



Allocations of the Second Disaster  
CDBG Appropriation

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## Securing funding and other resources

### **First CDBG Allocation -- Third Supplemental (December 2005)**

Louisiana gets only 54 percent (\$4.2 billion) of the money allocated for Hurricane Recovery.

**LRA brings in  
McKinsey &  
Company to  
compare  
Louisiana's loss to  
that of Mississippi.**

### **Second CDBG Allocation -- Fourth Supplemental (June 2006):**

Louisiana gets \$4.2 billion additional money for rebuilding homes.



## Overview of CDBG Funds

**First allocation (PL 109-148)**

Appropriated by Congress in December of 2005 **\$6.2 billion**

**Second allocation (PL 109-234)**

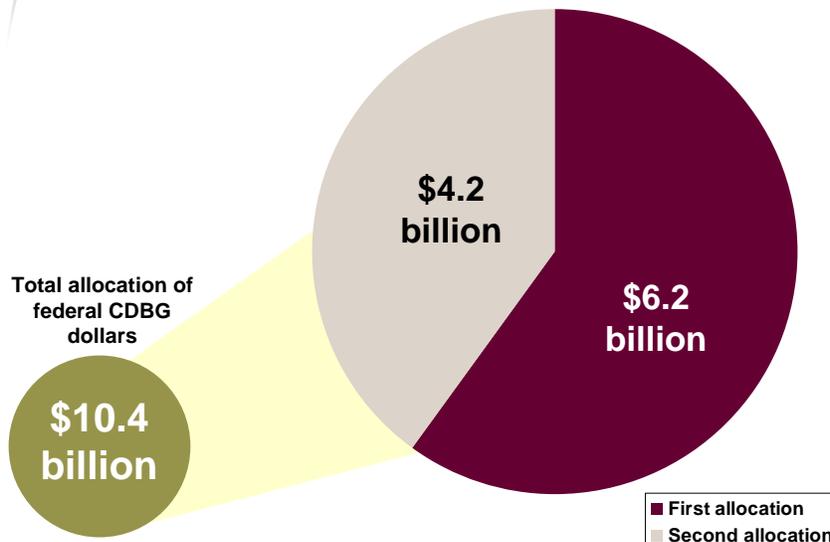
Appropriated by Congress in June of 2006 **\$4.2 billion**

**Total CDBG allocated \$10.4 billion**

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## CDBG Funding



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## Regulations on CDBG funding

**Louisiana received its CDBG dollars in two separate allocations, and there are special rules governing how monies from the second allocation can be spent, in addition to regular CDBG requirements, such as rules that require at least 50 percent of all funds to benefit low or moderate income people.**

These additional rules state:

1. Louisiana can not use money from the second appropriation as matching funds to draw down money from other federal programs.
2. \$811,907,984 of the second appropriation much be used “for repair, rehabilitation, and reconstruction (including demolition, site clearance and remediation) of the affordable rental housing stock (including public and other HUD-assisted housing) in the impacted areas.”

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## Additional HUD Requirements

**HUD has added additional requirements to the second appropriation of funds.**



These requirements state:

- “Before the state of Louisiana expends any funds to meet the minimum requirement for affordable rental housing under this notice, the Governor of Louisiana shall demonstrate to the Secretary's satisfaction that the State will provide funds or has identified dedicated resources sufficient to meet the key disaster recovery needs for repair, rehabilitation, and reconstruction of affordable rental housing stock, including public housing disaster recovery in the most impacted areas of the State”; and
- “The State of Louisiana will target 70 percent of its disaster recovery funds under Pub. L. 109–234 towards the disaster recovery needs in the New Orleans-Metairie-Bogalusa Metropolitan Area.”

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# Housing



Program	First Appropriation	Second Appropriation	Percent LMI	LMI in First Appropriation	LMI in Second Appropriation
Owner Occupant Program	3,868,350,000	2,496,150,000	40%	1,426,560,000	859,200,000
Piggyback program	46,750,000	619,950,000	74%	46,750,000	445,477,500
Small rental program	376,300,000	4,567,000,000	95%	357,485,000	468,065,000
Homeless Supports & Housing	25,900,000	--	100%	25,900,000	--
Development Fund Loan	16,570,000	--	50%	8,285,000	--
Land Assembly	2,070,000	--	50%	1,035,000	--
Capacity Building Grants	2,070,000	--	100%	2,070,000	--
Building Code Enforcement	11,390,000	--	0%	--	--

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# Infrastructure



Program	First Appropriation	Second Appropriation	Percent LMI	LMI in First Appropriation	LMI in Second Appropriation
Local Governments	395,000,000	--	100%	395,000,000	--
State Buildings	142,500,000	--	100%	142,500,000	--
Primary and Secondary Education	200,000,000	--	100%	200,000,000	--
Assistance to Private Utilities (ENO)	200,000,000	--	100%	200,000,000	--
Unallocated	340,000,000	550,000,000	100%	340,000,000	550,000,000

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## Economic Development



Program	First Appropriation	Second Appropriation	Percent LMI	LMI in First Appropriation	LMI in Second Appropriation
Bridge Loans	95,000,000	--	0%	--	--
Small Firm Recovery Loan	38,000,000	--	90%	34,200,000	--
Technical Assistance to Small Firms	9,500,000	--	90%	8,550,000	--
Long Term Recovery Loan	95,000,000	--	80%	76,000,000	76,000,000
Tourism Marketing Program	28,500,000	--	0%	--	--
Recovery Workforce Training Program	38,000,000		100%	38,000,000	--
Commercial Research and Education Enhancement	28,500,000	--	10%	2,850,000	--

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## Overview of overall LMI

In addition to allocations for housing, infrastructure and economic development, \$211,800,000 is allocated for administration, including planning and technical assistance, none of which contributes to the LMI.

	Total amount	LMI amount	LMI percent
First appropriation	\$6.21 billion	\$3,419,125,000	55.06%
Second appropriation	\$4.2 billion	\$2,462,002,500	58.62%
Total CDBG appropriations	\$10.41 billion	\$5,881,127,500	56.49%

LMI for all allocations must be at least 50%, so the remaining infrastructure allocations must benefit 100% LMI.

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