

Office of the Governor  
State of Louisiana

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GOVERNOR



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February 2, 2017

President Donald J. Trump  
The White House  
1600 Pennsylvania Avenue NW  
Washington, D.C. 20500

Dear Mr. President:

I want to take this opportunity to once again thank you for the attention you have given to the state of Louisiana following the historic floods in 2016. As I have previously mentioned, the March and April 2016 floods impacted 193,000 families across 56 of our 64 parishes, and now represents the fourth most costly flood event in U.S. history. You personally witnessed the devastating impact of the August flood in Baton Rouge, and in our meeting in December. You graciously reaffirmed your commitment to further assisting with our recovery.

To date, Congress has approved a total of \$1.6 billion in Community Development Block Grant (CDBG) disaster recovery funding for Louisiana families, law enforcement, renters and small businesses fighting to rebuild after these historic floods. These funds were secured as part of two Continuing Resolutions in October and December. The state is currently beating all previous post-disaster timelines in submitting the federally-required action plans for spending that money to the US Department of Housing and Urban Development (HUD). Beyond that, however, we are working to include in our plan the ability to reimburse families who went ahead, rebuilt quickly with their life-savings, retirement accounts and Small Business Administration (SBA) loans, only to now face a lifetime of debt. We are also working to provide match funds to police, sheriffs and fire departments, as well as other local government entities that are working and serving people closest to their homes.

However, as the *attached needs chart* demonstrates, Louisiana citizens remain more than \$2 billion short of our appropriations request. I am returning to Washington next week to meet with the Louisiana congressional delegation, appropriations members in both the Senate and House, and with the White House, should your schedule permit.

Our state's \$2.08 billion in unmet recovery need remains in the following categories:

- \$1.344 billion in Homeowner Assistance (assistance that would meet the unmet need of the 57,000 families whom FEMA determined to have major or severe damage to their homes, i.e. more than 1 foot of water, and more than \$8,000 of damage to their home)
- \$80 million in Rental Assistance (1 in 4 of the 193,000 families impacted by the floods)
- \$58 million in Business/Agriculture Assistance
- \$600 million in infrastructure funding (to date, no funds have been appropriated for resiliency and flood protection. This is the first time in recent memory that infrastructure assistance was not secured after this type of natural disaster.)

In addition, our state is seeking the following separate funding amounts necessary for smart regional flood protection and construction planning going forward, as well as the long-term physical and health-related recovery needs of our family units here in Louisiana:

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

On behalf of the Louisiana families still recovering, I would urgently request that, before the expiration of the current CR on April 28, 2016, your administration support inclusion of the \$2.08 billion in unmet Louisiana recovery needs.

In addition, you are a leader who has publicly recognized the damage that federal over-regulation can cause hard-working Americans. Therefore, I would personally request your administration's focused assistance in rectifying several cumbersome federal regulations that are slowing not only Louisiana families' recovery, but also that of families in other states like North Carolina, Texas and Florida, currently coming back from their own 2016 natural disasters:

#### LEGISLATIVE REQUESTS

- Appropriations Language is needed to allow HUD to waive site-specific Environment Review Requirement (part of NEPA compliance under current HUD regulations) where the work will not have an environmental impact:
  - 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 at all.

- 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 Small Business Administration (SBA) loans.
  - Currently, hard-working families who went ahead and used SBA loans to rebuild and help bring communities back more quickly are being penalized because federal regulations, based upon the Stafford Act, do not allow the use of CDBG funding to repay SBA loans.
  - So CDBG funding may currently be used to help families who have not yet rebuilt, but not those who used SBA loans (debt now to be visited in many cases on their heirs) to rebuild quickly.
- Legislative Language is needed specifically waiving an NFIP \$500,000-per-building Deduction for School Campuses that punishes schools educating our children and makes it nearly impossible for schools to afford using their required flood insurance.

#### REGULATORY WAIVER REQUESTS

- Request for HUD waiver lowering the requirement that 70% of CDBG dollars benefit low- to moderate-income (LMI) families to 50%.
- Request for HUD extension of the one-year limitation that means that any work done more than one year after the date of a disaster is not eligible for reimbursement by CDBG dollars. (Immediately hurts our March 2016 flood survivors).

#### MORTGAGE GUIDELINE REFORMS

- Fannie Mae, Freddie Mac, and Ginnie Mae federal servicing guidelines are slowing Louisiana homeowners' receipt of their approved NFIP flood insurance proceeds checks when these homeowners want to rebuild their homes themselves, rather than hire an outside licensed contractor.
- Federal servicing requirements force banks and mortgage companies servicing these mortgage loans to require that resourceful Louisiana homeowners hire a licensed contractor in order for the lender to release flood insurance (NIPA) 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).
- We are seeking your support to remove these federal procedural hurdles from the path of recovery for Louisiana homeowners holding these mortgages.

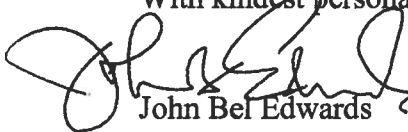
COST SHARE WAIVER

- Having endured 14 natural disasters since 2005 in Louisiana, previous disaster cost share required by the federal government has drained the fisc of local governments now working to recover from the 2016 floods.
- More than a dozen law enforcement agencies alone have applied for the federal Community Disaster Loan program to secure revenue lost for operating expenses, solely in order to attempt to stay in operation. The flood significantly impacted property values and these agencies are funded through property taxes. It will be many years before these critical agencies' revenue sources are returned to their pre-flood levels.
- We therefore request that your administration urge FEMA to waive the state and local cost share (match) required in the March and August 2016 flood recovery Public Assistance funds approved for Louisiana.

Any help that your administration can provide in helping to make these immediate and lasting differences, not only for Louisiana citizens but for every American upon whom a natural disaster visits such devastation, would be greatly appreciated. I have provided to our Louisiana congressional delegation more detail on these suggested improvements.

Thank you again for your continued leadership and sustained efforts in our state's recovery. I look forward to working with you and hope you can provide any assistance to our state in this regard.

With kindest personal regards,



John Bel Edwards  
Governor

cc: Senator William G. "Bill" Cassidy, M.D.  
Senator John Kennedy  
Congressman Stephen J. Scalise  
Congressman Cedric L. Richmond  
Congressman Clay Higgins  
Congressman Mike Johnson  
Congressman Ralph L. Abraham, M.D.  
Congressman Garret Graves



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