

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 2011, 2012 and 2013
The Disaster Relief Appropriations Act, 2013 (Public Law 113-2)
Federal Register Docket No. FR-5696-N-03

LOUISIANA OFFICE OF COMMUNITY DEVELOPMENT/DISASTER RECOVERY UNIT

**STATE OF LOUISIANA PROPOSED PARTIAL ACTION PLAN No. 6
FOR THE UTILIZATION OF
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
IN RESPONSE TO HURRICANE ISAAC**

Public Comment Period: September 9 – 22, 2015

Submitted to HUD: September 23, 2015

Approved by HUD: October 30, 2015

Bobby Jindal
Governor

Jay Dardenne
Lieutenant Governor

Kristy Nichols
Commissioner of Administration

I. Overview

This Partial Action Plan No. 6 allocates \$4,334,800, as a subset of St. John the Baptist Parish's previously allocated \$32,674,000, to the newly created *Small Business Grant and Loan Program* and further obligates \$1,041,936 for the program. This funding allocation and obligation, in accordance with the parish's unmet needs assessment as outlined in the state's Master Action Plan, is necessary to address unmet Economic Development needs in St. John the Baptist Parish in response to Hurricane Isaac.

Program	Total Allocation	% of Allocation	Previous Obligations	Obligation for Partial Action Plan No. 6	Future Obligations
St. John the Baptist Parish	\$32,674,000	50.8%	\$10,022,544.99	\$1,041,936	\$21,609,519.01
Plaquemines Parish	\$16,953,000	26.3%	\$2,138,900.00	\$0	\$14,814,100.00
FEMA Cost-Share	\$5,886,000	9.1%	\$5,886,000.00	\$0	\$0.00
State Administration, Planning and Program Delivery	\$3,320,000	5.2%	\$827,574.24	\$0	\$2,492,425.76
Hazard Mitigation Cost-Share Assistance Program	\$3,021,084	4.7%	\$221,499.77	\$0	\$2,799,584.23
Homeowner Rehabilitation Program	\$1,425,000	2.2%	\$712,500.00	\$0	\$712,500
Parish Recovery Priority Projects	\$1,100,000	1.7%	\$832,373.00	\$0	\$267,627
Total	\$64,379,084	100.0%	\$20,641,392	\$1,041,936	\$42,695,756

II. Program Description

As documented in the state's Master Action Plan, SBA approved a total of 58 disaster business loans in St. John the Baptist Parish in Isaac's aftermath, worth more than \$4 million in loan disbursements. This accounts for approximately 11 percent of the 552 loans approved statewide and 16 percent of statewide loan disbursements. Accounting for SBA's reported 35 percent approval rate, the state estimates more than \$11 million in Isaac-related business damages in St. John the Baptist Parish. Industries with the highest levels of estimated damage were lessors of residential buildings and dwellings (\$4.7 million estimated damage) and hotels (\$2.8 million estimated damage).

SBA Disaster Business Loans by Industry in St. John the Baptist Parish

NAICS Industry	# Approved	Approved Amount	Total Estimated Damage
114112 - Shellfish Fishing	1	\$38,300	\$109,429
115112 - Soil Preparation, Planting, and Cultivating	1	\$22,200	\$63,429
236117 - New Housing Operative Builders	1	\$158,000	\$451,429
236220 - Commercial and Institutional Building Construction	1	\$88,800	\$253,714
424910 - Farm Supplies Merchant Wholesalers	1	\$14,800	\$42,286
445210 - Meat Markets	1	\$14,000	\$40,000
453310 - Used Merchandise Stores	1	\$3,000	\$8,571
484110 - General Freight Trucking, Local	1	\$24,100	\$68,857
484121 - General Freight Trucking, Long-Distance, Truckload	2	\$73,400	\$209,714
488490 - Other Support Activities for Road Transportation	1	\$42,300	\$120,857
531110 - Lessors of Residential Buildings and Dwellings	29	\$1,652,500	\$4,721,429
531120 - Lessors of Nonresidential Buildings (except Miniwarehouses)	1	\$190,300	\$543,714
541320 - Landscape Architectural Services	1	\$22,400	\$64,000
561499 - All Other Business Support Services	1	\$8,000	\$22,857
561611 - Investigation Services	1	\$7,400	\$21,143
561730 - Landscaping Services	1	\$28,500	\$81,429
621210 - Offices of Dentists	1	\$33,800	\$96,571

624410 - Child Day Care Services	1	\$98,000	\$280,000
721110 - Hotels (except Casino Hotels) and Motels	1	\$1,000,000	\$2,857,143
722211 - Limited-Service Restaurants	1	\$66,400	\$189,714
722330 - Mobile Food Services	1	\$12,100	\$34,571
722410 - Drinking Places (Alcoholic Beverages)	2	\$101,300	\$289,429
812112 - Beauty Salons	2	\$8,900	\$25,429
813110 - Religious Organizations	4	\$311,200	\$889,143
Total	58	\$4,019,700	\$11,484,857

Source: SBA, May 2013

Therefore, in order to address the unmet recovery and economic revitalization needs experienced by impacted businesses and industries, the parish and the state will allocate \$4,334,800 and obligate \$1,041,936 of its CDBG-DR allocation within St. John the Baptist Parish to address economic development unmet needs and expand economic opportunities, particularly for persons of low- and moderate-income.

Eligible Activities: 105(a)(15)

National Objective: Low-and Moderate Income Benefit, Urgent Need

Activity Allocation: \$4,334,800

Activity Obligation: \$1,041,936

III. Overview and Delivery

The proposed program will provide grants, forgivable loans and/or loan packages and technical assistance to businesses that existed in the parish before, and were impacted by, Hurricane Isaac. The program will provide funding for eligible businesses' unmet recovery and economic revitalization needs. The program will be administered by St. John the Baptist Parish's subrecipient with oversight by the parish. The Office of Community Development-Disaster Recovery Unit (OCD-DRU) will provide technical assistance and guidance to the parish.

Loan and interest payments from the businesses that are generated by the program will remain with the subrecipient qualified under the definition of eligible organizations within 105(a)(15) and will be redeployed to businesses in St. John the Baptist Parish.

IV. Eligibility Requirements

In order to be eligible to receive assistance under the program:

- a. Business must have been in business in St. John the Baptist Parish on or before July 1, 2012. Businesses in the process of opening on or before July 1, 2012 may be considered to be eligible on a case-by-case basis.
- b. Business must either still be in located in St. John the Baptist Parish or show evidence that it is still an active entity.
- c. Business must qualify as a small business under the Small Business Administration.
- d. Business must not be debarred from receiving funding from the Federal Government.
- e. Businesses that receive grant and/or loan assistance and that are located in the Special Flood Hazard Area (SFHA or 100 year floodplain) that receive assistance for applicable activities must obtain and maintain flood insurance in the amount and duration prescribed by FEMA's National Flood Insurance

Program. Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) mandates the purchase of flood insurance protection for any HUD-assisted property within the SFHA.

- f. Non-profits and religious organizations with secular business operations are eligible for assistance.

Policies and procedures will fully delineate the eligibility criteria generally described above.

V. Use of Funds

Awards will be provided in the form of a direct grant or forgivable loan (20%) and a low-interest loan (80%) between the business and subrecipient of the parish. Funds may be used for eligible working capital, inventory and moveable and immovable equipment expenses. Funds cannot be used for travel, entertainment, research and development or donations.

VI. Monitoring

OCD-DRU will monitor St. John the Baptist Parish to ensure the parish monitors its subrecipient for compliance with federal regulations and programmatic requirements. St. John the Baptist Parish will be required to submit quarterly reports to OCD-DRU providing information on the program status, the number of businesses served and, as applicable, the number of jobs created or retained including job titles and salaries or the areas served through the assisted business.

VII. Overall Grant Impact

This Partial Action Plan No. 6 allocates \$4,334,800 as a programmatic subset of the previous \$32,674,000 allocation the state made to address unmet needs in St. John the Baptist Parish. Additionally, this Partial Action Plan obligates \$1,041,936 to this newly-created program.

Obligation/Allocation Changes to St. John the Baptist Parish Allocation

Program	Allocation	Obligated Previously	Obligated in Partial Action Plan No. 6	To be Obligated in the Future
Homeowner Rehabilitation Program	\$11,549,820	\$6,140,341.58	-	\$5,409,478.42
Small Rental Rehabilitation Program	\$3,594,140	\$1,079,342.76	-	\$2,514,797.24
Housing Elevation Program	\$2,500,000	\$1,167,296.39		\$1,332,703.61
Homebuyer Assistance Program	\$1,306,960	\$1,306,960.00	-	\$0
Demolition and Clearance Program	\$350,000	\$91,885.00	-	\$258,115.00
Small Business Grant and Loan Program	\$4,334,800	-	\$1,041,936.00	\$3,292,864.00
Admin/TBD	\$9,038,280	\$236,719.26	-	\$8,801,560.74
Total	\$32,674,000	\$10,022,544.99	\$1,041,936.00	\$21,609,519.01

VIII. Public Comment

- A. This Partial Action Plan is considered substantial as it creates a new program, per the allowable activities described in the Initial Action Plan. The formal public comment period for the plan begins Wednesday, September 9, 2015 and runs through Tuesday, September 22, 2015 at 5 p.m.

Citizens and organizations can comment on this amendment via:

- The OCD/DRU website, http://www.doa.la.gov/Pages/oed-dru/Action_Plans.aspx;
- Emailing them to ocd@la.gov;
- Mailing them to Disaster Recovery Unit, P.O. Box 94095, 70804-9095, Attn: Janice Lovett; or
- Faxing them to the attention of Janice Lovett at (225) 219-9605.

The plan will be translated into Vietnamese and Spanish to reach the limited English proficiency citizens in the impacted areas. Citizens with disabilities or those who need other technical assistance can contact the OCD/DRU office for assistance via the methods listed above.

- B. Summary of Public Comments and State's Response

The proposed Partial Action Plan was published for Public Comment on September 9, 2015 through September 22, 2015. The state did not receive any comments.