

**Disaster Recovery Initiative  
U.S. Department of Housing and Urban Development (HUD)  
Public Law 109-234  
The Emergency Supplemental Appropriations Act for Defense, the Global War on  
Terror, and Hurricane Recovery**

**Louisiana Office of Community Development/Disaster Recovery Unit,  
(OCD-DRU)  
Division of Administration**

**Non-Substantial Action Plan Number 23 to Katrina/Rita Second Appropriation:  
Reallocation of Funds from Small Rental Property Program to the LIHTC/CDBG  
Piggyback Program**

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## Action Plan Number 23 to Katrina/Rita Second Appropriation:

### Reallocation of funds from the Small Rental Property Program to the LIHTC/CDBG Piggyback Program

#### I. Introduction

The purpose of this amendment is to reallocate \$2,350,747 from the *Small Rental Property Program* to the *LIHTC/CDBG Piggyback Program* (approved programs in the Katrina/Rita Action Plan and ensuing Amendments).

Program	Previous Total	Reallocation	New Total	% Change
Small Rental Property	\$430,557,250	(\$2,350,747)	\$428,206,503	<1%
LIHTC/CDBG Piggyback	\$581,046,000	\$2,350,747	\$583,396,747	<1%

This funding transfer is necessary in order for the Office of Community Development / Disaster Recovery Unit to fully source \$12,500,000 in gap financing from the LIHTC/CDBG Piggyback Program for the Iberville On-Site Phase I project, a 152-unit public housing transformational neighborhood project located in New Orleans that will also use equity from 9% Low-Income Housing Tax Credits as well as \$9,200,000 in HUD Choice Neighborhood Funds.

The *Small Rental Property Program's* primary purpose is to enable small-scale rental properties to return to the market while limiting the amount of debt (and therefore debt service) required for the properties so that the owners will be able to charge affordable rents. The program was created in Katrina/Rita Grant 1 APA 1 and modified in APA's 4, 9, 24, 32, 33 and 36; it was created in the initial AP of Grant 2 and modified by APAs 4, 14, 15 and 19. The program recently had a decrease in applicant award obligations following program deadlines, making funds available for continued recovery investments.

The *LIHTC-CDBG program* (referred to as the "Piggyback" program in the Louisiana Recovery Authority Action Plan) supports affordability for low-income Louisianans primarily in properties receiving Low Income Housing Tax Credits (LIHTC's), which are allocated by the Louisiana Housing Finance Agency (LHFA), now known as the Louisiana Housing Corporation<sup>1</sup>. The *LIHTC/CDBG Piggyback Program* was created in Katrina/Rita Grant 1, APA 1, and modified in APAs 4, 9, 54 and 56. The State included in APA 9 that funding for the LIHTC activity was then shifted to come out of the Second Allocation when it was received as an "extension of the first Action Plan's targeted goals." The funds moved to the Second Allocation, via APA 9 of the First Allocation, were budgeted in the initial AP and revised in APA 4.

This amendment is considered non-substantial because it does not create a new program, does not change any eligible beneficiaries, and is not greater than 15% of total funds in either of the affected programs.

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<sup>1</sup> Act 408 of the 2011 Louisiana Legislature dissolved the LHFA and created the Louisiana Housing Corporation (LHC)