

**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 # 25 (First Allocation)

Changes to Local Government Infrastructure Program

Public Comment: July 22nd, 2008



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Introduction

The purpose of this Amendment is to add an additional eligible activity to the Local Government Infrastructure Program which was created in the State of Louisiana's original Action Plan for the Use of Disaster Recovery Funds and amended in Action Plan Amendment 2. Additionally, the State is also proposing a change in method of distribution involving the elimination of the originally proposed ranking team.

It was always the intention of the Louisiana Recovery Authority Board to assist the Lower Cameron Hospital Service District (LCHSD) with operational expenses incurred after Hurricane Rita, but "Provision of Public Services" was inadvertently omitted from the original action plan amendment. The LCHSD pays a company to operate the hospital. Despite the fact that the area's population is still below pre-storm levels, federal and state law require that the ER and inpatient program be fully staffed. As such, operating the hospital would be impossible without the additional subsidy to pay for operations during the recovery period, due to fixed costs and lower hospital revenues.

Local Government Emergency Infrastructure

Eligible Activity	105(a)(2) Public Facilities, (9) Payment of Non-Federal Share, and (8) Provision of Public Services
National Objective	Low to moderate income, elimination of blight, urgent need

This program will provide local governments with the required FEMA match for emergency infrastructure projects. In addition to the match for eligible FEMA Public Assistance (PA) grants, the State will use these funds to provide the non-federal match for FEMA Hazard Mitigation Grant Program (HMGP) funds.

The State will also pay for repairs that are ineligible under the FEMA PA grant program, including but not limited to uninsured and underinsured damages, insurance deductibles and improvements for code compliance, if they are determined to be critical to continued delivery and or protection of vital public services by state and local government entities in accordance with criteria established by the LRA. These criteria shall take into account the areas where the hurricane damages were most severe.

Expenditures from the program for match of FEMA's PA programs must meet the following guidelines:

1. Funding is provided as a match for projects eligible for FEMA Public Assistance;

2. For requests for match of FEMA's PA program, projects must have been assigned a FEMA field project number by the project officer on or before August 29, 2006;
3. That the funding to be provided is for cases of critical needs. (To be determined by the State);
4. That the funding be provided to parishes which have adopted the latest available base flood elevations of the FEMA Flood Recovery Guidance unless exceptions are granted by the LRA based on reasonable alternatives where safety is not minimized;
5. That the funding be provided to parishes or communities which have adopted, implemented or are in the process of implementing the new statewide building code standards adopted in the 2005 1st Extraordinary Session of the Louisiana Legislature;
6. That the funding be provided to communities for projects recommended through a broad community planning process; and
7. That the projects receiving funding follow the best design for delivery of services in light of the population shifts and changed circumstances of many Louisiana communities.
8. That a project demonstrate that it is the most efficient and cost effective way to rebuild the infrastructure, or that the applicant has considered alternate methods of rebuilding to achieve the greatest efficiency of the infrastructure to serve the local as well as regional needs of the community as a result of the Public Assistance repairs or reconstruction; and
9. That each infrastructure project considers and/or proposes a mitigation plan to minimize damage in the event of future floods or hurricanes.

Expenditures from the program for projects that are ineligible for FEMA PA grants must meet the following guidelines:

1. Projects demonstrate that they are not eligible for PA or any other source of funds;
2. Projects have a substantial return on investment (ROI);
3. That the funding to be provided is for cases of critical needs based on their meeting criteria developed by the LRA for the use of these limited funds;
4. That the funding be provided to parishes which have adopted the latest available base flood elevations of the FEMA Flood Recovery Guidance, unless exceptions are granted by the LRA based on reasonable alternatives where safety is not minimized;
5. That the funding be provided to parishes or communities which have adopted, implemented or are in the process of implementing the new statewide building code standards adopted in the 2005 1st Extraordinary Session of the Louisiana Legislature;
6. That the funding be provided to communities for projects recommended through a broad community planning process; and
7. That the projects receiving funding follow the best design for delivery of services in light of the population shifts and changed circumstances of many Louisiana communities;

8. That a project demonstrate that it is the most efficient and cost effective way to rebuild the infrastructure, or that the applicant has considered alternate methods of rebuilding to achieve the greatest efficiency of the infrastructure to serve the local as well as regional needs of the community as a result of the Public Assistance repairs or reconstruction; and
9. That each infrastructure project considers and/or proposes a mitigation plan to minimize damage in the event of future floods or hurricanes.

\$200 million have been set aside for Primary and Secondary Education Infrastructure. Working with the LRA, the Department of Education has developed needs-based criteria to prioritize the allocation of the funds to the school districts. These funds will flow to the affected school districts through the Office of Community Development. Schools that are repaired or rebuilt shall demonstrate they have taken into account specific educational and repair goals to build back better facilities. In addition, rebuilding plans will address local community planning priorities, including opportunities for shared use of school facilities with other public agencies, such as libraries. On June 25, 2007, the LRA approved an allocation method for the \$200 million allocated to hurricane-impacted school districts. The process allocates funds to school districts based on damages and NFIP deductions. Project priorities are set at the school district level, and there is no competition among school districts for repair funding.

As stated in the initial action plan, each project funded will meet one of the three national objectives. Until applications are received and service areas and beneficiaries are known, the specific national objective cannot be determined.

This activity is considered to be a low risk activity. Monitoring will be performed by the Office of Community Development staff in accordance with the Infrastructure Monitoring Plan.