



## **Residential Construction Lending Program, Phase 3 - 2016 Addendum One**

### **QUESTIONS RECEIVED BY NORA AS OF AUGUST 22, 2016**

**Q1. I was not able to attend the informational meeting. I see that the RFP is for home ownership development. Is there any flexibility here? I am interested in developing rental units.**

A1. Residential Construction Lending is available for affordable homeownership opportunities only. Rental proposals are not acceptable.

**Q2. How is the amount of loan forgiveness we can request determined? Is it the difference between construction cost and sale price? Construction cost and appraised value? Or is there some other formula? I may be overlooking something, but I haven't been able to locate specific guidelines on this.**

A2. The value of the loan forgiveness (also known as developer subsidy) is represented by the difference between the Total Development Cost (TDC) and sales price. The maximum amount of loan forgiveness is \$30,000 per unit. NORA/NORU has a stated preference for proposals that utilize less than the maximum amount of forgiveness.

**Q3. In terms of the environmental review, is there already a tier 1 available for the Lower Ninth, and is a tier 1 sufficient? Do we also need a tier 2, and is this already available?**

A3. For any properties listed in Exhibit A with an identifier beginning with "ORL" (ORL113320 1742 Flood Street, for example), the State of Louisiana has already completed the Environmental Review Record (ERR) and NORA/NORU is required to pass the Environmental Disclosures to the developer as part of the purchase of the property. No further review is necessary.

For the other properties listed in Exhibit A with identifiers beginning with "ORA" (ORA900533 1921 Egania Street, for example) or "ORU" (ORU900620 1718 Forstall Street, for example), no Tier 1 is complete. Therefore, an ERR, in accordance with the National Environmental Policy Act (NEPA), would need to be completed. NORA/NORU will complete the ERR for any properties selected, prior to the sale to a developer. NORA/NORU anticipates that this process will take less than 90 days in most cases.

**Q4. When exactly does the reimbursement happen? Is it when the house is sold?**

A4. Reimbursements are provided during construction. All loan funds must be drawn prior to the sale of the house.

**Q5. The First Look for First Responders requirement is tricky on our end, given our non-traditional build model (the homeowner is chosen before the home is constructed). Would NORA/NORU be open to an accommodation on this front? We could either commit to a series of homeowner outreach events targeting this population, or we could post a pre-development listing on MLS with accompanying targeted outreach in an effort to reach out to this population before construction begins.**

A5. Outreach to the targeted First Responder community prior to construction, in accordance with a First Responder Marketing plan approved in advance by NORA, is acceptable.