



PROJECT HOME AGAIN

FREQUENTLY ASKED QUESTIONS

1. WHAT IS THE RIGGIO FOUNDATION AND WHY ARE THEY BUILDING HOUSES IN NEW ORLEANS?

The Riggio Foundation is a family foundation created by the founder of Barnes & Noble, Leonard Riggio, and his wife, Louise. Like many other Americans, the Riggio family was profoundly affected by the suffering and devastation caused by Hurricane Katrina and sought to play a role in the rebuilding of New Orleans and help the hardworking people of that city return home.

2. WHAT IS PROJECT HOME AGAIN?

Project Home Again (PHA) is a not-for-profit development arm that was created by the Riggio Foundation. Through Project Home Again, Len and Louise Riggio will spend \$20 million building houses for people whose homes were severely damaged or completely destroyed during the storm. PHA will build single-family homes, which will be energy efficient, raised above the minimum elevation guidelines, and will meet or exceed all new building code requirements. All applicants will go through an extensive financial review process to determine eligibility and need. The homes will be awarded through a lottery.

3. WHY GENTILLY?

The foundation was able to purchase an excellent site in Gentilly to pilot the first group of 20 homes. Since making the purchase last May, people from the foundation have come to know and appreciate the neighborhood for its diversity, strong sense of community and optimism.

4. WHEN AND WHAT KIND OF HOMES ARE GOING TO BE BUILT?

Project Home Again will build single-family homes in three sizes: two bedrooms/one bath; three bedrooms/two baths; and four bedrooms/two baths. The homes will be energy efficient, raised above the minimum elevation guidelines, and will meet or exceed all new building code requirements. Building is expected to begin in summer 2008 and last approximately 12 months.

5. WHY IS PHA BUILDING NEW HOUSES ON VACANT LAND? WHY NOT REPAIR INDIVIDUAL'S HOMES?

Like most nonprofit organizations, Project Home Again does not have the capacity to deal with the logistical and legal challenges of repairing individually owned homes.

6. HOW DO I KNOW IF I QUALIFY?

First, you must currently be employed in the New Orleans area. You must also have lived in Gentilly for two years prior to Hurricane Katrina. You must also be willing to swap a home that is uninhabitable as a result of the hurricane or have a vacant lot to swap. You must also meet 2008 U.S. Department of Housing and Urban Development (HUD) guidelines for low-income families in Orleans Parish.

7. CAN I APPLY FOR A HOME IF I RECEIVED MONEY FROM THE ROAD HOME PROGRAM?

Yes, you may apply. However, all applicants will go through an extensive financial review process to determine eligibility and need. PHA will ask for information about your Road Home award or other insurance dollars you have been awarded, and how you have used it or intend to use it.

8. I STILL HAVE A LARGE MORTGAGE ON MY DAMAGED HOUSE. CAN I APPLY FOR A PHA HOUSE?

Yes, you may apply, but the mortgage on your existing property must be paid prior to closing on your new PHA home. In order to qualify for a PHA home, you must show proof of ownership and clean title, proof that mortgages (and all other loans on the property) have been paid, and that there are no encumbrances on your property.



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9. WHAT DO YOU MEAN BY SWAP?

Once an applicant is determined to meet the income, geographic, family size and other guidelines, Project Home Again will do a title search to determine the legal ownership of your home. If the search shows that you own your home and that your mortgage is paid, you will be able to exchange your damaged home or vacant lot for a Project Home Again home. PHA will in turn provide a “forgivable” mortgage (no monthly payments). While you will hold the title to the home, PHA will hold the mortgage over a period of five years. PHA will forgive 20 percent of the mortgage every year until the mortgage is fully paid off. After five years, you will own the home free and clear.

10. WHAT IF I GET A PHA HOME AND THEN DECIDE THREE OR FOUR YEARS LATER THAT I NEED TO MOVE?

Anyone who receives a PHA home must agree to live in the house full-time for a minimum of five years. After that time, the homeowner is free and clear to sell his or her home. If you leave your PHA home, or sell it, prior to the expiration of the five year period, you will have to pay off the balance of your PHA mortgage to PHA.

11. WILL FAMILIES BE REQUIRED TO PAY TAXES ON THE HOME?

There is a possibility that some families will incur a capital gains tax as a result of their home/land swap. In the event the swap of a home generates a capital gain, PHA agrees to pay the capital gains tax at no expense to the owner. However, real estate taxes are an annual occurrence and are the responsibility of the homeowner.

12. HOW WILL PHA AWARD THE HOMES?

Interested families should fill out an application and mail it to P.O. box 851008, New Orleans, LA. 70118. Applications must be postmarked no later than August 21, 2008. Applicants who meet the threshold requirements will be asked to provide more detailed information (proof of title, social security information, income tax returns, Road Home or other insurance compensation etc.). PHA will then begin a process for due diligence. The due diligence process is expected to take 60-90 days.

13. WHEN WILL I BE NOTIFIED IF I AM SELECTED?

Families will be notified in late August.

14. HOW LONG WILL THE DUE DILIGENCE PROCESS TAKE?

Expect a 60-90 day due diligence process.

15. HOW DO I GET AN APPLICATION?

You may download an application at www.projecthomeagain.net. Applications are available at the Project Home Again offices at 4299 St. Bernard Avenue (corner of Mandolin Street) in Gentilly. PHA is also making applications available to all community and civic organizations in New Orleans. To receive an application, you may send a stamped, self-addressed envelope to PHA, P.O. Box 851008, New Orleans, LA 70185-1008 or call 1-866-550-4PHA (4742).