



Small Rental Property Program
December 17, 2008

Workforce Housing Rental Programs



\$1.4 billion for Rental Housing

**Small Rental
Property
Program**

\$866.5 million

**Low Income
Housing Tax
Credit Piggyback
Program**

\$581 million

Small Rental Program

Rebuild storm-damaged one- to four-unit rental properties

Provide assistance to small property owners sustaining loss

Stabilize communities by restoring infill properties

Providing long-term affordability for low to moderate income households

\$751 million allocated to 13 most impacted parishes by rental damage

Current Program Design

Incentive Program provides awards to furnish affordable units

Award in the form of a no interest, no payment, forgivable loan

Award received after restoring the property and identifying an income eligible tenant

Amount of the award based on household income of tenant

Household Income tiers at 80% AMI, 65% AMI, or 50% AMI, with higher awards for tenants with lower income

Active Awards and Closings

18,991 applications submitted to the Rental program

9,904 Conditional Awards issued

5,952 Current/Active Awardees

\$518.3MM Awards (including Rental, Owner Occupant, and ALL Awards and Bonuses)

Round 1 – 744

Round 2 – 3,630

Waitlist – 1,578

11,449 Total Units including 10,061 Affordable Units

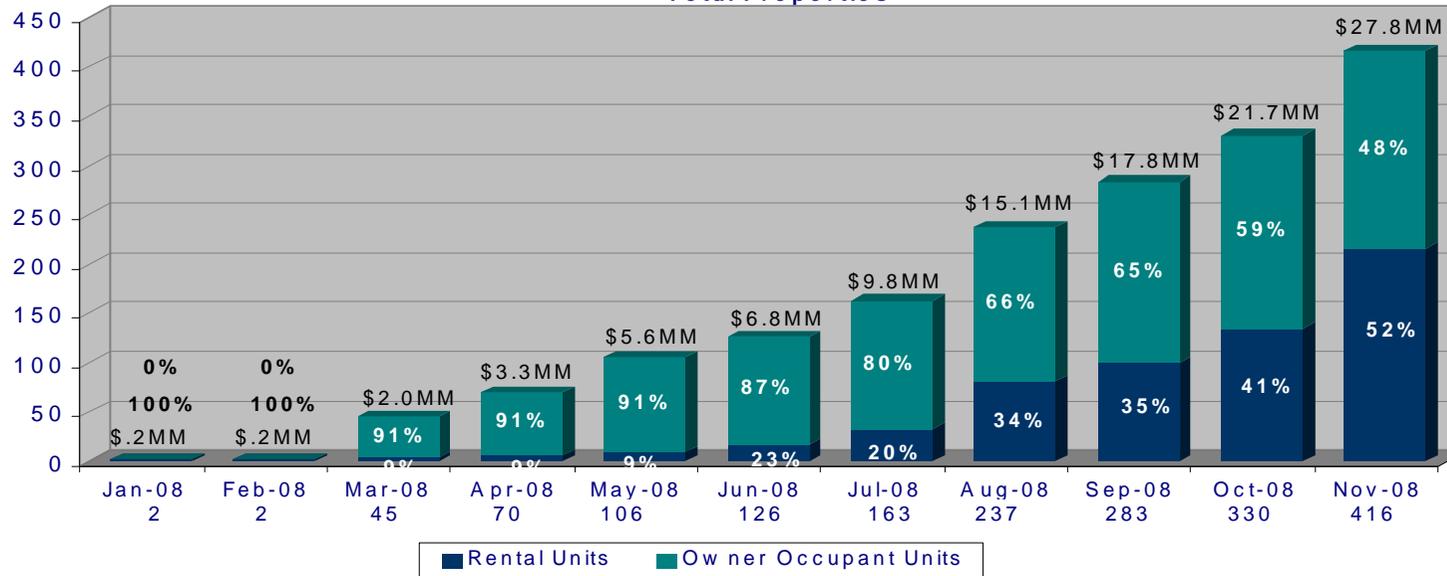
\$28.9 million in Awards Disbursed

433 Closings

613 units including 358 Affordable Units

Closings Held

Small Rental Closings Held:
Rental Units and Owner Occupant Units
Total Properties



Total Actual Combined Closings Held (10/01/07-12/10/08): 433 for \$28.9

Commitment Letters

81% of Active Awardees have received a Commitment Letter from the program (4,819 of 8,258)

61% of Commitment Letters mailed have been returned to the program (2,943 of 4,819)

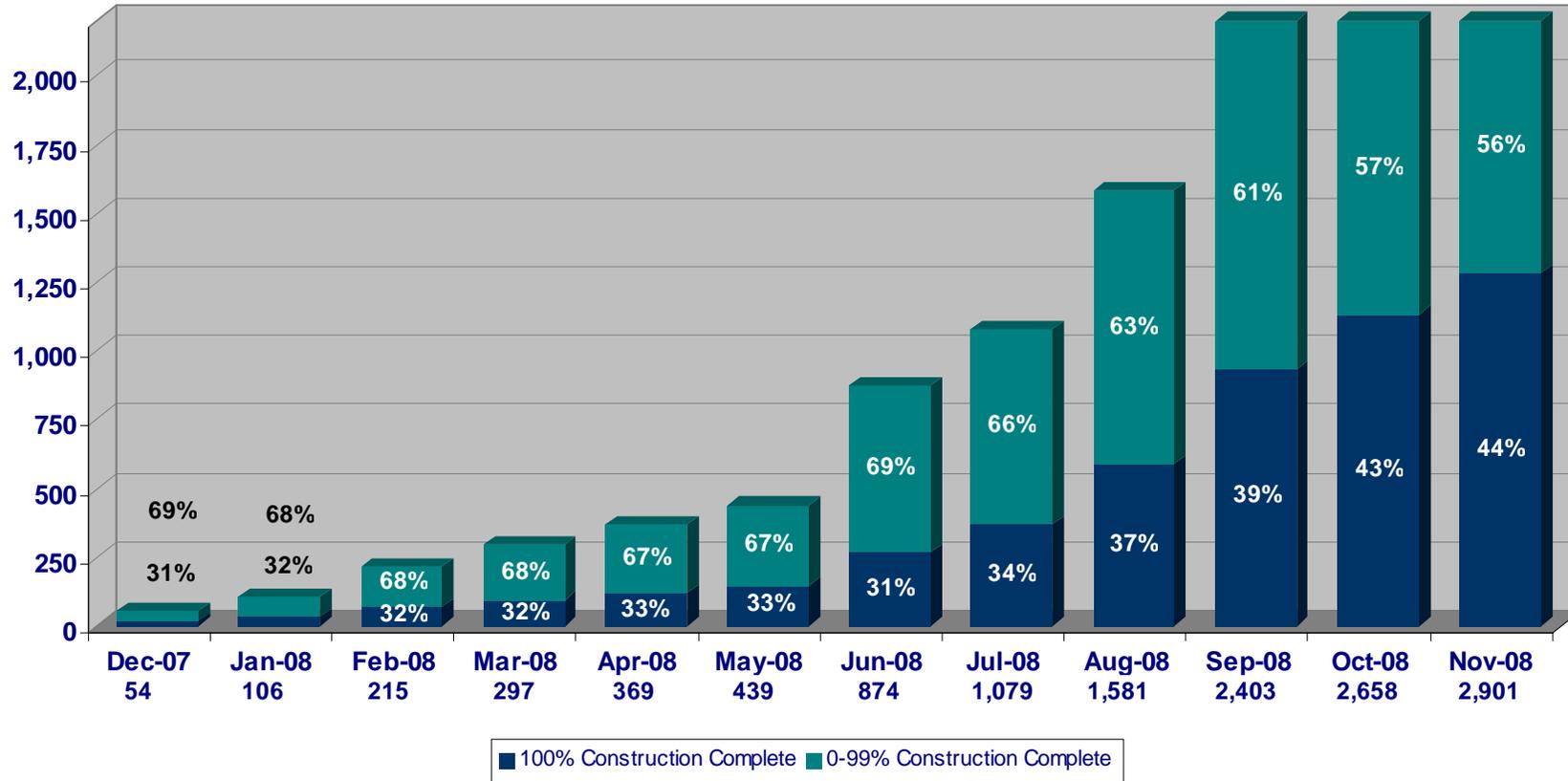
53% of Active Awardees who have returned a Commitment Letter are self-reported to be 75-100% Construction Complete (1,564 of 2,943)

Totaling \$100.2MM; 2,488 Total Units; 2,099 Affordable Units

87% of the Active Awardees who are reportedly 100% Construction Complete have submitted a Certificate of Occupancy/Completion to the Program (1,119 of 1,281)

Construction Status

Construction Status of Applicants who have Returned a Commitment Letter



Issues Identified

19% or 1,133 active awards not issued Commitment Letters

61% of Commitment Letters issued not accepted

1,876 of these 4,819 Commitment Letters mailed not returned

50.1% of Active Awards have not accepted Commitment Letters

3,009 of 5,952 Active Awards

Challenge

Applicants' ability to obtain resources to complete construction

Absence of sufficient insurance proceeds or personal funds

Risk of post-Katrina/Rita lending

Credit challenges of applicants

Validity of Commitment Letter to the financial community

Perception of the Road Home Program

Requirements for release of award funding

Current challenges of financial environment

Direct Funding Rehab Program

Direct funding for Active Awards – No financing needed

Applicants with construction remaining

Applicant must have accepted a Commitment Letter by an established date

Direct funding amount is estimate cost of repair plus contingency

Direct funding amount may be higher than original award, but no higher than an established loan limit

No interest, no payment, forgivable loan

Direct Funding Rehab Program

Program functions performed in-house or through banks or other intermediaries

Scope of work established and contractor selected

Contractor paid as work complete – joint advances

Permanent Loan closed at final inspection

Applicant complies with remaining program requirements

Next Steps – First Quarter 2009

Continue to aggressively process and close applicants in existing program

Finalize Direct Funding

Implement outreach

Establish deadline for return of Commitment Letters

Implement Direct Funding

Recapture and Reallocate uncommitted funds