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**Louisiana Office of Community Development,
Division of Administration**

Louisiana Recovery Authority

Action Plan Amendment # 19 (First Allocation)

Reallocation of Infrastructure Funds for Disaster Recovery

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Overview of Action Plan Amendment 19

Action Plan Amendment 19 – Reallocation of Infrastructure Funds for Disaster Recovery addresses two areas of continuing need for parishes that were the most heavily impacted by Hurricanes Katrina and Rita. This plan reallocates \$421,393,334 of funding from existing programs to the Long Term Community Recovery Program and provides clarification to further implement the approved Long Term Community Recovery plans submitted by the most heavily impacted parishes. This amendment is a companion amendment to Action Plan Amendment 6 to the second appropriation of disaster CDBG funds. In total, the two amendments contribute \$500 million of additional funds to the Long Term Community Recovery Program. This plan also addresses the significant challenges that continue to face public schools districts in their recovery by providing \$47,500,000 in additional funding for the Primary and Secondary Education program to assist further with repair and rebuilding of damaged public school infrastructure.

1. Long Term Community Recovery Program

Eligible Activity: Section 105 (a)

National Objective: Low to Moderate Income, Elimination of Slum and Blight, or Urgent Need

Activity Amount: \$200,000,000 (existing funding prior to this Amendment)

\$421,393,334 (additional funding included in this Amendment)

In addition to the direct damage they caused, Hurricanes Katrina and Rita created long-lasting problems that can only be addressed with long-term planning and implementation of projects to address these problems. These problems include damage to the economy, environment, housing stock, public safety, education, health care, and transportation, among others.

To address these challenges, the State allocated \$200 million in Action Plan Amendment 12 to the Long-Term Community Recovery Program. The allocation formula for funds through the Long Term Community Recovery Program is described in an appendix to Action Plan Amendment 12. The goal of this program is to provide additional funding for implementation of long-term recovery plans in the most heavily impacted parishes of the state and to provide additional clarification for the implementation of those long-term recovery plans.

This action plan amendment provides additional funding for the Long Term Community Recovery Program from the following sources:

- \$38,000,000 million from the Private Non-Profit Infrastructure Program, originally allocated to cover the previously required 10% non-federal match for FEMA Public Assistance. This allocation will close out fully the funding for the Private Non-Profit Infrastructure program.
- \$383,393,334 from the Local Government Emergency Infrastructure allocations, from the allocations previously made to local governments to cover the previously required 10% non-federal match for FEMA Public Assistance. This reallocation leaves \$91,333,333 in the program for Local Government Emergency Infrastructure for existing federal match and infrastructure obligations.

This amount, \$421,393,334, is being added concurrently with the companion amendment from the second appropriation of disaster CDBG funds, Action Plan Amendment 6. That plan allocates \$78,606,666, for a combined amount of \$500,000,000 of additional funds for the Long Term Community Recovery Program.

The methods of distributing the funds to the parishes used in this Amendment are the same as those described and approved by HUD via Action Plan Amendment 12, Appendix 1, and are attached again as Appendix 1 to this Amendment.

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Eligible Activities for this program include, but are not limited to the following, to the extent that those activities are recovery related, meet a national objective, are part of the recovery plan for a grantee, and are otherwise eligible by CDBG and OCD rules:

- acquisition of real property;
- public facilities and improvements;
- clearance, rehabilitation, reconstruction, and construction of buildings;
- removal of architectural barriers to access by the elderly and handicapped;
- disposition of real property, including costs associated with maintenance and transfer of acquired properties;
- provision of public services, such as job training;
- payment of the non-federal share of other federal matching grant programs;
- relocation associated with projects that utilize one or more of the other eligible activities listed here;
- activities carried out through nonprofits;
- assistance to neighborhood-based organizations, local development corps, and nonprofits serving the development needs of communities; and
- energy efficiency/conservation programs.

This program expands upon the views expressed by Louisiana citizens who participated in the Louisiana Speaks program. The amendment also acts as a natural progression that highlights the pace of recovery that Louisiana's most heavily impacted parishes are currently seeing and preparing for. Of the initial \$200 million allocated, 12 of the parishes have already presented their long term recovery plans to the Louisiana Recovery Authority (LRA) Board for approval.

With rebuilding and recovery occurring at the same time as robust planning efforts at the local, regional, and state level, the State wishes to ensure wise, forward-looking investment of very limited resources. These funds and planning efforts will continue to provide momentum for Louisiana's recovery efforts. Prioritization of projects that drive local recovery must ultimately come from the parishes and their communities, in a manner that is consistent with the regional planning incorporated in Louisiana Speaks.

Recognizing the above, projects to be funded from this program must:

1. be selected by the parishes based on local recovery priorities;
2. demonstrate broad-based support from the local community, as indicated by inclusion in a broadly accepted recovery plan, or similar mechanism;
3. be consistent with regional and state plans, as determined by the LRA; and
4. include direct benefits to the most affected municipalities and communities or have the agreement from the elected officials of the most impacted municipalities.

The above requirements will ensure that issues that are a priority to the broader local community are addressed, while also ensuring that local and regional plans are complementary.

In addition to the above requirements, expenditures from the Long-Term Community Recovery Program must meet the following guidelines:

1. That the funding be provided for projects in parishes or municipalities that have adopted the latest available FEMA Flood Recovery Guidance, unless exceptions are granted by the LRA based on reasonable alternatives where safety is not minimized;
2. That the funding be provided for projects in parishes or municipalities that have adopted, implemented or are in the process of implementing the new statewide building code standards adopted in the 2005 1st Extraordinary Session of the Louisiana Legislature;
3. That each infrastructure project considers and/or proposes a mitigation plan to minimize damage in the event of future floods or hurricanes.

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Because the projects will be selected and managed by the local governments, the State proposed a method of distribution of grants for this program to allow administration by the local government entities. The process for ensuring that all CDBG and Action Plan requirements are met, and for distributing the funds is described in the attached "Plan Approval and Project Funding Process" document, Appendix 2. Those requirements include following a Citizen Participation Plan, which is attached as Appendix 3, and following a process for selecting and prioritizing projects. Projects must be funded in order based on the priority list developed by the local government, unless these projects are not eligible for CDBG or can not be completed within 5 years of the date the local government's plan is approved by the LRA. Exceptions to the time constraint may be granted by the Office of Community Development (OCD) if the local government can demonstrate that project delays were outside of their control.

This activity is considered to be a low risk activity. Monitoring will be performed by the OCD staff in accordance with the original Local Government Emergency Infrastructure Program monitoring plan or in accordance with a monitoring plan modified specifically for the Long Term Community Recovery program.

2. Local Government Emergency Infrastructure Program: Primary and Secondary Education Infrastructure

Eligible Activity: Section 105 (a)

National Objective: Low to Moderate Income, Elimination of Slum and Blight, or Urgent Need

Activity Amount: \$200,000,000 (existing funding prior to this Amendment)

\$47,500,000 (additional funding included in this Amendment)

In Action Plan 1, Amendment 2, the State allocated \$200 million to fund the repair costs of K-12 public school infrastructure that was damaged as a result of Hurricanes Katrina and Rita. This action plan provides additional funds to this existing program to continue to address the challenges that face Louisiana public schools. Louisiana's public schools have in excess of \$500 million of non-reimbursable damages and insurance penalties as a result of the 2005 hurricanes. While school systems are among the largest applicants in FEMA's Public Assistance program with over \$1 billion currently eligible for FEMA approved work, there are rebuilding costs for which FEMA can not reimburse districts under Federal law. The State previously addressed these issues in Action Plan 1, Amendment 2, which expanded the infrastructure program to pay for repairs that are ineligible under the FEMA Public Assistance program, including but not limited to uninsured and underinsured damages, insurance deductibles and improvements for code compliance in accordance with established criteria. In June 2007, the LRA developed six possible funding scenarios to address FEMA ineligible school district rebuilding needs. To garner opinions and recommendations, the scenarios were presented to the LRA Education Task Force, the Louisiana Board of Elementary and Secondary Education (BESE), Louisiana House and Senate Education committees. In this Action Plan Amendment, the State recommends that an additional \$47,500,000 of Community Development Block Grant funds be allocated to the same program, the Local Government Emergency Infrastructure Program for Primary and Secondary Infrastructure. The State recommends the following:

\$47,500,000 be added to the allocations for the most impacted school districts following the criteria previously established. These funds will supplement the \$200 million already allocated to cover FEMA ineligible costs, repairs, and expenses including but not limited to; deferred maintenance, insurance deductibles, costs associated with the NFIP, as well as adding the following as eligible expenditures: seeding the creation of a state or local school facilities construction authority to support the development of energy efficiency or LEED-related enhancements, and/or to provide match or in-kind support that enhances or creates public/private partnerships that contribute to better school facility design and rebuilding strategies. The \$47.5 million shall be distributed based on the existing \$200 million formula.

This funding is to be provided only for those activities that meet CDBG requirements. Each project funded will meet one of the three national objectives. Until applications are received and service areas and beneficiaries are known, the specific national objective cannot be determined.

This activity is considered to be a low risk activity. Monitoring will be performed by the Office of Community Development staff in accordance with the original Local Government Emergency Infrastructure Program monitoring plan.

Appendix 1 – Parish Submitted Plans and Approved Funding Amounts

LOUISIANA RECOVERY AUTHORITY CDBG FUNDS COMMITTED TO SUPPORT PARISH LONG TERM COMMUNITY RECOVERY PROGRAMS



ELIGIBLE PARISHES	Plan Submitted to LRA Board for Approval	Parish Allocation Percentage	Action Plan Amendment 12 - HUD Approved (\$200M)	Action Plan Amendment 19 - LRA Proposed (\$500M)	Proposed Parish Long Term Community Fund (APA 12 + APA 19)
Orleans	June 25, 2007	58.67%	\$117,294,201	\$ 293,425,815	\$ 410,720,016
St. Bernard	June 25, 2007	13.03%	\$26,033,717	\$ 65,151,602	\$ 91,185,319
Jefferson	September 11, 2007	7.16%	\$14,321,406	\$ 35,798,931	\$ 50,120,337
Plaquemines	September 11, 2007	6.42%	\$12,835,332	\$ 32,090,460	\$ 44,925,792
Cameron	September 11, 2007	4.23%	\$8,466,457	\$ 21,156,487	\$ 29,622,944
St. Tammany	October 11, 2007	3.83%	\$7,656,577	\$ 19,158,505	\$ 26,815,082
Calcasieu	September 11, 2007	2.63%	\$5,258,422	\$ 13,133,074	\$ 18,391,496
Vermilion	July 30 ,2007	1.09%	\$2,192,216	\$ 5,459,208	\$ 7,651,424
Terrebonne	October 11, 2007	0.51%	\$1,020,282	\$ 2,559,742	\$ 3,580,024
Lafourche	October 11, 2007	0.47%	\$948,104	\$ 2,351,134	\$ 3,299,238
Washington	December 11, 2007	0.34%	\$689,579	\$ 1,697,104	\$ 2,386,683
Iberia	December 11, 2007	0.31%	\$615,677	\$ 1,560,416	\$ 2,176,093
Tangipahoa	December 11, 2007	0.31%	\$625,029	\$ 1,551,064	\$ 2,176,093
East Baton Rouge	Exp. January 2008	0.16%	\$311,944	\$ 811,201	\$ 1,123,145
St. Charles	Exp. January 2008	0.15%	\$305,968	\$ 746,980	\$ 1,052,948
St. John the Baptist		0.12%	\$247,644	\$ 594,715	\$ 842,359
St. Mary	September 11, 2007	0.10%	\$199,764	\$ 502,202	\$ 701,966
Acadia	December 11, 2007	0.09%	\$181,301	\$ 450,468	\$ 631,769
Beauregard	September 11, 2007	0.09%	\$178,206	\$ 453,563	\$ 631,769
Jefferson Davis	December 11, 2007	0.08%	\$168,174	\$ 393,398	\$ 561,572
Livingston	Exp. January 2008	0.07%	\$150,000	\$ 341,376	\$ 491,376
Lafayette	October 11, 2007	0.07%	\$150,000	\$ 341,376	\$ 491,376
Allen	December 11, 2007	0.06%	\$150,000	\$ 271,179	\$ 421,179
LTCR TOTAL		100.00%	\$200,000,000	\$ 500,000,000	\$ 700,000,000

Appendix 2 - Plan Approval and Project Funding Process

LOUISIANA RECOVERY AUTHORITY Long Term Community Recovery Program Plan Approval & Project Funding Process

- STEP 1** After conducting necessary Public Participation plan, Parish officially approves recovery plan and prioritized project list (plan) and forwards to LRA.
- STEP 2** LRA staff receives the plan and notifies parish of date of receipt.
- STEP 3** LRA staff conducts preliminary review of parish recovery plan and, if necessary, asks for clarifications from Parish.
- STEP 4** LRA staff forwards plan to LRA Board for consideration and approval.
- STEP 5** Upon approval by LRA Board, LRA forwards Parish Recovery Plan to the Office of Community Development (OCD), Disaster Recovery Unit (DRU).
- STEP 6** OCD/DRU coordinates with parish on CDBG requirements for individual project applications / parish completes OCD/DRU application for Parish Recovery Plan project funding.
- STEP 7** OCD/DRU reviews application and issues preliminary findings for Parish Recovery Plan projects.
- STEP 8** OCD/DRU submits formal letter of final approval of parish recovery plan projects to parish and LRA.
- STEP 9** Parish commences LRA/OCD approved Parish Recovery Plan projects and begins drawdown of CDBG funds based on HUD regulations.

Appendix 3 - Citizen Participation Plan for Local Governments

CITIZEN PARTICIPATION REQUIREMENTS FOR LOCAL GOVERNMENTS PARTICIPATING IN THE LONG TERM COMMUNITY RECOVERY PROGRAM

In order to take advantage of waivers previously granted by HUD, the citizen participation requirements stated in Appendix 10 of the first Action Plan (for funds allocated by P.L. 109-148) and stated in Action Plan Amendment No. 12 are deleted and the following substituted:

Local governments shall provide citizens with adequate opportunity to participate in the planning, implementation, and assessment of the CDBG program. All units of local government applying for CDBG disaster recovery funds must have a written and adopted Citizen Participation Plan which, at a minimum:

1. provides for and encourages citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of areas in which funds are proposed to be used;
2. provides citizens with reasonable and timely access to local meetings, information, and records relating to the State's proposed method of distribution;
3. provides for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals;
4. provides for a timely written answer to written complaints and grievances, within fifteen working days where practicable;

The plan must include procedures that meet the following requirements:

Public Hearings

The local process for developing and adopting Parish Long Term Community Recovery Plans fulfills the requirements for public hearings associated with CDBG applications for all included projects. This process includes (or has included) the solicitation of public comments and input in various ways and means for the purpose of formulating parish recovery plans with a formal adoption by the parish and approval by the LRA.

If local governments desire to provide additional public hearings associated with specific projects, the following requirements are to be met. In order to provide adequate notice of all public hearings, a minimum of five calendar days notice shall be given. The hearing may be convened on the fifth day excluding the date the notice was published. The applicant must provide citizens with reasonable and timely access to all hearings. The location and time of these hearings must be scheduled in such a manner as to be convenient to potential or actual beneficiaries. Citizens must be made aware of where they may submit their views and proposals should they be unable to attend any public hearing. Where a significant number of non-English speaking residents can be reasonably expected to participate in a public hearing, an interpreter

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must be present to accommodate the needs of the non-English speaking citizen and this must be so stated in the public notice. Additionally, all notices for public hearings shall state that accommodations for persons with disabilities will be provided.

Written minutes of the hearing and an attendance roster must be kept for review by State officials.

Nothing in these requirements shall be construed to restrict the responsibility and authority of the applicant for the development of the application.

Technical Assistance

The applicant must provide technical assistance to facilitate citizen participation where requested, particularly to groups representative of persons of low to moderate income. The level and type of technical assistance shall be determined by the applicant/recipient based upon the specific need of the community's citizens.

Amendments

The recipient must involve citizens in amendments to the Disaster Recovery program. This may be done by means of a public hearing or a public notice prior to the submittal of the request for a program amendment to the State.

Complaint Procedures

Each applicant/recipient must have written citizen and administrative complaint procedures. The written Citizen Participation Plan must provide citizens with information relative to these procedures or, at a minimum, provide citizens with the information relative to the location and hours at which they may obtain a copy of these written procedures.

All written citizen complaints which identify deficiencies relative to the applicant/recipient's community development program will merit careful and prompt consideration by the applicant/recipient. All good faith attempts will be made to satisfactorily resolve the complaints at the local level. Complaints must be filed with the Chief Elected Official who will investigate and review the complaint. A written response from the Chief Elected Official to the complainant will be made within fifteen working days, where practicable.

A copy will be forwarded to the Division of Administration, Office of Community Development, Disaster Recovery Unit. The complainant must be made aware that if she or he is not satisfied with the response, a written complaint may be filed with the Division of Administration, Office of Community Development, Disaster Recovery Unit.

All citizen complaints relative to Fair Housing/Equal Opportunity violations involving discrimination will be forwarded to the following address for disposition: Louisiana Department of Justice, Public Protection Division, Post Office Box 94005, Baton Rouge, Louisiana 70804. The telephone numbers for that office are (800) 273-5718 and (225) 326-6438.

The Citizen Participation Plan must also state that persons wishing to object to approval of a Disaster Recovery application by the State may make such objection known to the Division of Administration, Office of Community Development, Disaster Recovery Unit in writing. The State will consider objections made only on the following grounds:

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1. The applicant's description of needs and objectives is plainly inconsistent with available facts and data;
2. The activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the applicant; and
3. The application does not comply with the requirements set forth in the Disaster Recovery Plan and amendments to the plan or other applicable laws.

Such objections should include both identification of the requirements not met and, in the case of objections relative to item 1 above, the complainant must supply the data which she or he relied upon.

Appendix 4 – Public Comments

This Amendment was posted for Public Comment on January 30th, 2008 and remained available for review and comment through February 8th, 2008. This Amendment was also approved by the Louisiana Recovery Authority Board, the Joint Legislative Committee on the Budget, and the full Louisiana Legislature. The State received no comments on this Amendment.