

Congress of the United States
House of Representatives
Washington, DC 20515-1806

March 22, 2022

The Honorable Marcia L. Fudge
Secretary
Department of Housing and Urban Development
451 Seventh Street SW
Washington, D.C. 20410

Dear Secretary Fudge:

As you know, the past two Atlantic Hurricane seasons have brought unprecedented and historic damages to communities across Louisiana. After Hurricane Ida hammered our State's southern parishes, Congress acted with haste to pass Public Law 117-43 and appropriate \$5 billion to the Community Development Block Grant-Disaster Recovery (CDBG-DR) fund on September 30, 2021. I am grateful for today's announcement, which completed the allocation of this down payment of recovery funds for natural disasters in 2020 and 2021. The \$1.27 billion in CDBG-DR dollars provided to the State of Louisiana will allow the State to begin addressing unmet needs after Hurricane Ida and the May 2021 flood. Importantly, your agency also directly provided \$10.77 million to Lake Charles and \$4.64 million for Baton Rouge to help communities recover from the severe storms of May 2021.

However, it is concerning that only two local governments are directly receiving funds. This leaves many of the hardest-hit and most impacted areas subject to the state's determinations and an arduous bureaucratic process, which will mean many months before these areas know their unmet needs eligibility. Which factors led to your agency's decision to provide funds directly to Lake Charles and Baton Rouge, but not other cities or parishes? Was this choice a function of HUD's existing CDBG entitlement formula, or were other determinations involved? If so, what were they?

Additionally, your announcement referenced Executive Order 13985, "which requires HUD to allocate resources in a manner that equitably invests in underserved communities, especially communities of color." Further, your press release cites focusing on "historically marginalized communities". Historically, CDBG-DR funds have been made available for "disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation, *in the most impacted and distressed areas.*" Current law requires 70% of funds made available through CDBG-DR to be made available for those at or below 80% Area Median Income (AMI), unless a waiver is requested and approved, but within that framework disaster recovery funds have always been allocated based on disaster impacts and prioritized to the areas with the greatest need. While I am entirely supportive of dollars going to those who need it most, this apparent divergence from more

transparent disaster determinations toward unqualified criteria potentially distorts the funds from going to those who are the most impacted. Under this model, will Cajuns be considered underserved communities? What are “historically marginalized communities” and who marginalized them? How is this measured within the scope of hurricane damages? What about state and federally recognized Tribal Nations? Many indigenous peoples, including the Chitimacha Tribe of Louisiana and the United Houma Nation, were affected by these storms. Secretary Fudge, the lack of transparency and metrics related to the criteria your agency cited could result in distorting disaster recovery – picking winners and losers. There are strong concerns that these provisions are simply an attempt to achieve political goals unrelated to Hurricane Ida or the May flood through an opaque while discriminating against those who are the most-impacted and most in need of recovery assistance.

I have previously voiced my concern about our broken disaster recovery delivery system to the Biden Administration, particularly when new (and often political) eligibility criteria are injected into a disaster. Take, for example, HUD’s erroneous interpretation of Sec. 1210 of the Disaster Recovery Reform Act (P.L. 115-254), which limited disaster survivor’s access to duplications of benefits relief if they earned more than 120% of the AMI. Note that this income requirement didn’t apply to everyone who sought CDBG-DR relief: it only affected those who had applied for a Small Business Administration (SBA) Disaster Loan to get their home repaired in the eight months between when the storm hit and when Restore Louisiana began processing applications. These survivors had no idea that receiving (or simply applying for) a loan would negatively impact their eligibility for a grant award. And even once Congress stepped in to make it clear that a loan was not duplicative of a grant in DRRRA, HUD continues to limit access to grant dollars for disaster victims who took out a loan to get by. To date, many survivors of the 2016 flood have never seen their full duplication of benefits relief because they were subjected to a means testing requirement that did not exist when CDBG-DR dollars were first made available. I am concerned that HUD is heading down a similar road with these new, vague criteria referenced in your announcement.

Louisiana has been absolutely battered by natural disasters over the last two hurricane seasons, and at this very moment, disaster survivors are preparing for the 2022 season to begin in ten short weeks. The most distressed and impacted communities from 2020 and 2021 are still struggling to find housing for the hardest hit victims. Unfortunately, as we in Louisiana know all too well, hurricanes and natural disasters do not discriminate. Congress established the CDBG-DR program to help people that have been devastated by disasters to recover, not to advance the political goal of any one administration. Our disaster recovery programs should strive, first and foremost, to work well for people in need – and that starts with using the traditional damage estimate criteria and existing prioritization requirements to make determinations about how to distribute assistance.

Thank you for your prompt attention to this time-sensitive request.

Sincerely,



Garret Graves
Member of Congress