



U. S. Department of Housing and Urban Development
Pittsburgh Field Office
William S. Moorhead Federal Building
1000 Liberty Avenue, Suite 1000
Pittsburgh, PA 15222-4004

JUN 01 2017

Ms. Mary Jo Thompson
Director
WV Development Office
Capitol Complex, Bldg. 6, Room 553
Charleston, WV 25305

Dear Ms. Thompson:

Subject: West Virginia CDBG-DR Action Plan

The Department is pleased to approve the State of West Virginia's Action Plan for Community Development Block Grant disaster recovery (CDBG-DR) funds appropriated under the Continuing Appropriations Act, 2017 (Public Law 114-223), which provided \$104,280,000 to the State for long-term recovery from major storms and flooding events that occurred in 2016. Of this amount, the State has allocated \$64,378,950 to an owner-occupied housing rehabilitation program, \$16,000,000 to affordable rental housing programs, \$12,440,000 to hazard mitigation grant match, \$2,080,000 for bridge home replacement, \$2,500,000 for Clendenin and the remaining \$6,881,050 for administration and planning activities. As reminder, at least 80% of the total award amount must be spent within the four "most impacted" areas (Greenbrier, Kanawha, Clay and Nicholas Counties) which HUD identified in the November 21, 2016, *Federal Register* Notice (81 FR 83254).

Please note, funds received under this appropriation must be used for the necessary expenses related to disaster relief, long-term recovery and restoration of infrastructure, housing, and revitalization in the most impacted and distressed areas resulting from a major disaster declared in 2016. Additionally, the November 21, 2016, *Federal Register* Notice requires grantees to primarily consider and address unmet housing needs; however, the Notice allows grantees to allocate funds to address unmet economic revitalization and infrastructure needs. In doing so, grantees must identify how any remaining unmet housing needs will be addressed or how its economic revitalization or infrastructure activities will contribute to the long-term recovery and restoration of housing in the most impacted and distressed areas. The State has allocated all the funds, save administration and planning costs, to housing programs, as required by the Notice.

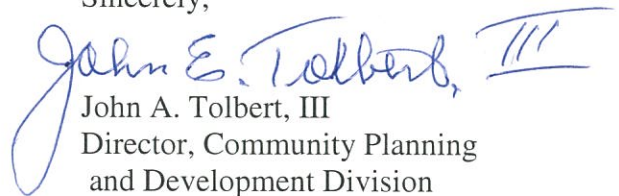
The State has identified substantial housing needs in the disaster impacted communities, but also identified significant economic factors that impact the disaster affected areas, from before and exacerbated by the flooding. In the forthcoming Action Plan amendment related to additional funding provided under Public Law 114-254, the State should examine whether there is a need for public service or economic revitalization activities to complement the planned housing activities (e.g. training local contractors so who want to contract with the government, but may not meet all the licensing and bonding requirements). The Department's review of the

amendment will focus on the State's updated analysis of unmet needs and accompanying program proposals to ensure funds are distributed to address the identified needs.

Upon final approval of the State's certifications and risk assessment documentation packages, the Department will provide the grant agreement to obligate these funds. The date that the Department signs the grant agreement is the date on which the funds are obligated. Additionally, the State's line of credit for this grant will be established once the funds have been obligated. Please provide the names and email addresses of State staff who will need access to the line of credit. Please be advised that the State of West Virginia is required to report on its use of CDBG-DR funds outlined in the Action Plan through the Disaster Recovery Grant Reporting (DRGR) system. The DRGR reporting requirements are outlined in detail in the *Federal Register* Notice as well as ongoing policy guidance developed by the Office of Block Grant Assistance, Disaster Recovery and Special Issues Division.

The Department remains committed to assisting the State of West Virginia in its efforts to recover from the devastating effects of the 2016 flooding disasters, and looks forward to working with you and your staff in partnership to address the State's long-term recovery needs. If you or any members of your staff have any questions, please contact Jill K. Moyer, Senior CPD Representative at 412-644-5487 or Jill.K.Moyer@hud.gov.

Sincerely,


John A. Tolbert, III
Director, Community Planning
and Development Division

cc: Julie Alston, Charleston Field Office Director