



State of Louisiana
Division of Administration

Disaster Recovery Unit



Department of Housing and Urban Development

Disaster Recovery Waivers

From Plan to Implementation: Lessons Learned



Suggestions to Other Disaster Recovery Grantees

- Ask for everything even if you don't think you'll need it.
- Send in request as soon as Congress has passed the appropriation.
- Research what waivers other DR grantees have received.
- Ask HUD about unusual waivers in advance (don't waste your time if there's no chance they'll approve something).



Waivers – February 13th, 2006

- Overall benefit to low- and moderate-income persons
 - Allows State to spend 50% of funding towards *Urgent Need* and/or *Prevention/Elimination of Slum/Blight* (Regular State CDBG rules capped at 30%)
- Expanded Distribution and Direct Action
 - Allows State to carry out activities directly rather than distributing funding to local governments



Waivers – February 13th, 2006

Action Plan related

- **Consistency with Consolidated Plan**
 - State is not required to remain consistent with the Consolidated Plan as a result of the Disaster
- **Action Plan for Disaster Recovery**
 - HUD waived regular requirements
 - Instituted Action Plan for Disaster Recovery
- **Citizen Participation Requirements**
 - HUD waived the requirement for public meetings or hearings (encouraged to find other means of communication)
 - Louisiana used the Internet and its Web site among other novel methods of communication



Waivers – February 13th, 2006

- **Administration Limitation**
 - State does not have to match administration costs 1:1.
- **Annual Reporting Requirements**
 - Annual Reporting Requirements waived.
 - States must submit quarterly reports via Disaster Recovery Grant Reporting system (DRGR).



Waivers – February 13th, 2006

- **Standard Certifications waived**
 - State must submit certifications specific to this award.



Waivers – June 14th, 2006

- **Eligibility – Buildings for the general conduct of government**
 - State is not prohibited from funding government buildings (tied to FEMA funding).
- **Eligibility – Housing related**
 - Allows new housing construction and payment of up to 100% of a housing downpayment.



Waivers – June 14th, 2006

- **Special economic development job-retention activities**
 - State is not subject to regular CDBG restrictions per job retained or created or taken by a low- or moderate-income person.
- **General planning activities use entitlement presumption**
 - State may use funds for planning activities not directly related to an existing activity (planning may be considered benefit to low- and moderate-income persons).



Waivers – June 14th, 2006

- **Compensation for disaster-related losses or housing incentives to resettle in Louisiana**
 - Compensation for losses and housing incentives are allowable expenses.
- **Eligibility – tourism**
 - State may provide disaster recovery grant assistance to support the tourism industry and promote travel to communities in the disaster-impacted areas.



Waivers – June 14th, 2006

- **Anti-pirating**
 - This waiver allows the State flexibility to provide assistance to a business located in another State or market area if the business was displaced by the disaster and wishes to return.
- **Program Income**
 - State is allowed to decide whether to require return of program income to the State, or let it remain for further use with the grantee.
 - Program income generated by disaster recovery funds remains designated as disaster recovery funds with all waivers and alternative requirements still applicable.



Waivers – June 14th, 2006

- Relocation Requirements (partially waived)
- Timely Distribution of Funds
 - Funding is available until grant is fully expended.
- One-for-One Replacement of Housing Units
 - State is not required to replace low- and moderate-income dwelling units that were damaged by the disaster, used CDBG funds for demolition, and which are not suitable for rehabilitation.



Waivers – March 6th, 2007

- Eligibility – Buildings for the General Conduct of Government
 - Louisiana requested further waivers to cover additional costs regarding FEMA eligible and **ineligible** costs and the State's share in those costs.
- Eligibility – Research Commercialization and Educational Enhancement Program
 - Several activities that the State intended to carry out with this program are not traditionally CDBG-eligible expenses.
 - Eligible activities now include stipends for students, related training, purchase of critical equipment, stipends for professors, and the development of a strategic plan.



Waivers – March 6th, 2007

- Documentation of low- and moderate-income household benefit for multi-unit housing projects
 - State is allowed to measure benefit for multi-unit projects by each individual unit as opposed to the entire housing development.
- Operating subsidies for affordable rental housing
 - State is allowed to fund Project-Based Rental Assistance (PBRA) as included in the State's Action Plan for Disaster Recovery.



Waivers – March 6th, 2007

- **Eligibility – Homeless Prevention and Rapid Rehousing**
 - State is allowed to make rental assistance and utility payments for up to two years on behalf of homeless and at-risk households when such assistance is part of a homeless prevention or rapid rehousing program.
- **Voluntary Acquisition under the Piggyback Program**
 - The acquisition requirements of the URA and implementing regulations are waived so that they do not apply to an arm's length voluntary purchase carried out by a person that does not have the power of eminent domain, in connection with the purchase of properties associated with the Piggyback Program.



Waivers – March 6th, 2007

- National Objective documentation for certain economic development activities
 - State requested and has been allowed to establish LMI benefit by documenting each person employed with the name of the business, type of job, and the annual wages or salary of the job.
 - HUD considers the person income-qualified if the annual wages or salary of the job is at or under the HUD-established income limit for a one-person family.



Waivers – March 6th, 2007

- **Public Benefit standards for economic development activities**
 - For ED activities designed to create or retain jobs or businesses, the public benefit standards are waived except that the State shall report and maintain documentation on the creation and retention of total jobs, # of jobs within certain salary ranges, and average amount of assistance provided per job and type of job.



Waivers Requested March 18th, 2008

Further Section 414 Waivers

- Louisiana has requested an interpretation of the following language of HUD notice (FR-5089):
“Application materials, award letters, and operating procedures requiring property owners to make reasonable attempts to contact their former residents and offer a unit to those tenants meeting the program’s eligibility requirements.”
(cont’d.)



Waivers Requested March 18th, 2008

- The State wishes this interpretation to be such that would not place undue delays or difficulties for small rental property owners participating in the program.

Extension of Existing Waivers

- The State has requested that HUD reconsider and reauthorize all previously granted waivers.



Waivers Requested March 18th, 2008

Further RC/EEP Waivers

- The State also requested 2 waivers that would allow institutions of higher education to keep program income and allow them to expend any program income on activities that benefit the university/college and its mission, free of further program income restrictions.
- Additionally, the State requested a further waiver of the requirement relating to the disposition of equipment, allowing the universities/colleges to keep any equipment purchased under this program.



Waivers Requested March 18th, 2008

Further Waivers for Buildings for the General Conduct of Government

- **Waivers granted in the past allowed a partial waiver “to the extent necessary to allow the State to use grant funds under this notice to fund the local and State government match for critical FEMA Public Assistance Project.”**
- **The State is requesting a full waiver since the 10-percent match required by FEMA has been eliminated, and Louisiana needs to fully fund public building reconstruction to assist in the recovery.**



Wading Through Waivers

