

PROPOSED GUSTAV/IKE ACTION PLAN AMENDMENT 15

**DISASTER RECOVERY INITIATIVE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
CONSOLIDATED SECURITY, DISASTER ASSISTANCE,
AND CONTINUING APPROPRIATIONS
ACT, 2009
H.R. 2638 / Public Law 110-329**

Louisiana Office of Community Development/Disaster Recovery Unit

***NONSUBSTANTIAL* AMENDMENT No. 15 TO STATE OF LOUISIANA ACTION
PLAN FOR THE UTILIZATION OF CDBG FUNDS IN RESPONSE TO
HURRICANES GUSTAV AND IKE**

Reallocation of Funds:

- **\$612,000 from Homelessness Supports Program to *Economic Revitalization Program - Business Recovery Grant and Loan Phase Program***
- **\$2,700,000 from the DREF allocation and \$397,457 from the First Allocation under the *Affordable Rental Housing Program (ARP)* to the *Economic Revitalization Program - Business Recovery Grant and Loan Phase Program***

Submitted to HUD: June 15, 2012

HUD Approved: August 2, 2012

**Bobby Jindal
Governor**

**Jay Dardenne
Lieutenant Governor**

**Paul Rainwater
Commissioner of Administration**

PROPOSED GUSTAV/IKE ACTION PLAN AMENDMENT 15

NonSubstantial Amendment Number 15 to State of Louisiana Action Plan for Disaster Recovery – Utilizing Funding from the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Public Law 110-329).

I. Introduction

The State of Louisiana has submitted and received approval for its Action Plan and ensuing Action Plan Amendments (APA) for programs covering the total Gustav/Ike disaster award under P.L. 110-329, of \$1,093,212,571 under this appropriation.

The original submission of the State's Disaster Recovery Action Plan to HUD was on January 8, 2009. This **nonsubstantial Action Plan Amendment Number Fifteen (APA 15)** is submitted to HUD for approval of a nonsubstantial transfer of funds between existing approved programs to further meet the outstanding recovery needs of the State resulting from hurricanes Gustav and Ike.

This amendment is nonsubstantial as it does not create new programs, is less than 15% change in funds and does not change any beneficiaries.

These approved programs have previously undergone public comment in original submission and comments are incorporated within the implemented programs.

II. NonSubstantial Transfer of Funds

A. \$612,000 from the \$4,082,672 *Homelessness Prevention Program*. (14% change) to *Economic Revitalization – Business Recovery Grant and Loan* (\$43,932,433 program).

The State is submitting APA 15 to the State Action Plan to transfer \$612,000 in funds from the *Homelessness Prevention program* to the *Economic Revitalization Program – Business Recovery Grant and Loan*. The transfer of these funds will allow the State to further address unmet needs identified under the existing eligible program activities. The Homelessness Prevention Program described in APA 1 and APA 7 provides short term rental assistance to victims of Gustav/Ike as they transition to permanent housing options. The funds were allocated in anticipation of the transition needs of those who were under temporary FEMA assistance through programs such as FEMA trailers or the Disaster Housing Assistance Program (DHAP). The last Gustav/Ike trailer is anticipated to be removed from Louisiana in June 2012. The DHAP assistance ended in January 2012. The Homelessness Prevention Program provided an option for nearly 60 individuals completing the process for rental assistance. With the extent of the need now identified and determined, the State plans to move the remaining funds to address the unmet needs identified in the Economic Revitalization Program.

B. *Affordable Rental Housing (ARP)* - Transfer \$3,097,457 from ARP a \$53,700,000 program (\$6.3% change) to *Economic Revitalization – Business Recovery Grant and Loan* (\$43,932,433 program).

The approved state-implemented Affordable Rental Housing Program was developed to create affordable rental units. The State administered a competitive process for awards for the provision of affordable rental housing. The funds were awarded to 16 projects, with funds left in reserve for project contingencies or urgent needs. After 2 years, most of the projects have proceeded to closing and no additional reserve amounts are needed for the projects. As such, it is requested to allocate the remaining \$397,457 to unmet economic recovery needs. The \$2,700,000 allocated to the ARP from the Disaster Recovery Enhancement Fund (DREF) was specifically for forward thinking recovery ideas. The state has determined this level of funding is insufficient to run another round of the competitive program. The State requests to shift these funds to needs determined by the State under the *Economic Revitalization Program – Business Recovery Grant and Loan*. This change will not adversely affect the State's commitment to put 11.2% of the funds toward affordable rental housing.