

Office of the Governor  
State of Louisiana

JOHN BEL EDWARDS  
GOVERNOR



P.O. Box 94004  
BATON ROUGE, LOUISIANA 70804-9004  
(225) 342-7015  
GOV.LA.GOV

February 2, 2017

The Honorable Bill Cassidy  
United States Senate  
703 Hart Senate Office Building  
Washington, D.C. 20515

The Honorable John Kennedy  
United States Senate  
SRB11, Russell Senate Building  
Washington, D.C. 20515

The Honorable Steve Scalise  
United States House of Representatives  
2338 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Cedric Richmond  
United States House of Representatives  
240 Cannon House Office Building  
Washington, D.C. 20515

The Honorable Clay Higgins  
United States House of Representatives  
1711 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Mike Johnson  
United States House of Representatives  
327 Cannon House Office Building  
Washington, D.C. 20515

The Honorable Ralph Abraham  
United States House of Representatives  
417 Cannon House Office Building  
Washington, D.C. 20515

The Honorable Garret Graves  
United States House of Representatives  
430 Cannon House Office Building  
Washington, D.C. 20515

Dear Senators and Representatives:

Thank you once again for your leadership in helping Louisiana secure a total of \$1.6 billion in Community Development Block Grant (CDBG) funding for Louisiana families impacted by the March and August floods. I am looking forward to meeting with you and your staffs on the afternoon of February 8<sup>th</sup> to continue this partnership for the people of our state who have been impacted by these disasters.

As you are aware, the Restore Louisiana Task Force has approved a recovery program for the entire \$1.6 billion. We believe this plan will not only serve low- and moderate-income families with members who are elderly or living with disabilities, but will also expand to serve, at least partially, all flooded families who did not have flood insurance and who sustained major

or severe damage as determined by FEMA (more than 1 foot of flooding, and more than \$8,000 of damage to the home).

We are also including in this proposed Action Plan Amendment a provision for 100% reimbursement for those families with major or severe damage, without flood insurance, who are low- and moderate-income and the applicant is 62 or older or they have someone with a disability living in the household, who have already rebuilt their homes. For the rest of families with major or severe damage without flood insurance, we are providing for 25% reimbursement of pre-program expenditures, knowing that we still desire to provide additional reimbursement for these families. We would further like to expand that reimbursement so that middle-income families and others who are helping to lead this rebuilding process will be served more fully as well.

However, as the *attached needs chart* demonstrates, we remain more than \$2 billion short in our appropriations request of Congress for this recovery. The two unnamed floods of March and August of 2016 devastated 193,000 families in 56 of our 64 parishes here in Louisiana – and we are, again, seeking your help in communicating the urgency and serious nature of the remaining need to the new administration and to your colleagues in Congress.

### REMAINING FUNDING REQUESTS

The remaining need of our \$3.73 billion CDBG ask of Congress totals **\$2.08 billion**, and is currently divided in our state's proposed action plan as follows:

- \$1.344 billion in additional Homeowner Assistance funding (so far, \$1.323 billion allocated, or 80% of total current appropriations) to fill remaining unmet needs:
  - Reimburse more than 25% of costs expended prior to program engagement
  - Providing 100% assistance to those with household incomes greater than 120% of Average Median Income
  - Providing assistance to those who had flood insurance, but still have an unmet need
  - Providing assistance to those who had less than major or severe damage
- \$80 million in Rental/Homeless/PHA (\$100 million allocated)
- \$58 million in Business/Agriculture (\$62 million allocated)
- \$600 million in funding for Infrastructure Enhancement (so far, Congress has not approved adequate funding for measures to reduce the effects of future disasters, a necessity to protect the ongoing recovery investments being made and normally part of any recovery allocation.)

In addition, our outstanding requests for the following separate funding amounts are necessary to strengthen and protect our families as they rebuild:

- \$125 million in Comite River Diversion Project funding
- \$86 million in Social Services Block Grant funding through the U.S. Department of Health and Human Services.

We would ask that you continue to work with us to secure the necessary assistance in the next appropriations bill Congress considers.

#### FEDERAL LAW AND REGULATION FIXES

Next, I am specifically requesting your help to improve the Stafford Act and assist in the following critical fixes to the referenced federal laws, rules and regulations that are making it difficult for the people of Louisiana to recover in a timely manner.

These are specific fixes that will make an immediate and lasting difference for Louisiana families. Some of these fixes are not without precedent which could assist in generating support in Congress. Others are improvements to federal law that will help not only Louisiana families, but also those families around the country who are similarly slowed in recovering from other natural disasters by these same cumbersome federal regulations.

#### STATUTORY/LEGISLATIVE REQUESTS

- Appropriations Language is needed to allow HUD to waive site-specific Environment Review Requirement (ERR, a HUD NEPA compliance requirement) for single family home rehabilitation:
  - A site-specific ERR could cost as much as \$3,500 per inspection, unnecessary when for many homes in rehabilitation (not reconstruction), the home's footprint will not change.
  - We are requesting that you include the *attached appropriations language permitting HUD to waive the costly, unnecessary ERR requirement* in the cases of these single-family homes. See also the *attached ERR response letter from HUD*, following my October 2016 request to HUD.
- Small Business Administration (SBA) Loan Forgiveness Program for disaster recovery loans, or alternatively, include language in additional appropriations or other congressional act directing that Duplications of Benefits language in the Stafford Act (and therefore in subsequent federal regulations carried out by HUD and FEMA) will not penalize Louisiana families who were approved for SBA loans.

- We want CDBG funding to be able to assist families who either received or were approved for SBA loans. At certain points in the FEMA Individual Assistance application process, FEMA directed many families to apply for SBA loans.
- Due to the low dollar amount provided by the FEMA Individual Assistance program for permanent rebuilding, for many who have progressed further in rebuilding by now than others, SBA loans became the shortest route to rebuilding.
- Now these families are facing being penalized when it comes to receiving CDBG dollars because these funds are not allowed to be used to pay off SBA loans under current law.
- We would suggest two possible fixes:
  - Preferred Route: Create an SBA Loan Forgiveness Program, if this is more viable on the federal level than applying eligible CDBG amounts under the state's homeowner assistance program to forgive SBA loans; *OR*
  - Include the *attached proposed duplication of benefits language* in an appropriations bill to cover the appropriations approved for Louisiana's March and August 2016 floods disaster recovery programs.
- Legislative Language Specifically Waiving the NFIP \$500,000-per-building Deduction for School Campuses. (See *attached NFIP language* used to waive this deduction specifically after Hurricanes Katrina/Rita).

#### REGULATORY WAIVER REQUESTS

- Request for HUD waiver lowering the requirement that 70% of CDBG dollars benefit low- to moderate-income (LMI) families to 50%.
  - See *attached Office of Community Development 2-1-17 letter to HUD, requesting technical assistance to effect this LMI waiver soon*, for benefit now of soon-to-be-opened homeowner assistance program.
- Remove HUD limitation on reimbursing eligible pre-application costs of homeowners and business owners only for rebuilding work completed during the first year after the date of the disaster.
  - Of immediate particular concern are those flood survivors from the March 2016 flood, as the homeowner, rental and small business assistance programs await HUD approval prior to opening the programs.
  - HUD has placed this one year reimbursement limitation in its Federal Register Notice, so we are asking HUD for an extension of the period to two years to provide homeowners and businesses the opportunity to be reimbursed for work done before we get our programs up and running.

(See attached Office of Community Development 1-31-17 written extension request letter to HUD).

### MORTGAGE GUIDELINE REFORMS

Finally, we would like your help in addressing how Fannie Mae and Freddie Mac servicing guidelines appear to be slowing Louisiana homeowners' receipt of their NFIP flood insurance proceeds checks when these homeowners want to rebuild their homes themselves, rather than hire an outside licensed contractor.

Typically, banks and mortgage companies act as the servicing companies for mortgages that have been sold to Fannie Mae, Freddie Mac (government-sponsored enterprises, or GSEs, which are in essence financial services corporations created by Congress) and Ginnie Mae (FHA, VA and USDA loan programs). Banks and mortgage companies servicing these Fannie Mae and Freddie Mac mortgages are bound by the GSE servicing guidelines. Mortgage companies that are servicing Ginnie Mae loans generally follow the GSE servicing guidelines.

Under these GSE guidelines, when a Fannie Mae, Freddie Mac and Ginnie Mae mortgage loan is current or less than 31 days delinquent, and the NFIP proceeds check is less than \$40,000, the bank/mortgage company servicing the loan may determine *if* the homeowner is required to use a licensed contractor. If the insurance proceeds check is greater than \$40,000 on a current loan, GSE guidelines say a bank/mortgage company *must ensure* that a licensed contractor is used. For mortgage loans delinquent by 31 days or more (even if on an approved forbearance plan), the bank/mortgage company *must ensure* a licensed contractor is used.

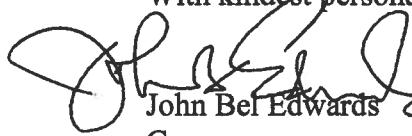
Additionally, Fannie Mae, Freddie Mac and HUD requirements make banks and mortgage companies servicing those mortgage loans require that resourceful Louisiana homeowners hire a licensed contractor in order for the lender to release flood insurance (NFIP) proceeds. This is despite Louisiana law that does not require a licensed contractor for work under \$75,000 (except in specific electric and structural requirements).

It is essential that we work together with Congress to rectify these federal policies and procedures that continue daily to slow the pace of recovery for our people. I am asking you to assist our state in any way you can to bring relief on these mortgage recovery hurdles for our citizens.

Congressional Delegation  
February 2, 2017  
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Thank you again for your continued and sustained efforts in this recovery. I am honored to be able to work with each of you, and look forward to seeing you next week in Washington.

With kindest personal regards,



John Bel Edwards  
Governor

attachment



OFFICE of the GOVERNOR

JOHN BEL EDWARDS

# \$3.73B CDBG Request for the Historic 2016 Flooding in Louisiana

\$1.65B received, leaving \$2.08B in unmet need

## REMAINING NEEDS

\$1,344,106,880		\$80,000,000		\$58,000,000		\$600,000,000
Homeowner		Rental		Bus & Agric.		Infrastructure

## Additional Needs

**\$125M**

Comite River  
Diversion

**\$86M**

Social Services  
Block Grant

## **Social Service Block Grant (SSBG) - \$92 million funding request**

SSBG is a flexible funding source through the US Department of Health and Human Services that provides for essential health and social services needs that have arisen from the devastating impacts of the floods of 2016.

The services such funding supports include services which help: reduce dependency and promote self-sufficiency; protect children and adults from neglect, abuse and exploitation; and help individuals who are unable to take care of themselves to stay in their homes or to secure admission or referral to the most appropriate institutional arrangements, when other forms of care are not appropriate.

*The State of Louisiana has requested SSBG dollars to address the diverse needs of the children and families who have been impacted by the flood and to help support the health and social services agencies that had served these families before they themselves were devastated by the flood.*

*Resources are needed for child abuse prevention, mental health and behavioral health services to stabilize families traumatized by the floods and to prevent the further displacement of children from their families, as well as to prevent families from being split apart due to the expected continual increase in family violence.*

*Resources are further needed to address the loss in, and increased need for: after-school programming, child care slots and community programs that have been eradicated or reduced due to the floods.*

*Resources are needed for the developmentally disabled who have an increased need for supports, such as: respite services, personal care attendant services, equipment, and housing modifications.*

*In these months following flood-impacted families' return to their homes, jobs, schools and community, these families' recovery and resiliency relies heavily on continued and renewed access to supportive services. With thousands not yet recovered, these supports remain critical. Left unaided after natural disasters like the March and August 2016 floods, the increases in family violence, child abuse, mental health trauma, substance abuse, and the need for special supports for the developmentally disabled will inhibit the full recovery of our citizens. There is no greater natural resource in Louisiana than its people.*



**Proposed language on ERR:**

**(Highlighted language is change from standard)**

Provided further, That in administering the funds under this heading, the Secretary of Housing and Urban Development may waive, or specify alternative requirements for, any provision of any statute or regulation that the Secretary administers in connection with the obligation by the Secretary or the use by the recipient of these funds (except for requirements related to fair housing, nondiscrimination, and labor standards) upon a request by the State that such waiver is required to facilitate the use of such funds or guarantees, and a finding by the Secretary that such waiver would not be inconsistent with the overall purpose of the statute, as modified; any waiver with respect to statutory environmental clearance requirements shall be limited to repair or rehabilitation of single family residential structures and shall not waive construction standards for improvements in areas delineated as special flood hazard areas. The waiver authority under this provision shall extend to the appropriation to the Community Development Fund through Section 145 of the Continuing Appropriations Act, 2017, Public Law No: 114-223 and through Section 192 of the Further Continuing Appropriations Act, 2017, Public Law 114-254.

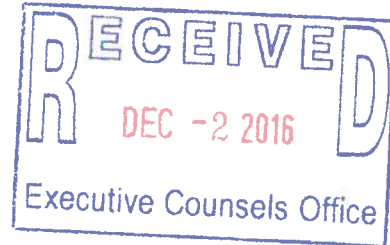


U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-1000

ASSISTANT SECRETARY FOR CONGRESSIONAL  
AND INTERGOVERNMENTAL RELATIONS

NOV 21 2016

The Honorable John Bel Edwards  
Governor of Louisiana  
P.O. Box 94004  
Baton Rouge, LA 70804-9004



Dear Governor Edwards:

On behalf of Secretary Julián Castro, thank you for your letter about the *National Environmental Policy Act* (NEPA) compliance and Community Development Block Grant disaster recovery (CDBG-DR) funding. The following information is from the Department of Housing and Urban Development's (HUD) Office of Environment and Energy.

Your letter requests HUD's flexibility with respect to environmental review requirements. The concerns outlined in your letter pertain to the high costs of site-specific environmental inspections, and you suggested a possible solution would be using the regulatory exemption for imminent threat under HUD's environmental regulations at Section 58.34(a)(10) of Title 24 of the Code of Federal Regulations. While the average cost of site-specific environmental inspections is \$3,500, that cost includes lead-based paint and asbestos testing and remediation costs and these items are outside the scope of the environmental review process. However, it is recognized that the scope of the flooding does place significant burden on the State's resources with respect to NEPA compliance. To that end, HUD will work closely with the State to identify ways to increase the efficiency of environmental reviews and to identify flexibility to reduce the burden and cost of environmental compliance where available while remaining compliant with NEPA and HUD regulations.

With respect to the proposed solution related to Section 58.34 of Title 24 of the Code of Federal Regulations, under HUD's interpretation of Section 58.34(a)(10), to be eligible for the exemption provided, the responsible entity must document the presence of certain conditions that justify the determination of the exemption. The following three conditions must be met:

1. The activities "do not alter environmental conditions" including any of the following: The activity does not: (i) affect significant elements of properties listed on or eligible for listing on the National Register of Historic Places, either per consultation with the State Historic Preservation Officer or per a determination under Section 800.3(a)(1) of Title 36 of the Code of Federal Regulations that the undertaking is a type of activity that does not have the potential to cause effects on historic properties assuming that historic properties are present; (ii) replace, either through rebuilding or major rehabilitation, structures within a floodplain (Special Flood Hazard Area) as determined by the most recent FEMA maps or FIRM that would require additional elevation or other changes; (iii) involve an inappropriate occupancy of a known hazardous site or of a site contiguous to a known hazardous

FAXED

site; (iv) involve work on sites that could adversely impact the known critical habitat of endangered species; or (v) alter a building's footprint.

The activities are "limited to protection, repair, or restoration activities necessary to control or arrest the effects:" The activity does not include new additions, relocation, or enlargements, or changes to the primary use or density of occupancy; and includes work that (i) provides temporary protection from further damage to a building or structure, or that makes permanent repairs to a damaged building or structure; or (ii) is for restoration of essential community services and related utilities and facilities to their condition prior to the disaster without significant change in size or capacity.

3. The activities are necessary "only to control or arrest the effects from disaster or imminent threats to public safety including those resulting from physical deterioration:" Disasters are state or federally declared disasters. An imminent threat to public safety is a threat to the general public outside the building who may be harmed by the collapse of the building. Condemnation for occupancy of a building is inadequate to demonstrate an imminent threat to public safety because it does not demonstrate a harm to the general public outside of the building.

HUD will work closely with the State to help determine how the State can use Section 58.34(a)(10); however, its use is fairly narrow. HUD suggests the State consider an alternative approach that would enable the State to avoid a site-specific review and public notice requirements for most projects by designing a minor rehabilitation program to fund limited activities that would not affect any environmental resources.

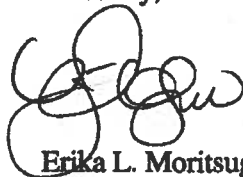
The Department recently had the opportunity to participate in a productive conference call with Louisiana's Office of Community Development to address the concerns identified in your letter. HUD is providing on-site Technical Assistance to the State of Louisiana the week of November 14-18, 2016, focusing on helping to develop a programmatic environmental review for a minor rehabilitation program. HUD will continue to work with the State and the State Historic Preservation Office to explore all available options to limit the requirement for site-specific environmental reviews. In addition, HUD will share how to apply lessons learned and best practices that were developed and used in Hurricane Sandy recovery to streamline and reduce the costs of environmental reviews.

Finally, the Department understands the urgent need that the State of Louisiana is facing in recovering from flooding events in 2016. The value and purpose of the environmental review process is to ensure that residents are safe, and that their homes are free of any adverse environmental conditions. Furthermore, the environmental review ensures that in the Special Flood Hazard Area, houses with substantial damage are elevated or otherwise protected from future flooding.

The Department looks forward to working with you to ensure that the State is able to help residents recover and ensure that the environmental review process is appropriately tailored to achieve the most expedient process possible.

Thank you for your interest in the Department's programs. Please let me know if I can be of further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erika L. Moritsugu', written in a cursive style.

**Erika L. Moritsugu**  
**Assistant Secretary for Congressional**  
**and Intergovernmental Relations**

## **Proposed language on DOB**

### **(Highlighted language is change from standard)**

*Provided further,* That as a condition of making any grant, the Secretary shall certify in advance that such grantee has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5155), to ensure timely expenditure of funds, to maintain comprehensive websites regarding all disaster recovery activities assisted with these funds, and to detect and prevent waste, fraud, and abuse of funds; such grantee's duplication of benefits processes may (1) allow recipients of Small Business Administration Disaster loans for disaster –related damage to be eligible for reimbursement for documented repair, rehabilitation or eligible mitigation work performed on their home as a result of such damage, in which event the reimbursement shall be made directly to the Small Business Administration on behalf of the eligible homeowner for the purpose of reducing the homeowner's outstanding debt obligation to the Small Business Administration for such loan proceeds, and any remaining reimbursement paid directly to the homeowner; (2) require donations of labor or materials from volunteer or philanthropic organizations for the benefit of a homeowner constitute a duplication of benefits only to the extent the value of such labor or materials used for that home has been used as to satisfy a matching requirement for any other Federal program.

**Comment [DAR1]:** Source: PUBLIC LAW 112-74—DEC. 23, 2011 for HMGP/SBA dob process

*Provided further,* that the preceding proviso shall apply to the appropriation to the Community Development Fund through Section 145 of the Continuing Appropriations Act, 2017, Public Law No: 114-223 and through Section 192 of the Further Continuing Appropriations Act, 2017, Public Law 114-254.

### **Duplication of Benefits language excerpt from 11-21-17 Federal Register Notice (page 83,267) for Louisiana's first CDBG appropriation through HUD (\$438 million):**

21. Duplication of benefits. Section 312 of the Stafford Act, as amended, generally prohibits any person, business concern, or other entity from receiving financial assistance with respect to any part of a loss resulting from a major disaster for which such person, business concern, or other entity has received financial assistance under any other program or from insurance or any other source. To comply with Section 312 and the limitation on the use of CDBG–DR funds under the Appropriations Act for necessary expenses, each grantee must ensure that each activity provides assistance to a person or entity only to the extent that the person or entity has a disaster recovery need that has not been fully met. Grantees are subject to the requirements of a separate notice

explaining the duplication of benefit requirements (76 FR 71060, published November 16, 2011). As a reminder, and as noted in the November 16, 2011, notice, in paragraph B of section VI, CDBG-DR funds may not be used to pay an SBA home or business loan. Additionally, this notice does not require households and businesses to apply for SBA assistance prior to applying for CDBG-DR assistance. However, CDBG-DR grantees may institute such a requirement in order to target assistance to households and businesses with the greatest need. In addition to the requirements described here and in the November 16, 2011 notice, grantees must comply with HUD's guidance published on July 25, 2013, "HUD Guidance on Duplication of Benefits and CDBG Disaster Recovery (DR) Assistance," as amended, in regards to declined SBA loans ([https:// www.hudexchange.info/resource/3137/ cdbg-dr-duplication-of-benefitrequirements-and-provision-ofassistance-with-sba-funds/](https://www.hudexchange.info/resource/3137/cdbg-dr-duplication-of-benefitrequirements-and-provision-ofassistance-with-sba-funds/)).

## **NFIP Deduction Language**

Sec 406(d) of the Stafford Act requires a \$500K reduction to facilities that are in a SFHA that did not maintain flood insurance. For Katrina/Rita, in the 2008 Consolidated Appropriations Act, we added a provision that limited that deduction for educational facilities to one reduction per campus.

Previously, for example, if a school had four (4) buildings on a campus, each would be subject to the \$500k deduction.

The language in the 2008 Act was specific to Katrina/Rita. We are recommending that the same be done for our two most recent floods (DR-4263 and DR-4277).

The specific legislative language read as follows:

“Provided further, That section 406(d) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act shall not apply to more than one facility on a school site impacted by Hurricanes Katrina or Rita.”

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

**JOHN BEL EDWARDS**  
GOVERNOR



**JAY DARDENNE**  
COMMISSIONER OF ADMINISTRATION

February 1, 2017

Mr. Stanley Gimont  
Director  
Office of Block Grant Assistance  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street, S.W., Room 7178  
Washington, D.C. 20410-7000

Dear Mr. Gimont:

The purpose of this letter is to request technical assistance regarding a Secretarial waiver of regulations under P.L. 114-223 and P.L. 114-254, as well as any forthcoming appropriations, to reduce the overall benefit requirement of seventy percent (70%) for low- and moderate-income persons/families to fifty percent (50%), as has previously been granted to Louisiana for disasters impacting the state, including hurricanes Katrina, Rita, Gustav, Ike, and Isaac, as well as states in the Northeast impacted by Superstorm Sandy.

Based on conversations with HUD staff, and on review of other states that have made this type of waiver request, the State of Louisiana is requesting this technical assistance and guidance from HUD on substantiating the request for a Secretarial waiver of the statute governing the low- and moderate-income expenditure provisions. The state believes it has practical and rational justification to support this waiver request at the outset of its programs.

As a matter of historical fact, in the February 13, 2006 Federal Register, the Secretary of HUD granted a fifty percent (50%) low- and moderate-income waiver for hurricanes Katrina and Rita, writing, "since extensive damage to community development and housing affected those with varying incomes, and income-producing jobs are often lost for a period of time following a disaster, HUD is waiving the seventy percent (70%) overall benefit requirement, leaving the fifty percent (50%) requirement, to give grantees greater flexibility to carry out recovery activities." The same rationale holds true for the Great Floods of 2016.

The Great Floods in March and August 2016 impacted communities in 56 of Louisiana's 64 parishes, 10 of which have been determined by HUD to be the "most impacted and distressed." As in previous Louisiana disasters since 2005, citizens of all incomes were impacted by the flood events, many of whom did not live in a designated floodplain and, consequently, were not required or expected to carry flood insurance. Of the 57,600 homeowners who suffered Major or Severe damage in the Great Floods of 2016, forty-four percent (44%) were low- and moderate-income.



In response to the 2016 flooding, the state intends to administer a Homeowner Rehabilitation and Reconstruction Program to address the unmet needs of all flood victims. However, at this time, allocated Community Development Block Grant Disaster Recovery funding is not sufficient to fulfill all unmet needs of all homeowners. As a result, the state is initially targeting those households both in and out of a floodplain with major/severe damages and no flood insurance, a total of approximately 36,510 households. Fifty-three percent (53%) of the affected households are low- and moderate-income.

Currently, the state is allocating \$1.32 billion of its \$1.65 billion in allocations, or eighty percent (80%), towards its homeowner program. Of that amount, the state estimates that a total of sixty-five percent of the funds (65%) will be for the benefit of low- and moderate-income households. For prospective work to be completed on homeowners' homes, the state intends to cover 100 percent of all repair costs for those households earning up to 120 percent of the area median income, and fifty percent (50%) of the repair costs for those households earning over 120 percent of the area median income. While this approach does not meet all unmet needs, it places a priority within the program on ensuring that all eligible low- and moderate-income households are fully served and are able to move back to completed homes. This strategy encourages non- low- and moderate-income families of higher incomes to leverage personal or private funds with limited CDBG-DR funds; in most cases this infusion of CDBG-DR assistance will be critical for homeowners to complete their rehabilitation.

In providing technical assistance to the state for this request, it is necessary to look at the overall impact the 2016 floods had on communities. In the floods, entire communities were affected and in order to ensure entire communities are able to recover and rebuild, it is imperative unmet needs are addressed in a holistic manner. Failure to do so will likely result in unintended consequences such as partially rehabilitated neighborhoods, departure of Louisiana residents unable to find other means to fill their funding gaps, increased foreclosure rates and lower tax base and revenues for local governments, resulting in fewer public services for all community residents. Assistance to non- low- and moderate-income households is absolutely essential in helping the impacted communities recover in a holistic manner.

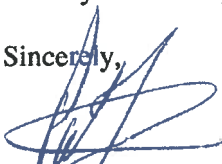
Louisiana has first-hand experience with assessing the positive results of serving non- low- and moderate-income populations as part of its recovery strategy. CDBG-DR assistance provided to non- low- and moderate-income homeowners was critical to the recovery of the City of New Orleans and southern Louisiana following hurricanes Katrina and Rita, since citizens there decided to rebuild their homes and stay in their neighborhoods or elsewhere in the state. For the Great Floods of 2016, it is essential that the state have the flexibility to use CDBG-DR funds in a similar manner, to achieve similar results.

Based on the above information, the state believes it can make the necessary case that this waiver be granted now, during the design of programs, rather than at a later date. Added benefits to providing a waiver at the front-end of program design include the control of program delivery expenses that increase whenever program policies change once a program is underway, and ensuring implementation of programs will not be interrupted. Furthermore, communicating the long-term recovery strategy from the outset of the program will provide the public with the full knowledge of how the state's recovery plan will impact them. For many families, the state's policies will be factored into their financial decisions for their personal flood recovery plans.

As always, we appreciate the partnership and guidance provided by HUD as Louisiana continues to recover from the Great Floods of 2016. We believe a perfect opportunity for this Technical Assistance request is during HUD's forthcoming monitoring visit of our agency, set for February 13 – 17, 2017. HUD staff will be on-site monitoring existing grants, and an extensive review of data surrounding this request would be both timely and tremendously beneficial.

I trust that you will give this request for technical assistance every appropriate consideration, and know that if you need any additional information in support of the request, do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read 'P. Forbes', written over the word 'Sincerely,'.

Patrick W. Forbes, P.E.  
Executive Director

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

**JOHN BEL EDWARDS**  
GOVERNOR



**JAY DARDENNE**  
COMMISSIONER OF ADMINISTRATION

January 31, 2017

Mr. Stanley Gimont  
Director  
Office of Block Grant Assistance  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street, S.W., Room 7178  
Washington, D.C. 20410-7000

Dear Mr. Gimont:

The purpose of this letter is to request a written extension to the one year limitation of eligible pre-application costs of individuals and private entities related to single- and multi-family residential structures and nonresidential structures, per HUD guidance in CPD Notice 2015-07.

By this letter, the state is formally requesting a written 12-month extension to the one year limitation of eligible pre-applications costs of individuals and private entities related to single- and multi-family residential structures and nonresidential structures.

HUD CPD Notice 2015-07 states, "Grantees may charge to CDBG-DR grants the eligible pre-application costs of individuals and private entities related to single- and multi-family residential structures and nonresidential structures, only if the person or private entity incurred the expenses within one year after the date of the disaster and before the date on which the person or entity applies for CDBG-DR assistance. HUD, at the request of a grantee, may provide that grantee with a written extension to this one year limitation, for an amount of time established by HUD. Extensions will be provided on a case-by case basis after the Department has made a determination of good cause based on its examination of the reasons for the request."

Because Louisiana suffered severe flooding in March 2016 – flooding that resulted in Presidential Declarations in 45 of the state's 64 parishes – and because Louisiana's two appropriations to address both the March and August flooding events were appropriated in October and December 2016, the state believes there is sound cause to make this request for a 12-month extension of the one-year limitation.

As an example, it would be difficult to explain the practical rationale to a homeowner or business owner who flooded in March 2016 that any work they completed prior to application would only be eligible for reimbursement up to March 8, 2017 (one year after the start date of the flood event), but that any work performed after March 8, 2017 would be ineligible for reimbursement, when CDBG-DR funding was not appropriated by Congress until October 2016 and programs were not available to homeowners or businesses until after March 2017. Clearly, homeowners and business owners making decisions to rebuild are basing those decisions on their actual moment-in-time financial situations, rather than the date of the storm. The one-year limitation could have the unintended consequence of encouraging those in the process of rebuilding to put their efforts on hold until program funds become available.

Further support for this request is the fact that because of the extraordinary nature of the August 2016 floods, many people and private entities affected by the March 2016 floods have not had adequate opportunity for even short-term recovery. In effect, the impact of floods on top of floods has caused such disruption and delay for everyone in the state that it would be both equitable and reflective of the practical realities of consecutive floods to allow an extension of time in our case.

Pursuant to the good cause set forth above, the state respectfully asks HUD to grant a 12-month extension of the one year limitation of CPD Notice 2015-07, such that the time limitation is extended through March 2018 (one full additional year), applicable to both those recovering from the March 2016 and the August 2016 floods. Should application be made to the program prior to March 2018, the limitation would be from the date of application to the state's program.

As always, we appreciate the partnership and guidance provided by HUD as Louisiana continues to recover from the Great Floods of 2016. I trust that you will give this one-year limitation extension every appropriate consideration. Should you need any additional information in support of this request, do not hesitate to contact me.

Sincerely,



Patrick W. Forbes, P.E.  
Executive Director