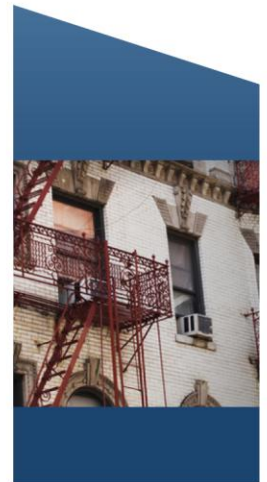
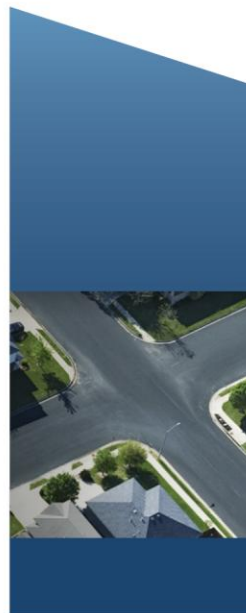
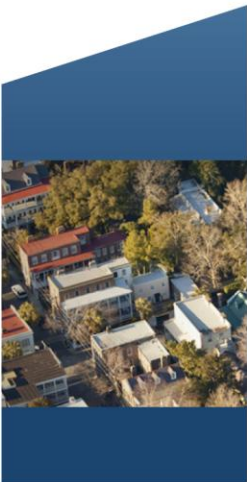




# Substantial Amendment to the 2011 Annual Action Plan of the 2010-2014 Louisiana Consolidated Plan



## 1. NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
Name (Last, First)	Brennan, Thomas
Email Address	<a href="mailto:Thomas.brennan@la.gov">Thomas.brennan@la.gov</a>
Phone Number	225-219-9600
Mailing Address	P. O. Box 94095 Baton Rouge, LA 70804

## 2. Areas of Greatest Need

### Map Submission

The map generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website is included as an attachment.

### Data Sources Used to Determine Areas of Greatest Need

**Describe the data sources used to determine the areas of greatest need.**

**Response:**

- HUD Foreclosure Need Website
- Data from the Disaster Recovery Unit

### Determination of Areas of Greatest Need and Applicable Tiers

**Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.**

Given that the intent of this program is to stabilize neighborhoods, coupled with the fact that available resources are scarce, the State has decided to designate a small area of concentrated need as the area of "Greatest Need". By selecting this approach over one that would produce a larger area, the State believes that it will be better able to make a noticeable and significant impact on the ongoing stability of the selected neighborhood.

The "Greatest Need" designation was determined by using HUD's mapping tool to assess potential target areas and the working knowledge (on the ground in neighborhoods statewide) where the greatest need for affordable rental housing has been identified. The Lower Ninth Ward within the boundaries of St. Claude, Andry, Eganias, Uguart, Forstall, N. Prieur and Avenue F shall be designated as such.

The target area is adjacent to the headquarters of the Louisiana National Guard at Jackson Barracks, completing a \$300 million rebuilding project. The area includes a restored Martin Luther King Charter School, a new Sanchez Community Center and a new community center at St. David's Parish. In addition to the Small Rental properties, the state's investments in housing include homes rebuilt through the Road Home Program, the Nonprofit Rebuilding Pilot Program and the Alternative Housing Pilot Program.

Disbursement for Housing and Infrastructure

- Road Home \$292,537,611
- Small Rental Property \$9,721,760
- Piggyback \$24,831
- CDBG Infrastructure \$3,169,954
- FEMA Infrastructure \$123,938,251

(Data for Road Home, Small Rental and Piggyback Programs current as of 3<sup>rd</sup> Quarter, 2010; Data for CDBG Infrastructure and FEMA Infrastructure current as of 1<sup>st</sup> Quarter, 2011)

***Working Knowledge:***

Prior to hurricane Katrina, many low to moderate income working families in Louisiana lived in single-family homes, duplexes and small multi-family dwellings that were owned and operated by small-scale rental property owners. More specifically, fifty-five percent of the housing units in New Orleans were rental units. Because of the increasing demand for affordable rental property, the NSP3 program will work in partnership with the Louisiana Small Rental Property Program (SRPP) to address the housing needs of low to moderate income people in the most heavily damaged areas. The program seeks to rebuild one to four units’ rental property structures. NSP3 will provide gap financing in the form of forgivable loans to property owners to help restore their damaged units and offer them at affordable rents to income eligible tenants (50% AMI but not < than 80% AMI).

***The Objectives of the NSP3 Rental program include:***

- Providing gap financing to small-scale property owners who do not have the credit to obtain a loan but have an eligible rental units score
- Ensuring affordable rents for low- to moderate-income working families
- Supporting and leveraging other CDBG funds to achieve a more powerful impact while redeveloping small rental properties
- Restoring blighted properties that will not be restored without NSP3

Through the SRPP, participating property owners are required to accept limits on the rents charged and the incomes of the tenants selected. The amount of financing is provided in three tiers based upon the income level of the tenants to be served. The highest amount of funding per unit is available to property owners who agree to offer the lowest rents. Awards are offered as no interest, no payment, forgivable loans, awarded once the units are repaired and income eligible tenants are identified. The loan is due only upon resale of the property or failure to comply with the rent restrictions and household income limitations.

NSP3 will provide the gap financing to property owners who do not have enough funds to complete the units and/or owners who do not have the capacity to obtain a loan. In addition, NSP3 will incorporate the green standard to the extent applicable to the rehabilitation work undertaken, e.g., replace older obsolete products and appliances with Energy Star-46 labeled products.

Although NSP3 and SRPP, Rental program, will not have sufficient resources to provide every small-scale property owner with an award to repair their damaged units, this effort will spur development of

affordable, quality, energy efficient rental properties in the most heavily damaged areas.

### 3. Definitions and Descriptions

#### Definitions

Term	Definition
Blighted Structure	<p>1. Under Louisiana law “blighted housing property” means</p> <p>(a) any residential housing property for which environmental remediation is required by State law, rule, or regulation and the condition of which is found or declared by the public officer to be harmful to the health or welfare, including the economic welfare, of the residents of the local governmental subdivision wherein the residential property is located,</p> <p>(b) any residential housing property that, as of the effective date of this Chapter, had been determined to be a blighted property or an adjudicated property by the local governmental subdivision,</p> <p>(c) any residential housing property that</p> <ul style="list-style-type: none"> <li>(i) is offered by a party in interest for inclusion on a blighted housing properties list and</li> <li>(ii) the current condition of which is declared by the local governmental subdivision to be below minimum habitability standards and unfit for human habitation, occupancy, or use, or</li> </ul> <p>(d) any residential housing property that has not been legally occupied for eighteen months prior to the time a public officer makes a determination that the property has been vacant for such eighteen-month period and</p> <ul style="list-style-type: none"> <li>(ii) has been determined to be a public nuisance by the local governmental subdivision, except no residential housing property in an area impacted by Hurricane Katrina or Hurricane Rita which was occupied as of August 28, 2005, shall be included if the owner is eligible for and receives assistance under the Road Home Housing Program</li> </ul>
Affordable Rents	

#### Descriptions

Term	Definition
Long-Term Affordability	For any rental activity undertaken pursuant to the Neighborhood Stabilization Program, “affordable rent” is defined as: the fair market rent for

	<p>existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or a rent that does not exceed 30 percent of the adjusted income of the eligible household occupying the unit. Fair Market Rent (FMR) will be determined according to the applicable FMR for the community in which the NSP-assisted activity takes place.</p> <p>Affordable rents will be required to be in effect for each rental property for no less than the affordability period of 10 years for that property.</p>
<p>Housing Rehabilitation Standards</p>	<p>All projects will have to comply with following:</p> <p>State Code - International Building Code, HUD’s Section 8 Housing Quality Standards (HQS) as noted in 24CFR 982.40.</p> <p>All applicable local codes, rehabilitation standards, ordinances, and zoning ordinances; Handicapped accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act</p> <p>Participants in SRPP and NSP3 Program who elected to rebuild their affordable units to a nationally recognized Green Building Standard will be required to meet one of the following standards to pass their final <i>SRPP and NSP</i> program inspection. The acceptable standards are:</p> <ol style="list-style-type: none"> <li>1. The Louisiana Rebuilds Standard;</li> <li>2. The Leadership in Energy and Environmental Design (LEED) standard; or</li> <li>3. The National Association of Home Builders (NAHB) Gold/Silver Standards</li> </ol>

**4. Low-Income Targeting**

**Low-Income Set-Aside Amount**

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

<p><b>Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.</b></p>
<p><b>Response:</b>          Total low-income set-aside <b>percentage</b> (must be no less than 25 percent): 50.00%          Total funds set aside for low-income individuals = 2,500,000</p>

**Meeting Low-Income Target**

<p><b>Provide a summary that describes the manner in which the low-income targeting goals will be met.</b></p>
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**Response:**

In order to achieve or exceed this goal, NSP3 adopted SRPP requirements. Property owners are required to accept limits on the rents they charge and the incomes of the tenants they select. The amount of financing is provided in three tiers based on the income level of the tenants to be served (80%, 65% & 50% AMI Rent Tier). The highest amount of funding per unit is available to property owners who agree to offer the lowest rents. NSP3 is targeting the very low income tier of 50% AMI.

## 5. Acquisition and Relocation

### Demolition or Conversion of LMI Units

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)?	Yes
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If yes, fill in the table below.

Question	Number of Units
The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.	10
The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).	39, ≤ 80% AMI
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	48

## 6. Public Comment

### Citizen Participation Plan

**Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.**

**Response:**

This proposed Substantial Amendment was posted on the Louisiana Office of Community Development and the City of New Orleans websites for 15 days beginning February 14, 2011. Interested parties who wish to submit comments on this substantial amendment may do so prior to expiration of the comment period on February 28, 2011 no later than 5:00 PM (CST).

A summary of comments received on this proposed Substantial Amendment will be included in the final Substantial Amendment that is submitted to the U.S. Department of Housing and Urban Development and which will be posted on the Louisiana Office of Community Development at:

<http://www.doa.louisiana.gov/cdbg/cdbgHOME.htm>. City of New Orleans's website at: [www.nola.gov](http://www.nola.gov).

Persons who wish to submit comments on this proposed Substantial Amendment may do so by writing to:

Louisiana Office of Community Development  
 P. O Box 94095  
 Baton Rouge, La 70804  
 ATTENTION NSP PUBLIC COMMENT  
 Dana Henry

City of New Orleans  
 The Office of Community Development  
 1340 Poydras Street  
 New Orleans, Louisiana 70112  
 ATTENTION NSP PUBLIC COMMENT  
 Barry Walton

Comments may also be submitted by email to:

Dana Henry  
 Louisiana Office of Community Development  
 Dana.henry@la.gov

Barry Walton  
 City of New Orleans, Office of Community Development  
[bmwalton@nola.gov](mailto:bmwalton@nola.gov)

There were no public comments received. We will keep the action plan posted.

**Summary of Public Comments Received.**

The summary of public comments received is included as an attachment.

**7. NSP Information by Activity**

Enter each activity name and fill in the corresponding information. If you have fewer than seven activities, please delete any extra activity fields. (For example, if you have three activities, you should delete the tables labeled “Activity Number 4,” “Activity Number 5,” “Activity Number 6,” and “Activity Number 7.” If you are unsure how to delete a table, see the instructions [above](#).

The field labeled “Total Budget for Activity” will populate based on the figures entered in the fields above it.

Consult the [NSP3 Program Design Guidebook](#) for guidance on completing the “Performance Measures” component of the activity tables below.

Activity Number 1	
<b>Activity Name</b>	(Enter the name of Activity Number 1)
<b>Uses</b>	Select all that apply:
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation

	<input type="checkbox"/> Eligible Use C: Land Banking <input checked="" type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment
<b>CDBG Activity or Activities</b>	<p>Eligible Uses  (n) direct homeownership assistance (as modified below);  24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties.  As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.  Clearance for blighted structure only 24 CFR 570.201(d)  Also, the eligible activities listed below to the extent financing mechanisms are used to carry them out.</p>
<b>National Objective</b>	LMMI with 50% Meet 25% Set-Aside (LH25)
<b>Activity Description</b>	<p>The local market condition in the Lower Ninth Ward is still in the recovery phase. There are thousands of blighted and vacant units waiting to be rehabilitated. The NSP3 goal is to provide gap financing to 56 rental units. Of this funding, half will be targeted to families at 50% AMI. We don't anticipate reaching the clearance/demolition cap.</p> <p>Funding will consist of a no interest, no payment, and forgivable loan requiring property owners to maintain affordable rent levels for up to 10 years. The loan is due only upon resale of the property or failure to comply with the rent restrictions and household incomes.</p> <p>NSP3 will comply with Section 3 of the Housing and Urban Development Act of 1968 (12U.S.C. §1701u, Section3) (24CFR Part 135), as amended, requiring that to the greatest extent feasible, opportunities for training and employment be given to lower and very lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible Section 3 business concerns.</p> <p>The State's role at this juncture is to leverage funds based upon the criteria set by the SRPP. The procedure that followed SRPP's requirement fulfillment was to designate an area of greatest need. However, the three criteria outline in the SRPP program is as followed: The property must:</p> <ul style="list-style-type: none"> <li>• Be a residential rental property containing 1 to 4 units on an individual parcel. This includes single-family, duplex, triplex and fourplex rental buildings;</li> <li>• Be located in one of the following parishes: Acadia, Calcasieu, Cameron, Iberia, Jefferson, Orleans, Plaquemines, St. Bernard, St. Tammany, Tangipahoa, Terrebonne, Vermilion or Washington; and</li> <li>• Have suffered at least \$5,200 in damages from Hurricane</li> </ul>

	<p>Katrina or Rita as verified by a visual inspection or a third-party verification (such as FEMA, insurance, or parish estimates).</p> <p>NSP3 Criteria:</p> <ul style="list-style-type: none"> <li>In addition to above, the properties must have clear title and vacant.</li> <li>Be located in New Orleans Lower Ninth Ward</li> </ul>	
<b>Location Description</b>	Lower Ninth Ward-(St. Claude, Andry, Eganias, Uguart, Forstall, N. Prieur and Avenue F)	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP3	\$4,500,000
	CDBG Recovery-SRPP	\$16,077,587
	Insurance Funds	\$Unknown, different per property
<b>Total Budget for Activity</b>	<b>20,577,587</b>	
<b>Performance Measures</b>	NSP3 program will target 50-60 units over the next 3 years Rehabilitate them to the local housing codes and green standards	
<b>Projected Start Date</b>	4/15/2011 or As given by HUD	
<b>Projected End Date</b>	4/15/2014	
<b>Responsible Organization</b>	<b>Name</b>	State of Louisiana
	<b>Location</b>	150 North 3 <sup>rd</sup> Street, Baton Rouge, LA 70801
	<b>Administrator Contact Info</b>	225-219-9600; thomas.brennan@la.gov

<b>Activity Number 2</b>	
<b>Activity Name</b>	NSP3 Management, Administration and Technical Assistance
<b>Use</b>	Select all that apply:
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms
	<input type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/> Eligible Use C: Land Banking
	<input type="checkbox"/> Eligible Use D: Demolition
<input type="checkbox"/> Eligible Use E: Redevelopment	
<b>CDBG Activity or Activities</b>	24 CFR 570.206 Administration
<b>National Objective</b>	N/A
<b>Activity Description</b>	<p>The Louisiana State Office of Community Development will administer NSP3 in conjunction with the City of New Orleans. NSP3 allow 10% of grant funds to be applied for program planning, management and administration and related activities.</p> <p>While the use of NSP3 funds for program administration and related activities has a projected start date of April 15, 2011, we</p>

	may incur NSP3 eligible pre-award costs related to the preparation of this Substantial Amendment and may obligate those costs to this activity.	
<b>Location Description</b>	(Area or possible areas of greatest need where activity is being undertaken)	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP3	\$500,000
	(Other funding source)	\$
	(Other funding source)	\$
<b>Total Budget for Activity</b>	\$500,000	
<b>Performance Measures</b>	N/A	
<b>Projected Start Date</b>	4/15/2011 or As given by HUD	
<b>Projected End Date</b>	4/15/2014	
<b>Responsible Organization</b>	<b>Name</b>	State of Louisiana
	<b>Location</b>	150 North 3 <sup>rd</sup> Street, Baton Rouge, LA 70801
	<b>Administrator Contact Info</b>	225-219-9600; <a href="mailto:thomas.brennan@la.gov">thomas.brennan@la.gov</a>

