



# The Road Home

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STRONGER, SMARTER LOUISIANA

## Small Rental Property Program Round 2 Overview and Eligibility



# The Road Home Program

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- Hurricanes Katrina and Rita created the largest natural disaster in American history.
  - In Louisiana
    - 123,000 homes suffered major damage
    - 82,000 rental units suffered major or severe damage
    - 47% of the housing units in the entire Katrina affected area were rental units
    - In New Orleans, 55% were rental units
- *The Road Home is the largest housing redevelopment effort in United States history*



# The Small Rental Property Program

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## Goals of the Rental Program:

- Repair and reconstruct rental properties
- Prevent blight by rebuilding in-fill development
- Stabilize rents in traditional neighborhoods by increasing the supply of housing
- Encourage mixed income rental properties
- Create housing for people with special needs



# Program Funding

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- A Federally Funded Program
  - Funding for The Road Home comes from the Community Development Block Grant program (CDBG) under the Department of Housing and Urban Development (HUD) regulations
- Passed by Congress
  - \$10.4 Billion for Louisiana for a variety of community development activities
    - \$8.08 Billion for the Homeowner Assistance Program
    - \$869 Million for the Small Rental Property Program

- **Affordable Housing Program**
  - Offers incentives to rental property owners who charge affordable rents
  - Commitments last up to 10 years
- **Forgivable Loans**
  - Provided to owners once the units are repaired
  - No interest, no payment loan which is totally forgiven over time

- **Competitive**
  - Demand is greater than amount of funding available in the program
  - Not all eligible applications will be funded
- **Program run in multiple rounds**
  - Applications will be scored and ranked
  - Those not funded may reapply without penalty

# Priority Scoring

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- Priority scoring questions are used to determine an application's score and rank
- For Round 2, new scoring questions have been developed
  - Applicants for Round 2 **MUST** use a Round 2 application! Otherwise they will be considered ineligible.
  - The Rental program will also assign points to applications located in priority redevelopment zones or historic districts



# Program Structure

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- **Bonus for Mixed-Income**
  - Properties which contain at least one market rate and one affordable unit
  - 15% bonus on affordable units
- **Bonus for Owner Occupants**
  - Contains at least one owner-occupied unit and one affordable unit
  - 15% bonus on affordable units

- Round 1
  - January 29: Launch
  - February 12: Launch of Non-Profit Set-aside
  - April: Conditional Award Letters mailed to applicants
- Round 2
  - June 5 through July 5:  
Round 2 for General and Nonprofit Set-aside



# Eligible Parishes

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Parish	% Damage	Total Rental Pool	Remaining Funds After Round 1
Acadia	0.1	\$1,196,181	\$831,981
Calcasieu	1.7	14,962,710	11,891,360
Cameron	0.7	6,214,794	5,059,694
Iberia	0.2	1,690,691	1,307,791
Jefferson	12.8	106,313,065	80,945,890
Orleans	69.7	577,715,180	432,108,955
Plaquemines	2.1	17,000,468	13,838,909
St. Bernard	8.0	66,017,146	51,362,996
Saint Tammany	3.5	29,349,864	22,732,414
Tangipahoa	0.2	1,269,689	987,689
Terrebonne	0.3	2,292,123	1,873,123
Vermilion	0.4	3,307,874	2,769,874
Washington	0.3	2,358,949	1,948,949
		<b>\$829,000,000</b>	<b>\$627,659,625</b>
<b>Pilot Programs</b>		40,000,000	40,000,000
<b>Total</b>		<b>\$869,000,000</b>	<b>\$667,659,625</b>



# Round 2 Eligibility

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## What's new for Round 2:

- *Limited changes in ownership are allowed*
- *Mid-size Owners of up to 100 rental units at the time of the storms are eligible*
- *New Investors are eligible*

Funding has increased to \$300 Million from \$202 Million in Round 1

## Eligible Properties in Round 2:

- Located in an eligible parish
- Suffered at least \$5200 in damages by Hurricanes Katrina or Rita
- Contains up to 4 dwelling units
- Includes at least one vacant unit
  - Only units that have been unoccupied since November 1, 2006 will be considered for an incentive award (*except for owner occupied properties which can still compete with all units occupied*)



# Program Requirements

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All affordable units:

- Must have utilities available to the site, including water, sewer, and electricity
- Each unit must contain an oven and stovetop in any combination
- Each unit must contain a refrigerator

## Priority 1: Owner Occupants of 3 and 4 unit properties

- Owned and lived in the property before the storms
- Plans to live on the property after repairs
- Eligible to receive:
  - Compensation for their home
  - Incentives for each affordable rental unit
  - Gap Financing (if eligible)



# Round 2 Priority Groups

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## Priority 2: Small-Scale Owners

- Owned the property before the storms
- Owned 20 or fewer rental units before the storms
- Louisiana residents or Louisiana-based businesses

## Priority 3: Mid-size Owners

- Owned the property before the storms
- Owned 100 or fewer rental units before the storms
- Louisiana residents or Louisiana-based businesses

# Duplex Owners

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- Owner-occupants of 2 unit properties compete as small or mid-size owners
  - Must choose between:
    - Compensation for both units in the Homeowner Assistance Program
- OR**
- Incentives for the rental unit in the Small Rental Property program



# Round 2 Priority Groups

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## Priority 4: Nonprofit Set-aside

- Have a current IRS 501(c)3 status
- Currently have ownership of the property

## Priority 5: New Investors

- Purchased rental property since the storms
- Currently have ownership of the property
- Owned 100 or fewer rental units before the storms
- Be a Louisiana resident or Louisiana-based business

- The forgivable loan is the lesser of the following two amounts:
  - The maximum incentive from the award tables, including any bonus awards
  - OR
  - The actual cost to repair the rental property

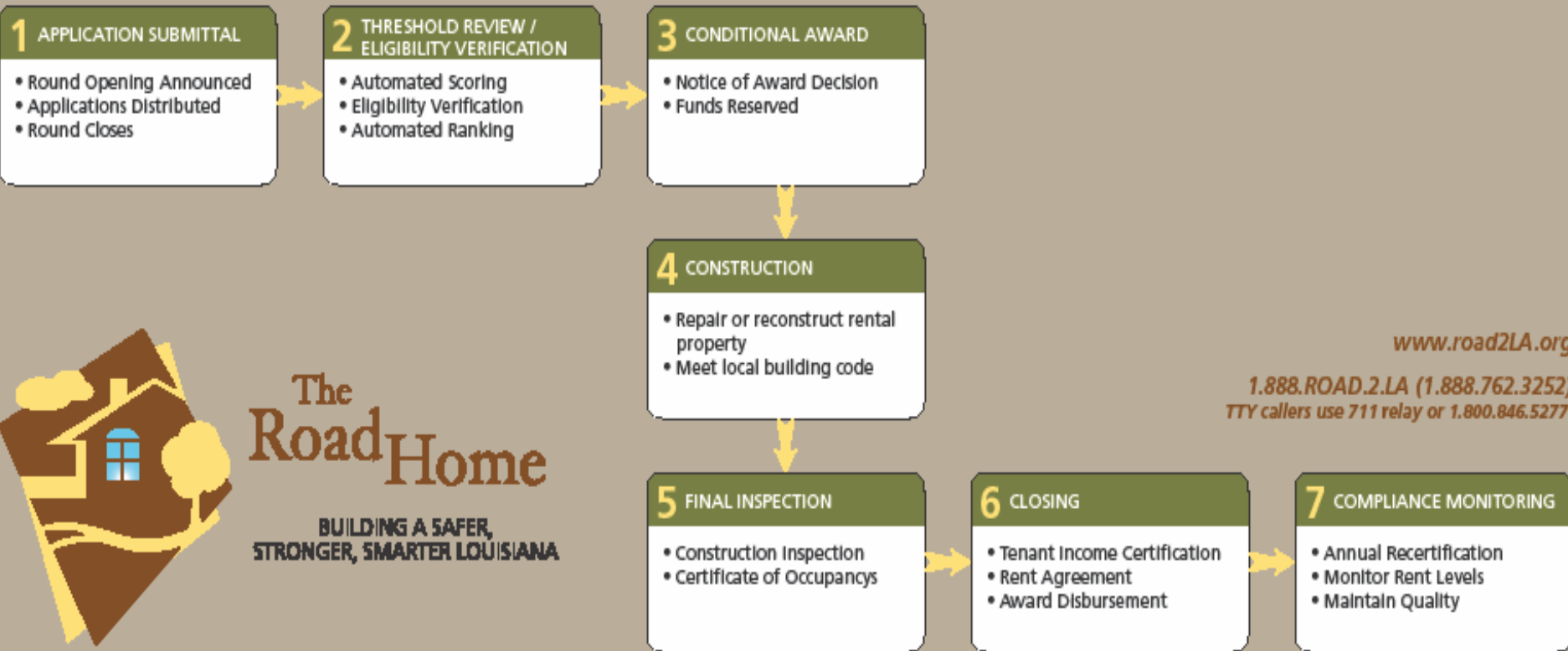


# Award Calculation

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## Rent-Award Table for New Orleans

New Orleans MSA	0 BR (efficiency)	1 BR	2 BR	3 BR	4 BR or larger
80% AMI Rent Tier	\$730	\$780	\$940	\$1,090	\$1,210
Maximum Basic Award	\$15,000	\$16,500	\$16,500	\$20,000	\$20,000
65% AMI Rent Tier	\$600	\$640	\$770	\$880	\$990
Maximum Award	\$23,000	\$23,000	\$26,000	\$45,000	\$47,000
50% AMI Rent Tier	\$460	\$490	\$590	\$680	\$760
Maximum Basic Award	\$42,000	\$42,000	\$47,000	\$69,000	\$72,000





# How to apply

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**The # 1 best way to apply is online at**

**[www.Road2LA.org](http://www.Road2LA.org)**

**The online application provides verification measures to help insure that your application is accurate and complete.**



# How to Apply

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You may also apply by:

- Picking up an application at a Housing Assistance Center.
- Picking up an application from a participating bank.
- Calling to request an application be mailed to you.

**NOTE:** Late or Incomplete applications will not be eligible for Round 2

Apply at: [www.Road2LA.org](http://www.Road2LA.org)



# Additional Questions?

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- Application Training Sessions
  - Where: Poydras and Jefferson HACs
  - When: Monday through Friday  
9-11am and 1-3 pm
- Call 1-888-ROAD-2-LA to reserve a seat