



2013 Annual Awards Entry Form
(Complete one for each entry.)

Entry Name Making Homeownership a Reality after Disaster Strikes

Fill out the entry name *exactly* as you want it listed in the awards program.

HFA Louisiana Housing Corporation

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Entry form with description, check(s), and visual aids (optional) must be received by NCSHA by **Monday, July 1, 2013**.

Use this header on the upper right corner of each page.

HFA _____

Entry Name _____

Communications	Homeownership	Legislative Advocacy	Management Innovation
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input checked="" type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Federal Advocacy <input type="checkbox"/> State Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs	<input type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

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Background: Residents of Louisiana's coastal areas continue to rebuild housing stock even with the persistent threat of hurricane damage. The southern parishes experienced immeasurable damage and loss during the 2005 hurricane season with the combined effects of Hurricanes Katrina and Rita. Again, in the fall of 2008 these communities were hit by Hurricanes Gustav and Ike. Last year, Isaac, though only a Category 1 storm, brought even more damage. Despite the economic and physical impacts of these storms, recovery efforts are strengthened by federal dollars, aid organizations, private insurers and volunteers, and most importantly, the residents themselves who endeavor to reside in the Gulf region. With an estimated 515,000 households or approximately 30% of all Louisiana households receiving some level of damage from Hurricanes Katrina and Rita, repopulation of the area was initially slowed by the lack of livable housing units. By some estimates parishes affected by Hurricanes Katrina and Rita have exceeded expected levels of recovery. By others the rebuilding process has been too slow, and the lack of momentum after the storms has resulted in stagnant growth. Many of the southern parishes rebuilt only to receive severe damage three years later due to Hurricanes Gustav and Ike, the latter being the third most costly hurricane in U.S. history, with the combined effect of 13,000 to 26,500 damaged homes in 54 parishes across the state. It is estimated that these two storms caused \$8 billion to \$20 billion in insured and uninsured losses (2010 Louisiana Housing Needs Assessment).

The Louisiana Housing Corporation (LHC) continues to work to address the many affordable housing problems faced by the state in the wake of these storms. On the homeownership front, LHC has partnered with the Louisiana Office of Community Development to administer the Community Development Block Grant Disaster Recovery Program. The First Time Homebuyer Program (FTHBP) was designed to promote housing, infrastructure and recovery for the numerous parishes that sustained damage in Hurricanes Katrina, Rita, Gustav, Ike, and Isaac. LHC recognized that each storm brought with it different challenges and each parish (ranging from urban to rural) brought with it different needs. As such, LHC has worked with stakeholders to customize the program for each parish, knowing that a "one-size-fits-all" approach would not work. Below is a description of how LHC customized the program for each parish:

Cameron Parish: Located in the southwest corner of the state, the sparsely populated Cameron Parish was hit hard by Hurricane Rita in 2005 and even harder hit by Hurricane Ike in 2008, which brought a nearly 22-foot storm surge. When Ike hit, the parish was slowly recovering from Rita, which destroyed nearly 90% of the parish's buildings. Most residents from the south half of the parish relocated to the northern half in the wake of Rita. During Ike, almost the entire coastline was flooded heavily with surge/floodwaters reaching 60 miles inland. Communities were pretty much destroyed. In the wake of these two storms, Parish officials put a huge emphasis on ensuring there were places to live and the FTHBP has served as one of the mechanisms to meet that goal. The FTHBP offers two types of assistance to eligible homebuyers up to 120% AMI, who were renters at the time of Hurricane Ike or who may not own a primary principal residence or have not purchased a home in the last three years. Under this program, Option #1 provides a possible maximum allowable award of \$75,000 for the purchase of newly constructed properties and Option #2 provides up to \$25,000 for the purchase of existing properties. The borrower may receive Closing Cost assistance up to \$10,000 or 9% of the sales price of the home, whichever is less. To date, there have been 6 loans made totaling \$525,612.

Jefferson Parish: Part of metro New Orleans, Jefferson Parish was affected by Hurricane Katrina in 2005. The East Bank suffered widespread flooding and wind damage. The West Bank suffered little to no flooding but had a lot of wind damage. In Jefferson Parish, the FTHBP provides assistance for families up to 80% AMI and offers a soft second mortgage up to 50% of the sales price of the property or \$50,000, whichever is less, to cover the affordability gap between the sales price and the price affordable to the qualifying borrower. Additionally, part of the allocated CDBG funds will be offered to the qualifying borrower as a grant to cover "reasonable" closing costs and required pre-paid items related to the closing

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of the first mortgage loan. The borrower is required to invest a minimum of 1% of the purchase price into the transaction. To date, there have been 13 loans made totaling \$734,980.

Another program in Jefferson Parish, the Soft Second Mortgage Program, provides assistance to first-time homebuyers up to 120% AMI, with the maximum assistance determined based on AMI (ranging from \$40,000-\$60,000). Closing Costs Assistance up to \$10,000 is provided and the homebuyer must contribute \$1,500 or 1% of the purchase price, whichever is greater. All homebuyers must attend a First Time Homebuyer Training Class and Financial Fitness Class and provide the certificates in order to participate in the programs. To date, there have been 42 loans made totaling \$1,727,738.

Plaquemines Parish: As a result of Hurricane Katrina, Pointe a la Hache, Port Sulphur, Buras-Triumph, Empire, Boothville-Venice, Phoenix, and Venice in Plaquemines Parish suffered catastrophic damage. Then, Hurricane Isaac delivered another devastating blow in 2012. Many local accounts indicated that the Category 1 Isaac did more damage than Category 3 Katrina. FTHBP providing assistance for families with income up to 120% AMI. The homebuyer will be provided a soft second loan at 0% interest up to 50% of the sales price of the house, or \$100,000, whichever is less. All homebuyers are eligible to receive up to \$10,000 in Closing Cost Assistance. To date, \$118,021 has been expended.

St. Bernard Parish: Although officially a Category 3, Hurricane Katrina produced a Category 5 storm surge with winds more than 125 mph when it hit St. Bernard Parish. Not long after that, Hurricane Rita's eight-foot storm surge breached recently-repaired levees and caused widespread flooding. 68,000 people were displaced with 100% of the parish housing stock (more than 25,000 units) destroyed or damaged significantly. Since Hurricane Katrina, St. Bernard Parish has experienced the largest population decline of any parish in the state, with its population falling 47 percent since the 2000 census. In an effort to attract people back to the area, LHC has worked with St. Bernard Parish on a FTHBP for households at or below 120% AMI. CDBG Assistance allows for a soft second mortgage (0% interest, no payment and forgivable after 5 years) of 20% of the purchase price up to \$30,000 per borrower and a grant up to \$5,000 for closing costs. The borrower is required to put in a minimum of 1% of the purchaser price or \$1,000, whichever is greater. To date, there have been 67 loans totaling \$1,930,307.

Terrebonne Parish: Terrebonne Parish was declared a disaster area after both Hurricanes Katrina and Rita. More than 10,000 homes and businesses were flooded during Rita with 300+ substantially damaged. At least 200 people were displaced from their homes. In the wake of Hurricane Isaac, the parish demolished about 450 hurricane-damaged homes, further decreasing the housing stock. In Terrebonne Parish, the FTHBP offers down payment assistance of up to \$35,000 and closing cost assistance not to exceed \$10,000. Applicants must have been a resident of Terrebonne Parish for at least six months prior to applying. The property being purchased must be a single family residence with a purchase price not to exceed \$220,000. Homebuyers are required to invest at least 1% of the loan amount or \$1,000, whichever is greater. To date there have been 67 loans made totaling \$2,057,490.

Multi-Parish Initiative: In addition to the parish-specific programs outlined above, LHC operates a FTHBP in conjunction with LHC's Mortgage Revenue Bond Program to assist homebuyers in Acadia, Calcasieu, Cameron, Iberia, Jefferson, Plaquemines, St. Tammany, Tangipahoa, Terrebonne, Vermillion and Washington parishes. The program provides homebuyers with a below market interest rate. Homebuyers may purchase a one-family or two-family home and must agree to use the home as their primary residence for at least three years. To date, there have been 81 loans made totaling \$5,533,328.

Innovative and replicable: LHC worked hard to tailor the needs of the FTHBP to each parish. Throwing out the idea that a blanket homeownership program would work and could be administered at the state level, LHC instead took a different route and put in the work to listen to the specific needs of parishes to get them and their residents on the road to recovery. This customized FTHBP approach could easily be

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replicated in other parishes or counties throughout the state and those across the country especially in disaster situations. While it may require more upfront work (i.e. meetings and planning), the end results are worth it; a customized program sets up more first-time homebuyers for success.

Responds to an important state housing need: Homeownership was an important state housing need before the storm and remains equally if not more important in the face of disaster. The mortgage and insurance industry in Louisiana looks entirely different than it did before the storms and the economic crisis. Now, more than ever, it is important for LHC to work with stakeholders to develop programs that are tailored to the specific needs of first-time homebuyers. A one-size-fits-all approach that may have worked in the past is no longer appropriate with different populations and needs in every parish.

Demonstrate measurable benefits to HFA targeted customers: Since the program has been in place, LHC has assisted 276 first-time homebuyers through the FTHBP. The financial incentives provided through the FTHBP help offset the increased costs of flood and hazard insurance resulting from the storms. The largest benefit, though, is enabling families and individuals to return to their communities, employment, family and friends.

Proven track record of success: To date, a total of 276 families have purchased homes and returned to their communities with many more in the loan process.

Provides benefits that outweigh costs: Many of the affected parishes lost a lot of residents in the wake of the storms. Those residents are still hesitant to return with increased flood and hazard insurance costs that continue to rise. Lost residents means lost revenue and can cripple a parish's already hard hit economy. The benefits of offering these customized FTHBPs far outweigh the costs of the programs as they bring residents back and help spur economic recovery especially in the wake of devastating storms.

Demonstrates effective use of resources: LHC could have made the decision to use these funds to create a blanket FTHBP, but while that may have been an easier initial decision, it would have been more costly in the long-run. By putting in the upfront work to tailor this program to each parish's needs, LHC is using resources more effectively. Customized programs ensure that the program is being targeted to the right population, that it is addressing the needs of each parish, and that it is setting participants up for success in their first home.

Effectively employs partnerships: LHC had to work with numerous entities to make these programs work including all of the parishes in the program, local officials, FEMA, HUD, local lenders and realtors, developers, title companies, and non-profits. An important piece of the program was exploring the needs of the parishes and also the regulations/barriers to homeownership in order to effectively address them. These partnerships continue today as LHC constantly works to improve the FTHBP.

Achieves strategic objectives: While the FY2013 Strategic Plan is still under development, this initiative adheres to core goals of that draft:

- Dedicate resources to educate low/moderate income households to attain/maintain homeownership
- Implement programs to serve populations that are not currently served in the secondary market to transition them to responsible homeownership.

Conclusion: LHC took CDBG Disaster Recovery Program funds and put them to great use with fully customized FTHBP programs in parishes throughout Louisiana. As a result of these programs and the partnerships LHC has formed, 276 people have realized the dream of owning a home and families are returning to their jobs, families, friends, and communities. This model can be used in the future as LHC looks to expand homeownership opportunities across the state especially in the wake of so many disasters.