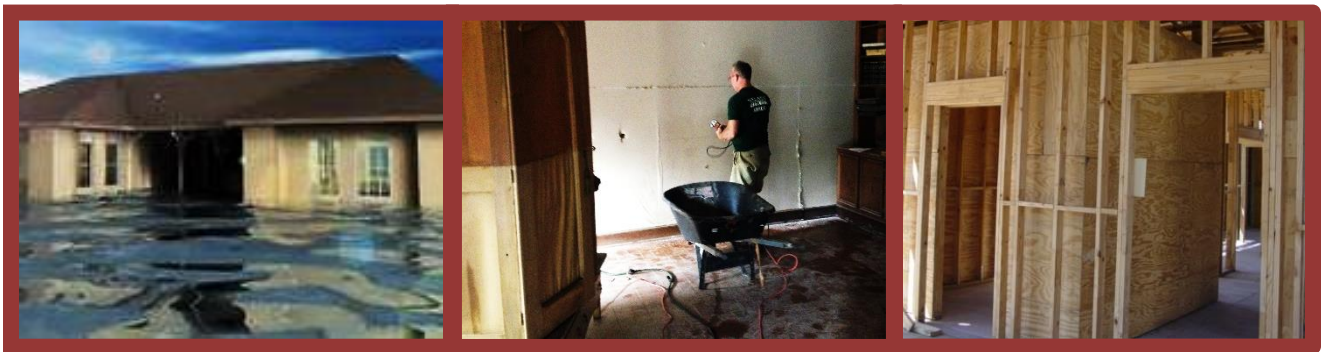


DISASTER RECOVERY INITIATIVE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

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

LOUISIANA OFFICE OF COMMUNITY DEVELOPMENT, DISASTER RECOVERY UNIT



STATE OF LOUISIANA
NON-SUBSTANTIAL ACTION PLAN AMENDMENT NO. 6
FOR THE UTILIZATION OF
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
IN RESPONSE TO THE GREAT FLOODS OF 2016

[John Bel Edwards](#)

Governor

Billy Nungesser

Lieutenant Governor



1. Summary of Changes

This Action Plan Amendment No. 6 clarifies the application sequence process of the Restore Louisiana Homeowner Program in order to address program efficiency and/or in order to be able to adjust to address immediate unmet needs, as identified by the state through the survey and program outreach efforts.

Additionally, the Amendment modifies the percentage of loan forgiveness of the Restore Louisiana Small Business Program in order to address program demand and unmet needs experienced by small businesses in Louisiana’s impacted areas. In order to address the ongoing cash flow needs experienced by small businesses in the flood impacted areas, the state is proposing an increase in the percentage of each grant or award that is forgiven.

The revisions included in this Action Plan Amendment will not result in a change in program eligibility or in the those who will be served by the programs. This Action Plan Amendment is considered non-substantial, as it does not substantially amend program budgets and it does not change the beneficiaries of the programs.

State of Louisiana Total CDBG-DR Allocations		
	Total Allocation	Percentage
Total Allocation	\$1,708,407,020	100%
Restore Louisiana Housing Programs	\$1,465,327,341	
• Homeowner Program	\$1,331,163,919	78%
• Rental Housing Programs	\$134,163,422	8%
Restore Louisiana Economic Recovery and Revitalization Programs	\$62,000,000	4%
Infrastructure Program (FEMA Match)	\$105,000,000	6%
Watershed Modeling and Planning	\$9,800,799	1%
Administration and Other Planning Expenses	\$66,278,880	4%

2. Proposed Use of Funds

A. 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)24). Housing Incentive, as identified in Federal Register Docket No. FR-5989-N-01. 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

Administering Entity: State of Louisiana

Eligible Applicants: Homeowners will continue to be eligible for the program if they meet the following criteria:

- Owner occupant at time of disaster event
- Damaged address was the applicant's primary residence at the time of disaster event
- Located in one of 51 disaster declared parishes
- Suffered major or severe damages (1+ feet of flooding or \$8,000 FEMA Verified Loss) as a result of the 2016 Severe Storms and Flooding events
- Eligible structure as determined by program, including but not exclusive to, one or two family home structures, mobile/manufactured and modular homes
- Have an eligible unmet need, after accounting for all duplication of benefits

The revisions below will not result in a change in program eligibility or in the homeowners who will be served by the program.

In Action Plan Amendment 1, the state detailed the phased approach it would use to invite program survey applicants (*Program Timeline, Page 84, APA 1*). The state proposed six phases, prioritizing to first invite for application those in Phases I and II, which covered the most vulnerable and most in need populations. Those homeowners who did not qualify as Phases I or II, who responded in their survey that they had fully completed the repairs on their home, were placed in Phase VI, as noted in the criteria.

With program implementation underway, the state has identified homeowners in phases III-V who responded to the survey by stating they had remaining repairs on their homes, but when the program processed them through the application and completed the damage assessment, the homeowner had completed the remaining repairs. In order to encourage timely recovery and to implement the program in the most efficient manner, the state is clarifying its policy that the determination made at the time of survey will not be changed based on application to determine the designated phase for the homeowner.

Furthermore, APA 1 states that "the state may add, expand or amend the program phases following updated assessments of unmet homeowner needs" (*Page 84*). Based on the progress of the program and completed homeowner repairs over time, the state has re-evaluated the distinction in needs between phases III to VI. For program efficiency and improved response to unmet needs, the program is modifying its policy to continue to phase applicants, but will be phasing III-VI into application invite generally according to date of survey. Additionally, as the state identifies other immediate unmet needs, the state may choose to prioritize inviting and processing sub-groups within the phases. For example, due to FEMA deadlines and procedural requirements, some families who are currently living in FEMA manufactured housing units (MHUs) are being forced to vacate those MHUs. Some of those families have not completed repairs on their homes, and therefore are at risk of temporary homelessness. Therefore, the state may choose to prioritize within and between the phases those homeowners who are facing additional risks and/or vulnerabilities. The program policies and procedures will reflect the updated phase approach through completion of all invitations to complete the application.

As noted on Page 82 of APA 1, "Applications from applicants that meet all the criteria above will be processed as they enter the program." This remains unchanged. The state is responsive to when the homeowner completes and submits their application. The state does not sequence funding based on phases.

B. Restore Louisiana Small Business Loan and Grant 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
Program Budget	\$51,200,000

Administering Entity: State of Louisiana and/or its subrecipients

Proposed Use of Funds: The state is updating this section to increase the percentage of each grant or loan that is forgivable upon successful repayment of the remaining portion. While the program previously allowed 20 percent of each grant or loan to be forgiven upon successful repayment of the remaining 80 percent, the state will now allow 40 percent of the grant or loan amount to be forgiven upon successful repayment of the remaining 60 percent. The program remains open to eligible applicants.