



Overview: The draft appropriation notice was made public by HUD on November 16, 2016, and the below summary provides a high-level review of the requirements associated with the funding appropriated by Congress in October 2016. “Grantees” refer to the states or local governments that enter into a Grant Agreement with HUD. In the case of Louisiana, the “Grantee” is the State of Louisiana.

I. Louisiana Allocation: \$437.8M

- Initial funding will be provided directly to the State.
- **\$350.2M** for Most Impacted and Distressed (MID) areas as determined by HUD: East Baton Rouge, Livingston, Ascension, Tangipahoa, Ouachita, and Lafayette parishes.
 - To qualify as MID, HUD considered the following criteria:
 - Declared eligible to receive FEMA Individual Households and Program funding; and
 - Determined to have \$25M or more in unmet housing need.
- **\$87.6M** for other areas to be determined most impacted and distressed by the State.

II. Funding Requirements

- **70% of total funds (\$306.5M) must benefit low-to-moderate income (LMI) persons**, unless a waiver request demonstrates compelling need to lower this requirement.
- **80% of funds (\$350.2M) must be spent in the HUD-defined MID areas.**
- **20% of remaining funds (\$87.6M) may be spent in areas the State determines to be MID.**
- **Match Funding:** Funds may be used for local match of FEMA or US Army Corps of Engineers (USACE) projects (\$250K cap for USACE) but must comply with CDBG-DR eligibility requirements.

III. Use of Funds

- **Housing**
 - **Eligible Uses:** Rehabilitation, reconstruction, replacement, buyouts, and new construction; includes any rental housing for LMI households; public housing; emergency shelters and housing for the homeless; private market units receiving project-based assistance or Section 8; and any other HUD-assisted housing; moving expenses; rental assistance; interim mortgage assistance; housing counseling services; housing incentives; acquisition; and buyouts. Can also be used for new units or rehab of units not damaged if clearly linked to MID target area.
 - **Ineligible Uses:** Forced mortgage payoffs; SBA home/business loan payoffs; funding for second homes; assistance for those who previously received Federal flood disaster assistance and did not maintain flood insurance; and compensation payments.
 - **Elevation Requirements:** New construction, substantially damaged, or substantial improvement of structures in the 1% annual (or 100 year) floodplain must be elevated (2' above Base Flood Elevation).
 - **Building Standards:** New construction or replacement of substantially damaged buildings must meet green building standards and are strongly encouraged to meet a resilient home construction standard.
 - **Flood Insurance:** Grantees must provide a plan for ensuring flood insurance requirements are met and must require flood insurance for those rehabilitated properties in a special flood hazard area.
- **Selected Waivers:**



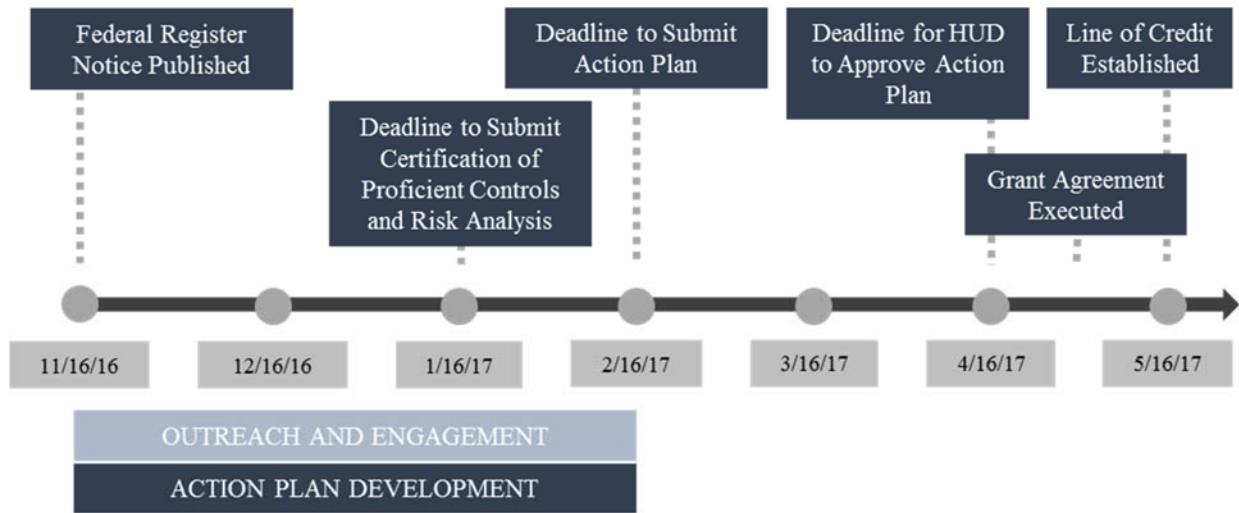
- **One for One Replacement:** The requirement for one to one replacement of housing units is waived.
- **Relocation Assistance:** Displaced persons can receive rental assistance up to 42 months.
- **Interim Mortgage Assistance:** Assistance can be provided up to 20 months.
- **Rental Assistance:** Assistance can be provided up to 24 months.
- **Infrastructure:** For purposes of this notice, a grantee must tie all infrastructure programs back to the long-term recovery and restoration of housing in the MID areas. Funding may be used for the repair, replacement, or relocation of public facilities and improvements, the non-federal share match, and the elevation of non-residential structures.
- **Economic Revitalization:** For purposes of this notice, a grantee must tie all economic revitalization programs back to the long-term recovery and restoration of housing in the MID areas. Funding may be used for any CDBG-DR eligible activity that demonstrably restores and improves some aspect of the local economy.
 - **Selected Waivers:**
 - **National Objective Documentation for Economic Revitalization:** Allow the Grantees to identify LMI jobs benefit by documenting, for each person employed, the name of the business, type of job, and the annual wages or salary of the job.
 - **Public benefit for certain Economic Revitalization:** The public benefit standards limit the amount of CDBG assistance per job retained or created, or the amount of CDBG assistance per low- and moderate-income person to which goods or services are provided by the activity are waived.
- **Mitigation measures** must be incorporated into rebuilding activities and must be a necessary expense related to disaster relief or long-term recovery that responds to the eligible disaster.

IV. Management and Oversight of Funds

- **Certification of proficient controls, processes and procedures:** Grantees must submit a document to HUD which demonstrates the state has in place the sufficient internal controls.
- **Evaluation of Risk and Management Capacity:** Grantees must demonstrate that they have sufficient capacity to manage these funds and the associated risks.
- HUD will institute an annual risk analysis as well as on-site monitoring of grantee management to further guide oversight of these funds.
- Grantees must submit projection of expenditures and outcomes as part of its action plan.
 - Any subsequent changes, updates or revision of the projections will require the grantee to amend its action plan (track planned v. actual performance).



V. Overview of Grant Process



- Action Plan must be published for public comment for 14 days.

VI. Duration of Funding

- Initial drawdown of funds must occur within 180 days of the execution of the Grant Agreement.
- Funds must be expended within six years of the date of the execution of the Grant Agreement.