

PROPOSED GUSTAV/IKE ACTION PLAN AMENDMENT 14

**DISASTER RECOVERY INITIATIVE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
CONSOLIDATED SECURITY, DISASTER ASSISTANCE,
AND CONTINUING APPROPRIATIONS
ACT, 2009
H.R. 2638 / Public Law 110-329**

Louisiana Office of Community Development/Disaster Recovery Unit

***NON-SUBSTANTIAL* AMENDMENT No. 14 TO STATE OF LOUISIANA ACTION
PLAN FOR THE UTILIZATION OF CDBG FUNDS IN RESPONSE TO
HURRICANES GUSTAV AND IKE**

- **Clarification of Eligible Activity under the LIHTC “Piggyback” Affordable Rental Program**
- **Technical Clarification to the Business Grant and Loan Program**

**Submitted to HUD: August 1, 2012
Revised**

HUD Approved: August 2, 2012

**Bobby Jindal
Governor**

**Jay Dardenne
Lieutenant Governor**

**Paul Rainwater
Commissioner of Administration**

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Non-Substantial Action Plan Amendment (APA) Number 14 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).

- **Clarification of Eligible Activity under the Affordable Rental Housing Program (and LIHTC “Piggyback Program”)**
- **Technical Clarification to the Business Recovery Grant and Loan Phase Program Selection of Projects**

I. INTRODUCTION

The State of Louisiana was allocated a total of \$1,093,212,571 in Community Development Block Grant (CDBG) disaster recovery funds as a result of the impact of Hurricanes Gustav and Ike. Since the original submission of the State’s Disaster Recovery Action Plan to HUD on January 8, 2009, the State has received approvals of ensuing Action Plan Amendments completing the specified program areas designed to receive the CDBG disaster funds.

The State is submitting this ***non-substantial Action Plan Amendment (APA) Number 14*** to clarify descriptions, eligible activities or intended use of funds to existing programs and in line with the approved intent and design of the programs. This APA is considered non-substantial since it involves no transfer of funds; it does not create a new program; nor does it change any beneficiaries.

II. DETAILS OF APA CLARIFICATIONS

A. Clarification of New Construction as an Eligible Activity under the state-implemented Affordable Rental Housing Program

This APA 14 provides technical clarification to the description of the eligible activities under the approved Affordable Rental Housing Programs, which describes the Low Income Housing Tax Credit (LIHTC) “Piggyback” Program as one such program use in APA 1 and amended in APA 4. The State of Louisiana was granted a waiver on February 13, 2009, 74FR 7244 (Docket # FR 5256-N-01) to allow for new construction as an eligible activity. It was the States intention to pursue new construction as an option under the approved program, consistent with the description to “develop rental housing [and] prioritize the creation of mixed-income projects...,” which were modeled after the usage in the Katrina/Rita programs.

The State would amend the APA language to remove the original terms of the *Eligible Activity: Rehabilitation & Preservation Activities § 570.202 (a) (b) ((c) (d) (e) (f)*, to clarify the appropriate terminology as the ***Eligible Activity: Section 105 (a)4, to include new construction based on the allowable waiver.***

PROPOSED GUSTAV/IKE ACTION PLAN AMENDMENT 14

B. Technical Clarification to the Business Recovery Grant and Loan Phase Program Selection of Projects

The State of Louisiana is submitting this non-substantial technical clarification via APA 14 to the *Business Grant and Loan Phase Program* as described in APA 3 and ensuing Amendments related to the program. The clarification is in reference to the identification of specific projects and to make clearer the State's original intent for the basis and criteria by which priority projects are selected at the discretion of the state. The State set out established eligibility and criteria in the APA(s) and followed up with development of specific program guidelines to provide details of the review process.

By this APA 14, the State wishes to clarify and expand upon the statements contained within section **i. Eligibility** of APA No. 3 that the *Business Recovery Grant and Loan Program (Program)* is intended to accommodate the diverse unmet economic development needs identified at the local and state level in post-Gustav and Ike Louisiana. The Program is administered at the state level, with project selection to be made through an evaluation of applicability to established criteria, rather than through a competitive process. Selection of projects is based on the following criteria:

- 1) Eligible Activities: 105(a)1-8, 10-22, 25
- 2) National Objective: Low to Moderate Income Benefit; Elimination of Slum and Blight; and Urgent Need
- 3) Eligible Entities: economic development organizations; community development financial institutions; parishes; local governments; political subdivisions; universities and technical and community colleges; and non-profit organizations and businesses damaged by Hurricanes Gustav and Ike, or those willing to remain in and contribute to the economic recovery and revitalization of communities affected by the events;
- 4) Business or project readiness;
- 5) Availability of other sources of funds;
- 6) Ability to maintain business in the community or implement the project in a timely manner;
- 7) Presentation of business and development plans and financial pro-forma;
- 8) Demonstrated ability to achieve the objectives proposed in the application (ability to obtain other financing, site control, etc.);
- 9) Provision of supporting documentation, including commitment of private funds;
- 10) Geographic area: Louisiana's Gustav/Ike disaster impacted parishes.

The State Office of Community Development/Disaster Recovery Unity (OCD-DRU) conducts continuous outreach across the impacted areas, receiving numerous proposals for unmet recovery economic development needs as a result of various methods, including press releases, public outreach meetings and individual meetings with local government entities. The following projects have been funded due to their eligibility and the unmet needs that their project addresses in disaster impacted areas of Louisiana:

- 1) McNeese State University Foundation (Meat Processing Plant), 105(a)14 (Acquisition and Rehabilitation), Lacassine, Jefferson Davis Parish;
- 2) Southwest LA Primary Health Care Center, Inc. (Mental Health Wing), 105(a)2 (Construction), Opelousas, St. Landry Parish;
- 3) St. Charles Parish (St. Charles Community Center), 105(a)2 (Construction), Hahnville, St. Charles Parish;
- 4) Rapides Parish Police Jury (Bayou Bouef Diversion Canal Improvements), 105(a)2 (Construction), Alexandria, Rapides Parish;

PROPOSED GUSTAV/IKE ACTION PLAN AMENDMENT 14

- 5) Port of New Orleans (Cold Storage), 105(a)14, New Orleans, Orleans Parish;
- 6) Louisiana Technical and Community College Facilities Corporation (Fletcher Community College Expansion), 105(a)14 (Acquisition), Houma, Terrebonne Parish;
- 7) Terrebonne Parish Government (Terrebonne Port Dry Dock Project), 105(a)2 (Construction), Port of Terrebonne, Terrebonne Parish;
- 8) Greater Opelousas Economic Industrial Development Council, Inc. (St. Landry Business Incubator), 105(a)15, Opelousas, St. Landry Parish;
- 9) St. Tammany Parish Government (Project Icebox), 105(a)2 (Construction), Pearl River, St. Tammany Parish;
- 10) World War II Museum Foundation (Campaigns Pavilion), 105(a)14 (Construction), New Orleans, Orleans Parish;
- 11) AMI Kids, Inc., 105(a)8 (provision of public services related to crime prevention and drug abuse), Rapides, East Baton Rouge, Terrebonne, Ascension, Lafourche, Jefferson, Madison, and Calcasieu Parishes

All future projects will be selected based on the eligibility and criteria listed above by the OCD-DRU, as the designee of the Governor.