

Summary

On November 28, 2016, the U.S. Department of Housing and Urban Development (HUD) published a Federal Register Notice (FRN) outlining funding from Public Law 114-223 which included an initial allocation of \$437,800,000 in Community Development Block Grant-Disaster Recovery (CDBG-DR) funding to support the State of Louisiana's efforts to recover from the March and August severe storms and flooding events throughout the state. The state is currently working with HUD, other federal partners, and the congressional delegation to secure additional funds to meet the outstanding recovery needs.

Prior to making funding available, HUD requires that the state create an Action Plan that documents the proposed use of funds and publish it for public comment. The Action Plan must address the requirements and priorities identified in the FRN. The State of Louisiana Office of Community Development-Disaster Recovery Unit (OCD-DRU) posted the Action Plan for public comment on December 8, 2016. The comment period will officially end on January 3, 2017. Additional information and programmatic updates are available on OCD-DRU's website <http://www.doa.la.gov/Pages/ocd-dru/Index.aspx> and the Restore Louisiana Task Force Website <http://restore.la.gov/>

Allocation of Funds

In the Action Plan now out for public comment, the state is proposing to allocate \$437,800,000 to the following Programs:

| State of Louisiana CDBG-DR Allocation | |
|---|----------------|
| Restore Louisiana Housing Programs | \$ 425,800,000 |
| Homeowner Program | \$ 405,800,000 |
| Rental Housing Programs | \$ 20,000,000 |
| Restore Louisiana Economic Recovery and Revitalization Programs | \$ 12,000,000 |

All totals are inclusive of Program Delivery and Administration costs.

The State of Louisiana Proposed Recovery Programs

The below information provides a summary of the programs proposed in the Action Plan. Full program descriptions are available in the Action Plan which is available on OCD-DRU's website.

Restore Louisiana Homeowner Rehabilitation, Reconstruction and Reimbursement Program

This program will cover eligible costs for the repair or replacement of damaged housing; replacement of disaster-impacted residential appliances; and environmental health hazard mitigation costs related to the repair of disaster-impacted property. The program provides the below solutions for homeowners:

Track 1: Program Managed: The state manages and completes the construction process for the rehabilitation or reconstruction of damaged homes on behalf homeowners. The state will contract with a pool of contractors and assign them to repair, or reconstruct damaged properties. Homeowners will not select their own contractor, and will not contract with the construction contractor.

Track 2: Homeowner Contracted Program: Homeowners choose to manage their own rehabilitation or reconstruction process with the state providing construction advisory services for all homeowners.

Track 3: Reimbursement: Homeowners who have completed partial or full repairs on their home before applying to the program may be eligible for reimbursement of eligible expenses incurred prior to application to the program and within one year of the storm event.

Track 4: Voluntary Buyouts or Acquisitions: Based on *further* analysis of unmet needs the state may execute voluntary buyouts or acquisitions in limited situations.

Due to limits in the funding available in the initial allocation, the state will prioritize in this first phase of the program impacted homeowners meeting the following criteria:

- The impacted home experienced Major/Severe Damages by either a FEMA-designation or have damage which meets the major/severe damage standard that FEMA has defined
- The applicant household meets federal low-to-moderate income (LMI) requirements;
- The applicant or co-applicant is elderly (age 62 on the date of the disaster event) OR is a person with disabilities or has a person with disabilities in the household;
- The home is located outside the Special Flood Hazard Area (floodplain); and
- The home did not have flood insurance at the time of the flood.

Restore Louisiana Rental Housing Programs

The state is proposing a portfolio of three rental programs to address the immediate and long-term housing needs of LMI families in the flood impacted areas. Due to the shortage of affordable housing stock, it is imperative to provide solutions to address immediate housing needs and provide alternative housing solutions for rental properties in need of long-term recovery.

Rental Incentive Program: To prevent the loss of affordable rental housing, the state will work with landlords to subsidize the difference between the Fair Market Rents and the rent a tenant can afford to pay.

In-fill Rental Development: This program seeks to rehabilitate or create new affordable housing units through the creation of a partially forgivable loan program.

Multi Family Rental Gap Program: This program will provide loans to meet the gap of funding needed to repair large rental properties (20 units or more).

Restore Louisiana Economic Revitalization Programs:

The state understands that residential communities cannot fully recover and thrive without the businesses returning to the community. Therefore, the state has proposed the below economic revitalization programs to support the overall community recovery needs.

Small Business Grant and Loan Program: This program will work with local community development organizations to develop a lending program that covers non-construction related expenses for disaster-impacted small businesses.

Small Business Technical Assistance Program: The program will provide business technical assistance services as part of loan underwriting and loan servicing processes.

Small Business Bridge Loan Program: The program provides banks a guarantee against losses for short-term bridge loans to assist businesses with immediate capital while they seek flood insurance, SBA assistance or other longer-term recovery assistance.

Public Comments

Comments on the state's Action Plan can be submitted via the following ways:

Phone: 225-219-9600 or (toll free) 1-800-354-9458

Fax: 225-219-9605

Email: ocd@la.gov

Online: <http://www.doa.la.gov/Pages/ocd-dru/Index.aspx>

Mail: State of Louisiana Office of Community Development – Disaster Recovery Unit
Attn: Janice Lovett P.O. Box 94095, Baton Rouge, LA 70804-9095