

**Congress of the United States**  
Washington, DC 20510

June 7, 2017

The Honorable Ben Carson  
Secretary  
U.S. Department of Housing and Urban Development  
451 7th Street SW  
Washington, D.C. 20410

Dear Secretary Carson:

We are writing to strongly urge an expeditious review and approval of the regulatory waiver submitted by the City of Grand Forks, North Dakota, for "LaGrave on First," a permanent supportive housing project to serve the chronically homeless population. This housing first project is profoundly needed to assist homeless individual and families in northeastern North Dakota, including nearby tribal communities.

This 42-unit project is being developed by Grand Forks Homes with the full cooperation and support of the city and Grand Forks Housing Authority. Through the diligent and tireless work of these groups, all necessary financing for the project – nearly \$9 million – is in place. Using Low Income Housing Tax Credits (LIHTC), the Department of Housing and Urban Development's (HUD) Housing Trust Fund, HOME, the Section 8 Housing Choice Voucher program, and the Federal Home Loan Bank's Affordable Housing Program, as well as grants from the Bremer Trust and the Turtle Mountain Band of Chippewa, LaGrave on First will have no debt to service when it opens its doors. This project is truly an example of a community coming together and using a creative and diverse patchwork of funding to serve its chronically homeless population.

However, due to a procedural misstep in the environmental review process resulting from staff turnover last December, some of the project's Community Development Block Grant (CDBG) funds were drawn down prior to obtaining final environmental clearance. As a result, the HUD Region 8 environmental office issued a Statutory and Regulatory Violation Notice on March 30, 2017, informing the city that the draw-down of CDBG funds violated 24 CFR 58.22 and Section 104(g) of the Housing and Community Development Act of 1974. For the project to move forward, the city was required to submit a regulatory waiver, which included an Environmental Assessment and a 30-day comment period. In the interim, all activity on the project has been halted pending action on the waiver, which was submitted to the Region 8 office on June 5.

LaGrave on First has received very favorable construction bids, however, their deadline to award a construction contract under the current bid terms is July 24, after which point they could lose their favorable bids, jeopardizing the LIHTC funding being provided by US Bank and other funding sources and pushing construction back another year due to the short building season in

North Dakota. In light of all this, we ask that HUD's Office of Community Planning and Development work with the Region 8 office to get this waiver approved expeditiously.

Thank you for your attention to this important matter, and we look forward to your prompt reply.

Sincerely,

		
JOHN HOEVEN U.S. Senator	HEIDI HEITKAMP U.S. Senator	KEVIN CRAMER U.S. Congressman