

Waiver of One-for-one Requirements

March 16, 1998

MEMORANDUM FOR: Robert F. Poffenberger, Director
Community Planning & Development Division, 5HD

FROM: Saul N. Ramirez, Jr., Assistant Secretary for Community
Planning and Development, D \s\

**SUBJECT: Request for Waiver of CDBG One-for-One Requirements
for Disaster Recovery, State of Indiana**

This is in response to your October 15, 1997, memorandum regarding the State of Indiana's August 26, 1997, waiver request. The State asked HUD to waive the one-for-one replacement requirements in the Community Development Block Grant (CDBG) program for funds used for voluntary acquisition and demolition of properties located within the boundaries of the 100-year flood plain. Of the 79 units proposed for acquisition, 74 units were damaged in the Ohio River flooding, three additional units are in the flood way, and one unit in the flood fringe, owned by an elderly couple, had been isolated by the flooding.

The Indiana Housing Finance Authority has proposed to set aside a minimum of \$2 million in regular CDBG funds for the above mentioned acquisition in the 13 southern Indiana counties included in Presidential disaster declaration (FEMA-DR-1165) for damage caused by Ohio River flooding.

The state has indicated, in a November 20, 1997, memorandum to John Dorgan, of your staff that failure to grant a waiver of the one-for-one replacement requirements at 42 U.S.C. 5304(d)(2) and 24 CFR 42.375 would jeopardize the State of Indiana's Flood Mitigation Program because: (1) many of the communities affected by the Ohio River flooding are small rural towns and low density rural areas; (2) a lack of infrastructure and available land for replacement of lower-income housing; (3) many of the affected communities are entirely within the 100-year flood plain. Therefore, finding good cause, under authority of Section 122 of the Housing and Community Development Act of 1974, as amended, I am suspending the requirements at 42 U.S.C. 5304(d)(2) and 24 CFR 42.375, for the use of funds designated for recovery from the above mentioned Presidentially declared disaster.

Please inform the State of Indiana of this action.

April 7, 1998

MEMORANDUM FOR: Robert F. Poffenberger, Director,
Community Planning and Development Division, 5HD

FROM: Saul N. Ramirez, Jr., Assistant Secretary for
Community Planning and Development, D \s\

**SUBJECT: Request for Waiver of CDBG One-for-One
Requirements for Disaster Recovery,
State of Indiana**

This is in response to your February 19, 1998, memorandum regarding the State of Indiana's December 9, 1998 waiver request in regards to a State CDBG grant to the Town of Fredericksburg, Indiana. The Town of Fredericksburg is covered under a Presidential declaration of a severe flooding disaster, FEMA 1125-DR, which was issued on July 3, 1996. The Indiana Housing Finance Authority has proposed to set aside in 1997 \$300,000 in regular CDBG funds for the damage by flooding of properties in Fredericksburg.

The State has asked HUD to waive the one-for-one replacement requirements in the Community Development Block Grant (CDBG) Program for funds used for voluntary acquisition and demolition of properties located within the boundaries of the 100-year flood plain. Of the 11 units proposed for acquisition, 73 percent live in the floodway, while 27 percent live in the floodway fringe. Since over 60 percent of the housing stock was built before 1940, it is apparent that the housing stock is growing older and has not maintained values equivalent to the county and State averages.

The State has indicated in a December 9, 1997 memorandum to John Dorgan of your staff, that failure to grant a waiver of the one-for-one replacement requirements at 42 U.S.C. 5304(d)(2) and 24 CFR 42.375 would jeopardize the State of Indiana's flood mitigation program in the Town of Fredericksburg.

Therefore, finding good cause under authority of Section 122 of the Housing and Community Development Act of 1974, as amended, I am suspending the requirements at 42 U.S.C. 5304(d)(2) and CFR 24 42.375, for the use of funds designated for recovery from the above mentioned Presidentially declared disaster.

Please inform the State of Indiana of this action.