

**PROPOSED GUSTAV/IKE ACTION PLAN AMENDMENT 8**

**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 Office of Community Development/Disaster Recovery Unit  
*Proposed* AMENDMENT No. 8 TO STATE OF LOUISIANA ACTION PLAN FOR THE  
UTILIZATION OF CDBG FUNDS IN RESPONSE TO  
HURRICANES GUSTAV AND IKE**

**Public Comment Period: December 9-December 17, 2010**

**Submitted to HUD: December 20, 2010**

**Approved by HUD: February 16, 2011**

**Bobby Jindal  
Governor**

**Jay Dardenne  
Lieutenant Governor**

**Paul Rainwater  
Commissioner of Administration**

## PROPOSED GUSTAV/IKE ACTION PLAN AMENDMENT 8

**Amendment Number 8 to 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). This award is the result of the State’s identification of eligible activities under the Disaster Recovery Enhancement Fund (DREF).**

The State of Louisiana was awarded \$32,487,882 on September 13, 2010 in Community Development Block Grant (CDBG) disaster recovery funds. This award is the result of the State’s identification of eligible activities under the Disaster Recovery Enhancement Fund (DREF). The State of Louisiana has previously been awarded \$1,058,690,549 under Public Law (P.L) 110-329 to assist in addressing the long-term recovery impacts from the 2008 disasters. This represents the third allocation under P.L. 110-329, bringing the total allocation to \$1,091,178,431 under this appropriation.

Since the original submission of the State’s Disaster Recovery Action Plan to HUD on January 8, 2009, the State has received several approvals completing the specified program areas designed to receive the CDBG disaster funds. This Amendment 8 is submitted to HUD for approval of providing additional funds to existing programs to further meet the outstanding recovery needs of the State resulting from hurricanes Gustav and Ike.

These funds are being transferred to previously approved programs submitted in Action Plans and ensuing Amendments. This does not create new programs, nor change any beneficiaries.

These programs have previously undergone public comment in original submission and comments are incorporated within.

This Amendment may be obtained via the Internet at:

<http://doa.louisiana.gov/cdbg/DRactionplans.htm>, or by contacting: Paul Catrou, Office of Community Development, Post Office Box 94095, Baton Rouge, Louisiana, 70804-9095. The Proposed Action Plan Amendment will be published in Vietnamese and Spanish translations at the same website.

Written comments on the proposed Action Plan Amendment will be accepted for seven days from the date it is posted. Comments may be submitted beginning today and must be received no later than 5:00 PM (CST) on December 15, 2010.

Comments may be sent to the attention of Paul Catrou at the above address or sent via facsimile to (225) 219-9605 to the attention of Paul Catrou. Comments may also be submitted via email at [ocd@la.gov](mailto:ocd@la.gov) or through the online form at <http://www.doa.louisiana.gov/cdbg/dractionplans.htm>.

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## I. INTRODUCTION

Hurricane Gustav caused major wind and flood damage throughout the state, from the southern coastal parishes through central and north Louisiana. Two weeks later Hurricane Ike hit sending tidal surges across the state's southern coastal communities. Ike exceeded storm surge caused by hurricanes Rita and Katrina. The State of Louisiana has previously been awarded \$1,058,690,549 under Public Law (P.L.) 110-329 to assist in addressing the long-term recovery impacts from the disasters. Louisiana is committed to enhancing the resiliency of its community's throughout the state through the use of these funds.

The State is submitting Amendment Number Eight to the State Action Plan in order to utilize the new HUD allocation of \$32,487,882 in Community Development Block Grant (CDBG) disaster recovery funds. This represents the third allocation under P.L. 110-329. Combined with this allocation, the State has been awarded a total of \$1,091,178,431 under this appropriation. These critical funds will further address unmet needs identified under the existing eligible program activities. These programs are intended to confront outstanding recovery needs made evident in the over-subscription of several of the state's recovery programs as well as to be forward-thinking in funding activities to mitigate and/or reduce risk beyond pre-disaster conditions as supported under the Disaster Recovery Enhancement Fund (DREF) goals.

The Office of Community Development's Disaster Recovery Unit (OCD-DRU) has developed the following Action Plan Amendment Number Eight to confirm the intended additional distribution of funds to the previously eligible and approved program activities. These additional funds will assist the state, local entities, and key partners to confront unmet housing, business, economic revitalization, community resiliency, public service, public infrastructure and other needs after the 2008 hurricanes.

Details of the distribution of funds, program delivery and existing approval program activities are outlined below.

## II. DISTRIBUTION OF FUNDS

**A. National Objective:** All funds will be distributed in accordance with the three national objectives: benefit of low and moderate-income persons, elimination or prevention of slums and blight, or urgent need. Additionally, it is understood that in accordance with P.L. 110-329, at least 50 percent of the total grant funds, including this award, must provide benefit to low- and moderate-income persons.

### **B. Allocations**

The state's third allocation from HUD is \$32,487,882. The allocation is described in the following table, to consist of additional funds to be assigned to the existing program areas.

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**Table 1: Overall Allocations**

Summary	Initial Allocation	Second Allocation	Third Allocation	Total Allocation	Percent
<b>Total Allocations to LA</b>	<b>\$438,223,344</b>	<b>\$620,467,205</b>	<b>\$32,487,882</b>	<b>\$1,091,178,431</b>	<b>100%</b>
Allocation to Parishes*	\$309,791,652	\$255,749,470			
HUD Required for Affordable Rental Housing	\$46,520,525	\$72,062,147	\$3,700,000		
Fishery Recovery Program	\$15,000,000	\$12,383,297			
Agriculture	\$30,000,000	\$29,766,594			
Coastal Restoration	\$15,000,000	\$12,383,297			
Municipal Infrastructure	\$0	\$30,000,000	\$5,000,000		
Economic Revitalization	\$0	\$40,000,000	\$15,300,000		
Economic Development Infrastructure Program		\$80,000,000			
Fisheries Industry Modernization	\$0	\$5,000,000	\$2,587,882		
Pilot Comprehensive Resiliency	\$0	\$10,000,000	\$3,300,000		
Nonprofit Homeowner Rehab	\$0	\$5,000,000			
Interoperable Communications Infrastructure Program		\$17,099,040			
Cost-Share Reserves Program		\$20,000,000			
Admin, Planning & Tech Assistance	\$21,911,167	\$31,023,360	\$2,600,000	55,034,527	5.0%

### III. CITIZEN PARTICIPATION

The state of Louisiana developed a specific citizen participation plan for disaster recovery. It is included with the original Action Plan for Gustav and Ike Disaster Recovery CDBG. The parameters of these citizen participation requirements both for the state and for the parishes and other entities implementing activities under this grant apply to this third allocation, and remain as detailed in the Gustav and Ike Action Plan and approved ensuing Action Plan Amendments. Parishes, local governments and partners will be required to utilize this citizen participation plan at a minimum and any additional requirements possibly developed by OCD-DRU.

### IV. MONITORING

The State will utilize an established monitoring process used for the regular CDBG program, with the modifications detailed in approved ensuing Action Plan Amendments to specifically address the requirements of the CDBG Disaster Recovery Program and to ensure that all contracts funded under this disaster recovery allocation are carried out in accordance with federal and state laws, rules and regulations, and the requirements set out in the Federal Register notice.

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### V. OVERVIEW OF EXISTING PROGRAM ACTIVITIES TO RECEIVE ADDITIONAL FUNDS

This section provides details on the specific program areas to received additional funds from the third allocation. This award will address existing unmet needs in order to promote revitalization and sustainability throughout the regions impacted by Gustav and Ike. The complete program descriptions are provided in preceding Action Plan and Amendments. The following is a summary of the program and the outstanding, unmet needs in each program category.

#### A. STATEWIDE UNMET NEEDS INITIATIVES (Third Allocation)

Summary	Allocation
Economic Revitalization	\$15,300,000
Comprehensive Resiliency	\$ 3,300,000
Municipal Infrastructure	\$5,000,000
Affordable Rental Housing	\$3,700,000
Fishery Recovery Program	\$2,587,882
Admin, Planning and Technical Assistance	\$2,600,000
<b>Total DREF Award</b>	<b>32,487,882</b>

\*The State will not exceed the 5% allowance for administrative costs.

#### 1. Economic Revitalization

Hurricane Gustav and Ike severely impacted our state's overall economy and many small businesses through widespread physical damage, power outages, and short-term workforce displacement across most of the state. Based on preliminary estimates, Hurricane Gustav and Ike's economic impact totals \$7-15 billion. Moreover, many businesses wounded by Hurricane Gustav and Ike had not yet recovered from damage previously inflicted by Hurricanes Katrina and Rita in 2005.

The state intends to provide the additional funds in the program areas noted below. These programs received overwhelming interest from the public and private sector, leaving a variety of unmet recovery and resiliency needs. The goal of these programs is to promote economic revitalization of the hurricane-impacted areas through the selection of projects that spur long-term job creation and economic sustainability.

##### a. Business Recovery and Loan Program

###### Background

This program intends to encourage private and philanthropic investment, diversify the economy, and extend opportunities to community-based start-up and early stage and innovative businesses.

Eligibility and Project Criteria remain as originally approved.

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## **b. Louisiana Innovation Fund**

### Background

The program awards funds to a variety of activities aiming to address the economic development and infrastructure needs of the state in the promotion of economic revitalization as the state recovers from the effects of hurricanes Gustav and Ike, being cognizant that this state has been hit by four major hurricanes over the preceding five years. This program will focus on major economic development initiatives primarily aimed at establishing industries and a workforce that are appropriate for the unique geographic, climatic, population, and growth conditions of the state. The growing number and accessibility of living wage jobs is the essential element necessary to allow Louisiana residents to maintain flood and homeowners insurance, prepare for and succeed through temporary hurricane interruptions, and repair their homes and businesses. This economic development infrastructure program is designed to have a large impact by providing jobs, infrastructure, and workforce development to hurricane damaged regions.

Eligibility and Project Criteria remain as originally approved.

## **2. Comprehensive Resiliency Program**

### Background

One of the most important actions local and state governments can take in encouraging the safety and economic futures of Louisiana communities is to continue the progress made to implement comprehensive planning, zoning, and building code enforcement.

The program requires additional funds to increase and/or expand resiliency projects and planning capacity. The goals for additional funds invested in comprehensive resiliency are to ensure that in the creation of plans and projects that they are implementable by local governments, and preferably have the force of law, result in outcomes and deliverables that can be easily utilized for pursuance of further funding, and that create an exportable pool of knowledge that will encourage the development of resiliency plans and projects within all Louisiana communities.

The impact of the continued investment of these funds in forward-thinking resiliency measures will add value to the investment already made, as well as extend the impact of this knowledge to educate all impacted Louisiana communities and become a leader in resiliency.

The Program will continue to provide comprehensive, eligible recovery assistance to some of our most at-risk communities. The state will work with interested communities to determine the appropriate suite of resiliency activities under this program.

### **a. Resiliency Planning and Code Enforcement Institutional Development**

The state intends to provide additional funds for the competitive application of resiliency grant funds open to all eligible communities in Louisiana for grants in planning for resiliency. A number of municipalities and communities from impacted regions applied for the resiliency grant but did not receive an award. This includes an interest from over twenty entities wanting to pursue resiliency and planning activities without award funds available.

## **3. Municipal Infrastructure**

Many small to mid-sized municipalities across Louisiana bore a disproportionate burden from the 2008 storms, having been in the midst of the recovery from Katrina and Rita. Much of the infrastructure was

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compromised if not destroyed by the earlier storms and could not sustain the heavy rain, wind and flooding impacts brought about by Gustav and Ike. Although some damage was repaired through other recovery or regular sources of funding, it has been identified through a survey done in conjunction with the Louisiana Municipal Association, and assessment of the over 250 local municipalities, as well as the initial competitive round of funding, that there remain outstanding unmet needs in returning these municipalities' infrastructure to full operation and in implementing needed improvements. The state will add funds for FEMA-ineligible damage repairs, drainage and other recovery projects that aim to reduce impacts from future disasters endured by local communities in highly impacted areas.

Additionally, the state will support the mission of HUD to build more resilient communities, employing more forward-thinking decisions in land use, individual mitigation measures, and disaster resistant buildings. These projects will improve municipalities' recover more quickly and robustly to future disasters. The funds may also include projects and equipment to reduce the likelihood of repetitive damage and loss.

The same eligible activities will be included for these additional funds.

This round of the program will be administered by the OCD/DRU. The OCD-DRU at the state level will pursue a streamlined application process to fit the project types and administer similar to other disaster recovery programs, ensuring community outreach, eligibility review and effective monitoring. Based on an assessment, the state will set the process for selection, selection criteria, the parameters for what types of projects will be allowed, and the minimum and maximum sizes of the projects.

### **4. Affordable Rental Housing**

The state's Action Plan and ensuing Amendments provide detail that the state will develop affordable rental housing programs that will be facilitated at the state level and local level in order to reach the required threshold.

The approved affordable housing programs as submitted in Louisiana Action Plan and ensuing Amendments describes details programs to achieve maximum affordable rental units. These additional funds will continue those approved programs, including grants and loan funds to a broad range of public and private entities, in coordination with the impacted parishes, including non-governmental organizations and parishes themselves. The funds are intended to meet the remaining needs made evident through an initial competitive round of provision of affordable rental housing that demonstrated requests three times the amount initially allocated. There is a considerable amount of unmet need across the impacted areas of the state.

There are no changes to eligible activities and national objective for the programs as stated in the approved Action Plan and program guidelines and eligibility will remain consistent with the Action Plan and ensuing amendments.

### **5. Fisheries Industry Modernization Program**

#### Background

Louisiana's Commercial fishery suffered in excess of \$250 million of losses from Hurricanes Gustav and Ike. From 2005 through 2008 the industry suffered nearly a billion dollars in losses from natural disasters. Many fishing communities, fisherman and fishery related businesses were just beginning to recover when Gustav and Ike further eliminated what savings remained. These storms have also increased the cost of remaining in the fishery industry as additional gear, nets and equipment were lost and more storm-related debris including large amount of vegetative debris were added to the state's fishing grounds and transit areas.

The state will add funds in the approved program areas of industry competitiveness and gear

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compensation and modernization. The primary activity undertaken will continue the recovery and modernization of the fishing industry. More importantly, additional investment in the industry at this continued recovery period to promote modern gear will aide in overall industry competitiveness, energy efficiency and the protection of vital fishing environments.

The state intends to support equipment that will improve the competitiveness and efficiency of the state's fishing industry through a Vessel Monitoring System activity. VMS systems are GPS systems that are mounted on vessels that show where a vessel is at all times. VMS is sophisticated tracking equipment to enable effective monitoring of where a boat is trawling. These systems are in place in most progressive modern fisheries. With additional disaster recovery challenges resulting from the recent oil spill, this system will help provide proof that a catch was derived in oil-free areas. The system is the next step, in coordination with the previously-funded Gear Modernization program, to ensuring an economically sustainable fishing industry in Louisiana.

### **6. Administrative, Planning and Technical Assistance**

The state will put the allowable 5% of the funds to administration of the grants. In addition, the state intends to continue to fund planning activities, technical assistance and capacity building to ensure the success of approved programs. The state will specifically provide Technical Assistance to grantees to help plan and implement community revitalization and resiliency strategies; including documentation of the educational tools/workshops undertaken in impacted communities.

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### **APPENDIX 1: SUMMARY OF PUBLIC COMMENTS AND RESPONSES**

The following summarizes public comment to Action Plan Amendment 8, which outlines the statewide unmet needs program and clarifies the housing program. Public comment period was held from December 9<sup>th</sup> through December 17<sup>th</sup>, 2010. No responses were received during this period.