

## H.R.1892 Bipartisan Budget Act DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Community Planning And Development

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We are not lawyers but we do know when something just doesn't set well with the masses. 3,800 Louisiana flood victims have been refused HUD Grants under the guidance of Governor John Bel Edwards and the state of Louisiana Office of Community Development.

[The Advocate: Feb. 8, 2018](#) "About **3,800** Louisiana homeowners were approved for SBA loans but turned down the offer, according to the Louisiana Office of Community Development, which is administering the recovery program. Those homeowners would potentially gain access to federal recovery grants under the changes proposed in the Senate bill."

[Gov.Louisiana.Gov](#)

"February 08, 2018

Today, Gov. John Bel Edwards called on Sen. John Kennedy to replace the Duplication of Benefits (DOB) language in the Continuing Resolution (CR) with bipartisan language crafted by Congressmen Garret Graves and Cedric Richmond. Sen. Kennedy cosponsored an effort with Sen. Marco Rubio that would relieve only **3,800** Louisianans of the DOB penalty as opposed to the 12,300 that would be aided by the bipartisan House version according to analysis by the Louisiana Office of Community Development. The United States Senate is set to consider the CR and the DOB language, prompting the governor's letter to Sen. Kennedy."

[April 18, 2018 In The News The Advocate](#) BY CAROLINE GRUESKIN | [cgrueskin@theadvocate.com](mailto:cgrueskin@theadvocate.com)

Two months ago, Congress passed what was regarded as a limited fix for flooded homeowners who found themselves ineligible for grant dollars because they had been approved for a disaster loan from the Small Business Administration.

The new law says homeowners approved for SBA loans and who declined assistance won't have that counted against them when they seek other federal benefits, such as a grant through the Restore Louisiana program. Gov. John Bel Edwards wrote a letter to Department of HUD Secretary Ben Carson this week urging him to speedily craft guidance on the change in federal law. Edwards, a Democrat, is also asking Carson to interpret the law in a broad way that will help more homeowners get assistance.

"It is critically important that HUD correctly interprets Congress intent in this law and allows your grantees to offer grants to these homeowners for their remaining unmet rebuilding needs, ignoring SBA loan amounts that they never drew down," Edwards wrote in the letter. "As we continue to rebuild from the floods, this remains the single greatest complaint for homeowners."

#### [U.S. Senator Charles E. Schumer](#)

"The people this decision helps are the people who have scraped—and are still scraping—to get by and rebuild their homes, their lives. These are not the people the feds should be knocking on the door of to pay up. They did not profit from this disaster and many of them are still paying for home repairs and will be for a long, long time," said Senator Schumer. "HUD's decision to waive the duplication of benefits policy for so many Superstorm Sandy victims and the promise that even more could be free of a claw back represents a sensible resolution, but more importantly, the right thing to do."

#### [U.S. Senator Bill Cassidy, M.D. \(R-LA\)](#)

But with CDBG, or Community Development Block Grant funding, which is distributed through the Restore Louisiana Homeowner Assistance Program, there's something which is an arcane and arbitrary rule called duplication of benefits. Now, the duplication of benefits rule states that if an individual was eligible and/or received a loan from the Small Business Administration, that individual is ineligible for a grant from the Restore Louisiana Assistance Program.

#### [Guidance Was Not Identified as a Directive](#)

CPD did not identify the July 25, 2013, guidance as a directive. According to HUD's Directives Handbook 000.2, REV-3, a public communication is considered a HUD directive if it relays guidance to program participants or regulated parties for the first time and goes beyond simply explaining existing HUD policy or requirements. The July 25, 2013, guidance was the first public communication to address a grantee's ability to assist households and businesses that declined or did not apply for SBA loans. CPD published it in response to a request received by the HUD Secretary from members of New York State's U.S. Senate and House delegations. The public could access this document on the CDBG-DR Web page, but CPD did not consider it a directive.

#### [Marco Rubio, Bill Nelson team up on Disaster Assistance Simplification Act](#)

December 14, 2017, 3:53 pm

The Disaster Assistance Simplification Act, also sponsored by Republican Sen. John Cornyn of Texas, would stop the federal Department of Housing and Urban Development from penalizing natural disaster victims who ultimately decline Small Business Administration (SBA) disaster loans.. [PDF of Bill](#)

..... start .....

This post has two parts.

One, the response from the State of Louisiana informing the disaster victim that they do now qualify for HUD Grants due to the fact the household had qualified for an SBA Loan. The state SBA Loan Declined Policy is to deny all homeowners that were offered the SBA Loan even if the homeowner never took the loan the total offered loan amount as a duplication of benefits as if the homeowner had received the SBA Loan.

Marked in this post is the wording that makes the [State of Louisiana and Governor Edwards](#) behavior and treatment of flood victims against the law passed in this bill.

The state Senators Kennedy and Cassidy along with Congressman Graves as well as the Secretary of HUD Ben Carson are aware of this activity and yet do nothing to correct the state governments actions.

Could it be this bill was not intended to assist the flood victims as it was presented by the Louisiana representatives? Bill Cassidy, John Kennedy actually worked on the wording and clearly stated it's intent during the reading of the bill.

## Part I.

### Community Development Fund including transfers of funds Public Law 115-123

For an additional amount for "Community Development Fund", \$28,000,000,000, to remain available until expended, for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) related to **disaster relief**, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas resulting from a major declared disaster that **occurred in 2017 (except as otherwise provided under this heading)** pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.):

**Provided**, That funds shall be awarded directly to the State, unit of general local government, or Indian tribe (as such term is defined in section 102 of the Housing and Community Development Act of 1974) at the discretion of the Secretary:

**Provided further**, That of the amounts made available under this heading, up to \$16,000,000,000 shall be allocated to meet unmet needs for grantees that have received or will receive allocations under this heading for major declared disasters that occurred in 2017 or under the same heading of [Division B of Public Law 115-56](#), except that, of the amounts made available under this proviso, no less than \$11,000,000,000 shall be allocated to the States and units of local government affected by **Hurricane Maria**, and of such amounts allocated to such grantees affected by Hurricane Maria, **\$2,000,000,000** shall be used to **provide enhanced or improved electrical power systems**:

**Provided further**, That to the extent amounts under the previous proviso are insufficient to meet all unmet needs, the allocation amounts related to infrastructure shall be reduced proportionally based on the total infrastructure needs of all grantees:

**Provided further**, That of the amounts made available under this heading, no less than \$12,000,000,000 shall be allocated for mitigation activities to all grantees of funding provided under this heading, section 420 of division L of [Public Law 114-113](#), section 145 of division C of [Public Law 114-223](#), section 192 of division C of [Public Law 114-223](#) (as added by section 101(3) of division A of [Public Law 114-254](#)), section 421 of division K of [Public Law 115-31](#), and the same heading in division B of [Public Law 115-56](#), and that such mitigation activities shall be subject to the same terms and conditions under this subdivision, as determined by the Secretary:

**Provided further**, That all such grantees shall receive an allocation of funds under the preceding proviso in the same proportion that the amount of funds each grantee received or will receive under the second proviso of this heading or the headings and sections specified in the previous proviso bears to the amount of all funds provided to all grantees specified in the previous proviso:

**Provided further**, That of the amounts made available under the second and fourth provisos of this heading, the Secretary shall allocate to all such grantees an aggregate amount not less than 33 percent of each such amounts of funds provided under this heading within 60 days after the enactment of this subdivision based on the best available data (especially with respect to data for all such grantees affected by Hurricanes Harvey, Irma, and Maria), and shall allocate no less than 100 percent of the funds provided under this heading by no later than December 1, 2018:

**Provided further**, That the Secretary shall not prohibit the use of funds made available under this heading and the same heading in division B of [Public Law 115-56](#) for non-federal share as authorized by section 105(a)(9) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(9)):

**Provided further**, That of the amounts made available under this heading, grantees may establish grant programs to assist small businesses for working capital purposes to aid in recovery:

**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:

**Provided further**, That with respect to any such duplication of benefits, **the Secretary and any grantee** under this section **shall not** take into consideration or reduce the amount provided to **any applicant for assistance from the grantee** where such **applicant applied for and was approved**, but **declined assistance** related to such major declared **disasters that occurred in 2014, 2015, 2016, and 2017 from the Small Business Administration** under section 7(b) of the Small Business Act (15 U.S.C. 636(b)):

**Provided further**, That the Secretary shall require grantees to maintain on a public website information containing common reporting criteria established by the Department that permits individuals and entities awaiting assistance and the general public to see how all grant funds are used, including copies of all relevant procurement documents, grantee administrative contracts and details of ongoing procurement processes, as determined by the Secretary:

**Provided further**, That prior to the obligation of funds a grantee shall submit a plan to the Secretary for approval detailing the proposed use of all funds, including criteria for eligibility and how the use of these funds will address long-term recovery and restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas:

**Provided further**, That such funds may not be used for activities reimbursable by, or for which funds are made available by, the Federal Emergency Management Agency or the Army Corps of Engineers:

**Provided further**, That funds allocated under this heading shall not be considered relevant to the non-disaster formula allocations made pursuant to section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306):

**Provided further**, That a State, unit of general local government, or Indian tribe may use up to 5 percent of its allocation for administrative costs:

**Provided further**, That the sixth proviso under this heading in the Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (division B of [Public Law 115-56](#)) is amended by striking "State or subdivision thereof" and inserting "State, unit of general local government, or Indian tribe (as such term is defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C. 5302))":

**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, labor standards, and the environment), if the Secretary finds that good cause exists for the waiver or alternative requirement and such waiver or alternative requirement would not be inconsistent with the overall purpose of title I of the Housing and Community Development Act of 1974:

**Provided further**, That, notwithstanding the preceding proviso, recipients of funds provided under this heading that use such funds to supplement Federal assistance provided under section 402, 403, 404, 406, 407, 408(c)(4), or 502 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) may adopt, without review or public comment, any environmental review, approval, or permit performed by a Federal agency, and such adoption shall satisfy the responsibilities of the recipient with respect to such environmental review, approval or permit:

**Provided further**, That, notwithstanding section 104(g)(2) of the Housing and Community Development Act of 1974 (42 U.S.C. 5304(g)(2)), the Secretary may, upon receipt of a request for release of funds and certification, immediately approve the release of funds for an activity or project assisted under this heading if the recipient has adopted an environmental review, approval or permit under the preceding proviso or the activity or project is categorically excluded from review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.):

**Provided further**, That the Secretary shall publish via notice in the Federal Register any waiver, or alternative requirement, to any statute or regulation that the Secretary administers pursuant to title I of the Housing and Community Development Act of 1974 no later than 5 days before the effective date of such waiver or alternative requirement:

**Provided further**, That the eighth proviso under this heading in the Supplemental Appropriations for Disaster Relief Requirements Act, 2017 (division B of [Public Law 115-56](#)) is amended by inserting "408(c) (4)," after "407,":

**Provided further**, That of the amounts made available under this heading, up to \$15,000,000 shall be made available for capacity building and technical assistance, including assistance on contracting and procurement processes, to support States, units of general local government, or Indian tribes (and their subrecipients) that receive allocations pursuant to this heading, received disaster recovery allocations under the same heading in [Public Law 115-56](#), or may receive similar allocations for disaster recovery in future appropriations Acts:

**Provided further**, That of the amounts made available under this heading, up to \$10,000,000 shall be transferred, in aggregate, to "Department of Housing and Urban Development—Program Office Salaries and Expenses—Community Planning and Development" for necessary costs, including information technology costs, of administering and overseeing the obligation and expenditure of amounts under this heading:

**Provided further**, That the amount specified in the preceding proviso shall be combined with funds appropriated under the same heading and for the same purpose in [Public Law 115-56](#) and the aggregate of such amounts shall be available for any of the purposes specified under this heading or the same heading in [Public Law 115-56](#) without limitation:

**Provided further**, That, of the funds made available under this heading, \$10,000,000 shall be transferred to the Office of the Inspector General for necessary costs of overseeing and auditing funds made available under this heading:

**Provided further**, That such amount is designated by the Congress as being for an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985:

**Provided further**, That amounts repurposed pursuant to this section that were previously designated by the Congress as an emergency requirement pursuant to the Balanced Budget and Emergency Deficit Control Act are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

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