



Program Recommendation



Congressional Appropriation

	Amount	Assumption and Description
Initial Allocation	\$ 437,800,000.00	Amount of funding HUD has appropriated for the State of Louisiana for recovery activities addressing impacts from disasters 4263 and 4277
Administration Expenses	\$ (21,890,000.00)	<input type="checkbox"/> 5% of the total allocation is budgeted for Administration expenses. <input type="checkbox"/> Administration expenses include costs for: <ul style="list-style-type: none"> • State administration and oversight personnel -- <ul style="list-style-type: none"> • Development of general program policies and procedures; • Monitoring program performance and compliance; • Development of Action Plans, Amendments; • Reporting functions; • Accounting, auditing and legal services • Office space and equipment
Project Delivery	\$ (87,560,000.00)	<input type="checkbox"/> 20% of the total allocation is budgeted for Project Delivery expenses. <input type="checkbox"/> Project Delivery expenses include costs for: <ul style="list-style-type: none"> • Contractors implementing a specific eligible activity; • Equipment and materials related to carrying out a specific eligible activity; • Outreach activities, including facilities leasing and mass communications • Travel for carrying out eligible activities
Environmental Review	\$ (17,500,000.00)	Assumes 5000 homes (homeowner and/or rental properties) will require an environmental review for repairs or reconstruction. Average site-specific environmental cost: \$4,500 for pre-1978 homes \$1,600 for post-1978 homes
Available for Programs	\$ 310,850,000.00	Balance of funding available to homeowners, renters and businesses after costs of implementation are deducted from the Initial Allocation.



Program Considerations

- **Homeowner**
- **Rental Housing**
- **Economic Revitalization**
- **Infrastructure Floodplain Management**
- **Mortgage and Rental Assistance**



Definitions

- **HUD Definitions of Major and Severe Damages:**
 - Major-Low: **\$8,000** to \$14,999 of FEMA-inspected real property damage and/or **1 to 4 feet of flooding** on the first floor.
 - Major-High: \$15,000 to \$28,800 of FEMA-inspected real property damage and/or 4 to 6 feet of flooding on the first floor.
 - Severe: Greater than \$28,800 of FEMA-inspected real property damage or determined destroyed and/or 6 or more feet of flooding on the first floor.

- **No National Flood Insurance Program (NFIP):** The homeowner did not have flood insurance at the time of the flooding event, and therefore insurance assistance will not be available to help them as they rebuild their homes

- **Outside the Floodplain (Special Flood Hazard Area):** the property is not located in a 100 year floodplain

- **Low to Moderate Income (LMI):** HUD defined, based on Census Data: Households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size



Definitions

HUD Household Moderate Income Limits for Household of 4 By Impacted Parish

Parish		Parish		Parish	
Acadia	37900	Grant	41900	St. Helena	51900
Allen	39700	Iberia	39500	St. James	52250
Ascension	51900	Iberville	44500	St. Landry	37500
Avoyelles	37500	Jackson	37700	St. Martin	53100
Beauregard	48700	Jefferson Davis	42750	St. Tammany	48000
Bienville	37500	La Salle	45700	Tangipahoa	41100
Bossier	47600	Lafayette	53100	Union	41600
Caddo	47600	Lincoln	42100	Vermilion	44900
Calcasieu	45050	Livingston	51900	Vernon	42500
Caldwell	38900	Madison	37500	Washington	37500
Catahoula	37500	Morehouse	37500	Webster	37500
Claiborne	37500	Natchitoches	39350	West Baton Rouge	51900
De Soto	47600	Ouachita	41600	West Carroll	37500
East Baton Rouge	51900	Pointe Coupee	51900	West Feliciana	51900
East Carroll	37500	Rapides	41900	Winn	37500
East Feliciana	51900	Red River	37750		
Evangeline	37500	Richland	37500		
Franklin	37500	Sabine	38500		

Low to Moderate Income Threshold Calculations:

- **Very Low:** $\leq 30\%$ of the Area Median Income (AMI)
- **Low:** $\leq 50\%$ of the AMI
- **Moderate:** $\leq 80\%$ AMI



Reasons for Prioritizing LMI, No NFIP, Outside SFHA

- Population least likely to have access to additional resources, to include insurance proceeds and SBA loans
- By targeting areas outside the floodplain, there will not be elevation or other costly resiliency/mitigation efforts to implement; the state and the Task Force can consider innovative resiliency measures for future programs that serve households in the floodplain
- Serving LMI households is one of the primary missions of the CDBG-DR funding. It is anticipated that 70% of the first appropriation will be required to be spent on activities that benefit LMI households



Recommendation: Homeowner Programs

Three Pathways for Returning Home: Prioritized Population

Disaster	Total Homeowner Population with FEMA Verified Loss (FVL)	Homeowners with FVL and Additional Criteria: <ul style="list-style-type: none"> • Major/Severe Damages • Low to Moderate Income Households • No Flood Insurance • Outside Floodplain
DR-4277 (August Floods)	90,679	8,051
DR-4263 (March Floods)	21,686	1,626
Total Combined	112,365	9,677
% of FVL- DR-4277	100%	9%
% of FVL- DR-4263	100%	7%
% of FVL - Combined	100%	9%

State Managed Construction

Homeowner chooses to have the State rehab or reconstruct their home; the homeowner does not get to select their contractor.

Homeowner Managed Construction

Homeowner chooses to select and hire contractor and manage their own construction. State may still provide contractor oversight to minimize fraud, waste and abuse.

Reimbursement

Homeowner provides documentation of expenses already incurred and is reimbursed for those eligible rehab or reconstruction expenses.



Homeowner Programs Budgeting Challenge

Average Cost of Reimbursement, Rehabilitation and Reconstruction	\$70,000
Homeowners in Prioritized Population	9,677
Total Cost of Repair	\$677,390,000
Less: FEMA IA Repair Grants	\$101,520,153
Unmet Need	\$575,869,847
Add: 25% PD and Admin	\$191,956,616
Add: Environmental	\$27,550,419
Total Cost of Serving Prioritized Population	\$795,376,882
Less: Initial Set Aside for Housing	\$276,800,000
Less: Budgeted Amount for Admin and Project Delivery for Housing Programs (25%):	\$69,200,000
Additional CDBG Need to Fully Serve Prioritized Population	\$449,376,882

Additional Prioritization Considerations:

- Very Low and Low Income Households
- Survivors of DR-4263 (March Flooding Events)
- Families with Children
- Elderly and Disabled
- Community-Focused Prioritization versus Checkerboard Rebuilding
- Eliminate Less Damaged Properties (Major/Low)



State Managed Construction Example: Family A

- Low Income Household with two children
- Family has not started rebuilding their home, currently living with relatives
- Estimated Cost to Repair Home: \$70,000
- Amount of FEMA IA Repair Assistance Received to Date: \$20,000
- Amount of Flood Insurance Received: \$0 (Did not have flood insurance)
- **Total Unmet Need: \$50,000**



State Managed Construction Example: Family A

- State would require homeowner to provide \$20,000 (FEMA repair award) toward the repair of their home in an escrow account and the homeowner would choose either the state run rehabilitation carried out by the state-procured construction firm or select their own contractor and complete construction themselves.



Homeowner Managed Construction Example: Family B

- Low Income Elderly Household
- Family has engaged a contractor and is around 25% complete with rebuilding their home
 - Estimated Cost to Repair Home: \$30,000
 - Amount of FEMA IA Repair Assistance Received to Date: \$15,000
 - Amount of Flood Insurance Received: \$0 (Did not have flood insurance)
 - **Total Unmet Need: \$15,000**



Homeowner Managed Construction Example: Family B

- The homeowner would be required to submit contracts and invoices from the contractor(s) for costs as they are incurred and the state would pay the homeowner and/or contractor for the repair costs not covered by the \$15,000 received from FEMA
- The state would have no legal relationship with the contractor, but may provide construction oversight over the project in order to protect the homeowner



Reimbursement Example: Family C

- Low Income Household
 - Family completed construction of their home before they applied to the program using volunteer labor and tapped into their 401K to purchase materials not covered with the FEMA IA assistance
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- Estimated Cost to Repair Home: \$30,000
 - Amount of FEMA IA Repair Assistance Received to Date: \$10,000
 - Amount of Flood Insurance Received: \$0 (Did not have flood insurance)
 - **Total Unmet Need: \$20,000**



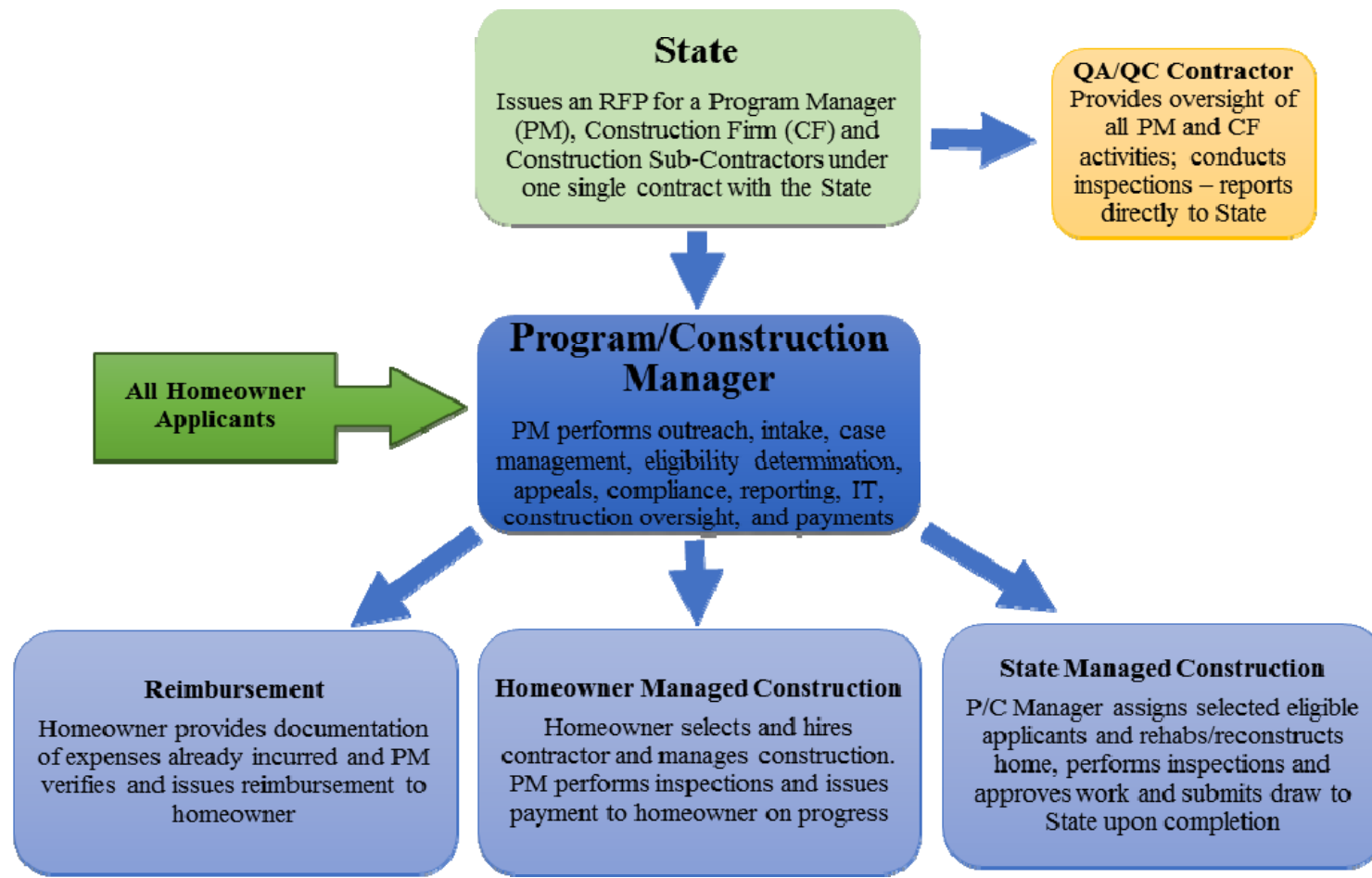
Reimbursement Example: Family C

- The homeowner would bring in receipts for the materials they purchased and the state would reimburse them for eligible expenses, less the amount received from FEMA for repairs



Contracting Structures

Turnkey Contractor Model





Contracting Structures

Multiple Prime Contractor Model

