

## **Louisiana Recovery Authority**

### **Adoption of Strategy to Reallocate Potential Remaining Funds**

**March 11, 2010**

**Overview:** A resolution to adopt the proposed reallocation strategy to define the priorities for allocating any remaining Community Development Block Grant (CDBG) funds not restricted by federal law or legally encumbered or otherwise obligated to areas of unmet needs including housing, blight removal, neighborhood stabilization and infrastructure.

Whereas, the Louisiana Recovery Authority was created in the aftermath of Hurricanes Katrina and Rita to communicate the impacts of the disaster, seek federal resources for recovery, coordinate and prioritize the use of recovery dollars, and develop policies to rebuild coastal Louisiana safer, stronger and smarter;

Whereas, Congress has provided \$13.4 billion in Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) to Louisiana for recovery and rebuilding from Katrina/Rita in three separate allocations. The first allocation in the amount of \$6.2 billion, the second allocation in the amount of \$4.2 billion and the third allocation in the amount of \$3 billion;

Whereas, the entire CDBG allocation of \$13.4 billion has been allocated through the approval process by the Louisiana Recovery Authority, the legislature and HUD and committed to various recovery and rebuilding projects throughout Louisiana including economic development, community rebuilding, infrastructure and housing rehabilitation and development;

Whereas, Louisiana is required by law to spend 50 percent of all funds to benefit low to moderate income individuals (or those whose incomes are less than 80 percent of the area median income);

Whereas, the second allocation of \$4.2 billion in June 2006 requires that Louisiana spend 19.33 percent (\$811,907,984) on the development and restoration of affordable rental housing and the third allocation requires that Louisiana spend the entire \$3 billion on completion of the Road Home program;

Whereas, Louisiana has not yet met the requirements of the second allocation, thus requiring the state to continue to spend money towards the development and restoration of affordable rental housing until the 19.33 percent requirement is met;

Whereas, the state is committed to meeting the obligations under Public Law 110-116 dedicating \$3 billion to the purpose of completing the Road Home program;

Whereas, Louisiana has yet to spend the entire third allocation, or \$3 billion, on completion of the Road Home program and if there are any remaining funds from that amount, federal law currently requires that it be spent on completion of the Road Home program;

Whereas, the Louisiana Recovery Authority understands that there are vast unmet needs still remaining throughout Louisiana that need to be addressed including housing, blight removal, neighborhood stabilization, healthcare and remaining infrastructure needs;

Whereas, ‘unexpended’ as used in this resolution means funds which are not obligated or encumbered for specific projects or programs. As funds may hereafter be de-obligated under various programs they shall be handled in accordance with this resolution to the extent permitted by federal law and regulation.

Whereas, the Louisiana Recovery Authority will commit any remaining funds not restricted by federal law or legally encumbered, to these very important needs in our communities;

Whereas, the Louisiana Recovery Authority will dedicate any reallocated funds to parishes based on damage estimated for use on these priorities; and

Whereas, the Louisiana Recovery Authority will follow the approved reallocation process which includes public input, Louisiana Recovery Authority, legislative and HUD approval.

**THEREFORE BE IT RESOLVED:** the Louisiana Recovery Authority will adopt a strategy to allocate any remaining disaster recovery CDBG funds which are not restricted by federal law or legally encumbered or obligated to areas of unmet needs which through public input have been identified as housing, blight removal, neighborhood-based healthcare and infrastructure.