

PECAN ACRES SUSTAINABLE RESETTLEMENT PROGRAM

The Pointe Coupee Parish Policy Jury, U.S. Department of Agriculture-Natural Resources Conservation Service (NRCS), and the Louisiana Office of Community Development (OCD) are working together to purchase properties in the Pecan Acres subdivision of Pointe Coupee Parish and to help homeowners move out of their flood-impacted homes and resettle into safe replacement homes outside the Special Flood Hazard Area (SFHA). Through the NRCS program, eligible property owners will sell their property to the Parish for the pre-storm (August 2016) value of their home. Afterward, all structures on the property will be cleared, and the area will be restored to a natural state. The Community Development Block Grant Disaster Recovery (CDBG-DR) funded Sustainable Resettlement Program will provide funding to make the move feasible for residents recovering from impacts of the Great Floods of 2016.

The following information is provided to assist property owners in evaluating the options available so that they can choose the option that best fits their needs. In order to be eligible for CDBG-DR funding through the Restore Louisiana program, the homeowner must also complete an application to NRCS. The program will establish a deadline for completing the NRCS application and a separate application deadline for completing the Restore Louisiana (CDGB-DR) application.

OWNER-OCCUPIED • NON-OWNER-OCCUPIED • VACANT LOTS



IF YOUR PROPERTY IS OWNER-OCCUPIED

ELIGIBLE PARTICIPANTS

- You are eligible if you owned and occupied a home as your primary residence on Pecan Drive West or Pecan Drive East between August 11, 2016 and July 31, 2018.
- Individuals who acquire property (other than by succession) after July 31, 2018 are not eligible, but may be eligible under the "Not Owner-Occupied" pathway.
- Must complete an NRCS program application.

>> CONTINUE READING TO LEARN MORE ABOUT EACH OPTION

AVAILABLE OPTIONS

A

RESETTLEMENT TO THE NEW NEIGHBORHOOD

- You are eligible for a forgivable loan for a new house in the new community.
- The size of your new home will be comparable to the size of your damaged home.
- You may request a smaller home if your needs have changed, or a larger home with more bedrooms if you have additional eligible household members (in line with Federal housing standards).
- Moving Assistance is available.

You are eligible for an award amount that will be determined by the appraised value of your new home in the new neighborhood.

- Homeowner will be required to contribute their gross proceeds from NRCS toward the new project.
- If homeowners have attempted to pay off or transfer debt owed on the damaged property, but have been unable to and can provide documentation of their efforts, there are alternative methods in which proceeds can be contributed.
- The owner-occupant will be placed in full-ownership of the new home.
- For houses with multiple owners, only the owner-occupant is required to contribute their portion of the NRCS gross proceeds toward the new project.

B

RESETTLEMENT TO A LOCATION NOT IN THE NEW NEIGHBORHOOD

- You are eligible for a forgivable loan to assist with the purchase of a house in Louisiana located outside the Special Flood Hazard Area (SFHA).
- Assistance toward the acquisition of a new home is subject to the program cap, comparable price per square foot, and actual cost of the home.
- Moving Assistance is available.

- You are eligible for an award amount that is equal to the lesser of:
 - the cost of your new house, or
 - your current house's square footage (living space) multiplied by an estimated \$116.
- The state is working to finalize this per square foot rate based on the cost of purchasing comparable housing outside of the SFHA within Pointe Coupee Parish.
- Cap: \$200,000.

- Homeowner will be required to contribute their gross proceeds from NRCS to this project.
- The owner-occupant will be placed in full-ownership of the new home.
- For houses with multiple owners, only the owner-occupant is required to contribute their portion of the NRCS gross proceeds toward the new project.

ELIGIBLE BENEFIT

PROGRAM CAP

HOMEOWNER CONTRIBUTION

IF YOUR PROPERTY IS OWNER-OCCUPIED

AVAILABLE OPTIONS

A

RESETTLEMENT TO THE NEW NEIGHBORHOOD

$$\frac{\text{APPRAISED VALUE OF NEW HOME} - \text{NRCS GROSS (OCCUPANT(S)' PORTION)}}{\text{TOTAL CDBG-DR FORGIVABLE LOAN AMOUNT}}$$

B

RESETTLEMENT TO A LOCATION NOT IN THE NEW NEIGHBORHOOD

$$\frac{\text{LESSER OF NEW HOME PRICE OR } \$116.06 \times \text{SQ. FT.} - \text{NRCS GROSS (OCCUPANT(S)' PORTION)}}{\text{TOTAL CDBG-DR FORGIVABLE LOAN AMOUNT}}$$

AWARD CALCULATIONS

EXISTING LIENS AND MORTGAGES ON PROPERTY

LIMITATIONS AND DEED RESTRICTIONS

- Properties must be cleared of all liens and mortgages in order to participate in this program. This must happen at or before transferring the property.
- The state will not pay off existing debt. Homeowners should work with financial counselors (the state will help identify this resource) to identify a path for either paying off existing debt or working on a short sale.
- If a homeowner has made acceptable and documentable attempts to pay off debt, but has not been successful in doing so, then the program may provide the following option:
 - The program may issue a non-forgivable loan in exchange for paying the existing debt. The program will perform an underwriting of the homeowner and will determine the amount to be repaid of the non-forgivable debt on a monthly basis. The monthly payment will be calculated based on 20% of the household's Adjusted Gross Income. The forgivable loan amount will not be forgiven until all non-forgivable loan amount is repaid.

- Homeowners must own and occupy the home as their primary residence for five years.
- 1/5th of the assistance is forgiven annually over five years, if requirements are met.
- Homeowners cannot incur additional debt on the property without prior consent from the state.
- Homeowners must maintain homeowners insurance and flood insurance.
- In the event of the death of all owner-occupants, the remaining balance of the forgivable mortgage will be forgiven.

- Funds for this option will be provided at closing on new, eligible property, which will ideally be coordinated with the buyout of the damaged property.
- Homeowners must relocate to a home in Louisiana located outside the Special Flood Hazard Area (SFHA).
- Homeowners must own and occupy the home as their primary residence for five years.
- 1/5th of the assistance is forgiven annually over five years, if requirements are met.
- Homeowners must maintain homeowners insurance and flood insurance.
- In the event of the death of all owner-occupants, the remaining balance of the forgivable mortgage will be forgiven.

IF YOUR PROPERTY IS NOT OWNER-OCCUPIED

ELIGIBLE PARTICIPANTS

- You are eligible if you were the property owner as of July 31, 2018 and still own the property.
- If another owner of the property is pursuing the Owner-Occupied track, the remaining owners are not eligible under this track.
- Must complete an NRCS program application.
- The inclusion of rental property owners as eligible incentive recipients is essential to meeting the objectives of the buyout program by preventing further residential or commercial development in the designated area.
- Due to the shortage of affordable rental housing in Pointe Coupee Parish, rental property owners may be eligible for a new home in the new community if they meet affordable rental requirements.

AVAILABLE OPTIONS

A

NEW RENTAL HOME IN THE NEW NEIGHBORHOOD

- You are eligible for a forgivable, full-recourse loan for a new house in new community for 10 years, subject to affordable rental housing requirements.
- After completing year 6, 20% of the loan will be forgiven, and 20% of the loan will be forgiven every year thereafter.
- Property owner is required to contribute gross NRCS proceeds toward the project with no other option.

APPRAISED VALUE OF NEW HOME
- NRCS GROSS

TOTAL CDBG-DR FORGIVABLE LOAN AMOUNT

B

INCENTIVE PAYMENT

- You are eligible for an incentive payment calculated as:
- the lesser of 20% of NRCS appraised value or \$20,000.
 - 20% is based on 20 months of typical rent charges (monthly rents average 1% of value of home).
 - The incentive payment is provided over and above the NRCS buyout amount. No owner contribution is required.

20% NRCS APPRAISED VALUE*
= TOTAL CDBG-DR GRANT AWARD

*The lesser of 20% of appraised value or \$20,000.

ELIGIBLE BENEFIT

AWARD CALCULATIONS

OTHER CONSIDERATIONS

- The state will not pay off existing debt and will not allow for the transfer of any existing debt to the new property.
- Approved applicants are subject to affordable rental housing requirements of 50% Area Median Income (as defined by U.S. Housing and Urban Development) or below for 10 years.
- Property owners cannot receive rents greater than the restricted amount specified by the program from any source.
- Approved applicants are charged a pre-payment penalty and the loan is due and payable in full if they sell the property or do not comply with the affordable rental requirements in the first five years.
- After completing year 6, 20% of the loan will be forgiven, and 20% of the loan will be forgiven every year thereafter; there will be a 8% default interest rate that is applied retroactively on the unforgiven portion in the event of default/non-compliance.
- Current tenants may be eligible for Relocation Assistance.

CDBG-DR funds for the incentive payment will be provided at time of the acquisition of damaged property.

- Current tenants may be eligible for Relocation Assistance.

2018 FAIR MARKET RENTS - POINTE COUPEE PARISH (BATON ROUGE MSA)

| | 1-BEDROOM | 2-BEDROOM | 3-BEDROOM | 4-BEDROOM | 5-BEDROOM |
|---------|-----------|-----------|-----------|-----------|------------|
| 50% AMI | \$655.00 | \$748.75 | \$842.50 | \$935.00 | \$1,010.00 |

IF YOU OWN A VACANT LOT

ELIGIBLE PARTICIPANTS

- You are eligible if you are the property owner as of July 31, 2018 and still own the property.
- Must complete an NRCS program application.

The inclusion of vacant lots, including those that never had a structure, may prove essential to meeting the objectives of the buyout program by preventing further residential or commercial development in the designated area.

ELIGIBLE BENEFIT

You are eligible for an incentive payment calculated as:

- The lesser of 20% of NRCS appraised value or \$5,000.

OWNER CONTRIBUTION

The CDBG-DR incentive is provided over and above the NRCS buyout amount. No owner contribution is required.

AWARD CALCULATIONS

20% NRCS APPRAISED VALUE* = TOTAL CDBG-DR GRANT AWARD

*The lesser of 20% of appraised value or \$5,000.



Restore LA supports Fair Housing/Equal Employment Opportunity/ADA Accessibility