



LOUISIANA
— Office of —
COMMUNITY
DEVELOPMENT

ACCELERATING RECOVERY

COSCDA Program Managers' Conference

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March 21, 2023

Key Concepts

- Work with Key Non-Profit Partners and Programs to speed delivery of recovery assistance
- Encourage home rehabilitation and reconstruction activities and affordable rental property construction prior to CDBG-DR award with Private-sector bridge loans
- Reimburse bridge loans for eligible pre-award activities with CDBG-DR Funding when available

Enterprise Accelerator – Quick Start Pilot – Concept

- Designed to bridge CDBG-DR funding with private sector capital for rebuilding multifamily housing stock
- Can be a useful tool for shortening the time to construct affordable rental housing post-disaster
- Applicants will be private non-profit, for-profit and public developers and landlords who have entered into legally binding bridge loans for multifamily projects previously selected under a competitive process by a state entity (such as LHC or OCD/DRU)
- Applicants will use CDBG-DR funds when they become available to pay off private bridge loans in the most-impacted and distressed areas designated by HUD

Enterprise Accelerator – Quick Start Pilot – Status

- May 2021, OCD requested TA Guidance from HUD on the ability to utilize CDBG-DR Funds as reimbursement of pre-award costs for accelerating rebuilding loans
- June 2021, HUD confirmed eligibility for rehabilitation or reconstruction of multifamily residential structures but new construction or acquisition cost reimbursement would require a waiver
- Reviewed & discussed “concept” with Enterprise in February 2022
- CDBG-DR grant agreement obviated the Quick Start Pilot
- Still looks promising when Action Plan development/approval takes longer

SBP Accelerator – RAF— Concept

- Access funds from private investors to begin rehabilitation/reconstruction for LMI homeowners prior to availability of CDBG-DR program funds
- Provide bridge loans to homeowners that will be repaid with CDBG-DR program funds upon availability of CDBG-DR and confirmation of program eligibility
- SBP requires a promissory note from Homeowner for bridge loan
- Homeowners apply for CDBG-DR grants for reimbursement of rehab costs to repay the bridge loan
- This model will pay a 4% return to investors

SBP Accelerator – RAF— Status

- Discussed concept with SBP in May 2022
- Worked through details, including eligibility requirements, payment processes, etc.
- SBP plans to rebuild 150 homes thru the end of 2023 and scale the Recovery Accelerator Fund (RAF) to reach at least 1,000 homeowners over the next three years
- Early CDBG-DR grant agreement made the Homeowner RAF Program unnecessary, but SBP still going through the process to test the concept

Key Risks

- Anticipation of CDBG funds triggers requirement for ERR prior to choice limiting action
- Alignment of RAF's eligibility requirements and program eligibility requirements
- If LMI Homeowners can't meet program eligibility requirements, they may not qualify for CDBG-DR assistance and may not be able to repay their RAF loan
- Identification/procurement of appropriate Quick Start projects prior to program design
- Loans must be "commercial grade" to not create a duplication of benefits
- CDBG-DR funds disbursed to grantees, not contractors, so risk of non-payment to RAF

Non-Profit Rebuilders

- Non-profit rebuilders from around the country already operating in disaster-impacted areas
- As licensed contractors, access the state's Restore program funds for eligible applicants through Solution 2 (homeowner-selected contractor)
- Reduced construction costs due to donated labor and materials
- Non-profit rebuilders can use excess funds to assist those who may not be eligible for our program

Questions?

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