

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 2016
The Continuing Appropriations Act, 2017, The Further Continuing and Security Assistance Appropriations Act, 2017 and The Consolidated Appropriations Act, 2017 (Public Law 114-223, 114-254 and 115-31)

Federal Register Docket No.

FR-5989-N-01, FR-6012-N-01 and FR-6039-N-01, FR-6136-N-01

LOUISIANA OFFICE OF COMMUNITY DEVELOPMENT



**STATE OF LOUISIANA
ACTION PLAN AMENDMENT No. 16 (SUBSTANTIAL)
FOR THE UTILIZATION OF
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS IN RESPONSE TO THE
GREAT FLOODS OF 2016**

Public Comment Period: March 24, 2021 – April 6, 2021

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Approved by HUD: June 17, 2021

John Bel Edwards, Governor
Billy Nungesser, Lieutenant Governor
Jay Dardenne, Commissioner of Administration



A. Summary of Changes

Given that all eligible Restore Louisiana Homeowner Assistance Program (RLHAP) applicants are being served and that sufficient funds are available to serve all remaining eligible RLHAP applicants, and that additional long-term, affordable housing and economic development needs from the Great Floods of 2016 were identified, this Action Plan Amendment (APA) No. 16:

1. Reduces the allocations to the Restore Louisiana Homeowner Assistance and Interim Housing Assistance Programs;
2. Reduces the allocations to the Neighborhood Landlord Rental, Neighborhood Landlord Rental Phase II, Piggyback, and Resilient and Mixed-Income Piggyback Programs;
3. Reduces the allocation to the Small Business Loan Program;
4. Reduces the allocation to the Farm Recovery Program;
5. Creates and allocates funds to the Neighborhood Landlord Rental Program Phase III;
6. Creates and allocates funds to the Rural Bond Bundle Program (RBBP);
7. Creates and allocates funds to the OCD CDBG Homeownership (OCHO) Pilot Program;
8. Creates and allocates funds to the Middle-Market Loan Program (MMLP);
9. Creates and allocates funds to the Fast Gap A Program;
10. Creates and allocates funds to the Fast Gap B (Rental Affordability Preservation) Program; and
11. Creates and allocates funds to the Flood-Ready Workforce Development Program.

This APA also makes a correction to its Master Action Plan: When referencing “New Housing Construction,” the state inaccurately specified that it would limit said construction to the Most-Impacted and Distressed Parishes, when the waiver granted in Federal Register Docket No. FR-5989-N-01 did not make that stipulation.

Per the criteria outlined in the state’s Master Action Plan, this APA is considered substantial because it adds new activities, programs and beneficiaries; reallocates more than \$5 million between programs, and reallocates greater than 15% of the budget for the Interim Housing Assistance Program and Neighborhood Landlord Rental Phase II Program.

B. Total CDBG-DR Allocations

State of Louisiana Total CDBG-DR Allocations				
	Previous Allocation	Change	Revised Allocation	Percent Change
Total Allocation	\$ 1,708,407,000		\$ 1,708,407,000	
Restore Louisiana Homeowner Programs				
Homeowner Assistance Program	\$ 1,124,716,475	\$ (58,000,000)	\$ 1,066,716,475	-5%
RLHP Flood Insurance Assistance Program	\$ 1,000,000	\$ -	\$ 1,000,000	
RLHP Interim Housing Assistance Program	\$ 10,000,000	\$ (3,000,000)	\$ 7,000,000	-30%
Rental Housing, Housing Assistance and Homelessness Prevention Programs				
Neighborhood Landlord Rental Program	\$ 41,447,884	\$ (5,362,456.74)	\$ 36,085,427.26	-13%
Neighborhood Landlord Rental Program Phase II	\$ 16,500,000	\$ (8,938,668.18)	\$ 7,561,331.82	-54%
Neighborhood Landlord Rental Program Phase III	\$ -	\$ 14,301,124.92	\$ 14,301,124.92	100%
Multifamily Rental GAP Program	\$ 21,015,518	\$ -	\$ 21,015,518	
Piggyback Program	\$ 79,756,303	\$ (6,716,297)	\$ 73,040,006	-8%
Permanent Supportive Housing Program	\$ 5,000,000	\$ -	\$ 5,000,000	
Rapid Rehousing Program	\$ 18,000,000	\$ -	\$ 18,000,000	
Resilient and Mixed Income Piggyback Program	\$ 110,000,000	\$ (2,000,000)	\$ 108,000,000	-2%
Neighborhood Stabilization Housing Initiative	\$ -	\$ -	\$ -	
Soft Second Program	\$ 6,000,000	\$ -	\$ 6,000,000	
Safe Haven Program	\$ 4,000,000	\$ -	\$ 4,000,000	
Louisiana Military Dept - Affordable Rental Housing	\$ 10,000,000	\$ -	\$ 10,000,000	
Rural Bond Bundle Program	\$ -	\$ 15,000,000	\$ 15,000,000	100%
OCD CDBG Homeownership (OCHO) Pilot Program	\$ -	\$ 5,000,000	\$ 5,000,000	100%
Middle-Market Loan Program (MMLP)	\$ -	\$ 16,000,000	\$ 16,000,000	100%
Fast Gap A Program	\$ -	\$ 15,000,000	\$ 15,000,000	100%
Fast Gap B (Rental Affordability Preservation) Program	\$ -	\$ 17,368,652	\$ 17,368,652	100%
Restore Louisiana Economic Recovery and Revitalization Programs				
Small Business Loan Program	\$ 41,200,000	\$ (1,893,526)	\$ 39,306,474	
Small Business Technical Assistance Program	\$ -	\$ -	\$ -	
Farm Recovery Program	\$ 20,000,000	\$ (258,829)	\$ 19,741,171	
Restore Louisiana Infrastructure and Public Services				
Infrastructure Program (PA Match)	\$ 115,000,000	\$ -	\$ 115,000,000	
First Responders Public Services Program	\$ 1,691,140	\$ -	\$ 1,691,140	
Flood-Ready Workforce Development Program	\$ -	\$ 3,500,000	\$ 3,500,000	100%
Administration and Planning				
Watershed Modeling and Planning	\$ 21,600,800	\$ -	\$ 21,600,800	
Regional Capacity Building Grant	\$ 3,200,000	\$ -	\$ 3,200,000	
Administration and Planning	\$ 58,278,880	\$ -	\$ 58,278,880	
Total	\$ 1,708,407,000	\$ 0	\$ 1,708,407,000	0%

C. Current Program Allocation Adjustments

1. **Restore Louisiana Homeowner Assistance Program (RLHAP)**

The RLHAP budget is decreased to \$1,066,716,475 due to a smaller than anticipated amount of homeowners qualifying for Small Business Administration (SBA) Phase IV disbursements, applicants not executing grant agreements/withdrawing from programs, and applicants waiving home repairs that do not impact habitability. With 99.5% of grant determinations now completed, the program is largely focused on assisting homeowners with finishing their construction projects to which funds have been obligated. Sufficient funds are available to serve all remaining eligible households. This program was created in the Master Action Plan and amended in APAs 1, 3, 4, 6, 9, 11, 12, 14 and 15.

2. **Restore Louisiana Interim Housing Assistance Program**

The Restore Louisiana Interim Housing Assistance Program budget is decreased to \$7,000,000 due to a smaller than projected number of homeowners executing grants and requiring interim housing assistance. Sufficient funds are available to serve all remaining eligible households. This program was created in APA 11 and amended in APAs 12, 13 and 14.

3. **Neighborhood Landlord Rental Program**

The Neighborhood Landlord Rental Program budget is decreased to \$36,085,427.26 due to the number of applicants meeting program eligibility has been lower than expected. Sufficient funds are available to serve all remaining eligible applicants. This program was created in APA 1 as the In-fill Rental Development Program and amended in APAs 3, 7, 8, 11, 12 and 14.

4. **Neighborhood Landlord Rental Program Phase II**

The Neighborhood Landlord Rental Program Phase II budget is decreased to \$7,561,331.82 due to being undersubscribed by eligible applicants. Sufficient funds are available to serve all remaining eligible applicants. This program was created in APA 11 and amended in APA 14.

5. **Piggyback Program**

The Piggyback Program budget is decreased to \$73,040,006 due to developers that withdrew from the program. Sufficient funds are available to serve all remaining eligible applicants. This program was created in APA 1 and amended in APAs 3, 7 and 8.

6. **Resilient and Mixed Income Piggyback Program**

The Resilient and Mixed Income Piggyback Program budget is decreased to \$108,000,000 due to a drop in pricing from equity investors, lessening the amount of CDBG-DR funding to complete the projects. Sufficient funds are available to serve all remaining eligible applicants. This program was created in APA 11 and amended in APA 14.

7. **Small Business Loan Program**

The Small Business Loan Program budget is decreased to \$39,306,474 due to the number of applicants meeting program eligibility was lower than expected. Sufficient funds are available to serve all remaining eligible applicants. This program was created in the Master Action Plan and amended in APAs 1, 5, and 11.

8. **Farm Recovery Program**

The Farm Recovery Program budget is decreased to \$19,741,171.22 due to changes in some applicants' eligibility status. Sufficient funds are available to serve all remaining eligible applicants. This program was created in APA 1 and amended in APA 11.

D. New Program Allocations and Descriptions

1. Neighborhood Landlord Rental Program Phase III

Unmet Need:

Per the 2019 Louisiana Housing Needs Assessment, prepared for the Louisiana Housing Corporation by Louisiana State University, housing affordability has been an increasing concern for the past decade, especially as rents have risen in excess of real earnings. The state ranks fifth in the nation in terms of the proportion of renters that are considered "rent-stressed." As described in its Master Action Plan for the Great Floods of 2016, more than 76% of the total of renters affected by the floods were LMI, leaving residents of impacted areas with even more precarious access to affordable housing units that are decent, safe, sanitary and in good repair.

Program Summary:

The Neighborhood Landlord Rental Program Phase III (NLRP3) will offer a third round of funding for applicants who want to rehabilitate existing affordable housing units or construct new affordable housing units. NLRP3 will also revitalize communities impacted by Great Floods of 2016 by reducing the blight of flood-damaged properties as it redevelops them into affordable rental housing. The state anticipates a greater number of eligible applicants for this third phase of the program due to modified eligibility requirements and criteria for selection.

Eligible Activity	<ul style="list-style-type: none"> ● Clearance, Rehabilitation, Reconstruction, and Construction of Buildings (Including Housing), HCDA Section 105(a)(4) ● New Housing Construction, as identified in Federal Register Docket No. FR-5989-N-01
National Objective	Benefit to low- and moderate-income persons
Program Budget	\$14,301,124.92
Geographic Eligibility	FEMA IA declared parishes for Great Floods of 2016
Administering Entity	The State of Louisiana or its sub recipient(s)

Proposed Use of Funds:

NLRP3 applicants will engage with commercial lenders who commit interim construction financing for new construction or renovation of residential rental properties located in eligible parishes. The units will be affordable for 10 years.

Awards provided to non-profit, private and public developers and landlords for the repair of damaged structures or new construction of affordable housing for low-income families will be issued as forgivable loans for eligible rehabilitation, reconstruction and/or new construction costs, as defined in the program policies and procedures. Reimbursement for properties already renovated or newly constructed will not be eligible for this program.

Eligible Applicants:

Eligible applicants include any public, private, for-profit, or non-profit entity which owns the subject property at the time of application.

Criteria for Selection:

- Awards will be made to qualified applicants based on the score during the competitive round of funding and thereafter upon submission of eligible, completed applications.
- Specific scoring criteria will be outlined in the program guidelines.
- Applicants must own the unit and have clear title to the property for which they are applying at the time of application.
- Each project will be reviewed for title, duplication of benefits, financial feasibility, and cost reasonableness.
- Applications must be for only one property, however, developers may submit multiple applications.
- Properties must be located outside of a Special Flood Hazard Area (SFHA).
- Preference will be given to for-profit applicants that were property owners at the time of the storm. Applicants who acquired property after the 2016 Floods are also eligible to apply but the applicant must have acquired the property by the time of application. Prior to the application period, the state will conduct outreach and education events for potential applicants. Potential applicants are not required to participate in these events to apply to the program, but it is strongly recommended.

Method of Distribution:

Awards are issued as a forgivable loan to eligible applicants. Funds will be distributed upon completion of construction and other requirements as defined in the Notice of Funding Availability (NOFA).

2. Rural Bond Bundle Program (RBBP)

Unmet Needs:

In 2015, the Louisiana Housing Alliance described the housing situation in the state's rural parishes as a "rural rental crisis," because while a third of rural renters live below the poverty line, affordable housing options that meet housing quality standards are sparse for low-income households. These areas struggle to attract private developers who might replenish local housing stock, and as a result, rural renters are frequently forced to accept high cost burdens, substandard housing, or both. The limited availability of affordable housing in rural areas results in a precarious situation for low-income renters outside of metro areas.

In 2016, the Great Floods damaged or destroyed housing across the state, and LMI households made up 76% of the total affected renter population. The floods further deteriorated rural housing units, leaving residents of impacted areas with even more precarious access to affordable housing units that are decent, safe, sanitary and in good repair.

One critical source of rural, regulated, and affordable housing is a number of multi-family properties financed with U.S. Department of Agriculture (USDA) Rural Development (RD). Many of these properties were built decades ago, and are now nearing the end of their physical and financial life cycle. These properties are both nearing the expiration of the affordability restrictions and in need of rehabilitation.

The Great Floods of 2016 damaged housing stock throughout the parishes declared eligible for FEMA Individual Assistance, putting an additional strain on the existing inventory of affordable housing.

Program Summary:

In partnership with the Louisiana Housing Corporation (LHC), OCD will address the state’s ongoing need for affordable housing units that are decent, safe, sanitary and in good repair through the Rural Bond Bundle Program (RBBP).

The RBBP will target aforementioned USDA RD-financed developments that are located in areas impacted by the 2016 floods, and will utilize innovative gap financing to ensure the quality and long-term affordability of critical rural housing. The LHC will provide the opportunity for these properties to be repaired or reconstructed with the benefit of 4% Low-Income Housing Tax Credits (LIHTC). The terms of that offering will include the opportunity to group aspects of the financing to create efficiencies for these transactions. The RBBP will utilize CDBG-DR to finance the remaining gap in sources.

Eligible Activity	Clearance, Rehabilitation, Reconstruction, and Construction of Buildings (Including Housing), HCDA Section 105(a)(4)
National Objective	Benefit to low- and moderate-income persons
Program Budget	\$15,000,000
Geographic Eligibility	FEMA IA declared parishes for Great Floods of 2016
Administering Entity	State of Louisiana

Proposed Use of Funds:

Applicants will identify eligible, independent, USDA-subsidized affordable housing properties and bundle those separate developments into one new LLC/single asset entity or similar approved structure(s). The RBBP will award gap financing to eligible property owners to complete substantial rehabilitation of those properties, which, for a period of at least 30 years, will, on at least 51% of the units, have restricted rents affordable to LMI households. The state may require that affordability restrictions will be senior to any debt and will not be foreclosable so as to protect the state’s interest in maintaining high quality affordable housing. The NOFA for the RBBP may prioritize or offer special terms for properties that serve very low-income households (less than 50% AMI). The period of affordability shall be for 30 years (or more depending on the term of any senior financing) from initial lease-up following rehabilitation with the CDBG-DR loan. The RBBP will make efficient use of CDBG-DR funding by working through the existing 4% LIHTC Piggyback Program while preserving USDA rental subsidies already in place.

Eligible Applicants:

Eligible applicants must have site control of eligible USDA RD-financed properties at the time of application completion and be eligible to compete for the Rural Bond Bundle Program 4% tax credits to be allocated by the LHC. Bundled properties that have greater than 50% occupancy by non-LMI households are ineligible.

Criteria for Selection:

Awards of CDBG-DR gap loans can only be made to applicants that successfully compete for the LHC offering. Each application will be reviewed for affordable housing outcomes, financial feasibility, and cost reasonableness. Further criteria will be specified in the NOFA.

Method of Distribution:

Initial selection of awards will be through a competitive process. Remaining funds may be awarded on a first-come first-served basis of complete applications.

3. OCD CDBG Homeownership (OCHO) Pilot Program

Unmet Need:

The Great Floods of 2016 inflicted severe damage on low-lying communities in Pointe Coupee Parish, many of which had already sustained numerous and repeated inundations over the last few decades. The parish's already inadequate affordable housing stock was further diminished, while the need for affordable homes and rentals safe from flood hazards continued to grow. Since then, increased construction costs, reduced funding streams for affordable housing development and repair, and a record-breaking number of major hurricanes have compounded the issue. Today, residents of Pointe Coupee parish who wish to relocate away from flood hazards have few options for housing that is affordable to LMI homebuyers, located above flood level, and close to economic opportunities and basic services.

Program Summary:

The OCD CDBG Homeownership Pilot Program (OCHO) will replenish critically-needed homeownership and rental opportunities in Pointe Coupee Parish by generating approximately 20 affordable homes in a new community called Audubon Estates.

A project of the Restore Louisiana Homeowner Assistance Program's (RLHAP) Solution 4, Audubon Estates is located on 22.5 acres of land located in Pointe Coupee Parish, but on higher ground outside of the 100-year flood plain. The site includes 40 residential lots, and the Louisiana Land Trust (LLT) is set to develop approximately 20 of those sites into homes for former residents of the Pecan Acres neighborhood, who decided to move together to Audubon Estates after decades of persistent severe flooding in their community.

The remaining lots are intended for LMI homeownership as well, but a developer has not been selected. The OCHO program will select one or more eligible applicants to build homes on the remaining residential lots, with the goal of creating more affordable homeownership and rental opportunities for LMI households relocating from flood-prone areas nearby. In the event that there are remaining undeveloped lots in Audubon Estates that are not improved through the OCHO program, they will be disposed of in accordance with CDBG requirements.

In the event that properties in neighboring areas become available for development, they may be included under this program as well.

Eligible Activity	<ul style="list-style-type: none"> ● Clearance, Rehabilitation, Reconstruction, and Construction of Buildings (Including Housing), HCDA Section 105(a)(4) ● New Housing Construction, as identified in Federal Register Docket No. FR-5989-N-01 ● Housing Services, HCDA Section 105(a)(24)
National Objective	Benefit to low- and moderate-income persons
Program Budget	\$5,000,000
Geographic Eligibility	For this pilot program, geographic eligibility will be limited to Pointe Coupee Parish
Administering Entity	State of Louisiana

Proposed Use of Funds:

Under OCHO, LLT will transfer approximately 20 pad-ready lots to the award recipient(s), who will also receive CDBG-DR funding from OCD to cover 100% of home construction. That deep subsidy will allow the grantee to construct approximately 20 single-family units in the new community. Grantees will then sell those homes to qualified home buyers that are determined Low to Moderate Income (LMI) households as first priority. Homeownership will also be considered for those moderate income buyers at or below 120% AMI.

In the event that the homes cannot be sold to qualified homebuyers, the grantee can maintain ownership and rent the units to LMI households. Those units would be subject to a 35-year use-restriction to maintain affordability to LMI renters. During that time, the rents will be returned to the state as program income for use in other approved affordable housing activities in Pointe Coupee Parish and to support the maintenance of common areas within the development site

OCHO will facilitate the development of additional affordable homeownership units by employing a reinvestment model. OCD may allow application for use of program income generated by the OCHO program in support of additional affordable homeownership developments. Further, OCD may develop, in cooperation with HUD, a mechanism to allow grantees to retain net proceeds for reinvestment purposes if appropriate waivers are issued.

Eligible Applicants:

Eligible applicants must be non-profit entities. A NOFA will be issued further detailing experience requirements.

Criteria for Selection:

Each application will be reviewed for affordable housing outcomes, financial feasibility, and cost reasonableness. Eligible applicants may be prioritized based on experience with developing low-income affordable home ownership and rentals. OCD may choose to award to a single applicant or to multiple applicants.

Method of Distribution:

OCD will issue a NOFA seeking identification of eligible applicants.

4. Middle-Market Loan Program (MMLP)

Unmet Need:

In 2016, the Great Floods damaged or destroyed approximately 22,000 rental properties across Louisiana, and further decreased an already-inadequate supply of affordable rental units in impacted parishes. Since then, the need for rental housing affordable to LMI renters continues to grow, as impacted areas struggle with economic pressures brought on by additional environmental and economic disasters.

Unfortunately, the development and preservation of deeply affordable units is challenging, as rents that low- and moderate-income households can afford to pay are often too low to cover the costs of owning and managing a rental property. Additionally, projects that do manage to obtain funding often stall due to financing gaps that open due to a variety of issues. This is particularly troublesome for projects that serve low-income households (earning up to 80% AMI), but that are not eligible for LIHTC financing. Thus, there is a need for funding to close the gap on these “middle-market” properties, and secure the addition of critical affordable units in impacted parishes.

Thus, there is strong demand for rental housing that serves low-income households, but that is not eligible for LIHTC financing. These units typically serve households earning up to 80% of AMI, but more than the 30% limit for LIHTC projects.

Program Summary:

The Middle-Market Loan Program (MMLP) will provide gap financing to support the rehab and/or construction of multi-family buildings that serve a range of household incomes, with the goal of using higher-cost units to generate deeper affordability for LMI renters.

That range of “middle-market” rents also allows participants to embed units with deeper affordability into higher-income areas, which provides good, stable housing in high-opportunity areas to low-income families, and encourages socioeconomic integration in communities.

Projects funded through MMLP will require OCD standards of safety, environmental sustainability, and resilience to storm hazards, which will not only ensure the longevity and quality of those projects, but will also positively influence design and building standards for Louisiana’s affordable housing industry.

Eligible Activity	<ul style="list-style-type: none"> ● Acquisition of Real Property, HCDA Sections 105 (a)(1) ● Clearance, Rehabilitation, Reconstruction, and Construction of Buildings (Including Housing), HCDA Section 105(a)(4) ● New Housing Construction, as identified in Federal Register Docket No. FR-5989-N-01
National Objective	Benefit to low- and moderate-income persons
Program Budget	\$16,000,000
Geographic Eligibility	FEMA IA declared parishes for Great Floods of 2016
Administering Entity	State of Louisiana

Proposed Use of Funds:

The MMLP program will award funding to eligible applicants in the form of gap financing loans to support the construction or rehabilitation of affordable housing units. At least 51% of those created or preserved units must be made affordable to households earning up to 80% AMI for a minimum of 35 years.

Eligible projects may include unrestricted units to offset the cost of units for LMI households, and occupancy of those units by households earning greater than 120% of AMI is not prohibited.

Eligible Applicants:

Eligible applicants must have site control or ownership of proposed property, and the project must create new affordable housing units, whether through new construction or rehabilitation.

Criteria for Selection:

Eligible applicants may be prioritized based on experience developing or rehabilitating multi-family buildings, and resilient/sustainable construction. OCD may develop a matrix that provides for broad geographic distribution of the awards. Each project will be reviewed for affordable housing outcomes, financial feasibility and cost reasonableness.

Method of Distribution:

Initial selection of awards will be through a competitive process. Remaining funds may be awarded on a first-come first-served basis of complete applications.

5. Fast Gap A Program

Unmet Need:

Per the 2019 Louisiana Housing Needs Assessment, prepared for the Louisiana Housing Corporation by Louisiana State University, housing affordability has been an increasing concern for the past decade, especially as rents have risen in excess of real earnings. The state ranks fifth in the nation in terms of the proportion of renters that are considered “rent-stressed.” As described in its Master Action Plan for the Great Floods of 2016, more than 76% of the total of renters affected by the floods were LMI, leaving residents of impacted areas with even more precarious access to affordable housing units that are decent, safe, sanitary and in good repair.

Program Summary:

The Fast Gap A Program will preserve and create affordable housing units in impacted parishes by providing funding to multi-family projects that require gap financing to close. The program also allows OCD to re-engineer funded projects to require better outcomes for residents, including deeper affordability, resilient design, enhanced resident services, and other housing enrichment.

This program will serve projects that are “shovel-ready” and have environmental reviews in process or complete.

Eligible Activity	<ul style="list-style-type: none"> • Clearance, Rehabilitation, Reconstruction, and Construction of Buildings (Including Housing), HCDA Section 105(a)(4) • New Housing Construction, as identified in Federal Register Docket No. FR-5989-N-01
National Objective	Benefit to low-to-moderate income persons
Program Budget	\$15,000,000
Geographic Eligibility	FEMA IA declared parishes for Great Floods of 2016
Administering Entity	State of Louisiana

Proposed Use of Funds:

This program will provide gap funding for multifamily affordable rental transactions that have not initially closed, and which need either:

- CDBG-DR or additional CDBG-DR funding to meet a source gap; or
- can be recalibrated for deeper affordability, and/or to allow for budgeted resident services, and/or to permit greater construction costs for additional investments in disaster resilience, or both.

All units assisted through Fast Gap A will be subject to extended affordability restrictions as a condition of funding.

Eligible Applicants:

Eligible applicants must have site control or ownership of proposed property, and the project must create new affordable housing units, whether through new construction or rehabilitation.

Criteria for Selection:

Initial selection of awards will be through a competitive process. Remaining funds may be awarded on a first-come first-served basis of complete applications. Applicants may be prioritized according to benefit to LMI households, and cost reasonableness.

Method of Distribution:

Initial selection of awards will be through a competitive process. Remaining funds may be awarded on a first-come first-served basis of complete applications.

Note: Fast Gap A and Fast Gap B can, but are not required to, be presented in the same NOFA.

6. Fast Gap B (Rental Affordability Preservation) Program

Unmet Need:

Per the 2019 Louisiana Housing Needs Assessment, prepared for the Louisiana Housing Corporation by Louisiana State University, housing affordability has been an increasing concern for the past decade, especially as rents have risen in excess of real earnings. The state ranks fifth in the nation in terms of the proportion of renters that are considered “rent-stressed.” As described in its Master Action Plan for the Great Floods of 2016, more than 76% of the total of renters affected by the floods were LMI, leaving residents of impacted areas with even more precarious access to affordable housing units that are decent, safe, sanitary and in good repair.

LMI renters have often accessed housing through rental properties that are only affordable due to their advanced age and deterioration. These units are frequently in substandard condition, and their affordability is unstable, particularly for those in locations undergoing rapid development and displacement. In “in-demand” neighborhoods, speculators can acquire these properties at low cost, rehab them, and reposition the units for higher rents.

Without a dedicated program to ensure long-term affordability while improving the quality and safety of these housing units, LMI renters managing to find housing in areas targeted for development will be displaced, and the affordable housing supply will shrink.

Program Summary:

The Fast Gap B (Rental Affordability Preservation) Program will support the improvement, affordability, and stability of units that serve LMI renters. This program aims to ensure decent, safe, and sanitary housing in good repair for Louisianans regardless of their economic status, and to stem displacement of LMI households from neighborhoods experiencing speculation and rising rents.

Eligible Activity	<ul style="list-style-type: none"> ● Acquisition of Real Property, HCDA Sections 105(a)(1) ● Clearance, Rehabilitation, Reconstruction, and Construction of Buildings (Including Housing), HCDA Section 105(a)(4)
National Objective	Benefit to low- and moderate-income persons
Program Budget	\$17,368,651.78
Geographic Eligibility	FEMA IA declared parishes for Great Floods of 2016
Administering Entity	State of Louisiana

Proposed Use of Funds:

The Fast Gap B (Rental Affordability Preservation) Program will provide gap financing to qualified applicants to support the acquisition and rehabilitation of rental properties that serve residents at 30-80% AMI, and which require rehabilitation to meet HUD standards of being decent, safe, sanitary and in good repair. This program will target areas with low concentrations of housing units, and that are undergoing substantial development, experiencing rising rents and speculative acquisitions, and other indicators of imminent displacement for LMI residents.

Eligible Applicants:

Eligible applicants must have site control or ownership of proposed property at the time of application.

Criteria for Selection:

Applicants may be prioritized based on whether the project location provides residents access to economic opportunity and basic services; level of risk for acquisition/rehab by a profit-motivated developer; cost and scope reasonableness; and whether existing tenants are income-eligible for CDBG-DR funds.

Method of Distribution:

Initial selection of awards will be through a competitive process. Remaining funds may be awarded on a first-come first-served basis of complete applications.

Note: Fast Gap A and Fast Gap B can, but are not required to, be presented in the same NOFA.

Note: For housing programs, the maximum award will be determined by (a) an assessment of work completed prior to submitting an application to the Program and/or (b) an assessment of work remaining to be completed. Both assessments are based on builder (default XAM) grade building materials as calculated by the Program using national building standard estimating software. Further, the maximum award provided will be adjusted based on any Duplication of Benefit, the income level category of the applicant, and activity category (repair or reimbursement).

7. Flood-Ready Workforce Development Program

Unmet Need:

A 2018 labor market analysis conducted by the Louisiana Economic Development (LED) and the Louisiana Workforce Commission (LWC) identified that heavy equipment operators benefit flood recovery efforts and are in high demand. In addition, the job growth and wages in this sector are projected to increase over the next 10 years. However, there is a lack of sufficient training resources to meet the labor market demand.

Program Summary:

The Flood Ready Workforce Development Program will provide Louisiana residents the opportunity to develop and enhance their skill sets while addressing market demand and future growth. This program will also produce a better trained, better skilled workforce that delivers more resilient building practices, while ensuring mitigation projects funded will reduce future flood and hazard risks.

In the Flood-Ready Workforce Development Program, OCD will partner with LWC to pay for training programs and resources that will aid disaster recovery and resilience efforts. Through this newly created program, the state will provide resources for multiple workforce training, education, and/or certification subprograms that will address short-term recovery from the 2016 floods events. Additionally, this program will benefit long-term mitigation efforts across Louisiana as the state implements its Louisiana Watershed Initiative Projects (<https://www.watershed.la.gov/>).

Eligible Activity	<ul style="list-style-type: none"> ● Public Services, HCDA Section 105(a)(8) ● Economic Development Assistance to For-Profit Business, HCDA Section 105(a)(17)
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	<ul style="list-style-type: none"> Assistance to Institutions of Higher Education, HCDA Section 105(a)(21)
National Objective	Benefit to low- and moderate-income persons
Program Budget	\$3,500,000
Geographic Eligibility	FEMA IA declared parishes for Great Floods of 2016
Administering Entity	State of Louisiana

Proposed Use of Funds:

OCD will partner with the LWC and Louisiana Community and Technical College System (LCTCS) to launch subprograms in support of increasing the supply of in-demand and job-ready heavy equipment operators statewide, providing good paying jobs, expediting recovery efforts, and addressing unmet infrastructure needs. OCD will provide funding and technical assistance. OCD will award the full program amount of \$3,500,000 to Louisiana Workforce Commission with the intent of the funds to be categorized as public service but may be used as economic development if needed.

Eligible Applicants:

LWC will manage the program by providing funds to Louisiana Community and Technical Colleges to develop, expand and implement heavy equipment operator training courses.

Criteria for Selection:

Must be a part of the LCTCS and the training program must be approved by LWC.

Method of Distribution:

Funds will be granted by agreement to LWC who will reimburse eligible costs incurred by the colleges implementing the programs.

E. Public Comments

The formal public comment period for this amendment was Wednesday, March 24, 2021 through Tuesday, April 6, 2021 at 5 p.m. The state did not receive any comments.

Citizens and organizations could comment on this amendment via:

- The OCD website, http://www.doa.la.gov/Pages/ocd-dru/Action_Plans.aspx;
- Emailing them to ocd@la.gov;
- Mailing them to the Louisiana Office of Community Development, P.O. Box 94095, 70804-9095, Attn: Janice Lovett; or
- Faxing them to the attention of Janice Lovett at (225) 219-9605.

The plan was available in Vietnamese and Spanish to reach the limited English proficiency citizens in the impacted areas. Citizens with disabilities or those who need other technical assistance could contact the OCD office for assistance via the methods listed above.