

**Disaster Recovery Initiative  
U.S. Department of Housing and Urban Development (HUD)  
Consolidated Security, Disaster Assistance  
and Continuing Appropriations Act, 2009  
H.R. 2638/Public Law 110-329**

**Louisiana Recovery Authority  
Louisiana Office of Community Development/Disaster Recovery Unit,  
Division of Administration**

**Proposed Amendment No. 1 –  
*To State of Louisiana Action Plan for the Utilization of CDBG Funds in Response  
to Hurricanes Gustav and Ike***

**LRA Board Approval: Mar. 18, 2009  
Public Comment: Mar. 12, 2009**

**HUD Approved: July 24, 2009**



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## **PROPOSED GUSTAV/IKE ACTION PLAN AMENDMENT 1 PUBLIC COMMENT VERSION**

### **Amendment to State of Louisiana Action Plan for Disaster Recovery – Utilizing Funding from the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Public Law 110-329)**

The State of Louisiana has been allocated \$438,223,344 in CDBG Disaster Recovery funding from the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 for the purposes of disaster relief, long-term recovery, and restoration of infrastructure directly related to the consequences of recent 2008 hurricanes Gustav and Ike. The State submitted its Disaster Recovery Action Plan to HUD for approval on January 8, 2009. The Action Plan submitted to HUD provided the framework for distribution of the initial \$438,223,344 of funding under the Act. HUD has not yet announced the allocation to the states of the remaining \$3.97 billion under the Act.

This Amendment to Louisiana's initial Action Plan for Disaster Recovery provides further details the distribution of funds and the eligible program activities. Unless otherwise determined, these parameters will govern any additional allocations made by HUD under this program.

This Amendment may be obtained via the Internet at:

<http://doa.louisiana.gov/cdbg/DRactionplans.htm>, or by contacting: Paul Catrou, Office of Community Development, Post Office Box 94095, Baton Rouge, Louisiana, 70804-9095. The Proposed Action Plan Amendment will be published in Vietnamese and Spanish translations at the same website.

Written comments on the proposed Action Plan Amendment will be accepted for seven days from the date it is posted. Comments may be submitted beginning today and must be received no later than 5:00 PM (CST) on March 18, 2009.

Comments may be sent to the attention of Paul Catrou at the above address or sent via facsimile to (225) 219-9605 to the attention of Paul Catrou. Comments may also be submitted via email at [ocd@la.gov](mailto:ocd@la.gov) or through the online form at <http://www.doa.louisiana.gov/cdbg/dractionplans.htm>.

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### I. INTRODUCTION

The Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Pub. Law 110-329), enacted on September 30, 2008, appropriates \$6.5 billion through the Community Development Block Grant (CDBG) program for “necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing, and economic revitalization in areas affected by hurricanes, floods, and other natural disasters occurring during 2008 for which the President declared a major disaster...”.

The U. S. Department of Housing and Urban Development (HUD) was designated by Congress as the administering agency. In October 2008, HUD reduced the amount of funding to \$6.1 billion in response to a budget rescission requirement from Congress. On November 28, 2008, HUD made an initial one-third allocation to Louisiana of \$438,223,344 million. HUD has not yet announced the allocation to the states of the remaining \$3.97 billion under the Act.

The legislation specifically prohibits the use of funds for activities reimbursable by, or for which funds are made available by, the Federal Emergency Management Agency or the Army Corps of Engineers” and that “none of the funds...may be used...as a matching requirement, share, or contribution for any other Federal program.” It also states that, ”

- At least 50 percent of the total funds allocated to the state of Louisiana must benefit low to moderate income individuals, unless this percentage is reduced by waiver of HUD.
- Additionally, the legislation also states that, “not less than \$650,000,000 from funds made available on a prorate basis according the allocation made to each State” shall be used for affordable rental housing. Thus the state will set aside 10.6 percent of its entire allocation to this purpose in accordance with the legislation. Parishes can, and are encouraged to, add resources from their allocation to increase the amount of affordable housing in their communities.

The Louisiana Recovery Authority (LRA) and the Office of Community Development’s Disaster Recovery Unit (OCD-DRU) have developed the following action plan amendment to provide further descriptions of the eligible program activities available to assist parishes to meet unmet housing, business, public service, public infrastructure and other needs incurred by the 2008 hurricanes.

Details of the distribution of funds, program delivery and eligible program activities are outlined below.

### II. DISTRIBUTION OF FUNDS

**A. National Objective:** All funds will be distributed in accordance with the three national objectives: benefit of low to moderate income persons, elimination or prevention of slums and blight, or urgent need.

#### B. Allocations

The state’s first allocation from HUD is \$438,223,344 million. The state will amend these allocations in its Action Plan when HUD makes its second allocation. The allocation will be designated as follows:

**Table 1: Overall Allocations**

	Initial Allocation	Percent
Total Allocation to Louisiana	\$438,223,344	100.0%
Allocation to Parishes	\$309,791,652	70.7%
HUD Required to Affordable Housing	\$ 46,520,525	10.6%
Fisheries	\$ 15,000,000	3.4%
Agriculture	\$ 30,000,000	6.8%
Coastal Restoration	\$ 15,000,000	3.4%
Admin	\$ 21,911,167	5.0%

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- Parish-Implemented – Over 70% of the funds will be directed to the most impacted parishes based on their level of damage. The State will use the same allocation methodology used by HUD (see Appendix A) down to the parish level. The HUD methodology uses a combination of FEMA and SBA damage estimates. In order to most effectively use program funds, eligible parishes must have damages that warrant an allocation of at least \$150,000. Parishes may be provided damage estimates at the municipality level to use as a guidance tool so that they can coordinate with the most impacted areas of their parish and engage in an inclusive process of establishing recovery programs.
- Affordable Rental Housing Programs – The state is required to spend at least 10.6 percent (\$46,520,525 of the first allocation) of the entire allocation on affordable rental housing activities. Fifty percent of this dedicated portion shall be allocated to the five most damaged parishes, in proportion to their damages, for eligible programs to be administered by the parish. The remaining 50 percent will be administered by the state for implementation of affordable rental housing projects. The top 5 impacted parishes<sup>1</sup> will have the option of establishing their own affordable rental housing programs or utilizing their portion of affordable rental housing allocation to participate in the state-implemented program.

If any of the Parishes eligible for funds under this section choose to forego its allocation for affordable rental housing or fails to submit a qualifying program within the time constraints to be established by the State, the funds allocated to Parishes shall be allocated to the State administered program without the need to amend this action plan.. .

Parishes can and are encouraged to add resources from their parish allocations to increase the amount of affordable rental housing activities in their communities.

- State-implemented – In addition to the state-implemented affordable rental housing program, the State will also set aside 13.6 percent (\$60,000,000 of the first allocation) of the total funds for fisheries, agriculture and coastal restoration and hurricane protection within the disaster areas.
  - Fisheries: \$15 million will go to programs in support of the devastated fisheries industry. These programs will be managed in partnership with the Louisiana Department of Wildlife and Fisheries and allocations will be a combination of community development funds allocated directly to impacted coastal parishes as well as competitive projects.
  - Agriculture: \$30 million dollars will be targeted to agriculture projects throughout the State. These programs will be managed in partnership with the Louisiana Department of Agriculture in coordination with other federal funding streams. Allocations will be made available to all businesses, including farmers, in the 64 disaster declared parishes based on damage assessments conducted by the Louisiana State University Agricultural Center.
  - Coastal Restoration: \$15 million will be allocated for coastal restoration and hurricane protection. These funds will be coordinated with other federal sources on a competitive basis. These programs will be managed jointly with the Louisiana Office of Coastal Protection and Restoration in keeping with the State's Master Plan for a Sustainable Coast as approved by the Coastal Protection and Restoration Authority.

A Parish may elect, without the need to amend this action plan, to use its allocated funds in one or more of the state-implemented programs.

- Administration – Five percent of the funds will be used for administration of the grant. This includes the state's costs for grants management, monitoring and technical assistance.

### C. Method of Distribution

These funds will be distributed according to the following:

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<sup>1</sup> Terrebonne, Cameron, Iberville, Lafourche, East Baton Rouge. See Appendix A for allocation amounts.

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**1. State-Implemented** – The state’s portion of the affordable rental housing activities will be administered by OCD in coordination with other relevant entities. Other state set-asides may be administered directly by the appropriate state agency. The details of the method of distribution are further described within each specific program area, including eligibility, how to apply, use of funds, the time frame for funding and the terms of assistance. The state will review each proposed program for eligibility.

**2. Local Implemented** – The state will operate a grants management protocol to allow administration by local entities.

Local entities shall develop a coordinated proposal to the state which includes their plans for recovering from the 2008 disasters. All projects must address the effects of the covered disasters (Gustav and Ike), and provide benefits for recovery of the communities. Projects that address pre-storm needs or other non-storm related issues are not eligible.

Local entities will be able to select from a defined menu of options to be used for housing rehabilitation, public infrastructure repairs, and public services related to the 2008 storms as well as economic revitalization activities in areas impacted by the storms. Local entities may choose to apply any percentage of their allocation to a particular recovery area. For example, a locality could decide that they want to spend 40 percent of their parish allocation on infrastructure and 60 percent on housing (or even 100 percent on infrastructure or housing). The locality may also elect to direct a portion or all of its allocation to the state-administered programs for use within the locality through the state-administered programs.

Proposals must include programs that:

1. are selected by local entities based on local recovery priorities;
2. demonstrate broad-based support from the local community, as indicated by inclusion in a broadly accepted recovery plan, or similar mechanism;
3. be consistent with regional and state plans; and
4. include direct benefits to the most affected municipalities and communities or have the agreement from the elected officials of the most impacted municipalities.

It is imperative that the State, parish leadership and mayors of municipalities that were impacted by the storms work closely together in identifying recovery priorities and programs. Parishes and municipalities must submit a coordinated proposal to the state.

Three options will exist in contracting with the state after the parish and municipalities have presented a coordinated proposal:

1. Parishes can implement the programs on behalf of the municipalities.
2. Parishes can allocate funds directly to the municipalities.
3. Municipalities may choose to work directly with the State.

If option 3 is chosen, the city must write a letter of justification to the state, why they would like to work directly with the state and not the parish and articulate its capacity for managing CDBG funds.

### **Application Process**

At the state level, application criteria and process will vary and will be set by the administering agency in coordination with LRA/OCD-DRU.

Parishes will apply for funds using the following process:

- The State has developed program criteria, basic guidelines and CDBG requirements for a slate of different programs including housing, infrastructure, economic recovery.
- Each parish will be required to submit a proposal, following a template provided by the state, for submittal to the state.

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- The proposal will define the effects of the storms on the local community, the programs to be accessed to address those effects, the amount of the parish’s allocation to go into each program
- Parishes will be required to develop and follow a Citizen Participation Plan.
- Parishes will also be required to submit the following evidentiary materials including Environmental Review and RROF, financial management certifications, procurement policy, parish resolution, authorized signature form, drug free workplace, Section 104 (d) one for one replacement forms, etc.
- Proposals will be reviewed and approved by LRA/OCD-DRU staff.

If funds are unused following the application process in either the parish programs or the statewide set-asides, these funds will be re-allocated based on demand from the parishes (with the exception of affordable rental housing, which has a minimum requirement of 10.6 percent from HUD).

**D. Citizen Participation**

The state of Louisiana developed a specific citizen participation plan for disaster recovery. It is included with the original Action Plan for Gustav and Ike Disaster Recovery CDBG. The plan includes citizen participation requirements both for the state and for the parishes and other entities implementing activities under this grant. Parishes will be required to utilize this citizen participation plan at a minimum and any additional requirements possibly developed by LRA/OCD-DRU.

**III. ADMINISTRATION, PLANNING AND TECHNICAL ASSISTANCE**

**A. Planning and Grant Administration**

These funds will be used to pay reasonable administration costs related to the state’s planning and execution of disaster recovery community development activities. Program administration costs will include staff and related costs required for overall program management, coordination, monitoring, reporting and evaluation.

<b>Eligible Activity</b>	<b>105(a)(13) (19) and § 570.489 (a)</b>
<b>Activity Amount (first allocation)</b>	<b>\$21,911,167</b>

**IV. MONITORING**

The State will utilize an established monitoring process used for the regular CDBG program. The State will modify current monitoring procedures to specifically address the requirements of the CDBG Disaster Recovery Program and to ensure that all contracts funded under this disaster recovery allocation are carried out in accordance with federal and state laws, rules and regulations, and the requirements set out in the Federal Register notice. The procedures will ensure that there is no duplication of benefits that have otherwise been covered by FEMA, private insurance, or any other federal assistance or any other funding source. The State will monitor the compliance of state agencies (state implemented programs) and parish governments (parish implemented programs) administering disaster recovery funds. Parish governments will monitor the compliance of sub grantees and sub-contractors.

Monitoring efforts will be guided by responsibilities under the CDBG Program and responsibilities to low income Louisianians. These monitoring efforts include:

- Identifying and tracking program and project activities and ensure the activities were as the result of damage from Hurricanes Gustav and/or Ike;
- Identifying technical assistance needs of Subgrantees;
- Ensuring timely expenditure of CDBG funds;
- Documenting compliance with Program rules;
- Preventing fraud and abuse;
- Identifying innovative tools and techniques that help satisfy established goals; and
- Ensuring quality workmanship in CDBG funded projects

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In determining appropriate monitoring of the grant, the State will consider prior CDBG grant administration, audit findings, as well as factors such as complexity of the project. The State will determine the areas to be monitored, the number of monitoring visits, and their frequency. All grants will be monitored not less than once during the contract period. The monitoring will address program compliance with contract provisions, including national objectives, financial management, and the requirements of 24 CFR Part 58 ("Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities")

### V. OVERVIEW OF ELIGIBLE PROGRAM ACTIVITIES

Funds will be used for eligible disaster related activities supporting housing rehabilitation, activities related to disaster recovery and prevention, economic recovery and revitalization, hurricane protection and coastal restoration and infrastructure repair and improvements at the requests of the local governments to assist the State of Louisiana. Following the guidance of the Continuing Resolution, 10.6 percent of the state's total allocation will be used to repair, rehabilitate or construct affordable rental housing stock (including public and other HUD assisted housing). The provisions of Public Law 110-329 prohibit using CDBG funds to pay for match costs for FEMA Public Assistance projects or other federal programs.

#### A. OVERALL PROGRAMS

The programs in this section may be funded and implemented by either a state or local governments. There are no specific set asides for these programs.

##### 1. Community Resiliency

The Community Resiliency Program is a planning activity that allows the state and local governments to develop comprehensive strategies for community resiliency that involve a variety of activities from the housing, infrastructure, and economic development programs. It may include measures to educate the business community and public about non-structural protection measures and the cost-effective, sustainable risk reduction that these measures provide.

**Eligible Activity: Section 105 (a) (1-26)**

**National Objective: Benefit of low to moderate income, elimination or prevention of slums and blight, or urgent need.**

**Activity Amount: To be determined by individual grantees from individual allocations.**

##### 2. Public Services

Certain services are necessary to stabilize communities and to enable sustainable recovery of areas that were impacted by the disaster. This program will allow for the provision of public services, such as public safety services, education services, and case management assistance to individuals and families. Eligible Activities under this program are 105(a) (3, 8) and guidance from 24 CFR 570.201(f)(1) and 24 CFR 570.200(e).

**Eligible Activity: 105(a) (3, 8) and guidance from 24 CFR 570.201(f)(1) and 24 CFR 570.200(e).**

**National Objective: Benefit of low to moderate income, elimination or prevention of slums and blight, or urgent need.**

**Activity Amount: To be determined by individual grantees from individual allocations.**

#### B. STATE IMPLEMENTED PROGRAMS

The state will set up and implement the following programs.

##### 1. Affordable Rental Housing Programs

The state will develop a 'piggyback' program using the structure as defined in the state's initial action plan for Katrina Rita and subsequent amendments with modifications outlined below. The program will seek to

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attach funds to the next round of per capita credits to take care of longer-term needs in the impacted communities.

**Note: since the State CDBG Regulations at § 570.482 do not list specific eligible activities all regulations cited are the Community Development Block Grant at § 570.200**

<p><b>Eligible Activity: Rehabilitation &amp; Preservation Activities § 570.202 (a) (b) ((c) (d) (e) (f)</b> <b>National Objective: Benefit to low to moderate income and Elimination of Slums and Blight</b></p>
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**Overview:** The Piggyback Program’s objective is to finance the development of additional rental housing in the areas most heavily impacted by Hurricanes Gustav/Ike. To a large extent, the Program will replicate the LIHTC-CDBG “Piggyback” Program implemented in September 2006 for Katrina/Rita recovery.

**Method of Award:** The Piggyback Program funds will be awarded to specific developments in accordance through a competitive funding process(es). It is anticipated that the primary method of award will be a competitive funding round jointly administered by OCD for the award of CDBG funds and the Louisiana State Housing Finance Agency (LHFA) for the award of Low Income Housing Tax Credits (LIHTCs) under LHFA’s Qualified Allocation Plan (QAP). In addition, OCD may elect to provide CDBG funds through an independent competitive funding process for example, for gap financing in conjunction with 4 percent LIHTCs and tax exempt bond financing or for gap financing in conjunction with other funding resources (e.g., insurance proceeds for storm damaged projects).

**Types of Projects:** The Program will develop rental housing utilizing similar priorities established by the LRA/OCD-DRU for prior Piggyback funding rounds, specifically:

- **Workforce Housing Units.** The program will prioritize the creation of mixed-income projects including market-rate units and units affordable to (and restricted to occupancy by) households with incomes below both 80% and 60% of AMI.
- **Additional Affordability Units.** OCD and LRA seek to facilitate development of units affordable to (and restricted to occupancy by) households with incomes at or below 20% of area median income (AMI), 30% of AMI, and 40% of AMI.
- **Permanent Supportive Housing (“PSH”).** OCD and LRA also seek to facilitate the development of permanent supportive housing for a variety of households including extremely low income people (20% AMI and below) with serious long term disabilities, and/or who are homeless and/or who are most at-risk of homelessness.
  - The primary strategy is a PSH Set-Aside Program, under which all properties that receive CDBG funds will be required to make at least 5% of total units available to PSH clients, who will be supported by appropriate services. Additional incentives in the form of bonus points in the project selection scoring system may be awarded to projects that elect to assist greater than 10% of their units.
  - An additional strategy is development of PSH properties (in which at least 15%, but not more than 50%). PSH clients will be supported by appropriate services.

**Financing Tools.** To support these goals, OCD will make available the following type of financial assistance:

- **Gap Financing Loans.** Gap financing for mixed-income, additional affordability, and PSH developments.
- Grants for Supportive Services for PSH Households

**Priority for Most Impacted Parishes:** The program will prioritize funding with respect to parishes with highest level of damages from Gustav/Ike.

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## 2. Agriculture

Programs:	1 <sup>st</sup> Allocation	Estimated 2 <sup>nd</sup> Allocation
LA Farm Recovery Loan & Grant	\$15,000,000	\$17,302,097
LA Agri-business Recovery Loan Assistance	\$5,000,000	\$5,000,000
LA Critical Farm Infrastructure Grant	\$10,000,000	
LDAF Administration Cost		\$2,464,497
<b>Total: \$54,766,594</b>	<b>\$30,000,000</b>	<b>\$24,766,594</b>

Hurricanes Gustav and Ike moved across the State's agricultural production areas devastating Louisiana's agricultural economy with losses exceeding \$700 million according to estimates by Louisiana State University agricultural economists. Significant losses of timber, livestock, horticulture and row crops, including cotton, sweet potato and sugarcane, resulted as well as losses suffered by agribusinesses that service farms. The State's agricultural economy is comprised not only of farm enterprises, but also agri-businesses that supply the seed stock needed to grow the crops that assist with harvesting and storing the crops and that process, trade and sell the crops to other entities. In addition to direct farm losses, many of these agri-businesses were also negatively impacted by the storms. Recovery of both agribusinesses and the farm sector is an important component in assisting rural communities in their hurricane recovery efforts as the two combined provide the economic backbone for rural America by providing low and moderate income jobs and revenue for local and parish governments

Traditionally, the United States Department of Agriculture (USDA), via the Farm Bill and its crop loss programs, has addressed storm related losses, however; in 2008, substantial new changes were incorporated into the Farm Bill. Many of Louisiana's farmers would not qualify for recovery funds from this new USDA program, therefore; the program that is being proposed would not be a duplication of benefits.

To assist the agricultural sector recover from the 2008 storms the Louisiana Department of Agriculture and Forestry (LDAF) developed three programs:(1) Louisiana Farm Recovery Grant and Loan Program (LFRGLP) designed to assist individual farm enterprises; (2) Louisiana Agri-business Recovery Loan Program (LARLP) designed to assist agri-businesses that buy, sell, process, broker and store products from individual farms and (3) the Louisiana Critical Agriculture Infrastructure Recovery Program (LCAIRP), which will use \$10 million for projects that benefit and safeguard entire sectors of the State's agricultural economy, i.e. the New Orleans Cold Storage Facility-a critical component to the State's poultry industry as well as a significant component of the Orleans Parish shipping industry.

Through the Louisiana Agricultural Finance Authority (LAFA, also referred to as "the Authority"), a public agency organized pursuant to Louisiana Revised Statutes 38:264 et al. and regulations promulgated LAFA with administrative assistance provided by LDAF, the state will implement, manage, and monitor both LFRGLP and LARLP. Use of the expertise of the LAFA will provide greater efficiencies in program delivery and ensure that accountability and transparency are achieved; as LAFA and the farming industry are both familiar with each other having worked with other federal disaster recovery programs.

### 2.1 Louisiana Farm Recovery Loan and Grant Program (LFRLGP)

<b>Eligible Activity</b>	<b>105(a)(17)</b>
<b>National Objective</b>	<b>Urgent need and benefit to low to moderate income</b>
<b>Activity Amount</b>	<b>\$15 million</b>

This program, which will be available to farms in all of Louisiana's parishes, will be referred to as the Louisiana Farm Recovery Loan and Grant Program (LFRLGP) and will consist of \$31.5 million of funds awarded by 80% loan and 20% grant packages. This program targets farms that are deemed viable--

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having a chance to survive, able to contribute to the economy while maintaining and creating rural jobs. Funds will be available via low-cost loans/grants on flexible repayment terms. Farms assisted via the program are expected to continue production and will re-pay the loan portion of the funds. Farms must be able to provide a plan detailing an acceptable use of funds including showing how they would use the flexible loan/grant, specifically what they intend to plant, the acreage and committed timeline for their goal.

Farmers may use the proceeds from the loan/grant program to pay off existing crop production loans as long as those pre-existing loans were originated in order to initiate production that was damaged or destroyed by the 2008 storms. Pre-existing loans that were used for production of crops damaged by the 2008 storms may only be serviced from the proceeds of this loan/grant program following a commitment from the original institution to furnish sufficient funding for preparation, planting, management and harvesting of the 2009 crop.

The maximum loan/grant amount is \$100,000 and the minimum is \$10,000. The grant portion of the loan/grant package is 20% of the principal of the loan discounted without interest upon repayment of the 80% loan portion plus interest. The interest rate of the loan portion shall be 1.5% simple interest with a payback period from 5 to 10 years based on the negotiated loan agreement between the borrower and the Authority. There will be no closing costs.

### Guidelines

To be eligible for funding, producers must meet the following:

- Must have been in operation during the 2008 growing season;
- Must have received farm revenue in 2007 of at least \$25,000; and
- Must have suffered at least \$10,000 in losses, damages, displacement or substantial farming operation interruption as a direct result of either or both hurricanes.

Producers must file a 2008 Federal tax return, unless the entity was a new producer that was started in 2008 prior to the storms.

Producers that suffered 2008 farm losses due to either Hurricane Gustav or Ike and whose losses have not been fully remediated by other USDA insurance, or other disaster programs shall be eligible to apply for the LFRLGP.

### 2.2 Louisiana Agri-business Recovery Loan Assistance Program

<b>Eligible Activity</b>	<b>105(a) (17)</b>
<b>National Objective</b>	<b>Urgent need and benefit to low to moderate income</b>
<b>Activity Amount</b>	<b>\$5 million</b>

This program, which will be available in all of La.'s parishes, will use flexible low interest loans to provide capital financial assistance to agri-businesses that meet the program guidelines and criteria as defined by the Authority. With a limited amount of funds available for this program, agri-businesses must be able to demonstrate how they contribute to the local and regional economy in the area where they apply for the program. Agri-businesses must provide jobs not only to their own business, but support, retain and create jobs locally; and it must be determined to have a viable business operation in a post-storm economy meeting the guidelines shown below. The program will provide loan requests of up to \$250,000 per entity with flexible repayment terms of up to ten years. Parishes will be grouped into eight geographical regions with \$10 million made available to the regions based on each region's proportional share of agricultural losses.

This activity is expected to benefit low and moderate jobs in rural areas. The closing of these support industries would negatively impact not only individual farm enterprises, but the communities, parishes and

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regional economies they serve in rural Louisiana. Funds are of urgent need as these agri-businesses assist with crop production, protection and harvest.

### **Guidelines**

Agri-businesses, some of which include aerial applicators, licensed commercial crop storage facilities and elevators, cotton gins, ground chemical applicators, custom harvesters, farm supplies merchant wholesalers, Ag management consultants, rice dryers, RUP (Restricted Use Pesticide) dealers, and veterinarians engaged in large animal or farm related veterinary activities, are defined as individuals or organizations that provide support activities, products, or services directly to agricultural producers;

Applicants must be registered as a firm, corporation, partnership, limited liability company or association and others as approved by OCD domiciled in Louisiana and must show 2007 gross revenue of at least \$25,000.

- Applicants must have an existing Louisiana Tax Identification number
- Applicants must have filed 2007 and 2008 Federal tax returns.
- Applicants must be able to demonstrate 2008 storm related impacts, either as direct losses, physical damage, displacement or substantial business interruptions of at least \$10,000.

Applicants must provide at least two direct jobs. The business owner and at least one other employee are considered two employees. A contract worker or certain part-time workers who work at least 25 hours per week during critical seasons may be considered a second employee.

Applicants must demonstrate that their activity supports at least two other indirect jobs in the region. For example, an aerial applicator could demonstrate that they purchase fuel for three aircraft from the airstrip and that they use a local bank or branch for their businesses.

Applicants must demonstrate their business or service is used by at least five farm producers in the region.

Applicants must provide documentation and a recovery plan showing how they would use the loan proceeds to remain an active, viable entity that can survive, contribute to the regional economy, and maintain and/or create jobs in the agricultural sector.

### **Application, Selection & Outreach for the Farm Recovery and Agribusiness Programs**

LDAF and the Authority will develop application procedures that comply with all HUD and State regulations for both the LFRLGP and LARLAP. LDAF and the Authority will work with the LRA and OCD to ensure that application documents are in accordance with regulations promulgated for this program. Farms and agribusinesses will then apply for funds by using the application materials and forms developed by LDAF and the Authority.

Public outreach is a critical component to the program. LDAF and the Authority will provide regional assistance through their regional centers to agri-businesses and farms to help with the development of the application process. LDAF and the Authority will work in coordination with the LRA and OCD to conduct regional public outreach workshops providing application and program training sessions. Regional workshops will be announced in advance of the event via LDAF, the Authority and LRA communication staff. LDAF and the Authority will partner with other statewide and regional agricultural organizations, including but not limited to Louisiana Farm Bureau Federation and Louisiana State University AgCenter, and use LDAF and the Authority's departmental resources to ensure that farmers and agri-businesses are aware of the program, application procedures, deadlines and timelines. Application packets will be available online at the LDAF homepage, at LDAF district offices located throughout the state, Louisiana AgCenter parish offices, USDA Farm Service Agency parish offices and via mail for phone and written requests.

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### Selection Process

Requests for funds are expected to exceed the program's funding capacity, therefore; for each program, parishes will be grouped into eight geographical regions whereby funds will be allocated to each region based on that region's share of the combined agricultural loss estimate and the program's CDBG allocation.

Farms and agri-businesses that meet the criteria for their respective programs may apply for a share of the regional funds using application materials and forms developed by LDAF and the Authority. Application periods will be publically announced. Completed original applications will be submitted to LDAF and the Authority in accordance with program guidelines. After the application period closes, all funding requests will be analyzed by LDAF and the Authority staff for completeness, eligibility and compliance with program criteria. Vetted applications will then be presented to the Authority loan committee for consideration based on the regional allocations.

If after this review, the total request for eligible funds for all agri-businesses within a region exceeds the regional allocation, the Authority may pro-rata allocate funds to ensure that all eligible entities within the region have access to some funds. The Authority may also use professional judgment to ensure that agri-businesses and farms have access to capital. If funds remain unused in one region, the Commissioner of Agriculture and Forestry can re-allocate funds to other regions based on needs as identified in the application process

The State will ensure that the this program will comply with all federal regulations including, but not limited to, those pertaining to CDBG economic development activities contained in 24 CFR 570.482 (utilizing any applicable waivers provided by HUD) and 24 CFR Part 58.

**Use of Funds:** Funds are required to be spent to support activities in Louisiana and must comply with program guidelines and all HUD and State regulations

**Repaid Loans:** Repaid loans will form the foundation of a LDAF revolving loan program, which is to be administered by the state. Program guidelines and regulations for this revolving fund program will be developed by LDAF and the Authority in consultation with OCD to comply with HUD requirements for this type of program, as may be applicable by statute, regulation, or waiver thereof by HUD.

**Monitoring:** LFRLGP and LARLAP are high-risk activities. Close monitoring of the programs will be vital to an effective program.

### 2.3 Louisiana Critical Farm Infrastructure Grant Program

<b>Eligible Activity</b>	<b>Commercial or Industrial Improvement under Special Economic Development</b>
<b>National Objective</b>	<b>Benefit of low to moderate income, elimination or prevention of slums and blight, or urgent need.</b>
<b>Activity Amount</b>	<b>\$10 million</b>

This program has been designated to partially fund by grant the relocation and construction of refrigerated storage warehouses under the jurisdiction of the Port of Orleans. These shipping facilities benefit statewide sectors of the agricultural economy as well as serving as a significant component of the shipping industry or the parishes within the jurisdiction of the Port of Orleans and serving the import and export of produce to and from the United States. The project has a significant economic impact on the State's agricultural economy as determined by the Governor and the Commissioner of Agriculture and Forestry. The cold storage facility project must comply with CDBG regulations, monitoring requirements and meet the following guidelines:

The impact of Hurricane Gustav on the Orleans Parish and adjacent parishes followed in the wake of Hurricanes Katrina and Rita. The U.S. Corps of Engineers, as a result of Hurricane Katrina, has decided to close the Mississippi River Gulfcoast Outlet, which currently serves as part of the shipping industry

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upon which the Port of Orleans current the current refrigerated storage warehouses. Due to the cumulative impact of all of these storms upon the economies of the parishes within the geographic jurisdiction of the Port of Orleans, upon the agricultural economy statewide, The funding provided under this program may be in addition to funding provided under the Louisiana Local Government Infrastructure Program funded through the HUD CDBG disaster relief programs under Pubic Laws 09-148 and 109-234.

In the event that any portion or the entirety of the funds under Section 2.3 are not utilized by the Port of Orleans for the cold storage facility as provided herein, the Governor and the Commissioner of the LDAF may select one or more additional projects which satisfy the criteria (items 1-8) listed above, or, if they determine that the best use of the remaining funds are not through use under Section 2.3, the remaining funds shall automatically increase the Activity Amount under Section 2.1, without the need of amendment of this action plan.

### **3. Fishery Recovery Program**

**Eligible Activity: Section 105 (a) 1, 2, 4, 5, 8, 14, 17**

**National Objective: Low to Moderate Income Benefit, Elimination of Slum and Blight, or Urgent Need**

**Activity Amount: \$15 million**

Louisiana's Fishery Recovery Program targets the specific needs of the State's recreational and commercial fishery. The Louisiana Department of Wildlife and Fisheries (LDWF) is the state agency responsible for commercial and recreational fisheries management in Louisiana. It is also implementing other federal fishing recovery programs for Hurricanes Gustav, Ike, Katrina and Rita. LDWF will be the lead agency and will work in consultation with LRA/OCD-DRU to ensure compliance with CDBG regulations for its programs. LRA/OCD-DRU will work with the parishes and LDWF to coordinate possible parish CDBG program allocations that may be developed that impact fishers and fishing communities. These individual programs address specific storm related impacts to public and private infrastructure damaged in the storms. The programs are intended to not only address losses from Gustav and Ike but to make the industry and coastal areas more resilient from future storms and minimize economic losses in the future. Programs will be developed that restore, rebuild, sustain, enhance and protect coastal access for persons engaged in water-dependent commercial activities like commercial fishing, recreational fishing and other water-dependent businesses. The program's primary focus is on the fishing related industry and the communities where fishers live.

One of the primary reasons for the increase in costs is that Louisiana now has a considerable amount of storm related debris in coastal waterways and fishing grounds. As a result of the considerable storm surge, wind and wave action, these debris fields have now moved, resulting in substantial losses of nets and traps, while also increasing fuel costs as fisherman must motor around, and develop new strategies to access fishing areas that are filled with silt and vegetative debris.

Additional goals for programs to be developed include:

- Creating and maintaining jobs in the commercial and recreational fishery in impacted parishes;
- Assisting the commercial fishing industry and their communities in recovering from losses related to Hurricanes Gustav and Ike;
- Preserving the commercial and recreational fishing culture of coastal Louisiana;
- Ensuring continued access to the state's waterways for the recreational industry and other water dependent businesses such as eco-tourism that may not be directly located on waterways but were impacted by the storms;
- Ensuring that the commercial industry remains a viable industry in impacted parishes;
- Providing recreational fishing opportunities by restoring, enhancing or investing in public access opportunities;
- Improving the economic efficiency of the industry so that future generations can be in the fishery;

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- Improving the resiliency and sustainability of the industry and communities to recover from future storms.

Examples of eligible activities within these programs are not limited to the following, to the extent that these activities address recovery goals of the fishery recovery program:

- Acquisition of property to implement public projects;
- Clearance of sites for construction and improvements;
- Economic Development Assistance to For-Profit Business
- Construction and improvements to public and private facilities used in the recreational and commercial fishery;
- Public Facilities and Improvements and Privately-Owned Utilities including but not limited to improving and expanding infrastructure critical to the recreational and commercial fisheries industries like private fish docks, icehouses, boat launches, processing and shipping facilities, boats and public access fishing ramps, piers and other necessary infrastructure that address the most pressing needs of the fisheries industry, both currently and for future sustainability.
- Purchase of nets, gear, refrigeration systems, or other on gear that result in more efficient and environmentally sound fishing processes for vessels impacted by Gustav and Ike;

### **Programs**

#### Critical Fishery Infrastructure Recovery Program - Mobile Ice Fleets

LDWF will work with the other state disaster response agencies to develop this program. The program will use secure mobile ice plants that will be maintained and housed by the State for deployment after future events to assist the fishing industry in parishes impacted by hurricane Gustav and Ike. After Hurricane Katrina and Rita, and again after Gustav and Ike, millions of dollars worth of seafood caught by Louisiana fisherman was lost because the industry did not have access to ice, a critical infrastructure item. In coastal Louisiana fishing is a primary economic activity. The commercial fishing industry has one of the highest job multipliers in the nation. The lack of ice means boats cannot work and that highly perishable products cannot move from docks to trucks to processors, and later to restaurants. While it's probable that land-based facilities may be impacted for months after a storm, if fishing vessels, docks and processors have access to ice, business operations can restart, families can return, and local commerce and revenues more quickly return to town and parish programs, thereby minimizing longer term economic losses and speeding community recovery. These mobile ice plants will only be used until the private ice making facilities are returned to service.

#### Commercial Fishing Gear Program

This program will be developed by the LDWF. Program funds will be available to eligible commercial fishers, crabbers, oysterman and crawfishers impacted by Gustav and Ike who need to obtain, upgrade or modernize equipment and gear for their vessels as determined by LDWF. The intent of the program is not only to replace items that were lost, but to provide opportunities for fishers from impacted parishes to obtain gear that lessens environmental impact of fishing in coastal parishes and reduces the costs of fishing. The gear in some cases was lost or damaged by the storm, is needed to either comply with Federal regulations or is needed by the commercial fishing industry to reduce the costs of fishing which have increased dramatically in coastal waters.

#### Sustainable Coastal Communities Programs

This program will be jointly developed by the LRA and LDWF. The intent of the program is to fund fishery recovery projects in parishes that were heavily impacted by hurricanes Gustav and Ike that also have substantial fishery recovery needs that are not being addressed via parish programs or other Federal programs, but are vital to recreational and commercial fishing recovery, whether for private or public facilities as determined by LDWF. Program guidelines will be determined after meetings are held with fishery stakeholders, commercial and recreational fishing businesses and in consultation with parish administrations on the use of there individual allocations. After the meetings, program criteria and guidelines will be publically announced through the LDWF with additional public outreach and assistance.

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Funds may be used to obtain services from 3<sup>rd</sup> party vendors to assist with parish based outreach activities and to help develop a “one stop” location for recovery assistance as it relates to the commercial fishing industry for all fishery programs. Examples of programs that may be developed, include but are not limited to, assisting large seafood and fishing related businesses, docks, processors in these parishes with uninsured infrastructure losses, the development of business recovery grant and loan programs specific to the seafood industry, or assisting parishes with other valuable public fishery related infrastructure projects.

LDWF, in cooperation with LRA/OCD-DRU, shall select projects for this program based on critical need, eligibility under the Community Development Block Grant (CDBG) program, and cost benefit analyses of reasonable alternatives.

### Recreational Fishing Access and Recovery program

The primary goal of this program will be to repair, restore, enhance or obtain public fishing access opportunities for land-based fishers by funding projects in certain coastal and inland waters impacted by Hurricanes Gustav and Ike. Eligible applicants will include government or non-government entities with an interest in constructing land based fishing access facilities.

### **Program Eligibility**

The Louisiana Department of Wildlife and Fisheries (LDWF) will directly oversee the development and implementation of fishery recovery programs including developing program eligibility guidelines for each program. LDWF will work with the LRA and OCD to ensure that programs comply with program and CDBG requirements. All fishery programs are being developed with considerable public outreach so that residents and the industry can provide input on program need. After programs and eligibility are designed additional outreach will be performed by LDWF. All projects will be developed to ensure that there is not a duplication of benefits with other Federal programs and will not be used as match for any other federal project. Projects are not fundable through other sources, reduce serious and immediate threats to the welfare of the community and parish, and alleviate a condition that has recently become urgent as a result of repeated natural disasters. Each program or project funded shall meet one of the three national objectives, with emphasis on meeting the primary national objective of benefit to low and moderate income persons, and shall be an eligible activity. Until programs or projects are selected and service areas and beneficiaries are known, the specific national objective and activity cannot be determined. These activities are to be managed by LDWF and LRA/OCD-DRU.

### **5. Coastal Communities Recovery Program**

Hurricanes Gustav and Ike caused extensive damage in South Louisiana as a result of storm surges, wind and rainfall. Hurricane Gustav and Ike-related surge overtopped flood protection systems in the New Orleans area and inundated many communities in South Louisiana. All levee systems were challenged. All of the systems to some degree suffered from breaches, scouring, erosion, slope failures and extensive debris.

Coastal Louisiana is home to 1.2 million people, helps provide nearly 30 percent of the energy consumed in the United States, provides nearly 30 percent of the nation's seafood, including 35 percent of its oysters, 46 percent of its shrimp and 28 percent of its blue crabs. Hurricanes Gustav and Ike interrupted access to energy resources and infrastructure, caused significant damage to the communities in this coastal region, and degraded miles of coastal lands and wetlands that provided these communities with essential hurricane protection.

Securing the future of the nation's energy and seafood relies upon the continued existence of natural and man-made barriers as protection as well as safe communities along Louisiana's coast to provide the workforce and business development required for these industries. For some communities, reasonable access to the coast's energy and seafood resources provides essential economic and cultural opportunities not present anywhere else in our nation. Residences and community resources need to be located within reasonable proximity to these economic and cultural opportunities. If communities are

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located too far from economic opportunities, the transportation costs associated with the commute to work will effectively prevent individuals in Louisiana from working in these critical industries.<sup>2</sup> For many communities, coastal protection and restoration projects are the only alternative to preserve the existence of communities that they depend on for economic and cultural existence. The State of Louisiana has developed this program to protect the economic assets as well as to balance the need for the recovery of coastal communities with the costs of providing protection from loss of life and flood damages.

The purpose of this program is to provide a range of projects that will assist communities to recover from Hurricanes Gustav and Ike in a manner that protects them and makes them more resilient to future storms. This program includes coastal restoration and protection projects that allow coastal communities to recover and exist safely and sustainably, as well as planning and implementation projects that make the long-term transition to sustainable coastal communities possible. All projects involving construction within this program shall be managed and implemented by the State of Louisiana Office of Coastal Protection and Restoration (OCPR). Programs involving planning and technical assistance will be managed and implemented by OCPR or other entities as deemed necessary by LRA/OCD-DRU.

OCPR is the single state entity authorized to focus development and implementation efforts to achieve comprehensive coastal protection for Louisiana. OCPR is the result of a merger of the La. Department of Transportation and Development and the La. Department of Natural Resources flood protection and coastal restoration sections. OCPR is responsible for the construction and maintenance of statewide structural flood protection systems, such as levee and drainage infrastructure, and the maintenance and protection of the state's coastal wetlands.

**Eligible Activity: Section 105 (a) (1, 2, 4, 5, 7, 8, 11, 12, 13, 14, 15, 17, 19, 21, 25) and wetlands waiver activity**

**National Objective: Benefit of low to moderate income persons, elimination or prevention of slums and blight, or urgent need.**

**Activity Amount: \$15 million**

Eligible Activities for this program include, but are not limited to the following, to the extent that those activities are recovery related and address the goals of this program:

- Acquisition of Real Property
- Public Facilities and Improvements
- Privately-Owned Utilities
- Disposition of Real Property
- Planning and Capacity Building
- Economic Development Assistance to For-Profit Business

OCPR, in cooperation with LRA/OCD-DRU, shall select projects for this program based on critical need, eligibility under the Community Development Block Grant (CDBG) program, and cost benefit analyses of reasonable alternatives. The selected projects shall be in accordance with the approved Louisiana Coastal Protection and Restoration Master Plan and published for public comment in accordance with the LRA/OCD-DRU Citizen Participation Policy.

### Programs

#### Sustainable Coastal Communities Programs

OCPR or other entities as deemed necessary by LRA/OCD-DRU shall promote non-structural recovery and protection measures, such as wet and dry storm-proofing of structures, zoning, building codes, and

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<sup>2</sup> Transportation costs in areas not well-served by public transit account for 20 percent of the average worker's income (Bureau of Labor Statistics 2007). The state has set a goal to keep residences within a reasonable commute time of not more than 150 percent of the national average commute. The national average commute time to work is 25 minutes (American Community Survey 2005-2007), which sets the maximum commute time target at 37.5 minutes to work.

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elevations, that are cost effective and sustainable risk reduction tools. The program shall provide for the implementation of non-structural best practices such as conservation easements, land-use plans and zoning ordinances to protect recovering communities and wetlands. As a commitment to respond to the effects and uncertainty of climate change, the state shall also develop a program that seeks to manage the state's carbon footprint while strengthening storm protection for coastal communities. Disaster Recovery CDBG shall also be used to assess the market, develop, and create the institutional framework for a state carbon credit program. OCPR shall dedicate the revenues of this program for coastal and wetlands protection and restoration that protects coastal communities and their resources.

### Public Facilities and Improvements

OCPR shall fund the restoration/hardening/improvement of critical infrastructure that promotes the sustainable recovery of communities affected by Hurricanes Gustav and Ike. Critical infrastructure shall include the repair or improvement of drinking water facilities and resources, drainage and sewerage facilities, pump stations, water control structures and levees that protect communities, economic centers, and other critical storm protection and wetland restoration infrastructure.

### Wetlands Restoration

OCPR shall fund the restoration of wetland, wetland forests, or marsh in areas affected by Hurricanes Gustav and Ike. The projects shall collect and make beneficial use of effluent and dredged material or construct wetland terraces that enhance the recovery of wetland, wetland forests and marsh. Projects shall create storm protection benefits in the form of surge reduction and protection, carbon sequestration, ecological, and/or community recreational or aesthetic improvements. Only projects that are designated as "public wetlands parks" in perpetuity shall be considered. OCPR and LRA/OCD-DRU shall work with HUD and other federal agencies in order to obtain the necessary statutory and regulatory exemptions and approvals.

The program may provide financial incentives for non-structural flood protection rehabilitation measures, such as wet flood-proofing and elevating public facilities, housing, and businesses. Local governments may also use this program to develop and implement conservation easements, land-use plans and zoning ordinances to protect communities and wetlands.

### **Program Eligibility and Monitoring**

Each program or project funded shall meet one of the three national objectives, with emphasis on meeting the primary national objective of benefit to low and moderate income persons, and shall be an eligible activity. Until programs or projects are selected and service areas and beneficiaries are assessed, the specific national objective and activity cannot be delineated.

All necessary environmental reviews shall be performed.

### **C. PARISH-IMPLEMENTED PROGRAMS**

The state encourages parishes to develop programs that benefit those most impacted and in greatest need within their communities.

#### **1. Housing**

Parishes can select from a variety of program options from the eligible activities outlined below in order to address housing needs specific to their community. Funding for each activity will be dependent upon the parish completing an application to the state which outlines the specific housing activities to be undertaken, anticipated beneficiaries, and local capacity to administer program activities. Eligible activities will include, but are not limited to, the following:

##### **a. Homeowner Compensation/Incentive Program**

It is the purpose of the Homeowner Compensation Program to offer assistance to homeowners in order to offset increased storm deductibles and provide households with additional incentive funding to remediate

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damage to their home resulting from Hurricanes Gustav and Ike, and maintain insurance to prevent future repetitive losses to their properties.

### **Type of Assistance**

- 1) CDBG funds will be used to offset increased storm deductibles (associated with Gustav/Ike damages) for both LMI and non-LMI homeowners in the form of an incentive payment to encourage homeowner to maintain insurance for future repetitive losses.
- 2) In addition, \$50,000 in CDBG funds will be provided to LMI households in the form of a three year forgivable deferred loan as an incentive to remediate damages and maintain property and flood insurance on their properties.

It should be noted that recipients of compensation from Hurricanes Katrina and Rita who did not have property or flood insurance at the time of sustaining damages from Gustav and Ike are not eligible for assistance with Community Development Block Grant (CDBG) funds.

### **Maximum Assistance Levels**

The maximum assistance for any homeowner is \$10,000. Low- to moderate income households may also be eligible for the a forgivable loan up to \$50,000. Typically, assistance levels will be less than this amount.

### **b. Rehabilitation (Owner-Occupied & Rental)**

It is the purpose of the Disaster Recovery Housing Preservation and Production Program to provide parishes with a mechanism to rehabilitate, or replace affordable housing in areas impacted by Hurricanes Gustav and Ike. Primary program objectives are to: 1) provide assistance to home owners of owner-occupied 1 to 2 units, 2) provide assistance to owners of small rental housing (4 units or less), and 3) develop affordable rental housing.

### **Type of Assistance**

- 1) CDBG funds can be used in the form of 3 year forgivable deferred loans to property owners for some or the all of the amount of rehabilitation.
- 2) CDBG funds can be used to write-down the interest rate on a bank loan to make the loan from the bank more affordable.
- 3) CDBG funds can be used to pay a portion of the cost of rehabilitation and a bank or other source of funds could be used to make up the difference. OCD-DRU will establish agreements with lending institutions at the time they set up their program guidelines to eliminate delays in loan processing by other lending sources.

### **Maximum Assistance Levels**

The maximum assistance for any applicant is \$100,000 per unit. Amounts over \$100,000 per unit may be approved on a case by case basis when approved special circumstances apply by OCD-DRU (such as historic requirements, lead paint abatement, etc.). Typically, assistance levels will be less than this amount.

### **c. Financing to Promote Homeownership**

OCD-DRU may provide homeownership assistance to any person who is not a homeowner or in danger of losing their status as a homeowner. OCD-DRU must document that the applicant is a renter, has a contract for deed without full ownership rights, or is living in an owner-occupied dwelling that is infeasible to rehabilitate. Assistance may only be provided for applicants who obtain a loan from a public or private lender. A person may apply for assistance to purchase an existing house within a targeted or scattered site target area, or purchase and rehabilitate a house, or purchase a lot and build a new house. Low interest rate mortgage loans should be pursued through U.S.D.A. Rural Development and the Louisiana Housing Finance Agency (LHFA) to provide LMI families with affordable mortgage loans.

1) Existing Houses: Homeownership Assistance is available to LMI households under the CDBG program. A household that has not owned a home within the last three years can receive up to \$20,000

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for down payment and closing costs. The CDBG funds may be used to pay up to 100% of the closing and/ up to 50% of the down payment to facilitate homeownership.

2) Newly Built Houses: The total amount of CDBG assistance that may be provided for each house is limited to 50% of the amount of the down payment required on the end loan plus any reasonable closing costs, or a reduction in interest rate on a loan. The total amount of assistance may not exceed \$30,000. Assistance may only be provided to applicants purchasing a lot and building a house within the project's target area.

### **d. Housing Relocation Program**

Parishes have the option of establishing a buy-out fund for homeowners AND rental properties located in dangerous areas prone to flooding for the purposes of allowing residents to relocate to safer areas. This fund will be used to purchase damaged or destroyed homes from homeowners. Buyouts must be voluntary and compensation will be determined by the parish based on a formula that accounts for insurance proceeds and FEMA payments for real property. The parish fund can also be utilized by the parish for clearance of properties and up to 12 months of maintenance and liability costs until the alternate use is established.

### **e. Homelessness Prevention**

Many households, especially rental households, that evacuated or whose homes were damaged by the storms were near the edge of sustainability prior to the storms. The parish may put resources towards these households most at risk of homelessness for rent/utility payments, deposits and arrears, moving and storage expenses, and emergency hotel housing, as necessary towards households most at risk of homelessness.

### **f. Neighborhood Redevelopment Program**

It is the purpose of the Neighborhood Redevelopment Program to provide parishes with a mechanism to remediate damages in defined neighborhoods and ensure that areas blighted by Hurricanes Gustav or Ike are redeveloped. Prior to initiating this type of program, parishes will be required to submit an application to OCD-DRU outlining the project area, activities to be undertaken, anticipated beneficiaries, and local capacity to administer a Neighborhood Redevelopment Project. In addition, the parish will be required to complete and submit a Neighborhood Renewal Plan which must be approved by OCD-DRU prior to release of funding for this type of project. The plan shall at a minimum outline the following

1. Location, character and extent of public and private land ownership and uses proposed as part of the project.
2. Proposed land acquisition, demolition, and clearance activities.
3. Proposed redevelopment and improvements (if any).
4. Proposed rehabilitation activities (if any).
5. Relationships of this plan to local development objectives, strategies and standards.
6. Maximum density and building requirements.
7. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act) to be followed by the parish.

## **2. Infrastructure Recovery Program**

**Eligible Activity: Section 105 (a) (1, 2, 4, 5, 7, 8, 11, 21, 25)**

**National Objective: Low to Moderate Income, Elimination of Slum and Blight, or Urgent Need**

**Activity Amount: To be determined by individual grantees from individual allocations**

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In addition to the direct damage they caused, Hurricanes Gustav and Ike created long-lasting infrastructure problems that can only be addressed with long-term planning and implementation of projects to address these problems.

To address these challenges, the State created the Infrastructure Recovery Program. The goal of this program is to provide additional funding for rebuilding and recovery of the infrastructure in the most heavily impacted parishes of the state.

Eligible Activities for this program include, but are not limited to the following, to the extent that those activities are recovery related, meet a national objective, are part of the recovery plan for a grantee, and are otherwise eligible by CDBG and OCD rules:

- acquisition of real property;
- public facilities and improvements;
- clearance, rehabilitation, reconstruction, and construction of buildings;
- removal of architectural barriers to access by the elderly and handicapped;
- disposition of real property, including costs associated with maintenance and transfer of acquired properties;
- relocation associated with projects that utilize one or more of the other eligible activities listed here;
- activities carried out through nonprofits;
- energy efficiency/conservation programs; and
- code enforcement.

The program may provide financial incentives for non-structural flood protection rehabilitation measures, such as wet flood-proofing and elevating public facilities, housing, and businesses. Local governments may also use this program to develop and implement conservation easements, land-use plans and zoning ordinances to protect communities and wetlands.

With rebuilding and recovery occurring at the same time as robust planning efforts at the local, regional, and state level, the State wishes to ensure wise, forward-looking investment of very limited resources. These funds and planning efforts will continue to provide momentum for Louisiana's recovery efforts. Prioritization of projects that drive local recovery must ultimately come from the local communities, and be consistent with regional recovery priorities.

Recognizing the above, projects to be funded from this program should:

1. be selected by the parishes based on local recovery priorities;
2. demonstrate broad-based support from the local community, as indicated by inclusion in a broadly accepted recovery plan, or similar mechanism;
3. be consistent with regional and state plans and
4. include direct benefits to the most impacted municipalities and communities or have a measureable recovery benefit to the most impacted communities.
5. Parish must have a written agreement with local officials supporting the priorities in the plan.

The above requirements will ensure that issues that are a priority to the broader local community are addressed, while also ensuring that local and regional plans are complementary.

In addition to the above requirements, expenditures from the Infrastructure Recovery Program must show that each infrastructure project considers and/or proposes a mitigation plan to minimize damage in the event of future floods or hurricanes.

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### Method of Distribution

Those entities that choose to allocate funds to the Infrastructure Program within their respective communities will follow the process below to distribute the funds they have allocated to the Infrastructure Program.

1. Based on local planning and citizen participation, the local government entity will identify infrastructure projects that address their most critical recovery needs.
2. The governing body of the local government entity will adopt these projects in their proposal, via formal resolution and after public comment, and submit a list of infrastructure projects, including budget estimates for each, that they wish to be implemented through this program. Because some projects may not be eligible for CDBG funding, some projects may be less expensive than estimated, and some projects may get funding from other sources, this list should include more projects than can be funded through this allocation.
3. Local government entities will submit an application for each project to the Office of Community Development (OCD) for review. (Technical assistance will be provided to the local government entity to help determine eligibility prior to full development of applications to avoid wasted work on ineligible activities.)
4. OCD will review and approve project applications, and notify local government entity of approvals and/or denials.
5. Local government entity will implement the project in compliance with all CDBG and program requirements, requesting funds as implantation progresses.

Methods of prioritization, distribution, and allocation must be documented and maintained as required in 24CFR570.490. All projects must be able to be completed within 7 years of the date the local government's plan is approved by the LRA, but exceptions to the time constraint may be granted by the Office of Community Development (OCD) if the local government can demonstrate that project delays were outside of their control or that the longer time line is reasonable for completion of the project.

This activity is considered to be a low risk activity. Monitoring will be performed by the OCD staff in accordance with the OCD Monitoring Plan.

### 3. Economic Recovery and Revitalization

For the state to recover from these hurricanes and the events of 2005, new opportunities must be developed to provide for the losses in hurricanes Gustav and Ike and increase economic activity around key economic sectors.

The state will develop programs aimed at rapidly providing funds in the form of grants and/or loans for operating expenses and commercial rehabilitation to small businesses with time-critical cash flow issues resulting from Hurricane Gustav and Ike as well as provide catalytic resources to small and medium sized businesses to support economic recovery. Funds may be used for economic revitalization activities within communities to grow local economies.

These programs together will ensure that these small businesses, the backbone of the state's economy, can recover quickly and continue to generate economic wealth and new jobs for residents of the state.

Funds may also be set aside to support the recovery of state-owned port facilities.

Eligible Activity:	Public facilities and improvements § 570.201 (a) (c) (d) (e) (f) Special Economic Development § 570.203 & 204 105(a)(17) and 105(a)14(b)
National Objective:	Benefit to Low and moderate income persons and removal of slum and blight and urgent need § 870.208

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**Appendix A: Initial Disaster CDBG Allocations for Gustav and Ike based on HUD methodology**

**Table 1: Initial Disaster CDBG Allocations**

	<b>Initial Allocation</b>	<b>Percent</b>	<b>Final Allocation Estimate</b>	<b>Percent</b>
Total Allocation to LA	\$438,223,344	100.0%	\$800,000,000	100.0%
Allocation to Parishes	\$309,791,652	70.7%	\$565,541,122	70.7%
HUD Required to Affordable Hsg	\$ 46,520,525	10.6%	\$ 84,925,690	10.6%
Fisheries	\$ 15,000,000	3.4%	\$ 27,383,297	3.4%
Agriculture	\$ 30,000,000	6.8%	\$ 54,766,594	3.4%
Coastal Restoration	\$ 15,000,000	3.4%	\$ 27,383,297	3.4%
Admin	\$ 21,911,167	5.0%	\$ 40,000,000	5.0%

<b>Parish</b>	<b>Relative Damage</b>	<b>CDBG 1st Allocation</b>	<b>Estimated 2nd Allocation</b>	<b>Final Estimated Allocation</b>
Terrebonne	21.8%	\$67,729,927	\$ 55,540,220	\$123,270,148
Cameron	9.4%	\$29,201,919	\$ 23,946,298	\$ 53,148,217
Iberville	7.8%	\$24,284,217	\$ 19,913,660	\$ 44,197,877
East Baton Rouge	6.1%	\$18,803,751	\$ 15,419,542	\$ 34,223,293
Lafourche	6.0%	\$18,479,581	\$ 15,153,715	\$ 33,633,297
Jefferson	4.8%	\$14,914,047	\$ 12,229,888	\$ 27,143,935
Assumption	4.8%	\$14,768,693	\$ 12,110,694	\$ 26,879,387
St. Mary	3.4%	\$10,693,219	\$ 8,768,705	\$ 19,461,923
Ascension	3.4%	\$10,643,022	\$ 8,727,542	\$ 19,370,564
Calcasieu	3.1%	\$ 9,729,257	\$ 7,978,232	\$ 17,707,489
Rapides	2.9%	\$ 8,990,182	\$ 7,372,172	\$ 16,362,354
Pointe Coupee	2.8%	\$ 8,744,984	\$ 7,171,104	\$ 15,916,088
St. Landry	2.3%	\$ 7,016,274	\$ 5,753,519	\$ 12,769,792
Livingston	2.0%	\$ 6,189,381	\$ 5,075,446	\$ 11,264,828
Iberia	2.0%	\$ 6,063,380	\$ 4,972,122	\$ 11,035,502
St. James	1.9%	\$ 5,787,541	\$ 4,745,927	\$ 10,533,467
Tangipahoa	1.8%	\$ 5,512,324	\$ 4,520,242	\$ 10,032,566
Vermilion	1.5%	\$ 4,598,333	\$ 3,770,748	\$ 8,369,081
West Baton Rouge	1.5%	\$ 4,503,799	\$ 3,693,227	\$ 8,197,025
St. John the Baptist	1.2%	\$ 3,837,670	\$ 3,146,985	\$ 6,984,655
St. Martin	0.9%	\$ 2,918,998	\$ 2,393,651	\$ 5,312,648
St. Charles	0.9%	\$ 2,642,418	\$ 2,166,848	\$ 4,809,266
Franklin	0.8%	\$ 2,456,946	\$ 2,014,756	\$ 4,471,702
Avoyelles	0.7%	\$ 2,146,390	\$ 1,760,093	\$ 3,906,483
Lafayette	0.7%	\$ 2,112,903	\$ 1,732,633	\$ 3,845,537
St. Tammany	0.7%	\$ 2,084,591	\$ 1,709,416	\$ 3,794,007
Ouachita	0.7%	\$ 2,038,186	\$ 1,671,363	\$ 3,709,549
St. Helena	0.6%	\$ 1,869,333	\$ 1,532,899	\$ 3,402,232
East Feliciana	0.5%	\$ 1,654,637	\$ 1,356,844	\$ 3,011,481
Acadia	0.4%	\$ 1,381,167	\$ 1,132,592	\$ 2,513,759
Catahoula	0.4%	\$ 1,251,227	\$ 1,026,037	\$ 2,277,264
Evangeline	0.4%	\$ 1,229,197	\$ 1,007,972	\$ 2,237,170
Orleans	0.4%	\$ 1,089,341	\$ 893,287	\$ 1,982,628
Plaquemines	0.3%	\$ 1,060,223	\$ 869,409	\$ 1,929,632

**PROPOSED GUSTAV/IKE ACTION PLAN AMENDMENT 1  
PUBLIC COMMENT VERSION**

West Feliciana	0.3%	\$ 792,177	\$ 649,605	\$ 1,441,783
East Carroll	0.2%	\$ 661,149	\$ 542,158	\$ 1,203,307
Beauregard	0.1%	\$ 387,101	\$ 317,433	\$ 704,534
Richland	0.1%	\$ 376,260	\$ 308,542	\$ 684,802
Allen	0.1%	\$ 273,729	\$ 224,464	\$ 498,193
Concordia	0.1%	\$ 258,466	\$ 211,949	\$ 470,415
Grant	0.1%	\$ 233,162	\$ 191,198	\$ 424,360
Morehouse	0.1%	\$ 198,763	\$ 162,990	\$ 361,753
Jefferson Davis	0.1%	\$ 183,789	\$ 150,711	\$ 334,500
St. Bernard	0.0%	\$ -	\$ 250,549	\$ 250,549
Washington	0.0%	\$ -	\$ 228,287	\$ 228,287
West Carroll	0.0%	\$ -	\$ 179,056	\$ 179,056
La Salle	0.0%	\$ -	\$ 154,738	\$ 154,738
Vernon	0.0%	\$ -	\$ 150,000	\$ 150,000
Winn	0.0%	\$ -	\$ 150,000	\$ 150,000
Sabine	0.0%	\$ -	\$ 150,000	\$ 150,000
Madison	0.0%	\$ -	\$ 150,000	\$ 150,000
Tensas	0.0%	\$ -	\$ 150,000	\$ 150,000
Union	0.0%	\$ -	\$ 150,000	\$ 150,000
	<b>100.0%</b>	<b>309,791,652</b>	<b>255,749,470</b>	<b>565,541,122</b>

**Table 2: Affordable Rental Housing Set Asides**

<b>Parish</b>	<b>Dollars</b>
Terrebonne	\$10M
Cameron	\$4M
Iberville	\$4M
Lafourche	\$3M
East Baton Rouge	\$3M
Competitive Pool – All parishes	\$23M
<b>TOTAL</b>	<b>\$47M</b>

- 50% will be pro-rated to top 5 impacted parishes as above
- 50% will be open to all parishes as competitive pool
- Any parish may utilize their own parish allocation for affordable housing – they are not limited by the set-aside amount