



Disaster Recovery CDBG Budget and Program Updates

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Federal Requirements

- In response to the 2005 hurricanes, Congress has approved **\$13.4B**
 - ✓ Initially **\$10.4 billion** to the state **in two allocations** (\$6.2 and \$4.2 billion)
 - ✓ **Third allocation of \$3 billion** in Dec. 2007 specifically for fulfillment of Road Home program
- **Public Law 109-234** appropriated second allocation in June 2006
 - ✓ \$4.2 billion to Louisiana
 - ✓ Requires that **each state spend 19.33%** of allocation on the **development and restoration of affordable rental housing**
 - ✓ 19.33% of Louisiana's second allocation is **\$811,907,984**
- Additionally, the state is required **to spend 50% of all funds** (\$13 billion) **on low to moderate income individuals (LMI)**, or those whose **incomes are less than 80%** of the Area Median Income (AMI)

 Budget Overview			
	Committed	Expended	In Process
Homeowner Assistance*	\$ 10,350,000,000	\$ 9,110,000,000	\$ 1,240,000,000
Rental**	\$ 1,177,970,540	\$ 475,242,205	\$ 702,728,335
Other Housing Programs***	\$ 284,730,000	\$ 58,493,844	\$ 226,236,156
Infrastructure	\$ 1,315,137,731	\$ 293,447,690	\$ 1,021,690,041
Economic Development	\$ 350,000,000	\$ 247,027,736	\$ 102,972,264
Planning & Environmental Clearance	\$ 20,783,475	\$ 15,170,567	\$ 5,612,908
Administration****	\$ 191,300,000	\$ 44,629,783	\$ 146,670,217
	\$ 13,689,921,746	\$ 10,244,011,825	\$ 3,445,909,921

* Includes \$372 million in State General Fund. Total CDBG allocation for Road Home Homeowner Assistance is \$9,978,000,000.
 ** Louisiana must spend at least \$812 million (19.33% of second allocation of \$4.2 billion) on affordable rental repair and development.
 *** This includes homebuyer and homeowner rehab programs as well as homeless prevention and building code enforcement support to parishes.
 **** Administration, includes staffing and monitoring functions for entire grant period which is five years after the closeout of the last program. HUD allows 5 percent for these costs; the Louisiana state legislature capped these costs at 2.5 percent.

 Infrastructure	
<p>LRA has allocated more than \$1.3 billion to various infrastructure and other recovery projects.</p> <p>This program was designed to help to rebuild Louisiana's vital infrastructure and implement recovery priorities based on community plans.</p>	 <p>A re-lighting ceremony for the Saenger Theatre sign was held in New Orleans last October. The renovation of the Saenger is being partially funded by \$13 million in Community Development Block Grant dollars from LRA's Long Term Community Recovery program.</p>



Long Term Community Recovery

- The state's **Long Term Community Recovery program** supports implementation of **local governments' long-term recovery plans** in the **most heavily impacted communities** in the state.
- In 2008, the U.S. Department of Housing and Urban Development approved LRA's request to reallocate \$500 million in CDBG dollars to the program, bringing to **\$700 million** the total amount **of long-term recovery funding available to parishes**.
- **Funds are distributed** through the LRA/Office of Community Development **among the parishes according to a formula** based on estimated housing and infrastructure damages inflicted by hurricanes Katrina and Rita.

4



Long Term Community Recovery

- Parishes developed Long Term Community Recovery plans which required public input and approval by local governing bodies and finally approved by the LRA board and
- **Priority projects are determined by the parishes** based on their Long Term Community Recovery Plans.
- **OCD and our consultants assist parishes and municipalities** in developing their project applications and getting them approved, as well as guiding them in CDBG compliance as the project is implemented.
- Since CDBG funds are cost reimbursement, the spending rate in this program and others is **dependent on the ability of the local governments to implement their projects**.

5



Long Term Community Recovery

As of December 31, 2009:

Overall

- **160** LTCR projects have been approved across the 19 participating parishes
- More than 80 percent or **\$564 million** of the **\$700 million** allocated is approved

6



LTCR Approved Projects by Type

Project Type	Projects Approved	Total Obligated
Administration	4	\$12,054,476
Drainage	19	\$45,876,338
Economic Development	4	\$23,980,000
Economic Development – Grant & Loan	2	\$33,000,000
Economic Development – Other	1	\$15,000,000
Education, K-12 Public	1	\$5,500,000
First Responder, Fire & EMS	3	\$2,739,631
Fisheries Infrastructure	1	\$615,677
Health and Hospitals	12	\$158,775,000
Homeowner Financing	1	\$100,000
Libraries	3	\$5,395,000
Neighborhood Redevelopment	1	\$338,000
Other Public Buildings	6	\$19,993,517
Parks, Recreation, Landscaping & Others	5	\$16,550,000
Planning	11	\$9,178,409
Public Facilities	41	\$100,414,202
Streetscapes	19	\$24,407,748
Transportation/Other	1	\$701,966
Transportation/Roads and Bridges	9	\$32,118,113
Utilities	1	252,808
Water and Sewage	19	57,251,931
Total	164	\$564,242,816

as of 1/25/10

7

 LTCR Approved Projects by Parish				
Parish		Projects Approved	Total Obligated	Spent
Acadia	\$631,769	1	\$427,000	\$ -
Allen	\$421,179			\$ -
Beauregard	\$631,769	1	\$631,769	\$ -
Calcasieu	\$18,391,496	3	\$12,695,748	\$ 1,387,230
				\$ 1,585,239
Cameron	\$29,622,944	4	\$29,622,944	
East Baton Rouge	\$1,123,145	1	\$1,123,145	
Iberia	\$2,176,093	2	\$2,176,093	\$ 13,088
Jefferson	\$50,120,337	31	\$45,062,359	\$ -
Jefferson Davis	\$561,572	1	\$511,715	
Lafayette	\$491,376			
Lafourche	\$3,299,238	1	\$750,000	\$ -
Livingston	\$491,376	1	\$491,376	
Orleans	\$410,720,016	76	\$324,951,397	\$ 12,568,800
Plaquemines	\$44,925,792	4	\$23,858,317	
St. Bernard	\$91,185,319	3	\$80,976,854	\$ 983,506
St. Charles	\$1,052,948	1	\$1,052,948	
St. Mary	\$701,966	1	\$701,966	
St. Tammany	\$26,815,082	15	\$26,756,035	\$ 1,549,196
Tangipahoa	\$2,176,093	1	\$625,000	\$ 599,672
Terrebonne	\$3,580,024			
Vermilion	\$7,651,424	10	\$7,733,632	\$ 186,369
Washington	\$2,386,683	3	\$2,214,631	\$ 700,947
Total	\$700,000,000	164	\$564,242,816	\$ 19,574,046

as of 1/25/10

8

 LTCR – Projects in Orleans Parish	
LTCR Projects in Orleans Parish	
76 Approved Projects, totaling \$324,951,397 (This represents more than 75 percent of the City's entire program allocation of \$411 million.)	
Of the relevant projects, it is projected that 25 will be under construction before June 2010. The remainder will be under construction by Dec 2010.	
Examples:	
<ul style="list-style-type: none"> • \$75,000,000 for “Veteran's Administration Medical Center (VAMC) Land Acquisition and Relocation” • \$40,000,000 for “Methodist Hospital Acquisition” • \$13,000,000 for Redevelopment of Saenger Theatre 	

9



LTCR – Projects in Jefferson Parish

LTCR Projects in Jefferson Parish

31 Approved Projects, totaling \$45,062,359

Examples:

- **\$6,200,000** for “Jefferson Parish - Unincorporated St. Peter's Ditch Drainage Improvements Phase IIIb”
- **\$3,412,693** for “Jefferson Parish Gulizo Canal Drainage Improvements”
- **\$3,412,693** for “Oakwood/Terrytown Subsurface Drainage Improvements”
- **\$2,775,000** for “East Jefferson General Hospital Replacement Switch Gear and Generator Control Cabinets”

10



LTCR – Projections

December 2009:
Projected 75% complete. At 82% complete approved applications.

June 2010:
Review and approve 85% of all project applications from parishes.

December 2010:
Review and approve 97% of applications by the end of year.

11



LTCR – Challenges

Regulations on expenditures of different programs: Due to federal regulations, parishes were required to spend FEMA infrastructure funding first on projects.

Timing of Other Funding Sources: The timeline to determine project scope and size under FEMA Public Assistance program has been difficult and time consuming.

Parish capacity: FEMA related Public Assistance obligations doubled in last year from \$4 billion to \$8 billion. Spending rate also increased by the same percentage.

12



Affordable Housing - Budget Overview

Total Funding Dedicated to Affordable Housing Development			
Program	Total Allocation	Affordable Units/ PSH Allocation	Percentage of Total
Piggyback	\$581,046,000	\$348,627,600	60%
Small Rental	\$596,924,540	\$549,170,577	92%
	\$1,177,970,540	\$897,798,177	76%

Total Market and Affordable Units				
Program	Total Units	Market Units	Affordable Units	Percentage Affordable of Total
Piggyback	7,754	3,170	4,584	59%
Small Rental	11,523	922	10,601	92%
	19,277	4,092	15,185	79%

13



Affordable Housing - Budget Overview

Overall

- **\$1.2 billion** allocated
- **\$794 million** completed or in process as of Dec. 2009
- **\$438 million** in process

Small Rental

- **\$629 million** allocated
- **\$392 million** completed or in process as of Dec. 2009
(advances and construction management closings)
- **\$237 million** in process

Piggyback

- **\$581 million** allocated
- **\$402 million** complete or in process
(loans closed and/or under construction)
- **\$201 million** in process

14



Small Rental Property Program

- **Small Rental Incentive Program (original program)** – provides loan incentives or direct loans to property owners who operate one-to-four unit rentals to make repairs. Funds paid at completion.
- **Revised Program Options** – assist property owners in completing their units with upfront financing or construction management assistance
 - **Advanced Funding** – provides up-front dollars to property owners who are nearly complete with repair or rebuilding but need financial assistance to finish
 - **Construction Management** – pairs landlords with construction management services to complete repair or rebuild their unit

15



Small Rental Property Program

Current Status

- **1,567 properties completed**
- **2,677 total units completed**
 - ✓ **2,164 affordable**
 - ✓ **\$123.2 million disbursed to landlords**
- **1,024 re-certified and in process** under the Construction Management Initiative Option
- **3,371 properties under construction** under the original incentive model
 - ✓ Eligible for Advanced Funding prior to completion

16



Small Rental Property Program

- Began in January 2007
- **5,890 commitment letters** initially signed in April 2007 by owners of one- to four-unit rental properties
 - ✓ **4,073 landlords**
 - ✓ **11,523 units** (92% affordable)
- Prior to Jindal Administration
 - ✓ **Closed on only two properties**
 - ✓ **Created five affordable units**
- Under ICF, from January 2008 to April 2009
 - ✓ **Closed 902 properties**
 - ✓ **Created 1,435 total units**
 - ✓ **1,069 affordable**
- Under new contractor, ACS, between April and December 2009
 - ✓ **Closed 665 properties**
 - ✓ **Created 1,242 total units**
 - ✓ **1,095 affordable**

17



Small Rental Property Program

- Small Rental units **100% pre-leased**
- **4,050**, or 99.5%, of landlords are “**mom and pop**” owners of duplexes, tri- or four-plexes

Of the 4,073 landlords in program

- 1,874, or **46%**, are minorities
- 1,222, or **30%**, are women

- Rental units represent approximately **30% of the landlord’s household income**

18

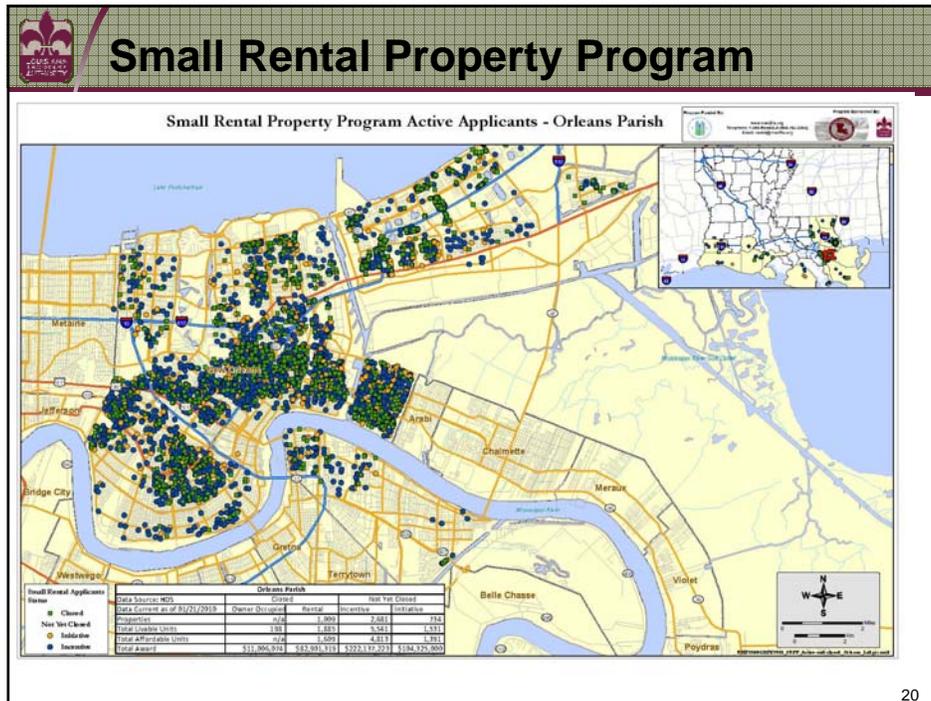


Small Rental Property Program

2010 Projections:

- **More than 1,600 properties** under construction by Jan. 31, 2010
- Another **1,200** underway by Mar. 2010
- **75%** of properties **completed** by June 30, 2010
- **Remaining 25% completed** by Dec. 31, 2010

19



Piggyback Program

Combines:

- **\$581 million allocated in CDBG funds**, administered by the LRA/OCD-DRU
- With 2007 and 2008 Gulf Opportunity Zone **Low Income Housing Tax Credits (LIHTC)**, administered by the Louisiana Housing Finance Agency
- To leverage approximately **\$1.1 billion in tax credit equity**, which is be “piggybacked” with CDBG funds

21



Piggyback Program

57 award letters signed

Awards made in three phases:

- **32 Round 1 Awards** made December 2006
 - ✓ 5,564 units to be created
 - ✓ \$419 million in CDBG funds committed
- **5 Round 2 Awards** made November 2008
 - ✓ 386 units to be created
 - ✓ \$28 million in CDBG funds committed
- **21 Lightning Round Awards** made December 2008
 - ✓ 1804 units to be created
 - ✓ \$145 million in CDBG funds committed

22



Piggyback Program

- **57** total projects
 - 17 projects completed
 - 13 projects under construction
 - 27 yet to close
- **7,554** total units to be created
 - 60% affordable including Permanent Supportive Housing units (PSH)
 - 40% market rate

23



Piggyback Program

Completed

- **17 projects**
- **2,444 units created**
 - ✓ 1,290 market rate units
 - ✓ 1,154 affordable units at or below 80% AMI
 - Includes 180 PSH units created
 - ✓ \$242M in CDBG funds expended

Under construction

- **14 projects**
- **2,439 total units**
 - ✓ 1,412 affordable
 - ✓ 1,027 market rate
 - ✓ \$281M in CDBG funds in process

24



Piggyback Program

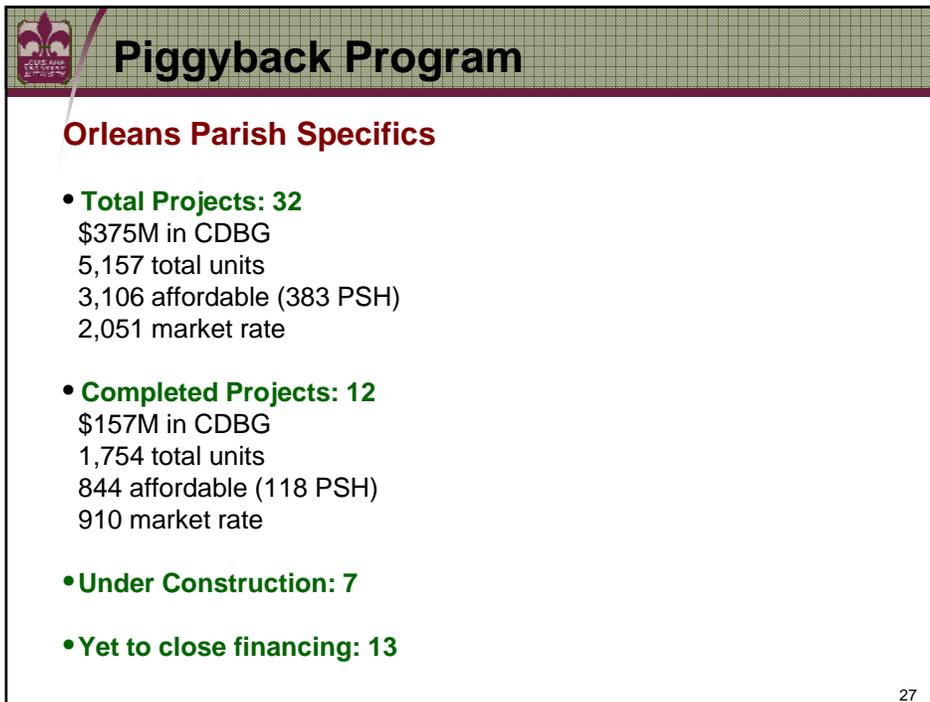
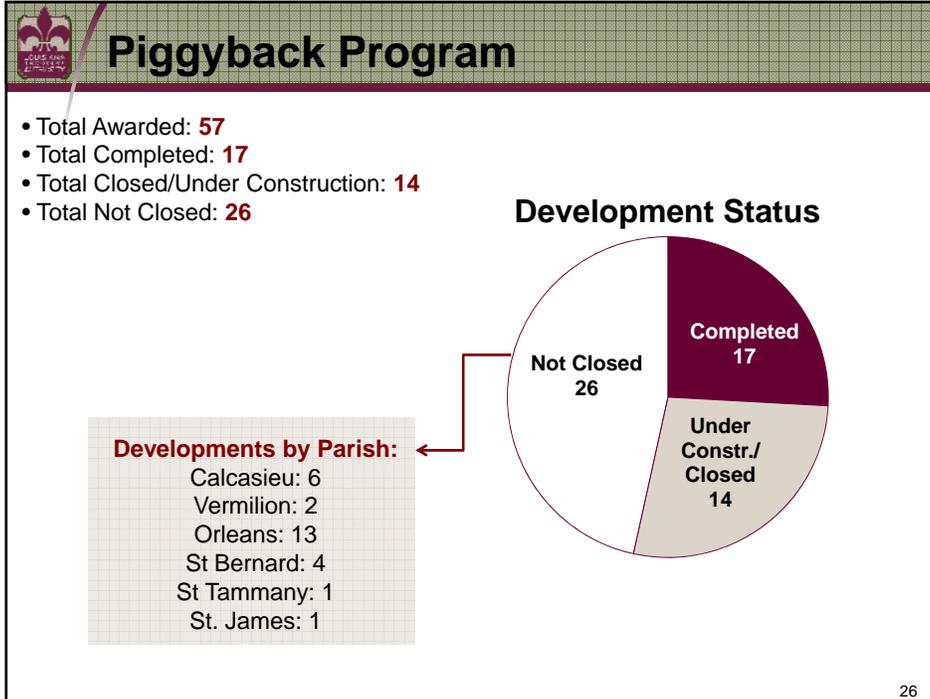
Of the 26 projects yet to close

- ✓ Dependent of two congressional fixes - extension of Placed in Service date and exchange, or monetization, of GO Zone tax credits

Potential Scenarios:

- ✓ Approximately **one third will close** in the first quarter of 2010 **regardless** of Placed in Service date extension or monetization change
- ✓ **Additional one third** will close **with exchange fix** and no PIS extension
- ✓ **With both** PIS extension and monetization change, **all projects could close within 2010**

25





Piggyback Characteristics

- **27** developers are local
- **12** developers are working on more than one project
- All developers are hiring local workers and sourcing portion of materials locally
- **50** projects are new construction on blighted vacant lots or buildings
- **7** are rehabilitated projects

28



Piggyback Characteristics

Projects by No. of Units	
No. of Units	No. of Properties
7-25	1
26-50	4
51-100	26
101-250	18
251-500	8

29



Road Home Program

- The Road Home Program has **assisted more than 126,000 homeowners** with approximately **\$8.2 billion** in grants
- **116,000 selected “Option 1”** to rebuild or repair their home
- More than **\$7.3 billion** has been disbursed to Option 1 applicants
- Option 1 **requires the homeowner to rebuild and re-occupy their home within three years** of receiving assistance.
- In the year 2010, **more than 84,000** Road Home applicants will be at their three-year mark.
- In New Orleans, it is estimated that **one in four** Option 1 applicants with a 2010 covenant due **have yet to re-occupy their homes.**



30



Road Home – Challenges/Unmet Needs

- **Timing of program components** – HMGP elevation available after Road Home award
- Resources went to pay **mortgage, rent or other living expenses** instead of rebuilding
- Forced to **return SBA loan**
- Contractor **Fraud**
- **Challenges navigating** construction management **process**
- **Job loss, medical needs**
- Other



31



Road Home - Solutions

The DRU will **proactively assist** at-risk applicant households identified through the following efforts:

- Disaster Case Management/FEMA applicants
- ACG cap removal
- Monitoring
 - ✓ targeted (reported/identified)
 - ✓ random sample
- Grant Recovery
- HMGP applicants



32



Road Home - Overview of Activities

- 1. Analyze which households are being assisted by each effort** (HMGP, traditional monitoring, ACG, FEMA funded transitional housing)
- 2. Establish targeted monitoring plan** for those not in their homes based on postal, electrical, neighborhood survey, blighted property lists or other data points.
- 3. Develop services and options available** to homeowners to assist in their ability to comply with the covenants to include:
 - Covenant extensions
 - Conversion to option 2
 - Confirmation that all eligible funds are applied for
 - Referral to non-profit pilot rehab program
 - Construction management and construction loan assistance through 'unmet needs' dollars
- 4. Prioritize limited monitoring and enforcement resources** for continued follow-up
- 5. Develop procedures for those unwilling to rebuild**
 - Coordinate with local enforcement agencies
 - Transfer properties similar to Option 2 and 3s to city/parish/neighborhood as appropriate (i.e. NORA in New Orleans)
 - Initiate recapture of funds

33



Road Home - Next Steps and Summary

Next Steps

- Use available data to **focus efforts and outreach** on most impacted communities
- Ensure case managers, staff and non-profit partners are **aware of all available options** to homeowners
- **Develop a construction loan program** for those with additional unmet needs
- **Develop partnerships** with city and parish agencies responsible for community development and blight reduction

Summary

- Every case is different; **solutions needs to be flexible and compassionate** with first effort to assist the homeowner
- For those cases where homeownership is no longer viable or homeowner is unable or unwilling to rebuild, we **need strong local partnerships** to ensure neighborhoods can revive

34



Road Home - Budget

- **\$10.35B** – Allocated for Homeowner program
- **\$ 9.11B** – Expended to date
 - Road Home, CDBG elevations, establishing the Louisiana Land Trust and operating costs*
- **\$ 1.24B** – Current balance

as of Dec. 31, 2009

35



Road Home - Budget

as of Dec. 31, 2009

Outstanding obligated project costs:

- **\$185M** – Serving remaining homeowners
- **\$221M** – Program delivery and LLT operations
- **\$ 25M** – Sold Homes Program
- **\$ 5M** – Contaminated Drywall assistance
- **\$100M** – Individual Mitigation Measures
- **\$520M** – Removing ACG cap
- **\$1.056B** – Total

\$1.24B Balance - **\$1.056B** Projected Costs =
 Approximately **\$184M** left for unmet housing needs
 and blight removal

36

