



Jim Justice
Governor of West Virginia

April 6, 2018

Mr. Stanley Gimont
Deputy Assistant Secretary
for Grants Programs
U.S. Department of Housing and Urban Development
Washington, DC 20410-7000
Via E-mail

Dear Mr. Gimont:

The State of West Virginia has received your letter dated March 28, 2018, addressed to our Department of Commerce Secretary, H. Wood Thrasher. I have been directed by the Governor to provide our state's response to your inquiry. Additionally, I am requesting a meeting to discuss your concerns in greater detail at your earliest convenience.

First and foremost, rest assured that West Virginia is aware of the obligations and requirements associated with the CDBG-DR funds. Further, we intend to act in a manner consistent with the Federal Register Notices as referenced in your letter. However, based upon the tone and tenor of your letter, I believe you have been provided false and misleading information from a source obviously not associated with either the intent or actions of the State of West Virginia regarding our unmet housing needs.

While your correspondence references a "suspension of housing recovery activities," we have not directed such suspension but rather have placed an operational pause upon our Rise program while this office concludes an investigation that we have conducted regarding the procurement of consulting services. We are currently determining our best course(s) of action to comply with the CFR, but also ensure that no federal or state laws are violated with respect to the expenditure of public funds. The actions of the prior administration and several individuals at the agency level have created complications which we must now address before further implementation of the plan. We are diligently pursuing remedies in effort to avoid unnecessary delay.

Please be advised that West Virginia has not considered shifting the administration of the funding to another agency so we are puzzled by your reference to the "uncertainty" as to which agency will be responsible for CDBG-DR grant. Also, I believe you have been misinformed about

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"the prospect of a substantial reallocation of CDBG-DR funds from housing to economic development or infrastructure activities." While we are reviewing our current unmet housing needs, we are doing so to ensure that no public funds are misspent or wasted on unnecessary projects. Our efforts are not as a result of questions arising from our prior certification of the grant but rather the realization that hundreds of homes have been constructed by volunteer organizations in the time period following the submission of the grant. However, no direction has been given to request a reallocation at this time. We understand West Virginia will be required to demonstrate that our housing needs have been completely satisfied before making a request for reallocation in the future and will only do so in the event we are assured we have addressed the unmet housing needs of our citizens.

Once again, I believe an in-person meeting is imperative in order for me to provide much greater detail and clarity about our intent and actions. I await your invitation and appreciate your anticipated cooperation in this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "B. Abraham", with a long horizontal flourish extending to the right.

Brian R. Abraham
General Counsel

cc: H. Wood Thasher