

**PROPOSED GUSTAV/IKE ACTION PLAN AMENDMENT 3
PUBLIC COMMENT VERSION**

**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 Recovery Authority
Louisiana Office of Community Development
PROPOSED AMENDMENT No. 3 TO STATE OF LOUISIANA ACTION PLAN
FOR THE UTILIZATION OF CDBG FUNDS IN RESPONSE TO HURRICANES
GUSTAV AND IKE**

**LRA Board of Directors
September 22, 2009**

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Governor**

**Mitch Landrieu
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Commissioner of Administration**

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Amendment Number 3 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)

The State of Louisiana was awarded an initial allocation of \$438,223,344 in CDBG Disaster Recovery funding from the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 for the purposes of disaster relief, long-term recovery, and restoration of infrastructure, housing and economic revitalization directly related to the consequences of recent 2008 hurricanes Gustav and Ike. The State submitted its Disaster Recovery Action Plan to HUD for approval on January 8, 2009. The Action Plan submitted to HUD provided the framework for distribution of the initial \$438,223,344 of funding under the Act.

HUD approved \$309,791,652 of the Action Plan on March 19, 2009 and requested a clarifying Amendment be submitted for the remainder. The State submitted Action Plan Amendment Number One on May 18, 2009. HUD approved Action Plan Amendment Number One, which further details the distribution of funds and eligible program activities for affordable housing, fisheries, agriculture, coastal restoration, and administration, on July 24, 2009.

HUD issued notice of a second allocation for grant funds for CDBG disaster recovery of \$620,467,205 to Louisiana, as published in the Federal Register on August 14 (FR-5336-N-01). This notice requires the State to submit an Amendment to Louisiana's initial Action Plan for Disaster Recovery to provide further details for the distribution of funds and the eligible program activities for second allocation.

Amendment Number Two requested approval for the entire second allocation, with a majority of funds being added to existing program areas and the remainder allocated to statewide 'unmet needs.' This Action Plan Amendment Number Three provides program details for a portion of funds dedicated to respond to statewide unmet needs proposed Action Plan Amendment Number Two. Amendment Number Three requests approval for \$112,099,040 of the remaining \$212,099,040. A future Amendment will be submitted detailing the programs for the remaining \$100,000,000.

This Amendment may be obtained via the Internet at:

<http://doa.louisiana.gov/cdbg/DRactionplans.htm>, or by contacting: Paul Catrou, Office of Community Development, Post Office Box 94095, Baton Rouge, Louisiana, 70804-9095. The Proposed Action Plan Amendment will be published in Vietnamese and Spanish translations at the same website.

Written comments on the proposed Action Plan Amendment will be accepted for seven days from the date it is posted. Comments may be submitted beginning today and must be received no later than 5:00 PM (CST) on October 15, 2009.

Comments may be sent to the attention of Paul Catrou at the above address or sent via facsimile to (225) 219-9605 to the attention of Paul Catrou. Comments may also be submitted via email at ocd@la.gov or through the online form at <http://www.doa.louisiana.gov/cdbg/dractionplans.htm>.

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I. INTRODUCTION

The Louisiana Recovery Authority (LRA) and the Office of Community Development's Disaster Recovery Unit (OCD-DRU) have developed the following Action Plan Amendment Number Three to confirm the intended distribution of funds and provide descriptions of the eligible program activities to be undertaken to assist the state and its local entities to confront unmet housing, business, economic revitalization, community resiliency, public service, public infrastructure and other needs after the 2008 hurricanes.

Details of the distribution of funds, program delivery and eligible program activities are outlined below.

II. DISTRIBUTION OF FUNDS

A. National Objective: All funds will be distributed in accordance with the three national objectives: benefit of low and moderate income persons, elimination or prevention of slums and blight, or urgent need.

B. Allocations

The state's second allocation from HUD is \$620,467,205. The allocation will be designated as follows:

Table 1: Overall Allocations

| Summary | Initial Allocation | Second Allocation | Total Allocation | Percent |
|--|--------------------|----------------------|-----------------------|------------|
| Total Allocation to LA | \$438,223,344 | \$620,467,205 | \$1,058,690,549 | 100.0% |
| Allocation to Parishes* | \$309,791,652 | \$255,749,470 | \$ 565,541,122 | 53.4% |
| HUD Required for Affordable Rental Housing | \$ 46,520,525 | \$ 72,062,147 | \$ 118,582,672 | 11.2% |
| Fisheries | \$ 15,000,000 | \$ 12,383,297 | \$ 27,383,297 | 2.6% |
| Agriculture | \$ 30,000,000 | \$ 24,766,594 | \$ 54,766,594 | 5.2% |
| Coastal Restoration | \$ 15,000,000 | \$ 12,383,297 | \$ 27,383,297 | 2.6% |
| Statewide Unmet Needs Initiatives | | \$212,099,040 | \$ 212,099,040 | 20% |
| Admin, Planning & Tech Assistance | \$ 21,911,167 | \$ 31,023,360 | \$ 52,934,527 | 5.0% |

This Amendment Number Three is intended to provide details on the program areas for a portion of the funds designated above (and noted in Action Plan Amendment Number Two) under the category of the Statewide Unmet Needs Initiatives. The program areas for this \$112,099,040 are detailed in Section V.

III. CITIZEN PARTICIPATION

The state of Louisiana developed a specific citizen participation plan for disaster recovery. It is included with the original Action Plan for Gustav and Ike Disaster Recovery CDBG. The parameters of these citizen participation requirements both for the state and for the parishes and other entities implementing activities under this grant apply to this second allocation, and remain as detailed in the Gustav and Ike Action Plan and approved Action Plan Amendment Number One. Parishes will be required to utilize this citizen participation plan at a minimum and any additional requirements possibly developed by LRA/OCD-DRU.

IV. MONITORING

The State will utilize an established monitoring process used for the regular CDBG program, with the modifications detailed in approved Action Plan Amendment Number One to specifically address the requirements of the CDBG Disaster Recovery Program and to ensure that all contracts funded under this

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disaster recovery allocation are carried out in accordance with federal and state laws, rules and regulations, and the requirements set out in the Federal Register notice.

V. OVERVIEW OF ELIGIBLE PROGRAM ACTIVITIES

Funds from the second allocation will be distributed as detailed in Action Plan Amendment Number Two. This section provides details on the specific program areas to be funded under the broad terminology of "Statewide Unmet Needs Initiatives," as written in Amendment Number Two. This designation of programs results from further assessment of damages, recovery needs and parish plans for revitalization and sustainability into the future, identifying gaps and outstanding needs.

A. STATEWIDE UNMET NEEDS INITIATIVES (Second Allocation)

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|---|-----------------------|
| TOTAL "Statewide Unmet Needs" allocation | \$ 212,099,040 |
| 1. Municipalities Infrastructure Program | \$ 30,000,000 |
| 2. First Responders Interoperable Communications | \$ 22,099,040 |
| 3. Economic Revitalization | |
| • Business Loan and Grant | \$ 40,000,000 |
| • Innovation Promotion Grant Program | |
| 4. Fisheries Industry Modernization | \$ 5,000,000 |
| 5. Pilot Comprehensive Resiliency Program | \$ 10,000,000 |
| 6. Nonprofit Homeowner Rehab Program | \$ 5,000,000 |
| Total Request for Amendment #3 | \$ 112,099,040 |

1. Municipalities Infrastructure Program

Many small to mid-sized municipalities across Louisiana bore a disproportionate burden from the 2008 storms, having been in the midst of the recovery from Katrina and Rita. Much of the infrastructure was compromised if not destroyed by the earlier storms and could not sustain the heavy rain, wind and flooding impacts brought about by Gustav and Ike. Although some damage was repaired through other recovery or regular sources of funding, it has been identified through a survey done in conjunction with the Louisiana Municipal Association, and assessment of the over 250 local municipalities throughout the state, that there remains a gap and outstanding unmet needs in returning infrastructure to full operation or in implementing needed improvements. The state will implement a ***Municipalities Infrastructure Program*** to allow for these damage repairs, drainage and other recovery projects that will aim at reducing impacts from the flooding and hurricane forces endured by local communities.

Additionally, the state will support the mission of HUD to build more resilient communities, employing more forward-thinking decisions in land use, individual mitigation measures, and disaster resistant buildings. These projects will offer municipalities the ability to undertake efforts to respond more effectively to future disasters and emergencies, as well as increase needed capacities in evacuations and sheltering needs. The funds may also include projects and equipment to reduce the likelihood of repetitive damage and loss.

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|----------------------------|--|
| Eligible Activity: | Section 105 (a) (1) (2) (3) (4) (5) (14) |
| National Objective: | Benefit of low to moderate income, or elimination or prevention of slum and blight, or urgent need. |
| Activity Amount: | \$30 million |

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a. Type of Assistance

The Municipalities Infrastructure Program will make grant funds available on a competitive basis in a tiered structure based on the size of municipalities and assessed needs. It will likely be comprised of a small municipalities tier and a mid-sized/larger municipalities tier. This will ensure that there is effective distribution of funds, particularly meeting the diverse needs of the small towns.

Eligible infrastructure activities include, but are not limited to the following:

- FEMA-ineligible repairs (repair costs not paid by FEMA, enhancement of project), etc.
- drainage improvements, sewer, water
- repair to bridges and roads,
- hardening utilities and structures,
- repair, rebuild or elevate structures,
- mitigation measures to address failures
- public facilities and improvements
- energy efficiency/conservation programs
- code enforcement
- first responder facilities and equipment, i.e. firetrucks

Per the regulations defined in Public Law 110-329, disaster recovery CDBG under Gustav and Ike cannot be used as matching funds for FEMA Public Assistance or any other federal funding. They also are not intended to duplicate or replace projects eligible for the American Recovery and Reinvestment Act Funds or FEMA Public Assistance, but may be allowed for FEMA ineligible repairs to public facilities with the appropriate support. Additionally, this program will seek to leverage funds from the existing state CDBG program to bring about a broader impact.

b. Program Administration

Louisiana has over 300 municipalities of varying sizes. Although there are a few large cities in excess of 150,000 in population, an estimated eighty percent of municipalities have a population of 5,000 residents and below. This program is designed to complement the existing recovery activities being funded in the previously-submitted state and parish-implemented programs (under the Action Plan and Amendments #1 and #2) and provide for unmet needs not addressed directly by those programs to this local level. There are an estimated 220 municipalities in areas of high impact from Gustav and Ike.

The state will partner with the *Louisiana Municipal Association (LMA)* in the design, outreach and assessment, as well as selection criteria for this program. The LMA is a non-profit, non-partisan, non-political membership organization created to promote progressive leadership, efficient public services, and effective governmental performance by assisting elected officials in Louisiana's cities towns and villages through a broad array of informational services and activities that helps build understanding of federal, state, and local issues impacting their communities, and by uniting them to identify and address common problems, and to resolve pressing issues. The LMA, with its network in the 11 districts and membership of all municipalities, will serve a vital role in working together to communicate, educate and facilitate the involvement of impacted municipalities to ensure that this program provides additional funding for rebuilding and recovery of infrastructure in the heavily impacted municipalities in the state.

The LMA is in its 83rd year of existence as Louisiana's premier local government organization, managed by a Board and Executive Director. The LMA will work directly with municipal leaders to help them understand the program and provide technical assistance in completing the applications. The LMA will provide value capacity building for the local leaders, working hand-in-hand with them.

LRA/OCD-DRU at the state level will pursue a streamlined application process to fit the project types and administer similar to other disaster recovery programs, ensuring community outreach, eligibility review and effective monitoring. Based on the assessment/survey results the state will work with LMA to set

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parameters for what types of projects will be allowed, as well as the minimum and maximum sizes of the projects.

2. First Responders Interoperable Communications

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|----------------------------|--------------------------------|
| Eligible Activity: | Section 105 (a) (2) (8) |
| National Objective: | Urgent need |
| Activity Amount: | \$ 22,099,040 |

The devastation caused by Gustav and Ike exacerbated an already challenged system of communication in Louisiana for emergency responders. Identified as a problem during Katrina and Rita was the fact that the first responders in most parishes were operating on a system that only allows them to communicate with each other, but not with entities outside of the parish, such as first responders from other parishes. Although some investment was and is being made to remedy the situation in the most vulnerable parishes, Hurricane Gustav took a path up the center of the state, impacting parishes customarily not viewed as the highest risk, exposing the pressing need to include parishes statewide. Hurricane Ike caused severe damage to the coastal parishes and in southeastern Louisiana, disabling systems caused by power loss, flooding of actual equipment and T-1 loss.

In the current system, the state communication towers still rely heavily on T-1 lines (land telephone lines) which are easily damaged by water, wind, and falling trees limiting the communications range of the tower for personnel to communicate with those only within that tower's coverage area. Additionally, the equipment located at the communications towers is dependent on electricity. During the 2008 storms, the power supply was lost in many places for 2-3 weeks, mandating reliance on emergency power supplied to the towers by generators. Although a substantial supply of fuel was available at each tower site to operate the generators, re-fueling efforts were hampered by debris and flood waters.

As a result of Gustav and Ike, there was trunking at 31 sites at different times throughout the storms. A total of 28 T-1 failures were experienced due mainly to power issues and three others had failures due to damage to hardware and the existing generators. Five sites were completely inoperable due to both the loss of utility and the generator. And a broad reaching and stifling impact was felt by the significant busy signals at 16 sites, mostly experienced in metropolitan areas. According to figures, the number of active users for Hurricane Gustav relief nearly tripled, on a system that was ill-prepared to handle the load.

This First Responders Interoperable Communication Program is designed to support the seamless communication among all responders and improve information sharing and systems. These initiatives are critical for the safety of people in Louisiana, and for the safety of the emergency service personnel responding to critical incidents.

There are 3 main areas of need to be provided to the parishes:

- 1) System capacity – additional repeaters/channel availability attached to existing towers
- 2) Subscriber units - handheld 700 mhz radios.
- 3) Redundancy – microwave, T-1 lines.

The goal is to plan for greater capacity first and foremost, then allow for a greater number of backup satellite assets, a greater number of backup microwave assets and identified backup power.

The budget for this system development involves the partnering of state funds as well as other federal funds, trying to fill gaps to ensure a complete workable system. The state annual budget funds the system maintenance and operation. Funds from the Department of Homeland Security coupled with local funds contribute to enhance equipment. However, those funding sources are insufficient to cover the full needs, particularly the overall system capacity development required to operate an interoperable system with increased users/subscribers. These CDBG funds will be applied on a statewide formula-based distribution, based on need, and distributed to the parishes to build capacity and necessary equipment.

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3. Economic Revitalization

Hurricane Gustav severely impacted our state's overall economy and many small businesses through widespread physical damage, power outages, and short-term workforce displacement across most of the state. Based on preliminary estimates, Hurricane Gustav's economic impact totals \$7-15 billion. Moreover, many small businesses wounded by Hurricane Gustav had not yet recovered from damage previously inflicted by Hurricanes Katrina and Rita in 2005.¹

In order to implement a comprehensive business recovery plan that addresses near and long-term capital needs and accelerate economic development during the recovery period, the State of Louisiana has developed a three part economic revitalization plan. This plan will address the critical needs of businesses and residents by achieving the following goals:

- assists neighborhood and local economic development priorities
- invests in commercial corridor revitalization
- supports high quality sectors
- maximizes support of new and existing small and mid-size businesses
- spurs long-term job creation, economic revitalization and long-term sustainability
- employs disaster recovery resources to leverage private resources

The State of Louisiana was awarded CDBG Disaster Recovery for economic revitalization directly related to the consequences of recent 2008 hurricanes Gustav and Ike. In order to meet the special provision for economic revitalization in Public Law 110-329, the State has established the following programs.

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| Eligible Activity: | Section 105 (a) 1- 8, 10-22, 25, [Section 570.200-206] |
| National Objective: | Low to Moderate Income Benefit, Elimination of Slum and Blight, or Urgent Need |
| Activity Amount: | \$40 million |

a. Business Recovery Grant and Loan Phase

i. Eligibility

Community-based economic development organizations, community development financial institutions, non-profit organizations and businesses damaged by Hurricanes Gustav and Ike, or those willing to remain in and contribute to the economic recovery and revitalization of communities affected by the events, will be eligible to apply for grants, low cost and/or forgivable loans ranging from \$100,000 to \$5,000,000. Awards will be based on CDBG eligibility, business or project readiness, availability of other sources of funds, and ability to maintain business in the community or implement the project in a timely manner. Applicants will be required to provide a plan detailing an acceptable use of funds, including demonstration of how the grant/loan would be used.

ii. Project Criteria

Projects must have business and development plans, financial pro-forma, demonstrated ability to achieve the objectives proposed in the application (ability to obtain other financing, site control, etc.), supporting documentation, and provide commitment of private funds.

¹ "Economic Impact of Hurricanes Gustav and Ike on Louisiana," Louisiana Department of Economic Development. September 18, 2008.

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Additional consideration will be given for projects that create new permanent jobs, create opportunities for new small and historically disadvantaged businesses, are located in distressed neighborhoods, preserve historic structures, are contextually appropriate for the neighborhood, and demonstrate neighborhood and community organization support.

iii. General Conditions

Grant and low cost loan packages will be developed based on project needs and availability of funds. The interest rate of the loan portion shall be a low, simple interest with a payback period from 5 to 10 years based on the negotiated loan agreement with the borrower. All or a portion of the loan may be forgivable. The state shall select a pool of qualified technical assistance providers. The technical assistance providers shall provide interested applicants with the business supportive services needed for successful participation in the grant/loan/loan guarantee portion of the program. Technical assistance will be required to assist non-profit organizations and businesses throughout the competitive application process. The state shall award and administer the grant/loan packages based on individual non-profit organization and business needs and availability of funds.

Selected projects may involve aspects of one or all of the following eligible activities:

- Technical Assistance for general business management assistance, business plan development assistance, legal and or accounting management assistance, assistance directed at micro-enterprises and start-ups, and other technical assistance.
- Assistance for business planning, studies, and implementation strategies to more rationally and effectively meet the goals of the business or organization.
- Commercial exterior rehabilitation and code violation corrections.
- Acquisition, construction, rehabilitation, reconstruction, installation of commercial/industrial buildings.
- Working capital.

The Business Recovery Grant and Loan Phase III program will be administered by the Louisiana Department of Economic Development Business Recovery Section in accordance with disaster recovery CDBG rules and regulations.

b. Louisiana Innovation Fund

i. Background

Coastal Louisiana is one of the largest and most vibrant river deltas on the planet. Economic activity in these areas of Louisiana provides the nation with the vast share of domestic oil, natural gas, and seafood resources. Louisiana is also considered an epicenter of entrepreneurship, environmental sustainability and business resiliency growth and innovation. However, the national credit crisis has stalled private investment and lending in early stage businesses and non-profit organizations. In Louisiana, the freezing of investment and credit markets is compounded by the need to recover from the destructive effects of hurricanes Katrina, Rita, Gustav and Ike. In order to encourage private and philanthropic investment, diversify the economy, and extend opportunities to community-based start-up and early stage and innovative businesses, the State of Louisiana will offer the Louisiana Innovation Fund. By focusing on high quality companies, the state hopes to support innovative products, services and technologies that can make better use of coastal Louisiana's unique strengths, experiences, and resources.

ii. Eligibility

Non-profit organizations, businesses, and community-based economic development organizations will be eligible to apply to the Louisiana Innovation Fund. Specific awards will depend on the nature of the organization and the project for which they are applying. Applicants must be headquartered in or have important operations and jobs in Louisiana parishes impacted by Hurricanes Gustav and/or Ike.

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iii. Project Criteria

In order to be awarded a grant/loan package, businesses or eligible non-profits must participate in supportive business development courses to be offered by the program administrators. Applicants will be required to have business and development plans, financial pro-forma, demonstrated ability to achieve the objectives proposed in the application (ability to obtain other financing, site control, etc.), supporting documentation, and provide commitment of private funds.

Additional consideration will be given for projects that have high potential business models or ideas, have goals to grow revenues to prescribed levels in less than seven years, create opportunities for new small and historically disadvantaged businesses, and are considered knowledge-based businesses that are suited for coastal Louisiana's unique conditions.

iv. General Conditions

The state will provide direct grants and low-cost loans ranging from \$100,000 to \$5 million to businesses and non-profit organizations for workforce training and to acquire, construct, rehabilitate, reconstruct, install commercial/industrial buildings, equipment, and working capital. The state may require that applicants participate in one of the program's supportive business development courses and require that participants receive technical assistance throughout the application and program period for general business management, business plan development, legal and or accounting management, assistance directed at micro-enterprises and start-ups, assistance for planning, studies, and implementation strategies to more rationally and effectively meet the goals of the business or organization. The Louisiana Innovation Fund will be administered in accordance with disaster recovery CDBG rules and regulations.

4. Fisheries Industry Modernization

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| Eligible Activity: | Section 105 (a) (2) (14) |
| National Objective: | Low to Moderate Income Benefit, Elimination of Slum and Blight, or Urgent Need |
| Activity Amount: | \$5 million |

Louisiana's Commercial fishery suffered in excess of \$250 million of losses from Hurricanes Gustav and Ike. From 2005 through 2008 the industry suffered nearly a billion dollars in losses from natural disasters. Many fishing communities, fisherman and fishery related businesses were just beginning to recover when Gustav and Ike further eliminated what savings remained. These storms have also increased the cost of remaining in the fishery industry as additional gear, nets and equipment were lost and more storm related debris including large amount of vegetative debris were added to the state's fishing grounds and transit areas. NOAA's response to Gustav and Ike was more timely and direct with the agency providing \$40 million in recovery support to the State. Due to the size of the industry in Louisiana, the large number of fisherman impacted and the storms track which impacted the entire coast, those funds will not adequately return to commerce one of the State's most valuable industry sectors and ensure that one of Louisiana's identifying cultural symbols remains viable. It is also very unlikely that additional NOAA funds will be directed to Louisiana for fishing related recovery.

The LRA allocated \$27.4 million of CDBG funds so that LRA/LDWF could craft programs to help individual fisherman, fishery related businesses and the communities where they reside recover from the storms. To address some of the identified gaps that remain in the recovery of the industry and projects that ensure that individual fisherman and communities can recover and have an opportunity to compete in a global marketplace, these additional program funds will used as follows:

a. Industry Competitiveness

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This program, managed with the LA Department of Wildlife and Fisheries (LDWF) is aimed to assist specific fishing industry players to recover, rebuild and augment fishery related infrastructure for public use and for private businesses that produce jobs and income for these communities. The grant funds will assist the state's seafood industry, a symbol of the State heritage, remain competitive by modernizing facilities and using new technology.. The program will also be targeted to ensure that in the coastal zone there is a small allocation of CDBG funds to repair, modernize and continue to make available fishing access for boat ramps and if possible to convert private closed docks and piers that could be turned into public access facilities or to remove silt in areas that is not covered by FEMA.

b. Gear Compensation and Modernization

The program is to provide fisherman and fishery-related businesses with a mechanism to replace and invest in modern gear and equipment. It is a long term process intended to have an impact the bottom line of fisherman by lowering vessel costs through increasing the efficiency of fishing vessels. The intent of the gear program is to provide a mechanism to provide new technology for nets and gear damaged from the storms that will allow the industry to compete in an increasingly global marketplace via a grant program. This program will be managed with the LDWF, with active involvement of relevant and knowledgeable nonprofit third party(ies) assisting to provide technical input

This gear grant program is critically needed as post-Katrina and now with Gustav and Ike there are considerable amounts of storm-related debris in the waterways that are destroying gear now and into the future. The maps and charts which the fishermen use are also less accurate because Gustav and Ike's strong surge moved the debris piles. A grant gear fund can address this by providing choice to the fisherman to select more modernized and improved technology to replace their ineffective or damaged gear.

More importantly investment in the industry to promote more modern gear will aide in overall industry competitiveness, energy efficiency, and protection of the vital fishing environments. This program will therefore not only help the industry offset losses of gear from the storms but also reduce the environmental impacts of fishing, for example to employ advanced technologies that reduce the impact of dragging nets across the marsh which causes coastal erosion and land loss. It will also have an increased benefit in reducing carbon emissions, with reduced fuel costs and usage through using better nets that reduces ground to shore transits to comply with FDA refrigeration requirements. The program will also assist our Federal partners by ensuring that vessels remain in compliance with Federal regulations, provide some sustainability to our rural communities by keeping boats active, and help the environment.

5. Pilot Comprehensive Resiliency Program

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| Eligible Activity: | Section 105 (a) 1-26 [Section 570.200-206] |
| National Objective: | Low to Moderate Income Benefit, Elimination of Slum and Blight, or Urgent Need |
| Activity Amount: | \$10 million |

i. Overview

The increasing number and intensity of coastal storms has placed much of Louisiana's coastal communities and property at risk. In many areas, coastal protection and restoration efforts, coupled with local code enforcement and individual mitigation measures, serve as the most cost-effective and safest

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actions we can take to protect our coast. However, some areas along the coast have sustained such an increase in storm frequency and damage that human safety and economic concerns require that voluntary buy-outs and relocation assistance should be pursued as part of a comprehensive approach to disaster recovery.

The state has designed the Pilot Comprehensive Resiliency Program to provide comprehensive non-structural recovery to some of our most at-risk communities. Because the state recognizes that there is no one solution for the communities along our coast, the state will work with the at-risk communities to develop the appropriate suite of pilot solutions – which range from resiliency planning, zoning, and code enforcement staffing ramp-up to incentive payments and construction of shared coastal facilities. The program will have an option to provide funds for homeowners, rental property owners and renters, and/or private sector employers located in selected dangerous areas prone to flooding for the purposes of making possible relocation to safer areas. These funds will be used to as part of a comprehensive relocation plan for at-risk communities. The program assistance will adhere to realistic, community driven plans and leverage private and philanthropic resources. Parishes and municipalities can apply to the state to be considered for the program. The state will work with interested communities to determine the appropriate suite of resiliency activities under this program.

a. Resiliency Planning and Code Enforcement Institutional Development

One of the most important actions local and state governments can take in encouraging the safety and economic futures of coastal Louisiana communities is to continue the progress made to implement comprehensive planning, zoning, and zoning and building code enforcement. Local land use regulations, zoning enforcement, building code enforcement, and the continued funding of these non-structural protection tools are critical for the safety of coastal Louisiana residents engaged in both new development and incremental redevelopment. Furthermore, land use regulations help to protect the substantial federal, state, and local public investments in rebuilding and development. Local land-use regulations have an important role in preventing the future intensification of development in high-risk areas. Local enforcement of building regulations help ensure that the buildings that are in areas with substantial risk can withstand high winds and are adequately elevated. In order to be adopted and to be sustainable, the specific regulations and implementation must be driven by the local communities. Policies promoting wholesale relocation of Louisiana's coastal residents or arresting all new construction are overly simplistic and inadequate to serve the cultural and economic needs of coastal Louisiana.

The local government planning, zoning, and code enforcement implementation assistance provided under this program will provide funding to local governments to undertake comprehensive land use plans, and attract and establish local staff in land use ordinance, zoning and building enforcement. The local planning staff assistance will allow parishes and municipalities to put guidelines in place so that the communities understand first what they need in terms of planning for their long-term sustainability and how to undertake a transparent and community driven process. The building code enforcement local staff funding will provide parishes the opportunity to institutionalize building, zoning code and ordinance enforcement. The local staff positions will serve a key role in this program to identify permanent financing and the regulatory changes needed to continue the effort.

The state will adapt a suite of resiliency elements to provide grants for participating local governments. Local governments can apply for the following:

- Planning and zoning staff ramp up costs for up to two years
- Building and code enforcement staff ramp up costs for up to two years
- Comprehensive resiliency plan development and zoning and ordinance implementation
- Community resiliency education, engagement, and resource identification

b. Resiliency Voluntary Relocation Pilot Opportunity

Some communities throughout Louisiana and the nation that are considering relocation as a means to cultural preservation, opportunity, and personal and economic security will benefit from implementation of

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this program. In the past, it has been very difficult to maintain cohesiveness for communities hoping to relocate. Due to the complexity and time associated with community-wide relocation, and due to the administrative costs and oversight necessary for multiple state and federal agency participation, many former residents elect to use their relocation assistance payments to disperse to already established communities. The state may offer elements of relocation assistance to communities who elect to be considered for voluntary relocation.

ii. General Criteria

Activities under the Comprehensive Resiliency Program will include, but are not limited to, the following:

- Community resiliency planning, land use planning and outreach
- Ordinance, zoning and code enforcement staff ramp-up
- Purchase of homes, rental properties, and/or commercial properties
- Purchased site clearance and demolition and conversion
- Maintenance and liability costs until final disposition
- Incentive payments for relocation homeowners, renters, and/or employers
- Design and construction of hurricane resistant coastal community facilities to be shared by the community for cultural, educational, commercial and recreational purposes
- Associated legal and administrative fees

This program model is designed to maximize the use of community goals and non-profit, philanthropic, and university resources and participation. The model has reduced administrative burden because it relies primarily on staff ramp up and local institutional development, meaningful resiliency education and planning, and incentive payments. The program places the responsibility and rights of community changes and new community formation on the individuals in the community and non-profit sector. The model can easily incorporate Federal Emergency Management Agency (FEMA) or U.S. Army Corps of Engineers (USACE) non-structural program funding for any element of the model program.

6. Nonprofit Homeowner Rehab Program

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| Eligible Activity: | Section 105 (a) 1- 8, 10-22, 25, [Section 570.200-204] |
| National Objective: | Low to Moderate Income Benefit, Elimination of Slum and Blight, or Urgent Need |
| Activity Amount: | \$5 million |

A large number of homeowners whose homes were damaged in Gustav and Ike have faced difficulty in securing sufficient resources to fully rebuild their homes. While parishes have their own allocation, the state feels it necessary to offer a rehab program above the parishes' allocation in order to ensure that families are able to rebuild.

This program increased costs of construction, materials and labor, and the frequency of tainted drywall, has meant that these funds have often fallen short. Additionally, a number of homeowners have fallen victim to corrupt contractors that have taken these precious resources, leaving their homes unfinished and their financing need unmet. The average estimated gap per household is between \$25,000 and \$50,000 depending on region.

The state will add \$5 million to the \$20 million allocated to develop the Nonprofit Rebuilding Pilot Program under Katrina Rita disaster CDBG to help hurricane-impacted homeowners particularly in the additional Gustav/Ike parishes get back into their homes.

a. Program Description

**PROPOSED GUSTAV/IKE ACTION PLAN AMENDMENT 3
PUBLIC COMMENT VERSION**

The program will follow the implementation methodology outlined in Katrina Rita Action Plan Amendment Number 33 (<http://www.doa.louisiana.gov/cdbg/dr/plans/NonprofitRebuildingPilotProgram.pdf>).