



Louisiana Recovery Authority

Gustav/Ike CDBG Action Plan

Hurricanes Gustav and Ike Impact:

- Hurricane Gustav caused major wind and flood damage throughout Louisiana, heavily impacting 43 of 64 parishes. 14 parishes were impacted again two weeks later by Hurricane Ike, which sent tidal surges across Louisiana's coastal communities.
- Approximately 150,000 – 300,000 homes experienced some level of damage in Gustav and Ike. Louisiana incurred approximately \$4-9 billion in residential property losses.
- The state estimates more than \$1 billion in public infrastructure damage after Gustav and Ike.
- According to preliminary estimates from Louisiana Economic Development, businesses experienced approximately \$2.5 to 5 billion in economic losses. Approximately 97,000 businesses experienced at least some business interruption. Oil & gas industry losses could total \$5 billion, while agricultural losses could total \$700 million.

Action Plan Overview:

In September, the U.S. Congress approved \$6.5 billion in Community Block Grant Funds for recovery in states affected by hurricanes Gustav and Ike. Louisiana estimates it could get up to \$1.5 billion of these funds. The state is already drawing up plans for disbursement of the funds and moving forward in the vetting process.

The state intends to allocate these CDBG funds directly to the impacted parishes based on housing and infrastructure damages. Parishes will select from a menu of options and decide how they will spend the funds. The state will provide technical assistance and work with parishes to ensure successful rebuilding, but will push the funds to the parishes. Recovery decisions will be made locally, instead of in Baton Rouge.

Anticipated areas of funding:

Housing

- Housing Incentive Program
- Housing Relocation Program
- Additional Compensation
- Workforce Rental Housing and Multi-family Units
- Small Rental Properties
- Homelessness Prevention

Infrastructure

- Provide additional funding for projects that repairs or rebuilds damages from hurricanes Gustav and Ike; or hardens existing structures or infrastructure to prevent damage from future disasters.

Agriculture and Fisheries Recovery

- Assist agricultural and forestry producers and support businesses to rebuild critical infrastructure.
- The Agricultural Commissioner will disburse funds to fisheries, ranching and forestry industries.

Economic Development

- Business Recovery Bridge Loans
- Assistance for Impacted Small Businesses
- Business Recovery Grants and Loans
- Employee Retention Credit
- Technical Assistance and Planning Capacity

Anticipated Action Plan Timeline

- Oct. 15 – LRA Board approves plan for vetting with parishes and publication for public comment.
- Oct. 15 – early Nov. – LRA staff meets with Parish officials, legislators and public to vet Action Plan.
- Oct. 23 – Nov. 1 – Public comment period.
- Nov. 18 – Present action plan to LRA Board for formal approval.
- Nov. 21 – Present action plan to Joint Budget for approval.

