

# **CDBG-LIHTC “Piggyback” Program: Best Practices & Lessons Learned**

**2012 HUD CDBG Disaster Recovery Training**

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# Workforce & Affordable Rental Housing programs

The State created the Piggyback and Small Rental Property programs to repair or rebuild rental stock across south Louisiana.

## Overall goals of programs:

1. To ensure that the workforce needed to accommodate full economic recovery has access to affordable rental housing;
2. To provide affordable rental housing to low-income households who could not otherwise afford to return to their communities;
3. To ensure that affordable rental housing is provided in the context of high-quality, sustainable, mixed-income communities; and
4. To ensure that a portion of affordable rental units will host supportive services for families with special needs or high risks following their extended displacement.



# Piggyback Program

## Program Goal:

Replacement of rental housing stock lost or damaged by hurricanes



*A view of the C.J. Peete housing development in New Orleans after Hurricane Katrina*



# Piggyback Program - Overview

The program combines:

- **Community Development Block Grant** dollars with
- Gulf Opportunity Zone **Low Income Housing Tax Credits** (LIHTC)
- To leverage approximately **\$1.1 billion** in tax credit equity
- that is **“Piggybacked”** onto the CDBG funds



# Piggyback Program - Budget

**\$628M allocated for both Katrina/Rita and Gustav/Ike**

- \$581 million – K/R
- \$ 47 million – G/I



*The Groves at Mile Branch Creek in Covington (St. Tammany Parish) utilized \$8.7 million in Piggyback funds, creating 94 units, 65 of which are affordable.*



# Piggyback Program - Developments

## 70 - Total Awards

- 52 projects completed
- 6,425 units  
(76% *by units*)
- 10 projects under construction
- 8 yet to close



*The Preserve in New Orleans*



# Piggyback Program – Under Construction

## 8,448 - Total Units To Be Created

- 63% affordable
  - or 5,326 units
- Including 841 PSH
- \$628 million CDBG
  - More than \$492 million expended to date (78%)



*Ground broke on the McCaleb Supportive Housing Apartments in New Orleans in July 2011. OCD-DRU has an investment of \$5.3 million Piggyback dollars in Gustav/Ike recovery funds in the project.*



# Piggyback Program - Occupancy

## 96% Overall Program Occupancy

*as of Dec. 2011*

96% for both market rate and affordable





# Piggyback Program

## Innovative Program Design Incorporating Best Practices and Lessons Learned

1. Competitive Funding Process to Meet State Needs
2. Leveraging of Funds (CDBG/LIHTC Equity/Private Debt)
3. Loans – 35 Year Term & Affordability Period
4. “Gap” Financing
5. De-Concentration of Poverty
6. Additional Affordability
7. PSH Concept
8. Adaptability
9. Consulting Team



# Piggyback Program

## 1. Competitive Funding Process to Meet State Needs



# Piggyback Program

## **2. Leveraging of Funds (CDBG/LIHTC Equity/Private Debt)**



# Piggyback Program

## **3. Loans – 35 Year Term and Affordability Period**



# Piggyback Program

## 4. "Gap" Financing



# Piggyback Program

## 5. De-Concentration of Poverty



# Piggyback Program

## 6. Additional Affordability



# Piggyback Program

## 7. Permanent Supportive Housing Concept



# Piggyback Program

## 8. Adaptability



# Piggyback Program

## 9. Consulting Team



# Projects Before & After – Nine 27



Location: New Orleans  
Total Units: 76  
Affordable Units: 16





# Projects Before & After – Sulphur Retirement Community

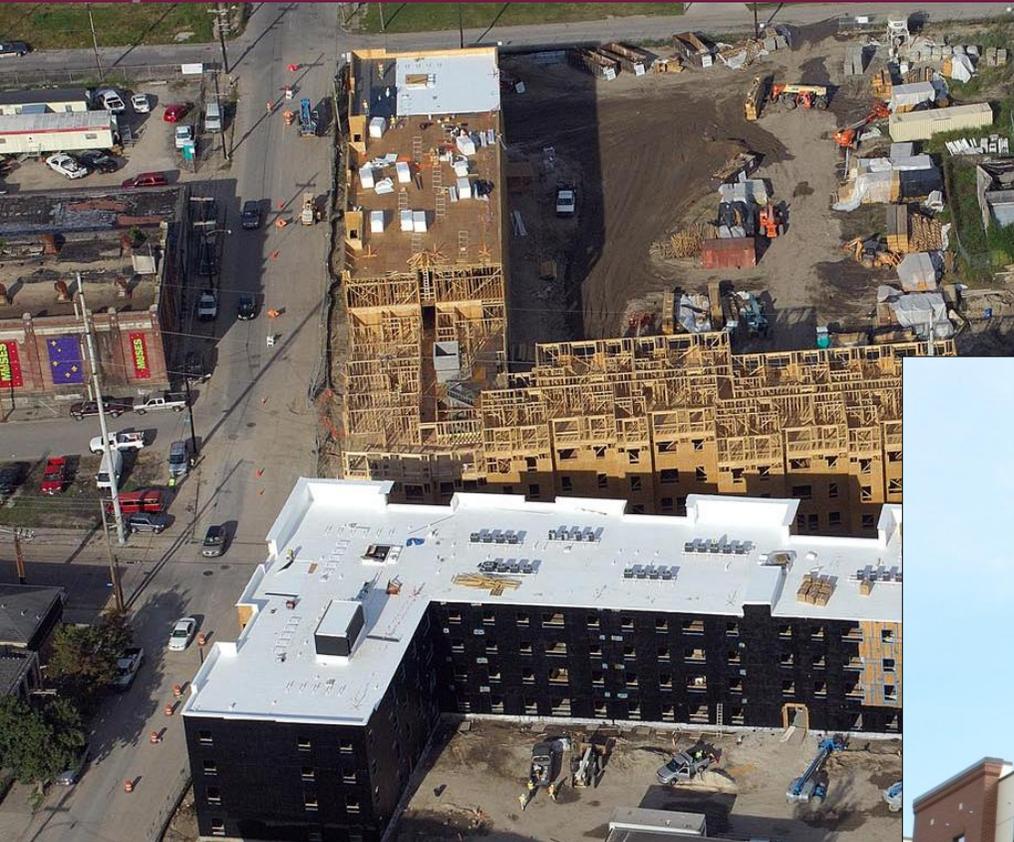


Location: Sulphur  
Total Units: 60  
Affordable Units: 60





# Projects Before & After – The Muses



Location: New Orleans  
Total Units: 211  
Affordable Units: 76





# Piggyback Program - Occupancy



## **THE PRESERVE**

***Units: 183***

***Date Opened: February 2009***

***Tax Credits Awarded: \$1.5M***

***CDBG Awarded: \$15.9M***

The Preserve is 92% occupied.



# Piggyback Program - Occupancy

## WALNUT SQUARE

*Units: 209*

*Date Opened: July 2009*

*Tax Credits Awarded: \$1.3M*

*CDBG Awarded: \$19.5M*



Walnut Square is 98% occupied.



# Piggyback Program - Occupancy



## **STONEBRIDGE**

***Units: 250***

***Date Opened: March 2009***

***Tax Credits Awarded: \$17.7M***

***CDBG Awarded: \$19.6M***

Stonebridge is 92% occupied.



# Piggyback Program

# Questions?



## CRESCENT CLUB

*Units: 228*

*Date Opened: Sept 2009*

*Tax Credits Awarded: \$1.9M*

*CDBG Awarded: \$19.6M*



<http://www.doa.louisiana.gov/cdbg>

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