

DISASTER RECOVERY INITIATIVE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Allocations, Waivers and Alternative Requirements for Grantees Receiving Community Development Block Grant
Disaster Recovery Funds in Response to Disasters Occurring in 2016
*The Continuing Appropriations Act, 2017, The Further Continuing and Security Assistance Appropriations Act, 2017
and The Consolidated Appropriations Act, 2017 (Public Law 114-223, 114-254 and 115-31)*
Federal Register Docket No.

FR-5989-N-01, FR-6012-N-01 and FR-6039-N-01, FR-6136-N-01

LOUISIANA OFFICE OF COMMUNITY DEVELOPMENT, DISASTER RECOVERY UNIT



STATE OF LOUISIANA
SUBSTANTIAL ACTION PLAN AMENDMENT NO. 11
FOR THE UTILIZATION OF
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS IN RESPONSE TO THE GREAT
FLOODS OF 2016

Public Comment Period: Wednesday, Feb. 27, 2019 until
5 p.m. Tuesday, March 12, 2019

SUBMITTED TO HUD: April 16, 2019

APPROVED BY HUD: June 3, 2019

[John Bel Edwards](#)

Governor

Billy Nungesser

Lieutenant Governor



1. Summary of Changes

Action Plan Amendment No. 11 (APA 11) adjusts existing program budgets and beneficiaries and creates new programs in order to address the outstanding unmet recovery needs from the Great Floods of 2016. To meet the remaining needs, the State of Louisiana is proposing the following changes:

- Modifications to the Restore Louisiana Homeowner Assistance Program (RLHP) and current rental and homelessness prevention programs;
- Establishes a flood insurance premium program and interim housing assistance program for certain eligible applicants who are also actively working through the RLHP and whose household incomes are at or below 120% AMI;
- Expanded Solution 4 High Risk Communities to include rental property owners and vacant lot owners in order to achieve a comprehensive community buyout, as well as to provide interim housing assistance for eligible Solution 4 homeowners in the event their homes are uninhabitable as they complete the buyout process;
- Establishes new rental and homeownership assistance programs;
- Creates a new Safe Haven Program to further reduce homelessness in the parishes with the most unmet need related to rates of people experiencing homelessness and mental illness;
- Reduces the budget for the Small Business Loan and Grant and Technical Assistance Programs and increases the budget for the Farm Recovery Grant Program;
- Increases the budget for Watershed Planning and introduces a Regional Capacity Building Grant for local and regional efforts around watershed-based planning and organization that are necessary for more resiliently recovering from the Great Floods of 2016.

Funding for modifications to existing programs and the creation of new programs is primarily coming from the RLHP allocation. Expanding the accessibility within the RLHP and adding a suite of affordable housing recovery programs is critical to the ongoing recovery of impacted communities and will help to stabilize the housing stock of the impacted areas. As a result of the proposed changes, impacted homeowners and renters will receive assistance that better meets their needs based on the status of their recovery efforts, the state will better serve those economic sectors with remaining unmet needs, as well as equip the state to recover in a more coordinated, data-driven and resilient manner.

Restore Louisiana Homeowner Assistance Program

The State of Louisiana surveyed impacted homeowners after the 2016 floods to determine the extent of needs in the impacted parishes and found the majority fit within one of six phases of the RLHP that were outlined in the Action Plan Amendment 1. However, the state received fewer eligible applications than expected to the RLHP despite the substantial number of surveys collected. According to FEMA IA data as of May 2018, there were 58,224 owner occupants who experienced major to severe levels of damage as a result of the March and/or August 2016 Floods based on FEMA's damage inspection process and damage value determination. Extensive outreach generated 51,981 surveys submitted to RLHP from homeowners with minor and major to severe damages on their properties, as well as some homeowners who did not apply to FEMA for assistance. As of February 13, 2019, 43,200 applications were received from survey respondents invited to apply to RLHP. In total, 27,269 applications were either zero awards, withdrawn, or ineligible, and 15,797 applicants have been offered grants totaling \$561,395,990.82 for an average grant award of \$35,133. The remaining 134 applications are currently in a review process.

Surveys and Awards as of February 2019	Total
Households with FEMA IA Major/Severe Damage	58,224
Household Surveys Submitted : Major/Severe Damage	36,365
Household Surveys Submitted: Other	15,616
TOTAL Surveys Submitted	51,981
Households Invited to Submit Application	45,869
Applications Available for Grant Determination	43,200
• <i>Award Offered</i>	15,797
• <i>No Pay (Zero Award, Withdrew, Ineligible)</i>	27,269
• <i>Pending Applications</i>	134

In order to assist active eligible homeowners within the RLHP who are struggling to complete their repairs or reconstruction and achieve program closeout, this APA also introduces two additional programs within RLHP. These programs target certain households whose income are at or below 120% area median income (AMI):

- Interim Housing Assistance
- Flood Insurance Assistance

APA 11 provides a technical clarification to Solution 4 for the RLHP. The technical clarification to Solution 4 provides options for buyout and relocation to owners of repetitive loss properties in High Risk Communities and other defined High-Risk Areas, to include floodways.

Rental, Homeownership Assistance and Homelessness Prevention Programs

Additionally, programs available to renters and landlords were limited in scope and allocation under prior amendments. RLHP applications were received from landlords wanting to rehabilitate their properties, but enough funding was not available for all projects at the time and shortages in rental housing still persist in the impacted areas.

To better address the unmet needs of impacted households, APA 11 creates new housing programs to increase rental housing stock, homeownership opportunities and prevent homelessness including:

- Resilient and Mixed Income Piggyback Program (PRIME)
- Neighborhood Stabilization Housing Initiative Program
- Neighborhood Landlord Rental Program Phase II
- 2016 Floods Soft Second Mortgage Program
- Safe Haven Program

This APA also expands the Rapid Rehousing Program to include assistance to households whose AMI is greater than 80%, on a case-by-case basis.

Economic Development Programs

Through this APA, the state is deobligating funds from the Small Business Loan and Grant Technical Assistance Programs, as those programs have had a lower-than-anticipated response, despite an application deadline extension and modifications made to the program since the initial program launch. The majority of these deobligated funds will go toward increasing the Farm Recovery Grant Program, as that program experienced a significant level of oversubscription.

Watershed-Based Planning and Regional Capacity Building Grant

APA 11 also expands the recovery process to include forward looking resilient planning and modeling efforts within flood impacted communities in order to help state, regional and local entities as they make critical recovery and project decisions. These efforts will bolster the ongoing recovery investments in impacted communities by ensuring maximum recovery benefits are achieved from recovery projects, as well as making certain they are not increasing flood risk. The intended outcome is to help communities become better prepared for future disasters as they undertake recovery and new projects, policies and land use decisions. The Regional Capacity Building Grant for watershed planning will enhance the capability and capacity of local and/or regional entities to organize around watersheds and make smart project decisions, to manage floodplains wisely and reduce flood risk throughout the recovery process. The program seeks to fill gaps in existing local and regional staff capacity related to floodplain management and flood risk reduction by providing additional staff, technical assistance and training to regional entities and to provide funding to undertake watershed-based planning.

To justify each of the proposed changes, the state amended the following areas of the unmet needs assessment from the initial Action Plan:

- Updated RLHP data for applications dated after September 2018.
- Updated data reflecting applications versus awards by damage category for owner occupied properties participating in the RLHP.
- Outlined the number of RLHP applicants and parcels located in High Risk Areas and High Risk Communities eligible for Solution 4.
- Updated data on the current Piggyback program and additional demand for creating low and moderate income multifamily rental units in impacted parishes.
- Outlined data on the total number of MHU residents as well as the number of MHU residents also participating in the RLHP.
- Outlined data from the National Alliance to End Homelessness Toolbox Emergency Shelter Need Calculator.
- Updated program specific data, including approved and ineligible applicants to date and award amounts.
- Updated the number and budgets of FEMA Project Worksheets.

This APA is considered substantial, as it involves the movement of \$172,867,013, creates new programs, and changes program beneficiaries.

State of Louisiana Total CDBG-DR Allocations			
	Previous Allocation	Change	Revised Allocation
Total Allocation	\$ 1,708,407,000	-	\$ 1,708,407,000
Restore Louisiana Homeowner Programs			
• Homeowner Assistance Program	\$ 1,326,163,919	\$(162,267,013)	\$1,163,896,906
• RLHP Flood Insurance Assistance Program	-	\$ 1,000,000	\$ 1,000,000
• RLHP Interim Housing Assistance Program	-	\$ 40,000,000	\$ 40,000,000
Rental Housing, Housing Assistance and Homelessness Prevention Programs			
• Neighborhood Landlord Rental Program	\$ 46,947,884	-	\$ 46,947,884
• Neighborhood Landlord Program Phase II	-	\$ 11,000,000	\$ 11,000,000
• Multifamily Rental Gap Program	\$ 22,515,518	-	\$ 22,515,518
• Piggyback Program	\$ 43,700,000	\$ 36,056,303	\$ 79,756,303
• Permanent Supportive Housing Program	\$ 5,000,000	-	\$ 5,000,000
• Rapid Rehousing Program	\$ 21,000,000	-	\$ 21,000,000
• Resilient and Mixed Income Piggyback Program	-	\$ 34,810,709	\$ 34,810,709
• Neighborhood Stabilization Housing Initiative	-	\$ 10,000,000	\$ 10,000,000
• Soft Second Program	-	\$ 6,000,000	\$ 6,000,000
• Safe Haven Program	-	\$ 4,000,000	\$ 4,000,000
Restore Louisiana Economic Recovery and Revitalization Programs			
• Small Business Loan Program	\$ 51,200,000	(\$ 10,000,000)	\$ 41,200,000
• Small Business Technical Assistance Program	\$ 800,000	(\$ 600,000)	\$ 200,000
• Farm Recovery Program	\$ 10,000,000	\$ 10,000,000	\$ 20,000,000
Infrastructure Program (FEMA Match)	\$ 105,000,000	\$ 10,000,000	\$ 115,000,000
First Responders Public Services Program	\$ 8,000,000	-	\$ 8,000,000
Watershed Modeling and Planning	\$ 9,800,799	\$ 6,800,001	\$16,600,800
Regional Capacity Building Grant	-	\$ 3,200,000	\$ 3,200,000
Administration and Other Planning Expenses	\$ 58,278,880	-	\$ 58,278,880

2. Unmet Needs

Homeowner Programs

Restore Louisiana Homeowner Assistance Program

As of February 2019, the State of Louisiana’s RLHP received a total of 56,260 completed surveys from impacted households. These survey respondents included households who were ineligible for the program and had differing levels of damages, but the majority of respondents fell into one of the six Phases of eligibility outlined in Action Plan Amendment 1. A total of 45,869 survey respondents were invited to participate, with all but 2,669 ultimately submitting an application to the program (43,192 applications were received). Once processed, 26,269 applications were determined to be zero awards, withdrawn or ineligible, and 15,797 applicants have been offered grants awards totaling \$561,395,990.82, for an average grant award of \$35,133.

As the program completes the final stages of award determination, it is clear the actual applicant pool of the program contrasts with the projected applicant pool, both by the state and by HUD. Indeed, based on HUD’s projection and methodology for calculating unmet needs in the Federal Register Notice, HUD limited the unmet needs to owner occupant households who experienced major to severe levels of damages and did not have proceeds from the National Flood Insurance Program:

Damage Category	Owner-Occupants without NFIP	Damage Multiplier	Unmet Need
Severe	6,176.00	\$ 59,493.00	\$ 367,428,768.00
Maj.-High	14,791.00	\$ 45,688.00	\$ 675,771,208.00
Maj.-Low	10,901.00	\$ 27,455.00	\$ 299,286,955.00
Total	31,868.00		\$ 1,342,486,931.00

Although the HUD methodology anticipated a \$0 unmet need for any household with NFIP, of the total submitted applications, 11,154 included NFIP and private insurance in their duplication of benefits calculation. Of the 11,154 with flood insurance, 1,775 applicants with NFIP have been offered awards. Of the remaining applicant population (9,264 applicants), 7,510 received an award calculation of zero, 1,015 were found to be ineligible, and 115 have pending applications. Those awarded with flood and private insurance DOB represent 11 percent of the total awards made through RLHP.

The state received fewer surveys and applications than expected to the RLHP despite the extensive and targeted program outreach through: various television, radio, print and social media campaigns; direct calls and text messages to FEMA IA recipients; 147 community-wide outreach events; presentations at 184 town hall, church and community events; and other in-person, targeted communication efforts. Of the 58,224 households (inclusive of those who did and did not have NFIP at the time of the floods) who were determined to have suffered major to severe levels of damage by FEMA, 21,859 of those households never submitted a survey to the program. Of that population, 6,806 had flood insurance and 15,053 did not have flood insurance. Given this population made little to no contact with the program, it is unclear why so many impacted households chose to forego RLHP participation.

As identified above, there is a large portion of the total applicant pool (27,296 out of 43,200 applications) that were either zero awards, withdrawn by the applicant or determined to be ineligible. Just under 11,500

of this population is zero award, a rate much higher than initially projected by the program. Though a significant portion (around 5,400) of the zero awards are the result of applicants receiving adequate program-calculated coverage for damages from flood insurance proceeds and/or FEMA IA grants, many homeowners are zero awards because of their approved SBA loans and/or a combination of the SBA loans with FEMA IA and/or insurance proceeds (around 6,100).

When the state prepared its Initial Action Plan and Action Plan Amendments 1 and 3 for HUD's review, the state had not yet processed the duplication of benefits review for a significant percentage of the impacted population and therefore did not understand the magnitude of effect SBA loans would have on RLHP applicants' award amounts. The state continues to await guidance from the federal government regarding their interpretation of the Disaster Recovery Reform Act of 2018 (PL 115-254, Division D) ("DRRA") as part of the FAA Reauthorization Act of 2018. Section 1210 of the DRRA adds a new subsection 312(b)(4) to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155(b)(4)). Until that guidance is received, there is a maximum potential for nearly 6,300 eligible RLHP applicants to receive additional RLHP grant assistance in an estimated amount of \$225.4 million. Nearly 1,100 of these applicants have not drawn down any of their approved SBA repair loans and nearly 800 of the 1,100 never executed an SBA loan. The program is retaining the maximum potential additional grant assistance and associated project delivery costs within the RLHP budget until the federal government releases its final guidance. Per previous HUD guidance, the program currently includes SBA loans as a duplication of benefit with RLHP when homeowners have been approved for an SBA loan, even if they have not executed the loan or drawn down any loan proceeds. An exception to this is made for low to moderate income homeowners who did not execute their loan agreements.

Flood Insurance Premiums

Although there are less than 150 applicants awaiting program eligibility determination, there are many homeowners at various stages after eligibility determination who are struggling to complete their repairs or reconstruction and program closeout. There are currently around 200 program participants whose barrier to closeout is the acquisition of the required level of flood insurance, and this number may increase as other lower income applicants make their way through the final stages of recovery. In order to help the nearly 95% of those known program participants whose households are at or below 120% area median income, the RLHP will provide assistance for one year of flood insurance premium as part of the RLHP grant. In addition to this assistance, the state has identified a need for financial counseling and case management support for households living in the SFHA to ensure there is adequate information provided about the risks of living in the SFHA, the process and necessity of budgeting for flood insurance and the consequences of failing to maintain flood insurance in the future, which include the ineligibility for federal repair assistance.

Interim Housing Assistance

There are nearly 2,000 eligible program applicants with a homeowner responsibility or escrow contribution requirement due to the duplicative benefits they received and/or were awarded through other federal funding sources. As these and other applicants work to complete their repairs or reconstructions, they are facing financial cash flow challenges necessitated by the additional interim housing costs they are paying during the repair or reconstruction process. As different federal funding programs are tapering off and/or are no longer available to reduce or eliminate interim housing costs paid to some program participants, the RLHP will provide assistance for unmet needs related to additional eligible rental or mortgage expenses, for up to 20 months, provided the household is at or below 120% AMI and is an active applicant within the RLHP. As of February 2019,

there are 333 FEMA Manufactured Housing Units (MHU) in use as temporary residences for homeowners impacted by the 2016 disasters. FEMA will end the provision of the 333 MHUs, effective April 30, 2019. Of the 333 residents currently housed in MHUs, the state has identified 199 RLHP applicants who are likely to complete repairs to their permanent residence by April 30, 2019. 119 RHLHP applicants currently living in MHUs will likely not complete reconstruction by April 30, 2019 but, will complete repairs to their permanent residence if provided additional time. To avoid displacement and homelessness of this population, the RHLHP may provide temporary housing assistance for these homeowners until repairs to their damaged homes are completed. The state will work with displaced households who are not participating in RLHP through partner non-profit organizations and/or the Rapid Rehousing Program. The state in its prior version of the amendment proposed utilizing CDBG-DR funding to purchase FEMA MHUs for purposes of temporary housing.

To provide background and overview of ongoing communications, OCD has been working with FEMA teams, the Louisiana Housing Authority, Disaster Case Management (DCM, administered by LA Department of Health), and Restore Homeowner Program case managers to communicate with all disaster survivors and, specifically, those currently in FEMA MHUs to determine the unmet need for housing once this FEMA program ends. Over the past several months, FEMA teams have conducted regular re-certification site visits and other outreach to inform survivors residing in MHUs of the upcoming deadline and to assess their housing status. The DCM team has also been working with those still in FEMA MHUs to determine housing status and to offer available options for housing post-April 30th. Additionally, the Restore Homeowner Program has appointed a strike team to work with all program participants who are still in FEMA MHUs. These efforts have been coordinated with weekly conference calls and meetings since December 2018 in order to determine and address all applicant needs. A combined tracking document is being shared and updated real-time to timely track housing needs for each survivor and also record applicant input in response to outreach.

Through these numerous outreach efforts applicants were informed of all housing options available to them if they had no housing identified for their transition from FEMA MHUs after April 30th -- the deadline for residing in the FEMA MHU without rent and penalty. Options communicated included: 1) Rapid Rehousing for those up to 80% AMI utilizing a voucher with a 30% rent contribution, 2) upcoming temporary housing solutions which have been proposed by the state and which are pending HUD approval herein (for those unable to afford the 30% rent contribution and/or who are otherwise not qualified under current RRH guidelines, i.e., they exceed 80% AMI), and 3) purchase of the FEMA MHU.

Communications are continuing to happen daily, and a housing fair was conducted April 5, 2019 in Baton Rouge where outreach and communication of housing options occurred. Though the purchase of FEMA MHUs with CDBG has been determined infeasible, a number of survivors have opted to purchase the MHUs on their own or are in the process of having their FEMA MHU purchased for them by Catholic Charities (through private donations). These sales are being processed by Catholic Charities and the program is monitored by GOHSEP. FEMA has imposed a deadline of March 30th for FEMA MHU sales (thirty days prior to the April 30th deadline to exit) due to their final inspection requirements and processing time. A number of sales are proceeding with other funding sources but, post-March 30th additional purchases are not authorized which obviates the need to utilize CDBG- DR funding for the purchase of FEMA MHUs. OCD is therefore revising APA 11 to remove the need to utilize CDBG-DR funds for the acquisition of FEMA MHUs as a source of interim housing assistance.

The state outlined Voluntary Buyouts or Acquisitions (Solution 4) in Action Plan Amendments 1 and 3. Based on Solution 1-3 applications received and awards made to date, the 502 RLHP applications from homeowners located in the floodway, and the identification of severe repetitive loss communities where the property owners and the local governments are seeking a community-wide buyout, the state has launched its Buyout and Housing Incentive Program (Solution 4). In order to meet these demands and to implement a more resilient approach to recovery for particularly high-risk property owners, the state is clarifying the details of Solution 4 eligible homeowners in need of buyout and relocation assistance:

- High Risk Communities – Provide assistance to property owners located in High Risk Communities that seek a coordinated resettlement of a program-defined, contiguous community. At the time of this publication, the state has identified two communities, Pecan Acres and Silverleaf, which are working with their local governments, the USDA Natural Resources Conservation Service and the state on a coordinated resettlement. Other High Risk Communities may apply for assistance under Solution 4, subject to funding availability. In total, Pecan Acres and Silverleaf have 83 parcels that fall within the special flood hazard area, are severe repetitive loss communities and are in need of additional assistance in order for the residents to be able to move to a lower-risk area.
- High Risk Areas – In order to assist the RLHP applicants located in the floodway, who are ineligible for federal repair assistance due to their location and in order to help them move to a lower-risk area, the state will provide buyout and/or housing incentive assistance in exchange for converting those properties to permanent open space. As of February 2019, the State received 502 applications for assistance for homes in High Risk Areas.

Rental Programs

February 2019 Update

The 2016 floods exacerbated a tight rental market, leading to a shortage of affordable housing in impacted parishes. In addition to an overall lack of supply of rental units, the amount of vacant properties continues to hold communities back from recovery. In response to these conditions, OCD-DRU has outlined strategies to address the deficit of affordable rental in disaster impacted parishes at multiple scales, including creating rent-to-own opportunities for single family housing, small scale rental, and resilient multifamily rental properties.

Single Family Rental Programs

The U.S. Census Bureau's American Community Survey's 2013-2017 Five-Year Estimates show that, within the 51 FEMA IA declared parishes, there is a total of 145,331 cost burdened homeowners and 180,965 cost burdened renter households. Additionally, severe cost burden remains prevalent in the IA declared parishes. In total, 59,863 homeowners and 93,243 renter households pay over half of their income towards housing costs. Soft second mortgages and closing cost assistance will reduce the barriers for homeownership for first time homebuyers and reduce cost burden for eligible renters.

Within the 51 parishes identified in the Presidential Decision Directive (PDD), vacant properties have increased from 187,889 in 2015 to 210,691 in 2017. Vacancy is also increasing in the 10 most impacted parishes. In 2015 these 10 parishes had an estimated 71,236 vacant properties; 2017 estimates show 82,543 vacant properties. The proposed homeowner incentives within impacted communities will assist with strengthening the housing market and reducing vacancy within impacted parishes. The table below highlights the change in estimated housing units, including owner, renter, and vacant units. According to FEMA IA data, 12,921 renters outside of the Special Flood Hazard Area were directly impacted.

American Community Survey 5-Year Estimates								
	2014		2015		2016		2017	
	Estimate	Annual % Change	Estimate	Annual % Change	Estimate	Annual % Change	Estimate	Annual % Change
Louisiana								
Total Housing Units	1,988,460	N/A	1,999,855	0.57%	2,011,700	0.59%	2,031,064	0.96%
Owner-occupied	1,139,756	N/A	1,136,709	-0.27%	1,132,785	-0.35%	1,137,462	0.41%
Renter-occupied	579,120	N/A	591,210	2.09%	598,613	1.25%	600,183	0.26%
Vacant Units	269,584	N/A	271,936	0.87%	280,302	3.08%	293,419	4.68%
51 PDD Parishes								
Total Housing Units	1,410,498	N/A	1,420,613	0.72%	1,431,040	0.73%	1,449,631	1.30%
Owner-occupied	836,710	N/A	835,042	-0.20%	830,616	-0.53%	833,696	0.37%
Renter-occupied	391,076	N/A	397,682	1.69%	402,622	1.24%	405,244	0.65%
Vacant Units	182,712	N/A	187,889	2.83%	197,802	5.28%	210,691	6.52%
10 Most Impacted Parishes								
Total Housing Units	665,392	N/A	671,277	0.88%	677,827	0.98%	687,655	1.45%
Owner-occupied	405,347	N/A	407,510	0.53%	407,702	0.05%	412,604	1.20%
Renter-occupied	189,930	N/A	192,531	1.37%	193,573	0.54%	192,508	-0.55%
Vacant Units	70,115	N/A	71,236	1.60%	76,552	7.46%	82,543	7.83%
Source: U.S. Census Bureau, 2010-2014 American Community Survey 5-Year Estimates, 2011-2015 American Community Survey 5-Year Estimates, 2012-2016 American Community Survey 5-Year Estimates, 2013-2017 American Community Survey 5-Year Estimates								

Soft Second Mortgage Program

The Soft Second Mortgage Program provides homeownership assistance to first time low-to-moderate income homebuyers by providing soft second mortgages and closing cost assistance to properties outside of

the Special Flood Hazard Area. With 28,470 renters directly impacted by the Great Floods of 2016, 33 Parishes within the 51 FEMA IA declared parishes still face rent burdens. The Soft Seconds Program is intended to reduce the number of low income renters leaving disaster impacted parishes, while also creating homeownership opportunities to address the lack of available and affordable housing options across the state. The proposed program will work to alleviate the rent burden in disaster impacted parishes and assist with the repopulation of areas facing increased vacancy.

Neighborhood Stabilization Housing Initiative Program

The U.S. Census Bureau’s American Community Survey’s 2013-2017 Five-Year Estimates show that, within the 51 FEMA IA declared parishes, there are 180,965 renters paying over one third of their income on rent. In an effort to assist cost burdened renters who wish to become homeowners, the Louisiana Housing Corporation will work with eligible landlords to create rent-to-own and/or other affordable rental housing opportunities. The state proposes to partner with for-profit landlords non-profits, and Public Housing Authorities to develop rent-to-own opportunities within impacted communities. LHC estimates that there are 30-40 for-profit entities, non-profit organizations, or Public Housing Authorities available to assist with program implementation. Rehabilitation or reconstruction of vacant properties will create additional rental opportunities for renters impacted by the disaster, reduce renter cost burden, and incentivize homeownership.

Neighborhood Landlord Rental Program Phase II

With limited pre-disaster affordable housing, renters in impacted parishes remain displaced or cost burdened as a result of the disaster. To create new affordable rental units, the state established the Neighborhood Landlord Rental Program in Action Plan 1. However, renters still face substantial barriers to recovery. The state received 75 applications to the RLNLRP from landlords interested in rehabilitating their properties to provide housing to low and moderate income renters. As noted above, 93,243 renter households pay over half of their income towards housing costs in FEMA IA declared parishes and estimates for vacant properties increased from 187,889 in 2015 to 210,691 in 2017.

Small scale rental, defined as rental households under seven units, will create rental opportunities at a neighborhood scale and assist with decreasing rental cost burden and vacancy for moderate income renters. According to the U.S. Census Bureau’s American Community Survey 2013-2017 Five-Year Estimates, small scale housing units are found throughout the 51 PDD and most impacted parishes. While the American Community Survey does not show units of seven and under, the table below shows that the number of structures with under four units in the 51 PDD parishes, a total of 1,087,117 units, and within the 10 most impacted parishes, over 522,266 units.

Units in Structure			
Units in Structure	Louisiana	51 PDD Parishes	10 Most Impacted Parishes
Under 4 Units	1,547,793	1,087,117	522,266
Under 9 Units	1,614,097	1,132,231	544,541

Renters displaced by the disaster and secondary displacement due to limited available rental units presents an ongoing challenge for low income renters located within the FEMA IA declared parishes. The state proposes to increase its funding for the creation of long-term affordable housing to address the loss of 21,806 affordable housing units from the 2016 disaster by adding funding to the Piggyback Program to create an estimated 935 units of affordable housing and providing funding for additional resilience features, including elevated structures, building materials, power generation, topography, and landscaping. The new proposed program, PRIME will leverage applicants from the state's Low-Income Housing Tax Credit (LIHTC) developments, which will address the affordable housing deficit in impacted parishes and reduce future risk to low income rental development funded through the LIHTC program.

In 2018, the LHC awarded 20 projects a total of \$10,338,353 in LIHTC funding. In addition to the awarded projects, the 2018 Qualified Allocation Plan (QAP) received 20 additional applications that were waitlisted. These waitlisted projects requested a total of \$15,247,429 in LIHTCs to create 1,249 affordable housing units. The funded 2018 LIHTC developments will produce or preserve an estimated 1,093 units. (<https://www.lhc.la.gov/resources-for-housing-development?description=&type=7>) Additional resources will expand the total number of affordable rental units in impacted parishes for low income residents and create more resilient multifamily rental properties that will protect low income renters from the impacts of future disasters.

The 2017 Restore CDBG Flood Piggyback Program is divided into two pools of funding: the General Pool and the Deconcentration Pool. In total, 10 projects received Piggyback awards, with eight projects located in East Baton Rouge Parish, one project in Washington Parish, and one in Tangipahoa Parish. The first round of 2017 Piggyback funding demonstrates developer interest and the program's ability to fund multifamily rental developments to address rental cost burden in impacted parishes.

The General Pool received 22 applications with an overall total development cost of \$324,782,267. The General Pool applicants requested a total of \$88,011,744 in CDBG-DR funds that will create a total of 2,311 units for low-to-moderate income renters. Of the total General Pool applications, seven were selected for funding with a total development cost of \$102,571,885. The selected applications had a total of \$29,509,471 in CDBG-DR funds for a total of 719 total units. The 15 applications that did not receive funding had a total development cost of \$222,210,382, requested \$58,502,273 in CDBG-DR funds, and comprised 1,592 units.

The Deconcentration Pool received a total of four applications for a total development cost of \$59,074,133, requesting \$17,254,946 in CDBG-DR funding for a total of 358 total units. Two developments were awarded funding for a total development cost of \$31,324,138. The selected applications had a total of \$7,661,138 in CDBG-DR funds for a total of 196 total units. The two applications did not receive funding had a total development cost of \$27,749,995, requested \$9,593,808 in CDBG-DR funds, and comprised 162 units.

Based on applications received in the first round of funding, unfunded applications could have produced a total of 1,754 units of low and moderate income rental housing. The unfunded applications requested a total of \$68,096,081 in CDBG-DR funds. The state proposes adding resources to the Piggyback Program to address long-term affordable housing recovery needs in impacted communities and to add resilient design features to 4% and 9% LIHTC funded properties.

Business

As of February 2019, the Small Business Program has received a total of 4,500 inquiries and 601 applications from impacted businesses. Of the 601 applications, 300 were not eligible (ineligible, not approved or assistance was declined by the business) and 301 applications are in progress. Of the 301 applications in

progress, 283 have closed loans or requested funds for closing for a total of \$33,562,844 in CDBG-DR funding. In addition, 18 total loans are in process for closeout for a total of \$1,672,841. The state did undertake a comprehensive outreach and marketing effort to drive program demand, including working with lenders to promote the program, expanding outreach efforts at the state level, and extending the program application deadline in an effort to expand the applicant pool. However, due to lower than expected program demand, the state proposes decreasing the total program budget to \$41,200,000.

LA Farm Recovery Grant Program

As of February 2019, \$9,500,000 has been disbursed to 957 producers with an average award of \$9,927.00. Because the program policies required all eligible awards to be prorated based on demand, funding was allocated to eligible recipients at 12% of their eligible unmet need. Many farmers submitted receipts to support a request for the maximum award of \$100,000 but were not reimbursed the maximum award due to the program being oversubscribed. Many farmers are eligible for additional funding for storm related uninsured and non-covered losses that are being financed. An increased budget will allow Louisiana Agricultural and Finance Authority (LAFA) to double the amount of assistance provided to eligible producers with an outstanding unmet need. In line with the already established program guidelines, additional funds will allow farmers, who have shown a commitment to remain in the agriculture industry the ability to reduce eligible higher interest loan payments, retain current employees, and rehire unretained employees and/or hire new employees. With over \$110 million in estimated agricultural losses, additional funds will support recovery of Louisiana's agricultural businesses impacted by the disaster.

Homelessness

The need for shelter in the state, particularly in Baton Rouge, has increased post 2016 floods. In HUD's [2018 CoC Housing Inventory Count Report](#), the Louisiana Balance of State Continuum of Care, which includes East Baton Rouge Parish, counted a total of 2,229 beds for homeless families, adults, and children. The [2018 Point-in-Time Count for the Louisiana Balance of State CoC](#) found a total of 575 homeless individuals in January 2018. This need is demonstrated using the National Alliance to End Homelessness Toolbox Emergency Shelter Need Calculator. The increase in the number of people experiencing homelessness is a result of increased poverty after the floods and a reduction in available shelters beds after the flood. Source documents are the [Annual Homeless Assessment Report 2017, Point in Time Annual Enumeration: 2018](#). The Calculator demonstrates a need for 46 new shelter beds within the Louisiana Balance of State Continuum of Care which includes Baton Rouge. Using this data the state has created the Safe Haven Program supporting low demand shelters in providing access to intensive onsite services to people experiencing chronic homelessness and requiring extensive services related to significant trauma and psychiatric issues.

FEMA Nonfederal Share Match

In February 2019, \$106,970,006 has been identified for DR-4263 FEMA Project Worksheets (PW) and \$795,065,317 for DR-4277 FEMA PWs. Budgets will continue to change as final project budgets are reviewed and approved. However, with an increase in total PWs, the total local cost share also increases. Currently, the local cost share for DR-4263 is \$26,742,502 and the local cost share for DR-4277 is \$79,506,532. To date, DR-4263 has received 875 PWs, with 866 obligated or notified. DR-4277 has received 1,565 PWs, with 1,359 obligated or notified. The state proposes to increase the amount allocated to the FEMA Nonfederal Share Match to support local government with its infrastructure recovery. The proposed budget increase will allow the state to cover the cost of required match funds as final project budgets are reviewed and approved.

Planning

Watershed Modeling and Planning

In Action Plan Amendment 3, the state created a program to develop watershed modeling and planning at the state and regional levels to establish a statewide floodplain management program, now known as the Louisiana Watershed Initiative. The previous program budget for the Watershed Modeling and Planning was \$9,800,799. This Action Plan Amendment proposes adding \$6,800,001. Development of a comprehensive statewide floodplain management program will provide the state with information needed to make data- and science-based decisions in its recovery response to the Great Floods of 2016. This coordinated and informed approach will also provide state and local governments with the tools needed to make smart recovery project and policy decisions, as well as mitigate flood risk at the watershed level. The additional funding will expand the planning, modeling and state, regional and local coordination efforts within impacted parishes across the state.

Regional Capacity Building Grant

The 2016 Floods led to a reevaluation of current floodplain management and identified a need to coordinate across governmental entities in order to maximize the natural functions of the floodplain. In Louisiana, a variety of federal, state, regional and local governmental entities with overlapping- and in some cases conflicting- authorities could benefit from additional coordination and alignment. Currently, Louisiana’s floodplains are managed within political jurisdictions without a mechanism to coordinate activities between political boundaries. During the Louisiana Watershed Initiative’s Fall 2018 “Statewide Listening Tour,” local elected officials, planners, policy makers, engineers and data professionals identified gaps associated with organizing activities around watershed boundaries. These local governmental staff are at full capacity in their current jobs, and are lacking in the staff capacity and resources necessary to incorporate a regional, data-driven approach to land use and project decision-making.

This inability to plan regionally and concertedly coordinate between regions reduces the state’s ability to recover from the Great Floods of 2016 in a way that is smart and maximizes the local, regional, state and federal resources available for the long-term recovery. The Regional Capacity Building Grant creates an opportunity to mitigate these risks by providing additional staff, technical assistance and training for local and regional entities. Current levels of capacity and technical expertise vary across local and regional entities, and this proposed program will accommodate these different gaps in order to help state, regional and local governments address the flood risks highlighted by the 2016 disasters and create a sustainable structure for moving forward.

3. Proposed Use of Funds

Current Program Updates

Homeowner Assistance Program – Restore Louisiana Homeowner Rehabilitation, Reconstruction and Reimbursement Program

Eligible Activity	Rehabilitation, Reconstruction, Buyouts, Acquisitions, New Construction, Public Facilities, Interim Housing Assistance, Expansion of Homeownership (42 U.S.C. 5305(a)(4)); HCDA Sections 105 (a)(1-4), 105(a)(7-8), 105(a)11, 105(a)24). Housing Incentive, as identified in Federal Register Docket No. FR-5989-N-01 and other applicable Federal
--------------------------	---

	Register Notices. Also eligible are elevation expenses related to rehabilitation and reconstruction activities and reimbursement of eligible rehabilitation and reconstruction activities.
National Objective	Urgent Need or benefit to low-to-moderate income persons
Previous Program Budget	\$1,326,163,919
Budget Change	-\$162,267,013
Revised Program Budget	\$1,163,896,906

Budget change summary: As described in the Action Plan and amendments one, three, four, six, and nine (APAs 1,3,4,6 and 9), the RLHP assists homeowners in the repair, reconstruction, elevation, acquisition, and/or buyout of flood-damaged residential owner-occupied structures. The survey and application periods for applicants in all tiers have been completed and the total homeowner applicant population has been identified.

FEMA data provided reports showing that 58,244 homes experienced major to severe levels of damage as a result of the March and/or August 2016 floods. Before the survey deadline closed on October 19, 2018, the RLHP received a total of 51,981 surveys from impacted households, inclusive of minor, major, severe and uncategorized impacted households. As of February 2019, 43,200 applications were received from survey respondents invited to apply to RLHP. In total, 27,269 applications were either zero awards, withdrawn, or ineligible, and 15,797 applicants have been offered grants awards totaling \$561,395,990.82 for an average grant award of \$35,133. Approximately 30 percent of total applications had flood and private insurance duplications to review, of which 1,775 have been awarded, and 134 applications are pending.

Surveys and Awards as of February 2019	Total
Households with FEMA IA Major/Severe Damage	58,224
Household Surveys Submitted : Major/Severe Damage	36,365
Household Surveys Submitted: Other	15,616
TOTAL Surveys Submitted	51,981
Households Invited to Submit Application	45,869
Applications Available for Grant Determination	43,200
• <i>Award Offered</i>	<i>15,797</i>
• <i>No Pay (Zero Award, Withdrew, Ineligible)</i>	<i>27,269</i>
• <i>Pending Applications</i>	<i>134</i>

Overall, the RLHP received fewer applications than expected to the RLHP despite the substantial number of surveys collected. With less than 150 pending applications remaining an award determination and as the state creates new programs to help active program homeowners complete their repairs and reconstructions, the state proposes to reduce the RLHP budget in order to address remaining recovery unmet needs.

The state is reserving enough funding in the RLHP for all potentially eligible award amounts for eligible applicants who continue to work through the program and are at various stages of processing, repair and reconstruction. As described in more detail in the Unmet Needs Assessment, this includes any additional amounts for which homeowners may be eligible to receive as a result of HUD's interpretation of the Disaster Recovery Reform Act of 2018 and its impact on how the state calculates SBA loans as a duplication of benefit with the RLHP grant. However, due to the lower than anticipated demand for the program, after all potentially eligible award amounts are accounted for, there are additional funds remaining in the current RLHP budget.

The state is proposing to launch an Interim Housing Assistance Program and a Flood Insurance Assistance Program within the RLHP to assist current eligible and active homeowners by moving \$41,000,000 from the Homeowner Assistance program budget. The remaining \$121,267,013 in reallocated RLHP funds will fund additional rental housing rehabilitation, homeownership assistance programs, homelessness prevention and new rental housing development programs to better meet the remaining affordable housing needs in disaster impacted areas. The reprogrammed funding will also address the outstanding FEMA PA match needs and long term planning efforts necessary to ensure the state, regional and local entities are approaching recovery efforts in an informed and coordinated approach. This APA expands Solution 4 of the RLHP to provide buyout and relocation assistance to all eligible property owners located within High Risk Communities in order to achieve a contiguous buyout that will help protect the at-risk property and tenants, as well as maximize the natural function of the floodplain and thereby protect the surrounding community. The APA also provides technical clarification between High Risk Communities and High Risk Areas within Solution 4.

RLHP Program Solutions:

Solution 4: Buyout and Resilient Housing Incentive of the Restore Louisiana Homeowner Assistance Program: The Buyout and Resilient Housing Incentive is Solution 4 of the current RLHP, as outlined in Action Plan Amendment no. 1 and updated in APA 3. Solution 4 buyouts or relocation assistance are limited to properties in floodways, and/or other properties that will demonstrably provide protection to the wider community if converted to permanent open space and/or assistance necessary to help households move away from the High-Risk area to a lower-risk area. The buyout component of Solution 4 is a voluntary real property acquisition program. The state is proposing to use a portion of the existing funding allocated to the Homeowner Assistance Program and to expand the eligible beneficiaries that may receive assistance, particularly in the context of a community-wide buyout program (High Risk Communities).

Administering Entity: State of Louisiana

Proposed Use of Funds: Solution 4 delineates between properties located in High Risk Communities and properties located in High Risk Areas.

- **High Risk Communities** are those communities that are actively participating in an organized retreat from an area prone to repetitive flooding.
 - Assistance to property owners located in High Risk Communities involves the coordinated resettlement of entire communities, to include homeowners, rental, commercial and vacant lot owners. Providing assistance for commercial or public infrastructure may be necessary to relocate households outside of the Special Flood Hazard Area (SFHA), if it is determined that it is necessary and reasonable to relocate residents as a community to a new community. In cases where there is limited comparable housing stock within a reasonable distance of a High Risk Community, the state will work with the community and local government to determine the feasibility and benefit of developing a new residential subdivision. In such cases, the development of a new community may include CDBG-DR investment in the acquisition and public infrastructure necessary for the development of the housing activities for the new residential community. For purposes of this Action Plan, the communities of Pecan Acres and Silverleaf are designated as High Risk Communities, but additional communities may apply. In total, Pecan Acres and Silverleaf have 83 parcels that fall within a flood zone and are in need of coordinated relocation assistance.

- Low to moderate income families currently living in High Risk Communities who are in a precarious living situation prior to buyout and/or resettlement are eligible for Interim Housing or Optional Relocation Assistance until permanent resettlement occurs.
- **High Risk Areas** are those where properties are ineligible for federal repair assistance (e.g. floodways).
 - Assistance to property owners located in High Risk Areas is limited to the resettlement of individual homeowners who owned and occupied the damaged home as their primary residence at the time of the applicable disaster event and continue to own their damaged property. The home must have sustained Major/Severe damage, as a direct result of the March and/or August 2016 Severe Storm and Flooding events, which lasted from March 8, 2016 - April 8, 2016 and August 11, 2016 - August 31, 2016, respectively. Information provided by FEMA will be used to verify disaster-related levels of damage. Low to moderate income families currently living in High Risk Areas who are in a precarious living situation prior to completing the buyout and/or resettlement process are eligible for Interim Housing Assistance or Optional Relocation Assistance until permanent resettlement occurs. As of February 2019, the state received 502 applications for assistance for homes in High Risk Areas.

Eligible Applicants: Homeowners and displaced renters will be considered eligible for the program if they meet the following criteria:

- **High Risk Communities**
 - Property is located in one of the two identified High Risk Communities (Pecan Acres or Silverleaf) or in another eligible High Risk Community, subject to funding availability.
 - Current or former (who were owner-occupants in the community at the time of the disaster and moved because of the floods) owner-occupants of single- and multi-family residences.
 - Owner of rental properties, vacant lots, commercial, and non-profit owned properties located in High Risk Communities.
 - Second homes are not eligible for assistance.
- **High Risk Areas**
 - Property is located in a High Risk Area.
 - Homeowners who were owner-occupants of the eligible structure at the time of the flood event. Eligible structures are defined in the program policies and procedures and are the same as those that are defined for Solutions 1-3, except that under Solution 4, the program will solely rely on FEMA IA data to determine levels of damages. Homeowners must still own the damaged structure in order to be eligible for buyout and/ or incentive assistance.

Geographic Eligibility:

- **High Risk Communities**
 - Properties located in the two identified High Risk Communities (Pecan Acres and Silverleaf) and other severe repetitive loss communities that apply for community-wide buyouts, subject to funding availability.
- **High Risk Areas**
 - Floodways, as identified in cooperation with federal, state, and local governments.

Maximum Award: The maximum total CDBG-DR award for which a property owner is eligible is determined on an individual basis, subject to the program limitations, including the current (post-storm) appraised value of the damaged home, the square footage of the damaged structure and the

comparable cost of housing in lower risk areas, which are all subject to a \$200,000 program cap for Buyout and Incentive assistance. Exception to the \$200,000 cap may be approved by the program on a case-by-case basis for eligible reasonable accommodations under Section 504 of the Rehabilitation Act of 1973.

Funding for tenants will be calculated based on the process defined under the Uniform Relocation Act. Optional Relocation Assistance will be based on fair market rents for the location and will be limited to 24 months.

Piggyback Program

Eligible Activity	Acquisition, clearance, rehabilitation, reconstruction, and new construction, elevation, loan financing HCDA Sections 105 (a)(1),(4) and (14)
National Objective	Benefit to low-to-moderate income persons
Previous Program Budget	\$43,700,000
Budget Change	\$36,056,303
Revised Program Budget	\$79,756,303

Budget change summary: The state administers a Piggyback program that leverages CDBG-DR with low income housing tax credits (LIHTCs), or other sources of funding, to address the long-term affordable housing recovery needs of the disaster impacted communities. 915 units were awarded in the initial allocation totaling \$36.7 million in gap financing awards. The state is proposing to add \$36,056,303 under Amendment 11 to meet the interest shown in the first application round (in which 10 of 26 applications received funding) and provide resources for the construction of additional units that serve special needs populations. The floods caused a loss of 21,806 affordable units across the impacted parishes which compounded on an already existing deficit. The increased budget will create an additional 935 units within one of the most impacted areas not otherwise served through the initial allocation.

Rapid Rehousing Program

Eligible Activity	HCDA Section 105(a)4, 105(a)8
National Objective	Benefit to low to moderate income persons and urgent need
Program Budget	\$21,000,000

Program change summary: The state operates the Rapid Rehousing Program to address the needs of the homeless and persons at risk of becoming homeless by providing a combined solution of affordable housing and supportive services that assist displaced households in their endeavors to become self-sufficient. Initially approved under Action Plan Amendment 1 and modified in Amendment 2, Rapid Rehousing is currently funded at \$16 million and has served 743 participants. The state proposes to expand the population served by the program to include families over 80% AMI on a case by case basis, considering such factors as:

- The percentage of income paid toward all eligible housing costs;
- Loss of FEMA MHU trailer on April 30, 2019; and/or
- Other mitigating circumstances that cause a family to face potential homelessness as they work toward identifying a permanent housing situation

This amendment to the program is necessary to continue to address the housing needs of those renters and/or homeowners displaced by the flood who are facing homelessness as they work through their individual recovery process.

Similar to the challenges faced by families who were no longer eligible to receive assistance through the FEMA Transitional Sheltering Assistance program when FEMA ended that program in May 2017; effective April 30, 2019, FEMA will no longer make the FEMA manufactured housing units (MHUs) available to families living in those units, which includes renters and/or non-Restore homeowners. In order to avoid homelessness, some of these families need temporary housing assistance (estimated less than 90 days) to complete their transition to a permanent living situation. Rapid Rehousing will provide daily, weekly or monthly temporary assistance for these families for up to an estimated 90 days until they transition to a permanent housing situation. The maximum amount is based on state limits, detailed in PPM 49: <https://www.doa.la.gov/Pages/osp/Travel/TravelPolicy.aspx>. The appropriate number of rooms will be provided based on family size.

Small Business Loan Program

Eligible Activity	HCDA Section 105(a)8, 105(a) 14-15, 105(a) 17 and 105(a)21-22
National Objective	LMI Job Creation and/or Retention, LMI Area Wide Benefit, LMI Limited Clientele, Urgent Need
Previous Program Budget	\$51,200,000
Budget Change	-\$10,000,000
Revised Program Budget	\$41,200,000

Budget change summary: The Small Business Loan Program was designed to implement a lending program for disaster-impacted small businesses for non-construction related expenses. The program was approved under the initial Action Plan and is currently allocated \$51.2 million. Amendment 11 proposes to reduce the program by \$10 million. The budget decrease is strictly a result of the program’s demand. The program extended the application window multiple times, changed the award amount parameters to suit applicant feedback, and advertised via press releases, news spots, and a radio ad campaign (in addition to outreach conducted by each approved lender). The state worked with lenders to promote the program, increased outreach efforts at the state level and extended the program application deadline in an effort to expand the applicant pool. Ultimately, 601 applications were received and reviewed, with nearly half being declined or deemed ineligible. All eligible applicants will receive funding according to previously approved program policies and procedures with the decreased program budget. The majority of the funds will be moved to other programs in need, primarily the LA Farm Recovery Grant Program that is over-subscribed and underfunded.

Small Business Technical Assistance Program

Eligible Activity	HCDA Section 105(a)8, 105(a) 14-15, 105(a) 17 and 105(a)21-22
National Objective	LMI, Urgent Need
Previous Program Budget	\$800,000
Budget Change (Negative)	-\$600,000
Revised Program Budget	\$200,000

Budget change summary: The Small Business Technical Assistance Program provides support to those applying for loans to receive business technical assistance services as part of the loan underwriting and loan servicing processes. The program was approved under the Initial Action Plan with an allocation of \$800,000. The state is proposing to reduce the program by \$600,000 under Amendment 11. The reduction is a direct result of the lower-than-anticipated number of applications to the program. OCD-DRU will ensure that its subrecipient, the Louisiana Small Business Development Center (LSBDC) performs its updated scope of

services in such a way that as many businesses that wish to take advantage of these workshops are able to do so. Funds will be moved to other programs in need, primarily the LA Farm Recovery Grant Program which is over-subscribed and underfunded.

LA Farm Recovery Grant Program

Eligible Activity	HCDA Section 105(a)(17)
National Objective	Urgent need or benefit to low to moderate income persons
Previous Program Budget	\$10,000,000
Budget Change	\$10,000,000
Revised Program Budget	\$20,000,000

Budget change summary: The state is administering the Louisiana Farm Recovery Grant Program to assist individual farm enterprises impacted by the Great Floods of 2016 and address the unmet recovery needs of the agricultural sector. The program was initially allocated \$10 million under Action Plan Amendment 1 and the state is proposing to add \$10 million to the program under Amendment 11. To date, \$9,500,000 has been disbursed to 957 producers with an average award of \$9,905.65. Because the program policies required all eligible awards to be prorated based on demand, funding was allocated to eligible recipients at 9.9% of their eligible unmet need. Many farmers submitted receipts to support a request for the maximum award of \$100,000 but were not reimbursed the maximum award due to the program being oversubscribed. Many farmers are eligible for additional funding for storm related uninsured and non-covered losses that are being financed. An increased budget will allow Louisiana Agricultural and Finance Authority (LAFA) to double the amount of assistance provided to eligible producers with an outstanding unmet need. In line with the already established program guidelines, additional funds will allow farmers, who have shown a commitment to remain in the agriculture industry the ability to reduce eligible higher interest loan payments, retain current employees, and rehire unretained employees and/or hire new employees.

FEMA Nonfederal Share Match

Eligible Activity	Non-federal share 105(a)(9)
National Objective	Urgent need, benefit to low to moderate income persons, elimination of slums and blight
Previous Program Budget	\$105,000,000
Budget Change	\$10,000,000
Revised Program Budget	\$115,000,000

Budget change summary: The state works with its agencies and local entities to identify the most efficient means of implementing the nonfederal cost share match program for FEMA eligible projects and programs. The FEMA Nonfederal Share Match was included in the Action Plan Amendment 1 (as FEMA Public Assistance Nonfederal Share Match) and modified under Amendment 3. The program is currently allocated \$105 million and the state is proposing to add \$10 million. FEMA provided an initial estimate of match need based on its cost reasonableness for relevant work; however, expenditures are increasing as costs are invoiced and project worksheets versioned. Based on updated FEMA PA project worksheets, the local cost share for DR-4263 is currently \$26,742,502 and \$79,506,532 for DR-4277. The state recognizes the FEMA PW process is ongoing as final project budgets are reviewed and approved and the state is allocating additional funding in the event the amount of match required continues to increase, as shown in the below table.

	<u>DR-4263</u>
Projected PWs	875
Obligated/Notified PWs	866
Projected Dollars	\$106,970,006.10
Fed Share Obligated Dollars	\$81,969,923.59
Local Cost Share at 25%	\$26,742,501.52

	<u>DR-4277</u>
Projected PWs	1565
Obligated/Notified PWs	1359
Projected Dollars	\$795,065,317.22
Fed Share Obligated Dollars	\$645,090,769.69
Local Cost Share at 10%	\$79,506,531.72

Program requirements will remain the same however the program budget requires an increase to meet the anticipated expenses associated with paying the state’s match needs.

Watershed Modeling and Planning

Eligible Activity	Planning, 105(a)12
National Objective	Urgent need, benefit to low to moderate income persons, elimination of slums and blight or N/A
Previous Program Budget	\$9,800,799
Budget Change	\$6,800,001
Revised Program Budget	\$16,600,800

Budget change summary: Through APA 3, the state created a program to develop watershed modeling and undertake significant planning efforts for the state and the regions impacted by the 2016 floods. This program and effort, which seeks to establish the lasting framework for a statewide floodplain management program- has evolved into what is now formally known as the Louisiana Watershed Initiative. Considering the degree to which communities within a watershed are hydraulically and hydrologically connected, immediate and long-term recovery decisions regarding land use, policy, and infrastructure must be fully informed with comprehensive and useful data sets and plans. Furthermore, decision-making processes at all levels of governance will more likely have a mitigating impact on flood risk if coordinated at the watershed level. This interdependence is the reason for the creation of the Louisiana Watershed Initiative. The state is proposing to add \$9 million through this Action Plan Amendment. The additional funding will be used toward the planning, modeling, regional coordination efforts and assembly of additional data sets necessary for continuing to develop the Louisiana Watershed Initiative.

New Programs

RLHP Flood Insurance Assistance Program

Program Summary: In line with the federal Stafford Act and related laws, the RLHP requires that homeowners assisted with CDBG-DR funds under Restore are required to obtain and maintain flood insurance to ensure that CDBG-DR assisted properties are protected from future disasters. Through

implementation, RLHP has found that in some case, especially among low-to-moderate income and moderate income (up to 120% AMI) households, the initial payment associated with federal flood insurance requirements can be a major obstacle for vulnerable populations. The repair or reconstruction of these households triggered the flood insurance requirement for all households living in the Special Flood Hazard Area, which may not have been required of certain property owners previous to the 2016 flooding events. This new or increased level of insurance coverage has posed a burden for many homeowners and is stalling them from accepting their grant or from achieving program closeout.

To protect the CDBG-DR investment and to enable serving the state’s most vulnerable applicants, where applicable, RLHP may provide LMI households and households up to 120% AMI with assistance in obtaining the initial required flood insurance. This assistance will cover the costs of flood insurance premiums for properties covered by the Flood Disaster Protection Act of 1973, as amended, pursuant to 24 CFR 570.605. Initial insurance premiums will be provided with the homeowners’ RLHP grants, based on evaluated quotes, and will be paid to the homeowner and/or the insurance provider. This one-time payment will enable homeowners to start building capacity to retain coverage in perpetuity. Restore will work to provide financial guidance to impacted homeowners and possible counseling, as well as other homeowner capacity building effort over the course of a year, to enable them to understand the need and process for budgeting for flood insurance premiums in perpetuity. Furthermore, the state will issue communications and public service advisories reminding homeowners of their responsibility to maintain flood insurance on properties located in the Special Flood Hazard Areas where federal assistance was received. The state will also remind all property owners receiving disaster assistance that triggers the flood insurance purchase requirement that they have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance in writing and to maintain such written notification in the documents evidencing the transfer of the property, and that the transferring owner may be liable if he or she fails to do so.

Eligible Activity	HCDA Sections 105(a)(4)
National Objective	Benefit to low-to-moderate income persons and urgent need
Program Budget	\$1,000,000

Administering Entity: State of Louisiana

Proposed Use of Funds: One-year insurance premium and associated counseling/case management services

Eligible Applicants, Criteria for Selection and Method of Distribution:

- RLHP applicants determined by the program to meet the LMI national objective and who are up to 120% AMI who do not have the adequate level of flood insurance necessary to achieve program closeout.
- Applicant must be eligible recipients of CDBG-DR grant funds in the LA Restore Homeowner Program.
- Applicant must agree to sign their Restore Grant Agreement, committing to completing the eligible repair activities outlined in an inspection report and identified on the Estimated Cost to Repair (ECR) report.
- Flood insurance assistance will be included in the eligible applicant’s RLHP award amount.

Geographic Eligibility: Disaster-declared parishes impacted by the 2016 Severe Storms and Flooding.

Maximum Award: Amount necessary to achieve the required level of flood insurance premium for one year

on eligible damaged property.

Interim Housing Assistance Program

Program Summary: The Interim Housing Assistance Program will provide prospective interim mortgage assistance or rental assistance for up to 20 months and/or temporary hotel assistance for up to an estimated 90 days to eligible homeowners whose households are at or below 120% AMI, are actively working through the RLHP and:

- Currently are incurring additional mortgage and/or rental costs when compared to the mortgage costs incurred prior to the applicable flood event, after removing duplicative assistance from other funding sources provided as support for interim housing expenses; or
- Currently housed in FEMA MHUs, without a housing plan after the FEMA MHU deadline of April 30, 2019, while they continue to repair their damaged homes.

After the date of the public comment period, OCD amended the Action Plan to remove the use of CDBG-DR funds for the acquisition of FEMA MHUs as a source of interim housing. For additional information, please see Interim Housing Assistance, under the Unmet Needs section.

Eligible Activity	Interim mortgage assistance, Rental assistance to displaced homeowners, HCDA Sections 105(a)(8), FR-5989-N-01, 81 FR 83254
National Objective	Benefit to low-to-moderate income persons and urgent need
Program Budget	\$40,000,000

Administering Entity: The State of Louisiana and/or its subrecipient(s)

Proposed Use of Funds: With the guidance of supportive case management and/or housing counselors, eligible applicants will be able to choose one of the three forms of assistance to alleviate the strain of multiple housing payments as they actively work toward the repair or reconstruction of their damaged homes:

- **Mortgage Assistance:** Monthly mortgage assistance may be provided until the repairs/reconstruction are complete on the damaged home, limited to a maximum of 20 months. Mortgage assistance is limited to households facing hardship and an uninhabitable home. Assistance is limited to the lesser of the actual monthly payment to a mortgage company or the fair market rent amount of a given area, based on household and bedroom size of the damaged structure. Although this funding is not for rental assistance, in order to maintain consistency of funding processes and amounts, the program will follow a similar process as calculating the rental assistance process. Receiving assistance for mortgage assistance for homes in the special flood hazard area will require the homeowners to maintain flood insurance on the structure of those homes in perpetuity.
- **Rental Assistance:** Monthly rental assistance may be provided until the repairs/reconstruction are complete on the damaged home, limited to a maximum of 20 months. Assistance is limited to the lesser of the actual cost of the additional rent cost or the fair market rent amount of a given area, based on household and bedroom size of the interim housing.
- **Temporary Hotel Assistance:** In order to avoid homelessness, some Restore families need temporary housing assistance (estimated less than 90 days) to complete the repairs on their homes. This program will provide daily, weekly or monthly temporary assistance for these families for up to an estimated 90 days until they complete their repairs or reconstruction through the Restore program.

Homeowners receiving interim mortgage assistance are not eligible for rental assistance.

Geographic Eligibility: Disaster-declared parishes impacted by the 2016 Severe Storms and Flooding.

Eligible Applicants, Criteria for Selection and Method of Distribution:

- RLHP applicants determined by the program to meet the LMI national objective, or who are up to 120% AMI, who have not completed the repairs and/or reconstruction of their damaged homes.
- Applicant must be eligible recipients of CDBG-DR grant funds in the LA Restore Homeowner Program.
- Applicant must actively participate in the program, and demonstrate progress toward completing their recovery.
- Applicant must agree to sign a Restore Grant Agreement for the interim housing assistance, committing to the terms of receiving the interim housing benefit and completing the eligible repair activities outlined in an inspection report and identified on the Estimated Cost to Repair (ECR) report.

Maximum Award:

- **Mortgage and/or Rental Assistance:** On a monthly basis, up to a) the lesser of the mortgage house payment or additional interim housing cost incurred or b) the maximum 2019 fair market rents based on the household size, for up to 20 months. Based on such factors as the percentage of adjustment and the administrative burden of making programmatic adjustments mid-way through a program, the state may adjust the maximum amount per month a household is eligible to receive if or when HUD published fair market rents are adjusted.
- **Temporary Hotel Assistance:** The maximum amount is based on state limits, detailed in PPM 49: <https://www.doa.la.gov/Pages/osp/Travel/TravelPolicy.aspx>. The appropriate number of rooms will be provided based on family size. Hotel assistance is limited to the earlier of when the repairs or reconstruction is complete or an estimated 90 days. Extensions to this time limit will be considered on a case-by-case basis, when there are exigent circumstances. Some may transition from hotel to interim rental or mortgage assistance, but in no case will recipients receive more than 20 months of assistance.

Neighborhood Landlord Rental Program Phase II

Program Summary: Due to the shortage of affordable housing stock, many renters living in the parishes impacted by the 2016 floods are spending 35 percent or more of their gross incomes on rent. This situation was exacerbated by damage to existing housing stock in the impacted parishes. To address the unmet needs of low to moderate income renters in the disaster-impacted communities, it is imperative to provide solutions that address immediate and long-term housing needs. To create new affordable rental units, the state established the Neighborhood Landlord Rental Program in Action Plan 1. However, renters still face substantial barriers to recovery. The state received 75 applications to the RLHP from landlords interested in rehabilitating their properties to provide housing to low and moderate-income renters and was not able to accommodate the majority of the requests.

The Neighborhood Landlord Rental Program Phase II will offer a second round of funding for landlords wanting to rehabilitate or create new affordable housing units through the creation of a fully or partially forgivable loan program. Phase II of the program engages lenders who commit interim construction financing to providing affordable rental housing for at least a defined minimum period of time through new construction and/or renovation of residential rental properties located in eligible parishes. As an additional impact, the program will revitalize communities damaged by the Great Floods of 2016 when reducing damaged and/or blighted properties and developing them into affordable rental housing.

Eligible Activity	Rehabilitation, new construction, loan financing (HCDA Sections 105 (a)(4)); 105(a)(8-9); 105(a)(15)).
National Objective	Benefit to low to moderate income persons

Program Budget

\$11,000,000

Administering Entity: The State of Louisiana or its subrecipient(s)

Proposed Use of Funds: Awards provided to landlords for the repair of damaged structures affected by the flood and to non-profits and public housing authorities for creation of affordable housing for low income families may be issued as forgivable (full and/or partial) or repayable loans for eligible rehabilitation, reconstruction and/or new construction costs, as defined in the program policies and procedures. Properties must remain affordable for a minimum five-year period.

Eligible Applicants: Non-profits, for-profits, redevelopment agencies, public house agencies (PHA), and affected landlords. Awardees must own or acquire real estate without program funds.

Geographic Eligibility: Disaster-declared parishes impacted by the 2016 Severe Storms and Flooding.

Criteria for Selection: Awards will be made to qualifying applicants during an application period with preference given to for-profit applicants that were property owners at the time of the storm. Funding for non-profit applicants will be considered once for-profit owners are funded. If funds are still available a second round will open with the same prioritization. Funding will be based on the application score. Specific scoring criteria will be outlined in the program guidelines.

Method of Distribution: Awards are issued as a loan to eligible applicants. The state will open an application process for all eligible property owners for a defined period, following a series of workshops in which program staff will provide technical assistance and information on program requirements to potential applicants. During the workshops, program staff will outline the application timeline, process, and eligibility criteria. Potential applicants are not required to participate in the workshops to apply to the program. Program staff will conduct a series of outreach efforts to encourage impacted individuals and entities to apply to the program.

Maximum Award: The maximum award will be the lesser of the actual cost of construction or award limits set by the program (see table below). Each project will be reviewed for duplication of benefits, financial feasibility, and cost reasonableness. An applicant may be eligible to receive multiple awards for multiple eligible properties. Applicants will be capped at \$600,000 max award for multiple properties. Awards per property will not exceed the amounts in the table below:

Building Size	Maximum Award
Single Family Unit	\$150,000
Double Unit	\$250,000
Three Unit	\$315,000
Four Unit	\$375,000
Five to Seven Units	\$500,000

Soft Second Mortgage Program

Program Summary: The Soft Second Mortgage Program provides homeownership assistance to first time low-to-moderate income homebuyers by providing soft second mortgages and closing cost assistance to acquire site built homes outside the Special Flood Hazard Area. This program helps eligible renters to become homeowners in the relatively lower risk areas of storm-impacted parishes, thereby alleviating the rent burden potentially faced by some eligible applicants. The LSU Public Administration Institute's report,

[Housing Needs Assessment of Louisiana for 2017](#), demonstrated that 33 of the 51 FEMA IA declared parishes are still facing rent burdens. This program provides an opportunity for low-to-moderate income renters to consider homeownership in a relatively lower risk area as an affordable housing option.

Eligible Activity	Direct assistance to facilitate and expand homeownership among persons of low and moderate income. HCDA Sections 105(a)(24)
National Objective	Benefit to low to moderate income persons
Program Budget	\$6,000,000

Administering Entity: The State of Louisiana or its subrecipient(s)

Proposed Use of Funds: Assistance to eligible applicants will be provided as a soft second loan to cover the gap between the market sale home price and the home price affordable to the qualifying borrower, up to the program cap. Part of the allocated CDBG-DR funds will be offered to the qualifying borrower to cover closing costs and required prepaid items related to the closing of the first mortgage loan. One tenth of the soft second mortgage will be forgiven every year for 10 years as long as the household maintains the home as their primary single family residence.

Eligible Applicants: First time homebuyers whose household income is at or below 80 percent of area median income. A first-time homebuyer is an individual who meets any one of the following criteria:

- An individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This includes a spouse - if either meets the above test, they are considered first-time homebuyers.
- A single parent who has only owned with a former spouse while married.
- An individual who is a displaced homemaker and has only owned with a spouse.
 - A displaced homemaker is a man or woman whose marital status affects their ability to be properly housed.

Geographic Eligibility: Disaster-declared parishes impacted by the 2016 Severe Storms and Flooding. Homes acquired with program assistance must be located outside the Special Flood Hazard Area (SFHA).

Criteria for Selection: To be eligible for the program:

- Applicants must be first time homebuyers as defined by the program.
- The household income must be at or below 80 percent of area median income (AMI).
- Applicants must provide a minimum investment of at least 1 percent of the purchase price or \$1,500, whichever is greater.
- Applicants must complete a HUD-certified Homeownership Education class.
- Applicants must meet all qualifications for eligibility to receive a 30-year fixed rate FHA/VA, Rural Development, or conventional first mortgage loan product.
- Borrowers must meet the credit score requirements for the first mortgage loan on the property.

Method of Distribution: Funds will be distributed on a first come, first served basis, as applicants complete their applications and qualify for the program.

Maximum Award: CDBG-DR funds will be provided in the form of a soft second mortgage, up to 20 percent of the purchase price, but not exceeding \$55,000, with up to an additional \$5,000 grant available for closing

cost. The affordability period will be 10 years.

Safe Haven Program

Program Summary: As described in the Unmet Needs section, the need for shelter in the state- and particularly in Baton Rouge- has increased post flood. This is demonstrated by using the National Alliance to End Homelessness Toolbox Emergency Shelter Need Calculator. Source documents are the Annual Homeless Assessment Report 2017, Point in Time Annual Enumeration: 2018. The Calculator demonstrates a need for 46 new shelter beds within the Louisiana Balance of State Continuum of Care which includes Baton Rouge. There is an increase in the number of people experiencing homelessness because of increased poverty after the flood and a reduction in available shelters beds after the flood.

The Safe Haven Program follows an evidence based best practice model designed to serve the most vulnerable flood impacted citizens of Louisiana. Through this model, the Safe Haven Program will provide low-demand shelter with access to intensive on-site services to people experiencing chronic homelessness and people requiring extensive services related to significant trauma and psychiatric issues. Individuals experiencing significant trauma and displacement as a result of the flood can be provided with a safe place to live which also provides access to services needed to stabilize their conditions. Once stabilized, and receiving services, people are more capable of moving on to a permanent supportive housing setting.

Eligible Activity	HCDA Sections 105(a)(1-2),(4) and (8)
National Objective	Benefit to low to moderate income persons
Program Budget	\$4,000,000

Administering Entity: The State of Louisiana or its subrecipient(s)

Proposed Use of Funds: Assistance to eligible applicants will be provided for the acquisition, rehabilitation, expansion and/or new construction of safe haven facilities for populations facing homelessness. The facility(ies) funded through this program must address a need identified in the state’s Continuum of Care.

Eligible Applicants: Non-profit organizations whose mission includes serving populations facing and/or experiencing homelessness. An award will only be made to a non-profit that is able to bill Medicaid for Crisis Receiving Beds thus creating sustainability of the Safe Haven(s).

Geographic Eligibility: Caddo Parish, East Baton Rouge Parish, and Lafayette Parish. Eligible facilities must be located outside the Special Flood Hazard Area (SFHA).

Method of Distribution: Funds will be awarded through a competitive Notice of Funding Availability (NOFA) process.

Maximum Award: \$4,000,000

Resilient and Mixed Income Piggyback Program (PRIME)

Program Summary: The Resilient and Mixed Income Piggyback Program (PRIME) provides funding for the construction of quality, affordable multifamily rental developments. In 2018, the LHC awarded 20 projects a total of \$10,338,353 in LIHTC awards. In addition to the awarded projects, the 2018 QAP received 20 additional applications that were waitlisted. These waitlisted projects requested \$15,247,429 in LIHTCs to

create 1,249 affordable housing units.

The funded 2018 LIHTC developments are slated to produce or preserve 1,093 units that may be supported with PRIME funds. PRIME requires that all new units incorporate disaster resilience measures to provide better outcomes in a major storm or rain event. The program’s policies have the stated goal of providing more social and physical security in the rental and housing market and encouraging innovation in building practices to lessen future storm impacts to property and residents. With the additional proposed resources from the Resilience and Mixed Income Piggyback Program, the state can ensure that rental units created to address rental needs from the 2016 disasters protect low income rentals from future disasters.

Eligible Activity	Acquisition, clearance, rehabilitation, reconstruction, and new construction, elevation, loan financing HCDA Sections 105 (a)(1), (4) and (14)
National Objective	Benefit to low-to-moderate income persons
Program Budget	\$34,810,709

Administering Entity: The State of Louisiana or its subrecipient(s)

Proposed Use of Funds: PRIME provides gap financing loan assistance as a “piggyback” to Low Income Housing Tax Credit developments. In addition to being required to meet the programmatic LIHTC requirements, applicants eligible for PRIME assistance are required to develop new, quality, affordable rental housing using higher standards and innovative practices in order to lower the risks from flood-related impacts. The funding will provide developers with the opportunity to use workable approaches to resilient housing (such as, but not limited to elevated structures/mechanicals, building materials/technologies, power generation, topography and landscaping, retention/detention ponds, etc.) toward development of nearly two dozen properties, which are substantially more likely to fare better in major storms than existing properties in similar locations.

Allocation for Activities: A total of \$34,810,709 may be allocated to both the 9% LIHTC funding round and the 4% LIHTC funding round. The amount of funding that will be allocated to each of the funding round will be dependent upon the availability of 9% tax credits.

Eligible Applicants: All applicants will be experienced LIHTC single asset entity limited partnerships in good standing with the state. General partners of these limited partnerships may be for- or non-profit entities. A PHA may participate as general partner.

Geographic Eligibility: Disaster-declared parishes impacted by the 2016 Severe Storms and Flooding. Eligible developments may be in the SFHA, subject to a base flood elevation requirement, and subject to satisfying requirements related to disaster resilience. Eligible developments may also be outside the SFHA.

Criteria for Selection: Each project will be reviewed on a competitive basis in a funding round (or rounds if all funds are not allocated in the initial funding round) based on scoring, which may include weighted levels of use of mixed income, affordable units and energy efficiency. Scoring may also account for financial efficiency, depth of affordability, and other desirable factors as defined in the Qualified Allocation Plan (QAP) or Notice of Funding Availability. Resilience of a project will be determined through the detail and measures of resilience approaches provided within a proposal.

Method of Distribution: Funding will be awarded through LHC’s QAP process:

- The QAP for the 4 percent LIHTC pool will be released in 2019 Quarter 2.

- The QAP for the 9 percent LIHTC pool will be released in 2019 Quarter 3.

Awards will be provided as loans in the form of a soft cash flow loan payable from surplus cash. CDBG-DR Funds will accrue interest at a rate not exceeding the long-term applicable federal rate (AFR) and will be payable from not less than 50 percent of Surplus Cash. The interest rate may only be greater than 0% if in so doing, at the end of the 35-year term of affordability agreement, the unpaid balance of such Note is not projected to exceed 80 percent of the residual value of the project

Maximum Award: A per unit maximum of up to \$100,000 will be awarded based on the application pool.

Neighborhood Stabilization Housing Initiative Program

Program Summary: The Neighborhood Stabilization Housing Initiative (NSHI) Program will address the shortage of affordable housing by reducing the amount of vacant properties within impacted parishes. The NSHI program provides loans to qualifying developers to rehabilitate damaged and/or blighted single-family structures, with the intent to rent them to qualifying LMI tenants through a rent-to-own arrangement. Properties would then be sold to the qualifying tenant during the lease term or converted to long-term affordability rental units. In the unlikely event that original rent-to-own arrangement cannot be accomplished within a prescribed time period, the property could elect for a longer term affordability period or sell the property to an income qualified buyer.

Eligible Activity	Rehabilitation, new construction, loan financing (HCDA Sections 105 (a)(4)); 105(a)(8-9); 105(a)(15)).
National Objective	Slum and Blight remediation (100%), or Benefit to low-to-moderate income persons (100%)
Program Budget	\$10,000,000

Administering Entity: Louisiana Housing Corporation

Proposed Use of Funds: Awards provided to landlords under the program for the repair or creation of affordable housing for low income families may be issued as a fully or partially forgivable or fully repayable loan for eligible rehabilitation, reconstruction, or new construction costs, as defined in the program policies and procedures. Reimbursement of eligible expenses may also be eligible and will be detailed in the program policies and procedures. It is estimated that 123 units will be rehabilitated.

Allocation for Activities: Awards will be provided as a partially-forgivable loan. Initially, the award will be given as a loan to a partnering developer for the rehabilitation of up to four properties. The loan for each property will be repaid during the lease term until year five of the program. If properties are sold to qualifying LMI tenants in year five, the remainder of the loan will be converted to a forgivable soft second mortgage and will be forgiven on the condition that the tenant/buyer uses the home as their primary residence for a period of affordability, which will be defined in the policies and procedures. In the event of a transactional change to a longer term affordable commitment, or the sale to income qualified buyer, there will be a repayment obligation by the developer to be detailed in the program policies and procedures.

Eligible Applicants: For-Profit, Non-Profit and Public entity owners of single-family blighted properties will be eligible for the program. Developers that meet prior-experience requirements set by LHC and eligibility requirements outlined in the NOFA will be encouraged to apply. Awardees must own or acquire real estate without program funds and demonstrate a history of affordability compliance or commit to meet

affordability requirements.

Geographic Eligibility: All properties in parishes impacted by the 2016 Severe Storms and Flooding will be eligible, though preference will be given to properties located within a geographically identified distressed area as indicated by a municipality, town, or city.

Criteria for Selection: Awards will be made through a NOFA process to applicants that meet the qualifications outlined in the published requirements. In addition, priority may be given to those able to meet goals and requirements of the program in a timely and/or cost-effective manner. If additional criteria are included in the program application review process, they will be provided in detail in the program's policies and procedures.

- All applicants must secure a construction loan or other interim financing to complete the necessary repairs or construction; CDBG-DR funds will be funded upon satisfactory completion, as will be defined in the public-facing program policies and procedures.
- All applicants must have the ability to provide and sustain affordable housing units for low income families for the requisite time period and terms established by the program.
- Cost reasonableness

Developers will be able to apply for up to four homes in the first NOFA. A subsequent round of funding will be opened six months after the initial application period closes. The second round will remain open to developers as original awarded projects are completed.

Method of Distribution: LHC will be ready to launch a NOFA within two months of the amendment approval. The application period will be open for three months. Loans for up to \$65,000 per property will be awarded to developers for no more than four properties at a time. A subsequent round will be opened six months after the initial application period has closed for developers to apply for additional projects. The second application period will remain open based on the availability of funding. Lenders will be utilized to provide construction oversight and initial funding of projects, which will be paid for at completion of construction.

Maximum Award: The maximum award for the NSHI Program will be set at \$65,000 per single-family structure, with an initial cap of four houses per developer. Additional property awards may be given based on a developer's performance in meeting program requirements and timely completion of projects.

Affordability Requirements: Affordable rents, unit count and occupancy requirements, and the affordability period are defined as follows:

- *Affordable Rents:* Housing is considered "affordable" if the rent (including utilities) is no more than 30 percent of a household's pre-tax income.
- *Number of Units:* To be eligible for the program, at a minimum, the recipients must agree to meet the occupancy rule requirements established by HUD (see below). However, as will be detailed in the program guidelines, the state may require recipients to provide affordable housing to low-to-moderate income housing through additional units within assisted structures:
 - All assisted single unit structures must be occupied by L/M income households at or below 80% AMI,
- *Duration of Affordability:* The provision of affordable rents to qualified tenants will be required at a minimum for the initial lease-up, but longer affordability terms may be required. The duration of affordability may be tied to the amount of funding provided to the landlord. Specific requirements will be further defined in the final program policies and procedures.

Regional Capacity Building Grant

Program Summary: The 2016 floods made communities and agencies in the State of Louisiana aware of the need to reevaluate and better coordinate current floodplain management practices demonstrating how water moves across jurisdictional boundaries and how this could be influenced by community or agency actions. For example, projects and development activities in one area of a watershed can change the shape of the floodplain in other areas, deepen or increase the speed of floodwaters, or reduce the flow of water, all of which can exacerbate flood risk in existing floodplains and have devastating effects on neighboring communities. These interdependencies often occur within a watershed and extend to the natural and beneficial functions of the watershed, including those that support water quality, habitat condition, and economic vitality.

In Louisiana, there are a variety of federal, state, and local programs with overlapping authorities that could similarly benefit from increased coordination. Nationwide, the National Flood Insurance Program (NFIP) administered by FEMA is one of the primary governance frameworks for floodplain management, which combines federal standards and requirements with local incentives. In addition to the NFIP framework, there are other plans and programs that can impact flood risk. These include local drainage plans and upgrades, hazard mitigation plans, land use planning and zoning, flood control programs and other capital investment programs, as well as natural resource and water quality protections.

Currently, Louisiana’s floodplains are managed within political jurisdictions, without mechanisms to coordinate activities between political boundaries, the authorities discussed, or levels of government. Given the degree to which communities within a watershed are connected through the flow of water, efforts related to mitigating against flood risk and ensuring recovery projects are most impactful can only be done if land use, policy and infrastructure needs are able to be considered and coordinated at the watershed level.

As part of the Louisiana Watershed Initiative, participating state agencies conducted a Statewide Listening Tour in the Fall of 2018. During this Tour- which targeted local elected officials, planners, policy makers, engineers and data professionals- participants identified multiple gaps associated within the ability to organize and coordinate activities around watershed boundaries. Specifically, local governments and regional organizations across the state often are fully utilizing their existing staff in multiple functions; therefore, they face a lack of resources for educating key stakeholders and/or resources or expertise needed to coordinate, develop and implement flood-risk-reducing plans across traditional political boundaries. The Regional Capacity Building Grant seeks to fill gaps in existing staff capacity related to watershed-based floodplain management and flood risk reduction by providing additional staff, technical assistance and training to local and/or regional entities. Given the different stages of organization and/or varying technical capacities in different regions of the state, applicants may define their organizational and capacity needs differently.

Eligible Activity	Planning; HCDA Section 105 (a)(12)
National Objective	N/A
Program Budget	\$3,200,000

Administering Entity: The State of Louisiana and/or its subrecipients.

Proposed Use of Funds: In order to be able to deliberately coordinate around watersheds, local and/or regional entities may require the ability to do one or more of the following:

- Understand the parameters within which they are currently operating (e.g. existing ordinances, laws, etc.);

- Identify, research and coordinate policies that can reduce flood risk for the communities within a watershed;
- Develop partnerships, including but not limited to formal and/or legal partnerships with all stakeholders, especially the parishes and municipalities that make up each watershed;
- Understand the flood related issues that each local jurisdiction is facing;
- Develop regional, issue-specific steering and/or action committees;
- Educate local jurisdictions about challenges and opportunities related to floodplain management and flood risk reduction;
- Work with relevant jurisdictions to review their existing regulatory program(s); and/or
- Engage with the Louisiana Watershed Initiative to inform and coordinate state, local and/or regional efforts.

The goal of the Regional Capacity Building Grant is to address existing local capability and capacity gaps associated with the ability to organize and coordinate activities around watershed boundaries. The program's staff will engage in watershed-based floodplain management through efforts aimed at: coordinating and facilitating the formation of watershed-based coalitions; developing regional steering committees; providing education and technical assistance to municipalities and parishes within the watershed; and engaging with the state and regional partners in the development and implementation of a comprehensive watershed planning process.

Eligible Applicants: Eligible applicants must be local and/or regional entities with the capacity to undertake the development and adoption of watershed based plans, followed by the collaborative development of an implementation strategy. Thus, applicants may be a local government acting on behalf of other governments, regional nonprofit, regional planning commissions, or similar group affiliated with one or more of the watershed districts identified by the Louisiana Watershed Initiative. Eligible applicants must represent no fewer than four contiguous parishes within the same watershed.

Geographic Eligibility: Must align within one of the watersheds impacted during the 2016 Severe Storms and Flooding. Local governments not located in one of the 56 Presidentially-declared parishes are not eligible for funding under this program.

Criteria for Selection: The Regional Capacity Building Grant is designed to enhance the capability and capacity of regional entities to organize and coordinate activities around watershed boundaries, which will support improved floodplain management in a manner that reduces flood risk. Applicants will identify gaps in regional watershed planning in response to the program's Notice of Funding Availability (NOFA). Gaps can be updated over the course of the planning effort and outcomes will be assessed regularly to ensure performance metrics are achieved.

Method of Distribution: The state agencies comprising the Council on Watershed Management will be ready to launch a NOFA in Q2 or Q3 2019. The application period will be open for a defined period of time, which will be clearly announced through the NOFA. Grants will be awarded to applicants that exhibit coordination across their own watershed and neighboring watersheds. Grants will be distributed over a three year period, subject to continual review for achieving benchmarks and region-specific deliverables.

Maximum Award: Each watershed region will be eligible for a maximum award of \$400,000 provided over a three year period. Awards may be pro-rated, reduced and/or clustered into larger areas, subject to program demand, feasibility and projected outcomes.

4. Public Comments

Per the state's initial Action Plan, this Amendment is considered substantial as it as it substantially amends program budgets, and adds new programs and beneficiaries. The formal public comment period for the amendment begins Wednesday, Feb. 27, 2019 and runs until 5 p.m. Tuesday, March 12, 2019. Citizens and organizations can comment on this amendment via:

- The OCD-DRU website, http://www.doa.la.gov/Pages/oed-dru/Action_Plans.aspx;
- Emailing them to oed@la.gov;
- Mailing them to Disaster Recovery Unit, P.O. Box 94095, 70804-9095, Attn: Janice Lovett; or
- Faxing them to the attention of Janice Lovett at (225) 219-9605.

The plan is available in Vietnamese and Spanish to reach the limited English proficiency citizens in the impacted areas. Citizens with disabilities or those who need other technical assistance can contact the OCD-DRU office for assistance via the methods listed above.

5. Appendix

PUBLIC COMMENT

Good Morning

I am looking forward to the Approval of The Interim Mortgage Assistance Program in La OCD Hud Action Plan 11. In August 2016, my home flooded and was substantially damaged. My home was inspected by Livingston Parish Chief Building Inspector. My home was condemned, ruled uninhabitable and I was forced to tear it down in Nov 2017. Since that time, i have rented a tiny studio in addition to paying a full home mortgage on a vacant lot. I applaud the LA Restore Task Force and La OCD for developing the Interim Mortgage Assistance Program. I hope to begin re-building my home soon. My goal is to be in a real home for my 4th Christmas since the flood. Thanks in advance for HUD's anticipated approval of AP 11. I see this approval as a positive step for many of us and it should help getting folks back into their homes.

OCD RESPONSE: Thank you for your comment on the state of Louisiana's proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in March.

PUBLIC COMMENT

Originally, FEMA purchased 3 years of flood insurance from our FEMA proceeds. When we received the Restore La. award, that flood insurance was cancelled and we had to purchase on the open market additional amounts of flood insurance to cover the award amount and overhead costs. We are low income, retired, and in need of assistance with purchasing flood insurance to cover future years of the home flood policy. This is the first that I had heard there was help for low income, elderly homeowners to help with flood insurance costs.

I understand there is a \$1 million program to help with the first year payment of flood insurance. We will be glad to provide proof that we could continue to purchase flood insurance after the first year. We fit exactly into the description below, not in a flood plain until after the disaster, and definitely a burden to purchase flood insurance on low income.

Please inform me when and how to file a claim to have the flood insurance paid through Restore La.

Page 20 of APA 11 title: RLHP Flood Insurance Assistance Program
LINK TO APA 11: http://d2se92fabdh4cm.cloudfront.net/.../2016Floods_APA11_ENG...

New Programs RLHP Flood Insurance Assistance Program Program Summary: In line with the federal Stafford Act and related laws, the RLHP requires that homeowners assisted with CDBG-DR funds under Restore are required to obtain and maintain flood insurance to ensure that CDBG-DR assisted properties are protected from future disasters. Through implementation, RLHP has found that in some case, especially among low-to-moderate income and 21 moderate income (up to 120% AMI) households, the initial payment associated with federal flood insurance requirements can be a major obstacle for vulnerable populations. The repair or reconstruction of these households triggered the flood insurance requirement for all households living in the Special Flood Hazard Area, which may not have been required of certain property owners previous to the 2016 flooding events. This new or increased level of insurance coverage has posed a burden for many homeowners and is stalling them from accepting their grant or from achieving program closeout.

OCD RESPONSE: Thank you for your comment on the state of Louisiana's proposed Action Plan for recovery from the Great Floods of 2016. OCD-DRU will include your comment and our response when we submit the plan to HUD for approval in March.

PUBLIC COMMENT

Will there be any money available for grant to raise home? Please consider such a program. I am interested. I was told no such consideration in the original 2016 program. I flooded and got not much assistance. Just a small % of funds would permanently eliminate future flood concerns.

OCD RESPONSE: Thank you for your comment on the state of Louisiana’s proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in March. Under the Restore Louisiana Homeowner Assistance Program, if a damaged home is considered to be substantially damaged or improved and located in the Special Flood Hazard Area and/or required by local law to elevate to a certain level, then a homeowner is eligible for assistance for elevation as part of their reconstruction or repair award. Grants for properties that are not required to elevate are not eligible for elevation assistance. For additional information, please see the program manual at restore.la.gov. We will also have a program case manager reach out to you to determine your eligibility for such assistance.

PUBLIC COMMENT

I am asking HUD to please release the funds to those that have been suffering because of the D.O.B. issues. This problem has been fixed as to not include an S.B.A. loan as a D.O.B. No funds have been given to anyone yet. Our Governor and Mr. Graves keep saying they are waiting for guidance from HUD. Rules seem to keep changing from one day to the next. Because of the rules changing, people will be denied the help and then it will be money left from the block grant that was unused and that money will be put toward pet projects such as the Diversion Canal and Watershed programs.

I suffered a great loss. Our home had to be bulldozed and we were almost finished paying on it. We had no flood insurance as we live in an x flood zone. We lost everything we have ever worked for. Our vehicles, lawn mowers, everything in our home.. We are both in our 50s and we didn't know where to turn or what to do. We signed up for Fema and they did bring a 1 bedroom mobile home for us to live in. They sent us to apply for an S.B.A. loan and they said all they can do is approve you or deny you. We were approved for a large loan amount but at our age we were not going to take out a loan for that large amount of money. We opted out and purchased a double wide mobile home. We are still paying on a home that was bulldozed and an S.B.A. loan. The flood victims of Louisiana have been through enough suffering and hardship and it's time for us all to get the relief we need. Please give the guidance needed for them to move forward. It would be a miracle if we were all forgiven of the S.B.A loan but I know that is not going to happen. I can always pray for a miracle though.. Thank you for your time..

OCD RESPONSE: Thank you for your comment on the state of Louisiana’s proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in March.

OCD continues to work with the Governor’s Office, the Louisiana Congressional Delegation and the US Department of Housing and Urban Development (HUD) to obtain guidance on the interpretation of the Bipartisan Budget Act of 2018. OCD is ready to implement any changes to the current SBA requirements that result from HUD’s interpretation of that law. The state understands this has been a long process and we are hopeful we will receive guidance from HUD in the near future.

PUBLIC COMMENT

The City-Parish of East Baton Rouge, which was significantly impacted by the August 2016 flood, supports the State of Louisiana’s Substantial Action Plan Amendment No. 11, adjusting existing program budgets and beneficiaries and creating new programs to address the outstanding unmet recovery needs from the flood. We thank the Governor’s office and the Office of Community Development for their diligence in evaluating current program budgets to allow for the creation of several programs to continue addressing needs in our community and across the state, and we encourage HUD to conduct a swift review of the plan, which was unanimously approved by the Restore Louisiana Task Force.

We also offer our continued support for the resolution of the Duplication of Benefits adjustment, allowing flood-impacted citizens who either received or qualified for Small Business Administration loans to qualify for Community Development Block Grant funds through the Restore Louisiana Program.

OCD RESPONSE: Thank you for your comment on the state of Louisiana’s proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in March.

PUBLIC COMMENT

During the aftermath of the 2016 flood, we were repeatedly urged by FEMA to apply for a low interest (1%) SBA loan, in order to be eligible for further help. After much deliberation, we did finally finalize a SBA loan, but were told that, because of our excellent credit rate, the interest rate would be 3.125%, not 1%. This higher rate was to cover for those with poor credit, who might default on their loans.

We applied for assistance through the RestoreLa program, but were denied any help due to the SBA, DOB. A loan that we must repay is not a benefit.

The DOB situation has been addressed and money made available for those of us who were denied assistance. Why has this money not been disbursed in a timely manner? When will it be disbursed to those of us who flooded?

OCD RESPONSE: Thank you for your comment on the state of Louisiana’s proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in March.

OCD continues to work with the Governor’s Office, the Louisiana Congressional Delegation and the US Department of Housing and Urban Development (HUD) to obtain guidance on the interpretation of the Bipartisan Budget Act of 2018. OCD is ready to implement any changes to the current SBA requirements that result from HUD’s interpretation of that law. The state understands this has been a long process and we are hopeful we will receive guidance from HUD in the near future.

PUBLIC COMMENT

With nearly every Action Plan Amendment (APA), what we hear at the public task force meeting related to the APA is often different from the wording we see printed in the APA that is sent to HUD officials for review, acceptance and approval.

I would like to thank OCD-DRU Director Patrick Forbes for keeping the Restore Louisiana Task Force on track and informed of HUD directives and policy. I’d also like to thank Mr. Forbes for keeping state and local government in check by offering direction and guidance to them as well as other special interest individuals and groups to the proper procedures of requesting CDBG-DR grant funds for individual projects and programs. Thank you again for your service.

I have four (4) concerns about APA 11 concerning funding and HUD approved programs.

Concern 1 of 4.

- Watershed Modeling and Planning funding request \$6.8 million.
- Regional Capacity Building Grant funding \$3.2 million.

It was said by Director Forbes during the **Restore Louisiana Homeowners Program (RLHP)** Task Force meeting that "**Seed**" money was needed to kick start and assist watershed projects that are slated to receive Federal Assistance from HUD as published in Public Law 115-123. The Seed Money was for "**Modeling and Planning**" which is limited to organizations such as The Watershed Institute Group (TWIG). It appears our state has more investments in Modeling and Planning then purchasing equipment to start clearing our tributaries so that water flow can be reestablished. We have enough data to show the 7,000+ miles of tributaries for Livingston Parish alone need to be cleared, cleaned and dredged.

[WAFB reported July 5, 2018](#) that funding for projects has been approved and awarded. The numbers published are:

- \$343 million (100 percent federal funding) Comite River Diversion Canal
- \$255 million East Baton Rouge flood control
- \$760 million West Shore Hurricane Protection Project (St. John, St. Charles, and St. James parishes)
- \$15 million Grand Isle protection and berm reconstruction
-
- \$15 million to develop coastal restoration and flood protection solutions (Amite River, Lake Pontchartrain, and vicinity, Westbank and vicinity, south central Louisiana, and Upper Barataria)

Other recently announced federal funding includes:

- \$300 million in fiscal year 2018 Corps of Engineers funding (including \$14 million for Comite)
- \$300 million FEMA's Hazard Mitigation Grant Program
- \$1.2 billion in Community Development Block Grant flood mitigation
- \$50 million in USDA funding specifically for Livingston Parish flood mitigation (made available via the "Graves' amendment" in the March 2018 federal funding bill)

The State has the funding for the projects it created listed above, there is no urgent need or necessity to fund a program from Public Law 114-223, 114-254 and 115-31 that is already funded by Public Law 115-123. Additional to request an advanced payment from the HUD Allocations for the Great Floods of 2016 to act as start up capital and/or seed money for programs funded Feb. 9, 2018 by public law 115-123 may actually be seen as a duplication of benefits and/or receiving federal assistance when other federal assistance is available. Public Law 114-223, 114-254 and 115-31 allocated funds for the 2016 floods and should not be used to fund projects already funded in full by Public Law 115-123.

\$6.8 million of Homeowners Assistance program funds to be used as "Seed money" simply because HUD has yet to pay (Pub. law: 115-123) would not be logical, it's not proper to use Homeowners Assistance Grants to "Seed" or "Kick Start" state programs that have received other federal assistance approval for other funds but have yet to receive the funding.

Public Law 115-123 of the BIPARTISAN BUDGET ACT OF 2018 signed into law by President Trump on Feb. 9, 2019 part of HR 1892 was a great achievement in my opinion.

I ask HUD to DENY the proposed additional funding of \$6.8 million for "Watershed Modeling and Planning" based on the fact that Public Law 115-123 allocates grant funds specifically for this type of program and work.

Resources: (Concern 1)

- [H.R.1892](#) - Bipartisan Budget Act of 2018 115th Congress (2017-2018) [Public Law 115-123](#) 115th Congress signed into law Feb. 9, 2018.
- WAFB July 5, 2018: [After 30 years, Comite Diversion Canal project now fully funded](#)

OCD RESPONSE: Thank you for your comment on the state of Louisiana’s proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in March. The reallocation of funding under Action Plan Amendment 11 ensures the remaining balance in the Restore Homeowner Assistance Program is sufficient to cover all eligible program grant awards, to include those additional grant proceeds for which homeowners would be able to receive, irrespective of how HUD interprets the Bipartisan Budget Act of 2018, which could alter the current requirements related to how to account for approved SBA loans as a duplication of benefits with the Restore program.

Furthermore, critical to Louisiana’s sustainable recovery from the Great Floods of 2016 is the need for state agencies, local governments, non-profit organizations, academia, developers, the business community, other stakeholders and private residents to have the information and support necessary for considering flood risk at all levels of the recovery process. Having access to this information will allow the state and local governments to target long-term recovery efforts toward smarter, more effective and mitigating recovery activities. Understanding how water moves and the impacts of land use decisions on the affected areas will not only help in the recovery, but will also impact how recovery decisions will impact future risks within an entire watershed. As has been seen in past recovery life cycles across the country, state and local rebuilding efforts continue for years beyond the disaster, and while we are three years out from the March 2016 floods and nearly three years have passed since the August 2016 floods, many local governments continue through different stages of recovery. The additional information, watershed-based planning efforts, hydraulic and hydrologic modeling and data analysis generated through the Watershed Modeling and Planning are necessary for a more coordinated, collaborative and efficient long-term recovery process for all levels of government and agency within the state.

The projects listed in your public comment demonstrate the federal government’s commitment to various mitigation activities. However, the list is not comprehensive in addressing all the disaster recovery and/or disaster mitigation activities critical to the state’s long term recovery and resilience in the face of future disasters; therefore these funds are not duplicating any efforts covered by those other funding sources. The additional funding detailed in APA 11 is specifically for planning and data gathering activities necessary to drive forward a systemic approach to flood risk reduction on a watershed-basis in order to better inform current recovery decisions, as well as future recovery and mitigation decisions. Future funding from other sources, to include CDBG mitigation funds (\$1.2 billion) will be used for additional activities toward this effort, but will not duplicate activities funded under the Watershed Modeling and Planning program.

Concern 2 of 4.

- **RLHP Flood Insurance Assistance Program \$1 million**

This program in my opinion would have been best utilized if introduced in the very first Action Plan if not actually placed in the Master Action Plan.

This program will help those that actually suffered in Dec. of 2018 after receiving a letter from the state to provide proof of their NFIP insurance in the amount of the grant award or the maximum allowable coverage of \$250,000. A letter was sent Nov. of 2018 to hundreds of homeowners in the program by the State of

Louisiana OCD-DRU and its main contractor IEM Inc. The focus of the letter can be summed up by reading the following snippet from the actual letter mailed to homeowners.

"Failure to provide RLHP [Restore Louisiana Homeowners Program] with proof of sufficient flood insurance coverage within 30 days of the date of this letter will result in your application being deemed as ineligible for assistance. As a result, you may be required to repay any funds received to date to the State of Louisiana - Office of Community Development."

If the **Flood Insurance Assistance** Program offered flood insurance assistance from the very beginning most likely no homeowner would have been sent a warning letter in Nov. of 2018 about being "deemed as ineligible" for HUD CDBG-DR grant assistance by the grantee.

I see this program as being very helpful to many. But, it misses the mark by the state not making it clear that those still not covered will be assisted and those that had to borrow, pawn or take small loans to pay for the insurance last Nov. and Dec. of 2018 would be eligible to receive this assistance as well.

I ask HUD to offer the State of Louisiana OCD-DRU direction and assistance in making this program retroactive to all those that received a letter from the state regarding their NFIP requirements as not being covered. I ask HUD to direct the state to reinstate into the program any homeowner deemed ineligible in 2018 for not carrying enough NFIP flood insurance and those that did not have the financial means to acquire the proper amount of NFIP flood insurance.

Resources (Concern 2):

- [As a participant in the Restore Louisiana Homeowners Assistance Program.](#)

OCD RESPONSE: Thank you for your comment on the state of Louisiana's proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in March. HUD does not prohibit the use of CDBG-DR funds for existing residential buildings in a Special Flood Hazard Area (or 100-year floodplain). However, Federal, State, local, and tribal laws and regulations related to both flood insurance and floodplain management must be followed, as applicable. With respect to flood insurance, a HUD-assisted homeowner of a property located in a Special Flood Hazard Area must obtain and maintain flood insurance in the amount and duration prescribed by FEMA's National Flood Insurance Program. Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) mandates the purchase of flood insurance protection for any HUD-assisted property within a Special Flood Hazard Area. Furthermore, property owners receiving disaster assistance that triggers the flood insurance purchase requirement that they have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance in writing and to maintain such written notification in the documents evidencing the transfer of the property, and that the transferring owner may be liable if he or she fails to do so. These requirements are enumerated at <http://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title42-section5154a&num=0&edition=prelim>

As a condition of receiving federal assistance for the repairs or reconstruction of homes in the SFHA, all Restore grant recipients are required to obtain and maintain flood insurance in perpetuity. This may require homeowners to plan and budget a new cost in their annual household budget. The one year premium for flood insurance available under the Insurance program, along with financial counseling for future budgeting related to maintaining flood insurance starting next year going forward, is limited to eligible homeowners who have not been able to reach program closeout, as their immediate inability to identify any solution for paying for the requisite flood insurance is keeping these applicants from completing the program.

Concern 3 of 4

- RLHP Interim Housing Assistance Program \$40 million

The Interim Housing Assistance program seemed to be requested by the state of Louisiana OCD-DRU prior to the meeting on Feb. 15, 2019. This is very good forward thinking on the part of the state to have approval and recommendations from HUD before actually asking HUD via Action Plan Amendment for the program. HUD responded in the Federal Register Feb. 12, 2019 that the states request would be granted Feb. 19, 2019 even before APA 11 was submitted to HUD for approval.

This is the type of action we like to see, staying ahead of the issues by forecasting and planning.

The only concern I have with the actual APA 11 program is the description and terms. HUD authorized in the Feb. 19, 2019 Federal Register notice document number 2019-02695 that the state of Louisiana OCD-DRU (grantee) can offer up to 24 months of Rent / Mortgage assistance to include all utilities. In Action Plan Amendment 11 it states 20 months of assistance and no mention of utilities.

I ask HUD to verify with the state of Louisiana OCD-DRU and encourage the grantee to use the total 24 months offered by HUD and to include all utilities charged to the homeowner in the APA 11 wording.

Resources (Concern 3):

- [Restore Louisiana Action Plan Amendment 11 \(PDF\)](#)

OCD RESPONSE: Thank you for your comment on the state of Louisiana’s proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in March. The Interim Housing Assistance Program in APA 11 allows for rental, mortgage and/or other interim housing assistance solutions for homeowners who are actively participating in the Restore Louisiana Homeowner Assistance Program. The Interim Housing Assistance Program allows for flexibility of funding mortgage or rental assistance for homeowners incurring additional interim housing costs as they actively work through their recovery process in the Restore program. HUD provided a waiver to extend the term for mortgage assistance to 20 months and a waiver to extend the term for rental housing assistance to 24 months. Please refer to page 83270 of the November 21, 2016 Federal Register Notice: <https://www.hudexchange.info/resources/documents/Allocations-Common-Application-Waivers-and-Alternative-Requirements-for-Community-Development-Block.pdf>

In order to administer a consistent and comprehensive interim housing program, the state is limiting all forms of interim housing assistance to 20 months.

Concern 4 of 4:

Restore Louisiana Homeowners Program has placed \$245.5 million of American Taxpayers money on hold for the HUD SBA Wavier / Stafford Act amendment guidance.

The state did not mention what it intends on using the money for if Guidance from HUD is not favorable to SBA loan issues that we face.

The state also made reference at the Feb. 15, 2019 Task Force meeting that there will be no new scheduled task force meetings. The Governor of the State of Louisiana assigned the Task Force the responsibility of making sure the grant assistance was used in the best interests of recovery. Pipeline reports show a large number of Low to Moderate income (LMI) households still struggling with their recovery. Looking around our cities and our parishes we see even more people struggling and not only LMI households. We see thousands of homeowners with serious debt burden caused by the floods.

I would like HUD to review with the state of Louisiana OCD-DRU all unmet needs of the LMI community and plan a program to assist the serious debt burden of all victims of the 2016 floods in the most impacted areas.

Not only did the SBA loan add additional debt to homeowners, FEMA IA / IHP grants can be linked as a primary cause for many serious financial issues for households simply because FEMA did not offer clear instructions of how to use the grant money so that it would not be counted as a duplication of benefits with other federal assistance.

FEMA offered the following instructions to homeowners.

"You have been APPROVED for \$33,000.00 for Home Repair Assistance, which is provided to help make essential repairs that will allow you to occupy your home. It is not intended to repair all home damage."

"Essential repairs" to the average reasonable person may mean to fix up as much as you can to make your home livable while you wait for other assistance or additional funds.

The FEMA letter didn't say you can not repair your mobile home or manufactured home (MHU). The letter clearly indicated that the IA / IHP grant money was to help with your essential repairs that would allow you to occupy your home. Replacing kitchen items would in most cases easily exhaust the grant funds. Replacing appliances, furniture, walls, floors and doors would be reasonable if you were to "occupy your home." When homeowners applied for HUD CDBG-DR grants many were penalized the full amount of the FEMA IA / IHP because the Restore Louisiana Homeowners Assistance program did not recognize a refrigerator as "Essential Repairs" or walls in a MHU as "Essential Repairs".

I ask HUD to offer direction to the State of Louisiana and its congressional representatives on how to approach and complete a deal with FEMA to waive the IA / IHP grants used in the Duplication of Benefits calculation to all homeowners struggling to repay this grant fund. Then apply any funds not used by the SBA Loan Waiver Guidance to these homeowners so they may continue with their recovery and so the program can show more American Taxpayer dollars went to actual homeowners who were victims of the 2016 floods in the state of Louisiana.

It is of my opinion that homeowners were not at fault for how they spent the money to make "Essential repairs" of their home. Most all homeowners spent the FEMA IA / IHP grant funds on the home and its components needed to make it livable.

OCD RESPONSE: Thank you for your comment on the state of Louisiana's proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in March. OCD understands the challenges and continues to work with HUD to develop solutions for assisting low to moderate income households through the recovery process. OCD will raise your specific concerns related FEMA Individual Assistance with its points of contact at the Department of Housing and Urban Development.

PUBLIC COMMENT

To whom it may concern....

Ausust 12, 2016 as I watched flood waters destroy everything my family had worked to build over 30+ years I began to feel a despair like never before. Later as I watched news etc and learned of grant monies being provided I saw a light. Then once again my world was destroyed when I was told persons who maintained insurance would not be considered.

Today, over two years and damages mentally and physically I actually have as chance of receiving help and then these action plans want to take away funding or create policies to cause me not to receive help so again they can take and transfer the money elsewhere. How dare you. Let us be made whole first, let us sleep without threat of losing everything, let us look at our children and truthfully say all will be ok, let us not sit at a red light or a dinner table and cry with exhaustion over the hoops we are jumping through for Restore and the fear that it will be for nothing.

I am all for taking care of items our state needs but by all that is right dont do it until the victims this money was intended for have been taken care of.....and I dont mean denied due to changing policies and persons allowed to interpret policy to what they want. I mean truly RESTORED.

OCD RESPONSE: Thank you for your comment on the state of Louisiana’s proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in March. The reallocation of funding under Action Plan Amendment 11 ensures the remaining balance in the Restore Homeowner Assistance Program is sufficient to cover all eligible program grant awards, to include those additional grant proceeds for which homeowners would be able to receive, irrespective of how HUD interprets the Bipartisan Budget Act of 2018, which could alter the current requirements related to how to account for approved SBA loans as a duplication of benefits with the Restore program. A program case manager will reach out to you in the coming days to more fully address specific concerns you have regarding your application.