

Email:

From: Lori Dupont
Sent: Tuesday, May 9, 2017 7:26 AM
To: Adam Knapp; Commissioner Mike Strain; Don Pierson; Dr. James Richardson; Shawn Wilson; Jacqui Vines Wyatt; Jimmy Durbin; John Gallagher; Johnny Bradberry; Mayor Dave Norris; Mayor Ollie Tyler; Mayor-President Joel Robideaux; Michael Faulk; Michael Olivier; Randy Clouatre; Raymond Jetson; Representative Edward "Ted" James (2); Representative J. Rogers Pope; Representative Robert Shadoin; Roland Dartez; Sean Reilly; Senator Dan "Blade" Morrish
Cc: Dan Rees; Shauna Sanford; Matthew Block; Richard Carbo; Governor's Press Office; Mark Cooper; Erin Monroe Wesley; Pat Forbes; Lauren Tichenor Nichols; Jeff Haley; Arlene Adger; Barbara Marrable; Becky Perret; Cami Barlow; Enger Kinchen; Jane Lambert; Jayne Norton; Jonathan LeMaire; Julie Simms; Karen White; Kimberly LaMotte; Nancy Collie; Paine Gowen; Rhea Victorian; Rhonda Byrd; Sabrina Sentino; Susan Wassan; Tamara Heidenthal; Terina Stripling
Subject: Third Appropriation Funding Considerations
Attachments: Third Appropriation Scenarios 05052017final.pdf

Members of the Restore Louisiana Task Force:

It is possible the State of Louisiana will receive an allocation from the Department of Housing and Urban Development (HUD) out of the \$400 million in disaster assistance appropriated by Congress last week. At this time, it is unknown how much will be allocated to Louisiana. The information in the attached document provides some funding considerations and options, should Louisiana receive additional disaster assistance.

Our staff will be available this week to discuss the information contained in the attached document and any other funding considerations you may have. Instead of offering specific time slots for conference calls that can limit participation, if anyone would like to discuss please let me know and I will set up a conference call with the members of our team.

Kindest Regards,

Lori Dupont

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Third Appropriation Funding Scenarios

Context: It is possible the State of Louisiana will receive an allocation from the Department of Housing and Urban Development (HUD) out of the \$400 million in disaster assistance appropriated by Congress. At this time, it is unknown how much will be allocated to Louisiana. The following information provides some funding considerations, should Louisiana receive additional disaster assistance.

Additional Funding Needs Considerations:

Current program budgets:

State of Louisiana CDBG-DR Total Allocation		
Restore Louisiana Housing Programs	\$1,423,693,120	85.92%
Homeowner Program* (relative % within housing programs = 90.87%)	\$1,293,693,120	78.08%
Rental Housing Programs* (relative % within housing programs = 9.13%)	\$ 130,000,000	7.85%
Restore Louisiana Economic Recovery and Revitalization Programs	\$62,000,000	3.74%
Infrastructure Program (FEMA Public Assistance Match)	\$105,000,000	6.34%
Administration and Planning	\$ 66,278,880	4.00%
Total Allocation	\$1,656,972,000	100%

1) Homeowners and Renters: Unmet need is at least \$1.3 billion for major/severe damages, after accounting for the first two appropriations

Per requirements established by the Department of Housing and Urban Development, the state must consider the proportion of assistance provided to homeowner and renter programs, based on the unmet needs assessment presented to HUD in the Action Plan Amendment 1. The table below breaks out the relative unmet needs by program area:

Housing Unmet Need Summary		
Category	Amount	Relative Percentage of Unmet Housing Need
Owner-Occupied	\$2,448,293,435	90.4%
Renter	\$254,798,970	9.4%
Homeless Assistance and Prevention	\$5,250,232	0.2%
Total M/S Housing Recovery Need	\$2,708,342,637	100%
First and Second CDBG-DR Allocations	\$1,423,693,120	
Total M/S Housing Recovery Unmet Need	\$1,284,649,517	

For example, if Louisiana is awarded \$200 million, the state must consider the percentages of unmet needs (listed above) when distributing the funding. See the scenarios below for a few examples:

A) If the state decided to dedicate the entire allocation toward housing programs, then a minimum of \$18 million-\$19 million would be allocated toward rental/homelessness programs, while \$181 million-\$182 million would be available for homeowner programs.

B) If the state were to decide to dedicate a portion of the funds toward infrastructure activities, leaving \$125 million for housing activities, a minimum of \$11.75 million-\$13 million would be allocated toward rental/homelessness programs and \$112 million-\$113.25 million would be available for homeowner programs.

Impacted Homeowner Populations and Homeowner Budget Scenarios

Budget and Population Assumptions:

- Only homeowners with major or severe damages (\$8,000 FEMA Verified Loss or at least 1 foot of flooding in the house)
- Inclusive of anticipated 15% project delivery costs
- Inclusive of anticipated environmental review costs
- Deducts duplication of benefits from Small Business Administration (SBA), Federal Emergency Management Agency (FEMA) and National Flood Insurance Program (NFIP), as applicable
- Dual-tier award structure for prospective work and reimbursement awards
- 10% non-participation- based on past programs, we may assume a minimum of 10% of the population will fall out of the program for reasons such as:
 - loss of interest
 - zero award in final calculation
 - additional duplication of benefits identified through processing
 - homeowners with incomes greater than 120% of area median income (AMI) may be unable to secure the gap funding needed to complete the prospective work

Note – The budgets in the table below account for the program delivery costs necessary to process all applicant files, including homeowner files where homeowners drop out of the program.

	# Households	Assume 100% Participation	Assume 90% Participation (10% drop out rate)
POPULATION CURRENTLY ELIGIBLE WITH FIRST AND SECOND APPROPRIATIONS:			
Group A) No NFIP	36,510	\$1,298,847,954	\$1,192,728,501

ADDITIONAL IMPACTED POPULATIONS:			
Group B) NFIP - LMI - Inside 100 yr Floodplain	4,770	\$143,588,002	\$131,942,543
Group C) NFIP - LMI - Outside 100 yr Floodplain	1,199	\$29,318,799	\$26,967,344
Group D) NFIP - Non-LMI - Inside 100 yr Floodplain	11,568	\$135,426,946	\$125,272,582
Group E) NFIP - Non-LMI - Outside 100 yr Floodplain	3,584	\$32,112,379	\$29,803,229
Need for all NFIP Policy Holders	21,121	\$340,446,126	\$313,985,699
Add LMI Households who declined SBA Loans	108	\$5,152,000	\$5,152,000
Total NEED FOR TOTAL POPULATION	57,631	\$1,644,446,080	\$1,511,866,200
Less Current Program Allocation		(\$1,293,693,120)	(\$1,293,693,120)
Total Additional Need to Serve all NFIP Holders and Non-NFIP Holders		\$350,752,960	\$218,173,080

2) Hazard Mitigation Grant Program (FEMA Match): \$94 million

Approximate Unmet Need: \$94 million

3) Comite River Diversion Canal Project: \$190 million

Approximate Unmet Need: \$190 million

4) Resilient Infrastructure Projects: \$600 million

Allocation of CDBG-DR Resilient Infrastructure Funds	
Category	Amount
Planning and Flood Risk Modeling	\$60,000,000
Structural Investments – Regional Watershed Protection	\$303,000,000
Resilience Add-Ons to Planned Public Infrastructure Projects	\$150,000,000
Community Stormwater Retention	\$51,000,000
Project Delivery Costs	\$36,000,000
Total	\$600,000,000