

COMMUNITY DEVELOPMENT BLOCK GRANT
ADMINISTRATIVE COST PROJECTIONS



PERFORMANCE AUDIT
ISSUED MARCH 19, 2008

**LEGISLATIVE AUDITOR
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POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

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**FOR QUESTIONS RELATED TO THIS PERFORMANCE AUDIT, CONTACT
PATRICK GOLDSMITH, PERFORMANCE AUDIT MANAGER,
AT 225-339-3800.**

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LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

March 19, 2008

Ms. Angele Davis
Commissioner of Administration
Division of Administration

Dear Commissioner Davis:

This report provides the results of our performance audit on the Office of Community Development's Disaster Recovery Unit administrative cost projections for disaster programs and activities developed with Community Development Block Grant funds. The audit was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended.

The report contains our conclusions on the Disaster Recovery Unit's administrative cost projections. Appendix A contains the Office of Community Development's response to our conclusions. I hope this report will benefit you in your decision-making process.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve J. Theriot".

Steve J. Theriot, CPA
Legislative Auditor

SJT/dl

CDBGABPR08

Office of Legislative Auditor

Steve J. Theriot, CPA, Legislative Auditor



Community Development Block Grant Administrative Cost Projections

March 2008

Audit Control # 40070023

Executive Summary

The Office of Community Development's Disaster Recovery Unit (hereinafter referred to as OCD) requested that our office review its administrative cost projections for disaster programs and activities (hereinafter referred to as programs) developed with Community Development Block Grant (CDBG) funds to determine if they appeared reasonable. CDBG also provides funds for planning. The Louisiana Recovery Authority (LRA) is funded in part with these CDBG planning funds. However, the LRA has a separate budget process and is not included in this report. The objectives of this audit and overall results are summarized below.

Objective 1: What CDBG programs were developed after the disaster and how much was allocated to these programs?

Results: The LRA designed various programs in the areas of housing, economic development, and infrastructure. Congress appropriated and the United States Department of Housing and Urban Development (HUD) approved a total of \$13.4 billion to fund these programs. The majority of these funds (\$9.9 billion)¹ were allocated to the Road Home Homeowner's Assistance Program.

Objective 2: What entities are involved in the administration and delivery of CDBG programs?

Results: Although the LRA designed the CDBG disaster programs, OCD is ultimately responsible for administering and monitoring the programs. OCD has interagency agreements and contracts with state agencies and private contractors to implement and deliver the programs.

Objective 3: What are OCD's administrative budget projections for the next twenty years to oversee these CDBG programs?

Results: OCD projects its administrative costs over the next twenty years will be approximately \$188 million, with salaries and benefits comprising the largest cost. The LRA, the legislature, and HUD have approved the action plan that allocated up to \$189 million for administrative costs. Therefore, OCD's current cost projections are less than the current allocation.²

¹ This number includes the \$3 billion Congress appropriated in November 2007.

² However, the legislature will still have to approve OCD's budget each year and can propose changes.

Objective 4: Are OCD's administrative budget projections reasonable?

Results: OCD's overall administrative budget projections and corresponding cost assumptions are reasonable at this time. However, these projections are reasonable only if certain program assumptions hold true. For example, we are assuming that CDBG programs and their approved allocated amounts will not change significantly over the next twenty years.

Objective 5: What potential sources of funding could be used for additional administrative costs?

Results: If there is a shortfall for administrative expenses, there is currently approximately \$165 million in CDBG funds which is unallocated and could be used for additional administrative costs. In addition, some of the programs may have unused funds or may receive income from their programs which could be used for administrative costs. However, the exact amount of program income that can be expected is difficult to predict with certainty.

Scope and Methodology

OCD requested that our office review its administrative budget projections to determine if its projections were reasonable. We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. We followed the generally accepted government auditing standards as promulgated by the Comptroller General of the United States. To answer our five objectives, we performed the following steps:

- Interviewed OCD financial staff and program staff for all CDBG programs to understand each of the programs, including projected staffing and monitoring requirements of each program
- Reviewed contracts, interagency agreements, status reports, and other documents on each CDBG program
- Reviewed detailed expenditures from FY 2007 and compared to projected expenditures from FY 2008 to FY 2026
- Reviewed OCD's assumptions for its budget projections

Appendix A contains OCD's response to this report.

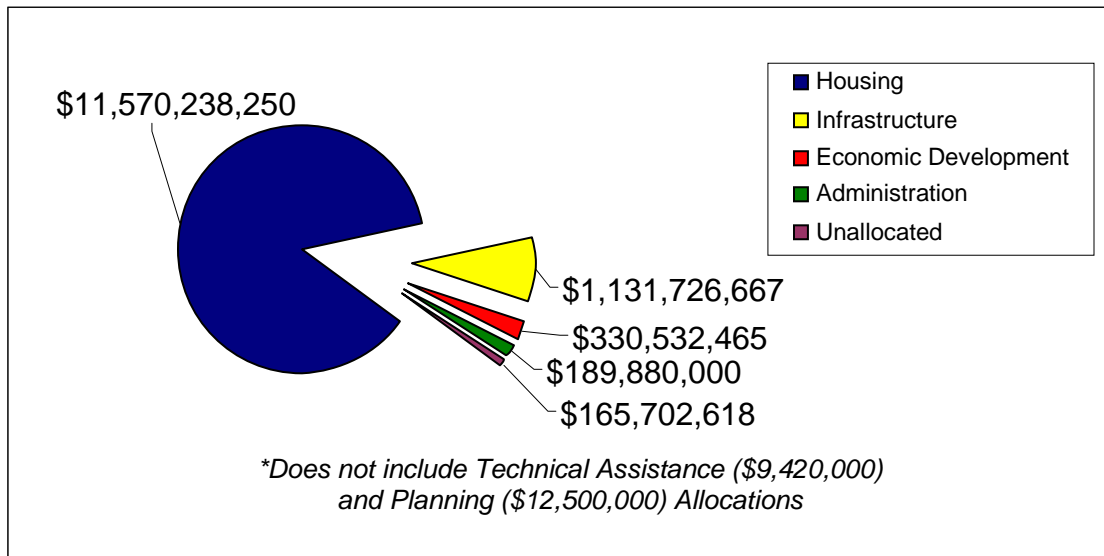
Objective 1: What CDBG programs were developed after the disaster and how much was allocated to these programs?

Congress appropriated a total of \$13,410,000,000 in Community Development Block Grant (CDBG) funds to Louisiana for disaster recovery programs.³ To receive these funds, the state had to develop action plans for how the funds would be used. The Louisiana Recovery Authority (LRA) developed the priorities for what programs should be funded and the Office of Community Development (OCD) helped develop the action plans describing the programs. These action plans also included recommended allocations for each of the programs.

Louisiana developed two action plans that were approved by both HUD and the legislature. These action plans were amended several times to request substantial changes to the program, to provide more detail on programs, or to reallocate funds among programs. Although HUD and the legislature approved the action plans, the legislature must appropriate the funds to each program each year. **Appendix B** provides a timeline of when action plans and amendments were approved by various entities.

The LRA developed various housing, economic development, and infrastructure programs to address disaster needs in the state. The LRA also allocated CDBG funds to cover planning,⁴ administration, and technical assistance. Exhibit 1 illustrates how the state allocated CDBG funds among the different programs/categories. As the exhibit shows, the largest amount went to fund housing programs.

**Exhibit 1
Overview of CDBG Funding***



Source: Prepared by legislative auditor’s staff using data from OCD.

³ Louisiana recently received approval for \$3 billion in additional CDBG funds specifically for the Road Home Homeowner’s Program. However, this additional allocation will not require a new action plan.

⁴ LRA’s funding comes from the planning allocation (\$12.5 million), not from the administration allocation.

As of December 31, 2007, approximately 46% of all CDBG disaster funds have been expended with the majority of funds being expended in the Homeowner's Assistance Program. Exhibit 2 provides a summary of how much has been allocated and expended as of December 31, 2007, for each CDBG program. **Appendix C** provides more detail about the purpose of each of the programs.

Exhibit 2
CDBG Programs
Amount Allocated and Expended as of December 31, 2007

Program	Total Allocation	Expended	Remaining	Percentage Expended
Homeowner's Assistance Program	\$9,974,900,000	\$5,818,246,518	\$4,156,653,482	58.33%
Small Rental Properties	866,462,250	20,669,245	845,793,005	2.39%
LIHTC/Piggyback and Flexible Development Incentives	581,046,000	20,165,962	560,880,038	3.47%
Supportive Housing Services	72,730,000		72,730,000	0.00%
Homeless Supports & Housing	25,900,000	48,470	25,851,530	0.19%
Housing Development Loan Fund	16,570,000	102,407	16,467,593	0.62%
Land Assembly Operations	2,070,000	13,128	2,056,872	0.63%
Support to Community Based Programs	2,070,000	549,442	1,520,558	26.54%
Building Code Enforcement	11,390,000	8,063,535	3,326,465	70.79%
Environmental Clearance	4,283,475	218,641	4,064,834	5.10%
Call Center	2,000,000	955,601	1,044,399	47.78%
Housing Services Contract	1,000,000		1,000,000	0.00%
Road Home Start-up	9,816,525	38,929	9,777,596	0.40%
Bridge Loan	45,647,368	5,392,209	40,255,159	11.81%
Business Recovery Grant and Loan Program*	180,385,097	81,923,306	98,461,791	45.42%
Technical Assistance to Small Firms	9,500,000	139,443	9,360,557	1.47%
Tourism Marketing Program	28,500,000	14,026,907	14,473,093	49.22%
Recovery Workforce Training	38,000,000	3,827,154	34,172,846	10.07%
Research Commercialization and Educational Enhancement	28,500,000		28,500,000	0.00%
Local Government Infrastructure	474,726,667		474,726,667	0.00%
Primary and Secondary Education	200,000,000		200,000,000	0.00%
Entergy New Orleans	200,000,000	180,812,593	19,187,407	90.41%
Long-term Community Recovery	200,000,000		200,000,000	0.00%
Private Non-Profit (program cancelled with match waiver**)	38,000,000		38,000,000	0.00%
Fisheries Infrastructure	19,000,000		19,000,000	0.00%
State Administration	189,880,000	9,047,552	180,832,448	4.76%
Planning (LRA)	12,500,000	6,154,847	6,345,153	49.24%
Technical Assistance	9,420,000	21,494	9,398,506	0.23%
<i>Unallocated</i>	\$165,702,618		\$165,702,618	
TOTAL	\$13,410,000,000	\$6,170,417,383	\$7,239,582,617	46.01%
* Formerly known as the Small Firm Loan and Grant Program				
**In December, LRA proposed to move these funds to Long-term Community Recovery.				
Source: Prepared by legislative auditor's staff using information from OCD.				

OCD projects that some of the programs may last twenty years⁵ because of the monitoring and compliance requirements that must be met even after a program ends. Exhibit 3 provides a timeline for how long OCD expects each program to incur administrative costs. Details on what constitutes administrative costs are included in the next two sections.

**Exhibit 3
Timeline of Disaster Programs**

Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026			
Homeowner Program	2006-2011																							
Small Rental		2007-2026																						
Piggyback		2007-2026																						
Supportive Housing		2007-2017																						
Homeless		2007-2010																						
Housing Development		2007-2010																						
Support to Community Based Programs			2007																					
Building Code Enforcement		2006-2007																						
Bridge Loans		2006-2012																						
Small Loan Recovery Loan and Grant		2006-2012																						
Technical Assistance to Small Firms		2006-2008																						
Tourism Marketing Program		2006-2008																						
Recovery Workforce Training		2006-2009																						
Commercial Research and Education Enhancement		2007-2010																						
Local Government Infrastructure		2007-2013																						
Primary and Secondary Education		2007-2013																						

Source: Prepared by legislative auditor’s staff using information from OCD.

⁵ Some programs may go beyond twenty years. For example, the Piggyback Program may include monitoring for 35 years. However, the exact financial impact to OCD is difficult to predict. Therefore, OCD’s projections assume only twenty years of administrative costs.

Objective 2: What entities are involved in the administration/oversight and delivery of CDBG programs?

OCD is responsible for administration and oversight over all CDBG programs. Some of the CDBG programs are being delivered by state agencies and some are being delivered by private and/or nonprofit entities who contract with the state. In some cases, programs are also implemented through intermediaries. For example, the Supportive Housing Program is delivered by the Department of Health and Hospitals and their regional offices or service districts who serve as intermediaries. Exhibit 4 shows the general roles and responsibilities of the different levels of administration and delivery of CDBG programs.

**Exhibit 4
General Overview of Roles and Responsibilities
Administration and Delivery of CDBG Programs**

Entity	General Responsibilities
Office of Community Development's Disaster Recovery Unit	To ensure that recipients carry out their programs in accordance with all applicable laws and regulations. For example, OCD will be responsible for monitoring all CDBG disaster programs to determine if they are compliant with the following: <ul style="list-style-type: none"> • Procurement practices • Financial management • Recordkeeping • Labor standards • Environmental requirements • National objective and low-to-moderate income requirements
State Agency or Private Contractor and Associated Intermediaries (if applicable)	To ensure that the program is delivered in accordance with program goals and objectives and in accordance with all applicable laws and regulations.
Beneficiaries	To receive the benefits of the program. Homeowners, landlords, individuals with disabilities, and local governments are all examples of beneficiaries.
Source: Prepared by legislative auditor's staff using information from OCD.	

As shown in the exhibit above, OCD is responsible for ensuring the CDBG funds are spent in compliance with federal and state regulations. In addition, OCD will have additional programmatic monitoring requirements that may vary depending on the program. For example, OCD is responsible for monitoring Road Home applicants for three years to ensure they are in compliance with the covenant they signed at closing requiring them to occupy their repaired or rebuilt home. As part of the Small Rental Program, OCD will also be responsible for monitoring

landlords anywhere from 10 to 20 years to ensure they are charging correct rents and keeping required income documentation.

The state has allocated and HUD has approved \$189,880,000 in CDBG funds to cover administrative costs to the program. The legislature must appropriate a portion of these administrative funds to OCD each year. This amount includes costs for OCD as well as administrative costs for other entities involved in oversight and implementation of programs. OCD has allocated and/or budgeted \$40,480,460 (21.5%) of its overall administrative funds for these other entities who will help administer and deliver various CDBG programs. For example, OCD has a contract with the Department of Economic Development for \$1,500,000 to administer the Business Recovery Grant and Loan Program and other economic development programs. **Appendix D** provides a summary of the contracts that OCD has with various entities, the program(s) delivered by the entity, the amount of the contract, and whether the amount comes from program delivery funds or OCD administrative funds.

Objective 3: What are OCD's administrative budget projections for the duration of these programs?

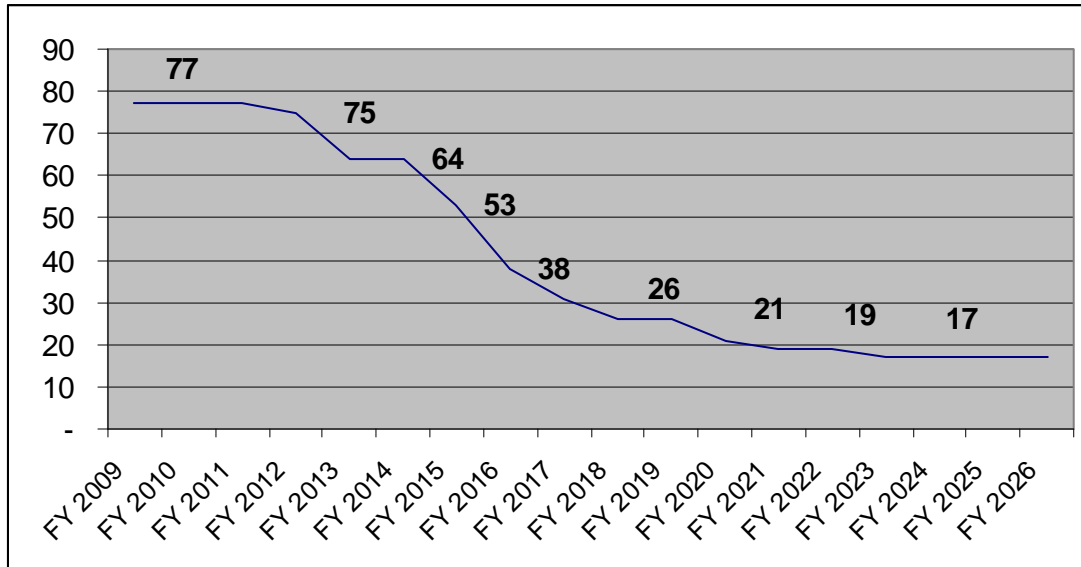
As stated in the previous section, LRA, HUD, and the legislature has approved the action plan that allocated a total of \$189,880,000 in administrative costs for the CDBG programs, which represents 1.4% of the total CDBG allocation. CDBG regulations allow states to use up to 5% of the total CDBG allocation for administrative costs. OCD projects that they will have a total \$188,708,944 in expenses to administer and monitor these programs until FY 2026. Most of the administrative expenses are for salaries and benefits for the 77 positions available in the unit. Exhibit 5 summarizes total administrative expenses from FY 2006 to FY 2026.

**Exhibit 5
Administrative Expenses by Category, Description, and Cost Assumptions
FY 2006 to FY 2026**

Expense Category	Description	Cost Assumptions	Total	Percent
Salaries & Benefits	Salaries and benefits for full-time and part-time staff and students	Salaries will increase at 4% per year until FY 2014 and by 2% thereafter. Benefits will be 33% of salaries each year.	\$90,075,693	47.7%
Operating Expenses	Expenses related to travel, rent, maintenance, supplies, software, etc.	Most expenses will increase by 10% each year; office rental will go up significantly next year because current lease ends and is below market rates.	\$34,291,918	18.2%
Professional Services	Accounting, auditing, legal, engineering, and architecture services	Charges for compliance with A-133 and other requirements; OCD counsel will provide additional legal services.	\$5,400,000	2.9%
Other Charges	Travel, IT expenditures, and charges not under other categories	Many of the costs in this category will be covered in the contract cost category below.	\$1,885,754	1.0%
Interagency Transfers	Funds transferred for the provision of certain services	Most expenses will increase by 10% each year.	\$15,443,614	8.2%
Acquisitions	Cost of purchasing vehicles, equipment, hardware, etc.	Four vehicles will be purchased every 5 years; certain categories of equipment (computer, etc.) will increase by 10% each year; office equipment will increase by only 1% each year.	\$1,131,505	0.6%
Contract Costs*	Costs paid to contractors	Current contract costs and those budgeted will be sufficient to carry out current functions and programs.	\$40,480,460	21.5%
Total OCD Expenses			\$188,708,944	
*The ICF contract and others are not included in these administrative costs because they are considered program delivery costs.				
Source: Prepared by legislative auditor's staff from information from OCD.				

As the exhibit shows, the largest percentage of administrative costs is in employee salaries and benefits. According to OCD's projections, it currently has 77 authorized positions in the unit with 22 of these positions still vacant. OCD's projections include both a percentage increase for merit raises and downsizing personnel each year based upon the programmatic and monitoring requirements for each program. By FY 2019, OCD estimates that it will have only 21 positions and by FY 2026, OCD will have only 17 positions. The chart on the following page outlines how OCD positions will be downsized from FY 2009 until FY 2026.

**Exhibit 6
OCD Staffing
FY 2009 to FY 2026**



Source: Prepared by legislative auditor’s staff using personnel information from OCD.

The second largest administrative cost is in contracts because, as summarized in Appendix D, OCD has outsourced some of its administrative functions to other entities through contracts. The third largest category is operating expenses that include travel, rental fees, computer supplies, and other expenditures. Generally, OCD increases these expenses by 10% each year to account for inflationary increases.

Objective 4: Are OCD’s projections reasonable?

We assessed the reasonableness of OCD’s administrative projections and found that the overall projections and corresponding cost assumptions are reasonable at this time. However, these projections are reasonable only if the following program assumptions hold true:

1. **The CDBG programs will be able to operate with their current allocation and no funds will be reallocated because of monetary shortfalls in other programs.** When it was apparent that the Road Home had a shortfall, the LRA reallocated funds from some programs to other programs. Because the amount of funds a program has could result in changes to scope, eligibility, or how it is delivered, our assessment of the reasonableness of OCD’s projections assumes that the current CDBG allocation will remain the same and will be sufficient.
2. **Administrative costs for most CDBG programs will last twenty years.** Although it is possible that some programs may have monitoring requirements that go beyond twenty years, the exact financial impact of these programs is difficult to predict. For example, the Piggyback Program may involve monitoring

for 35 years. However, for the purposes of this report, we are assuming that most administrative costs will be incurred over the next twenty years.

3. **CDBG programs will not change significantly in their scope or purpose.** The state can make changes to CDBG programs through action plan amendments. For example, the LRA changed the Road Home program several times over the last year which has contributed to the shortfall in the program. Although many of these changes were in favor of applicants (i.e., no penalty for elderly, eligibility of mobile homes), these changes were not in the program's original budget projections. Therefore, our assessment of the reasonableness of OCD's projections assumes that no other changes will be made to any CDBG program.
4. **The contract costs that are projected and budgeted are sufficient in terms of the number of contracts and the amount of the contracts.** As noted earlier, 21.5% of the OCD's administrative budget is going to current and projected contracts with third parties. Therefore, our assessment of the reasonableness of OCD's projections assumes that no other third parties will be necessary and that the amounts negotiated in the current and budgeted contract amounts will be sufficient.
5. **The unallocated CDBG funds (approximately \$165 million) will be used for programs and/or purposes that will not significantly increase OCD's projected administrative costs.** The LRA may decide to use the unallocated CDBG funds to fund an entirely new program which may increase OCD administrative costs. Therefore, we are assuming that if a new program is created with these funds, the program will not affect OCD's administrative costs significantly. LRA may also decide to use the funds to add more money to existing programs which also should not have an effect on administrative costs.
6. **The total legislative appropriations for each program will equal the program funding allocations in the action plans.** The legislature appropriates amounts for program and administrative costs each year. Therefore, we are assuming that the total amount appropriated by the legislature will not be less or more than the allocation in the action plan.

Although our assessment of reasonableness is based on the assumptions above, some of these assumptions may not hold true. For example, because the Road Home program has changed significantly since its original design, it is likely that other CDBG programs may change as well as they are implemented. Therefore, any changes to program design and allocations may result in increased or decreased OCD oversight which could affect administrative costs.

Objective 5: What potential sources of funding could be used for additional administrative costs?

Although OCD appears to have a sufficient amount of CDBG funds allocated to it for administration, there is still a possibility that its administrative costs could exceed its projections. According to OCD, should there be a shortfall, additional administrative funds could come from a variety of sources. These potential sources are summarized as follows:

1. There is approximately \$165 million in unallocated CDBG funds that may be used for additional administration. The LRA and the legislature must approve the reallocation of these funds for this purpose.
2. CDBG programs may generate program income that could be used for administrative costs. For example, the Business Recovery Grant and Loan Program may generate program income when applicants repay their loans. However, according to OCD, it is difficult to estimate with certainty how much and when program income will be generated. In addition, some program income may be generated from noncompliance with program requirements (i.e., a Road Home applicant found to be ineligible has to repay the award amount) which is difficult to predict as well.
3. Some CDBG programs may have unused CDBG funds that could be reallocated for administrative costs. For example, the Supportive Services Program has not spent any funds and its expenditures are contingent upon the Piggyback Program and the building of rental units for individuals with disabilities in need of permanent supportive housing. If these units are not built according to the program's estimates, then this program may have some unused funds that could be reallocated.

According to OCD, if none of the above sources are used, the legislature may have to appropriate money from other sources.

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APPENDIX A: MANAGEMENT'S RESPONSE

BOBBY JINDAL
GOVERNOR



ANGELE DAVIS
COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of Community Development
Disaster Recovery Unit

February 28, 2008

Mr. David Greer, CPA, CFE
Assistant Legislative Auditor and
Director of Performance Audit
1600 North Third Street
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

RE: Audit Control # 40070023 CDBG Administrative Cost Projections

Dear Mr. Greer:

The Office of Community Development (OCD) appreciates the work performed by your staff in response to our request to analyze whether or not OCD's Disaster Recovery Unit twenty year administrative cost projections for disaster programs and activities developed with Community Development Block Grant funds are reasonable.

The report identifies five objectives developed by your office to evaluate the administrative cost projections with the corresponding results. OCD concurs with the results of your analysis.

I would like to thank your staff for its professionalism and the courtesies extended to the OCD Disaster Recovery Unit staff.

Sincerely,

A handwritten signature in blue ink, appearing to read "Susan Elkins".

Susan Elkins
Executive Director
Office of Community Development/DRU

SE/SU

c: Ms. Angele Davis, Commissioner of Administration
Ms. Sharon Robinson, DOA Internal Audit Administrator
Mr. Steve J. Theriot, Legislative Auditor
Mr. Daryl G. Purpera, First Assistant Legislative Auditor
Mr. Thomas Brennan, OCD Deputy Director
Mr. Mike Taylor, DRU Director
Mr. Steven Green, DRU Financial Manager
Mr. Stephen Upton, DRU Internal Audit Manager

CDBG Disaster Recovery Action Plan and Action Plan Amendment Approval Status Overview						
Action Plans and Amendments	Public Comment Begin	Public Comment End	LRA Board Approval	Legislative Approval	HUD Submittal	HUD Approval - Release of Funds
Action Plan for P.L. 109-148	March 10, 2006	March 20, 2006	April 26th, 2006	April 13th, 2006	April 13th, 2006	May 9th, 2006
Amendment 1 - The Road Home	April 6th, 2006	April 17th, 2006	April 26th, 2006	May 11th, 2006	May 12th, 2006 * July 12th, 2006	** May 30th, 2006
Amendment 2 - ED and Infrastructure	June 7-9, 2006	June 19th, 2006	April 19th, 2006 July 6th, 2006	August 11th, 2006	August 18th, 2006	September 15th, 2006
Amendment 3 - Workforce Development	July 1-3, 2006	July 12th, 2006	August 10th, 2006	August 11th, 2006	August 11th, 2006	September 15th, 2006
Substantial Clarifications to Road Home	August 7th, 2006	August 10th, 2006	August 10th, 2006	August 31st, 2006	August 11th, 2006	August 22nd, 2006
Amendment 4 - Piggyback Program	September 1st, 2006	September 11th, 2006	September 14th, 2006	October 6th, 2006	October 18th, 2006	December 8th, 2006
Amendment 5 - Higher Education	September 1st, 2006	September 11th, 2006	September 14th, 2006	October 6th, 2006	October 18th, 2006	January 3rd, 2007
Amendment 6 - Utilities (Entergy NO)	October 25th, 2006	November 3rd, 2006	November 6th, 2006	December 5th, 2006	January 8th, 2007	February 9th, 2007
Amendment 7 - Further RH Clarifications ***	-	-	October 30th, 2006	-	November 30th, 2006	*** November 30th, 2006
Amendment 8 - Small Firm Loan and Grant Program	December 8th, 2006	December 12th, 2006	December 14th, 2006	January 11th, 2007	January 18th, 2007	February 9th, 2007
Amendment 9 - Adjustments for AP2 ****	January 10th, 2007	January 19th, 2007	-	-	February 15th, 2007	June 25th, 2007
Amendment 10 - Private Non-Profit Schools	December 29th, 2006	January 8th, 2006	January 12th, 2007	February 16th, 2007	March 23rd, 2007	July 13th, 2007
Amendment 11 - Clarifications to Small Rental ***	-	-	-	-	February 9th, 2007	***February 9th, 2007
Amendment 12 - Long Term Community Recovery	July 17th, 2007*****	July 30th, 2007*****	January 12th, 2007	March 13th, 2007	May 1st, 2007 August 6th, 2007*****	August 17th, 2007
Amendment 13 - Small Firm Loan & Grant Addition	April 4th, 2007	April 16th, 2007	March 14th, 2007	September 12th, 2007	September 26th, 2007	November 9th, 2007
Amendment 14 - Lump Sum Disbursement - RH ***	-	-	-	-	May 7th, 2007	May 15th, 2007
Amendment 15 - Reallocation of Funds to RH	July 19th, 2007	July 30th, 2007	July 30th, 2007	September 12th, 2007	September 28th, 2007	November 9th, 2007
Amendment 16 - Reallocation of Planning Funds	August 10th, 2007	September 10th, 2007	July 30th, 2007	August 14th, 2007	September 26th, 2007	November 9th, 2007
Amendment 17 - Fisheries Assistance	October 15th, 2007	November 11th, 2007	October 11th, 2007	October 25th, 2007		
Action Plan for P.L. 109-234	November 30th, 2006	December 11th, 2006	December 14th, 2006	January 11th, 2007	January 18th, 2007	May 24th, 2007
Amendment 1 - State Buildings - FEMA Ineligible	December 29th, 2006	January 8th, 2006	January 12th, 2007	February 16th, 2007	April 25th, 2007	June 19th, 2007
Amendment 2 - Fisheries Assistance	*****	*****	*****	*****	-	-
Amendment 3 - MCLNO	March 27th, 2007	April 6th, 2007	January 12th, 2007	March 22nd, 2007	April 25th, 2007	June 21st, 2007*****
Amendment 4 - Reallocation of Funds to RH	July 19th, 2007	July 30th, 2007	July 30th, 2007	September 12th, 2007	September 28th, 2007	November 9th, 2007

This document was created by DRU on November 13th, 2007



* Road Home was re-submitted to HUD as a compensation plan
 ** HUD did not send an approval letter, however we have press releases indicating their approval
 *** Amendments 7, 11 and 14 are not considered substantial and therefore not subject to the Public Comment or overall approval process
 **** Amendment 9 is required by HUD but all of the programs referenced were approved by Action Plan for P.L. 109-234
 ***** HUD partially approved Amendment 3, releasing \$74 million only
 ***** Amendment 12 was re-released for Public Comment in order to include more information at HUD's request and re-submitted to HUD on August 6th, 2007
 ***** Amendment 2 - Fisheries Assistance - Due to changes in this program, it will be re-released for Public Comment as Part of the First Action Plan and is subject to Legislative approval

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Program	Description
Housing	
Homeowner's Assistance Program	To provide grants up to \$150,000 to compensate homeowners whose homes sustained severe or major damage in the hurricanes.
Small Rental Properties	To provide incentives to spur owners of small buildings (1-4 units) to accept rental rates affordable to low-to-moderate income households.
LIHTC/Piggyback and Flexible Development Incentives	To combine the resources of the Gulf Opportunity Zone Tax Credits, CDBG Piggyback funds, available HOME funds, Section 8 housing vouchers, and leveraged private investments to generate between 18,000 and 33,000 of new or restored rental units.
Supportive Housing Services	To provide supportive services for approximately 3,000 supportive housing units for individuals and families with disabilities.
Homeless Supports & Housing	To restore homeless shelter capacity in hurricane impacted areas and provide permanent supportive housing and assistance to address increased risks and demands related to homelessness.
Housing Development Loan Fund	To provide seed funding for a contractor or state agency to establish one or more loan funds that offer acquisition and predevelopment financing on flexible terms to developers of the most critically needed housing.
Land Assembly Operations	To provide seed money to acquire multiple properties in good locations for replacement housing and package them for sale or grant to maximize further affordable housing development.
Capacity Building Grants	To strengthen community nonprofits and faith institutions already providing housing recovery services.
Building Code Enforcement	To alleviate an impediment to housing development because of the lack of building, electrical, and plumbing inspectors as well as permit processing staff. The program will fund at least 60 field inspectors and plan reviewers as well as a limited number of support staff and it will sponsor additional training opportunities for inspectors, engineers, and architects.
Environmental Clearance	To provide written analysis and project management for a broad range of environmental studies as necessary for use of funds under the CDBG programs.
Call Center	For HAP and a registry to call for rental resources.
Housing Services Contract	For initial ICF contract.
Road Home Start-up	For preparation of action plans and setting up the Disaster Recovery Unit.
Economic Development	
Bridge Loan	To provide temporary six-month working capital loan guarantees to owners of small businesses (less than 100 employees).
Business Recovery Grant and Loan Program	To provide targeted assistance to small firms (less than 50 employees) that are deemed to have a chance to survive, contribute to the economy, and maintain and create jobs. Funds would support low-cost loans on flexible terms or small grants to reimburse for operating expenses.
Technical Assistance to Small Firms	To provide technical assistance to small firms, including nonprofits that have been adversely affected by the hurricanes and/or provide assistance to entrepreneurs or individuals seeking to start a new firm that would be located in the impacted area.

Program	Description
Economic Development	
Tourism Marketing Program	To provide resources to conduct a national campaign and other initiatives designed to bring out of state travelers back to the New Orleans region, Southeast and Southwest Louisiana.
Recovery Workforce Training	To provide grants to workforce providers to implement sector-based workforce training programs to train and place workers into jobs within businesses involved in the six identified recovery sectors.
Research Commercialization and Educational Enhancement	To provide funding to retain and rebuild the research and educational capacity of the affected areas by developing a strategic plan and a pilot program based on the strategic plan.
Infrastructure	
Local Government Infrastructure	To provide funding for FEMA ineligible repairs and to provide the 25% match for local HMGP grants.
Primary and Secondary Education	To provide funding for FEMA ineligible repairs to K-12 schools in the most impacted parishes.
Entergy New Orleans	To defray gas and electric utility system repair costs in an effort to mitigate rate increases that would otherwise be passed on the New Orleans ratepayers.
Long-term Community Recovery	To provide funding for the implementation of local long-term recovery plans in the most impacted parishes.
Private Non-Profit	To provide the state match for FEMA PA funds to eligible private non-profit K-12 schools and universities; funding to be provided for cases of critical needs as determined by the state.
Fisheries Infrastructure	To provide funding for the repair and/or enhancement of coastal fisheries infrastructure.
Other Costs	
State Administration	To pay for reasonable administration costs related to the planning and execution of disaster recovery community development activities such as overall program management, monitoring, reporting and evaluation.
Planning	To LRA for developing priorities and programs and evaluating the progress of programs in accomplishing goals and objectives.
Technical Assistance	To provide assistance to local government to help plan and implement long-term recovery strategies.

Contractor or Subject to be Contracted	Program	Amount	Program Delivery	OCD Administration	Beneficiaries
ICF Emergency Management Service	Homeowner's Assistance Program	\$633,000,000	\$633,000,000		
Road Home Corporation	Homeowner's Assistance Program	200,000,000	200,000,000		
Demolition	Homeowner's Assistance Program	140,000,000	140,000,000		
ICF Emergency Management Service	Small Rental Program	123,000,000	123,000,000		
Louisiana Dept of Health and Hospitals	Supportive Housing Services	72,730,000	2,947,363		\$69,782,637
Louisiana Dept of Social Services	Homeless Supports and Housing	25,900,000	622,336		25,277,664
Local Initiatives Support Corporation	Housing Development Loan Fund/Land Assembly Operations	9,075,000	575,000		8,500,000
Enterprise	Housing Development Loan Fund/Land Assembly Operations	9,075,000	575,000		8,500,000
Acorn Housing Corporation	Capacity Building Grants	1,500,000		\$1,500,000	1,500,000
Southeast Louisiana Legal Services	Capacity Building Grants	570,000		570,000	570,000
Louisiana Dept of Public Safety	Building Code Enforcement	6,863,883	267,506		6,596,377
Louisiana Public Facilities Authority	Bridge Loan	30,000,000			30,000,000
Louisiana Public Facilities Authority	Bridge Loan	55,000,000			55,000,000
Louisiana Dept of Economic Development	Business Recovery Grant and Loan Program, Bridge Loans and Technical Assistance to Small Firms	144,500,000	11,500,000		133,000,000
Louisiana Dept of Economic Development	Business Recovery Grant and Loan Program, Bridge Loans and Technical Assistance to Small Firms	9,500,000			9,500,000
Louisiana Dept of Economic Development	Business Recovery Grant and Loan Program, Bridge Loans and Technical Assistance to Small Firms			1,500,000	
Dept of Culture, Recreation & Tourism	Tourism Marketing Program	28,902,000		402,000	28,500,000
Louisiana Workforce Commission	Recovery Workforce Training	38,495,818		495,818	38,000,000
Louisiana Board of Regents	Research Commercialization and Educational Enhancement	28,168,800	563,376		27,605,424
Louisiana Dept of Education	Primary and Secondary Infrastructure	90,003,547			90,003,547
Entergy - New Orleans	Infrastructure	200,000,000			200,000,000
Housing Finance Authority of New Orleans	First Time Homebuyers Pilot Program (part of Piggyback)	27,880,000			27,880,000
Housing & Development Software	State administration of grants	98,800		98,800	

COMMUNITY DEVELOPMENT BLOCK GRANT

Contractor or Subject to be Contracted	Program	Amount	Program Delivery	OCD Administration	Beneficiaries
Housing & Development Software	State administration of grants	\$175,000		\$175,000	
Postlewaite & Netterville	Audit and other services	260,000		260,000	
Postlewaite & Netterville	Audit and other services	136,000		136,000	
Postlewaite & Netterville	Audit and other services	61,319		61,319	
Environmental International Corporation	Environmental clearance	3,998,975		3,998,975	
Applied Language Solutions	Translation services	15,000		15,000	
Louisiana Division of Administrative Law	Homeowner appeals	250,000		250,000	
Louisiana Dept of Justice	For collection of defaulted bridge loans (they receive 25% of what they collect)				
Louisiana Solutions, LLC	Local infrastructure	7,500,000		7,500,000	
Hunt Guillot & Associates	Local infrastructure	9,500,000		9,500,000	
Legal Services (<i>no contractor selected yet</i>)		2,000,000		2,000,000	
Louisiana Legislative Auditor	For recovery assistance work	6,000,000		6,000,000	
Council of State Community Development Agencies	For state training	547,548		547,548	
IT Transition Costs (<i>no contractor selected yet</i>)	For transitional software and other computer information to state from ICF	3,290,000		3,290,000	
State Historic Preservation (<i>no contractor selected yet</i>)	For state historic preservation requirements	180,000		180,000	
Analysis of Impediments (<i>no contractor selected yet</i>)	To conduct a fair housing study as required by HUD	2,000,000		2,000,000	
Total		\$1,910,176,690	\$1,113,050,581	\$40,480,460	\$760,215,649

Source: Provided by OCD.