

## State of Louisiana OCD-DRU corrects Action Plan 9 and effectively hides \$682 million to benefit credit worthy

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# RESTORE

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When plans are made to move money from one program to the next amounts below several million do not have to be approved by HUD but when the State of Louisiana OCD-DRU places 682 million of homeowners assistance "on hold" for SBA loan recipients...

Read Link to: [Email Letter sent to the Restore Louisiana Homeowners Task Force](#) that was the driving force behind the state of Louisiana Office of Community Development - Disaster Recovery Unit to correct their Action Plan Amendment submitted to HUD CDEG-DR.

**Update 9-8-2018:** The email that sparked the editing of Action Plan Amendment 9 was sent on July 19, 2018 after it was published to the OCD-DRU website and sent to HUD. On July 20th 2018 the OCD-DRU of Louisiana edited the APA 9 and sent the newest version to HUD.

[Email Link that pointed out this could be an issue for HUD-OIG.](#)

### STATE OF LOUISIANA NON SUBSTANTIAL ACTION PLAN AMENDMENT NO. 9

1. [HUD was sent this version of the OCD-DRU Action Plan Amendment No. 9](#) .

(Update: **8-29-2018**, the Louisiana DOA deleted the first version of the APA 9 that was sent to HUD from the states website. Download a copy of the APA 9 before the edits that take out the [SBA \\$682 million being held for those that had SBA loans.](#))

2. [The State of Louisiana OCD-DRU Director created this Action Plan Amendment No. 9](#) for the state from the July 13, 2018 Task Force Meeting discussion with 12 Task Force Members and the States OCD-DRU Attorney present and in agreeance with the plan.

You be the judge to who may be covering up a process that may actually be malfeasance in office.

FOR THE UTILIZATION OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS IN RESPONSE TO THE GREAT FLOODS OF 2016

DATE SUBMITTED TO HUD: JULY 18, 2018  
Governor John Bel Edwards

The State of Louisiana Office of Community Development - Disaster Recovery Unit published it's Action Plan Amendment 9 on or around July 18th 2018.

The Action plan was published to the OCD-DRU folder on the www.DOA.LA.Gov website. This is normal reporting behavior for the OCD-DRU when it comes to making action plans public. But what makes this action plan so important to the Citizens of Louisiana is the fact that the Director of the OCD-DRU Patrick Forbes agree to and stated that they were going to hold funds to assist SBA Disaster Loan recipients with the grant money that was placed on hold once HUD offered Guidance or Congress passed a Law.

What was so interesting about this Action Plan Amendment 9 post is the fact that it was changed just before a copy was sent to HUD.

Here's what changed between July 18th 2018 the morning of and before HUD received the action plan on July 19th 2018.

**Original Public Post by the OCD-DRU on July 18th 2018:**

"By increasing the reimbursement percentage from 50% to 100% for households eligible under Phases III VI, the state anticipates spending \$649 million on the Homeowner Program, leaving an estimated \$682 million. **In the context of the different pieces of legislation going through Congress related to how to account for SBA loans as a duplication of benefit, the state may hold the balance until Congress and HUD issue updated and definitive guidance on how to treat SBA loans when calculating eligible award amounts to serve that potential unmet need.**"

**Edited Public Post by the OCD-DRU on July 18th / 19th 2018:**

"By increasing the reimbursement percentage from 50% to 100% for households eligible under Phases III VI, the state anticipates spending \$649 million on the Homeowner Program, leaving an estimated \$682 million. The state is continuing to update its unmet needs assessment and will make a determination on how to program available funding in future action plan amendments."

The State of Louisiana Office of Community Development has removed all mention of placing a hold on \$682 until Congress and HUD issue guidance. HUD has issued it's guidance to the State OCD-DRU and they have denied the state to use funds to pay off SBA Loans.

HUD was informed by a summary email which is copied below both what was sent and what HUD replied with.

It is clear the OCD-DRU Summary omitted all communications regarding placing on Hold \$682 million.

It is typically HUD Policy to want to be informed when large numbers of millions are placed on hold to benefit select groups of people. HUD does appreciate being in the loop for these types of reports.

**First Email to HUD From Louisiana OCD-DRU:**

From: Lori Dupont  
Sent: Wednesday, July 18, 2018 9:01 AM

To: 'DisasterRecovery@hud.gov' <DisasterRecovery@hud.gov>  
Cc: Pat Forbes <Patrick.Forbes@LA.GOV> Stacy Bonnaffons <Stacy.Bonnaffons@LA.GOV> 'Flanery, Ryan D' <Ryan.D.Flanery@hud.gov> 'Parker, Tennille S' <Tennille.S.Parker@hud.gov> 'Erinn.M.Martin@hud.gov' <Erinn.M.Martin@hud.gov> 'Adriane.T.Burgess@hud.gov' <Adriane.T.Burgess@hud.gov> 'sonya.m.brister@hud.gov' <sonya.m.brister@hud.gov>

Subject: **Louisiana Submission of Great Floods Non-Substantial Action Plan Amendment 9**

Please accept this submission of the Louisiana Office of Community Development, Disaster Recovery Unit's **Non Substantial Action Plan Amendment No. 9** for the Utilization of Community Development Block Grant Funds in Response to the Great Floods of 2016. This Action Plan Amendment No. 9 modifies the reimbursement award structure of the Restore Louisiana Homeowner Program. It also provides a technical clarification of award caps related to certain components of the Program, to include mobile homes and elevation in the cases of reconstruction. This Action Plan Amendment is considered non-substantial, as it does not amend program budgets and it does not change the beneficiaries of a program.

Kindest Regards,  
Lori Dupont  
Executive Assistant to the Executive Director  
Office of Community Development-Disaster Recovery Unit  
State of Louisiana  
225-342-1626

**Second Email to HUD From the Louisiana OCD-DRU which requests that the first APA 9 be withdrawn.**

From: Kim Jupiter <Kim.Jupiter@la.gov>  
Sent: Friday, July 20, 2018 2:13 PM  
To: Disaster\_Recovery <DisasterRecovery@hud.gov>  
Cc: Pat Forbes <Patrick.Forbes@LA.GOV> Stacy Bonnaffons <Stacy.Bonnaffons@LA.GOV> Flanery, Ryan D <Ryan.D.Flanery@hud.gov> Parker, Tennille S <Tennille.S.Parker@hud.gov> Martin, Erinn M <Erinn.M.Martin@hud.gov> Burgess, Adriane T <Adriane.T.Burgess@hud.gov> Brister, Sonya M <Sonya.M.Brister@hud.gov>  
Subject: **Resubmission: Louisiana Submission of Great Floods Non-Substantial Action Plan Amendment 9**

2

Louisiana Office of Community Development, Disaster Recovery Unit **would like to withdraw the Action Plan Amendment submitted on Wednesday July 18, 2018 and replace with the attached Non Substantial Action Plan Amendment No. 9** for the Utilization of Community Development Block Grant Funds in Response to the Great Floods of 2016.

Kimberly H. Jupiter  
Administrative Liaison  
Disaster Recovery Unit (DRU)  
Office of Community Development  
(225) 342-7419 of  
(225) 219-9605 fx  
Kim.Jupiter@la.gov

Please consider the environment before printing this e-mail.

**HUD Response to final APA 9 version 2 which omits the \$682 million placed on hold.**

From: Brister, Sonya M <Sonya.M.Brister@hud.gov>  
Sent: Friday, July 20, 2018 3:10 PM  
To: Kim Jupiter Disaster\_Recovery  
Cc: Pat Forbes Stacy Bonnaffons Flanery, Ryan D Parker, Tennille S Martin, Erinn M Burgess, Adriane T Jeff Haley  
Subject: RE: Resubmission: Louisiana Submission of Great Floods Non-Substantial Action Plan Amendment 9

Hello Mr. Forbes,

The Department has received and reviewed the State of Louisiana's non-substantial Action Plan Amendment (APA) 9. It is noted that APA 9 modifies the reimbursement award structure of the Restore Louisiana Homeowner Program, and provides a technical clarification of award caps related to certain components of the Program, including mobile homes and elevation in the cases of reconstruction. For the Restore Louisiana Homeowner Program, APA 9 increases the percentage of the award for eligible homeowners in Phases III VI from 50% to 100% of the eligible award amount. The Department notes that the implementation of the this amendment will affect the State's LMI overall benefit percentage, decreasing it from 63% to 58%, based on the State's estimate. While the State is currently on target to exceed the required overall benefit threshold of 55%, HUD will continue to closely monitor the State's progress in this area.

This email serves as HUD's acknowledgement of APA 9.

Thank you,  
Sonya M. Brister  
CPD Specialist  
Office of Block Grant Assistance  
Disaster Recovery and Special Issues Division  
U.S. Department of Housing and Urban Development  
500 Poydras Street, 9th Floor  
New Orleans, LA 70130  
Sonya.M.Brister@hud.gov  
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**Resources:**

- [FOIA DOA Email communications between OCD-DRU and HUD](#)
- [DOA.LA.GOV/OCDDRU/Action Plan 9 unedited](#)
- [DOA.LA.GOV/OCDDRU/Action Plan 9 Unedited copy stored locally.](#)
- [DOA.LA.GOV/OCDDRU/Action Plan 9 edited](#)
- [Louisiana Homeowners Assistance Task Force steps beyond bounds of all past Task Force members of any disaster](#)

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Email [help@truckandtools.com](mailto:help@truckandtools.com) for additional information.

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Original location: <https://www.truckandtools.com/disaster/mur.asp?gdyk=126>

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