

Disaster Recovery Initiative
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**Louisiana Office of Community Development/Disaster Recovery Unit,
(OCD-DRU), Division of Administration**

Proposed Action Plan Amendment No. 64
Reallocation of Funds from the Housing Development Loan Fund to the LIHTC/CDBG Piggyback Program
and Modifications to the Planning, Administration and Technical Assistance Program

Public Comment Period: November 19 – December 4, 2014

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Substantial Action Plan Number 64 to Katrina/Rita First Appropriation:

I. Reallocation of funds from the Housing Development Loan Fund to the LIHTC/CDBG Piggyback Program

I. Introduction

The purpose of this amendment is to reallocate \$4,675,678.15 from the *Housing Development Loan Fund Program* to the *LIHTC/CDBG Piggyback Program*.

II. Activity Amount

Program	1st Appropriation Total	Reallocation	New Total	% Change
Housing Development Loan Fund Program	\$11,365,332.14	(\$4,675,678.15)	\$6,689,653.99	(41%)
LIHTC/CDBG Piggyback Program	\$7,006,037.00	\$4,675,678.15	\$11,681,715.15	67%

This funding transfer of \$4,675,678.15 is necessary to move funds from a program that is completing its activities in order to fill a continued need for multi-family workforce rental housing in the state.

The *Housing Development Loan Fund Program* is completing program activities and will soon be closed out. Unobligated funds are being transferred from this program in order to have a \$0 balance for closeout.

The *Housing Development Loan Fund Program* was created in Action Plan Amendment 1 and amended in APA 56 and 63. The Loan Fund program was created to “provide seed funding for a contractor or state agency to establish one or more loan funds that offer acquisition and predevelopment financing on flexible terms to developers of the most critically needed housing.” The change in recovery circumstances, including the rapid deployment of tax credits, reduced the need for this type of developer assistance. This amendment serves to accomplish the affordable housing development goals as set forth under the Housing Development Loan Fund, but through a mechanism that has had demonstrated success.

The *LIHTC/CDBG Piggyback Program* was created in Action Plan Amendment 1 and amended in APAs 4, 9, 18, 21, 54 and 56. The program combines LIHTC incentives and CDBG funds that piggyback with tax credits to promote the twin goals of dramatically increasing the supply of rental units affordable to a wide range of low-to-moderate income families and expanding rental housing supply as a part of stable mixed-income developments and neighborhoods. As noted in APA 1, projects will be selected by the State, in accordance with program guidelines.

This amendment is considered substantial because the transfer of funds is greater than 15% of the total allocation of funds in each of the affected programs. The amendment does not create a new program and does not change eligible beneficiaries.

III. Monitoring

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

II. Modifications to the Planning, Administration and Technical Assistance Program

I. Introduction

The purpose of this amendment is to modify language for the Katrina/Rita Planning Program to allow jurisdictions other than parish governments to be eligible for planning dollars, and to allow for the extension of the dollars beyond the three-year time period previously set. The Katrina/Rita Planning Program is created in the State's original Action Plan and was amended in Action Plan Amendment 1, APA 16 and APA 22. As presently described, the program provides funding "to the most affected parishes, for the funding of additional capacity for local recovery planning staffs." It also outlined that awards would be "a three year step down award."

The State has identified a need to award program dollars to other jurisdictions in addition to parish governments, as well as to allow flexibility for grants to go beyond three years. Therefore, the language describing the Planning Program is being amended to the following (new language is highlighted, using language from APA 22 describing the program):

Planning

GOAL

The Parish Recovery Planning Capacity Building program is intended to address ongoing planning needs resulting from the impact of hurricanes Katrina and Rita on Louisiana's communities. To help address some of these recovery needs, the Louisiana Recovery Authority together with the Office of Community Development will issue grant applications to the most affected parishes, **or other political subdivisions or public agencies within these parishes**, for the funding of additional capacity for local recovery planning staffs.

These funds are to be used specifically for the hiring of additional staff or third-party consulting firms to help manage recovery plans and/or recovery planning projects in the most affected parishes. These funds cannot be used to substitute funding for planners or contractors already on staff, nor can it be used to hire staff or contractors not working specifically on recovery planning, **resiliency or mitigation projects, or recovery projects within those parishes**. Parishes **or other jurisdictions** without any preexisting planning capacity are particularly encouraged to apply.

This grant **is intended to be** a three year award **to jurisdictions with the anticipation that staff will be hired as permanent staff after the grant expires, or the grantee will be able to continue the recovery planning efforts through local means**. All eligible **grantees** can be awarded funding for at least one planner **or contractor** over the three year period (based on an average planner salary calculated by the American Planning Association).

Grant awards, through the CEA, may be extended beyond the initial three years if: grantees were initially unable to find qualified staff or contractors due to the widespread displacement of citizens and/or unavailability of housing in the affected parishes; grantees experienced difficulty in integrating additional staff into the organizational structure due to civil service or local personnel policies; additional impacts of other subsequent natural disasters exacerbated or impeded recovery efforts; and/or projects were slow in being implemented due to shifting priorities or efforts at the local level.

ELIGIBILITY

Any of the parishes listed below, or other political subdivisions, public or private nonprofit organizations or public agencies within these parishes, are eligible to apply for an award up to the maximum predetermined amount set forth. The base amount of \$60,891 represents the average planner salary calculated by the American Planning Association. The award amount represents a calculation of major and severe damage and pre-storm population together with average salary and a maximum yearly award of \$250,000.00 per Parish.

planner cost estimate

Owners - Total (Major & Severe)	SPREAD		Census July 1-05 Benchmark	Base \$ Spread	Year 1	Year 2	Year 3	Total Stream
53,474	24%	Orleans	454,863	250.0	250.0	125.0	62.5	437.5
20,339	24%	Jefferson	452,824	248.9	248.9	124.4	62.2	435.5
13,689	12%	St. Tammany	220,295	121.1	121.1	60.9	60.9	242.9
4,428	10%	Calcasieu	185,419	101.9	101.9	60.9	60.9	223.7
2,079	6%	Terrebonne	107,491	59.1	60.9	60.9	60.9	182.7
13,736	3%	St. Bernard	65,364	35.9	60.9	60.9	60.9	182.7
2,108	3%	Vermilion	55,195	30.3	60.9	60.9	60.9	182.7
3,722	2%	Plaquemines	28,995	15.9	60.9	60.9	60.9	182.7
2,025	1%	Cameron	9,558	5.3	60.9	60.9	60.9	182.7
1,064	2%	Washington	44,623	24.5	60.9	60.9	60.9	182.7
1,037	4%	Iberia	74,388	40.9	60.9	60.9	60.9	182.7
677	6%	Tangipahoa	106,502	58.5	60.9	60.9	60.9	182.7
463	5%	Lafourche	92,179	50.7	60.9	60.9	60.9	182.7
	100%	TOTAL	1,897,696	1,043	1,270	919	795	2,984

Avg Salary

60,891

REQUIREMENTS

Parish planners or contractors funded through this program must work directly on the development of locally designated parish recovery plans or projects in a parish planning office

or redevelopment/recovery office specifically tied to a CDBG funded or long term recovery project.

Grantees are to use these monies to pay reasonable wages to hire additional recovery planning staff or contractors. The predetermined allocation **estimated for each grantee is the baseline for initial grant awards**. The **grantee** must budget their grant amount to cover the total expense of hiring additional staff **or contractors**. Additionally, the grant award is prohibited from being used to cover administrative costs. These funds are for direct planning services. Parishes are also prohibited from using these funds to supplement existing staff salaries or benefits. This grant program is by no means a long term commitment to funding parish planning staff. The program is intended to be a 3-year immediate recovery and rebuilding commitment. Over the course of the 3-year period, it is expected that **grantees** will either **commit local funds to retain staff, shift responsibilities to other staff or departments in order to continue the recovery planning effort** or have less staff capacity. **Grant awards may be increased in a given jurisdiction, if the need still exists, as funds become available from other eligible grantees which are subsequently unable to use their full grant award.**

Additionally, through an application, Parishes must clearly identify the organizational structure of the intended planning agency and how the position(s) these grants fund will fit within that structure. It is also required that parishes identify specific job tasks for these positions or contractors in their applications.

For the purposes of this program, a recovery planner is defined as any person or third party firm hired by a parish **or other** governmental entity to produce or further develop a parish recovery plan or any aspect of that plan that leads to the implementation of a CDBG funded project.

Parishes will be required to submit quarterly reports outlining the use of the funds and the recovery work produced as a result.

Public Comment:

This Action Plan Amendment will be posted for public comment on Wednesday, Nov. 19, 2014, and may be obtained via the Internet at: http://www.doa.louisiana.gov/cdbg/dr/KR_ActionPlans.htm, or by contacting: Janice Lovett, Office of Community Development, Post Office Box 94095, Baton Rouge, Louisiana, 70804-9095. The Proposed APA will be published in Vietnamese and Spanish translations at the same website.

Written comments on the proposed Action Plan Amendment will be accepted for 10 business days from the date it is posted. Comments may be submitted beginning Wednesday, Nov. 19, 2014, and must be received no later than 5:00 PM (CST) on Thursday, Dec. 4, 2014.

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

Appendix 1 – Summary of Public Comments and State’s Response

The proposed Action Plan Amendment was published for Public Comment on November 25 and remained open for comment through December 4, 2014. The State did not receive any comments.