

Disaster Recovery Initiative
U.S. Department of Housing and Urban Development (HUD)

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**Louisiana Office of Community Development,
Division of Administration**

Louisiana Recovery Authority

**Action Plan Amendment 32 (First Allocation) – Reuse of
Small Rental Property Program Funding to Develop
Homeownership in Plaquemines Parish**

Public Comment – May 11th, 2009
August 11th, 2009



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Action Plan Amendment No. 32

PROPOSED ACTION PLAN AMENDMENT TO REUSE SMALL RENTAL FUNDING TO DEVELOP HOMEOWNERS IN PLAQUEMINES PARISH

Eligible Activity **24 CFR 570.202**
National Objective **Low to moderate income, Urgent Need, Slum & Blight**
Activity Amount **\$4 million**

Program Description

In order to balance the lack of affordable rental housing demand in Plaquemines Parish with the urgent need for current homeowners, the proposed action plan amendment, would allow the conversion of a portion of the parish’s Small Rental Property Program (SRPP) allocation to be used as a CDBG homeowner rehabilitation program. This homeowner rehabilitation funding would be limited to Plaquemines Parish’s SRPP allocation and governed by the CDBG rehab program guidelines.

The use of Federal disaster recovery program CDBG funds will require the homeowner rehabilitation program to be subject to additional requirements not generally applicable to standard SRPP Awards. For example, unless expressly allowed by the United States Department of HUD, owners’ may not be able to receive funds until they have cleared Federal environmental review and have demonstrated that they will be using Lead Safe Work practices, including securing a Lead Certified contractor. Funds may also be subject to “duplication of benefit” tests – unless determined otherwise by the Federal authorities. Consequently funding could be limited in amount depending on the amount of other funding the owner had received to support his rehabilitation – e.g. Insurance Proceeds, SBA loans etc. In situations where the homeowner must temporarily relocate during construction, URA requirements will be enforced.

Program Delivery

The State will contract with a Unit of Local Government (ULG) or an eligible nonprofit. If the Parish elects, the program could be administered by the State’s SRRP contractor.

Program Size

This program adds no new funding. Plaquemines Parish would be allowed to use up to \$4 million of its \$13 million allocation in SRPP. Funding up to \$100,000 (with the highest awards available only where special circumstances warrant this level of assistance) would be made available to assist homeowners to complete their repairs or rebuild.

Eligible Applicants

Eligible homeowners would be limited to Louisiana residents impacted by hurricanes Katrina and Rita.

Use of Funds

Funds would be used by the ULG, the nonprofit or the contractor to provide construction financing to homeowner rehab. Funds could also be used to provide a 10-year forgivable deferred loan to the homeowner.

Program Management and Monitoring

This program will be managed by the existing SRPP. Monitoring will follow the plans laid out in Action Plan No. 1 and amendments 11 and 24 as well as additional requirements for housing rehabilitation.

APPENDIX: PUBLIC COMMENTS AND STATE'S RESPONSE

There were no public comments received regarding this program.