

**PROPOSED GUSTAV/IKE ACTION PLAN AMENDMENT 11**

**DISASTER RECOVERY INITIATIVE  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
CONSOLIDATED SECURITY, DISASTER ASSISTANCE,  
AND CONTINUING APPROPRIATIONS  
ACT, 2009**

**H.R. 2638 / Public Law 110-329**

**Louisiana Recovery Authority  
Louisiana Office of Community Development**

**AMENDMENT Number 11 – *NON SUBSTANTIAL Clarification Related to  
Compensation/Incentive Housing Programs*  
TO THE STATE OF LOUISIANA ACTION PLAN  
FOR THE UTILIZATION OF CDBG FUNDS IN RESPONSE TO HURRICANES  
GUSTAV AND IKE**

**Submitted to HUD: June 21, 2011  
Re-Submitted with Background: August 3, 2011**

**HUD Approved: August 9, 2011**

**Bobby Jindal  
Governor**

**Jay Dardenne  
Lieutenant Governor**

**Paul Rainwater  
Commissioner of Administration**

August 9, 2011

HUD is formally acknowledging the State's **Non-Substantial Amendment Number 11 - Clarification Related to Compensation/Incentive Housing Programs**. The Office of Community Development/Disaster Recovery Unit (OCD-DRU) has developed the following *Action Plan Amendment Number Eleven (Non-substantial)* to provide clarification to program language noted in Action Plan Amendment One and approved Action Plan Amendment Seven under Homeowner *Compensation/Incentive Program*. It is non-substantial and primarily for technical clarification, as it does not involve a funding change, does not create a program, nor change any new beneficiaries. As parishes have begun to develop their compensation/incentive programs, it is evident that clarification was needed to ensure the program language is clear and comprehensive.

The following clarification pertains to APA Number One, Section V. Overview of Eligible Program Activities; Section C. Parish-Implemented Programs; 1.a Housing: Homeowner Compensation/Incentive Program and the ensuing Amendment Number Seven changes to the aforementioned program.

Under “**Type of Assistance,**” to streamline the language, the State request to replace #2 as follows:

***2) CDBG funds will be used for up to a \$60,000 incentive to LMI households and non-LMI households of the area as an incentive for resettlement; for uncompensated damages; and/or to remediate damages and increase resiliency in order to encourage homeowners to remain in their homes and maintain required insurance. The assistance may be provided in the form of a grant or forgivable loan.***

This clarification supports the State's intention for the maximum assistance for any homeowner to be \$60,000 in a grant or forgivable loan, as stated and approved in the APAs. However, the previous language appeared unclear with that intention; therefore, this Amendment is submitted as clarification. This is in line with the envisioned program to encourage resilient redevelopment and recovery in impacted communities for homeowners in Louisiana.

# PROPOSED GUSTAV/IKE ACTION PLAN AMENDMENT 11

## **Amendment Number 11 (Non-Substantial) to the State of Louisiana Action Plan for Disaster Recovery – Utilizing Funding from the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Public Law 110-329)**

The Office of Community Development/Disaster Recovery Unit (OCD-DRU) has developed the following *Action Plan Amendment Number Eleven (Non-substantial)* to provide clarification to program language noted in *Action Plan Amendment One* and approved *Action Plan Amendment Seven* under Homeowner Compensation/Incentive Program. It is non-substantial and primarily for technical clarification, as it does not involve a funding change, does not create a program, nor change any new beneficiaries. As parishes have begun to develop their compensation/incentive programs, it is evident that clarification was needed to ensure the program language is clear and comprehensive.

### **I. AMENDED LANGUAGE**

The following clarification pertains to APA Number One, Section V. Overview of Eligible Program Activities; Section C. Parish-Implemented Programs; 1.a Housing: Homeowner Compensation/Incentive Program and the ensuing Amendment Number Seven changes to the aforementioned program.

Under “**Type of Assistance**,” to streamline the language, the State request to replace #2 as follows:

- 2) CDBG funds will be used for up to a \$60,000 incentive to LMI households and non-LMI households of the area as an incentive for resettlement; for uncompensated damages; and/or to remediate damages and increase resiliency in order to encourage homeowners to remain in their homes and maintain required insurance. The assistance may be provided in the form of a grant or forgivable loan.

This clarification supports the State’s intention for the maximum assistance for any homeowner to be \$60,000 in a grant or forgivable loan, as stated and approved in the APAs. However, the previous language appeared unclear with that intention; therefore, this Amendment is submitted as clarification. This is in line with the envisioned program to encourage resilient redevelopment and recovery in impacted communities for homeowners in Louisiana.

### **II. BACKGROUND**

Following is the original language as stated in APA 1 and APA 7 for reference.

ORIGINAL PROGRAM - APA 1

#### **a. Homeowner Compensation/Incentive Program**

It is the purpose of the Homeowner Compensation Program to offer assistance to homeowners in order to offset increased storm deductibles and provide households with additional incentive funding to remediate damage to their home resulting from Hurricanes Gustav and Ike, and maintain insurance to prevent future repetitive losses to their properties.

#### **Type of Assistance**

- 1) CDBG funds will be used to offset increased storm deductibles (associated with Gustav/Ike damages) for both LMI and non-LMI homeowners in the form of an incentive payment to encourage homeowner to maintain insurance for future repetitive losses.
- 2) In addition, \$50,000 in CDBG funds will be provided to LMI households in the form of a three year forgivable deferred loan as an incentive to remediate damages and maintain property and flood insurance on their properties.

## PROPOSED GUSTAV/IKE ACTION PLAN AMENDMENT 11

AMENDED IN APA 7

B. Amend APA No. 1. Section V. OVERVIEW OF ELIGIBLE PROGRAM ACTIVITIES; Section C. PARISH-IMPACTED PROGRAMS; 1. Housing as follows:

A non-substantial change to the 1a. **Homeowner Compensation/Incentive Program**. The purpose of this change is in the \$50,000 CDBG incentive limited to LMI households. The change proposed would provide this same assistance to non-LMI households in the area as an incentive for resettlement in the region, with the overall priority remaining LMI households served. The amendment also clarifies the requirements related to insurance, allowing that LMI and Non-LMI households are eligible regardless of the household having insurance at the time of the storm, except for those who have received federal assistance for previous disasters. The insurance requirements of those programs prevail, unless otherwise specified by the state.

Under “**Type of Assistance**”, remove and replace #2 with the following:

- 2) CDBG funds will be used for up to a \$50,000 incentive loan to LMI households and non-LMI households of the area to remediate damage and/or increase resiliency.

Under “**Maximum Assistance Levels**”, remove and replace language with the following:

The maximum assistance for any homeowner is \$60,000.