

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. 10
FOR THE UTILIZATION OF
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
IN RESPONSE TO HURRICANE ISAAC**

Public Comment Period: May 3 – May 16, 2017

Submitted to HUD: May 22, 2017

Resubmitted to HUD: July 10, 2017

Approved by HUD: August 3, 2017

John Bel Edwards
Governor

Billy Nungesser
Lieutenant Governor

Jay Dardenne
Commissioner of Administration

I. Overview

This Partial Action Plan No. 10:

1. Allocates and obligates funds for the Garyville Redevelopment Project in St. John the Baptist Parish;
2. Amends allocations for the Homeowner Rehabilitation Program, Homebuyer Assistance Program, Housing Elevation Program, Small Rental Rehabilitation Program, and Small Business Grant and Loan Program in St. John the Baptist Parish;
3. Allocates additional funds to the Plaquemines Homeowner Assistance Program in Plaquemines Parish; and
4. Reduces allocations for the Hazard Mitigation Cost-Share for LMI Households Program and Homeowner Rehabilitation Program from the State-Run Programs.

Parish/Program	Previous Allocation	Proposed Allocation
St. John the Baptist Parish	\$32,674,000	\$32,674,000
Plaquemines Parish	\$16,953,000	\$18,903,745
FEMA Cost-Share	\$5,886,000	\$5,886,000
State Admin. and Planning	\$3,320,000	\$3,055,300
Parish Recovery Priority Projects	\$1,729,863	\$1,729,863
Hazard Mitigation Cost-Share for LMI Households	\$2,084,414	\$1,664,573
Homeowner Rehabilitation Program	\$1,731,807	\$465,603
Total:	\$64,379,084	\$64,379,084

Note per Federal Register Vol. 78, No. 103, HUD requires 80 percent of the state’s total allocation, including those dollars provided directly to entitlement communities, to be targeted to those parishes designated “most impacted or distressed.” Under this allocation, a minimum of \$45,042,400 must be directed to those most impacted parishes. The St. John the Baptist and Plaquemines parish allocations total \$51,577,745, exceeding that requirement.

II. St. John the Baptist Parish Programs

A. Garyville Redevelopment Project

1. Program Description

The redevelopment project will demolish 15 dwelling buildings consisting of 36 public housing units, plus one non-dwelling building, which sustained wind, rain and flood damage from Hurricane Isaac. To ensure compliance with the Uniform Relocation Act, the Housing Authority will be responsible for the temporary relocation and associated costs during the construction period. The redevelopment will then construct multi-family housing units designated for Annual Contributions Contract (ACC) and Project Based Voucher (PBV) units in such a manner as to leave room for a second phase of future development. The site plan contemplates an open greenspace with shaded benches and landscaping. The redeveloped community will certify as a green building and special care is being given to design to create a walkable and welcoming community that fits within the historic nature of downtown Garyville.

Eligible Activities: 105(a)(4)

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

Activity Allocation: \$5,565,000

Activity Obligation: \$5,315,774*

*Note: In order to fulfill this activity allocation, St. John the Baptist Parish will utilize \$249,226 that was previously obligated to other housing programs in the parish.

2. Overview and Delivery

The Garyville Project will be administered through the Louisiana Housing Corporation, with overview, technical assistance and guidance provided by the state through OCD-DRU.

3. Project Monitoring

The Louisiana Housing Corporation will monitor the Garyville Project in accordance with OCD-DRU's Monitoring Plan.

B. Reallocation of funds for the Homeowner Rehabilitation Program, Homebuyer Assistance Program, Housing Elevation Program, Small Rental Rehabilitation Program, and Small Business Grant and Loan Program

1. Homeowner Rehabilitation Program

The Homeowner Rehabilitation Program budget is increased to \$13,005,511.44 due to the higher than anticipated costs to rehabilitate the homes in the program.

2. Homebuyer Assistance Program

The St. John the Baptist Parish Homebuyer Assistance Program was designed to provide CDBG-DR soft second mortgages to eligible homebuyers who wished to purchase an existing single family home in the parish. The program was initially intended to assist low- and moderate-income households to purchase affordable, safe and decent housing. In spite of multiple outreach events targeting realtors, lenders, and citizens, along with advertising to the general public to promote the Homebuyer Assistance Program, the parish was unable to entice enough qualified households to fully populate the program. Of the initial 261 applications that were completed, only 52 qualified and were referred to the homebuyer education course. Of those 52 households, only 22 were ultimately referred to a participating lender. The majority of those households did not progress for reasons including insufficient credit, insufficient income, low credit scores, excessive debt, and over-income limits. Two of the applicants that were approved never moved forward with finding a property to purchase. In a final effort to reach potential homebuyers, the program's guidelines were modified to allow Urgent Need - 120% AMI and expanded ratios along with additional outreach, but no additional qualified applicants were identified. Due to the inability to identify qualified households, the program has been deemed unsuccessful. The final program budget is \$579,352.42.

3. Housing Elevation Program
The Housing Elevation Program budget is increased to \$3,500,000 due to the higher than anticipated costs to elevate the homes in the program.

4. Small Rental Rehabilitation Program
The Small Rental Rehabilitation Program budget is increased to \$2,594,140 due to the larger number of single dwelling rental units requiring rehabilitation and elevation work than of multi dwelling rental units.

5. Small Business Grant and Loan Program
The St. John the Baptist Parish Small Business Grant and Loan Program was designed to provide grants, forgivable loans, and/or loan packages and technical assistance to businesses that existed in the parish prior to and were impacted by Hurricane Isaac. St. John the Baptist Parish initially developed a list of over 50 businesses that could potentially benefit from this program. In spite of expressed interest of business owners, participation was low. The 60 day initial intake period brought in only 20-30 business owners to the application process, and an intake extension resulted in another 20-30 potential participants, which ultimately resulted in 14 businesses receiving loans. In an effort to serve more businesses, St. John the Baptist Parish reopened the program to allow for additional businesses who had not taken advantage the first time to apply for funding. While this effort yielded several additional applicants, there were not enough to utilize the full amount allocated to this program. The final budget is \$1,916,626.14.

St. John the Baptist Parish Allocations

Program	Previous Allocation	Proposed Allocation
Homeowner Rehabilitation Program	\$11,549,820.00	\$13,005,511.44
Homebuyer Assistance Program	\$2,981,438.00	\$579,352.42
Housing Elevation Program	\$2,500,000.00	\$3,500,000.00
Small Rental Rehabilitation Program	\$1,919,662.00	\$2,594,140.00
Demolition and Clearance Program	\$350,000.00	\$350,000.00
St. John the Baptist Parish School Board	\$5,000,000.00	\$5,000,000.00
Small Business Grant and Loan Program	\$3,334,880.00	\$1,916,626.14
Admin.	\$163,370.00	\$163,370.00
Garyville Redevelopment Project	\$0	\$5,565,000.00
Unallocated	\$4,874,830.00	\$0
Total	\$32,674,000.00	\$32,674,000.00

III. Plaquemines Parish: Additional Allocation

Plaquemines Parish has demonstrated that additional CDBG-DR funds are needed for its Plaquemines Housing Assistance Program (PHAP) in order to more effectively address the remaining unmet housing needs resulting from Hurricane Isaac. With its previous allocation, the program would not be able to serve approximately 48 applicants currently on its waiting list.

Program	Previous Allocation	Proposed Allocation
Plaquemines Housing Assistance Program	\$12,913,115.50	14,863,860.50
Housing Elevation/HMGP Non-Federal Match Program	\$4,039,600.00	\$4,039,600.00
Admin.	\$284.50	\$284.50
Total	\$16,953,000.00	\$18,903,745.00

IV. State Programs: Reallocation of funds for the Hazard Mitigation Cost-Share for LMI Households Program and Homeowner Rehabilitation Program

Program	Previous Allocation	Proposed Allocation
Statewide Cost-Share for FEMA PA Category B and TSA	\$5,886,000.00	\$5,886,000.00
Parish Recovery Priority Projects	\$1,729,863.00	\$1,729,863.00
Hazard Mitigation Cost-Share for LMI Households	\$2,084,414.00	\$1,664,573.00
Homeowner Rehabilitation Program	\$1,731,807.00	\$465,603.00
Total	\$11,432,084.00	\$9,746,039.00

1. Hazard Mitigation Cost-Share for LMI Households

The state worked with eligible parishes to identify all remaining LMI households that enrolled in Hazard Mitigation Grant Program-funded elevation programs, as well as Repetitive Loss and Severe and Repetitive Loss (RL/SRL) elevation programs. Due to a limited number of LMI households already enrolled in these elevation programs, this cost-share program is not able to expend as much as anticipated. The “Current Allocation” column below reflects final parish allocations and the final program amount of \$1,664,573.

Parish	Previous Allocation	Current Allocation
Lafourche	\$137,030.00	\$158,133.00
Livingston	\$249,937.00	\$249,937.00
St. Martin	\$375,000.00	\$375,000.00
Tangipahoa	\$35,350.00	\$35,350.00
Terrebonne	\$578,152.86	\$598,153.00
Washington	\$248,000.00	\$248,000.00
Unallocated	\$460,944.14	\$0
Total	\$2,084,414.00	\$1,664,573.00

2. Homeowner Rehabilitation Program

The state's subrecipients for this program encountered challenges with respect to applicants meeting eligibility requirements. For example, many applicants were not in compliance with the flood insurance requirements and were thus deemed ineligible. Additionally, several applicants received prior funding from other sources and were not able to substantiate the use; thereby, creating a Duplication of Benefits issue. As a result, fewer homeowners were able to participate in this program than anticipated. In an effort to identify more households, the program was re-advertised, but was unsuccessful in gaining additional eligible applicants. It is estimated that the total funds needed to serve the households enrolled in this program is \$465,603.

V. Public Comment

- A. This Partial Action Plan is considered substantial as it creates new programs and reallocates funds exceeding \$1,000,000, per the allowable activities described in the Master Action Plan. The formal public comment period for the plan begins Wed., May 3, 2017 and runs through Tues., May 16, 2017 at 5 p.m.

Citizens and organizations can comment on this amendment via:

- The OCD-DRU website, http://www.doa.la.gov/Pages/ocd-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.

This Partial Action Plan will be translated into Vietnamese and Spanish to reach limited English proficiency citizens in the impacted areas. Citizens with disabilities or those who need other technical assistance should contact OCD-DRU for assistance via the methods listed above.

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

One public comment was received from the City of Monroe, which requested reallocated funds. The state responded that funds for this appropriation were limited to parishes that received FEMA Individual Assistance declarations as a result of Hurricane Isaac.