Ms. Ann Kroll  
Director  
Grants Management  
State of Vermont  
One National Life Drive  
Montpelier, VT 05620

Dear Ms. Kroll:

Pursuant to the Disaster Relief Appropriations Act, 2013 (the Act), the Department has awarded a grant of $17,932,000 in Community Development Block Grant disaster recovery (CDBG-DR) funds to the State of Vermont (grant number B-13-DS-50-0001). On December 10, 2013, the Department executed a grant agreement that obligated $13,232,000 of this grant to the State of Vermont (Round 1 obligation). Pursuant to the requirements of the Act, these obligated funds must be expended within 24 months following obligation. For the State of Vermont, all funds under the above obligation must be expended by December 10, 2015, unless an extension of that deadline is provided.

On May 11, 2015, the Department published a Federal Register Notice outlining the process and criteria for a grantee receiving funds under the Act to receive an extension of an expenditure deadline (78 FR 26942). On September 8, 2015, the State of Vermont submitted the CDBG-DR Expenditure Deadline Extension Request as required by the Notice, with a request to extend the expenditure deadline for the following activities in the Disaster Recovery Grant Reporting (DRGR) system:

<table>
<thead>
<tr>
<th>DRGR Activity Title</th>
<th>DRGR Activity Number</th>
<th>DRGR Budget</th>
<th>DRGR Balance Remaining*</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHA’s Red Clover Housing Project</td>
<td>Red Clover IG-2014-00005 RD-1</td>
<td>$5,540,200</td>
<td>$4,840,200</td>
</tr>
<tr>
<td>Buyouts Wash/Windsor/Windham LMI</td>
<td>Buyouts Wash/Windsor/Windham LMI RD-1 IG-00036</td>
<td>$293,100</td>
<td>$293,100</td>
</tr>
<tr>
<td>Commercial Buyouts Washington/Windsor counties UR</td>
<td>Commercial Buyouts Wash/Winds UR RD-1 IG-00036</td>
<td>$500,000</td>
<td>$470,381</td>
</tr>
<tr>
<td>Residential Buyouts Wash/Windsor/Windham UR</td>
<td>Residential Buyouts Wash/Winds/Windh UR RD-1 IG-00036</td>
<td>$300,000</td>
<td>$211,512</td>
</tr>
</tbody>
</table>

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Residential buyouts non-targeted UR          Residential Buyouts non-targeted UR RD-1 IG-00036
                                            $450,000                    $319,507
Brandon Town Office Rehab                  Town of Brandon RD-1 IG-00068
                                            $500,000                    $500,000
Bean’s Bridge Road Rehab                   Town of Rochester RD-1 IG-00050
                                            $158,769                    $131,157

* The DRGR balance remaining as of the date of this letter does not represent the amount of funds to which the deadline extension applies because the grantee may continue to expend funds for this activity between now and the original expenditure deadline.

The Department is approving the State of Vermont’s request to extend the time for the expenditure of funds under these activities until June 30, 2017. As outlined in the Notice, the Department must assess the Expenditure Deadline Extension Request and ensure the revised expenditure deadline for the CDBG-DR activities as well as the projection of quarterly expenditures are achievable based on the grantee’s past performance and expenditure rate. Based on this assessment, the Department has concluded that additional time may be necessary to expend the remaining funds and achieve the State’s recovery goals, and therefore provides additional time beyond the State’s request.

Please note that this extension applies to the balance of CDBG-DR funds remaining for the DRGR activities listed above as of the original December 10, 2015, expenditure deadline. The Department will make adjustments to DRGR to ensure the continued availability of the remaining balance of funds associated with those activities.

Thank you for your interest in the Department’s programs.

Sincerely,

[Signature]

Marion Mollegen McFadden
Deputy Assistant Secretary
for Grant Programs