

Office of Community Development
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

December 19, 2019

Ms. Tennille Parker
Director, Disaster Recovery and Special Issues Division
Office of Block Grant Assistance
U.S. Department of Housing and Urban Development
451 7th St., S.W., Room 7282
Washington, D.C. 20410-7000

RE: Restore Louisiana Homeowner Program, Interim Mortgage Assistance Eligible Activity
Waiver Request

Dear Ms. Parker:

The State of Louisiana, Office of Community Development (OCD) is requesting a waiver of the provisions of 2016 FRN 5989, issued November 21, 2016, which provides for reimbursement of pre-award disaster related expenses. 2016 FRN 5989 provides for interim mortgage assistance for eligible applicants from 3 to 20 months where the damaged residence is uninhabitable in conjunction with a rehabilitation or reconstruction program.

OCD issued APA 11 on March 12, 2019, including an Interim Mortgage Assistance program (IMA) to help homeowners whose homes were uninhabitable and who were still subject to a mortgage payment along with a duplicate housing cost due to the damage to their residence. APA 11 noted that there were approximately 2,000 Restore program applicants with homeowner responsibility due to duplication of benefits who were facing cash flow challenges due to housing costs. IMA was proposed in order to ease the burden of duplicate housing costs and facilitate repair work by homeowners in order to meet their homeowner responsibility and fulfill their grant requirements. On June 3, 2019, HUD issued an approval letter to include the IMA program as set forth in APA 11. The approval states that an interim housing assistance program is created for mortgage or rental assistance for up to 20 months for eligible applicants who are active in Restore and whose household incomes are at or below 120% AMI.

Reflecting the needs of homeowners participating in Restore and the amount of time which had lapsed since the 2016 disasters, OCD submitted APA 12, dated August 5, 2019, requesting that the IMA program be applied retroactively. This is due to the fact that most of the homeowners

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who would benefit from this program had already been displaced from their homes and paying more than one housing payment monthly for over two years. Thus, allowing OCD to apply the IMA program to these payments would allow the applicants to execute their grants, speeding the completion of these projects.

In its letter dated October 10, 2019, HUD stated with respect to this request to apply the IMA program retrospectively, reimbursement of mortgage assistance is not an eligible activity under the waiver and alternative requirement that allows the State to provide IMA or under the provision for the reimbursement of disaster recovery expenses that is applicable to this grant.

Requiring homeowners to continue to pay their duplicate housing cost for up to 20 months in order to recoup the amount of their homeowner responsibility where they have already most likely been paying towards this duplicate housing cost since the March and/or August 2016 flooding events will unduly hurt these homeowners. The retroactive application of the IMA program is capped and it is solely in place for the purpose of meeting the homeowner's responsibility. But-for the duplicate housing costs, the homeowners would have been able to utilize these funds to put into program escrow or to do work on their homes. Instead, these homeowners have had to utilize any duplication of benefits funding for another housing payment. To require this process to go on for another 20 months where it has already persisted for over two years is contrary to disaster recovery program purposes. Additionally, by requiring an additional 20 months of duplicate housing payments, Restore will be subject to unnecessary administrative and program costs by unnecessarily extending the program.

It is in the interest of these homeowners and the Restore program in general to allow the retroactive application of the interim mortgage assistance program as set for in APA 11 and 12 as submitted by OCD. The state, therefore, respectfully requests a waiver to the extent necessary in order to apply this program retroactively.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Patrick W. Forbes', with a long horizontal flourish extending to the right.

Patrick W. Forbes, P.E.

Executive Director