

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 2011, 2012 and 2013
The Disaster Relief Appropriations Act, 2013 (Public Law 113-2)
Federal Register Docket No. FR-5696-N-03

LOUISIANA OFFICE OF COMMUNITY DEVELOPMENT/DISASTER RECOVERY UNIT

**STATE OF LOUISIANA PROPOSED PARTIAL ACTION PLAN No. 2
FOR THE UTILIZATION OF
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
IN RESPONSE TO HURRICANE ISAAC**

Public Comment Period: July 30 – Aug. 12, 2014

Submitted to HUD: August 22, 2014

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Bobby Jindal
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Overview

This Partial Action Plan No. 2 reallocates \$1,000,000 from the *Hazard Mitigation Assistance (HMA) Cost-Share for LMI Households Program* to the newly created *Homeowner Rehabilitation Program (HRP)*. This funding transfer, in accordance with the state's unmet needs assessment as outlined in its Initial Action Plan approved November 4, 2013, is necessary to address unmet needs in parishes that did not receive separate CDBG-DR allocations in response to Hurricane Isaac. Note no additional obligations are initiated by virtue of this amendment.

Program	Total Allocation	% of Allocation	Previous Action Plan Obligations	Obligation for Partial Action Plan No. 2	Future Partial Action Plans
St. John the Baptist Parish	\$32,674,000.00	50.8%	\$55,000.00	\$0.00	\$32,619,000.00
Plaquemines Parish	\$16,953,000.00	26.3%	\$29,000.00	\$0.00	\$16,924,000.00
FEMA Cost-Share	\$5,886,000.00	9.1%	\$5,886,000.00	\$0.00	\$0.00
Hazard Mitigation Assistance Cost-Share for LMI Households Program	\$3,446,084.00	5.4%	\$1,740,000.00	(\$650,000.00)	\$2,356,084.00
State Administration, Planning and Program Delivery	\$3,320,000.00	5.2%	\$700,000.00	\$0.00	\$2,620,000.00
Parish Recovery Priority Projects	\$1,100,000.00	1.7%	\$1,100,000.00	\$0.00	\$0.00
Homeowner Rehabilitation Program	\$1,000,000.00	1.6%	\$0.00	\$650,000.00	\$350,000.00
Total	\$64,379,084.00	100.0%	\$9,510,000.00	\$0.00	\$54,869,084.00

I. Program Description

A large number of Hurricane Isaac-affected homeowners have faced difficulty in securing sufficient resources to fully rebuild their homes, including those in parishes outside of the top five most-impacted that received individual CDBG-DR allocations. In both its initial Action Plan and in Partial Action Plan No. 1, the state identified and recognized substantial unmet housing needs, with 29 parishes reporting damages to owner-occupied households. While most of those instances were located within the top five most-impacted parishes, unmet housing needs in excess of \$387 million were identified in the state's more rural parishes.

Unmet Housing Need Estimate by Parish, Outside Top 5 Most Impacted

Parish	Est. Damage	Haz. Payout in IA	Adj. NFIP Payout	FEMA IA Assistance	SBA Home Loans	Unmet Need
Allen	\$724,531.10	\$0.00	\$0.00	(\$42,806.39)	\$0.00	\$681,724.71
Ascension	\$21,326,325.11	(\$227,312.20)	(\$624,489.05)	(\$1,997,277.53)	(\$798,800.00)	\$17,678,446.34
Assumption	\$12,227,750.59	(\$49,910.63)	\$0.00	(\$1,120,141.46)	(\$302,000.00)	\$10,755,698.50
East Baton Rouge	\$18,852,976.08	(\$260,773.25)	(\$33,032.78)	(\$2,140,812.95)	(\$540,100.00)	\$15,878,257.10
East Feliciana	\$3,440,071.66	(\$104,750.30)	\$0.00	(\$321,464.11)	(\$258,200.00)	\$2,755,657.25
Iberia	\$113,576.83	(\$5,900.00)	\$0.00	\$0.00	\$0.00	\$107,676.83
Iberville	\$10,658,671.50	(\$30,310.37)	(\$95,093.85)	(\$1,024,313.36)	(\$136,300.00)	\$9,372,653.93
Jefferson Davis	\$42,228.94	\$0.00	\$0.00	\$0.00	\$0.00	\$42,228.94
Lafayette	\$2,944.98	\$0.00	(\$37,322.69)	\$0.00	\$0.00	(\$34,377.71)
Lafourche	\$42,119,616.65	(\$360,417.34)	(\$300,245.65)	(\$4,209,831.41)	(\$1,837,600.00)	\$35,411,522.25
Livingston	\$66,870,605.42	(\$1,429,157.26)	(\$4,116,310.83)	(\$8,132,904.77)	(\$2,727,500.00)	\$50,464,732.56
Morehouse	\$695,376.74	(\$6,164.70)	\$0.00	(\$30,754.76)	\$0.00	\$658,457.28
Ouachita	\$0.00	\$0.00	(\$4,226.64)	\$0.00	\$0.00	(\$4,226.64)
Pointe Coupee	\$1,492,381.88	(\$7,622.35)	\$0.00	(\$68,851.55)	(\$8,600.00)	\$1,407,307.98
Rapides	\$0.00	\$0.00	(\$22,381.82)	\$0.00	\$0.00	(\$22,381.82)

St. Bernard	\$39,970,140.84	(\$983,291.15)	(\$673,914.38)	(\$2,751,318.39)	(\$4,102,500.00)	\$31,459,116.92
St. Charles	\$28,260,806.61	(\$510,228.49)	(\$143,699.59)	(\$2,583,196.57)	(\$2,373,700.00)	\$22,649,981.96
St. Helena	\$10,270,904.28	(\$46,704.98)	\$0.00	(\$819,728.00)	(\$214,900.00)	\$9,189,571.30
St. James	\$20,616,539.05	(\$442,219.07)	(\$174,050.31)	(\$1,619,722.87)	(\$998,300.00)	\$17,382,246.80
St. Martin	\$3,913,914.12	(\$14,373.30)	\$0.00	(\$275,930.53)	(\$9,600.00)	\$3,614,010.29
St. Mary	\$25,546,726.08	(\$61,604.07)	\$0.00	(\$2,404,258.05)	(\$247,300.00)	\$22,833,563.96
Tangipahoa	\$92,665,579.05	(\$1,352,457.66)	(\$1,969,407.81)	(\$11,858,013.90)	(\$3,456,800.00)	\$74,028,899.68
Terrebonne	\$39,614,876.57	(\$403,868.29)	(\$71,737.00)	(\$3,672,068.45)	(\$833,500.00)	\$34,633,702.83
Vernon	\$0.00	\$0.00	(\$1,991.91)	\$0.00	\$0.00	(\$1,991.91)
Washington	\$25,406,549.19	(\$512,169.34)	(\$386,888.83)	(\$2,564,618.08)	(\$501,500.00)	\$21,441,372.94
West Baton Rouge	\$3,962,543.74	(\$31,332.47)	(\$6,533.60)	(\$328,479.02)	(\$100,800.00)	\$3,495,398.65
West Feliciana	\$1,545,717.68	(\$15,795.49)	\$0.00	(\$122,065.39)	\$0.00	\$1,407,856.80
Total	\$470,341,354.70	(\$6,856,362.71)	(\$8,661,326.73)	(\$48,088,557.54)	(\$19,448,000.00)	\$387,287,107.73

In its Partial Action Plan No. 1, the state further defined the need for housing rehabilitation, pledging “to identify other funding sources for rehabilitation needs.” In the time since the submission of Louisiana’s Partial Action Plan No. 1, the state has worked with Catholic Charities Archdiocese of New Orleans (CCANO), the Isaac Disaster Case Management Program (DCMP) vendor, to identify such resources from other public, private and nonprofit sources. However, such alternative funding sources have been exhausted, and through its active pipeline of households receiving disaster case management services, CCANO has been able to illustrate the most current unmet rehabilitation needs for which resources have not been identified.

Isaac DCMP Unmet Repair Needs By Parish, 7/1/2014

Parish	LMI Household Count	LMI Unmet Repair/Rebuild Cost **	Total Household Count	Total Unmet Repair/Rebuild Cost **
CCANO ***	24	\$251,421.29	26	\$253,068.63
St. Bernard	13	\$38,104.73	15	\$39,752.07
St. Charles	2	\$11,331.94	2	\$11,331.94
St. James	9	\$201,984.62	9	\$201,984.62
CCBR	210	\$1,243,207.54	220	\$1,274,991.53
Allen	16	\$147,000.00	21	\$170,000.00
Ascension	11	\$70,185.34	11	\$70,185.34
Assumption	1	\$2,000.00	1	\$2,000.00
East Baton Rouge	8	\$30,863.70	9	\$31,878.19
East Feliciana	4	\$11,293.77	4	\$11,293.77
Iberville	21	\$114,294.81	21	\$114,294.81
Livingston	26	\$200,767.40	26	\$200,767.40
Pointe Coupee	2	\$27,354.00	2	\$27,354.00
St. Helena	13	\$55,411.13	14	\$57,639.25
St. Martin	4	\$26,497.49	4	\$26,497.49
Tangipahoa	103	\$548,627.90	106	\$554,169.28
West Feliciana	1	\$8,912.00	1	\$8,912.00
LSSDR	33	\$151,397.36	37	\$198,397.36
Washington	33	\$151,397.36	37	\$198,397.36
TRAC	155	\$1,432,383.39	164	\$1,497,383.39
Lafourche	38	\$376,833.39	38	\$376,833.39
St. Mary	22	\$166,000.00	23	\$168,000.00
Terrebonne	95	\$889,550.00	103	\$952,550.00
Total	422	\$3,078,409.58	447	\$3,223,840.91

Data: DCMP Management Team, CCANO Lead

* According to HUD 2014 parish ELIL, VLIL, LIL guidelines.

** Including all unmet repair needs with damage assessments of destroyed, major, or minor.

*** Agencies: CCANO=Catholic Charities Archdiocese of New Orleans; CCBR=Catholic Charities Baton Rouge; LSSDR=Lutheran Social Services Disaster Response; TRAC=Terrebonne Readiness and Assistance Coalition.

Therefore, it is critical the state utilize CDBG-DR funds to address remaining unmet rehabilitation needs, specifically for low- and moderate-income (LMI) households, while still maintaining its commitment articulated in Partial Action Plan No. 1 to prioritize sustainable hazard mitigation assistance. With this proposed reallocation of \$1,000,000 to the HRP, the state believes both goals will be accomplished, but does reserve the right to further divert resources as the state's Isaac recovery efforts, and priorities, continue to evolve over time.

Eligible Activity: 105(a)(4)

National Objective: Low- and Moderate-Income Benefit

Activity Amount: \$1,000,000

II. Overview and Delivery

The proposed HRP will be administered through the Louisiana Housing Corporation (LHC) as an Isaac-specific part of the Nonprofit Rebuilding Pilot Program funded through a CDBG-DR award to address recovery from hurricanes Katrina and Rita. The program will provide funding to assist LMI, owner-occupant households that have a gap in financial means due to resource limitations, who are living in homes that are in a substandard condition and/or in violation of code requirements. The program will utilize CDBG-DR funds and will be limited to parishes impacted by Hurricane Isaac that did not receive direct allocations of CDBG-DR funds. These parishes are **Allen, Ascension, Assumption, East Baton Rouge, East Feliciana, Iberville, Lafourche, Livingston, Morehouse, Pointe Coupee, St. Bernard, St. Charles, St. Helena, St. James, St. Martin, St. Mary, Tangipahoa, Terrebonne, Washington, West Baton Rouge and West Feliciana**. The HRP is designed to identify homes in need of repair and/or rehabilitation and provide funding for use in addressing each homeowner's needs. Through a Notice of Funding Availability (NOFA), the LHC will select experienced partner agencies such as nonprofit organizations, units of local government (ULG) (i.e. sub-recipients) and other organizations to carry out all phases of owner-occupied housing rehabilitation, including applicant intake, case management and construction work.

The goals of the program are to:

- Provide decent, safe and sanitary housing in Hurricane Isaac-impacted parishes, as outlined above, through the provision of minor repair and rehabilitation activities designed to mitigate damage that occurred as a result of this disaster;
- Prioritize assistance for LMI households; and
- Prioritize the provision of decent, safe and sanitary housing for elderly and disabled populations.

III. Program Size

The state will initially allocate \$1,000,000 to develop the HRP to help homeowners get back in their homes, but reserves the right to revise this sum at a later date should it be warranted.

IV. Eligible Applicants

Eligible homeowners would be limited to LMI Louisiana residents impacted by Hurricane Isaac in the parishes listed in section III above. While the program has been designed to target the needs identified by households currently in the state’s Isaac DCMP pipeline, eligibility will be open to all LMI households with demonstrable rehabilitation needs in the abovementioned parishes.

V. Use of Funds

CDBG-DR assistance under the HRP will be provided to applicants in the form of a direct grant to the homeowner via a grant agreement recorded with the local parish clerk of court. The grant agreement will include, but is not limited to: covenants requiring authorization of payments directly to the contractor responsible for executing repair work orders; for the homeowner to own, occupy and insure their home for not less three (3) years after rehabilitation; and, if the property is located within a Special Flood Hazard Area (SFHA), maintenance of flood insurance in perpetuity on the property.

VI. Monitoring

Monitoring will be performed by the LHC and OCD/DRU staff in accordance with the contracts and the OCD/DRU Monitoring Plan.

VII. Overall Grant Impact

As previously stated, this Partial Action Plan does not obligate additional funds; rather, it reallocates \$1,000,000 from the HMA Cost-Share for LMI Households Program to the HRP. Of this sum, \$650,000 had been previously obligated in Partial Action Plan No. 1 and will subsequently remain obligated under the new HRP. It also should be noted that the state will honor all commitments made to specific parishes made in the HMA Cost-Share for LMI Households Program and articulated in Partial Action Plan No. 1.

Allocation/Obligation Changes to HMA Cost-Share for LMI Households Program

Parish	Parish Obligations in Partial Action Plan No. 1	Amounts Moved to the Homeowner Rehabilitation Program	New, Current Obligations	Minimum to be Obligated in Future Partial Action Plans	Total
Tangipahoa	\$450,000.00	\$300,000.00	\$150,000.00	\$300,000.00	\$450,000.00
Livingston	\$450,000.00	\$50,000.00	\$400,000.00	\$50,000.00	\$450,000.00
Washington	\$240,000.00	\$0.00	\$240,000.00	\$0.00	\$240,000.00
Terrebonne	\$300,000.00	\$0.00	\$300,000.00	\$0.00	\$300,000.00
All Other Parishes	\$300,000.00	\$300,000.00	\$0.00	\$300,000.00	\$300,000.00
Parishes TBD	\$0.00	\$0.00	\$0.00	\$1,706,084.00	\$1,706,084.00
Total	\$1,740,000.00	\$650,000.00	\$1,090,000.00	\$2,356,084.00	\$3,446,084.00

New Allocation/Obligation in HRP

Source	Total
Allocated/Obligated from HMA Cost-Share for LMI Households Program	\$650,000.00
To be obligated in future Partial Action Plans	\$350,000.00
Total	\$1,000,000.00

VIII. Public Comment

- A. This Partial Action Plan is considered substantial as it allocates \$1 million and creates a new program, per the allowable activities described in the Initial Action Plan. The formal public comment period for the plan was July 30, 2014 through August 12, 2014 at 5 p.m.

Citizens and organizations can comment on this amendment via:

- The OCD/DRU website, http://www.doa.louisiana.gov/cdbg/dr/IC_ActionPlans.htm;
- Emailing them to 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 will be translated into 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.

B. Summary of Public Comments and State's Response

Three public comments were received from nonprofit agencies serving the Isaac-affected population through the FEMA-funded Isaac Disaster Case Management program: Catholic Charities of the Diocese of Baton Rouge, Lutheran Social Services Disaster Response, and Terrebonne Readiness and Assistance Coalition. One comment was received by Lafourche Parish Government. The comments below are combined from the responses provided by these four agencies, and the responses are to the combined comments.

Comment 1: \$1,000,000 will not be enough to address the Hurricane Isaac housing issues in 21 impacted parishes.

Lafourche Parish Government asserts that, if there are more than 32,000 homes in Lafourche Parish, and one assumes 30 percent of the residences (9,600) were impacted by Hurricane Isaac, the state could only allow \$104 of repairs per house. The parish asks how the state will address the Hurricane Isaac housing issues in the remaining 20 parishes.

Response:

Based on the state's unmet needs assessment submitted with its initial Action Plan, 2,002 owner-occupied households in Lafourche Parish reported some level of damage as a result of Hurricane Isaac. This statistic was based on methodology driven by applicants to FEMA's Individual Assistance (IA) program and represented, at the time it was gathered, best available data. However, the state does recognize and is mindful that this methodology may not have reflected the true extent of damage in the parish.

The intent of the state's CDBG-DR award, as well as all of the programs designed therein, is not to compensate for all damages incurred, but rather to supplement other means of recovery, such as awards through other sources of federal assistance and insurance payments. Moreover, through the submission of this Partial Action Plan, the state concedes insufficient resources are available to meet all identified needs. In this case, the HMA program has been created to address \$1,000,000 of a documented \$3,223,840.91 need. Therefore, the state will continue to monitor the evolution of its unmet needs as its Isaac-recovery efforts continue and will, when possible, direct resources toward meeting those needs.

Comment 2: There are outstanding needs and challenges in Washington Parish.

Lutheran Social Services Disaster Response states that the funding need in Washington Parish is probably understated and is primarily based on the cost of materials without the benefit of utilizing contract labor, except in the case of licensed professionals. The group states that their program probably has three to four mobile home units that would need replacement, as opposed to repair, due to the extent of their current deterioration. Additionally, they assert that household eligibility for programs is a challenge due to family owned land and succession issues. Lutheran Social Services Disaster Response recommends that waivers be sought when title issues are the only obstacle in recovery and that a program be created to assist households with property title issues.

Response:

As noted above, the state concedes current identified needs exceed available resources.

Manufactured Housing Units (MHUs or mobile homes) will be eligible for minor repairs on a case-by-case basis and subject to the approval of the program's administrator, the Louisiana Housing Corporation (LHC). For those MHU's with damage costs exceeding 50 percent of the pre-storm value of the structure, the homeowner will be ineligible for assistance to repair or rehabilitate the structure; however, the homeowner will be eligible to receive reconstruction or replacement housing assistance.

The state notes the prevalence of title issues as an inhibitor to recovery. Where feasible, the state will work with homeowners to either resolve such issues or identify alternative documentation to demonstrate ownership. While there is no current plan to launch a specific program to address this issue, the state reserves the right to employ a legal services function to assist homeowners should conditions warrant.

Comment 3: Disaster Case Management Agencies are in support of this allocation.

Catholic Charities of the Diocese of Baton Rouge, Lutheran Social Services Disaster Response and Terrebonne Readiness and Assistance Coalition all express their support of this allocation to assist households who still need substantial resources to recover, and the groups applaud the state for its coordination with the Hurricane Isaac Disaster Case Management program to identify outstanding needs.

Response:

The state notes this comment and reaffirms its commitment to continue working with the above-named entities in its long-term Hurricane Isaac recovery efforts.