

**Disaster Recovery Initiative  
U.S. Department of Housing and Urban Development (HUD)**

**Public Law 109-234  
The Emergency Supplemental Appropriations Act for Defense, the Global War on Terror  
and Hurricane Recovery**

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

**Proposed Action Plan Amendment No. 24 (Second Appropriation)  
Reallocation of Funds from the Small Rental Property Program  
to the newly created Recovery Workforce Facilities Program**

**Public Comment Period: November 27 – December 11, 2013**

**Submitted to HUD: December 18, 2013**

**Approved by HUD: February 7, 2014**



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## Action Plan Number 24 to Katrina/Rita Second Appropriation:

### **Reallocation of funds from the Small Rental Property Program to the newly created Recovery Workforce Facilities Program**

#### I. Introduction

The purpose of this amendment is to reallocate \$11,325,934 from the *Small Rental Property Program* (an approved program in the Katrina/Rita Action Plan and ensuing Amendments), to the newly created *Recovery Workforce Facilities Program*.

<b>Program</b>	<b>Previous Total</b>	<b>Reallocation</b>	<b>New Total</b>	<b>% Change</b>
Small Rental Property	\$ 428,206,503	(\$11,325,934)	\$ 416,880,569	(2.6%)
<b>Recovery Workforce Facilities</b>	<b>\$0</b>	<b>\$11,325,934</b>	<b>\$11,325,934</b>	<b>N/A</b>

This funding transfer is necessary to move de-obligated funds as a result from decreases in applicant award obligations to fill a continued need for effective recovery-based workforce training in the state.

The *Small Rental Property Program's* primary purpose is to enable small-scale rental properties to return to the market in a way that allows the owners to charge affordable rents to low-to-moderate income tenants. The program was created in Katrina/Rita Grant 1 APA 1 and modified in APAs 4, 9, 24, 32, 33 and 36; it was created in the initial AP of Grant 2 and modified under Grant 2 by APAs 4, 14, 15, 19, and 23. The program recently had a decrease in applicant award obligations following program deadlines, making funds available for continued recovery investments.

This amendment is considered substantial because it creates a new program.

Action Plan Amendment 62 under Katrina/Rita Grant 1, a companion to this amendment, also transfers \$2,525,554.90\* from several programs to the *Recovery Workforce Facilities Program* for the same purpose as stated below.

\* Note that this funding amount in the publically advertised APA was \$72,438 greater than reflected here. The reduced amount is due to an existing fishery project needing additional funds, which were provided from the unobligated Fisheries Infrastructure and Assistance amount referenced in APA 62.

## Reallocation of Funds to the newly created Recovery Workforce Facilities Program

### II. Program Description

<b>Eligible Activity</b>	<b>Section 105 (a) 2, 17 and 21 [Section 570.200-206]</b>
<b>National Objective</b>	<b>Low to Moderate Income Benefit, Elimination of Slum and Blight or Urgent Need</b>
<b>Activity Amount</b>	<b>\$11,325,934</b>

#### Overview

In an effort to meet the post-hurricane economic demands that have emerged as a result of the on-going recovery efforts in the storm-impacted areas of Louisiana, OCD/DRU will administer the development of a facility that will house workforce training programs that will be implemented by Southwest Louisiana Technical Community College (SOWELA). Due to the dramatic increase in the extraction of natural gas in the post-storm Louisiana economy, there have been multiple secondary industries that have expanded and located in the storm-affected regions of the state. As these secondary industries increase their presence, and as other pre-storm industries are adversely affected by the changing post-storm economy, it is critical for the residents of Louisiana to have access to training that will enable them to be employable in this altered environment. Moreover, should the emerging primary and secondary industries continue to thrive, grow and contribute to the economic revitalization of Louisiana, it is imperative that the Louisiana workforce be prepared and trained to meet the employment demands of the businesses expanding in or locating in the state.

#### Eligibility

Technical and community colleges and institutions of higher education

#### Criteria

The project must demonstrate an ability to achieve the objectives proposed in the application in a timely manner, provide the requisite supporting documentation and provide commitment of other sources of funding, should additional funding be necessary.

#### Method of Selection

OCD/DRU selected this project based on analysis of continued unmet workforce needs and the projects' ability to effectively implement the program's objectives. This program will be non-competitive.

#### Monitoring

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

**Public Comment:**

This Action Plan Amendment will be posted for public comment on Nov. 27, 2013, and may be obtained via the Internet at: [http://www.doa.louisiana.gov/cdbg/dr/KR\\_ActionPlans.htm](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. 27, 2013, and must be received no later than 5:00 PM (CST) on Wednesday, Dec. 11, 2013.

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](mailto:ocd@la.gov) or through the online form at [http://www.doa.louisiana.gov/cdbg/KR\\_ActionPlans.htm](http://www.doa.louisiana.gov/cdbg/KR_ActionPlans.htm).

## Attachment A

### Response to Public Comment

One comment was received from the Greater New Orleans Housing Alliance.

***Comment:***

The Greater New Orleans Housing Alliance (GNOHA) is a coalition of nonprofit and for-profit housing builders, community development corporations and advocates who are working diligently to rebuild the Greater New Orleans area after Hurricane Katrina devastated the area's housing stock. The mission is to foster inclusive, economically viable communities. GNOHA does this through collaboration among members, and by supporting member efforts to develop and preserve safe, affordable and accessible housing for the residents of the Greater New Orleans area in an ethical and efficient manner.

We are deeply concerned that the Office of Community Development (OCD) is considering transferring \$11.3 million from the Small Rental Property Program for the development of a facility that will house working training programs implemented by Southwest Louisiana Technical Community College in Lake Charles. Although we believe in the importance of building an inclusive, high skilled workforce, we still lack suitable affordable housing rental opportunities for families across Louisiana. We believe that workforce development and affordable housing development should work in concert. Housing development is an important economic development activity that helps build sustainable communities. According to a recent brief by the Center for Public1, affordable housing development helps stimulate the local economy by:

1. Creating jobs in construction and other sectors;
2. Attracting employers and employees: affordable housing is needed to attract and retain a skilled workforce;
3. Increasing consumer spending;
4. Increasing government revenues through taxes and fees; and
5. Lowering foreclosure risk.

Our members continue to work with families who are struggling to find suitable rental and homeownership opportunities. GNOHA is committed to advocating on their behalf to ensure there are adequate opportunities. By transferring funds from the Small Rental Property Program, OCD is taking scarce remaining funds intended for affordable rental housing throughout Louisiana for a non-housing related activity. We strongly recommend the \$11.3 million remain programmed for affordable housing. If these funds are reassigned, we strongly recommend that the balance of the Small Rental Property Program not be diminished again in the future. GNOHA is willing to help redesign the Rental Property Program to help meet the huge need for quality, affordable rental housing. Allowing the funds to be used for affordable housing will not only provide much needed housing but spur economic development that will be beneficial to local parishes as well as the state. We hope you will consider our request.

***Response:***

The Office of Community Development/Disaster Recovery Unit agrees that suitable affordable housing development is an essential component for effective disaster recovery, as evidenced by the commitment of more than \$11.5 billion into housing programs for recovery from hurricanes

Katrina and Rita, including \$1.25 billion in the Small Rental and Low Income Housing Tax Credit/Community Development Block Grant “Piggyback” programs for affordable rental units.

OCD/DRU balances many unmet needs – including housing, infrastructure, resiliency and economic development – that still linger from the damage incurred by the 2005 storms. The Small Rental Property Program has instituted deadlines for applicants to complete certain milestones and is actively winding down program operations. A deadline in August 2013 resulted in a de-obligation of funds that were previously committed to applicants who were unable to comply with the requirements of the imposed deadline. In weighing this decision to transfer \$11 million to the Recovery Workforce Facilities program, the agency took into account the costs associated with administering, executing and monitoring another round of Small Rental Property grants, which far exceeded the amount of funds de-obligated in the program as a result of award deadlines.

The state remains committed to a comprehensive recovery from the storms, and we believe addressing these unmet recovery workforce needs will have a substantial positive impact on the recovery of the entire Southwest Louisiana region. The state has and will continue to consider a comprehensive recovery strategy, including housing, infrastructure, and economic development, as it tries to identify the most pressing recovery needs for future investments.