

LOUISIANA HOUSING CORPORATION

BOARD OF DIRECTORS

Agenda Item # 8

CHARLETTE MINOR, PROGRAM ADMINISTRATOR

FULL BOARD MEETING MATERIALS

June 13, 2012

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LOUISIANA HOUSING CORPORATION

The following resolution was offered by _____ and seconded by _____:
_____:

RESOLUTION

A resolution approving the Neighborhood Stabilization Program (“NSP”) Reallocation Plan, attached as “Exhibit A”; and providing for other matters in connection therewith.

WHEREAS, on July 26, 2008 Congress passed bill H.R. 3221 (commonly referred to as the Housing Economic Recovery Act of 2008) awarding funds to the State of Louisiana to implement the Neighborhood Stabilization Program (“NSP”) for the emergency assistance and redevelopment of abandoned and foreclosed properties; and

WHEREAS, the Louisiana Housing Finance Agency (the “Agency”), through a Cooperative Endeavor Agreement with the Louisiana Office of Community Development, has designed and implemented a program for the performance of the Neighborhood Stabilization Program's goals and objectives; and

WHEREAS, the Agency approved the selection of Neighborhood Stabilization Program participants through a competitive process, the awards for which were approved by resolution of the Louisiana Housing Finance Agency's Board of Commissioners (“BOC”) on April 8th, 2009; and

WHEREAS, the LHFA met its commitment to OCD to have NSP funds obligated by August 31, 2010; and

WHEREAS, the deadline for the expenditure of obligated NSP funds as set forth in the CEA with OCD is January 31, 2013; and

WHEREAS, the rules of NSP provide that if for some reason funds that were obligated by the obligation deadline cannot be expended, the funds will no longer be considered obligated, and would therefore need to be re-obligated to another NSP-eligible use or be at risk for recapture by HUD; and

WHEREAS, certain NSP projects have indicated that they will not have all funds expended by the deadline and have voluntarily agreed to return the unexpended portion of their NSP allocation; and

WHEREAS, the Agency will continue to monitor on a monthly basis the performance of each NSP project to ensure that funds are expended in a timely manner.

NOW THEREFORE BE IT RESOLVED by the Board of Directors of the Louisiana Housing Corporation, acting as governing authority of the Louisiana Housing Finance Agency, that:

SECTION 1. The NSP Reallocation Plan, attached hereto as Exhibit A, is hereby approved.

SECTION 2. The Agency will report to the Board on a monthly basis on the expenditure, de-obligation and re-obligation of such funds.

SECTION 3. The Agency Staff and Counsel are authorized, empowered, and directed as may be necessary to create, change, amend, and revise any existing documents, agreements and/or commitments as may be necessary to effectuate this resolution.

SECTION 4. The Chairman, Vice Chairman, Executive Director, and/or Secretary of the Agency are hereby authorized, empowered, and directed to execute any forms and/or documents required to be executed on behalf of and in the name of the Agency, the terms of which are to be consistent with the provisions of this resolution.

This resolution having been submitted to a vote, the vote thereon was as follows:

YEAS:

NAYS:

ABSENT:

And the resolution was declared adopted on this, the 13th day of June, 2012.

Chairman

Secretary

STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

I, the undersigned Secretary of the Board of Directors of the Louisiana Housing Corporation, do hereby certify that the foregoing two (2) pages constitute a true and correct copy of a resolution adopted by said Board of Directors on June 13, 2012, entitled: "A resolution approving the Neighborhood Stabilization Program ("NSP") Recapture Plan, attached as "Exhibit A; and providing for other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of the Corporation on this, the 13th day of June, 2012.

Secretary



Louisiana Land Trust

Louisiana Land Trust

Louisiana Housing Corporation
Neighborhood Stabilization Program Proposal
June 13, 2012

1

LLT Multifamily Housing Units Common Problems

- ▶ Rehabilitated or occupied units adjacent to vacant units with different owners
- ▶ Vacant units in danger of collapse
- ▶ Repairable but deteriorating units
- ▶ Unrepaired and blighted Option 1 units
- ▶ Water/weather intrusion from vacant units threatening adjacent occupied units
- ▶ Security problems
- ▶ Compromised firewalls

LLT Neighborhood Stabilization Proposed Actions on Multifamily Properties

► Scope of Work

- Complete rehabilitation of approximately 10 storm-damaged units attached to renovated/occupied structures in accordance with Uniform Building Code/International Building Code
 - Includes new roof, new doors, new windows, plumbing and electrical and HVAC up to code, complete interior updates, appliances, etc.
- Rehabilitation will create whole renovated structures
- Initial target of 10 units; additional units based on future incremental funding

► Contracting

- LLT to prepare specifications for rehabilitation
- LLT to procure multiple contracts for rebuilding
- CDM Smith provides overall Program Management under existing LLT contract
- LLT to coordinate the disposition of the properties following rehabilitation.

Benefits to Neighbors/Community

- Increased Security and Elimination of Blight
- Better Quality of Life for Neighbors
- Increased Structural Integrity
- Stabilized Property Values
- Increasing Quantity of Affordable Units
- Mold, Lead, and Asbestos Remediation will decrease neighborhood risks

LLT Neighborhood Stabilization Schedule

Tasks	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Specification Development									
Contract Procurement									
Notice to Proceed									
Construction									
Substantial Completion/ Final Inspection									
Marketing, Sales, Closing									

Rehabilitation Cost Estimate

- Typical multifamily unit size 1,200 - 1,400 s.f.
- Typical repair unit cost \$50/s.f.
- Estimated cost for rehabilitation: \$70,000*
- The number of potential rehab units dependent on city plans for each complex

• Repair costs could vary depending on the type of construction and degree damage.

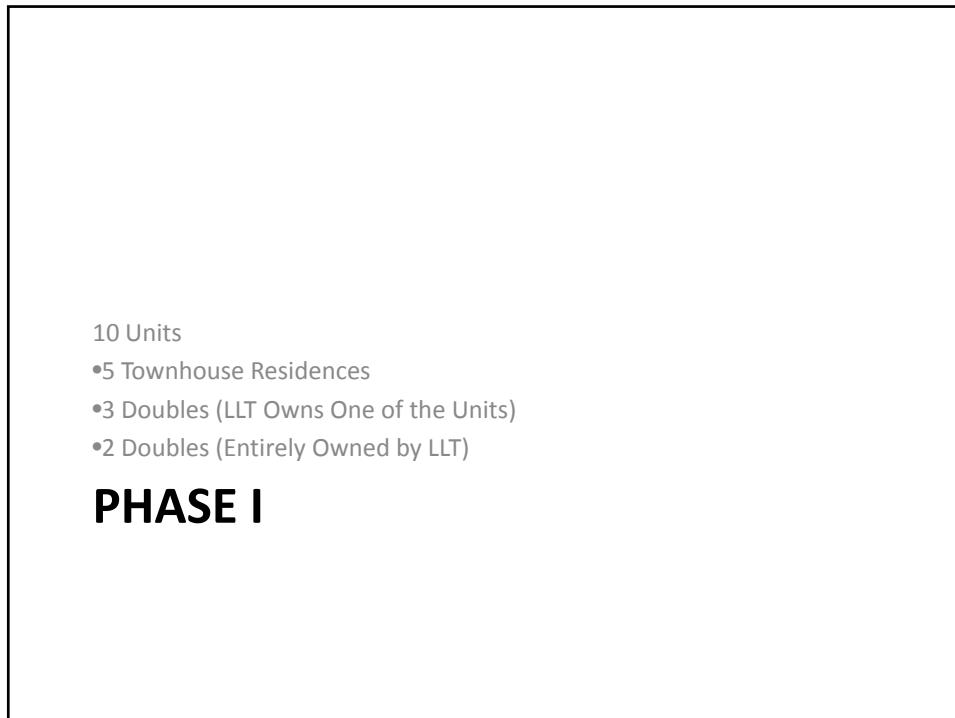
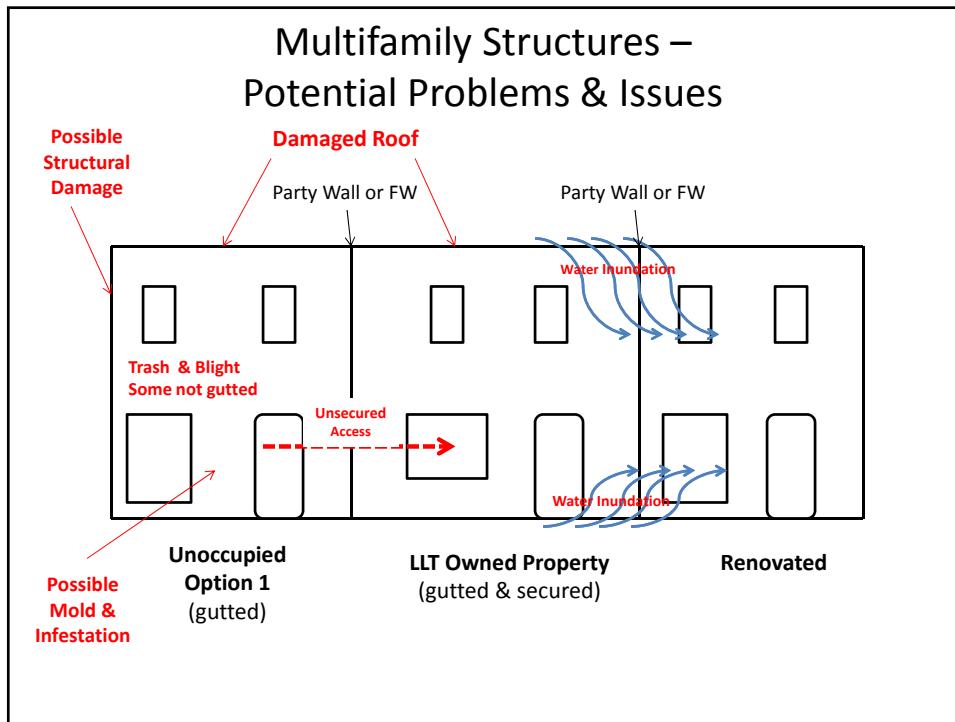
Total Program Cost Estimate

Action	Cost
Rehabilitation of 10 Units	\$700,000
Program Management	\$75,000
Legal/Admin	\$35,000
10% Contingency	\$81,000
Total	\$891,000

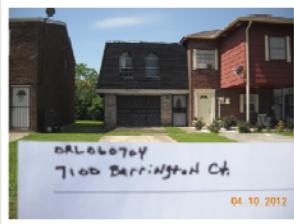
Multifamily Housing Counts Where LLT Units Exist

- **96 TOTAL UNIT COUNT***
- **61 DUPLEXES**
 - 47 Entirely Owned By LLT
 - 14 Partially Owned By LLT
 - 1 is attached to a Vacant Option 1 property
- **3 TRIPLEXES**
 - 1 is attached to an occupied unit
 - 2 are attached to Vacant Option 1 properties
- **8 FOUR-PLEXES**
 - 3 are attached to an occupied unit
 - 4 are attached to Vacant Option 1 properties
 - 1 is attached to an Adjudicated property
- **21 MORE THAN 4 UNITS**
 - 20 are attached to an occupied unit
 - 4 are attached to Vacant Option 1 properties
 - 1 is attached to an Adjudicated property
 - 14 are attached to Small Rental grant recipient properties

** Does not include 339 Units transferred out of LLT inventory or demolished*



7100 Barrington Ct.



7100	7106	7112	7118	7124	7130	7134
LLT	Occupied	Vacant Option 1	Occupied	Occupied	Occupied	Occupied

7710 Belcrest Pl.



7702	7710	7712
Occupied	LLT	Occupied

7613 Mayfair Pl.



7613	7611	7609	7607	7605	7603
LLT	Occupied	Occupied	Occupied	Occupied	Occupied

5715 Count Lane



5709	5711	5713	5715	5717
Occupied	Occupied	Occupied	LLT	Occupied

4834 Crowder Blvd



4830	4834	4840	4846	4850	4854	4860	4864
Occupied	LLT	Occupied	Occupied	Occupied	Occupied	Occupied	Occupied

6219 Craigie Rd.



6217	6219
Occupied	LLT

7807 Bass



7809	7807
Occupied	LLT

145 Stafford Pl.



147	145
Occupied	LLT

135 South Rendon



137	135
LLT Historic	LLT Historic

2521 – 2523 Banks St



2521	2523
LLT Historic	LLT Historic

10 Units

- 8 Townhouse Residences
- 2 Doubles (LLT Owns One of the Units)

PHASE II

6006 Beechcraft St - 6018 Beechcraft St



5942	5948	5954	6000	6006	6012	6018	6024
Occupied	Occupied	Occupied	Occupied Small Rental	LLT	Occupied	LLT	Renovated but Not Occupied

4401 Flite St.



4421 Occupied Small Rental	4417 Occupied	4413 Occupied Small Rental	4409 Occupied	4405 Occupied	4401 LLT
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4437 Flite St.



4449 Occupied	4445 Occupied	4441 Occupied	4437 LLT	4433 Occupied	4429 Occupied	4425 Demo'd
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6060 Boeing St.



6030	6036	6042	6048	6054	6060
Occupied	Vacant	Occupied	Occupied	Occupied	LLT

6605 Coveview Ct



6591	6595	6597	6601	6605	6609	6611
Occupied	Occupied	Occupied	Occupied	LLT	Occupied	Occupied

4327 Perlita St. – 4329 Perlita St.



4329	4327	4325	4323	4321	4319	4317
LLT	LLT	Occupied	Vacant	Occupied	Occupied	Vacant

7843 Sun



7845	7843
Occupied	LLT

1462 Mandolin



1462	1460
LLT	Occupied

Neighborhood Stabilization Program NSP I

Reallocation Plan June 2012

Neighborhood Stabilization Program NSP I

Reallocation Plan June 2012

Under the Housing and Economic Recovery Act (HERA) of 2008, the U.S. Department of Housing and Urban Development (HUD) allocated \$34,183,994 in grant funds to the State of Louisiana. The State of Louisiana Office of Community Development (OCD) was designated to allocate these grant funds to be implemented as the Neighborhood Stabilization Program (NSP). OCD has partnered with the LHFA as the lead agency to distribute and monitor the expenditure of these funds in accordance with applicable NSP guidelines. The roles and responsibilities of OCD and the LHFA are defined under a Cooperative Endeavour Agreement approved on May 6, 2009.

Activities included in the NSP Substantial Amendment provide for the allocation of NSP funds to areas of greatest need identified by HUD through the State of Louisiana. NSP funds are a special Community Development Block Grant (CDBG) allocation, intended to return foreclosed, abandoned, blighted or vacant properties to the market in order to stabilize neighborhoods. The following definitions of abandoned, blighted structure and foreclosed have been provided by HUD:

1. **Abandoned** – A home is abandoned when no mortgage or tax payments have been made by the property owner for at least ninety (90) days; or a code enforcement inspection has determined that the property is not habitable and the owner has taken no corrective action within ninety (90) days after notification of the deficiencies.
2. **Blighted Structure** – A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.
3. **Foreclosed** – A property “has been foreclosed upon” if:
 - a. It is at least sixty (60) days delinquent on its mortgage and the owner has been notified of such delinquency; or
 - b. The property owner is ninety (90) days delinquent or more on tax payments;
 - c. Under state or local law, foreclosure proceedings have been initiated or completed; or
 - d. Foreclosure proceedings have been completed and title has been transferred to an intermediary aggregator or servicer that is not an NSP grantee, sub-recipient, developer, or end user.
4. **Vacant**

One hundred percent (100%) of NSP funds must be used to benefit individuals and households whose income does not exceed one hundred twenty percent (120%) of area

median income (AMI), with at least twenty-five percent (25%) of the funds being used to benefit persons at or below fifty percent (50%) AMI.

Why an NSP Reallocation Plan is Necessary?

Total Potential Reallocation Amount \$ Up to
\$612,000.00

NSP I has a program policy that requires all grantees expend all NSP I funds by November 2012. *Table 1* provides a list of the 18 NSP grantees and their funding award amounts. The LHFA's Cooperative Endeavor Agreement with The Office of Community Development expires on January 31, 2013. OCD has to meet HUD's deadline to have all NSP I funds expended by March 20, 2013. LHFA has provided communications to all grantees that all final invoices must be received at LHFA by November 30, 2012. It is LHFA's intent to submit all final invoices to OCD no later than December 31, 2012. Our goal is to meet 100% expenditure threshold.

The purpose of recapturing funds from grantees is to ensure that the NSP funding creates the maximum number of affordable housing units possible and to avoid having un-spent funds recaptured by HUD. Table 5 indicates a snapshot of what projected funds that can be de-obligated upon approval of this Plan. Our first step in the de-obligation process, will include amending the grantees agreements (as listed in Table 5) to de-obligate funds voluntarily given back or un-used funds based on the original budgets. Please note that the amount will vary based on final project completion and analysis. Thereafter, each month, across ninety days, (June, July, and August) the NSP staff will monitor project completion and the use of NSP funds to determine amount for de-obligation. As amounts are determined and finalized, agreements will be amended accordingly.

Table 1: List of NSP Awardees

Listed below in Table 2 are the NSP Grantees' Completion Status and Funding

	Grantee	Status	Project Type	Units required	Units completed	Award Amount
1	City of Monroe/Habitat for Humanity of Ouachita - Monroe	50%	Homeownership	11	2	\$1,120,000.00
2	Hope Enterprise Corporation- New Orleans	100%	Homeownership	6	6	\$1,373,896.00

3	Habitat for Humanity of Louisiana SSO - New Iberia, Lake Charles, New Orleans	40%	Homeownership	43	15	\$4,300,000.00
4	Inner City revitalization -Alexandria	100%	Homeownership	6	6	\$467,275.00
5	Jericho Road Episcopal Housing -New Orleans	75%	Homeownership	7	3	\$847,833.52
6	Money Management International	on-going classes	Homebuyer Ed			\$23,000.00
7	Neighborhood Housing Services	contract ended	Homebuyer Ed			\$40,000.00
8	New Orleans Neighborhood Development-New Orleans	100%	Homeownership	3	3	\$217,134.00
9	North East Louisiana Economic Alliance - Rayville, Winnsboro, Monroe, West Monroe	disposing	Landbanking	9	9	\$815,601.46
10	Rays of Sonshine - Monroe	100%	Rental	12	12	\$1,530,000.00
11	Southern Mutual Help - New Iberia	100%	Homeownership	5	5	\$486,039.00
12	St. Mary Community Action Agency	contract ended	Homebuyer Ed			\$10,000.00
13	GCHP/SVDP-One Stop Homeless Center-Baton Rouge	100%	Rental	36	36	\$1,000,000.00
14	GCHP-The Scott Project - Baton Rouge	100%	Rental	40	40	\$1,000,000.00
15	GCHP-MLK Project - New Orleans	60%	Rental	49	0	\$1,723,937.00
16	Mid City Gardens/formerly Capital City South - Baton Rouge	80%	Rental	60	0	\$14,136,800.00

17	City of Alexandria - Alexandria	100%	Rental	56	56	\$1,250,000.00
18	Town of Kentwood	100%	Rental	3	3	\$369,539.00
SUBTOTAL FOR NSP				343	197	30,710.254 .98

NSP Program staff conducted an assessment to determine which grantees will meet the November 2012 expenditure deadline. **Table 2** provides a listing of those grantees who are a 100% completed.

Table 3 is a listing of grantees' who are expected to meet the November 2012 expenditure deadline. There are some grantees in Tables 1 &3 who will complete their projects under budget.

Table 2: NSP Grantees 100% completed:

	Grantee	Status	Project Type	Units required	Units completed	Award Amount	Remaining Balance
1	Hope Enterprise Corporation- New Orleans	100% complete	Homeownership	6	6	\$1,373,896.00	\$223,855.28 Portion is also development fee
2	Inner City revitalization Alexandria	100% complete	Homeownership	6	6	\$467,275.00	\$0
3	New Orleans Neighborhood Development- New Orleans	100% complete	Homeownership	3	3	\$217,134.00	\$28,321.84 (Development Fee)
4	GCHP/SVDP- One Stop Homeless Center-Baton Rouge	100% complete	Rental	36	36	\$1,000,000.00	\$0.00
5	GCHP-The Scott Project - Baton Rouge	100% complete	Rental	40	40	\$1,000,000.00	\$0.00
6	City of Alexandria	100% complete	Rental	56	56	\$1,250,000.00	\$0.00
7	Rays of Sonshine	100% complete	Rental	12	12	\$1,250,000.00	\$168,603.93 Portion is also Developer Fees)
8	Town of Kentwood	100 % complete	Rental	3	3		*\$85,133.15

9	Southern Mutual Help - New Iberia	100%	Homeownership	5	5	\$486,039.00	55,819.47 (Portion is development fee)
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***Town of Kentwood completed all 3 homes; however one home was destroyed by 18 wheeler truck. Town of Kentwood will return the insurance proceeds.**

Table 3: NSP Grantees not 100% completed; expected to meet goal by November 2012

	Grantee	Status	Project Type	Units required	Units completed	Award Amount	Remaining Balance
1	City of Monroe/Habitat for Humanity of Ouachita Monroe	70%	Homeownership	11	2	\$1,120,000.00	\$411,091.39
2	Habitat for Humanity of Louisiana SSO New Iberia, Lake Charles, New Orleans	45% complete	Homeownership	43	17	\$4,300,000.00	\$3,292,135.29
3	Jericho Road Episcopal Housing - New Orleans	75% complete	Homeownership	7	3	\$847,833.52	\$335,913.61
4	Money Management International	on-going classes	Homebuyer Ed			\$23,000.00	\$8,450.00

5	North East Louisiana Economic Alliance Rayville, Winnsboro, Monroe, West Monroe	disposing	Landbanking	9	9	\$815,601.46	\$93,218.74
6	GCHP-MLK Project - New Orleans	60% complete	Rental	49	0	\$1,723,937.00	\$800,208.49
7	Mid City Gardens/formerly Capital City South - Baton Rouge	80% complete	Rental	60	0	\$14,136,800.00	\$2,176,02.22

Table 5: PROJECTED POTENTIAL REALLOCATION

Grantee	Project Type	Units required	Award Amount	Proposed Reallocation Amount
1 Habitat for Humanity of Louisiana SSO - New Iberia, Lake Charles, New Orleans	Homeownership	43	\$4,300,000	\$289,116.13 Projected amount of unused fund at completion.
2 Neighborhood Housing Services	Homebuyer Education	40,000		29,530.00 Un-used funds in budget
3 St. Mary Community	Homebuyer Education	10,000		5700.00 Un-used funds in budget
4 Program Income				288,074.78
TOTAL				\$612,420.91

June 2012 Reallocation Plan

Description

The Louisiana Land Trust, a non-profit organization, proposes to restore LLT properties that are ideal for homeownership. These are located next to other currently occupied properties. NSP I regulation under eligible use E “Redevelop demolished or vacant properties”, allows for NSP funds be used to rehabilitate properties. It is the LLT’s intent to renovate and then sell to

eligible individuals or families whose income does not exceed 120 percent of area median income.

Without the NSP funds, the LLT properties will not be developed and will be difficult to sell or transfer because of daily deterioration. In their current condition, these blighted properties may bring down the value of neighboring homes.

The sale of the properties will generate NSP 1 program income that will be used to on additional NSP 1.

Estimated Total Budget:

\$891,000

See Attachment 1: LLT Proposal