

**Mississippi Development Authority
Small Rental Assistance Program
CDBG Disaster Recovery Action Plan
Amendment 1**

Overview

The State of Mississippi received a \$423,036,059 allocation in CDBG funding from HUD as part of the \$5.2 billion federal appropriation through the Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Hurricane Recovery, 2006 (Public Law 109-234). Congress has designated these monies for “necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to Hurricanes Katrina, Rita, or Wilma.”

The total partial action plan cost for a Small Rental Assistance Program, including administration, is \$262.5 million. This will assist owners of small rental properties in the counties most affected by Katrina to provide affordable rental housing. Of the total \$262.5 million proposed for this program, no more than \$12.5 million will be spent on MDA administrative costs.

This Partial Action Plan provides \$258.5 million to the Small Rental Assistance Program funds allocated to as a part of the Emergency Supplemental Appropriations Act to Mississippi in Public Law 109-234. This program is also funded with \$4 million from the \$5.058 billion allocation to Mississippi from HUD resulting from the \$11.5 billion federal appropriation through HR 2863. A minimum of \$81,777,703 of the funds allocated in Public Law 109-234 are required for repair, rehabilitation, and reconstruction (including demolition, site clearance and remediation) of the affordable housing stock (including public housing and other HUD-assisted housing) in the impacted areas.

The Mississippi Development Authority (MDA) is the State’s designated agency responsible for administering CDBG funds and will administer Mississippi’s share of the Katrina CDBG funds.

The CDBG Disaster Recovery Partial Action Plans and proposed amendments and their status of funding from the HR 2863 allocation include:

- Homeowner Assistance Grant Program: \$3.26 billion, approved by HUD and operational;
- Public Housing Program: \$105 million, approved by HUD and operational;
- Regional Infrastructure Program: \$33 million, approved by HUD and operational;
- Ratepayer and Wind Pool Mitigation: \$440 million, approved by HUD and operational; and
- Economic Development Program: \$500 million, approved by HUD and operational.

The CDBG Disaster Recovery Partial Action Plans and proposed amendments and their status of funding from the Public Law 109-234 allocation include:

- Gulf Coast Regional Infrastructure Program: \$55 million, submitted to HUD.

Plan Overview

The purpose of this Small Rental Assistance Program is to provide loans, in an aggregate amount up to \$250 million, to owners of small rental properties located in Hancock, Harrison, Jackson Mississippi *Small Rental Property Assistance Program Final Plan*

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and Pearl River Counties on the Mississippi Gulf Coast. FEMA estimated that 71,116 renter-occupied housing units statewide were damaged or destroyed by Hurricane Katrina. It is also estimated that there are over 42,000 rental units in the four coastal counties.

Smaller rental properties (fewer than 4 units) make up the large majority of total rental units in these counties and according to Census 2000 figures, over three-quarters of total rental units were in these smaller complexes (including single-unit homes). About 2,000 rental properties with 4 units or fewer fall into the FEMA Serious Damage category. The purpose of this program is to provide project-based rental assistance in the repair and replacement of lost or damaged rental units.

Owners of the rental properties and units will commit to renting the units to eligible applicants with incomes not to exceed 80% or 120% of the area median income (AMI) depending on the number of units per property. Owners are also restricted in the rents that can be charged to each tenant based on the tenant's income. The commitment to the program is for 5 years.

Plan Details

For purposes of this amendment, small rental property is defined as properties with four (4) or fewer rental units. MDA will issue assistance through a series of open competition application rounds.

Eligibility

Rental properties that meet the following requirements are eligible for the Small Rental Assistance Program:

- All housing units must be located in Hancock, Harrison, Jackson, or Pearl River counties, Mississippi
- All rental properties must contain between one and four units
- The program is open to repair, rehabilitation, and new construction.
- Owner occupants of two or more unit properties can receive small rental assistance on the rental units only.
- Modular Housing is eligible.
- Manufactured Housing is not eligible.
- Leases must be for a minimum term of at least six months.
- Applicant must show evidence of site control at the time of application
- Property must have been rental stock at the time of the storm (August 29, 2005) for certain plan eligibility.
- Proposed development must have current access to water, sewer, and electricity
- MDA reserves the right to limit or adjust the limit on the number of cumulative properties developed by any one applicant, non-profit organization, corporation, or other ownership group. The current limit is set at 25 properties with a maximum of four units per entity for rental subsidy and/or rehab and repair applicants (for a total of 100 units).

New construction projects are limited to 5 properties with a maximum of four units per property units per ownership entity (for a total of 20 total units).

- Existing, rehab, and new properties must meet FEMA Advisory Base Flood Elevation (ABFE) requirements.

Rental properties that fall within the following characteristics are excluded from the Small Rental Assistance Program

- Any unit or real estate property covered under the Homeowner Assistance Program may be excluded from the Small Rental Assistance Program. Homeowners who have received HAP grants are not eligible to receive a Small Rental Assistance Loan for their property covered by the HAP grant.
- Single Room Occupancy units are not eligible.

Assistance and Requirements

Each eligible applicant may receive up to a total of \$30,000 per unit as a forgivable loan. An additional completion bonus is also offered for construction and rehab programs. Schedules of income limits, rental rates, and minimum unit square footage are attached for each eligible county. The loan will be interest-free and the principal will be forgiven if certain conditions are met. If conditions are not met, penalties will be applied and the loan will convert to an interest-bearing demand note. In exchange for the loan, each small rental property owner must agree to the following for a period of 5 years:

- The State will require the small rental property owners receiving funds under this amendment enter into certain agreements, among which will be a restrictive covenant that will be recorded and run with the land. The covenant will expire at the end of the 5 year rental period. Among other provisions, these agreements will require regular progress reports and permit MDA and its agent access to rent records and to perform site inspections.
- Compliance with the HUD Minimum Property Standards (Section 8 quality standards) and the Mississippi Residential Landlord and Tenant Act (Chapter 8, Title 89 of the Mississippi Code of 1972).
- Rental units and properties must comply with local, state and federal building code requirements.
- Maintain hazard insurance on the rental property.
- Maintain flood insurance (if required) on the rental property.
- For properties with multiple rental units, 100% of the units must be rented to tenants with income at 120% or less of Area Median Income (AMI).
- For properties with multiple rental units, 51% of the available rental units in each property must be rented to tenants with income at 80% or less of AMI. For two-unit structures, one unit must be rented to tenants with income at 80% or less of AMI.
- Resale of the property may trigger repayment of the loan.
- The principal of the loan will be fully forgiven for those landlords whose units are rented to tenants meeting the AMI criteria for a minimum of 5 years. The loan will be forgiven starting

after the completion of years 3, 4 and 5 of the rental period and on a prorated basis of 33.3% each year.

- Rental rates will be affordable as defined by HUD and/or MDA. Property management and oversight will also require compliance with HUD affordable housing standards and as such rate compliance and property management compliance must be met and maintained as plan defined affordable units for 5 years.
- Restricted rents in the rental program will be adjusted upward annually with the publication of new rent tables by the federal government and/or MDA. AMI levels will also be adjusted yearly.
- Tenants remaining in place beyond the term of their initial lease will not be required to submit income certifications in subsequent years. Property owners will not be forced to replace tenants whose incomes increase after their initial certification, but all new tenants must complete income certifications. Tenant income certifications are subject to audit.
- If the owner of the rental unit pays all utilities, the owner may charge the tenant the full listed gross rent according to Schedule D. If the tenant is required to pay utilities, the owner must subtract the utility allowance listed.
- An annual certified statement of compliance is required to ensure compliance with the programs terms and conditions. Any notice or determination of noncompliance with the requirements of this program will result in and the activation of interest and principal payment terms. In addition, penalties may be applied for lack of compliance with the program terms and conditions. Interest will be calculated using prime rate at the time of noncompliance. Liens will be filed on the rental properties.
- The State and/or its approved vendor chosen to ensure compliance will/may conduct an income verification audit of the tenants.
- Property owners will screen and select their own tenants, but will have to comply with the requirements of the Fair Housing Act (42 USC 3601-3620), which prohibits discrimination based on race, color, religion, sex, national origin, familial status, and/or disability.
- Initial lease terms must be a minimum of six months. MDA will provide a lease template to be used for this program.
- On an annual basis an audit for compliance with the HUD Minimum Property Standards and the Mississippi Residential Landlord and Tenant Act (Chapter 8, Title 89 of the Mississippi Code of 1972) may be conducted as well as an audit to determine compliance with program insurance requirements.
- MDA, in its sole discretion, reserves the right to require or apply design and architectural standards to rehab or new construction properties.
- For new construction, one of every four units built must meet requirements under the Americans with Disabilities Act. This provision does not apply to single-family units or duplexes.

Application Process and Program Options

MDA will accept applications for the Forgivable Loan through a series of open application periods. An application is required for each property. A total of up to \$160 million will be available in Round 1. Round 1 will include a \$20 million set aside (\$5 million for each Program

Option) for nonprofit organizations. MDA may restrict the total number of property/unit awards to any one entity or owner.

Round 1 will be open to owners of existing rental properties, same-site redevelopment or repair, or proposed new construction.

Each applicant may choose one of four Program Options as part of the application. Applicants may only choose one Primary Program Option per property. The program options are:

- A. Rental income subsidy assistance¹
- B. Repair, rehabilitation, or reconstruction reimbursement for Katrina-damaged property
- C. Rehabilitation or conversion reimbursement for existing property to rental
- D. New construction reimbursement.

Each Program Option is funded at \$40,000,000. Each includes a nonprofit set-aside of \$5,000,000, which will be awarded for use in any of the four eligible counties. The remaining \$35,000,000 is earmarked for use in specified counties—Hancock, Harrison, and Jackson Counties have been allocated \$10,000,000 each, and Pearl River County has been allocated \$5,000,000. Schedule I reflects the breakdown.

MDA, in its sole discretion, reserves the right to adjust the funding pools for Round 1.

Scoring

MDA will use a scoring process to review the applications. MDA's Round 1 scoring priority will be for owners who have managed rental property in the past and who have shown a history of compliance with meeting local, state and federal code and regulations.

MDA, in its sole discretion, reserves the right to set a minimum scoring requirement for application acceptance.

Monitoring

MDA or its vendor will review all information for propriety and accuracy and will perform periodic on-site inspections, for tenant income verification, record keeping, and for compliance with HUD's physical conditions standards. Responsible staff will report to the Mississippi Development Authority. Should there be findings of noncompliance in any of the abovementioned, such noncompliance will be conveyed to the owner, who will have a 45 day period in which to correct the noncompliance, and to send verification of correcting such non-compliance to the MDA or its approved vendor. Should the noncompliance not be corrected within that time frame, an amount that is prorated based on the percentage of the 5 year period of the loan shall immediately become due and payable.

¹ Must conform to Stafford Act regulations regarding duplication of benefits and voucher assistance programs.
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Audit Requirements

Funds disbursed under this program are subject to the audit requirements of the Single Audit Act of 1996 and OMB Circular A-133.

Investigation and Mitigating Occurrences of Fraud, Abuse and Mismanagement

MDA will work with HUD to develop procedures for mitigating instances of fraud, abuse, and/or mismanagement. MDA will contract with a vendor that has program-relevant expertise. This vendor will oversee compliance with this Action Plan Amendment and will administer and recommend disbursement of funds in accordance with the contracted agreements with a zero tolerance for duplication of benefits and fraud. Also, this vendor will maintain a system of tracking and clearing issues, which will be reviewed by MDA on a regular basis. Additionally, the Auditor of the State of Mississippi will have an investigative team assigned to investigate suspected instances of fraud.

Disbursement of Funds

Funds will be made available to the small rental property owners in partial payments. Funds will be paid up to \$30,000 per unit as a forgivable loan. The loan will be disbursed subsequent to a formal closing.

Disbursement of funds for applicants choosing rental income subsidy assistance (Program Option A) will be based on the following schedule:

On inspection of the property: one-third

End of Year 1: one-third

End of Year 2: one-third

Disbursement of funds for applicants choosing Repair, rehabilitation, or reconstruction reimbursement for Katrina-damaged property (Program Option B), Rehabilitation or conversion reimbursement for existing property to rental (Program Option C), or new construction reimbursement (Program Option D) will be based on the following schedule:

On receipt of building permit: one-half

On certificate of occupancy: one-half

Awards under Program Options B, C, and D must be used solely for capital expenditures on the repaired, rehabbed or constructed property.

Any applicant in Program Option B or C may also participate in Program Option A. Applicants under Options B and C are eligible to receive rental income subsidies under Option A if the amount of damage to an individual unit is less than that unit's maximum loan amount. The excess loan amount can then be taken as rental income subsidy, up to the per-unit loan cap.

Award recipients under all program options must obtain a Certificate of Occupancy for each unit that receives Small Rental Assistance within 24 months of the date of the original disbursement.

Failure to obtain a Certificate of Occupancy within 24 months will trigger default and repayment of the loan.

A tiered completion bonus is available under Program Options B, C, and D. Units with a Certificate of Occupancy dated within 6 months of first disbursement receive the full completion bonus. Units with a Certificate of Occupancy dated within 9 months of the date of first disbursement receive two-thirds (2/3) of the full bonus. Units with a Certificate of Occupancy dated within 12 months of the date of first disbursement receive one-third (1/3) of the full bonus. All bonus amounts will be rounded to the nearest \$100. Schedule G shows the range of completion bonuses.

Units with a Certificate of Occupancy dated between 12 and 24 months of the date of first disbursement receive no completion bonus.

Before disbursement of funds can be made, each small rental property owner must finalize the following documents:

- (i) certification to continued truth of all information submitted during this process,
- (ii) waiver of all claims against state and federal government,
- (iii) proof of full insurance coverage (not limited to flood, wind, hazard),
- (iv) certification that the owner will satisfy the rental requirements to tenants detailed in this amendment at affordable rates,
- (v) estimate of the timing for delivering the units as affordable housing stock,
- (vi) sign a note for the loan terms and conditions. These notes will be fixed as liens against the property, and
- (vii) attach a covenant to the property.

MDA reserves the right to expand the required information and certifications upon final completion of the application and scoring criteria.

Complaint Referrals

Complaints alleging a specific violation of a statutory or regulatory requirement, including Congressional inquiries, received by HUD at the Headquarters, Regional, or Field Office level will be forwarded to the appropriate State office for the response.

Appeals

MDA will establish an appeals policy for applicants to appeal the award decision, compliance notifications and the demand notification for lack of plan compliance by recipient.

Eligible Activities and National Objectives

Eligible activities included in this partial plan include:

- 1) The total amount allocated to this partial action plan is \$262.5 million. Of this amount, planning and administrative costs are estimated as no more than (\$12.5 million). The

national objective criteria do not apply separately to planning and administrative activities.

- 2) Affordable rental housing in the form of a Small Rental Assistance Program – up to \$250 million – This program meets the national objective of low and moderate-income persons because of the tenant income requirements identified in this amendment.

Environmental

MDA has determined that due to the nature and design of this program these actions are subject to the rental environmental plan administered by MDA.

Solicitation for Public Comment

The plan was officially posted for public comment to the website, www.mississippi.org on April 26, 2007 with the public comment period ending on May 21, 2007. Both on-line and hard copy versions were available in Spanish and Vietnamese.

As required by the regulations, a summary of any comments or views not accepted (the number received is shown in parentheses) and the reasons therefore are as follows:

- **Expand the Program. Accept single family homes that were not rentals prior to Katrina. Increase the non-profit set-aside. Increase the total funding and target more units. Include and support lease-to-own and other transitional homeownership arrangements. (14)**
- **Selection Criteria and Scoring. Allow SRO properties. Change 75 mile scoring factor by graduating, eliminating, or increasing it. Consider the DTI ratio of the applicant. Devote more funding to repair on existing sites and to rebuild existing neighborhoods. Encourage development of housing that complies with the Americans with Disabilities Act. Favor local developers and landlords. Prioritize development in specific areas. Prioritize housing serving the elderly and/or disabled. Provide funding priority to landlords that owned properties pre-Katrina. Provide funding priority to landlords with four or fewer units. Rely less on applicant credit and/or modify scoring criteria to consider pre-Katrina credit. (49)**
- **Program Terms. Allow landlords willing to serve 30% AMI to participate in multiple Program options. Allow owners of single-family homes to participate in both Program Options A and B. Change unit and property caps to cap the aggregate max number of units. Change/waive construction requirements (SEER 14 and 2003 and 2006 IBC and IRC Building Codes). Create sliding scale of grant awards, increase awards for applicants willing to serve lower AMI tiers, and/or use Lower Rent Figures. Enforce affordability provision through covenant. Extend timeframe for completion bonus. Increase required term of affordability to 10 years. Require housing to accept Section 8 vouchers. Require Rental Subsidy applicants to rent to 50% AML. Scale grants based on unit location/amount of damage/property value/mortgage amounts. Waive application fee. (26)**
- **Caps. Increase Cap on number of projects. Increase Cap on number of units. Increase Per Unit Grant Amount. Keep max development size capped at 4 units.**

Lower cap to 25 maximum units per developer (total, or per round). Lower Income Cap to 80% AMI. (9)

- General Comments. Alter Section 8 Rules. Develop additional programs targeted at medium-sized rentals (5-25 units). Provide financial counseling/technical support to small landlords. Requests for information/application/general requests for assistance. Updates to income limits/rental rates. Clarify terms and provisions. Improve outreach programs, including providing multi-language documents. (33)

Response – With regard to expanding the program and eligibility, the program remains unchanged. The target number of units remains the same, as does the overall funding cap of \$258.5 million. Adjustments have been made, however, to the nonprofit set-aside. The nonprofit set aside has been increased to 12.5% of the total funding reserved in Round 1.

Additionally, applicants with units that have sustained less than the maximum award amount in damage may apply excess funds to rental subsidy, provided they are repairing existing structures. Additionally, because three of the four program options (comprising 75% of the reserved funding) are available only to existing properties, MDA believes that these changes address concerns regarding encouraging redevelopment.

Extending the term of affordability and support for lease-to-own arrangements are not parts of the design of this program.

With regards to selection criteria, creditworthiness remains a requirement. MDA will, however, consider pre-Katrina credit scores and history in reviewing an applicant's creditworthiness. MDA will also modify the scoring criteria to give priority to Mississippi state resident. The preference for applicants within 75 miles of the property is maintained.

With regard to selection criteria and scoring, changes in scoring benefit MS residents and the development of new construction units that complying with the Americans with Disabilities Act (1 unit for every 4 units constructed). This program did not require program design changes relating to other criteria. MDA-Preferred Developments areas are defined as having close proximity to workforce centers, schools, access to public transport, incorporated municipalities and healthcare centers.

With regard to changing the program terms, the building code requirements have been modified to allow compliance with locally-adopted building codes. Otherwise, the program remains the same. Changes to accommodate very-low income residents are not part of the design of the program. The completion bonus schedules also remain unchanged, in order to encourage rapid availability of rental units.

With regard to changing the program caps, the overall caps remain the same. An exception is made for new construction—this is now limited to 20 units, or five properties, per ownership entity, as opposed to 25 properties per entity for rental subsidy and repair/rehab.

With regard to the general comments, a complete guidebook is forthcoming that will contain final application forms, clarifications of key terms, final application scoring criteria, and other

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program information. This guidebook will be made available in multiple languages and will be accompanied by a press release noting its availability. Maximum rental rates and income limits have been updated to reflect the latest HUD and/or MDA figures. Additional support for small landlords and support for developments with more than four units are not part of the design of this program.

Waivers

MDA will request any additional waivers to HUD to support the execution of the Small Rental Assistance Plan.

		Required Unit Mix			
1 Unit	80% AMI				
2 Units	80% AMI	120% AMI			
3 Units	80% AMI	80% AMI	120% AMI		
4 Units	80% AMI	80% AMI	80% AMI	120% AMI	

Schedule A: Required unit mix by property size

Income Limits by County (80% AMI)								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Harrison and Hancock	\$ 27,000	\$ 30,850	\$ 34,700	\$ 38,550	\$ 41,650	\$ 44,700	\$ 47,800	\$ 50,900
Jackson	\$ 28,200	\$ 32,250	\$ 36,250	\$ 40,300	\$ 43,500	\$ 46,750	\$ 49,950	\$ 53,200
Pearl River	\$ 24,200	\$ 27,650	\$ 31,100	\$ 34,550	\$ 37,300	\$ 40,100	\$ 42,850	\$ 45,600

Schedule B: Tenant income limits for the 80% AMI tier

Income Limits by County (120% AMI)								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Harrison and Hancock	\$ 40,500	\$ 45,275	\$ 52,050	\$ 57,825	\$ 62,475	\$ 67,050	\$ 71,700	\$ 76,350
Jackson	\$ 42,300	\$ 48,375	\$ 54,375	\$ 60,450	\$ 65,250	\$ 70,125	\$ 74,925	\$ 79,800
Pearl River	\$ 36,300	\$ 41,475	\$ 46,650	\$ 51,825	\$ 55,950	\$ 60,150	\$ 64,275	\$ 68,400

Schedule C: Tenant income limits for the 120% AMI tier

Rental Rate Limits by County (80% AMI)							
	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Harrison and Hancock	\$ 517.00	\$ 548.00	\$ 640.00	\$ 834.00	\$ 857.00	\$ 921.00	\$ 991.00
Pearl River	\$ 416.00	\$ 417.00	\$ 499.00	\$ 609.00	\$ 758.00	\$ 817.00	\$ 878.00
Jackson	\$ 445.00	\$ 509.00	\$ 611.00	\$ 841.00	\$ 902.00	\$ 966.00	\$ 1,040.00

Schedule D: Rental rate limits for the 80% AMI tier, utilities inclusive

Rental Rate Limits by County (120% AMI)							
	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Harrison and Hancock	\$ 775.50	\$ 822.00	\$ 960.00	\$ 1,251.00	\$ 1,285.50	\$ 1,381.50	\$ 1,486.50
Pearl River	\$ 624.00	\$ 625.50	\$ 748.50	\$ 913.50	\$ 1,137.00	\$ 1,225.50	\$ 1,317.00
Jackson	\$ 667.50	\$ 763.50	\$ 916.50	\$ 1,261.50	\$ 1,353.00	\$ 1,449.00	\$ 1,560.00

Schedule E: Rental rate limits for the 120% AMI tier, utilities inclusive

Grant Amount Schedule by Unit Size				
Efficiency	1BR	2BR	3BR	4BR
Base Forgivable Loan	\$20,000	\$22,500	\$25,000	\$30,000
Completion Bonus	\$3,000	\$7,000	\$8,000	\$9,000
Total	\$23,000	\$29,500	\$33,000	\$36,500

Schedule F: Loan amount by unit size, assuming maximum completion bonus

Completion Bonus By Time				
Efficiency	1 BR	2 BR	3 BR	4 BR
6 mos	\$ 3,000	\$7,000	\$8,000	\$9,000
9 mos	\$ 2,000	\$4,700	\$5,300	\$6,000
12 mos	\$ 1,000	\$2,300	\$2,700	\$3,000
More than 12 mos	\$ -	\$ -	\$ -	\$ -

Schedule G: Completion bonus amounts by time

Utility Allowance by Unit Size				
Efficiency	1 BR	2 BR	3 BR	4 BR
Allowance \$	50 \$	75 \$	85 \$	100 \$
				115

Schedule H: Utility Allowance by Unit Size

	Round 1 Funding by Program Option			
	Option A	Option B	Option C	Option D
Nonprofit Set-aside	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Hancock County	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Harrison County	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Jackson County	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Pearl River County	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
Total	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000

Schedule I: Round 1 Funding by Program Option

Small Rental Assistance Program Term Sheet

	Program Option A Rental Income Subsidy	Program Option B Repair, rehab, or reconstruction reimbursement	Program Option C Rehabilitation or conversion reimbursement	Program Option D New construction reimbursement
Eligible Properties	Existing property	Existing property	Existing property	New property
Property Repair, Rehab, or Reconstruction required?	No significant damage/No rehab necessary	Repair, Rehab, or Reconstruction of Katrina-related damage necessary	Make-ready repairs or reconstruction of non-Katrina-related damage necessary	N/A
Capital Investment Required?	No	Yes	Yes	Yes
Consideration	Forgivable Loan	Forgivable Loan	Forgivable Loan	Forgivable Loan
Payout schedule (max \$30,000)	Inspection: one-third EOY 1: one-third EOY 2: one-third	Permit: one-half COA: one-half	Permit: one-half COA: one-half	Permit: one-half COA: one-half
Required Usage	Income subsidy	Construction/rehab	Construction/rehab	Construction
Funding Reserved	\$40,000,000	\$40,000,000	\$40,000,000	\$40,000,000
Forgiveness schedule	EOY 1: 0% EOY 2: 0% EOY 3: 33% EOY 4: 33% EOY 5: 33%	EOY 1: 0% EOY 2: 0% EOY 3: 33% EOY 4: 33% EOY 5: 33%	EOY 1: 0% EOY 2: 0% EOY 3: 33% EOY 4: 33% EOY 5: 33%	EOY 1: 0% EOY 2: 0% EOY 3: 33% EOY 4: 33% EOY 5: 33%
Default Penalty	Year 0-1: \$2,500 Year 1-2: \$2,000 Year 2-3: \$1,500 Year 3-5: \$0	Year 0-1: \$2,500 Year 1-2: \$2,000 Year 2-3: \$1,500 Year 3-5: \$0	Year 0-1: \$2,500 Year 1-2: \$2,000 Year 2-3: \$1,500 Year 3-5: \$0	Year 0-1: \$2,500 Year 1-2: \$2,000 Year 2-3: \$1,500 Year 3-5: \$0
Default Interest	LIBOR plus 1%	LIBOR plus 1%	LIBOR plus 1%	LIBOR plus 1%
Default Interest Term	Based on loan distribution and origin of default determination.	Based on loan distribution and origin of default determination.	Based on loan distribution and origin of default determination.	Based on loan distribution and origin of default determination.
Property Sale Triggers Default?	Yes	Yes	Yes	Yes
Property Rental Restrictions	51% of units must rent at 80% AMI tier for five years	51% of units must rent at 80% AMI tier for five years	51% of units must rent at 80% AMI tier for five years	51% of units must rent at 80% AMI tier for five years
Monitoring and Compliance	1. Code housing 2. Program compliance 3. Cure penalties	1. Code housing 2. Program compliance 3. Cure penalties	1. Code housing 2. Program compliance 3. Cure penalties	1. Code housing 2. Program compliance 3. Cure penalties
1099 Required?	Yes	No	Yes	Yes
Environmental Review Required?	Yes	Yes	Yes	Yes