

GUSTAV/IKE ACTION PLAN AMENDMENT 22

**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. 22 TO STATE OF LOUISIANA ACTION PLAN
FOR THE UTILIZATION OF CDBG FUNDS IN RESPONSE TO
HURRICANES GUSTAV AND IKE**

- *Reallocation of Funds from the Fishery Recovery Program and the Agriculture Program to the Economic Revitalization Program*

Submitted to HUD: January 9, 2014

HUD Approved: January 14, 2014

**Bobby Jindal
Governor**

**Jay Dardenne
Lieutenant Governor**

**Kristy Nichols
Commissioner of Administration**

GUSTAV/IKE ACTION PLAN AMENDMENT 22

Amendment Number 22 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 was allocated a total of \$1,093,212,571 for recovery from hurricanes Gustav and Ike.

Since the original submittal of the state's Disaster Recovery Action Plan to HUD on January 8, 2009, the state has received several approvals to subsequent Action Plan Amendments for program areas designed to receive CDBG disaster funds. This **Action Plan Amendment 22** is submitted to HUD for approval of the reallocation of funds from the previously approved **Fishery Recovery Program** (created in APA 1, and amended in APAs 2, 3, 5, 6, 8, 13 and 18), **Agriculture Program** (created in APA 1, and amended in APAs 2, 4 and 20) to the **Economic Revitalization Program** (created in APA 3, and amended in APAs 5, 8, 12, 14, 15 and 21). The Economic Revitalization program is intended to spur long-term job creation and economic sustainability for the state as it recovers from the effects of hurricanes Gustav and Ike.

This APA 22 is considered non-substantial because it does not create new programs, does not change eligible beneficiaries and is less than a 15% change in funding levels.

Gustav/Ike Action Plan Amendment 22: Reallocation of Funds from Fishery Recovery Program and Agriculture Program to the Economic Revitalization Program

Funding Amount: \$1,321,730.01

I. INTRODUCTION

The purpose of this Gustav/Ike Action Plan Amendment Number 22 is to reallocate \$363,472.95 in funds currently dedicated to the Fishery Recovery Program, and \$958,257.06 in funds currently dedicated to the Agriculture Program, to the Economic Revitalization Program.

| Reallocation of Funds | Previous Total | Reallocation | New Total | Percent Change |
|--|-----------------------|-----------------------|------------------------|-----------------------|
| Fishery Recovery Program | \$34,180,272 | (\$363,472.95) | \$33,816,799.05 | 1% |
| Agriculture Program | \$59,766,594 | (\$958,257.06) | \$58,808,336.94 | 1.6% |
| Economic Revitalization Program | 66,732,797 | \$1,321,730.01 | \$68,054,527.01 | 1.9% |

II. PROGRAM DESCRIPTIONS

A. Fishery Recovery Program

The Fishery Recovery Programs were created to target the specific needs of the state's recreational and commercial fishery. The programs, which addressed specific storm-related damage to public and private infrastructure, were intended to not only address losses from Gustav and Ike but to make the industry and coastal areas more resilient and minimize economic losses from future storms. The programs were also intended to restore, rebuild, sustain, enhance and protect coastal access for persons engaged in water-dependent commercial activities such as commercial fishing, recreational fishing and other water-dependent businesses.

Under the Fishery Recovery Program, the *Commercial Fisherman Grant and Loan Program* (\$115,994.97), *Fisheries Program Administration* (\$241,641.20), *Fisheries Industry Modernization*

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(\$5,836.38) and Wholesale Dealer Broker Grant and Loan Program (\$0.40) are complete. Funds are being transferred from these activities in order to have a \$0 balance in each for closeout.

B. Agriculture

The Agriculture Programs were created to assist the agriculture sector recover from Gustav and Ike's impact on this targeted industry. The state's agricultural production areas suffered extensive losses by farming enterprises, as well as by the agribusinesses that service farms. Funds were awarded to farms and agribusinesses in the form of loans and grants in order for them to remain viable business entities that could contribute to the regional economy and maintain and/or create jobs in the agriculture sector.

Under the Agriculture Programs, the program delivery activities related to the *Louisiana Farm Recovery Loan and Grant Program* (\$749,859.63) and the *Louisiana Agribusiness Recovery Loan Assistance Program* (\$208,397.43) are complete, and the balance of the program delivery is being transferred out of the Agriculture Programs. The Louisiana Agricultural Finance Authority (Lafa) has a remaining administrative budget in order to complete the loan and grant monitoring and collection requirements of the program. No new loans or grants will be made and the program will be closed out when Lafa has completed its monitoring and collection activities.

C. Economic Revitalization Program

Hurricanes Gustav and Ike severely impacted Louisiana's overall economy and many small businesses through widespread physical damage, power outages and short-term workforce displacement across most of the state. Based on preliminary estimates, Hurricane Gustav's economic impact totaled between \$7 and \$15 billion. Moreover, many small businesses wounded by Hurricane Gustav had not yet recovered from damage previously inflicted by hurricanes Katrina and Rita in 2005.

The state has identified a continued and previously unanticipated need to focus on major economic development initiatives primarily aimed at establishing industries and a workforce that are appropriate for the unique geographic, climatic, population and growth conditions of the state. Economic revitalization is an important component of recovery that allows for disaster recovery funds to be invested in not just directly replacing infrastructure damaged by the storms, but also to be invested in activities that restore the economic strength and vitality of those impacted areas as they strive to recover.

The state intends to reallocate the funds to the Economic Revitalization Program to further address the unmet economic recovery and resiliency needs faced by the hurricane-impacted areas. The goal of the program is to spur long-term job creation and economic sustainability.

Eligibility and Project Criteria remain as previously approved.

The program will be administered by the Louisiana Office of Community Development's Disaster Recovery Unit in accordance with disaster recovery CDBG rules and regulations. Method of selection remains as previously described in APA 14.