

Contribute

Mr. Murray Wennerlund Restore Louisiana Public Comments Feb. 12, 2019 LA state capitol



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Speaking out during the Public Comment period for Action Plan Amendment 11 with focus on "Seed" funding of state projects from Homeowners Assistance grant funds which US Taxpayers funded.

UPDATED 3-20-2019: State of Louisiana Office of Community Development (OCD) Response. [*Janice Lovett*]

With nearly every Action Plan Amendment (APA), what we hear at the public task force meeting related to the APA is often different from the wording we see printed in the APA that is sent to HUD officials for review, acceptance and approval.

I would like to thank OCD-DRU Director Patrick Forbes for keeping the Restore Louisiana Task Force on track and informed of HUD directives and policy. I'd also like to thank Mr. Forbes for keeping state and local government in check by offering direction and guidance to them and other special interest individuals and groups to the proper procedures of requesting CDBG-DR grant funds for individual projects and programs. Thank you again for your service.

I have four (4) concerns about APA 11 related to funding and HUD approved programs.

Concern 1 of 4.

- Watershed Modeling and Planning funding request \$6.8 million.
- Regional Capacity Building Grant funding \$3.2 million.

It was said by Director Forbes during the **Restore Louisiana Homeowners Program (RLHP)** Task Force meeting that "**Seed**" money was needed to kick start and assist watershed projects that are slated to receive Federal Assistance from HUD as published in Public Law 115-123. The Seed Money was for "**Modeling and Planning**" which is limited to organizations such as The Watershed Institute Group (TWIG). It appears our state has more investments in Modeling and Planning then purchasing equipment to start clearing our tributaries so that water flow can be reestablished. We have enough data to show the 7,000+ miles of tributaries for Livingston Parish alone need to be cleared, cleaned and dredged.

[WAFB reported July 5, 2018](#) that public law 115-123 funding for projects has been approved and awarded to the state of Louisiana.

The numbers published are:

- \$343 million (100 percent federal funding) Comite River Diversion Canal
- \$255 million East Baton Rouge flood control
- \$760 million West Shore Hurricane Protection Project (St. John, St. Charles, and St. James parishes)
- \$15 million Grand Isle protection and berm reconstruction
- \$15 million to develop coastal restoration and flood protection solutions (Amite River, Lake Pontchartrain, and vicinity, Westbank and vicinity, south central Louisiana, and Upper Barataria)

Other recently announced federal funding includes:

- \$300 million in fiscal year 2018 Corps of Engineers funding (including \$14 million for Comite)
- \$300 million FEMA's Hazard Mitigation Grant Program
- \$1.2 billion in Community Development Block Grant flood mitigation
- \$50 million in USDA funding specifically for Livingston Parish flood mitigation (made available via the "Graves' amendment" in the March 2018 federal funding bill)

The State has the funding for the projects it created listed above. There are no urgent needs by HUD's definitions and clearly the Comite Diversion Canal being over 28 years in the making cannot be listed as

urgent and necessary to fund a program from Public Law 114-223, 114-254 and 115-31 that is already funded by Public Law 115-123. Additional to request an advanced payment from the HUD allocations for the Great Floods of 2016 to act as start up capital and/or seed money as Director Forbes stated for programs funded Feb. 9, 2018 by public law 115-123 may actually be seen as a duplication of benefits and/or receiving federal assistance when other federal assistance is available. Public Law 114-223, 114-254 and 115-31 allocated funds for the 2016 floods and should not be used to fund projects already funded in full by Public Law 115-123.

\$6.8 million of Homeowners Assistance program funds to be used as "Seed money" simply because HUD has yet to pay (Pub. law: 115-123) would not be logical, it's not proper to use Homeowners Assistance Grants to "Seed" or "Kick Start" state programs that have received other federal assistance approval for other funds but have yet to receive the funding.

Public Law 115-123 of the BIPARTISAN BUDGET ACT OF 2018 signed into law by President Trump on Feb. 9, 2019 part of HR 1892 was a great achievement in my opinion.

I ask HUD to DENY the proposed additional funding of \$6.8 million for "Watershed Modeling and Planning" based on the fact that Public Law 115-123 allocates grant funds specifically for this type of program and work.

Resources: (Concern 1)

- [H.R.1892](#) - Bipartisan Budget Act of 2018 115th Congress (2017-2018) [Public Law 115-123](#) 115th Congress signed into law Feb. 9, 2018.
- WAFB July 5, 2018: [After 30 years, Comite Diversion Canal project now fully funded](#)

Concern 1 Louisiana OCD RESPONSE: *Thank you for your comment on the state of Louisiana's proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in March.*

The reallocation of funding under Action Plan Amendment 11 ensures the remaining balance in the Restore Homeowner Assistance Program is sufficient to cover all eligible program grant awards, to include those additional grant proceeds for which homeowners would be able to receive, irrespective of how HUD interprets the Bipartisan Budget Act of 2018, which could alter the current requirements related to how to account for approved SBA loans as a duplication of benefits with the Restore program.

Furthermore, critical to Louisiana's sustainable recovery from the Great Floods of 2016 is the need for state agencies, local governments, non-profit organizations, academia, developers, the business community, other stakeholders and private residents to have the information and support necessary for considering flood risk at all levels of the recovery process. Having access to this information will allow the state and local governments to target long-term recovery efforts toward smarter, more effective and mitigating recovery activities. Understanding how water moves and the impacts of land use decisions on the affected areas will not only help in the recovery, but will also impact how recovery decisions will impact future risks within an entire watershed. As has been seen in past recovery life cycles across the country, state and local rebuilding efforts continue for years beyond the disaster, and while we are three years out from the March 2016 floods and nearly three years have passed since the August 2016 floods, many local governments continue through different stages of recovery. The additional information, watershed-based planning efforts, hydraulic and hydrologic modeling and data analysis generated through the Watershed Modeling and Planning are necessary for a more coordinated, collaborative and efficient long-term recovery process for all levels of government and agency within the state.

The projects listed in your public comment demonstrate the federal government's commitment to various

mitigation activities. However, the list is not comprehensive in addressing all the disaster recovery and/or disaster mitigation activities critical to the state's long term recovery and resilience in the face of future disasters; therefore these funds are not duplicating any efforts covered by those other funding sources. The additional funding detailed in APA 11 is specifically for planning and data gathering activities necessary to drive forward a systemic approach to flood risk reduction on a watershed-basis in order to better inform current recovery decisions, as well as future recovery and mitigation decisions. Future funding from other sources, to include CDBG mitigation funds (\$1.2 billion) will be used for additional activities toward this effort, but will not duplicate activities funded under the Watershed Modeling and Planning program.

Concern 2 of 4.

- **RLHP Flood Insurance Assistance Program \$1 million**

This program in my opinion would have been best utilized if introduced in the very first Action Plan if not actually placed in the Master Action Plan.

This program will help those that actually suffered in Dec. of 2018 after receiving a letter from the state to provide proof of their NFIP insurance in the amount of the grant award or the maximum allowable coverage of \$250,000. A letter was sent Nov. of 2018 to hundreds of homeowners in the program by the State of Louisiana OCD-DRU and it's main contractor IEM Inc. The focus of the letter can be summed up by reading the following snippet from the actual letter mailed to homeowners.

"Failure to provide RLHP [Restore Louisiana Homeowners Program] with proof of sufficient flood insurance coverage within 30 days of the date of this letter will result in your application being deemed as ineligible for assistance. As a result, you may be required to repay any funds received to date to the State of Louisiana - Office of Community Development."

If the **Flood Insurance Assistance** Program offered flood insurance assistance from the very beginning most likely no homeowner would have been sent a warning letter in Nov. of 2018 about being "deemed as ineligible" for HUD CDBG-DR grant assistance by the grantee.

I see this program as being very helpful to many. But, it misses the mark by the state not making it clear that those still not covered will be assisted and those that had to borrow, pawn or take small loans to pay for the insurance last Nov. and Dec. of 2018 would be eligible to receive this assistance as well.

I ask HUD to offer the State of Louisiana OCD-DRU direction and assistance in making this program retroactive to all those that received a letter from the state regarding their NFIP requirements as not being covered. I ask HUD to direct the state to reinstate into the program any homeowner deemed ineligible in 2018 for not carrying enough NFIP flood insurance and those that did not have the financial means to acquire the proper amount of NFIP flood insurance.

Resources (Concern 2):

- [As a participant in the Restore Louisiana Homeowners Assistance Program.](#)

Concern 2 Louisiana OCD RESPONSE: *Thank you for your comment on the state of Louisiana's proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in March.*

HUD does not prohibit the use of CDBG-DR funds for existing residential buildings in a Special Flood Hazard Area (or 100-year floodplain). However, Federal, State, local, and tribal laws and regulations related to both flood insurance and floodplain management must be followed, as applicable. With respect to flood

insurance, a HUD-assisted homeowner of a property located in a Special Flood Hazard Area must obtain and maintain flood insurance in the amount and duration prescribed by FEMA's National Flood Insurance Program. Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) mandates the purchase of flood insurance protection for any HUD-assisted property within a Special Flood Hazard Area. Furthermore, property owners receiving disaster assistance that triggers the flood insurance purchase requirement that they have a statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance in writing and to maintain such written notification in the documents evidencing the transfer of the property, and that the transferring owner may be liable if he or she fails to do so. These requirements are enumerated at [http://uscode.house.gov/view.xhtml?req= granuleid:USC-prelim-title42-section5154a&num=0&edition=prelim](http://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title42-section5154a&num=0&edition=prelim)

As a condition of receiving federal assistance for the repairs or reconstruction of homes in the SFHA, all Restore grant recipients are required to obtain and maintain flood insurance in perpetuity. This may require homeowners to plan and budget a new cost in their annual household budget. The one year premium for flood insurance available under the Insurance program, along with financial counseling for future budgeting related to maintaining flood insurance starting next year going forward, is limited to eligible homeowners who have not been able to reach program closeout, as their immediate inability to identify any solution for paying for the requisite flood insurance is keeping these applicants from completing the program.

Concern 3 of 4

- RLHP Interim Housing Assistance Program \$40 million

The Interim Housing Assistance program seemed to be requested by the state of Louisiana OCD-DRU prior to the meeting on Feb. 15, 2019. This is very good forward thinking on the part of the state to have approval and recommendations from HUD before actually asking HUD via Action Plan Amendment for the program. HUD responded in the Federal Register Feb. 12, 2019 that the states request would be granted Feb. 19, 2019 even before APA 11 was submitted to HUD for approval.

This is the type of action we like to see, staying ahead of the issues by forecasting and planning.

The only concern I have with the actual APA 11 program is the description and terms. HUD authorized in the Feb. 19, 2019 Federal Register notice document number 2019-02695 that the state of Louisiana OCD-DRU (grantee) can offer up to 24 months of Rent / Mortgage assistance to include all utilities. In Action Plan Amendment 11 it states 20 months of assistance and no mention of utilities.

I ask HUD to verify with the state of Louisiana OCD-DRU and encourage the grantee to use the total 24 months offered by HUD and to include all utilities charged to the homeowner in the APA 11 wording.

Resources (Concern 3):

- [Restore Louisiana Action Plan Amendment 11 \(PDF\)](#)

Concern 3 Louisiana OCD RESPONSE: *Thank you for your comment on the state of Louisiana's proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in March.*

The Interim Housing Assistance Program in APA 11 allows for rental, mortgage and/or other interim housing assistance solutions for homeowners who are actively participating in the Restore Louisiana Homeowner Assistance Program. The Interim Housing Assistance Program allows for flexibility of funding mortgage or rental assistance for homeowners incurring additional interim housing costs as they actively work through their recovery process in the Restore program. HUD provided a waiver to extend the term for mortgage assistance to 20 months and a waiver to extend the term for rental housing assistance to 24 months. Please

refer to page 83270 of the November 21, 2016 Federal Register Notice:

<https://www.hudexchange.info/resources/documents/Allocations-Common-Application-Waivers-and-Alternative-Requirements-for-Community-Development-Block.pdf>

In order to administer a consistent and comprehensive interim housing program, the state is limiting all forms of interim housing assistance to 20 months.

Concern 4 of 4:

Restore Louisiana Homeowners Program has placed \$245.5 million of American Taxpayers money on hold for the HUD SBA Wavier / Stafford Act amendment guidance.

The state did not mention what it intends on using the money for if Guidance from HUD is not favorable to SBA loan issues that we face.

The state also made reference at the Feb. 15, 2019 Task Force meeting that there will be no new scheduled task force meetings. The Governor of the State of Louisiana assigned the Task Force the responsibility of making sure the grant assistance was used in the best interests of recovery. Pipeline reports show a large number of Low to Moderate income (LMI) households still struggling with their recovery. Looking around our cities and our parishes we see even more people struggling and not only LMI households. We see thousands of homeowners with serious debt burden caused by the floods.

I would like HUD to review with the state of Louisiana OCD-DRU all unmet needs of the LMI community and plan a program to assist the serious debt burden of all victims of the 2016 floods in the most impacted areas.

Not only did the SBA loan add additional debt to homeowners, FEMA IA / IHP grants can be linked as a primary cause for many serious financial issues for households simply because FEMA did not offer clear instructions of how to use the grant money so that it would not be counted as a duplication of benefits with other federal assistance.

FEMA offered the following instructions to homeowners.

"You have been APPROVED for \$33,000.00 for Home Repair Assistance, which is provided to help make essential repairs that will allow you to occupy your home. It is not intended to repair all home damage."

"Essential repairs" to the average reasonable person my mean to fix up as much as you can to make your home livable while you wait for other assistance or additional funds.

The FEMA letter didn't say you can not repair your mobile home or manufactured home (MHU). The letter clearly indicated that the IA / IHP grant money was to help with your essential repairs that would allow you to occupy your home. Replacing kitchen items would in most cases easily exhaust the grant funds. Replacing appliances, furniture, walls, floors and doors would be reasonable if you were to "occupy your home." When homeowners applied for HUD CDBG-DR grants many were penalized the full amount of the FEMA IA / IHP because the Restore Louisiana Homeowners Assistance program did not recognize a refrigerator as "Essential Repairs" or walls in a MHU as "Essential Repairs".

I ask HUD to offer direction to the State of Louisiana and it's congressional representatives on how to approach and complete a deal with FEMA to waive the IA / IHP grants used in the Duplication of Benefits calculation to all homeowners struggling to repay this grant fund. Then apply any funds to not used by the SBA Loan Waiver Guidance to these homeowners so they may continue with their recovery and so the program can show more American Taxpayer dollars went to actual homeowners who were victims of the 2016 floods in the state of Louisiana.

It is of my opinion that homeowners were not at fault for how they spent the money to make "Essential repairs" of their home. Most all homeowners spent the FEMA IA / IHP grant funds on the home and it's components needed to make it livable.

Thank you for your time.
Murray Wennerlund

===== Editors Note =====

Resources:

- [Task Force Public Comment LA AG review of citizens input.](#)

Concern 4 Louisiana OCD RESPONSE: *Thank you for your comment on the state of Louisiana's proposed Action Plan for recovery from the Great Floods of 2016. OCD will include your comment and our response when we submit the plan to HUD for approval in March.*

OCD understands the challenges and continues to work with HUD to develop solutions for assisting low to moderate income households through the recovery process. OCD will raise your specific concerns related FEMA Individual Assistance with its points of contact at the Department of Housing and Urban Development.

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