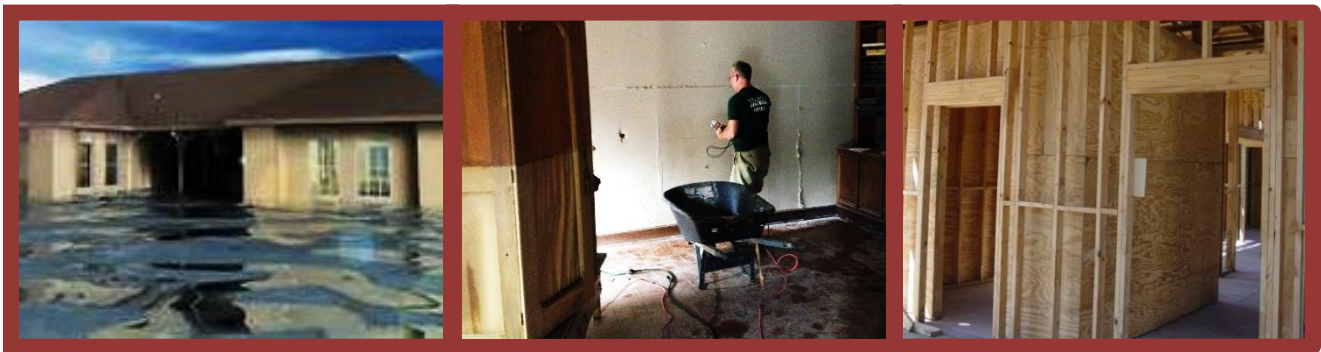


DISASTER RECOVERY INITIATIVE  
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Allocations, Waivers and Alternative Requirements for Grantees Receiving Community Development Block Grant  
Disaster Recovery Funds in Response to Disasters Occurring in 2016  
*The Continuing Appropriations Act, 2017, The Further Continuing and Security Assistance Appropriations Act, 2017  
and The Consolidated Appropriations Act, 2017 (Public Law 114-223, 114-254 and 115-31)*  
Federal Register Docket No.  
FR-5989-N-01, FR-6012-N-01 and FR-6039-N-01

LOUISIANA OFFICE OF COMMUNITY DEVELOPMENT, DISASTER RECOVERY UNIT



STATE OF LOUISIANA  
SUBSTANTIAL ACTION PLAN AMENDMENT NO. 8  
FOR THE UTILIZATION OF  
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS  
IN RESPONSE TO THE GREAT FLOODS OF 2016

Public Comment Period: May 2 – May 15, 2018

SUBMITTED TO HUD: MAY 18, 2018

APPROVED BY HUD: JULY 12, 2018

[John Bel Edwards](#)

Governor



Billy Nungesser

Lieutenant Governor



## 1. Summary of Changes

This Action Plan Amendment No. 8 modifies the allocations to the rental programs necessary for recovering from the Great Floods of 2016. Upon completion of application review and eligibility determination, the state has experienced lower than anticipated demand to the Neighborhood Landlord Rental Program. Furthermore, the state has assessed the current unmet affordable housing needs and has identified additional need within the Piggyback Program, specifically for addressing affordable housing needs in rural areas.

This Action Plan Amendment (APA) also creates a new program, the First Responders Public Service Program, in order to address the unmet needs caused by a reduction in revenue received from ad valorem taxes following the reassessment of properties in the aftermath of the 2016 floods. Funding for this program is coming from “Administration and Other Planning Activities” funding category. The recovery of a community, and therefore the housing recovery, cannot be fully realized without a normalization of such fundamental public services. Storm-impacted homeowners and renters rely on the services provided by local sheriff’s offices, fire districts, emergency medical services and other emergency first responders to keep them safe. Therefore, maintaining an adequate level of first response services is a critical component of a community’s recovery, particularly as homeowners and renters work toward returning home.

This APA is considered substantial, as it substantially amends program budgets and creates a new program.

State of Louisiana Total CDBG-DR Allocations			
	Previous Allocation	Change	Revised Allocation
Total Allocation	\$1,708,407,000	-	\$1,708,407,000
Restore Louisiana Housing Programs	\$1,465,327,321	-	\$1,465,327,321
• Homeowner Program	\$1,331,163,919	-	\$1,331,163,919
• Multifamily Rental Gap Program	\$22,515,518		\$22,515,518
• Neighborhood Landlord Rental Program	\$53,947,884	(\$7,000,000)	\$46,947,884
• Piggyback Program	\$36,700,000	\$7,000,000	\$43,700,000
• Rapid Rehousing Program	\$16,000,000	-	\$16,000,000
• Permanent Supportive Housing Program	\$5,000,000	-	\$5,000,000
Restore Louisiana Economic Recovery and Revitalization Programs	\$62,000,000	-	\$62,000,000
Infrastructure Program (FEMA Match)	\$105,000,000	-	\$105,000,000
Watershed Modeling and Planning	\$9,800,799	-	\$9,800,799
First Responders Public Services Program	-	\$8,000,000	\$8,000,000
Administration and Other Planning Expenses	\$66,278,880	(\$8,000,000)	\$58,278,880

## 2. Proposed Use of Funds

### *Neighborhood Landlord Rental Program*

<b>Eligible Activity</b>	<b>Rehabilitation, new construction, loan financing (HCDA Sections 105 (a)(4)); 105(a)(8-9); 105(a)(15)).</b>
<b>National Objective</b>	<b>Benefit to low to moderate income persons</b>
<b>Previous Program Budget</b>	<b>\$53,947,884</b>
<b>Budget Change (Negative)</b>	<b>(\$7,000,000)</b>
<b>Revised Program Budget</b>	<b>\$46,947,884</b>

**Budget change summary:** The state, through the Louisiana Housing Corporation has conducted extensive outreach to encourage program participation from existing affordable housing developers, public housing authorities and market rate housing developers with properties that experienced flooding during the Great Floods of 2016. Following the second deadline extension, the program was oversubscribed. However, upon completion of application review and award determination, there were insufficient eligible applications to fully expend the previously allocated funds.

The state has determined that the remaining funds from the Neighborhood Landlord Rental Program should be reallocated to other programs that address affordable housing needs in the disaster impacted areas.

### *Piggyback Program*

<b>Eligible Activity</b>	<b>Acquisition, clearance, rehabilitation, reconstruction, and new construction, elevation, loan financing HCDA Sections 105 (a)(1),(4) and (14)</b>
<b>National Objective</b>	<b>Benefit to low to moderate income persons</b>
<b>Previous Program Budget</b>	<b>\$36,700,000</b>
<b>Budget Change</b>	<b>\$7,000,000</b>
<b>Revised Program Budget</b>	<b>\$43,700,000</b>

**Budget change summary:** The state, through the Louisiana Housing Corporation will be implementing the program. The additional funds will allow the state to invest in long-term affordable housing across the disaster impacted parishes.

### *Administration and Other Planning Activities*

<b>Eligible Activity</b>	<b>Administration and Planning</b>
<b>National Objective</b>	<b>N/A</b>
<b>Previous Program Budget</b>	<b>\$ 66,278,880</b>
<b>Budget Change (Negative)</b>	<b>(\$8,000,000)</b>
<b>Revised Program Budget</b>	<b>\$58,278,880</b>

**Budget change summary:** The state has identified efficiencies in its implementation of disaster recovery programs and therefore is reallocating a portion of its Administration and Other Planning Activities budget to the newly created First Responders Public Services Program to address the unmet needs related to the provision of those critical services.

*First Responders Public Services Program*

**Program Summary:** The First Responders Public Services Program is being created in order to address the unmet needs caused by a reduction in revenue received from ad valorem taxes following the reassessment of properties in the aftermath of the 2016 floods. This program will provide grants for operational assistance necessary for these types of service providers to provide the levels of service that were projected and provided before the Great Floods of 2016.

In the State of Louisiana, properties are assessed at least every four years by the assessor’s offices to determine property value. The last statewide assessment that was conducted prior to the 2016 floods occurred in the 2012 tax year. A reassessment of properties took place after the flood and as a result, the value of the reassessed properties greatly reduced due to the damaged state of the properties affected by the floods. Consequently, the revenues of many first responder agencies dependent upon ad valorem revenues were impacted negatively due to the reassessed property values, which impacted the level of services these agencies provide. Preliminary research shows that these agencies had to reduce staff, reduce the purchase of necessary equipment and reduce staff training due to the reduced revenue that was projected to be higher based on pre-storm projected ad valorem taxes for the year.

In order for communities to recover from the long-term effects of the disaster, it is imperative for such emergency public services to be fully staffed and operational. Without fully operational first response services, the safety of homeowners and renters is at risk, which will have a direct impact on the recovery of Louisiana’s impacted neighborhoods. Many homes remain partially improved or fully damaged, placing them at higher risk of break-in, vandalism and fire. Furthermore, as residents continue through the emotional and physical stresses caused by such a disaster, their personal safety and access to swift and responsive emergency services becomes more critical not only for their immediate health, but also as they make decisions about where to live.

<b>Eligible Activity</b>	<b>Public Services: HCDA Section 105(a)8</b>
<b>National Objective</b>	<b>Low to Moderate Income and Urgent Need</b>
<b>Program Budget</b>	<b>\$8,000,000</b>

**Administering Entity:** Local subrecipients, units of general local government and/or agencies within units of general local government

**Proposed Use of Funds:** The First Responders Public Service Program will assist public first responder agencies in the ten (10) most impacted and distressed parishes with operational funding for these entities to provide pre-storm projected levels of service. Eligible uses of assistance include payment of salaries and benefits, purchasing equipment, training and other identified eligible unmet need uses.

**Eligible Applicants:** Public first responder agencies, units of local government

**Criteria for Selection:** Assistance from the First Responder Public Services Program is limited to entities that meet the following criteria:

- Are dependent upon ad valorem tax revenue as a source of income for operations;
- Have experienced a quantifiable decline in projected revenues, resulting directly from the decrease in projected ad valorem tax revenues, and have a demonstrated unmet need;
- Are located in one of the ten most impacted and distressed parishes; and
- Provide a critical, first response public service to the public and local residents, such as sheriff's offices, fire districts and emergency medical services, as will be further defined in program policies and procedures.

**Method of Distribution:** The state will solicit applications from first responder agencies and local governments in the ten most impacted and distressed parishes to identify the universe of potential recipients. The state will analyze the applications for a demonstrable and quantifiable unmet need. Assistance will be provided for one year of operations; however, the state may provide assistance after the first year if the state assesses a continued and critical unmet need after providing assistance for the first year. If the program is oversubscribed, the state may issue awards on a prorated basis.

**Maximum Award:** The program will provide awards in the form of a grant, with a maximum grant of \$3 million. If the program is oversubscribed, the state may choose to prorate award amounts to eligible applicants.

### 3. Public Comments

Per the state's initial Action Plan, this Amendment is considered substantial as it as it substantially amends program budgets and creates the First Responders Public Services Program. The formal public comment period for the amendment begins Wednesday, May 2 and runs through Tuesday, May 15 at 5 p.m. CST. Citizens and organizations can comment on this amendment via:

- The OCD-DRU website, [http://www.doa.la.gov/Pages/ocd-dru/Action\\_Plans.aspx](http://www.doa.la.gov/Pages/ocd-dru/Action_Plans.aspx);
- Emailing them to [ocd@la.gov](mailto:ocd@la.gov);
- Mailing them to Disaster Recovery Unit, P.O. Box 94095, 70804-9095, Attn: Janice Lovett; or
- Faxing them to the attention of Janice Lovett at (225) 219-9605.

The plan is available in Vietnamese and Spanish to reach the limited English proficiency citizens in the impacted areas. Citizens with disabilities or those who need other technical assistance can contact the OCD-DRU office for assistance via the methods listed above.

## 4. Appendix

### **PUBLIC COMMENT**

I would like to see the State/HUD/whomever assist the flooded homeowners through means readily available, i.e. to repave roads and driveways of affected properties. Every single home that was flooded, has substantial damage to their driveways. This would cost them approx \$10,000.00 for 10 yards of driveway. This cost could be greatly reduced by facilitating the State's DOT equipment to do the repairs. I don't see why you need to expend money on even more government entities to manage yet another recovery unit, when the previous/current one isn't assisting much of anything caused by the flood. All this money seems to be going on is government salaries ... I have been forced into maxed out loans and other financial distress since I am not low income. I wasn't given rental help after 3 months because we had bought a camper to live in. There is a lot of unfair and inconsistent allocations of funds in this program.

**OCD RESPONSE: Thank you for your comment on the state of Louisiana's proposed Action Plan Amendment for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in May.**

**We understand families impacted by the floods lost much more than their homes. They lost personal belongings, vehicles and other valuable items. We also understand that the costs of recovery include interim and unexpected expenses caused by the disruptions of having a home in repair. However, in order to comply with federal requirements and limitations of the source of the funding for the Restore LA Homeowner Assistance Program and due to the amount of funding available, we have developed the program with defined eligible uses of funds and specific funding parameters.**

**Specifically, the Restore program does not provide assistance for driveways, but it does provide assistance for the unmet repair needs for damaged homes. In addition, the Restore program does not provide rental assistance to families, regardless of income.**

**If you have any questions about the specifics of your Restore Louisiana Homeowner Assistance Program application, we encourage you to contact the program's Applicant Relations Team at [info@restore-la.org](mailto:info@restore-la.org). Thank you again for reaching out.**

### **PUBLIC COMMENT**

Hi. Why can't the program be amended to help those of us that sold our flooded home? I owned my home during the flood and when the Restore program was implemented. What I didn't do was sit around and wait for help. I took out loans, which I'm still paying on, and completely rebuilt my home. But, because I sold it afterwards, I'm not eligible for help for the Restore program. Meanwhile, friends of mine who went through the same thing but opted to remain at their locations, have been getting money that they've used to eliminate debt incurred from flood repairs. I'm at a loss trying to figure out how this came to be.

**OCD RESPONSE: Thank you for your comment on the state of Louisiana's proposed Action Plan Amendment for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in May.**

**Through the Restore program, the state has prioritized helping people return home after their homes were damaged in the Great Floods of 2016. We understand families must make difficult decisions that**

are right for them after a disaster. When the program was initially designed, we did not anticipate having enough funding to fully assist all the homeowners impacted by the disaster. With limited funding, our priority was to get houses rebuilt that may not otherwise be rebuilt to preserve neighborhoods and communities; therefore, homeowners who sold their homes after the floods were not eligible for program assistance.

We continue to evaluate program demand and unmet needs. If program demand is such that funding is available to serve additional unmet needs, we will include in our evaluation the outstanding needs of homeowners who sold their homes after the flood events and may determine to expand eligibility to include homeowners with sold homes.

If you have any questions about the specifics of your Restore Louisiana Homeowner Assistance Program application, we encourage you to contact the program's Applicant Relations Team at [info@restore-la.org](mailto:info@restore-la.org). Thank you again for reaching out.

**PUBLIC COMMENT:**

There are still flood victims whose homes are not repaired due to the SBA duplication of benefits issue that is preventing them from receiving much needed Restore Grant funds. It seems it would be more prudent to help flood victims return to completed homes they can make secure themselves in their communities than to conjure up new programs such as "First Responders Public Service Program" to spend TAX payers' dollars on. There would be no grant money if not for the flood victims. HELP the flood victims.

**OCD RESPONSE:** Thank you for your comment on the state of Louisiana's proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in May.

As described in the Action Plan Amendment, in order to ensure storm-impacted communities are safe and recovery investments are protected, it is critical to ensure first responders are working at full capacity. We were able to identify efficiencies in our delivery and administration of the recovery programs; therefore, the funding for this program is coming from previously dedicated administration funds and not the homeowner program.

We continue to await additional guidance from Congress and the U.S. Department of Housing and Urban Development on any changes to the current SBA guidance; however, until they provide additional guidance, we cannot adjust the current duplication of benefits guidelines within the Restore LA Homeowner Assistance Program.

Please know that we do fully understand your frustration regarding SBA loans being considered a duplication of benefits. Since the 2016 floods, Gov. Edwards has been working with our Congressional delegation to fix the duplication of benefits issue and just last month sent a letter (linked here: <https://bit.ly/2GxxmEr>) about this to HUD as a continuation of efforts to help individuals who have been affected by existing federal guidelines. We are closely tracking the legislation and awaiting further clarification and guidance from HUD to understand how this legislation will affect the program. If HUD provides guidance to our program to no longer consider declined SBA loans as a DOB, then homeowners who are positively affected will be contacted by the program and have their awards updated, regardless of where they are in the program.

**If you have any questions about the specifics of your Restore Louisiana Homeowner Assistance Program application, we encourage you to contact the program's Applicant Relations Team at [info@restore-la.org](mailto:info@restore-la.org). Thank you again for reaching out.**

#### **PUBLIC COMMENT**

I strongly oppose the creation of a First Responders Public Services Program until a study by service area has been completed and demonstrates that funds are only temporary and that each service area has a long-term financial budget based on accurate and current data related to their respective ad valorem tax base. We must focus on long-term sustainable services. If ad valorem taxes do not return to pre-flood levels this program would be granting money to unsustainable government-managed services resulting in government waste.

If a program as outlined in the request for public comments (First Responders Public Service Program) was created, we must place stringent restraints on funding. Funding will only be applied in the amount of the actual tax reduction directly caused by the 2016 floods. Recipients of the grant funds must be obligated to provide evidence using certified accounting practices that a reduction in ad valorem taxes has directly impacted their service area, and there is no other recourse than to ask that State of Louisiana previously allocated grant money to create a new grant program to offset the deficit directly related to the DR4277 (August) and DR4263 (March). We must put into place controls that ensure grant bailouts are due to reduced ad valorem taxes because of the disaster and not prior mismanagement of funds.

It's important to clarify what the funds will be used for before allocations are made. If funding is for daily operations, a budget forecast must be provided by the recipient detailing long-term plans that may also include requirements for reduction of services to match ad valorem tax revenue. If no long-term plans are in place, we must then take the position that a service reduction to match ad valorem tax revenue is in place and grant funds will be used to temporarily assist the service area in downsizing service requirements.

It is the responsibility of the individual service areas to adopt recovery plans that include the reduction of ad valorem taxes. It is not the responsibility of the federal government, state government, or the Louisiana Task Force to take interest in or otherwise assist in the balancing of localized budgets for any geographical area.

The Task Force has not addressed individual household financial status nor has a study been conducted to verify that ad valorem taxes will return to pre-flood levels within any given time frame. Based on progress reports provided by RestoreLA, we can expect a slow recovery for homeowners which directly effects ad valorem tax base. It should be a requirement that all grant applicants for the First Responders Public Service Program provide a detailed plan of their expectations to return to previous normal tax levels based on their service area tax base. If service levels are not expected to return to normal, we would then need a plan showing service reduction and funding distribution during their service reduction period.

#### **Criteria for Selection:**

- Pre-flood financial reports should be provided to prove pre-flood programs were sustainable by the public first responder agencies and units of local government. We do not want to fund a poorly managed agency or local government looking for a grant bailout.

Method of distribution:

- Assistance will be provided for 12 months of operation starting from the actual time ad valorem tax based revenue had declined. If any money was redirected within the agency or local government to keep active services balanced that agency should be refunded by the first responders agency or local government. This is not to include any expense other than day to day operational expenses.
- If assistance is required for an additional period beyond the initial 12-month cycle, a new review and application will be required to show ad valorem tax base revenue forecasts and departmental proposed cutback for long term sustainability. This program is not to be used as a bailout due to permanent population decline or ad valorem tax decreases. Long term solutions should be in the form of local government cutbacks in services due to the decline in service need by population shifts or reduction in taxable assets and land values.

Is it in the best interest to the population and homeowners who generate the highest levels of ad valorem tax revenue for public and government services that the Task Force consider de-funding currently-funded projects like the Administration and Other Planning Activities fund and not focus the money toward other active programs that are known to be underfunded since January of 2017? The Homeowner Program is under-funded and is the long term solution to the issue of a declining tax base in the 10 most impacted disaster zones.

The First Responders Public Services Program grant does not guarantee that homeowners will rebuild and revitalize the ad valorem tax base. If we apply funds from the Administration and Other Planning Activities to current programs known to create ad valorem tax base for public services we create a long term solution to our disaster recovery issues. We all agree we need to support our First Responders and our Public Services which when we look at local government can also include our sewer services which also has a deficit directly related to our ad valorem tax base. First responders, medical, fire, police have a deficit due to the disaster. Government departments and agencies have deficit due to the disaster. Households have a deficit due to the disaster and it's households ad valorem tax base that fuel our first responders, fire, police, government departments and agencies. Without households owning properties at pre-flood values added to the tax base we have no long term solution. Without households localized spending in our individual service areas decreases effecting local government services. We need to invest the grant money in areas that will provide the most long term revenue to the community. We need to focus on providing the funds to rebuild and invest any additional grants and overages to our Homeowner Programs designed to assist homeowners with disaster repairs. This is the only logical path to a sustainable public service and community government service programs.

Calculations should be by percentages and maximum grants should also be limited by a percentage of service support required to keep service levels matching current tax base recovery. Local government agencies that have deferred tax responsibility should not be able to exclude this liability on the remaining tax base. Each local government will need to provide the estimated tax revenue for each business that the local government allowed to be tax exempt or to have a tax reduction for its business recovery plans.

**OCD RESPONSE: Thank you for your comment on the state of Louisiana's proposed Action Plan Amendment for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in May.**

**The details you describe in your comment are typically reserved for program policies and procedures, but they are important; therefore, your comments and suggestions related to the criteria and implementation of the First Responders Public Services program will be taken into consideration as we**

finalize that program's policies and procedures. When the policies and procedures are finalized, they will be posted on our website at [restore.la.gov](http://restore.la.gov).

As described in the Action Plan Amendment, in order to ensure storm-impacted communities are safe and recovery investments are protected, it is critical to ensure first responders are working at full capacity now.

We continue to assess outstanding unmet housing recovery needs. At present, given the number of families who have submitted their surveys to the Restore LA Homeowner Program, we are projecting to be able to assist all eligible homeowners.

It is our current understanding that the largest gap homeowners are experiencing comes from their approved SBA loans. We continue to await additional guidance from Congress and the U.S. Department of Housing and Urban Development on any changes to the current SBA guidance. Since the 2016 floods, Gov. Edwards has been working with our Congressional delegation to fix the duplication of benefits issue and just last month sent a letter (linked here: <https://bit.ly/2GxxmEr>) about this to HUD as a continuation of efforts to help individuals who have been affected by existing federal guidelines. However, until they provide additional guidance, we cannot adjust the current duplication of benefits guidelines within the Restore LA Homeowner Assistance Program.

We are closely tracking the legislation and awaiting further clarification and guidance from HUD to understand how this legislation will affect the program. If HUD provides guidance to our program to no longer consider declined SBA loans as a DOB, then homeowners who are positively affected will be contacted by the program and have their awards updated, regardless of where they are in the program.

#### **PUBLIC COMMENT**

Restore Grant funds should ne meant to directly help flood victims, especially those like myself in zone x with no flood insurance during the flood. Redirecting funds to new programs as in the "First Responders Public Services Program" is just wrong on so many levels. I am an educator and due to my qualifying for an SBA loan though turning it down, Restore would not help me even though the bill was passed in February 2018 to stop holding SBA loans as duplication of benefits for people like me Instead Restore wanted me to give them 26,000 dollars which I do not have and would have to borrow to give Restore. Since I was still denied assistance after 2 appeals, I had to reinstate the SBA loan to help complete my badly flooded home. It is ludicrous to invent new programs to spend grant dollars on when so many in flooded communities have not gotten assistance. Please reconsider and help flood victims. The way some of us have had to live is inhumane. Now as I am nearing retirement as an educator in this state for nearly 30 years, I find myself at age 58 strapped to an SBA loan for 28 more years. I do not know how I will make it as I have a first and second mortgage already. There are many like me, and many worse off than me. Some are still not in their homes, Restore gave us hope but has let us down. Thank-you.

**OCD RESPONSE:** Thank you for your comment on the state of Louisiana's proposed Action Plan Amendment for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in May.

We continue to await additional guidance from Congress and the U.S. Department of Housing and Urban Development on any changes to the current SBA guidance; however, until they provide additional guidance and interpretation of the February 2018 bill, we cannot adjust the current duplication of benefits guidelines within the Restore LA Homeowner Assistance Program.

Please know that we do fully understand your frustration regarding SBA loans being considered a duplication of benefits. Since the 2016 floods, Gov. Edwards has been working with our Congressional delegation to fix the duplication of benefits issue and just last month sent a letter (linked here: <https://bit.ly/2GxxmEr>) about this to HUD as a continuation of efforts to help individuals who have been affected by existing federal guidelines. We are closely tracking the legislation and awaiting further clarification and guidance from HUD to understand how this legislation will affect the program. If HUD provides guidance to our program to no longer consider declined SBA loans as a DOB, then homeowners who are positively affected will be contacted by the program and have their awards updated, regardless of where they are in the program.

If you have any questions about the specifics of your Restore Louisiana Homeowner Assistance Program application, we encourage you to contact the program's Applicant Relations Team at [info@restore-la.org](mailto:info@restore-la.org). Thank you again for reaching out.