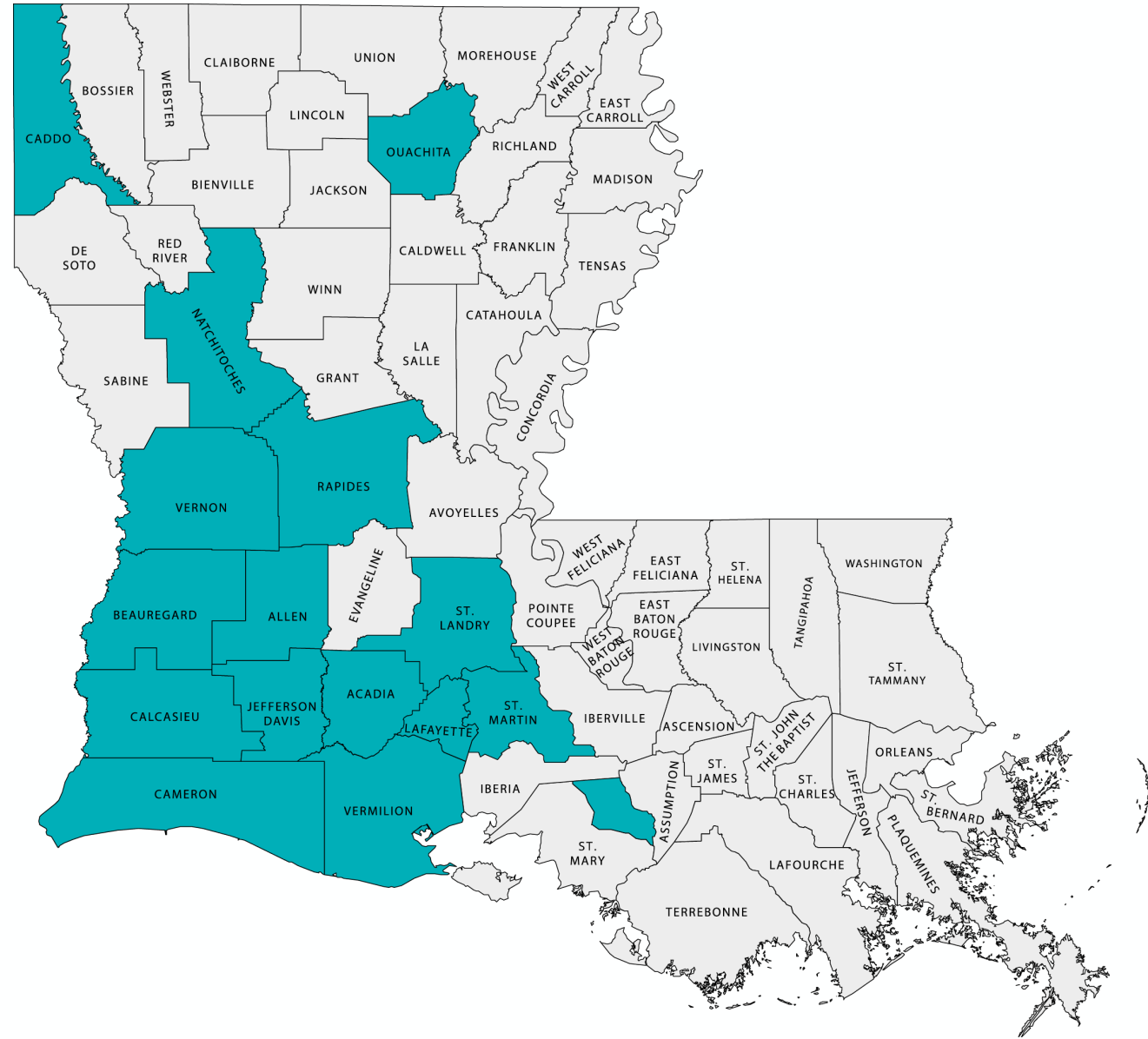


PROGRAM ELIGIBILITY

Most Impacted & Distressed Areas: Hurricanes Laura and Delta*

- Acadia (Only 70526 & 70578)
- Allen
- Beauregard
- Caddo
- Calcasieu
- Cameron
- Jefferson Davis
- Lafayette
- Natchitoches
- Ouachita
- Rapides (Only 71302)
- St. Landry (Only 70570)
- St. Martin (Only 70517)
- Vermilion
- Vernon (Only 71446)

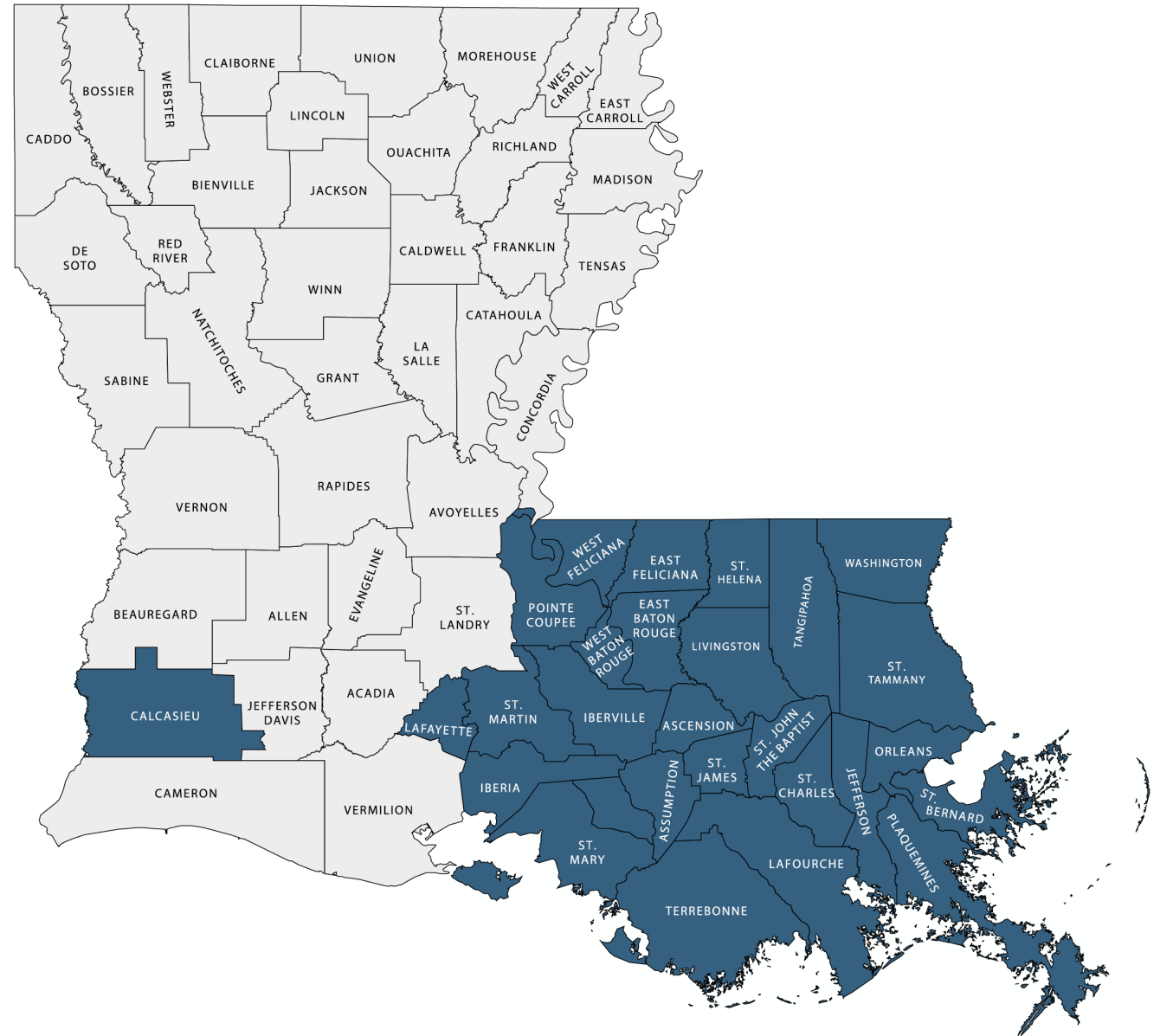
*As defined by HUD



PROGRAM ELIGIBILITY

FEMA Disaster-Declared Parishes: Hurricane Ida and May 2021 Floods

- Ascension
- Assumption
- Calcasieu
- East Baton Rouge
- East Feliciana
- Iberia
- Iberville
- Jefferson
- Lafayette
- Lafourche
- Livingston
- Orleans
- Plaquemines
- Pointe Coupee
- St. Bernard
- St. Charles
- St. Helena
- St. James
- St. John the Baptist
- St. Martin
- St. Mary
- St. Tammany
- Tangipahoa
- Terrebonne
- Washington
- West Baton Rouge
- West Feliciana

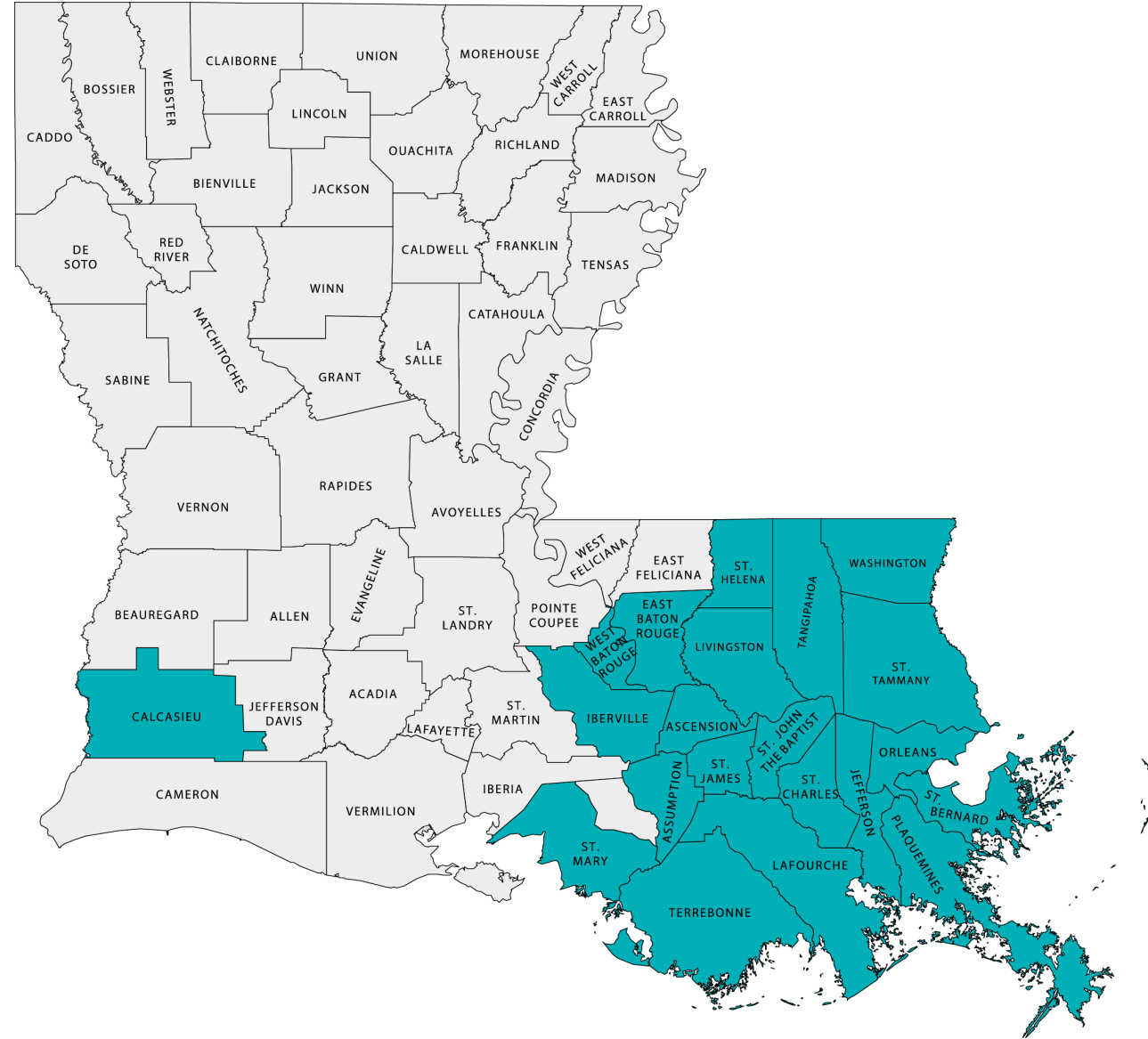


PROGRAM ELIGIBILITY

Most Impacted & Distressed Areas: Hurricane Ida and May 2021 Floods*

- Ascension
- Assumption
- Calcasieu
- East Baton Rouge
- Jefferson
- Lafourche
- Livingston
- Orleans
- Plaquemines
- St. Bernard
- St. Charles
- St. Helena
- St. James
- St. John the Baptist
- St. Mary
- St. Tammany
- Tangipahoa
- Terrebonne
- Washington
- Iberville
- West Baton Rouge (Only 70764 & 70788)
- West Baton Rouge (Only 70767)

**As defined by HUD*



OWNERSHIP REQUIREMENTS BY ELIGIBLE BORROWERS

**ANY PUBLIC, PRIVATE, FOR-PROFIT, OR
NON-PROFIT ENTITY MUST OWN THE
SUBJECT PROPERTY AT THE TIME OF
APPLICATION**

**TITLE SUBMITTED MUST REMAIN IN
THE NAME OF THE BORROWER UNTIL
THE END OF THE AWARDS PROCESS,
UP TO AND INCLUDING EXECUTION
OF CLOSING DOCUMENTS**

**ALL OWNERS MUST SIGN THE
APPLICATION, LOAN AND
PROGRAM DOCUMENTS**



PROPERTY ELIGIBILITY REQUIREMENTS

**MUST BE LOCATED IN ONE OF THE
ELIGIBLE PARISHES**

**MUST BE A SITE-BUILT
OR MODULAR HOME THAT MEET THE
LOCAL AND STATE BUILDING CODES**

**MUST BE A RESIDENTIAL RENTAL
STRUCTURE NOT-TO-EXCEED 7 UNITS**

**PROPERTIES WITH MORE THAN 7 UNITS
CONTAINED WITHIN A SINGLE STRUCTURE
ARE INELIGIBLE**

**ALL ASSISTED UNITS MUST HAVE BEEN
VACANT AS OF FEB. 27, 2023, AND MUST
REMAIN VACANT THROUGHOUT THE
APPLICATION AND CONSTRUCTION
PERIOD**

MINIMUM CONSTRUCTION REQUIREMENTS

FOR ALL UNITS

**MUST BE WELL-BUILT WITH
RESOURCE-EFFICIENT, HEALTHY, AND
DURABLE SYSTEMS, FENCING, OPEN
SPACE AND LANDSCAPING,
PARKING, AND IN-UNIT FEATURES**

**MUST BE 3 FT ABOVE THE NEAREST ROAD
CENTERLINE ELEVATION AND SHOULD NOT
BE LOCATED WITHIN OR PARTIALLY WITHIN
THE SPECIAL FLOOD HAZARD AREA**

**ALL UNITS MUST INCLUDE A WASHER,
DRYER, AND DISHWASHER**

**MUST BE EQUIPPED WITH NETWORKS
TO PROVIDE CABLE TV, AND
TELEPHONE AND INTERNET ACCESS IN
LIVING AREA AND BEDROOMS.**

MINIMUM CONSTRUCTION REQUIREMENTS (CONT.)

FOR ALL UNITS

**MUST CONTAIN AT LEAST ONE
OPERABLE, LIFE-LONG, SEALED
BATTERY CARBON MONOXIDE (CO)
DETECTOR**

**ALL UNITS MUST ADHERE TO THE GREEN
BUILDING STANDARDS AS OUTLINED IN
THE FEDERAL REGISTER, AND SPECIFIC
ENERGY EFFICIENCY REQUIREMENTS**

ADDITIONAL REQUIREMENTS

FOR NEW CONSTRUCTION AND RECONSTRUCTION PROJECTS

**MUST OBTAIN CERTIFICATION BY
IBHS FOR “FORTIFIED ROOF”**

AFFORDABILITY PERIOD

The RRDP requires all Qualified Projects to maintain property and flood insurance through the affordability period and place eligible tenants in the residential housing units by or within 90 days of the Conversion Date for a specified period based on the type of proposed construction:



A period of five (5) complete calendar years for all rehabilitation



A period of ten (10) complete calendar years for all reconstruction and new construction



A period of twenty (20) complete calendar years for all new construction consisting of 5 or more units in accordance with HOME program standards of 24CFR92.252(e)



AFFORDABILITY PERIOD

Forgiveness of the take-out loan will be calculated as follows:

AFFORDABILITY PERIOD	FORGIVENESS BEGINS	FORGIVENESS RATE
5 YEARS	End of 5 th Year	100%
10 YEARS	End of 6 th Year	20% Per Year for Years 6-10
20 YEARS	End of 10 th Year	10% Per Year for Years 11-20

OCCUPANCY AND SET ASIDE UNIT REQUIREMENTS

Qualified projects with **more than four residential housing units** are required to occupy a specified number of units with lower income households for set affordability period

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AFFORDABILITY PERIOD SET ASIDES

RESIDENTIAL HOUSING UNITS	QUALIFIED HOUSEHOLD INCOMES	SET ASIDE UNITS
4 OR FEWER	80% AMI and below	None
5	80% AMI and below	One (1) for 50% AMI Household
6-7	80% AMI and below	Two (2) for 50% AMI Household

PROGRAM AWARDS

THE FOLLOWING RESTRICTIONS WILL APPLY TO ALL RRDP APPLICATIONS SUBMITTED BY FOR-PROFIT ENTITIES PROPOSING NEW CONSTRUCTION:

- RRDP funding is not intended to cover 100% of the total development costs
- Total development costs that are equal to the maximum new construction award amount for the project type will only be eligible for 75% of the maximum award amount
- If the total development costs are 25% or higher than the maximum new construction award amount, the for-profit entity will be eligible for the maximum award type for the project type

MAXIMUM AWARD

RECONSTRUCTION AND NEW CONSTRUCTION

NUMBER OF UNITS PER BUILDING	MAXIMUM TAKE-OUT ASSISTANCE
1	\$197,500
2	\$355,000
3	\$482,500
4	\$570,000
5	\$655,000
6-7	\$725,000

FINAL AWARD WILL BE THE LESSER OF THE COST OF CONSTRUCTION OR THE MAXIMUM AMOUNT OF ASSISTANCE PER UNIT

MAXIMUM AWARD

REHABILITATION

NUMBER OF UNITS PER BUILDING	MAXIMUM RRDP TAKE-OUT ASSISTANCE
1	\$118,200
2	\$213,000
3	\$289,500
4	\$342,000
5	\$393,000
6	\$435,000
7	\$460,000

FINAL AWARD WILL BE THE LESSER OF THE COST OF CONSTRUCTION OR THE MAXIMUM AMOUNT OF ASSISTANCE PER UNIT

AWARD PROCESS AND CALCULATION



Owner rental award will be provided as a take-out loan at 0% in return for provision of housing for eligible LMI households at restricted rent



If all terms are met at the end of the affordability term, the loan will be completely forgiven



A duplication of benefits review will be conducted during the underwriting process – including SBA and NFIP funds



The maximum amount of RRDP funding is based on the number of units in each building

FUNDING

Eligible Borrowers must do one of the following:

- 1** Partner with a qualified commercial lender that provides a commitment contingent upon receipt of a RRDP loan; **or**
- 2** Fully fund all development costs of the Qualified Project with the Borrower's own funds

APPLICATIONS MUST INCLUDE PROOF OF FINANCING OR PROOF OF PERSONAL FUNDS THAT IS AT LEAST EQUAL TO THE TOTAL DEVELOPMENT COSTS OF THE QUALIFIED PROJECT

FINANCING GUIDELINES

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:

- ✓ Unit construction or renovation will be completed within a not-to-exceed fixed budget containing all not-to-exceed closing fees and closing costs as approved by the lender and LHC
- ✓ Unit construction must be completed by the date agreed upon by LHC and the lender within the construction quote and/or contract

CONSTRUCTION LOANS MUST BE STRUCTURED WITH A PROMISSORY NOTE SECURED BY A MORTGAGE THAT WILL BE NEGOTIATED AND ASSIGNED BY THE CONSTRUCTION LENDER TO LHC FOLLOWING COMPLETION OF CONSTRUCTION OR RENOVATION OF A RESIDENTIAL HOUSING UNIT AND UPON RECEIPT BY THE LENDER OF A GUARANTEED PAYMENT BY LHC.

AWARD PROCESS: TAKE-OUT PERIOD

IF THE PERMANENT LOAN IS IN THE SENIOR LIEN POSITION, THE CONVERSION DATE WILL BE THE LATER OF:

- The date a certificate of occupancy of the Qualified Project is delivered to the Construction Lender and LHC
- The date the Construction Lender receives payment in full pursuant to the Take-Out Commitment

IF THE PERMANENT LOAN IS IN THE SUBORDINATE LIEN POSITION:

- The Conversion Date will not occur until all residential units in the Qualified Project are occupied by a Qualified Household.

ELIGIBLE COSTS

DEVELOPMENT HARD COSTS

- The actual cost of preparing land for construction, including demolition, and actual costs of constructing or rehabilitating housing units.

RELATED SOFT COSTS

- Unpaid Interim Construction Interests
 - A residential rental property owner whose income is at or below 80% AMI will be allowed up to **8 months** of unpaid accrued interim construction interest from the date the notice to proceed is provided by the program.
 - NPO'S, CHDO'S, PHA'S, AND LDA'S will be allowed up to **10 months** of unpaid accrued interim construction interest from the date of the notice to proceed provided by the program.
- 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
- Survey Costs
- Appraisal costs as required by the interim construction-financing lender

CONTINGENCY OF 10% WILL NOT BE INCLUDED IN THE PERMANENT LOAN IF NOT USED AS APPROVED IN WRITING BY THE LHC

REQUIRED APPLICATION DOCUMENTS:

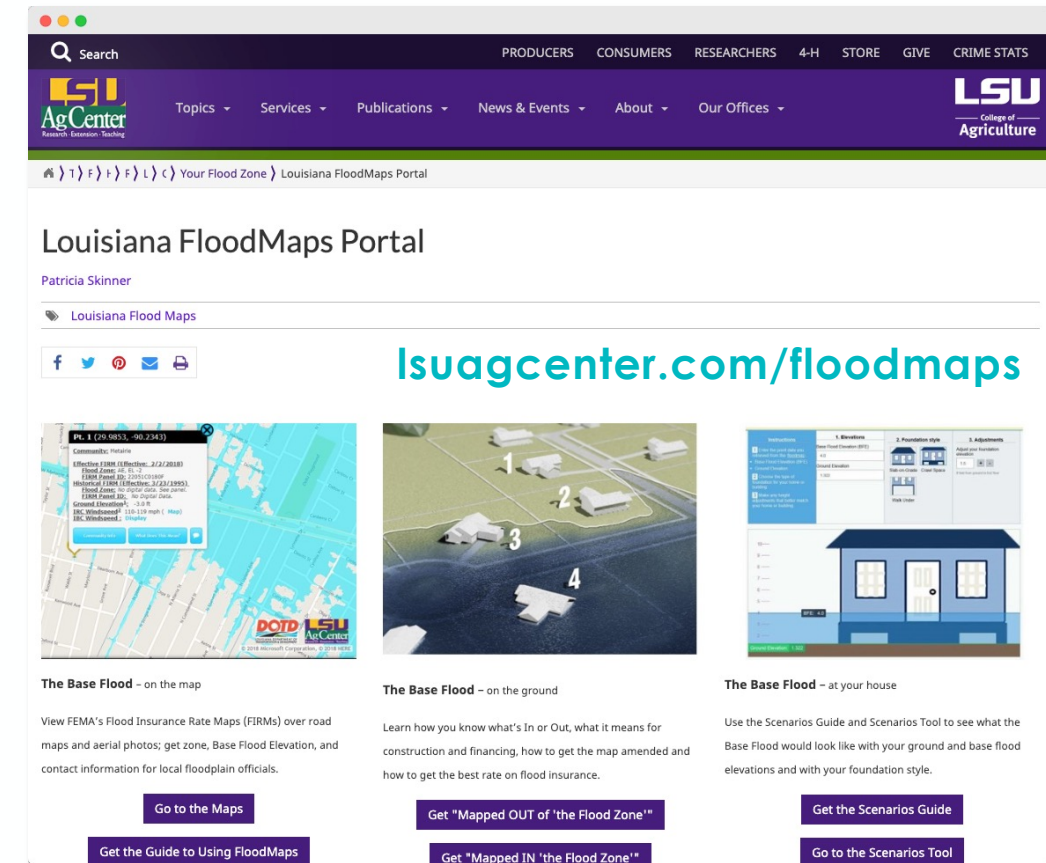
NEW CONSTRUCTION

- ✓ Site plan
- ✓ Floor plan
- ✓ Front, side, and rear elevations
- ✓ Preliminary checklist indicating “Green Building” compliance with appropriate standard
- ✓ Certification Regarding Sources and Use of Funds Statement and No Duplication of Funds
- ✓ Evidence that project meets zoning requirements

REQUIRED APPLICATION DOCUMENTS:

NEW CONSTRUCTION

- ✓ Evidence that the proposed housing unit is not in a special flood hazard area
 - This can be an elevation certificate or print out from the LSU Ag Center Flood Map Site
- ✓ Construction Contract
- ✓ Stop Work Order Provision Document
- ✓ Commitment contingent upon receipt of RRDP
 - This should be a lender commitment letter or equivalent
- ✓ Ownership Document (Merchantable Title)



REQUIRED APPLICATION DOCUMENTS:

REHABILITATION

- ✓ Site plan
- ✓ Photos of front, rear, and sides of exterior
- ✓ Photos of each room
- ✓ Proposed compliance alignment of the scope of work with HUD CPD Green Building Retrofit Checklist
- ✓ Ownership Document (Merchantable Title)

REQUIRED APPLICATION DOCUMENTS:

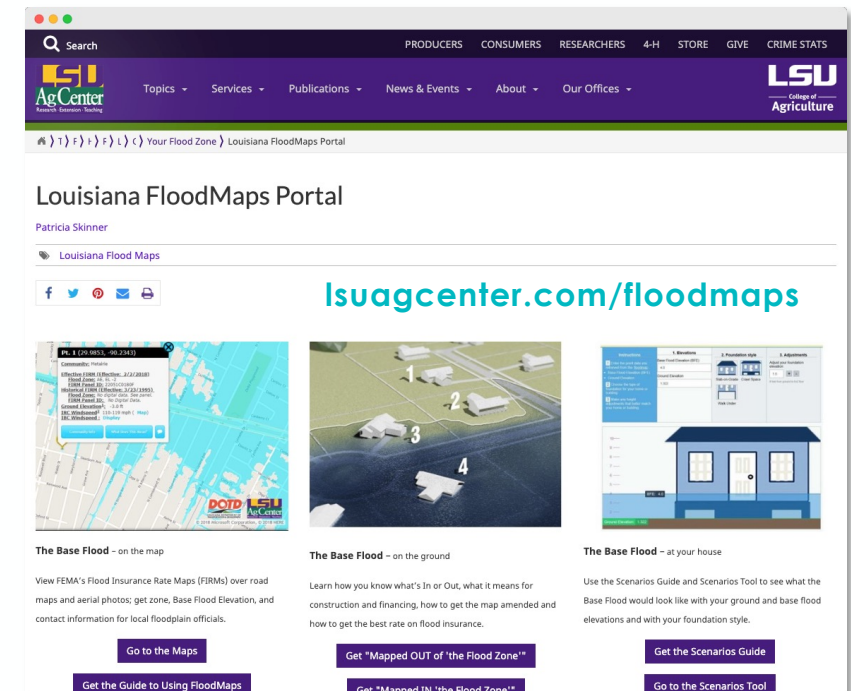
REHABILITATION

- ✓ Certification regarding Sources and Uses of Funds Statement and No Duplication of Funds
- ✓ Evidence of commitment and availability of all permanent and duplicative funding sources necessary to complete the project (Please provide any SBA or NFIP paperwork associated with the unit)
- ✓ Lead inspection if housing unit is pre-1978
- ✓ Evidence that project meets zoning requirements

REQUIRED APPLICATION DOCUMENTS:

REHABILITATION

- ✓ Evidence that the housing unit is either not in a special flood hazard area or is at an elevation one foot (1') above the DFIRM elevation requirement
 - If the property was substantially damaged as determined by local code enforcement officials
 - An elevation certificate or a printout from the LSU Ag Center Flood Map Site
- ✓ Vacancy certification
- ✓ Construction contract (if work has started on units)
- ✓ Construction quote (if work hasn't started on units)
- ✓ Stop Work Order Provision Document
- ✓ Tenant Certification
- ✓ Commitment contingent upon receipt of RRDP
 - Lender commitment letter or equivalent



TIMELINE

DATE	EVENT
2/27	Application Guidelines published
4/14	Questions due to rrdp@lhc.la.gov by COB
4/28	NOFA FAQs posted
5/1	Application Intake Begins
7/31	Application Intake Deadline
8/31	Commitment Letters issued continuously after this date



QUESTION AND ANSWER PERIOD

SUBMIT QUESTIONS TO
RRDP@LHC.LA.GOV BY APRIL 14, 2023.



THANK YOU!

FOR MORE INFORMATION: LHC.LA.GOV/RRDP