



OFFICE *of the* GOVERNOR

JOHN BEL EDWARDS

House Committee on Oversight and Government Reform Hearing
***“Oversight of the Federal Emergency Management Agency’s Response to the Baton Rouge
Flood Disaster: Part II.”***

Full Testimony of Louisiana Gov. John Bel Edwards
April 5, 2017

As prepared for delivery

Chairman Chaffetz, Ranking Member Cummings, Members of the Committee:

Good morning, and thank you for the opportunity to be here today.

What you are doing here today—working to get down to the specifics of exactly how to improve and speed up the way the federal government responds to natural disasters—can provide immediate help not only to the people of Louisiana, but can also help citizens of every state for years to come. Natural disasters know no party, income or political boundaries.

Back in September of 2016, I testified before the Subcommittee on Transportation and Public Assets regarding the immediate response to the historic floods that hit Louisiana in August. Since that time, the Louisiana congressional delegation and I have worked with you and your colleagues to discuss what it will take to give the people of Louisiana a full recovery. These conversations have been extremely productive, and I am grateful for the time this committee has taken to visit Louisiana to better understand the challenges we are facing.

Understanding just how widespread the destruction was and how many people, businesses and communities were affected from two historic floods is critical to any conversation about recovery and where we go from here. But just as important, is an understanding about how federal regulations limit, slow down, and in many cases, have hindered our ability to get the assistance we need for the people of Louisiana.

CDBG dollars can take 8, 10, or even 12 months or more to get to families struggling to rebuild. FEMA Manufactured Housing Units take far too long and cost far too much. Middle income families are penalized and delayed in their recovery under CDBG income limits that do not correspond to the way floods batter communities. Expensive environmental reviews slow construction and waste money. SBA loans are offered as the only immediate solution for

families determined to rebuild quickly, and then, are counted as an identical benefit to CDBG grants.

And it's not just these floods in Louisiana; these are all problems that repeat in disaster after disaster. If you haven't seen them surface in your district, I hope you never have to, but statistics say you probably will.

When we talk about last year's flooding in Louisiana, you all know it as the historic flood in August. But, last March, much of the state was also struck by widespread flooding that impacted nearly every corner of Louisiana. Together, these floods were the fourth most costly flood event in United States History.

In fact, since I took office as governor last year, 57 of Louisiana's 64 parishes have received federal disaster declarations – many parishes being hit more than once. Those parishes account for 85 percent of the entire population of Louisiana. The waters may have long since receded, but their mark remains in living rooms and schools and mom and pop shops around the state.

As governor, one of the most painful realities of a disaster, second only to watching your people suffer, is knowing that getting help directly to the people impacted can never come fast enough and it is never enough. Many families and businesses have lost everything. The reality we have faced in Louisiana is that many of the challenges that plagued the recovery from Hurricane Katrina still cause problems today – a bureaucracy designed to help in emergencies is, in fact, one of the greatest obstacles.

We have worked around the clock to act as quickly as possible within the parameters set by federal regulations. We have beaten every deadline assigned to our state in the process of bringing home Community Development Block Grant funds, and yet still, we know there are improvements we can make, which is why I am here today.

There are lessons to be learned from every disaster. You have specifically asked me to talk to you about Shelter At Home.

After Hurricane Katrina, we saw entire communities turn into ghost towns. St. Bernard Parish, a suburb of New Orleans, lost more than half its population. Families were broken apart, businesses closed without customers to sell to, and there were far too many students and teachers who never returned to their classrooms.

After last year's flooding, it was important to us that we didn't let that happen again.

We looked to the programs utilized around the country and the lessons learned from other devastating events, such as Superstorm Sandy. Keeping in mind our goal of piecing

communities back together, coupled with the fact that our hotels and rental units were also severely damaged by the flood, we studied New York's Sheltering and Temporary Essential Power Pilot Program. We decided that a restructuring of this program was the most responsive way to prevent repeating what happened during Hurricane Katrina.

Together with FEMA and in consultation with the Department of Homeland Security's Office of Inspector General, we developed our own innovative housing program with the objective of getting families back into their homes faster and promoting community resilience. Our restructuring included: excluding commercial properties, incorporating more control measures to minimize cost increases per residence, and utilizing a neutral program manager that tasked the contractors with a specific scope of work and inspected the completed work.

Shelter at Home was also the most cost effective temporary housing option available. Families that are able to shelter in their home are much more likely to make permanent repairs to that home; and in a timelier manner. The only viable alternative to the Shelter at Home Program was to put thousands of displaced families into hotels, mostly outside of their hometowns and at a much greater cost. It would have cost us roughly \$40 million per month to house in hotels the 11,000 families who used Shelter At Home.

However, we encountered numerous roadblocks within the federal process that limited the assistance we were able to provide to homeowners.

The first major roadblock dealt with were the repairs we were allowed to make. For instance, there are certain things that make a home look and feel like a home that were not permitted under federal guidelines. While the program was never intended to transform a home back to its original state, the fact that we were strictly limited to only temporary work left the home's appearance with much to be desired. Expectations, understandably, were often far above the FEMA restrictions we were bound by.

In the beginning, we asked FEMA for permission to expand the program and install sheetrock in the homes' exterior walls. People in neighborhood after neighborhood asked us for that, so we asked FEMA, but our request was denied because FEMA dollars can only be spent on temporary work, we were told. You can help us with this.

Additionally, the gap in federal recovery is the frustrating period between the mass shelter and the day the state receives the federal money to open the homeowner rebuilding assistance program. It is every governor's, every mayor's, every legislator's and – we trust – every congressman's goal to expedite that process. You can help in that endeavor by removing federal hurdles. If a disaster occurred today creating a major housing crisis, a program such as Shelter at Home is still the most responsive means of addressing large scale housing shortfalls. By

removing the duplication of benefits language in 42 U.S.C. and incorporating the Sheltering and Temporary Essential Power Pilot Program into FEMA regulation under the Public Assistance Program, Category B, you will assist states and communities in meeting disaster specific needs.

In closing, these are just a few examples of roadblocks we encountered in Louisiana and solutions that could help. I look forward to having this conversation with you all today.

Thank you for your time.

SAH limitations by the Stafford Act (and implementing Federal Regulations)

BLUF: SAH was an attempt by FEMA to solve a major housing crisis by creating a program that does not currently exist in the confines of the Stafford Act and subsequent Federal Regulations. FEMA regulations do not have a good interim housing solution.

FEMA assistance is either under Individual Assistance, Public Assistance or Hazard Mitigation.

If temporary repair work to homes is done under Individual assistance (44 CFR 206.101) then the amount needed comes out under the \$33,000 cap. Additionally, it puts the burden on the homeowner to arrange, contract, and monitor for construction work. It is also a lengthy process.

Homeowners benefit by having FEMA allow home repairs under Public Assistance because it is outside and in addition to the IA household cap.

The only category of work under Public Assistance that allows for SAH type work is Category B (Emergency Protective Measures).

However, as currently written in the Stafford, FEMA is legally prohibited from duplicating benefits (Stafford Act 312, 42 USC § 5155, 2 CFR 200.406). This includes duplication of benefits between FEMA programs such as IA and PA and also insurance proceeds.

Because many residents are either getting NFIP proceeds or IA, if the work appears to be duplicative then money could be deobligated from the homeowner, and cause long term financial harm.

Proposed solutions:

Option 1: Expand the IA program. Increase the cap. Change Individual assistance in 44 CFR 206.101(g)(4) to create STEP/SAH as an additional benefit that would increase overall IA benefits. Also, increase the speed this particular program is turned on by using a hardware store voucher do-it-yourself program that allows maximum use of dollars expended and control of homeowners to assess individual needs.

Option 2: Write in a new Category of work into the Public Assistance Emergency work section that allows for Emergency Repairs that does not conflict with IA. Amend the Stafford Act 312, to clarify an exception that STEP/SAH is not duplicative to other federal benefits due to the necessity of immediate sheltering needs.

Sample language for (42 U.S.C. 5155):

(a) General prohibition

The President, in consultation with the head of each Federal agency administering any program providing financial assistance to persons, business concerns, or other entities suffering losses as a result of a major disaster or emergency, shall assure that no such person, business concern, or other entity will receive such assistance with respect to any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source.

(b) Special rules

(1) Limitation

This section shall not prohibit the provision of Federal assistance to a person who is or may be entitled to receive benefits for the same purposes from another source if such person has not received such other benefits by the time of application for Federal assistance and if such person agrees to repay all duplicative assistance to the agency providing the Federal assistance.

(2) Procedures

The President shall establish such procedures as the President considers necessary to ensure uniformity in preventing duplication of benefits.

(3) Effect of partial benefits

Receipt of partial benefits for a major disaster or emergency shall not preclude provision of additional Federal assistance for any part of a loss or need for which benefits have not been provided.

(4) Exception

Receipt of benefits from disaster assistance provided by the President through an Emergency or Major Disaster declaration through States and local government for limited interim housing and sheltering needs shall not be considered as a duplication of benefits with any other Federal assistance due to the emergency circumstance in which sheltering is required.

(c) Recovery of duplicative benefits

A person receiving Federal assistance for a major disaster or emergency shall be liable to the United States to the extent that such assistance duplicates benefits available to the person for the same purpose from another source. The agency which provided the duplicative assistance shall collect such duplicative assistance from the recipient in accordance with [chapter 37 of title 31](#), relating to debt collection, when the head of such agency considers it to be in the best interest of the Federal Government.

(d) Assistance not income

Federal major disaster and emergency assistance provided to individuals and families under this chapter, and comparable disaster assistance provided by States, local governments, and disaster assistance organizations, shall not be considered as income or a resource when determining eligibility for or benefit levels under federally funded income assistance or resource-tested benefit programs.

Office of the Governor
State of Louisiana

JOHN BEL EDWARDS
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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 8th 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.

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February 2, 2017

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(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.

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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
Homeowner

\$80,000,000
Rental

\$58,000,000
Bus & Agric.

\$600,000,000
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.

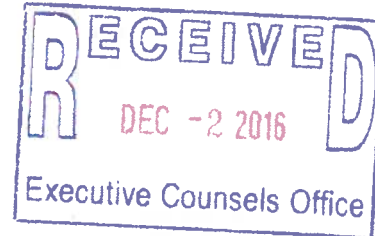


U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-1000

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

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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.

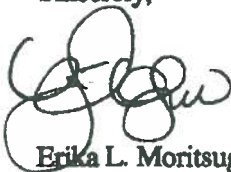
The Department recently had the opportunity to participate in a productive conference call with Louisiana's Office of Community Development to address the concerns identified in your letter. HUD is providing on-site Technical Assistance to the State of Louisiana the week of November 14-18, 2016, focusing 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 'E. 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 deb 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 7th 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.

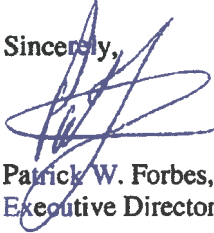
Louisiana has first-hand experience with assessing the positive results of serving non- low- and moderate-income populations as part of its recovery strategy. CDBG-DR assistance provided to non- low- and moderate-income homeowners was critical to the recovery of the City of New Orleans and southern Louisiana 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 'Patrick W. 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 7th 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

Kimberly Poorbaugh

From: William Rachal
Sent: Wednesday, March 22, 2017 2:53 PM
To: Kimberly Poorbaugh
Subject: FW: SAH request to expand

From: Stolar, Gerard [Gerard.Stolar@fema.dhs.gov]
Sent: Friday, October 07, 2016 3:49 PM
To: William Rachal
Cc: Robinson, Tony; James Waskom
Subject: RE: SAH request to expand

Will __ Good Afternoon. Acknowledge receipt. We will review and provide feedback.

Gerry

Gerard M. Stolar
Federal Coordinating Officer
FEMA-3376-EM-LA
FEMA-4263-DR-LA
FEMA-4277-DR-LA
gerard.stolar@fema.dhs.gov
Mobile: 940.255.9267

From: William Rachal [mailto:William.Rachal@LA.GOV]
Sent: Friday, October 07, 2016 3:48 PM
To: Stolar, Gerard <Gerard.Stolar@fema.dhs.gov>
Cc: Robinson, Tony <Tony.Robinson@fema.dhs.gov>; James Waskom <James.Waskom@LA.GOV>
Subject: Fwd: SAH request to expand

Gerry please find draft for request to expand. Let me know your thoughts.

Will

Sent from my iPhone

Begin forwarded message:

From: Danielle Aymond <Danielle.Aymond@la.gov>
Date: October 7, 2016 at 3:34:03 PM CDT
To: William Rachal <William.Rachal@LA.GOV>
Subject: SAH request to expand

Will:

Please find attached the current draft of the Request to Expand SAH and two attachments.

Please let me know should you have any questions.

Thank you,

Danielle Aymond

Executive Counsel

Governor's Office of Homeland Security and Emergency Preparedness

225-925-7541

337-515-4127

danielle.aymond@la.gov

From: Jaron Herd

Sent: Friday, October 07, 2016 3:31 PM

To: Danielle Aymond <Danielle.Aymond@la.gov>

Subject: FW: Please prepare for signature

Second time is a charm☺

“Mahalo” for Your Cooperation,

Jaron Herd

Sr. Admin. Asst. to Executive Counsel, Danielle Aymond

Governor's Office of Homeland Security

& Emergency Preparedness

Direct line: 225-358-5358

Fax: 225-925-7501

jaron.herd@la.gov

**Governor's Office of Homeland Security
and Emergency Preparedness
State of Louisiana**

JOHN BEL EDWARDS
GOVERNOR



JAMES B. WASKOM
DIRECTOR

DIR-2016-1007-

October 7, 2016

**Mr. Gerald Stolar
Federal Coordinating Officer (FCO)
1500 Main Street
Baton Rouge, Louisiana 70802
FEMA-4277-DR-LA**

Re: Request to Expand Shelter at Home (SAH)

Dear Mr. Stolar:

On August 29, 2016, the State implemented FEMA's STEP program (State Shelter at Home Program). To date, the program already has over 20,000 applications; however, the State has identified an additional need to further safeguard residents.

The State is requesting FEMA to expand its STEP program based on the specific factual issues facing Louisiana by adding the State's ability to take additional protective measures to protect homeowners. The State contends this will vastly protect the health and welfare of citizens by providing them more protection from the elements and allow for easier de-humidification. These additional protective measures will reduce the probability of mold recurrence, promote energy efficiency, and protect residents from spikes in temperature.

The State believes this change supports an increase in the cap for the program, with an estimated needed increase to \$22,000. (See Attachment 1) The State has done extensive research to bid the costs of labor and materials for these protective measures and find that the current industry standards for an average house would cost between \$5,900 to \$6,400 per home.

Additionally, if approved, this change will require that the program application period be extended. The State is requesting an extension of two weeks (November 1, 2016). An extension is supported by the combination of this expansion, newly implemented

October 7, 2016
Page 2

disability outreach plan, and the recent extension of the Individual Assistance (IA) deadline. This program has been highly successful, well received, and a huge support in the current housing crisis.

The State believes that even with the expansion and extension of the SAH program, SAH is still a costs savings to the State and Federal Government as SAH is the most economical option for safe and habitable housing. Additionally, a safer, more energy efficient program, is more conducive to communities coming back together and supporting the re-building of Louisiana.

If I can provide further information concerning the justification of this request, please contact me at james.waskom@la.gov or (225) 252-2172.

Sincerely,

James B. Waskom
Governor's Authorized Representative

ATTACHMENT 1: Cost Estimates
ATTACHMENT 2: Dry wall Estimates

EBR_4'EXT

Main Level

Main Level

DESCRIPTION	QNTY	REMOVE	REPLACE	TOTAL
1. Batt insulation - 4" - R13 - paper faced	1,643.20 SF	0.00	1.15	1,889.68
2. 1/2" drywall - hung only (no tape or finish)	1,643.20 SF	0.00	2.40	3,943.68
Total: Main Level				5,833.36
Line Item Totals: EBR_4'EXT				5,833.36

Grand Total Areas:

6,195.86 SF Walls	1,748.74 SF Ceiling	7,944.60 SF Walls and Ceiling
1,748.85 SF Floor	194.32 SY Flooring	640.38 LF Floor Perimeter
0.00 SF Long Wall	0.00 SF Short Wall	665.71 LF Ceil. Perimeter
1,748.85 Floor Area	1,897.57 Total Area	6,395.33 Interior Wall Area
2,292.55 Exterior Wall Area	217.41 Exterior Perimeter of Walls	
0.00 Surface Area	0.00 Number of Squares	0.00 Total Perimeter Length
0.00 Total Ridge Length	0.00 Total Hip Length	

Summary for Dwelling

Line Item Total	5,833.36
Replacement Cost Value	\$5,833.36
Net Claim	\$5,833.36

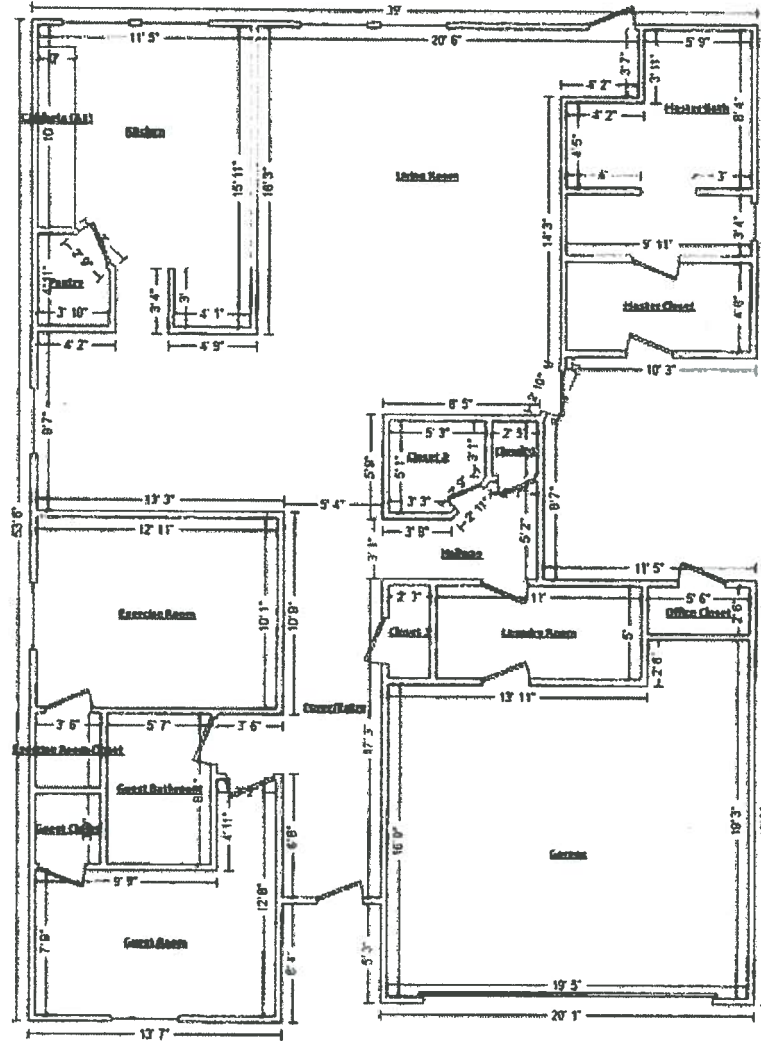
Recap by Room

Estimate: EBR_4'EXT

Area: Main Level	5,833.36	100.00%
<hr/>		
Area Subtotal: Main Level	5,833.36	100.00%
<hr/>		
Subtotal of Areas	5,833.36	100.00%
<hr/>		
Total	5,833.36	100.00%

Recap by Category

Items	Total	%
DRYWALL	3,943.68	67.61%
INSULATION	1,889.68	32.39%
Subtotal	5,833.36	100.00%



Main Level

Average estimate Cost \$ 10,650.08

# Estimates Less than or equal to Average	2,665
# Estimates Between \$10,650.09 and \$13,000	1,100
# Estimates Between \$13,000.01 and \$15,000	1,621
# Estimates Between \$15,000.01 and \$16,500	155
# Estimates Greater than \$16,500.01	73

Total Estimates (Initial Insp Thru Oct. 1) 5,614

High Range	8' Sheetrock 1800 SF Home	4" R13 Insulation 1800 SF Home	Total
\$ 10,650	\$ 3,950	\$ 2,460	\$ 17,060
\$ 13,000	\$ 3,950	\$ 2,460	\$ 19,410
\$ 15,000	\$ 3,950	\$ 2,460	\$ 21,410



OFFICE *of the* GOVERNOR

JOHN BEL EDWARDS

On January 11, 2016, Governor John Bel Edwards was sworn in as the 56th Governor of Louisiana.

The governor grew up in Amite, Louisiana as one of eight children. With four Tangipahoa Parish Sheriffs in his lineage, he learned the importance of public service at an early age.

Governor Edwards graduated in 1988 from the United States Military Academy at West Point. The governor served eight years as an Airborne Ranger on active duty with the United States Army and commanded a rifle company in the 82nd Airborne Division at Fort Bragg, North Carolina.

In 2008, he was elected to the Louisiana House of Representatives from District 72, where he served for eight years until the voters of Louisiana elected him governor in November 2015.

Governor Edwards and his wife, First Lady Donna Edwards, have three children: Samantha Bel, Sarah Ellen, and John Miller.