

**Grantee: State of Louisiana**

**Grant: B-08-DI-22-0001**

**July 1, 2009 thru September 30, 2009 Performance Report**

**Grant Number:**

B-08-DI-22-0001

**Obligation Date:**

04/27/2009

**Grantee Name:**

State of Louisiana

**Award Date:**

04/27/2009

**Grant Amount:**

\$1,058,690,549.00

**Contract End Date:****Grant Status:**

Active

**Review by HUD:**

Reviewed and Approved

**Submitted By:**

No Submitter Found

## Disasters:

### Declaration Number

No Disasters Found

## Plan Description:

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 States southern coastal communities. Ike exceeded storm surge caused by hurricanes Rita and Katrina. More than 1.9 million Louisiana residents were forced to evacuate for hurricanes Gustav and Ike. Many of these residents were unable to return to their homes and jobs for a number of days and a large number of residents whose homes remain unlivable continue to need short-term shelter and longer-term transitional housing. The State was forced to evacuate 30,000 critical transportation-need residents, including 10,400 medical evacuations, which is the largest medical evacuation in U.S. history. The State was also left with 1.5 million cubic yards of debris from Hurricane Gustav along federal and state highways. Approximately 150,000 to 300,000 homes experienced some level of damage in the storm; more than 12,000 homes were flooded. Preliminary estimates show that approximately \$2 to 7 billion in residential property loss was incurred. Even homes built to the Federal Emergency Management Agencies Advisory Base Flood Elevations flooded as a result of this storm. The state also estimates more than \$1 billion in public infrastructure damage. The state has spent more than \$400 million in emergency response and immediate recovery activities. Fifty-three of the States 64 parishes were included in the Presidents disaster declaration for individual assistance; all 64 were declared for public assistance. The two storms caused tremendous damage, which, in turn, left most communities without electricity for days, and many for weeks. More than 120,000 homes received some damage.

## Recovery Needs:

According to preliminary estimates from Louisiana Economic Development, businesses experienced approximately \$2.5 to 5 billion in economic losses from Gustav. Approximately 97,000 businesses experienced at least some business interruption. The oil & gas industry could lose up to \$5 billion alone: while it is estimated that agriculture losses could reach up to \$750 million. The State must have resources to provide low-cost financing and technical assistance to businesses in order to jumpstart its economic recovery. Additionally, employers need their workforce back in their communities. The state was already experiencing a workforce crisis following the impacts of the 2005 storms. Accelerated provision of temporary affordable housing and the development of permanent affordable housing are critical for the States employers to get back to commerce and speed the recovery.

Much of the States public infrastructure and facilities were severely damaged in the storms. Damage estimates reach more than \$1 billion for both storms. While still preliminary, estimates show that a large percentage of the States K-12 schools received damage from the storm. Preliminary estimates indicate that there was at least \$100-150 million in damages to these facilities from both storms. The States higher education facilities estimate at least \$33 million in damages to the physical facilities of the States higher education system. While these estimates are preliminary, they are comprehensive for all campuses in higher education, inclusive of the community and technical college campuses, the University of Louisiana campuses, Southern Universitys campuses and all of Louisiana State Universitys campuses. The States other public facilities are estimated to have damage in excess of \$100 million.

A large percentage of the States educational facilities received damage from the storm. Preliminary estimates indicate that there was at least \$100 to \$150 million in damages to the primary (including pre-K) and secondary education facilities. While most of these repairs will be covered through FEMA's public assistance program, certain repairs or necessary rebuilds may be deemed ineligible through FEMA's program.

Hurricanes Gustav and Ike impacted many of the States port facilities resulting in large economic losses to the State and exposing the nation to large and significant economic impacts if long term disruptions were to occur from hurricane impacts as much of the Nations oil and gas, commodity and cargo traffic flows through south Louisiana facilities. While oil and gas enter the Nation through facilities in south Louisiana, many more commodities that are vital to the upper Midwest, and north and central Louisiana flow down the Mississippi River and are maintained at specific temperatures at port warehouse facilities along the Mississippi River before becoming exports. These raw products in turn employ thousands of Louisianans and create millions of dollars in economic value.

While the majority of public infrastructure repairs will be covered by FEMA programs, it is known from experience with the 2005 storms that there are certain costs of repair including improvements or rebuilding will be deemed ineligible for FEMA funding.

Preliminary cost estimates for the repair of Federal Highway Administration (FHWA) eligible roads and bridges sustained as a result of Hurricane Gustav total \$127 million. Federal-aid highway damage estimates are about \$119 million. While funding to address these damages is authorized under current law, the backlog associated with these needs may prevent the restoration or threaten the integrity of this critical law, the backlog associated with these needs may prevent the restoration or threaten the integrity of this critical infrastructure. To repair this critical infrastructure, \$119 million would be needed for Louisiana (Gustav - \$53 million; Ike - \$66 million) through the Federal Highway Administrations Emergency Relief program.

Preliminary estimates indicate approximately \$1.7 billion in uninsured housing losses, with over half of that amount likely being homeowners. Hurricanes Katrina and Rita have taught us that repair costs generally outstrip insurance proceeds. Initial damage models based on flood and wind damage vary widely, but have a midpoint between \$3 and 4 billion dollars. Half of this damage may be uninsured losses due to uninsured and underinsured properties. With losses of housing stock concentrated in certain communities, Louisiana could have up to \$1.5 billion in uncompensated housing losses. Of this, the State will need to design programs in concert with local communities to rebuild and make up this loss. The State will develop the programs in concert with local communities to rebuild and make up this loss.

Based on the 2007 Summary of Agriculture and Natural Resources by the LSU Agriculture Center and NMFS Revenue Data, the seafood industries experienced nearly \$250 million in revenue loss as a result of the two storms. Even prior to hurricanes Gustav and Ike, Louisianas fisheries were struggling to recover from more than \$528 million in losses resulting from hurricanes Katrina and Rita in 2005. Hurricanes Gustav and Ike moved across the central Gulf of Mexico through some of the Nations most valuable and productive fishing grounds at the start of the States most valuable shrimp season.

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$434,607,259.19
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$434,607,259.19
<b>Program Funds Drawdown</b>	\$402,410.52	\$402,410.52
<b>Obligated CDBG DR Funds</b>	\$2,400,000.00	\$2,400,000.00
<b>Expended CDBG DR Funds</b>	\$402,410.52	\$402,410.52
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	\$50.00	\$0.00
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$158,803,582.35	\$0.00
Limit on Admin/Planning	\$52,934,527.45	\$402,410.52
Limit on State Admin	\$0.00	\$0.00

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Affordable Rental Housing (KRW and Ike Grants)	\$118,573,341.49	\$47,753,931.00

## Progress Toward National Objective Targets

National Objective	Target	Actual
Low/Mod	\$529,345,274.50	\$212,386,258.00

## Overall Progress Narrative:

The policy and outreach staff of the Louisiana Recovery Authority and the program staff of the Office of Community Development continue to define the programs for the Gustav/Ike Recovery and Revitalization Program. Throughout this quarter, the staff time and expenditures were both in the planning the administrative efforts of develop the program areas further, updating/amending the Action Plan for Utilization of Funds, as needs, and primarily designing program parameters and detailed guidelines for state and local government partners.

Staff time for Planning was also attributable to over 50 outreach visits with State agency partners and parish-level entities to further their program plans. The Coastal Communities Recovery Program in the previous quarter set up the structure and process to outreach with parishes to determine priority projects, and established the internal review mechanism for proposed projects. LRA and OCD staff worked with LA Department of Agriculture and Forestry to promote outreach for the Farm and Agribusiness loan and grant programs throughout all impacted parishes. The application period closed on August 21. OCD/DRU staff assisted with setting up criteria of application review and underwriting guidelines. LRA policy staff also continued to refine the program plans for the Affordable Housing programs and a state-led Fisheries program. For Parish-led programs, LRA/OCD-DRU staff reviewed an estimated 10 Parish Recovery Proposals, as they were submitted to determine the appropriateness of projects to the overall recovery and revitalization from Gustav and/or Ike as well as a general determination of eligibility of the proposed projects. The program planning expenditures also involved communications, website design, data management design, as well as outreach staff providing assistance on Citizens Participation plans and meetings. The LRA planning staff also began work on designing usage and program areas for the second allocation of funds from HUD.

Administrative costs include staff costs for general administration, financial services, human resource functions, assistance to constituents, and general operations and travel costs.

The La. Dept. of Agriculture and Forestry is implementing the Agriculture Farm Grant and Loan Program as well as the Agribusiness Loan Program. During the reporting period the staff undertook extensive outreach throughout the impacted parishes to inform the agricultural community about the program, purchased equipment that was needed to run the program and ramped up its regional offices across the state. Training of customer services representatives continued as did SAGE training, which is the software that the program is using to track its progress and performance. Applications from producers and agribusinesses began arriving for processing in both the headquarters office in Baton Rouge office and at the department's regional offices. The deadline for

submission of Applications was August 21. Applications review and determination of eligibility began in September.

## Project Summary

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
3080, Planning and Grant Administration	\$0.00	\$276,999.85	\$21,911,167.00	\$276,999.85
3081, Allocation to Parishes	\$0.00	\$0.00	\$309,791,652.00	\$0.00
3082, Affordable Rental Housing Program	\$0.00	\$0.00	\$46,520,525.00	\$0.00
3083, Agriculture	\$0.00	\$125,410.67	\$30,000,000.00	\$125,410.67
3084, Fishery Recovery Program	\$0.00	\$0.00	\$15,000,000.00	\$0.00
3085, Coastal Communities Recovery Program	\$0.00	\$0.00	\$15,000,000.00	\$0.00
9999, Restricted Balance	\$620,467,205.00	\$0.00	\$620,467,205.00	\$0.00

## Activities

**Grantee Activity Number:** Admin (GIAD)

**Activity Title:** Admin (GIAD)

**Activity Category:**

Administration

**Project Number:**

3080

**Projected Start Date:**

03/19/2009

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

Planning and Grant Administration

**Projected End Date:**

03/19/2011

**Responsible Organization:**

Louisiana Office of Community Development, Disaster

**Overall**

**Jul 1 thru Sep 30, 2009**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$16,433,367.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$16,433,367.00
<b>Program Funds Drawdown</b>	\$113,884.93	\$113,884.93
<b>Obligated CDBG DR Funds</b>	\$1,000,000.00	\$1,000,000.00
<b>Expended CDBG DR Funds</b>	\$113,884.93	\$113,884.93
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Supports the administrative work conducted to implement disaster recovery projects funded with these resources. This includes technical assistance as well as general administrative costs.

**Location Description:**

Baton Rouge, Louisiana

**Activity Progress Narrative:**

The policy and outreach staff of the Louisiana Recovery Authority and the program staff of the Office of Community Development continue to define the programs for the Gustav/Ike Recovery and Revitalization Program. Throughout this quarter, the staff time and expenditures were both in the planning the administrative efforts of develop the program areas further, updating/amending the Action Plan for Utilization of Funds, as needs, and primarily designing program parameters and detailed guidelines for state and local government partners.

Administrative costs include staff costs for general administration, financial services, human resource functions, assistance to constituents, and general operations and travel costs.

**Performance Measures**

**No Performance Measures found.**

**Activity Locations**

**No Activity Locations found.**

**Other Funding Sources Budgeted - Detail**

**No Other Match Funding Sources Found**

## Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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**Grantee Activity Number:** Agriculture Admin - (ADAF)

**Activity Title:** Agriculture Admin - (ADAF)

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

3083

**Project Title:**

Agriculture

**Projected Start Date:**

03/19/2009

**Projected End Date:**

03/19/2011

**National Objective:**

N/A

**Responsible Organization:**

Louisiana Office of Community Development Disaster

## Overall

## Jul 1 thru Sep 30, 2009

## To Date

<b>Total Projected Budget from All Sources</b>	N/A	\$908,870.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$908,870.00
<b>Program Funds Drawdown</b>	\$125,410.67	\$125,410.67
<b>Obligated CDBG DR Funds</b>	\$400,000.00	\$400,000.00
<b>Expended CDBG DR Funds</b>	\$125,410.67	\$125,410.67
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

## Activity Description:

Funds needed by the Louisiana Department of Agriculture to run program.

## Location Description:

Baton Rouge, LA

## Activity Progress Narrative:

The La. Dept. of Agriculture and Forestry is implementing the Agriculture Farm Grant and Loan Program as well as the Agribusiness Loan Program. During the reporting period the staff undertook extensive outreach throughout the impacted parishes to inform the agricultural community about the program, purchased equipment that was needed to run the program and ramped up its regional offices across the state. Training of customer services representatives continued as did SAGE training, which is the software that the program is using to track its progress and performance. Applications from producers and agribusinesses began arriving for processing in both the headquarters office in Baton Rouge office and at the department's regional offices. The deadline for submission of Applications was August 21. Applications review and determination of eligibility began in September.

## Performance Measures

No Performance Measures found.

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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**Grantee Activity Number:** OCD DRU/LRA Planning (GIPL)

**Activity Title:** OCD DRU/LRA Planning (GIPL)

**Activity Category:**

Planning

**Activity Status:**

Under Way

**Project Number:**

3080

**Project Title:**

Planning and Grant Administration

**Projected Start Date:**

03/19/2009

**Projected End Date:**

03/19/2011

**National Objective:**

N/A

**Responsible Organization:**

Louisiana Office of Community Development, Disaster

**Overall**

**Jul 1 thru Sep 30, 2009**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$2,738,895.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$2,738,895.00
<b>Program Funds Drawdown</b>	\$163,114.92	\$163,114.92
<b>Obligated CDBG DR Funds</b>	\$1,000,000.00	\$1,000,000.00
<b>Expended CDBG DR Funds</b>	\$163,114.92	\$163,114.92
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

These funds are used for the costs of developing comprehensive and community development plans; functional plans such as land use, economic development, open space and recreation; energy use and conservation; floodplain and wetlands management; transportation, utilities and the like; other plans and studies; historic preservation studies, etc.

**Location Description:**

Baton Rouge, Louisiana

**Activity Progress Narrative:**

Staff time for Planning was also attributable to over 50 outreach visits with State agency partners and parish-level entities to further their program plans. The Coastal Communities Recovery Program in the previous quarter set up the structure and process to outreach with parishes to determine priority projects, and established the internal review mechanism for proposed projects. LRA and OCD staff worked with LA Department of Agriculture and Forestry to promote outreach for the Farm and Agribusiness loan and grant programs throughout all impacted parishes. The application period closed on August 21.

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**Performance Measures**

**No Performance Measures found.**

**Activity Locations**

**No Activity Locations found.**

## Other Funding Sources Budgeted - Detail

### No Other Match Funding Sources Found

#### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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