

Disaster Recovery Initiative
U.S. Department of Housing and Urban Development (HUD)
[Docket No. FR-5051-N-01]
Federal Register / Volume 71, Number 29
Department of Defense Appropriations Act, 2006

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

Action Plan Amendment No. 56:

- **Reallocation of the Housing Development Loan Fund Program Funds to the LIHTC “Piggyback” Program**
- **Clarification of APA No. 54 allocation to LIHTC “Piggyback” Program as Substantial**

Public Comment Period: August 9 – August 23, 2012

Submitted to HUD: August 24, 2012

HUD Approved: October 9, 2012



Bobby Jindal
Governor

Jay Dardenne
Lieutenant Governor

Paul Rainwater
Commissioner of Administration

Office of Community Development
150 N. 3rd Street, Suite 700
Baton Rouge, LA 70801
P.O. Box 94095
Baton Rouge, LA 70804-9095
<http://www.doa.louisiana.gov/cdbg/cdbg.htm>

**Action Plan Number 56 to Katrina/Rita First Appropriation:
Reallocation of Housing Development Loan Fund Program funds to the Housing
Low Income Housing Tax Credit (LIHTC) “Piggyback” Program**

I. Transfer of funds from the Housing Development Loan Fund to LIHTC Piggyback

Eligible Activity: Section 105(a)4: LIHTC “Piggyback” Program
Activity Amount: \$5,206,037 from the \$16,570,000 Housing Development Loan Fund (31%)
to the LIHTC “Piggyback” Program (First Appropriation)

Per the State’s Action Plan guidelines, this amendment is substantial since the transfer is greater than 15% of one of the affected programs. However, the amendment does not create a new program, nor change any eligible beneficiaries. The funds will be added to the approved *Low-Income Housing Tax Credit (LIHTC) “Piggyback” Program* that was created in APA 1, and modified in APA 4. According to the later APA 9, the funding for the LIHTC activity was then shifted to come out of the Second Allocation when it was received as an “extension of the first Action Plan’s targeted goals.”

According to APA 1, “the combination of LIHTC incentives and CDBG funds that piggyback with tax credits will 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.” This amendment transfers \$5,206,037 from the *Housing Development Loan Fund* to the *LIHTC Piggyback Program* to further the program objectives and meet affordable housing recovery needs. As noted in APA 1, projects will be selected by the State, in accordance with program guidelines.

The Housing Development Loan Fund was created in APA 1 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.

II. Clarification from APA 54 as a Substantial APA for Transfer of Funds

The approved APA 54 included a transfer of \$1,800,000 from *Soft Seconds Program* under the Small Rental allocation to the *LIHTC Piggyback Program* as non-substantial. The transfer is resubmitted here as substantial given that as of the approval of APA 9, when the State received a second appropriation (P.L. 109-234); the funds for the LIHTC Piggyback Program originally budgeted under the first appropriation were then designated from the second appropriation.

The LIHTC program budget noted in APA 54 of \$581,046,000 is actually the budget in the second appropriation. Since there were technically no funds remaining allocated under the first appropriation activity, the APA brought the new total to \$1,800,000. This move is thus considered substantial and submitted here for public comment to satisfy the Action Plan process.

III. Monitoring

Monitoring will be performed by the Office of Community Development (OCD-DRU) staff in accordance with the contracts and the OCD-DRU Monitoring Plan.

Public Comment

This Amendment will be posted for public comment on Thursday, August 9.

This Amendment may be obtained via the Internet at:

<http://doa.louisiana.gov/cdbg/DRactionplans.htm>, or by contacting: Janice Lovett, Office of Community Development, Post Office Box 94095, Baton Rouge, Louisiana, 70804-9095. The Proposed Action Plan Amendment 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 Thursday, August 9, and must be received no later than 5:00 PM (CST) on August 23, 2012.

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 August 9, 2012 through August 23, 2012. The State did not receive any comments.