

**Mississippi Development Authority
Economic Development Program
Amendment 4 Modification 8
Program Funding Reallocation
Date: October 23, 2014**

Overview

The Mississippi Development Authority (“MDA”) submits this Substantial Modification to the Economic Development Program Action Plan Amendment 4. A copy of the Action Plan Amendment 4 and all modifications to it in English, Spanish, and Vietnamese can be found at:

http://www.msdisasterrecovery.com/index.php?option=com_content&view=article&id=59&Itemid=60&lang=us

MDA has determined that this change does represent a substantial modification requiring public comment and formal submission to the U.S. Department of Housing and Urban Development (“HUD”). The nature, purpose, and scope of all affected programs remain the same subsequent to the modification.

This modification pertains to the reprogramming of portions of the \$5.058 billion allocation (Public Law 109-148 at 119 Stat. 2779) and the \$423 million allocation (Public Law 109-234 at 120 Stat. 472) in Community Development Block Grant (“CDBG”) funding from the U.S. Department of Housing and Urban Development (“HUD”) under the total \$5.48 billion federal appropriation. These monies have been designated by Congress for “necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure in the most impacted and distressed areas related to Hurricanes Katrina, Rita, or Wilma.” These funds are being administered by the Mississippi Development Authority (“MDA”) for the State of Mississippi.

Background

Since receipt of its portion of CDBG funds after Hurricane Katrina, the State of Mississippi’s overall recovery plan focused on three priorities: recovering housing stock, retaining and recruiting jobs within the storm impacted counties, and rebuilding and strengthening public infrastructure/facilities in designated disaster areas, including drainage improvements that will prevent flooding in the event of future disasters. As Mississippi’s long-term recovery needs continually evolve and are reevaluated KCDBG funds designated for infrastructure needs must be reallocated to service Post-Katrina population and development trends.

Purpose

The Economic Development Program provides activities for Economic Development, Community Revitalization, and Planning. This modification will reallocate \$800,000 to the Community Revitalization - Go Zone Program. These funds will come from unutilized funds in the Public Housing Program, the Community Revitalization Program (Lower 6) and the Low Income Housing Tax Credit Assistance Fund. The reallocation will move additional funds into a “shovel ready” project designed to eliminate flooding of the City of Meridian’s Central Business District. Flooding occurs to buildings downtown during periods of intense rainfall, such as occurred during Hurricane Katrina, requiring owners to sandbag the fronts of their buildings. The project consists of drainage improvements along 22nd Avenue and 5th Street in downtown Meridian. Existing subsurface drains will be removed and replaced with larger capacity drains to include inlets with greater capacity. It is anticipated that there will also need to be replacement of sewer and water lines and the existing street paving will need to be removed and replaced. The additional \$800,000 will ensure that all these project phases are completed which is critical to the success of the project. The increase has been reviewed by the city engineer and has been deemed necessary and reasonable.

Reallocation from 1st Allotment

Program	Prior Allocation	Re-Allocated Amount	Revised Allocation
Community Revitalization - Go Zone	55,281,011.84	800,000.00	56,081,011.84
Neighborhood Home Program	78,973,304.35	(338,210.88)	78,635,093.47
Public Housing Program	101,342,034.44	(206,619.07)	101,135,415.37
Community Revitalization – Lower 6	285,996,489.46	(255,170.05)	285,741,319.41

Reallocation from 2nd Allotment

Program	Prior Allocation	Re-Allocated Amount	Revised Allocation
Neighborhood Home Program	98,406,339.65	338,210.88	98,744,550.53
Public Housing	358,639.00	(215,915.80)	142,723.20
Tax Credit Assistance Fund	18,040,052.00	(122,295.08)	17,917,756.92

Combined Reallocation

Program	Prior Allocation	Re-Allocated Amount	Revised Allocation
Community Revitalization - Go Zone	55,281,011.84	800,000.00	56,081,011.84
Neighborhood Home Program	177,379,644.00	0.00	177,379,644.00
Public Housing Program	101,700,673.44	(422,534.87)	101,278,138.57
Community Revitalization – Lower 6	285,996,489.46	(255,170.05)	285,741,319.41
Tax Credit Assistance Fund	18,040,052.00	(122,295.08)	17,917,756.92

It must be noted that this reallocation will not impact the intended beneficiaries, planned activities, and on-going projects of the Public Housing, Tax Credit Assistance Fund, and Community Revitalization – Lower 6 Programs from which these funds are being

transferred; it merely draws funds from projects within those programs which have been completed and for which unspent funds remain.

It must also be noted that the total funding for the Neighborhood Home Program remains exactly the same as before this reallocation, set at \$177,379,644.00. The reallocation merely reprioritizes the source of that funding between the 1st and 2nd Allotments.

Substantial Amendments

MDA recognizes that adding or deleting an activity or changing the planned beneficiaries of an activity will constitute a substantial change requiring an amendment to the action plan.

Citizen Participation

This proposed Substantial Modification will be submitted for public comment in English, Spanish and Vietnamese versions to the website at www.msdisasterrecovery.com on October 23, 2014, with the public comment period ending 14 days later on November 6, 2014. Written comments regarding this proposed modification may be mailed to MDA at:

Post Office Box 849
Jackson, MS 39205
Attention: Disaster Recovery Division

Comments may also be submitted via facsimile to (601)359-4003 or via email to disasterrecoverycomments@mississippi.org. Following this comment period, changes may be made to the proposal and a final Substantial Modification will then be submitted to HUD for approval.