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Contact: marvin.mcgraw@la.gov

Restart La. Task Force Approves Reallocation of Recovery Funding and Sets Deadline for Buyout Program

Today, the Restore Louisiana Task Force met in Baton Rouge and approved a resolution for an action plan amendment to reallocate disaster recovery funding to multiple programs designed to address outstanding housing needs for residents and communities still recovering from the 2016 floods. Members also received remarks from Gov. John Bel Edwards regarding recovery efforts to date and pending guidance from the U.S. Department of Housing and Urban Development (HUD) that addresses the current federal policy that requires Small Business Administration (SBA) loans to be considered a Duplication of Benefits (DOB) for federal grant funds.

“The Restore Louisiana Homeowner Assistance Program has made tremendous progress and, as of today, more than 15,800 grant awards totaling over $561 million have been offered, with 7,600 homes completely repaired or reconstructed, including 85 percent of the construction projects managed by the program’s contractors,” Gov. Edwards said. “That said, for those still rebuilding, we understand that progress can never happen fast enough, and this is especially true for the thousands of families still being penalized for applying for an SBA loan.”

On Dec. 21, FEMA sent a letter to Gov. Edwards stating that HUD, the grant awarding agency for the CDBG-DR funds allocated to the Restore Program, must provide policy guidance on how to implement the new legislation. Once HUD provides final guidance to the program on implementation requirements, the program will recalculate awards for active applicants who have an SBA loan to reflect this new guidance. Today, the Task Force unanimously passed a motion to prepare a resolution to be sent to HUD requesting expedited guidance on the current SBA DOB issue, so that the program may release funding to homeowners currently being penalized.

Gov. Edwards also thanked the Task Force for its unanimous passage of the action plan amendment that will help tackle the statewide need for more affordable housing. The funds will also help address homelessness prevention needs, provide much needed assistance to farmers and provide critical relief to citizens continuing their recovery process.
“The reallocation of these funds is going to make a big difference for people across the state, not only addressing homelessness and the lack of affordable housing, but also helping our farmers who were devastated by the floods of 2016 and are still suffering from the damaging impact of last year’s severe weather,” said Edwards.

The reallocation of funds is detailed as follows:

**Rental, Homeownership Assistance and Homelessness Prevention Programs:**

- An additional $36 million for the Piggyback Rental Program, currently oversubscribed, to create 935 more units in parishes not yet addressed by the current program awards.
- An additional $11 million for the Neighborhood Landlord Program, to fund a second program phase that will provide loans of up to $600,000 for new construction and/or rehabilitation of rental housing stock and give preference to landlords who bring vacant rentals back into commerce.
- $4 million to fund a new Safe Haven Program, which will offer development financing for property rehabilitation, conversion or expansion of a Safe Haven site to serve as a refuge for individuals who are at risk of homelessness and/or suffering from serious mental illness.
- $10 million to fund a new Neighborhood Stabilization Housing Initiative Program, to target uninhabited and blighted properties, and promote affordable housing options for structures rehabilitated through the program.
- $34.8 million to fund a new Resilient and Mixed Income Piggyback Program, to create an additional 450 to 575 affordable rental units that will be more resilient during future disasters.
- $6 million to fund a new Soft Second Mortgage Program, which offers down-payment and closing-cost assistance to first-time home buyers who are at-or-below 80 percent AMI.

**Economic Development Programs:**

- An additional $10 million for the Louisiana Farm Recovery Grant Program, currently oversubscribed, to enable farmers to receive additional funding for unmet needs.
- An additional $10 million for the FEMA PA Match Program, to ensure funding is available for anticipated expenditure increases.

Additionally, the Office of Community Development Executive Director Pat Forbes announced that the deadline to complete the Solution 4 Buyout and Resilient Housing Incentive Program application is March 29, 2019.

“This buyout program is available to homeowners with properties located in a floodway and designated high-risk communities who have already submitted a survey to the Restore Louisiana Homeowner Assistance Program,” Forbes said. “It’s a voluntary program that’s designed to move residents out of harm’s way and reduce future flood risk by creating a permanent open space that will serve as a buffer against future storms and floods. Homeowners may also be eligible for a Resilient Housing Incentive if they relocate to homes outside the Special Flood Hazard Area or elevate at least 2 feet above the Base Flood Elevation.”
The Task Force also received a presentation from the Louisiana Watershed Initiative, which recently released a project-funding opportunity aimed at reducing flood risk, increasing transparency, encouraging cooperation at the watershed level and incentivizing resilient land use and development.

**Proposed reallocation for watershed initiatives:**

- An additional $6.8 million for the **Louisiana Watershed Initiative**, to augment efforts to align a watershed-based approach to floodplain management.
- An additional $3.2 million for the **Louisiana Watershed Initiative**, for a new grant program to enhance the capacity of regional entities engaged in floodplain management.

Members were given updates on current progress of the Restore Louisiana Homeowner Assistance, Rental Housing, Economic Development and Infrastructure programs, as follows:

**Restore Homeowner Assistance Program:**

- More than 56,210 homeowners completed the initial survey.
- Ninety-nine percent of grant determinations on submitted applications have been made (43,060 out of 43,200).
- Nearly 15,800 eligible homeowners have been offered grant awards, totaling more than $561 million.
- More than 7,600 homes have been completely repaired or reconstructed to date, including 85 percent of homes for those homeowners who chose the program’s contractor.

**Restore Rental Housing Programs:**

- Neighborhood Landlord Rental Program: 77 contingent commitment letters have been mailed, totaling $35.7 million for 339 units. Four units are occupied, eight units have been completed and advertised for lease, and nine units are under construction. One hundred and forty-nine units, totaling $17.7 million in awards, have been environmentally cleared and are working to close. All construction is slated for completion by the end of 2020.
- Multi-family Restoration Loan Fund: $9.7 million in disbursements to date, or 70 percent of program funds expended. Four hundred and thirty-eight units restored to date. All rehabilitation is slated for completion by the end of March 2019.
- Piggyback Program: The current allocation resulted in 979 units constructed across affected parishes.
- Rapid Rehousing: Approximately 1,288 renter applications have been received. Forty-nine households are in the housing search process. Four hundred and ninety-three households have leased housing. One hundred and fifty-one households have completed the program.
- Permanent Supportive Housing: 168 households are receiving services (as participants enter the Rapid Rehousing Program, they are vetted for PSH services).

**Economic Development and Infrastructure Programs:**

- Small Business Program: 302 loans totaling approximately $35.4 million have been funded. Although the current program allocation is $41.2 million, the program anticipates expending $39.2 million for loans and program delivery and administrative costs. OCD is earmarking an
additional $2 million for businesses impacted by SBA and is awaiting guidance from HUD.

- Farm Recovery Program: The first allocation of $10 million resulted in disbursements of $9.5 million to 957 farmers.
- First Responders Public Service Program: Because of the DOB issue and statutory requirements associated with obtaining assistance, many first responder agencies decided not to apply; consequently, the State proposed to move funding into other programs with unmet needs.

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**About the Restore Louisiana Task Force**

The Restore Louisiana Task Force comprises 21 people from throughout the state who were appointed by Gov. John Bel Edwards to oversee the rebuilding process after historic flooding in March and August 2016 impacted 51 disaster-declared parishes. The Task Force’s mission is divided into six categories: community planning; economic; health and social services; housing; infrastructure; and natural and cultural resources. All Task Force documents are available at [Restore Louisiana Task Force Resources](#).