



Community Development Block Grant
Hurricanes Gustav and Ike
Parish-Implemented Program Recovery

Foundation/Reconstruction Program Handbook

March 8, 2010

Program made possible by:
Louisiana Recovery Authority
The Office of Community Development's Disaster Recovery Unit
And
U.S. Department of Housing and Urban Development

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1.0 INTRODUCTION AND PURPOSE OF PROGRAM

The purpose of The Office of Community Development Disaster Recovery Unit's Program is to provide assistance to eligible homeowners directly affected by Hurricanes Gustav and Ike, which both made landfall in September 2008. These disaster recovery funds may only be used to accommodate unmet housing needs of homeowners whose homes sustained damage as a result of Hurricanes Gustav and Ike.

The purpose of the Foundation Reconstruction Program is to mitigate potentially hazardous conditions involving residential properties within Parishes which are subject to flooding. The primary objective of the program is to provide safe housing for residents through the elevation of properties which are subject to flooding during storms.

The primary objective of the Foundation Reconstruction Program is 1) to perform other elevation-related measures which may be required for properties subject to flooding during storms; and 2) to perform other elevation-related repairs required by applicable codes, regulations and standards. The process of raising a damaged home so that the lowest floor is above the ground level by foundation walls, shear walls, posts, piers, pilings, or fill dirt. Homes must be elevated to or above the Advisory Base Flood Foundation Reconstruction Programs (ABFE) or Base Flood Foundation Reconstruction Programs (BFE) whichever is higher, or to the Digital Flood Insurance Rate Maps (DFIRM) if the property is located in a Coastal High Hazard Area or Velocity zone. All Foundation Reconstruction Program activities must meet applicable local and state codes.

The Parish will determine eligibility based upon its determination of funds provided under the CDBG Disaster Recovery was not disaster-related, or funds allocated duplicated other benefits. If a person has received CDBG Disaster Recovery funds to assist with any part of a loss resulting from Hurricanes Katrina or Rita and/or received compensation through the Road Home Homeowner Assistance Program, the file will be reviewed to determine duplication of benefits. Recipients of the Road Home Homeowner Assistance Program must act accordingly within the covenants of the program. If financial assistance has been received under any other federal program, from insurance or any other source of funding for structural damage or loss, this is considered duplication of benefits and under federal law must be deducted from the award amount.

The CDBG Disaster Recovery Foundation Reconstruction Program requires that all funds will be distributed in accordance with the three national objectives: benefit of low to moderate income persons, elimination or prevention of slums and blight, or urgent



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need. In addition, at least 50 percent of the total funds allocated to the State of Louisiana must benefit low to moderate income individuals, unless this percentage is reduced by a waiver of HUD. The LRA and OCD/DRU have developed an action plan to provide descriptions of the eligible program activities available to assist parishes in meeting unmet housing needs incurred by the 2008 hurricanes.

- <http://www.doa.louisiana.gov/cdbg/DRactionplans.htm>
- [Action Plan for the Utilization of CDBG Funds in Response to Hurricanes Gustav and Ike](#)
- [Action Plan Amendment 1 to the Action Plan for the Utilization of CDBG Funds in Response to Hurricanes Gustav and Ike](#)

It is important to note that HUD has recognized the need to provide Foundation Reconstruction assistance to encourage housing resettlement consistent with local recovery plans. For this reason, HUD granted a waiver to 42 U.S.C. 5305 (a) and associated regulations for disaster recovery efforts related to Hurricanes Gustav and Ike to make grant funds available for foundation reconstruction assistance. In order to permit funding of foundation reconstruction assistance, the state and parish must:

- all properties must be elevated at least 1 foot above the 100-year base flood elevation (BFE) and must be able to comply with all applicable local, state or federal codes, ordinances and standards upon the completion of the work.,
- justify that foundation reconstruction assistance is more appropriate than a rehabilitation, reconstruction, or buyout program,
- establish appropriate amounts of funding allocation, and
- evaluate outcomes of the program by monitoring a statistically valid sample of program participants within one year of providing a final payment.

2.0 NATIONAL OBJECTIVES

All Housing projects funded under CDBG must address at least one of the following three national objectives of the CDBG Program.

- Benefit low- and moderate-income (LMI) persons;
- Aid in the prevention or elimination of slums or blight; and,
- Urgent Need.

Under the CDBG regulations, a project is not considered as meeting a national objective until it is complete. Therefore, grantees must be aware of the national objective category and document compliance appropriately.



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For more information regarding the national objectives, grantees should download a copy of the Guide to National Objectives and Eligible Activities for the State CDBG Program. www.hud.gov/offices/cpd/communitydevelopment/library/stateguide/index.cfm

3.0 MARKETING PROGRAM

The Parish should take affirmative marketing steps to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in the housing market area. A wide range of marketing strategies (informational brochures, flyers, newspaper articles, advertisements, and the Parish's website) should be implemented to ensure that eligible persons living Parish-wide have a reasonable opportunity to be informed about the Foundation/Reconstruction opportunities being carried out by the Parish.

- ❖ On an annual basis, the Parish should review its marketing efforts to assess strategy effectiveness. After each review of the Parish's marketing efforts the Parish should make adjustments to its marketing strategy as determined necessary.

4.0 TYPE OF ASSISTANCE AVAILABLE

1) Parishes can use CDBG funds to assist homeowners to do gap funding for increased storm deductibles (associated with Gustav/Ike damages) for both LMI and non-LMI homeowners in the form of an incentive payment to encourage homeowner to maintain insurance for future repetitive losses. Each parish will be responsible for developing the program guidelines that best suit the needs of their community while also meeting Federal CDBG regulations associated with Foundation Reconstruction.

2) In addition, homeowners must have insurance and maintain homeowner insurance with the Foundation Reconstruction Program. If homeowner does not maintain insurance, a default will occur and all CDBG funds must be repaid. CDBG funds can be provided to LMI households in the form of a three year forgivable deferred loan remedy damages and maintain property and flood insurance on their properties.

***It should be noted that recipients who received assistance from Hurricanes Katrina and Rita who did not have property or flood insurance at the time of sustaining damages from Gustav and Ike are not eligible for assistance with Community Development Block Grant (CDBG) funds.*

4.1 Maximum Assistance Levels

The maximum assistance for any homeowner is \$ 100,000.



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4.2 Method of Delivery

In order to ensure that 50% of these funds are used for the benefit of low-to-moderate income homeowners, parishes must prioritize LMI applicants above non-LMI applicants.

4.3 Terms of Assistance

Each parish will be responsible for developing the program guidelines that best suit the needs of their community, while also meeting Federal CDBG regulations associated with the Foundation Reconstruction Program. Assistance to low-to-moderate income homeowners will be provided as well to those in slum/blighted areas and those with an urgent need. There is no requirement for payment/re-payment as long as the applicant maintains ownership, residency, and insurance for the required term. The parish will be responsible for executing and recordation of a Note and Mortgage with the applicant.

5.0 PARTICIPANT, PROPERTIES, RESIDENCY ELIGIBILITY

Eligible CDBG Disaster Recovery Foundation Reconstruction Program applicants must be an individual or family who own and occupies (or was occupying) a single family residential unit on September 1, 2008 for Gustav or September 13, 2008 for Ike. The damaged home must be located in one of the 53 parishes included in the President's disaster declaration for individual assistance. Only completed applications will be reviewed for eligibility. These households must meet the following eligibility requirements:

1. Owner-occupants of single-family properties and mobile homes, and investor-owners of single-family and owner-occupant duplex rental properties, will be eligible for assistance.
2. The applicant must be the legal owner of the real property, and the registered owner of the mobile home, if applicable, to be assisted.
3. The applicant must own and occupy the property as his or her principal residence or rent the property to tenants as permanent, year-round residences.
4. Owners of residential property as described above are eligible for foundation reconstruction assistance regardless of the income level of the occupants of the property.
5. Properties must be located within the local Louisiana Parish to be eligible for assistance.



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6. Properties located in the regulatory floodway or on federal leased land are not eligible for assistance.
7. Structures to be elevated must have existed prior to the 2008 disaster declaration date and must have been located at the present location since that date.
8. Secondary residences (e.g. summer homes and guest cottages not used as permanent, year-round dwellings) are not eligible for assistance. The structure to be elevated must have been a primary residence at the time of the 2008 floods and must continue to be a primary residence after foundation reconstruction.
9. Properties which have been rehabilitated previously through a rehabilitation grant or loan are eligible for assistance under another Flood Elevation Mitigation Program.
10. All properties must be elevated at least one foot above the 100-year base flood elevation (BFE) and must be able to comply with all applicable local, state or federal codes, ordinances and standards upon the completion of the work. All foundation reconstruction projects must be designed to withstand depth and velocity standards for 100-year flood events and must meet seismic criteria for new construction regardless of local codes. An elevation certificate will be required upon completion of elevation.

5.1 Eligible Improvements and Costs:

1. All improvements necessary to elevate the property and elevation-related repairs to meet applicable codes and ordinances are eligible for assistance.
2. Improvements must be of a permanently fixed nature.
3. Eligible costs include: Disconnection of all utilities; installation and removal of beams for lifting the house; cribbing for a raised house, while the foundation is being built; building of the foundation so that the lowest floor is one foot above BFE; lowering the house onto new foundation; seismic retrofitting of the elevated foundation including attachment of the building to that foundation; reconnecting of utilities - extending lines and pipes if necessary; elevating all utilities and service equipment (hot water heater, furnace, outlets for electricity, etc.) and providing meter reader access if necessary.
4. Additions to the habitable space of the structure will be eligible for assistance only as noted below:



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- a. Construction of a utility room above BFE may be eligible only if there is not existing space within the house or if there is no other more cost effective way to elevate the utilities. If space must be constructed, it will be no greater than 100 square feet.
- b. Elevation of an existing deck, porch, or stairs; or construction of a new set of steps to access the elevated living space as per minimum code requirements.
- c. Where owners, members of the owner's family or tenants of property are



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physically disabled, a physician's written confirmation will be required before access will be provided as part of the elevation. Multiple accesses shall be eligible for funding if necessary for compliance with local codes and standards. Where a ramp is to be used to provide access, it shall be designed to meet federal standards for slope and width. Where ramps are not technically feasible, a mechanical chairlift may be installed. Such an installation should be on interior access stairways where possible, subject to local codes.

5. Funds will be provided to replace, restore or repair the structure only as noted below:
 - a. Where structures (containing an attached garage) will be elevated so as to provide at least 8 feet (or as defined by local codes and standards) of clear space, the garage may be moved under the structure, utilizing a previous surface and complying with other requirements to ensure hydrostatic equalization subject to local codes, and must be used only for parking or storage in accordance with local floodplain management ordinances and National Flood Insurance Program (NFIP) criteria.
 - b. Repair to the foundation is eligible only if it is necessary for the safe elevation of the structure.
 - c. Replacement of termite damaged or dry rotted wood framing members are eligible costs whenever associated with the elevation, or required for recommended seismic bolting or bracing.
 - d. Minimum costs of exterior sheathing associated with what was damaged or removed during the elevation process only. Exterior finish must meet NFIP flood resistant materials and must meet local codes.
6. Insulation for pipes only if required by local codes and standards.
7. Seismic upgrades per local and/or state codes as required, including bolting structure to foundation, and cripple walls.
8. Temporary housing expenses for owner-occupants during the period that the house is uninhabitable while the house is being elevated may be an eligible expense. Temporary housing expenses will be reimbursed on actual receipts only and will be limited to the rates set by FEMA.



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9. Rough grade of yard and seeding of grass if damaged by equipment during the elevation process or where the elevation action affects slopes.

10. Each Foundation Reconstruction Project is site specific. The Parish is responsible for procuring an environment Consultant. According to HUD Regulations, structures 45 years or older are subject to a 106 Review and clearance from the SHPO.

5.2 Ineligible Improvements and Costs

1. Funds may not be used to elevate a masonry chimney. If a fireplace is the sole source of heating, funds will be used to purchase and install the least expensive heating system adequate to meet the minimum local code requirements.

2. HVAC systems cannot be expanded or increased in size and capacity unless the owner pays such costs beyond the HVAC's capacity to service the square footage of the original pre-disaster structure.

3. Where existing underground utility lines have deteriorated, or do not meet code requirements, additional costs to repair such facilities shall not be eligible for reimbursement.

4. An elevation that was begun or completed prior to completion of the FEMA environmental review and prior to the applicant's receipt of written approval of the project for funding is ineligible for assistance.

5. A new structure which replaces a structure damaged by the 2008 flood will not be eligible for funding.

6. Costs for auxiliary (refer to local codes for definition) structures are not eligible.

7. Costs to elevate higher than the standard of one foot above BFE are not eligible.

8. Repairs, rehabilitation, additions, expansions, or elevations of appurtenances are ineligible except as noted above.

9. Landscaping costs are ineligible except as noted above.



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10. Elevations within an acquisition area designated by Louisiana Parishes are not eligible for funding.

11. Construction of decks or porches whether or not they existed prior to the flood or the elevation, except those that must be removed in order to do the elevation properly or except as noted above.

12. The costs to make improvements in cases where existing floor systems have been inadequately designed or constructed with undersized materials are not eligible for assistance.

13. Costs for replacement of utility service components which are undersized, of inadequate capacity, or are unsafe are ineligible unless directly related to the action of elevating (i.e. well pumps).

14. New furnaces are ineligible except as noted above.

The costs to perform the eligible improvements described above will be considered to be eligible project costs as long as the CDBG funds can also be used to provide assistance to homeowners of owner occupied 1 to 2 units. CDBG funds in the form of a three year forgivable deferred loan to property owners for some or the entire amount of the Foundation Reconstruction Program.

The Parish must adopt the States Cost Reasonableness Standards for Foundation Reconstruction Program in order to ensure that the mitigation activity is cost beneficial.

Foundation Reconstruction Program unit cost guides are based on type of foundation, height of Foundation Reconstruction Program and square footage of the home. Foundation Reconstruction Program costs includes foundation, extending utilities, and miscellaneous items, such as sidewalks and driveways. All completed Foundation Reconstruction Program projects will require a Foundation Reconstruction Program Certificate.

In addition, the parish must develop processes for recruiting local contractors that are experienced in elevating structures. (Refer to Procurement Methods and Contractual Requirements of the Grantee Administrative Manual for additional information regarding contracting requirements.)



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All work funded in whole or in part by OCD is subject to the permit processes of the State and Parish.

1. All work must be done according to standards acceptable to the Parish Permit and/or the State of Louisiana Department of Housing and Community Development.
2. The proper permit(s) shall be obtained for all work which requires such permit(s). The cost of permits may be part of the grant.

If additional work is required by HMGP or other Parish Departments as a condition of permit issuance, and if such work is not listed as eligible above, the owner will be required to provide matching funds equal to the amount of the cost to complete the required work.

In no event shall the Parish approve grants for work if it does not determine that the structure is physically sound and capable of being raised safely or if the property is in violation of any applicable code or ordinance of the State and/or Parish unless such violations are corrected as a result of the work paid for by Foundation Reconstruction assistance and owner's matching funds.

The Parish shall not approve grants for work required to repair a condition for which the applicant has received, or will receive, an insurance settlement or funds from another source (such as SBA) to pay for the repair except to augment the insurance or other funds in cases where such funds are insufficient to make the required repairs in compliance with all applicable codes or ordinances.

"Self-Help" works by the owner and/or occupant may not be a part of the contract or grant. No "volunteer" assistance is allowed primarily for liability reasons. Grant applicants will be advised of other applicable funding sources as appropriate.

5.3 Ownership

In order to be eligible, applicants must demonstrate property ownership. Parishes are responsible to ensure that each homeowner file contains proof of property ownership at the time of the storm which can be obtained through deeds and property records. Eligible forms of ownership include:

- Fee simple title to the property; or



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- Ninety-nine (99) year leasehold interest on the property (or a fifty (50) year leasehold on a trust, or fifty (50) year leasehold on restricted Indian lands); or
- Warranty Deed (all types)
- Life Estate
- Probated Will/Court Order/Judgment

In the absence of proof of property ownership described above, to be eligible for assistance, the applicant's household must provide the parish with the following:

- Proof of paid property taxes (dated as of the billing cycle that included September 2008)
- Proof of paid homeowner's insurance (for the year that included September 2008)
- Contracts for deed

The following types of "ownership" are NOT acceptable:

- Contracts for sale
- Quit claim deed
- Bond for Deed
- Rent to Own
- Lease to Own
- Usufruct: Case by case basis to be determined by the program. Usufruct cases should be encouraged to apply for the program.

5.3.1 Special Circumstances Related to Ownership Identity

Multiple individuals on the deed:

All must sign application, all must be present at closing and all must sign closing documents unless one is granted power of attorney for the others on the deed

Incapacity or infirmity of applicant:

If an applicant is incapacitated due to illness or other infirmity, someone with a legal right to bind that person legally, such as is provided by a power of attorney is eligible to apply for assistance on behalf of the applicant.

Death of homeowner(s):

If the homeowner has died since the time of the storms, an heir must have been placed into legal possession of the property to be eligible for assistance in place of the deceased owner.

Eligibility will be assessed on the following:



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6.0 OCCUPANCY

To confirm occupancy, the parish must establish a homestead exemption in the property tax records provided by the Parish from the time of the storm. If the tax records have established ownership and the Parish has granted a homestead exemption, the property is considered occupied by the applicant. In the absence of the state confirming a homestead exemption from records provided by the Parish, the State/Parish will use the following hierarchy to establish occupancy (all occupancy documentation must be from the time of the storms):

- 2008 tax records demonstrating homestead exemption for the property
- Copy of electric, gas, water, trash, sewage, cable or landline phone bill. The bill must confirm that service was provided in the month preceding applicable storm and must match name and address on the Foundation Reconstruction application.
- Letter from electric, gas, water, trash, sewage, cable or landline phone company. The letter must confirm that service was provided in month preceding applicable storm and must match name and address on the Foundation Reconstruction application.
- Voter registration records along with a drivers license matching the name and address on the Foundation Reconstruction application
- Copy of credit card bill sent to damaged residence in month preceding storm and matching the name and address on the Foundation Reconstruction application
- Copy of bank statement sent to damaged residence in month preceding storm and matching the name and address on the Foundation Reconstruction application
- Copy of applicant's insurance policy covering the home or the contents of the home. The policy must confirm insurance coverage at the time of the storm and must match name and address on the Foundation Reconstruction application.
- In Copy of city directory at the time of the storm that lists the applicant residing at the damaged residence address.
- Presence of 3rd party verified insurance information

6.1 **Property Taxes**

All delinquent property taxes shall be paid on the property prior to assistance from this program.



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6.2 Maximum Income

The gross annual income for all household members cannot exceed the applicable income shown in the current HUD Annual Income Chart. Please reference HUD website provided below.

<http://www.hud.gov/offices/cpd/affordablehousing/training/web/calculator/calculator.cfm>

7.0 PROPERTY SELECTION AND ELIGIBILITY

Eligibility will also be assessed on the following:

7.1 Location

To qualify for a grant, the housing unit must be located within the Parish limits.

7.2 Types of Structures

- Single Unit
- Town home
- Double Unit
- Condominium

Manufactured Housing (Mobile Homes) on leased land

Applicants of mobile homes on leased land must provide the following ownership documentation:

- One of the following dated pre-storm:
 - Title from the Department of Motor Vehicles
 - Title found in the land records for the mobile home
 - Notarized bill of sale which provides ownership to applicant of the mobile home
 - 2008 tax record for the mobile home on leased land

AND/OR

If the mobile home is no longer located on the leased land:

- Signed notarized affidavit from the applicant stating they were owner of the mobile home at the time of the storm and TWO of the following:



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- Insurance policy in name of the applicant insuring the mobile home structure
- Parish tax assessment
- Mortgage or other loan document
- Bills, checks or receipts for payment of the mobile home structure or bills, checks or receipts issued to the applicant for de-immobilization of the structure
- Receipts for demolition/scraping the mobile home
- Notarized ruling from a court indicating that applicant owned mobile home at the time of the storm

7.3 Flood Insurance

If the property lies in the one-hundred year floodplain zone, flood insurance is required.

8.0 IMPLEMENTATION PROCEDURES

The following implementation procedures may be modified at the discretion of the Parish.

8.1 Grant Application Process (See Exhibit 1)

1. All applicants will complete an application and furnish Parish staff with all required verifications. The information in the application will be used to determine the applicant's initial eligibility in the areas of ownership, residency, property type, location and availability of matching funds.

2. All property owners shall sign a statement acknowledging that they are making their property available for public funding for elevation and they understand that this could expose them to partial or total loss of use through code enforcement should the project fail to be completed.

3. After initial eligibility has been established, a thorough inspection of the property will be carried out by PARISH staff. If necessary, additional tests and/or inspections by third parties will be conducted. A rough scope of work and cost estimate will be developed based on the inspection(s), tests and consultation with the property owner.

4. After review and acceptance of the rough scope of work and cost estimate by the owner, PARISH staff will submit the application for approval.



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8.2 Grant Approval

The PARISH shall not discriminate in the provision of financial assistance because of race, color, national origin, religion, sex, familial status or handicap.

1. Property taxes and mobile home registration fees must be current in order for an applicant to be considered for a grant.
2. Flood insurance in an amount sufficient to cover the value of the improvements will be required for all properties located in a Special Flood Hazard Area (100-year floodplain). The PARISH shall receive annual renewal notices for all flood insurance policies.
3. Each application will be summarized and a recommendation for grant approval or disapproval will be made to the PARISH's Director or designee. The recommendation will include the maximum recommended grant amount and the required level of matching funds.
 - a. FEMA funds may be granted to pay for eligible project costs per structure cap imposed by FEMA. Any exceptions must be approved by the PARISH, GOSHEP and FEMA.
 - b. If the estimated cost to complete all repairs exceeds the eligible project costs as defined in section III.C, or if the Parish will require additional repairs as a condition of permit issuance, the property shall not be eligible for assistance unless the owner provides matching funds sufficient to cover the difference between total project costs and eligible project costs.
 - c. If after the 2008 federal disaster declarations, a property owner received federal disaster assistance grants, SBA disaster loans, or NFIP settlements that were designated for repair or elevation of a structure, the owner must provide evidence (e.g. receipts) that the funds were expended for the intended purpose.
4. The PARISH Director or her designee will make the final decision on each application.



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5. Discretion of PARISH Staff: It shall be within the purview of the PARISH Director or her/his designee, to approve or disapprove any grant application at any stage of processing through any formal or informal action which is consistent with fair housing lending procedures.

8.3 Priority for Funding

All properties which appear to be eligible for participation in Foundation Reconstruction will receive a prioritized ranking using a screening and selection criteria. The highest scoring properties will receive the highest priority for funding.

The applicant must complete the Individual Application Intake Form (See Exhibit 1). The applicant then submits an application packet for Parish review that includes:

- a. Copy of Deed
- b. Copy of complete set of most recent Federal Income Tax Returns, including all schedules and attachments for all persons in the household ages 18 and over.
- c. Third party verification of employment, if necessary.
- d. Other income documentation (supply a copy of the award letter or a copy of the check or direct deposit statement):
 - Social Security/SSI
 - Retirement
 - Disability
 - AFDC
 - Rental Receipts
 - Interest on Savings/Income Earning Accounts
- e. Documentation of property tax payment.
- f. Copy of Social Security Card for all children under the age of 18 living in the home.
- g. Copy of **current** identification (i.e., driver's license or State of Louisiana ID card)
- h. Other support documentation as requested

The information collected is confidential and should be treated as such. Applicant's permission to obtain and verify any personal information must always be granted.



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9.0 DUPLICATION OF BENEFITS

The Stafford Act prevents two or more federal agencies from providing compensation to cover the same loss. For this reason the Parish is responsible for determining whether there is a Duplication of Benefit to each applicant. Applicants will be required to disclose all forms of federal assistance received as a result of the storm and self-certify the source and amount received. Parishes will be responsible for conducting third party verification of this information and must provide documentation of all due diligence efforts in each applicant file.

9.1 Insurance

The Parish will be responsible for verifying homeowner insurance and the amount received to determine eligibility for the program. In order to receive funding to offset the increased storm deductible associated with Gustav/Ike damages, homeowners will be required to provide the Parish with a copy of their insurance policy declaration statement. Documentation must be maintained in each applicant file.

Recipients of compensation from Hurricanes Katrina and Rita who did not have property or flood insurance at the time of sustaining damages from Gustav and/or Ike are not eligible for assistance with Community Development Block Grant (CDBG) funds.

9.2 Determination of Gross Income (See Exhibit 2)

Income is defined as the gross amount, before any deductions have been taken, of income that is anticipated to be received by all household members and persons on title during the upcoming twelve (12) months. Income of household members under the age of 18 or a full-time student under the age of 25 is not counted. Income must be verified no earlier than six (6) months from the date the grant is made.

The following steps should be taken to determine household income for the purpose of determining eligibility for foundation reconstruction assistance housing assistance:

- ✓ Step 1: Ask questions of the household regarding annual income and income from assets. Follow the rules pertaining to what types of income to include and exclude.

24 CFR Part 5 provides a comprehensive list of the types of income that are included and excluded from the calculation of annual gross income. Income from assets is also recognized as part of annual income under the Section 8 definition. Details and forms used for calculating household income for rehabilitation projects are provided in the "Technical Guide for Determining Income and Allowances for the HOME Program" which can be ordered from Community Connections at www.comcon.org or by calling Community Connections at 1-800-998-9999.



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- ✓ Step 2: Gather appropriate documentation such as wage statements, interest statements, third-party verifications, etc. (See “Sources of Income” Exhibit 4)

Grantees should use the Applicant Release of Information form (Exhibit 5) for authorization to verify applicant’s income. Note: While verification from other agencies and employers is considered appropriate, self-certification of income by the household is not sufficient for housing activities.

- ✓ Step 3: Use the Annual Household Income Calculation Form (Exhibit 6) to calculate total household income by adding up the information obtained.

HUD’s HOME Program website has an electronic income calculator that allows the user to do the income calculation in an automated fashion. Because the rules for calculating income are the same for both programs (HOME and CDBG), grantees can utilize this tool. The income calculator can be accessed at:

<http://www.hud.gov/offices/cpd/affordablehousing/training/web/calculator/calculator.cfm>

- ✓ Step 4: Compare the total household income to the HUD income limits for that household’s size. Income limits are provided by OCD/DRU and can be found on HUD’s or OCD/DRU’s website. Determine if eligible for assistance.
- ✓ Step 5: Place the income calculation, determination and back-up documentation in the individual applicant file.

9.3 Property Inspection

Once the Parish determines that the applicant meets the basic property eligibility requirements, the Parish arranges for one or more inspections of the house with the homeowner. The inspection(s) will include an evaluation of the requested repair(s) and any health or safety deficiencies, based on the minimum property standard.

9.4 Competitive Bidding

After a grant is approved, PARISH staff will prepare a detailed Scope of Work for all repairs and improvements to be funded through the Foundation Reconstruction grant and matching funds will coordinate the competitive bidding process to obtain fixed-price bids from qualified, licensed contractors.



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1. The PARISH shall determine whether a contractor is "qualified" through a pre-screening process. All contractors must submit a contractor application on the required forms to the PARISH at, or prior to, the time of submitting their first bid. The PARISH will verify the contractors' license, insurance, credit and work references and will determine that a contractor is qualified to work on PARISH jobs.
 - a. All contractors must be licensed and in good standing with the Louisiana Contractors State License Board.
 - b. All contractors will be required to provide a 100% performance bond and evidence of insurance coverage sufficient to satisfy the requirements of the PARISH's standard Contract for Rehabilitation of Property.
 - c. If necessary, the PARISH may remove contractors from the "qualified" list. Reasons for such action include but are not limited to: 1) their license is suspended, canceled or revoked; 2) they fail to maintain the required insurance coverage; 3) they fail to comply with the provisions of the Contract for Rehabilitation of Property; or 4) there are documented problems or complaints received from property owners and/or the PARISH's housing rehabilitation specialists regarding their behavior or work performance.
2. Whenever possible, at least three bids will be obtained for each project. The property owner may select any responsible contractor whose bid does not exceed 110% of the PARISH's in-house cost estimate.

10.0 GRANT DOCUMENTS

1. Grant Agreement: After selection of the contractor by the property owner, PARISH staff will prepare a grant Agreement detailing the rights and responsibilities of the property owner, the PARISH and the Parish. The applicant shall execute the Grant Agreement prior to work commencing on the job.
2. Deed Restriction: Owners of structures to be elevated must execute a deed restriction, prior to start of construction that restricts future use of the area under the elevated first floor to parking and temporary storage only, in conformance with NFIP Flood Plain Management ordinances; and stipulates the requirement for flood



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insurance for as long as the building remains in a Special Flood Hazard Area (100-year floodplain).

3. All owner matching funds, in the form of a money order, certified check or bank check, shall be deposited in the PARISH's rehabilitation escrow account at grant signing for disbursement to the contractor, or in payment of other project costs, on behalf of the property owner.

11.0 CONSTRUCTION CONTRACT

The PARISH will coordinate contracting for all work funded through the flood elevation grant and matching funds, manage the contracts, inspect the work and approve and disburse payments utilizing grant funds and matching funds from the owner's rehabilitation escrow account.

1. The contract for the Foundation Reconstruction work will be executed by the owner and the contractor. The PARISH will provide the contract form.
2. The contract's Scope of Work will include only eligible improvements as listed above and any work required by the Parish as a condition of permit issuance. No other work may be included in the contract.
3. The PARISH shall assist the owner in the control, supervision and direction of the work to be performed under the contract. A copy of all written communications between the owner and the contractor must be sent to the PARISH. In the event of any dispute between the owner and the contractor, the PARISH shall attempt to resolve the dispute.
4. Alterations to the services to be provided under the contract and amounts to be paid pursuant to the contract may be made only by written agreement by and between the owner and the contractor and only upon written approval of the PARISH. Such agreement and approval shall be on a form prescribed by the PARISH. No payment shall be made for any work performed without the prior written approval of the PARISH.
5. During the period of performance of the contract, the owner shall not enter into any additional agreements with the contractor, whether written or verbal, without the written approval of the PARISH. The purpose for this requirement is primarily to prevent confusion and loss of adequate and appropriate control, supervision and direction of the work to be performed under the contract.



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6. PARISH staff will inspect each project during construction to assure that work is progressing in a timely manner and that it is being carried out in accordance with the Scope of Work. Such work will be carried out with the property owner's full participation, cognizance and consent.
 - a. Phase inspections will be made by the PARISH prior to the disbursement of payments to the contractor. Any work requiring a building or other permit must also have written approval by the State and/or Parish building inspector. Upon completion of all work, the Parish must certify that the elevation is in compliance with local ordinances and with NFIP ordinances
 - b. The owner must accept all work before payment may be authorized, except payment awarded by arbitration or legal judgment.
 - c. Acceptance of Work: In the event of any dispute between the owner and the contractor concerning the completion of flood elevation work, the PARISH Director or her designee shall exercise authority.
7. Upon satisfactory completion of all work contained in the contract's Scope of Work, the property owner shall sign the Notice of Completion which shall be recorded in the Louisiana Parishes Recorder's Office.
8. The PARISH's signature on the final phase inspection form signals the commencement of the retention and warranty periods.

12.0 DISPOSITION OF FUNDS STATEMENT

Once a project is completed and all funds have been disbursed, the property owner will receive a letter from the PARISH indicating the disposition of the grant proceeds and any matching funds.

12.1 Executing Agreements with Beneficiaries

The Grantee must enter into a formal written agreement with the applicant for the amount of the assistance made available. Following approval, Parishes should meet with the applicant to review the proposed scope of work to be undertaken. OCD/DRU requires the applicant to initial each page and sign the last page of work items, thereby



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attesting to the fact that the applicant was made aware of the improvements to be made to the property. The homeowner should also receive all proper notices and information about lead-based paint.

13.0 GRIEVANCE PROCEDURES

If an Owner, Applicant, or Contractor has a complaint concerning the implementation of Foundation Reconstruction Program, a written complaint must be submitted to the local program administrator within 60 days. The local program administrator will respond in writing within ten calendar days from the receipt of the written complaint. A copy of the Full Grievance Procedure is located in Exhibit 5.

Any applicant who disagrees with the determination of their eligibility for assistance in the Foundation Reconstruction Program may appeal the decision to the Parish's Local Program Administrator. The Local Program Administrator should send the applicant a copy of their decision, a statement of the facts and the legal basis upon which it is based. The applicant will also be provided a statement of their right to appeal to the Parish.

If the Local Program Administrator denies the applicant's appeal, the applicant is entitled to a review by the Parish. The applicant will be mailed a letter containing the Parish's decision, in addition to the facts upon which the decision was based. All appeals will be handled according to the grievance procedures set up by the Parish to assure a fair determination for all parties.

For additional information on complaints, see Section 2: Administration of the Grantee Administration Manual.

14.0 OTHER FEDERAL REGULATIONS

While all Foundation reconstruction assistance grants are subject to the requirements of these Guidelines, there may be additional special provisions and limitations on Foundation reconstruction assistance grants. This Program Design containing the policies which form the framework for the Foundation Reconstruction Program and has been adopted by the LRA and OCD. No revisions maybe made hereto without the express action of the Board.

Consequently, additional requirements not shown in these Guidelines may apply and thus, these Guidelines may be amended from time to time by the Parish to reflect changes in the requirements of the funding source of this program.



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14.1 ENVIRONMENTAL

The Foundation/Reconstruction Program is designed to accommodate unmet housing needs of homeowner whose homes sustained damage as a result of Hurricanes Gustav and/or Ike. As a result, the environmental requirements fall under 24 CFR Part 58.35(a)(3)(i). (**Attachment 1**). This type of environmental review requires a site-specific analysis of conditions prior to rehabilitation. The document that is used is called a “Statutory Checklist”. Attached is a blank checklist (**Attachment 2**), as well as a properly executed checklist (**Attachment 3**).

This type of review involves an examination of various environmental consequences as a result of rehabilitation. Letters should be sent to participating jurisdictional agencies to let them know about the proposed activity, so each agency can determine if there will be an adverse effect as a result of the action. The names and addresses of these agencies are located in (**Attachment 4**).

If the site-specific analysis of an address indicates that the activity does not require any mitigation measures, monies may be spent. If the site-specific analysis of an address indicates that the activity does require mitigation measures, the Parish must note all conditions for the property, and these conditions must be met before monies can be spent.

Any address that is located in a Special Hazard Flood Area must maintain current NFIP flood insurance for the life of the loan, or in the case of a grant, for the life of the structure.

The Parish should procure an Environmental consultant who is familiar with HUD environmental statute to perform the work, as it is time-consuming, detailed and expensive to complete this type of review.

The Appendix Section in the Grantee Administrative Handbook titled “Foundation Reconstruction” includes sample forms for the development and administration of a Foundation Reconstruction Program including a sample applicant intake form. The intake form is a required document to be attached to the parish application.

15.0 DEFINITIONS SECTION

Annual Income/Gross Income – Annual income is the gross amount of the household income anticipated to be received by a family during the twelve (12) months following the effective date of examination as calculated by the current HUD Section 8 method.



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Applicant – The “Applicant” shall include all persons having legal or equitable title to the structure for which rehabilitation assistance is requested, including nonresident owners. (For purposes of determining income eligibility in the case of rental property, the applicant is considered to be the occupant of rental property).

Authorization - Authorizes someone to act as agent on behalf of the property owner, providing rehabilitation services, including inspections and approvals.

Approving Officer - A representative authorized to approve rehabilitation contractors and distribution of rehabilitation funds.

BFE - Base Flood Elevation

Community Development Block Grant Program (CDBG) - A HUD program administered by the Governor’s Office for Local Development. Eligible activities include housing, public facilities, and economic development.

Contractor - The person or persons with whom a contract is made by the Applicant to perform rehabilitation on an eligible structure.

Critical Health and Safety Deficiencies - Those necessary elements of the structure which are lacking or are deteriorated to a point which poses a real threat to the continued well being of the occupants. For the purpose of this plan, these include wiring, heating, and major structural problems, the lack of adequate plumbing, and sanitary septic systems.

Dependent - Any household member who is not the head of household, co-head or spouse, but is age 17 or younger; or handicapped or disabled (any age); or a full-time student.

DFIRM Map - Paper to Digital Transition. Beginning on or after October 1, 2009, FEMA will provide a single paper flood map and Flood Insurance Study (FIS) to each mapped community. FEMA will convert all other distribution of maps and FIS reports for digital delivery.

Elderly/Disabled Household - Any household where the head of household, spouse or co-head of household is 62 years of age or older, handicapped, or disabled.

Elevated Building: A building that has been raised to an elevation at least one foot above the BFE recorded for that area.



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FEMA - Federal Emergency Management Agency

Flood: A general and temporary condition of partial or complete inundation of normally dry land areas from either the overflow of inland waters or the unusual and rapid accumulation or runoff of surface waters from any source.

Flood Insurance Rate Map (FIRM): An official map of a community, on which the FIA has delineated both the SFHA's and the risk premium zones applicable to the community. Most FIRM's include detailed floodplain mapping for some or all of a community's floodplains. In most cases, the date of the first FIRM issued to a community is the date the community entered the Regular Program of the National Flood Insurance Program.

Flood Insurance Study (FIS): A report by the FIA for a community in conjunction with the community's FIRM. The study contains such background data as the base flood discharges and water surface elevations that were used to prepare the FIRM. In most cases, a community FIRM with detailed mapping will have corresponding flooding insurance study.

Floodplain: Any land area susceptible to being inundated by floodwaters from any source. A FIRM identifies most, but not necessarily all, of a community's floodplain as a SFHA.

Floodplain Board: The entity responsible for reviewing requested variances from the floodplain ordinance. For Louisville Metro the Floodplain Board is the MSD Board.

Floodplain Permit: Required document to develop within the Local Regulatory Floodplain of the Parish.

Floodplain Storage Compensation: An artificially excavated, hydraulically equivalent volume of floodplain storage sufficient to offset a reduction in floodplain storage resulting from filling or construction within the local regulatory floodplain. Such floodplain storage compensation shall be within the same watershed and shall be provided on the same property or at an alternate site if the administering agency so approves.

Flood proofing: Protective measures added to or incorporated in a building that is not elevated above the BFE to prevent or minimize flood damage. "Dry flood proofing" measures are designed to keep water from entering a building. "Wet flood proofing" measures minimize damage to a structure and its contents from water that is allowed into a building. (See Retrofitting)



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Floodway: The channel of a river and the portion of the overbank floodplain that carries most of the base flood. The floodway must be kept open so that floods can precede downstream and not be obstructed or diverted onto other properties. The NFIP regulations allow construction in the floodway provided that it does not obstruct flood flows or increase flood heights.

Flood Fringe: The portion of the floodplain lying on either side of the floodway.

Forgivable-Deferred Loan (FDL) – A direct payment for the purpose of bringing an eligible property up to Housing Code paid to the approved contractor on the Applicant's behalf. There is no requirement for repayment unless the property is sold or transferred within the first five years after rehabilitation is complete or the unit does not continue to be occupied by the Applicant or their income eligible family.

Historic Structure – A housing unit which has been determined by the State Historic Preservation Officer (SHPO) to be on or eligible for the National Register of Historic Places.

Homeownership - For units eligible for rehabilitation assistance, ownership is fee simple title or a 99-year leasehold interest in a one- to four-unit dwelling or in a condominium, ownership or membership in a cooperative or equivalent form of ownership or membership in a cooperative or equivalent form of ownership approved by HUD.

Housing Code/Housing Standard - The local Existing Housing Code which is adopted by the City as the minimum standards to which all structures approved for rehabilitation assistance must comply. For units with a total rehabilitation cost from all sources for less than \$30,000, the unit is required to meet the International Property Maintenance Code (IPMC). When the total rehabilitation cost exceeds \$25,000 from all sources, the unit must meet the current edition of the Louisiana Residential Code. Buildings on or eligible for the National Register of Historic Places shall be renovated in accordance with the Secretary of the Interior's Standards for Rehabilitation and may be exempt from the above requirements. Any additions or non-historic alterations to the structure must be in compliance.

HMGP - Hazard Mitigation Grant Program

HUD - Federal Department of Housing and Urban Development.

Low-Moderate Income - The level of income which, when combined with family size, relates to eligibility for rehabilitation with a Forgivable Deferred Loan. These income



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levels have been established by the Federal Department of Housing and Urban Development and adopted by the city.

Minimum Occupancy Standards - The number of persons which may reside in a structure. Generally, each bedroom may be occupied by two household members. Children of the same sex may share a bedroom. Children of different sexes under the age of three may share a bedroom.

Minor Rehabilitation - The total cost of rehabilitation is less than \$15,000.

Moderate Rehabilitation - The total cost of rehabilitation is \$15,000 to \$30,000.

NFIP - National Flood Insurance Program

"Other" Programs - Other grant and loan programs operating in the locality which may be used to finance or implement rehabilitation improvements, such as Rural Development (RD) funds, and Department of Energy Weatherization Programs, as available.

Over-Income - The level of income which, when combined with family size, relates to ineligibility for Rehabilitation Assistance. The over-income level exceeds 80% of median income.

Owner-Occupied Structure - A residential structure occupied by the owner which is used entirely for residential purposes.

Project Manager – The person(s) responsible for the day to day activities of implementing the rehabilitation program.

Reconstruction - The rebuilt/reconstructed structure must be located on the Applicant's existing lot. However, the structure is not required to be on the same footprint.

Rehabilitation - Repairs, reconstruction or additions to a structure necessary to improve it to the minimum standards of the Housing Code.

Rehabilitation Forgivable Deferred Loan – An amount of money awarded to a low-moderate income Applicant for the purpose of rehabilitating a single-family residence structure to minimum requirements of the Housing Code, with no requirement of repayment as long as the owner/occupant (applicant) maintains ownership and residency for five (5) years.



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Retrofitting: Retrofitting techniques include flood proofing, elevation, construction of small levees, and other modifications made to an existing building or its yard to protect it from flood damage

Scattered Site Housing Project – A CDBG project that addresses multiple, non-contiguous properties throughout the jurisdiction of a city or county. Participation in scattered site projects is voluntary. Applicants are selected on the basis of specific criteria (as defined in the program guidelines) in order to address those LMI persons who are living in the worst housing conditions. All Participants must be LMI.

SFHA - Special Flood Hazard Area

16.0 EXHIBITS

- Exhibit 1 - Foundation Reconstruction Application Intake Forms
- Exhibit 2 - Foundation Reconstruction Income Calculation Form
- Exhibit 3 - Sources of Income
- Exhibit 4 - Local Government Information
- Exhibit 5 – Grievance Procedures