

OCD-DRU HMGP Procedure Notice

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Notice Summary

The attached Homeowner Policy Guide serves as an OCD-DRU HMGP reference tool to be provided to homeowners who have expressed interest in participating in the Hazard Mitigation Grant Program.

Homeowner Policy Guide

ELEVATION

Raising your existing home so it is above future flood waters



RECONSTRUCTION

Demolishing your damaged home and building a new home



INDIVIDUAL MITIGATION MEASURES

Strengthening doors & roofs, adding shutters, lifting HVAC units and other measures



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OCD-DRU HMGP

HOMEOWNER POLICY GUIDE

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OVERVIEW

The Office of Community Development Disaster Recovery Unit's (OCD-DRU) Hazard Mitigation Grant Program (HMGP) is available for eligible homeowners to elevate or reconstruct their homes and for Individual Mitigation Measures (IMM) to make homes stronger and safer in future natural disasters. All HMGP applicants are required to meet programmatic guidelines for their specific mitigation activity.

Eligible Activities



ELEVATING A HOME

Elevation means raising the lowest floor of the structure to comply with the FEMA HMGP required height and construction method. The structure is raised with a higher first floor, allowing floodwater to flow under the house rather than through it. Local jurisdictions may require stricter elevation standards than those issued by FEMA.



RECONSTRUCTING A HOME

Reconstruction means demolishing and rebuilding a structure in compliance with the FEMA HMGP required height and construction method. Local jurisdictions may require stricter elevation standards than those issued by FEMA.



INDIVIDUAL MITIGATION MEASURES (IMM)

IMM are cost effective types of protection providing homeowners the ability to make their homes more wind resistant and better protected against flood damage by making the following improvements to their property.

1. Installing window protection
2. Installing hurricane straps/clips
3. Bolting walls to foundation
4. Strengthening doors
5. Anchoring propane tank/heating fuel tank
6. Elevating electrical panel, HVAC unit, washer/dryer, furnace and/or water heater

1.0 Eligibility Criteria

A homeowner must meet, at a minimum, the following criteria to be considered for the OCD-DRU HMGP award:

1. Homeowner is an eligible participant in the *Road Home* program and has selected Option 1 – Keep their home.
 - *Even if a homeowner received a zero award letter, that homeowner may still be eligible for funding through the OCD-DRU Hazard Mitigation Grant Program.*
2. Homeowner still owns the home that was eligible for *Road Home* benefits or has acquired the home along with an assignment of rights.
 - *Assignment of Rights is only applicable to Elevation or IMM activities.*
3. The structure is located in a FEMA-designated ABFE *or* the mitigation activity is deemed cost beneficial according to FEMA guidelines.
4. Homeowner agrees to comply with all HMGP requirements as set forth by OCD-DRU, GOHSEP & FEMA.
5. Each property must be cleared by FEMA. FEMA requires that each participating property undergo an Environmental and Historic Preservation (EHP) and cost effectiveness review prior to granting clearance to OCD-DRU for the potential funding of an HMGP project.
6. Homeowner must have applied by the March 10, 2010 deadline. Those who express interest after March 10, 2010, will only be reviewed and processed if funding remains available.
7. Work on the mitigation project must have started on or prior to March 16, 2008.

Ineligible properties include, but are not limited to:

1. Condominiums
2. Structures not in the Advisory Base Flood Elevation (ABFE) that are not deemed cost beneficial in accordance with FEMA guidance.
3. Duplexes and town homes that share common roof and/or foundation where owners of adjacent homes cannot agree in writing to elevate or reconstruct.
4. Applicants who received Road Home funds under Option 2 or 3.
5. Structures for which the applicant does not have the ability to deed restrict the property.
6. Structures located in floodways as identified on the effective flood maps.
7. Structures located in areas identified by the Federal Coastal Barrier Resource Act (CBRA) are not eligible for HMGP assistance.
8. Homes receiving HMGP funding through other parish or locality grants for the same mitigation activity (i.e., A structure that receives HMGP funding through Iberia parish for an elevation can not receive elevation assistance through OCD-DRU's HMGP)
9. Structure elevated on fill in V-Zones.

1.1 Performance of Work

Homeowners are responsible for ensuring compliance with both Louisiana Contractors Law and Louisiana Home Improvement Registration Act for mitigation work performed on their property. In addition all mitigation work must comply and adhere to local building requirements.

Owner(s) can obtain a copy of these documents at the following websites:

Louisiana Contractor Licensing Law

http://www.lslbc.louisiana.gov/pdf_files/865555_ConLawTxt.pdf

Louisiana Home Improvement Registration Act

http://www.legis.state.us/leg_docs/03RS/CVT4/OUT/0000KTIZ.PDF

NOTE: All reconstructions must be performed by Licensed Contractors per FEMA's Pilot Reocnstruction Guidance.

1.2 Cost Reasonableness

Elevation and Reconstruction projects will be reviewed to ensure that the overall cost of the project is cost reasonable. Reasonable costs for an elevation project will be influenced by factors such as square footage of structure, type of foundation, number of stories, and timeframe in which the home was elevated. Reconstruction projects are subject to the allowable items listed under FEMA's unit cost guidance.

Should a homeowner's Total Project Cost exceed the reasonableness standard, OCD-DRU HMGP will use the allowable cost reasonableness standard for any subsequent award calculation. Homeowners may be required to produce additional documentation to justify why certain costs were necessary.

1.3 Advanced Payment Option (APO)

The Advanced Payment Option Request provides a mechanism by which FEMA-cleared applicants, whose OCD-DRU Hazard Mitigation Grant Program awards have been calculated, may receive advance funding for either mitigation work performed to date or to be performed. The applicant must have a fixed-price contract with a contractor that has been evaluated for cost reasonableness and approved by OCD-DRU HMGP. All advance requests are subject to the approval of OCD-DRU HMGP and GOHSEP. If an applicant is interested in the Advanced Payment Option, the applicant must complete, sign and submit the Advanced Disbursement Request Application.

The applicant may receive up to 50% of the potential award amount to begin, continue or to complete the mitigation activity. If the project is complete, but the homeowner does not have the funding necessary to pay the invoice balance, the program may advance the remaining award amount so the homeowner can make his/her final payment. Homeowners are required to provide proof of making that final payment within 30 days or the program will initiate grant recovery procedures. Eligible applicants that utilize the APO are subject to additional terms or conditions.

Condition Precedent to Advanced Payment - Owner must provide to OCD-DRU-HMGP the following executed Documents to be considered for a Not Started (NS) Mitigation Project Advanced Payment:

- a) Property must be cleared by FEMA before any mitigation activity begins.
- b) Voluntary Participation Agreement (VPA)
- c) Advanced Payment Request Application (**Attachment A**)
- d) Notarized Advanced Payment Option and Affidavit (**Attachment B**)
- e) Notarized HMGP Covenant (Note: Within 30 days from receipt of funds: advanced Payment recipients must provide to OCD-DRU HMGP with a certified copy of the OCD-DRU HMGP Covenant that has been filed in the Conveyance Records in the Parish where the Property is located). See **Attachment C** for instructions on recording of covenants.
- f) Copy of Executed fixed-price contract with contractor for turn-key project to include a scope of work in accordance with **Attachment D** for Elevation and **Attachment E** for Reconstruction with said contract being subsequently reviewed and approved by OCD-DRU-HMGP for cost reasonableness.
- g) Square Footage Verification
 - (a) For Elevations, owner must provide documentation that verifies current sq footage of structure.
 - (b) For Reconstructions, owner must provide documentation that verifies the square footage for UCG calculation.
- h) Site Visit by OCD-DRU HMGP staff member that verifies the status of the project provided by the Owner on the Advanced Payment Request Application (**Attachment A**). The Owner's signature on the Notarized HMGP Grant Agreement and Affidavit (**Attachment B**) certifies/affirms the owner's consent for OCD-DRU HMGP personnel to take pictures of the structure and/or details of the mitigation activity by entering the premises of the land upon which the structure resides to take the photographs necessary for further processing of Owner's application to OCD-DRU for an advanced payment.

Conditions Subsequent to Advanced Payment – Within 30 days after receipt of advanced payment, Owner must submit the following documents and provide proof of work started on the designated mitigation project. The documents and proof of work started may include, but are not limited to, the following:

- a) Certified Copy of the Recorded OCD-DRU HMGP Covenant
- b) Completed and signed Mitigation Work Verification and Approval Form (**Attachment F**)
- c) Cancelled checks that match invoice statements marked "paid" with the sum total of the cancelled checks equivalent to the advanced payment
- d) Building Permit from local Government Authority with jurisdiction
- e) Set of approved building plans or drawings or other architectural renderings for mitigation activity
- f) Completion of site preparation and any additional work performed since advanced payment as evidenced by photographs
- g) Paid invoices from the contractor to evidence the completion of 50% of the scope of services under the contract with the contractor identified in this Agreement for Elevation and Reconstruction (if applicable); 100% complete for IMM.

Timeline for Completion of Mitigation Project

- a) For all Elevation, Reconstruction, and Individual Mitigation Measures Projects, the Owner must complete their designated mitigation within the provided time frames:
 - Individual Mitigation Measures (IMM) must be completed within one (1) month.
 - Elevation projects must be completed within three (3) months.
 - Reconstruction projects must be completed within nine (9) months.

- b) The Owner must also provide to OCD-DRU HMGP all documentation typically required for final payment and closeout within the aforementioned time frames. *(Note: A complete listing should be provided to the applicant requesting an advanced payment by the staff member assigned to work the file).*

If Owner(s) fail to satisfy these conditions after receiving the advanced payment, Owner(s) will be in default of this agreement for which the remedy of recoupment of grant funds may be invoked by OCD-DRU.

1.5 DUPLICATION OF BENEFITS (DOB)

The OCD-DRU HMGP award may not duplicate benefits received from insurance, other assistance programs, legal awards, or any other source to address the same purpose. Funds available from other sources for the same activity constitute a duplication of benefits, whether specifically used or not for the activity (e.g., other payments for elevating a house and insurance payment for loss). (See 3.2 for Elevations, 4.2 for Reconstructions, and 5.2 for IMM DOB requirements, Robert T. Stafford Disaster Relief and Emergency Assistance Act).

1.6 Required Documentation

The following documentation is required from applicants, at minimum, in order to process their application for HMGP assistance:

1. OCD-DRU HMGP VPA
2. OCD-DRU HMGP Covenant (covenant provides for the right to inspect the property)
3. OCD-DRU HMGP Agreement
4. Homeowner Information Release Form
5. Outstanding DOB (Duplication of Benefits) Affidavit (if applicable)
6. Photo Id (State or Federally issued)
7. Road Home Application ID number (06HH_ _ _ _ _)
8. Proof of Current Ownership
9. DOB (Duplication of Benefits) documentation (i.e. Flood insurance payouts, SBA, etc.)
10. Building Permit (Demolition Permit for Reconstruction Projects)
11. Final Elevation Certificate
12. Paid invoices, receipts, and canceled checks documenting payments made
13. Certificate of Occupancy
14. Proof of current flood insurance in the amount at least equal to the total project cost.
15. Power of Attorney (if applicable)
16. Construction Contract (if applicable)
17. Building plans (if applicable)
18. Document verifying the square-footage of the new residence for cost reasonableness (needed for elevations and reconstructions).

19. Work in Progress (WIP) Limited Exception Waiver Documentation (if applicable). Cost incurred prior to March 16, 2008.

Note: Additional documents may be required based on a homeowner's unique circumstance. APO applicants are subject to additional documentation requirements.

1.7 Appeals

Applicants who do not agree with an HMGP determination or award amount are able to submit a written appeal. In order to submit an appeal, an applicant must have received an ineligible, eligible, no award, or award determination letter from OCD-DRU HMGP and submit an appeal in writing within 30 days of receipt of notice. . After 30 days, the award or determination is considered final and may not be appealed.

1.7.1 Appeals Process

When submitting an appeal, the letter or document must include the following information:

1. Full name of all Homeowners/Applicants Damaged address
2. Current mailing address
3. Application ID number (beginning with 06HH)
4. Original Signature of Applicant or Co-Applicant
5. Telephone number(s)
6. Specific reason(s) for the appeal
7. Any supporting documents or justifications may be included to support the appeal.

Appeals must be submitted by mail to the following address:

**OCD-DRU HMGP
Appeals Section
P.O. Box 5098
Baton Rouge, LA 70821**

Applicants will be mailed written notification within 15 business days of receipt to confirm that the appeal has been received. Upon receipt of the Appeals Form from the homeowner, along with supporting documents and justification, an Appeal Determination will be mailed to applicant.

1.7.2 Withdrawals

Homeowners may withdraw from the OCD-DRU HMGP prior to receiving any awards by completing the HMGP Withdrawal Form. Homeowners who previously expressed interest in OCD-DRU's HMGP and subsequently withdrew from the program may have the ability to have their status change considered should sufficient funding exist. Due to limited funding availability, there is no guarantee that once withdrawn, a homeowner will be able to opt back into the program.

1.8 Unforeseen Circumstances

1.8.1 Death of an eligible OCD-DRU HMGP applicant

In the event that a Road Home Option 1 applicant has died, the person or persons placed in legal possession of the property are eligible for assistance from the Hazard Mitigation Grant Program in place of the eligible owner. Power of Attorney must have been invoked prior to the death of the applicant..

Policies involving succession, trusts, and other unique ownership circumstances will be reviewed On a case-by-case basis by OCD-DRU HMGP legal staff.

1.8.2 Incapacity or infirmity of an eligible OCD-DRU HMGP applicant

If an applicant is incapacitated due to illness or other infirmity, only an individual with a Power of Attorney for the applicant is eligible to express interest in the program apply for assistance on behalf of the applicant.

2.0 ELEVATION PROJECTS

The OCD-DRU HMGP can reimburse up to \$100,000 (based on actual construction costs) to eligible Road Home Option 1 homeowners for expenses incurred in elevating their homes to meet the Advisory Base Flood Elevation (ABFE) or to meet the adopted Base Flood Elevation (BFE) if no ABFE exists. Homeowner eligibility and eligible expenses are determined by FEMA based on HMGP regulations. These funds are not subject to the Road Home \$150,000 maximum cap.

1. Homeowners can be reimbursed for prior payments made for eligible expenses (proof of payment required), or receive an Advanced Payment Option Request for payment of eligible expenses documented in a fixed-price contract and invoice.

The Hazard Mitigation Grant Program reimburses eligible applicants up to \$100,000 to elevate their damaged home to meet the required elevation.

Types of elevation techniques include, but are not limited to:

1. Extending the walls of the house upward and raising the lowest floor
2. Converting the existing lower area of the house to non-habitable space and building a new second story for living space (also known as “second-story conversion”)
3. Lifting the entire house and building a new foundation system

2.1 Elevation Requirements

1. All elevations outside of V-zones must be constructed to or above the ABFE if one was issued for the site, or to the height of the Local Floodplain Ordinance value- whichever is higher.
2. Elevation projects must use the base flood elevation (BFE) established in the Preliminary DFIRM maps for any properties that are located in a coastal V zone on the Preliminary DFIRM map. The V Zone determinations must be used as soon as the Preliminary DFIRM maps are made available to the parish. For properties located outside of a V Zone on the Preliminary DFIRMS, the Applicant can continue to use the Advisory Base Flood Elevation (ABFE) until a Letter of Final Determination (LFD) is issued by FEMA. After an LFD is issued, all mitigation projects must comply with the BFE established in the Preliminary DFIRM. All projects must meet minimum NFIP standards and local and state permitting requirements regardless of whether they use the ABFE or Preliminary DFIRM.

If the building permit date precedes the DFIRM release date, then the structure must be built to or above ABFE or Local Floodplain Ordinance Height, whichever is higher.

3. Cost-effective elevation to a height above the minimum requirement is an allowable grant activity.

4. A number of Parishes and Municipalities have an additional freeboard requirement. Freeboard requires an applicant to elevate to an additional height above the flood zone requirement that is used as a buffer zone for potential flooding. It is the responsibility of the applicant to check with the local permitting office to verify and comply with this height (if applicable).
5. Applicants should contact the local floodplain administrator to determine the required elevation for their property. OCD-DRU HMGP does not issue elevation requirement determinations.

2.2 Deductions for Elevation Awards

The Hazard Mitigation Grant Program only pays for eligible expenses that were not covered by other programs such as insurance and the Road Home Awards. Per the Robert T. Stafford Disaster Relief and Emergency Assistance Act, FEMA requires that HMGP funds do not duplicate assistance from other programs. Items that are considered a duplication of benefits for Elevation Projects include, but are not limited to:

1. The Road Home Program Elevation Incentive

The Road Home Program provides grants to homeowners up to \$30,000 to assist homeowners with elevation costs. (For manufactured homes the grant is up to \$20,000.) Homeowners should contact the Road Home Program for more information regarding this funding source.

2. Increased Cost of Compliance (ICC)

Increased Cost of Compliance provides up to \$30,000 to homeowners who had an active flood insurance policy. ICC funds are eligible to homeowners that were more than 50% damaged (as determined by the local jurisdiction). Homeowners should contact their flood insurance provider for more information regarding this funding source.

3. Small Business Administration disaster loan (SBA)

The Small Business Administration provided loans to eligible homeowners following the disaster. In some cases, a portion of the loan was intended to cover mitigation. If a homeowner received an SBA loan for elevation, it is considered a duplication of benefits. SBA loans for home repair or for the content of the home are not considered a duplication of benefits for an elevation project.

2.3 Elevation Award Grant Calculation

Grant calculations are reviewed for cost reasonableness by HMGP and are based on actual construction costs that the applicant paid for the elevation.

Eligible applicants may receive up to \$100,000 based on documentation of actual total construction costs for elevation.

- Homeowners are eligible for a mid-point payment once half of the construction work has been completed.
- The balance will be paid upon the completion of work and approval of required documentation.

- Homeowners can be reimbursed for prior payments made for eligible expenses (proof of payment required), or an Advance Payment request can be made requesting up-front funds for payments of eligible expenses documented in a pending invoice.

In general, grant calculations are as follows:

Actual costs homeowner paid to elevate
— Assistance received from other sources for elevation
= HMGP award (Up to \$100,000)

For example, an applicant paid \$75,000 to elevate their home. The applicant received \$30,000 from ICC and \$30,000 from Road Home Elevation Incentive.

The grant would be calculated as such (See **Appendix C** for complete Elevation Scope of Work):

Total Project Cost	\$75,000
Elevation Cost Guide	
ICC	- \$30,000
Elevation Incentive	- \$30,000
SBA loan for elevation	- \$0
HMGP award	= \$15,000

3.0 Reconstruction Projects

The OCD-DRU HMGP can provide up to \$100,000 (based on actual construction costs) to eligible homeowners for expenses incurred in reconstructing their homes to meet the Advisory Base Flood Elevation (ABFE) or to meet the adopted Base Flood Elevation (BFE) if no ABFE exists – OR in a V-Zone to the elevation requirement set in the DFIRM map even if that map has not been adopted by the parish or community governing authority. Homeowner eligibility and eligible expenses are determined by FEMA based on HMGP regulations.

In accordance with FEMA guidance, both acquisition and elevation must be evaluated and determined to be programmatically infeasible based on the criteria outlined before pursuing mitigation reconstruction as an option. Acquisition is not an eligible activity through OCD-DRU HMGP. Justification for deciding not to undertake an elevation project may include reasons such as the following¹:

1. Structure has been destroyed/demolished
 2. Health considerations, such as asbestos, mold, etc., require demolition
 3. Structure and foundation type cannot be elevated due to high likelihood of collapse and/or disintegration of structure during the process (this statement must be certified by a registered engineer or architect)
 4. Local community unable to support structural elevation for reasons such as the elevated structure would be non-compliant with minimum standards of the 2003 International Codes or other local codes and ordinances, as certified by local building official
 5. Project costs are prohibitive and do not achieve a Benefit-Cost Ratio (BCR) of 1.0 or greater
- Note: Formal documentation that satisfies this requirement must be provided by the applicant.

Justification for deciding not to undertake an elevation project may include reasons such as the following²:

1. Desire by citizens to remain in an area where they have business connections
2. Aversion to “checkerboarding” by the community
3. Unwillingness to accept significant loss of revenue from property tax and sewer, water and electric “fees” in acquired areas
4. Unwillingness to assume responsibility for maintenance
5. Project costs are prohibitive and do not achieve a Benefit-Cost Ratio (BCR) of 1.0 or greater

Square footage of new structure

The total square footage of the new structure will be determined by the total square footage listed on the applicant’s approved building plans for the new home.

¹ *HMGP Reconstruction Grant Pilot for Hurricanes Katrina, Rita, and Wilma*, Section 1.3.3.2

² *HMGP Reconstruction Grant Pilot for Hurricanes Katrina, Rita, and Wilma*, Section 1.3.3.2

If further review of the square footage of the new home is necessary, the following documentation may be taken into consideration:

1. Statement by a certified engineer, architect or surveyor
2. Building permit

There has been a change in a FEMA rule for Pilot Reconstruction under the Hazard Mitigation Grant Program (HMGP). As of December 11, 2009, Section 2.3.7 on page 25 of this document, “HMGP Reconstruction Grant Pilot for Hurricanes Katrina, Rita and Wilma,” has been rescinded.

That section stated: “Pilot Reconstruction activities must result only in an approximation of the original square footage of the structure, and that the square footage of the resulting structure shall be no more than 10 percent greater than the original structure.” That rule has been removed.

Structures may be reconstructed to any size without necessarily being disqualified from receiving FEMA Hazard Mitigation Grant Program (HMGP) funds for the project. However, all construction costs are subject to a cost-reasonable analysis as determined by the Office of Community Development Disaster Recovery Unit (OCD-DRU) HMGP using FEMA’s Unit Cost Guidance (UCG) for Pilot Reconstructions. OCD-DRU HMGP funds remain capped at \$100,000 for the mitigation activity. Additionally, all other FEMA, GOHSEP and OCD-DRU rules and regulations remain unchanged.

3.1 Reconstruction Requirements

1. All reconstructions outside of V-zones must be constructed to or above the ABFE if one was issued for the site, or to the height of the Local Floodplain Ordinance whichever is higher.
2. Pilot Reconstruction projects must use the base flood elevation (BFE) established in the Preliminary DFIRM maps for any properties that are located in a coastal V zone on the Preliminary DFIRM map. The V Zone determinations must be used as soon as the Preliminary DFIRM maps are made available to the Applicant. For properties located outside of a V Zone on the Preliminary DFIRMS, the Applicant can continue to use the Advisory Base Flood Elevation (ABFE) until a Letter of Final Determination (LFD) is issued by FEMA. After an LFD is issued, all mitigation projects must comply with the BFE established in the Preliminary DFIRM. All projects must meet minimum NFIP standards and local and state permitting requirements regardless of whether they use the ABFE or Preliminary DFIRM.

If the building permit date precedes the DFIRM release date, then the structure must be built to or above ABFE or Local Floodplain Ordinance value, whichever is higher.

3. Cost-effective reconstruction to a height above the minimum requirement is an allowable grant activity.
4. A number of parishes and municipalities have an additional freeboard requirement. Freeboard requires an applicant to elevate to an additional height above the flood zone requirement that is used as a buffer zone for potential flooding. It is the responsibility of the

applicant to check with the local permitting office to verify and comply with this height (if applicable).

5. Applicants should contact the local floodplain administrator to determine the required elevation for their property. OCD-DRU HMGP does not issue elevation requirement determinations.
6. Reference FEMA's Pilot Reconstruction Guidance and Unit Cost Guide for complete information on Reconstruction requirements.

3.2 Deductions for Reconstruction Awards

The Hazard Mitigation Grant Program only pays for eligible expenses that were not covered by other programs such as insurance and the Road Home Awards. FEMA requires that HMGP funds do not duplicate assistance from other programs. Items that are considered a duplication of benefits for Reconstruction Projects include, but are not limited to:

1. Insurance settlements

Hazard (homeowners) insurance and flood insurance payouts received for damages for Hurricanes Katrina or Rita are considered a duplication of benefits.

Note: Only payouts for the structure or dwelling are counted. Payouts for contents or living expenses are not included.

2. Increased Cost of Compliance (ICC)

Increased Cost of Compliance provides up to \$30,000 to homeowners who had an active flood insurance policy. ICC funds are eligible to homeowners that were more than 50% damaged (as determined by the local jurisdiction)**The Road Home Program awards**

The Road Home Program provided grants for up to \$150,000 for homeowners. Any type of Road Home assistance—whether for compensation for damages or elevation—is considered a duplication of benefits.

3. FEMA Individual Assistance

FEMA's Individual Assistance Program provided grants to homeowners for living assistance, emergency housing, and other needs following Hurricane Katrina and Rita. In some instances, FEMA provided assistance to homeowners for home repair or replacement, typically in the amount of \$5,200 or \$10,500. These awards are considered a duplication of benefits.

4. Small Business Association (SBA)

The Small Business Administration provided loans to eligible homeowners following the disaster. In some cases, a portion of the loan was intended to cover mitigation. If a homeowner received an SBA loan for demolition or reconstruction of the new home, it is considered a duplication of benefits. SBA loans for the content of the home are not considered a duplication of benefits for a reconstruction project.

3.3 Reconstruction Award Grant Calculation

HMGP calculates grant awards based upon the FEMA Unit Cost Guide for cost reasonableness and based on actual construction costs that the applicant paid for the demolition and reconstruction.

In general, grant calculations are as follows:	Actual costs homeowner paid to demolish and reconstruct
	- Assistance received from other sources for demolition and reconstruction
	= HMGP award (Up to \$100,000)

For example, an applicant paid \$350,000 to reconstruct their home. The applicant received \$150,000 from hazard and flood insurance, \$100,000 from the Road Home Program, and \$30,000 from ICC and \$30,000 from Road Home Elevation Incentive. The grant would be calculated as such:

Total Project Cost	\$350,000
Insurance (Hazard and Flood)	- \$150,000
Road Home Awards	- \$100,000
ICC	-\$ 30,000
FEMA IA	-\$ 0
SBA loan for demolition or reconstruction	-\$ 0
HMGP award	= \$ 70,000

(See **Appendix D** for complete Reconstruction Scope of Work)

4.0 IMM Projects

The Individual Mitigation Measures (IMM) Program provides up to a maximum of \$7,500 reimbursement to homeowners who retrofit flood prone structures and properties. IMM are cost effective types of protection providing homeowners the ability to make their homes more wind resistant and better protected against flood damage by making the following improvement to their property.

1. Window protection (shutters, panels, screens)
2. Strengthening doors
3. Bolting roofs to walls/walls to foundations
4. Elevating electrical panels and air conditioning units
5. Raising washers/dryers/hot water heaters/furnaces
6. Anchoring propane tanks/heating fuel tanks.

(See **Appendix E** for a detailed list of IMM Specifications and Requirements)

4.1 Deductions for IMM Awards

The Hazard Mitigation Grant Program only pays for eligible expenses that were not covered by other programs such as insurance and the Road Home Awards. FEMA requires that HMGP funds do not duplicate assistance from other programs.

Homeowners who participate in either the Elevation or Reconstruction component of OCD-DRU HMGP will not be eligible to receive reimbursement for an IMM that is considered a part of the elevation or reconstruction.

For example, the elevation of the HVAC would be considered a part of the Elevation or Reconstruction activity.

4.2 IMM Award Grant Calculation

The maximum amount for reimbursement of IMMs is \$7,500. Award amounts will be based upon the cost of the IMM activity undertaken by the homeowner. Homeowners must provide receipts or contracts for work completed to the home for documentation of actual costs.

IMMs are capped at a total of \$7,500 for all IMMs combined. This \$7,500 capped amount is over and above the elevation or reconstruction maximum of \$100,000.

4.3 Special Guidance for Window Protection

Window Protection, such as storm shutters, storm panels, storm screens and impact-resistant glazed windows additional criteria apply.

1. All glazed openings in the house must be mitigated.
2. All installation must be performed to the manufacturer's specifications.
3. Contractors must verify, in writing, that all glazed openings are being mitigated (covered). It must be clearly documented in either the construction contract or on the contractor's letterhead signed by the contractor.

4. Written specifications on each product used must be provided to OCD-DRU HMGP to ensure eligibility.
5. It is allowable to use a combination of the following mitigation measures (mix and match) to protect the envelope of a residential structure (all glazed openings): storm shutters, storm panels, storm screens and impact-resistant glazed windows. Replacement storm windows do not provide significant risk reduction and are not eligible
6. The above measures are deemed cost effective as long as the following conditions are met:
 - a. The structure is located in the Special Flood Hazard Area (SFHA)
 - b. All glazed openings are mitigated, AND
 - c. Total Project Cost does not exceed \$8,600 and the structure is not larger than 1900 square feet.
 - 1) If the total project cost exceeds \$8,600 and the structure is not larger than 1900 square feet, construction liaisons will review each project on a case by case basis for cost effective determination.
 - 2) If the structure is larger than 1900 square feet or not located in the SFHA a Benefit Cost Analysis is required.
7. Pilot Reconstructions will comply with local building code and in those cases where a wind-related mitigation measure (i.e., window protection) is required by local code, the applicable mitigation measure will be funded as a part of the reconstruction activity. If wind-related mitigation measures were not required by local code for reconstruction, then additional IMM funding may be available.

Appendix A
OCD-DRU HMGP
Acronyms/Definitions

ABFE	Advisory Base Flood Elevation – After Hurricanes Katrina and Rita struck the Gulf Coast, FEMA conducted a new flood frequency analysis and determined that the current base flood elevations, or BFEs, for many communities impacted by the hurricane are too low. In order to help these communities reduce their vulnerability to damages from future flooding, FEMA is issuing advisory base flood elevations that more closely reflect post-storm conditions. The ABFEs are significantly higher than the base flood elevations (BFEs) shown on pre-Katrina flood maps, and extend farther inland than the Special Flood Hazard Areas on the existing maps.
APO	Advanced Payment Option - The Advance Disbursement Request Policy provides a mechanism by which FEMA-cleared applicants, whose OCD-DRU Hazard Mitigation Grant Program awards have been calculated, may receive advance funding for either mitigation work performed to date or to be performed. All contracts (specifically the Total Project Cost listed therein) must be evaluated for cost reasonableness and must be approved by OCD-DRU HMGP. All advance requests are subject to the approval of OCD-DRU HMGP and GOHSEP.
BCA	Benefit-cost analysis is a quantitative analysis that assesses the mitigation risk of future damages as compared to the cost of a project.
BCR	Benefit-Cost Ratio – The Benefit Cost Ratio is the result of the cost effectiveness of a project calculated as the net present value of total project benefits divided by the net present value of total project cost.
BFE	Base Flood Elevation - The elevation shown on the FIRM for Zones AE, AH, A1-A30, AR, AR/A, AR/AE, AR/A1-A30, AR/AH, AR/AO, V1-V30, and VE that indicates the water surface elevation resulting from a flood that has a 1-percent chance of equaling or exceeding that level in any given year.
CBRA	Coastal Barrier Resource Act – (CBRA, Public Law 97-348) CBRA designated various undeveloped coastal barriers, which were illustrated by a set of maps adopted by law, to be included in the John H. Chafee Coastal Barrier Resources System (CBRS). These designated areas were made ineligible for both direct and indirect Federal expenditures and financial assistance, which are believed to encourage development of fragile, high-risk, and ecologically sensitive coastal barriers.
FEMA	Federal Emergency Management Agency - Environmental Historic Preservation – Part of FEMA’s mission, programs, and activities ensures that FEMA’s activities and programs related to disaster response and recovery, hazard mitigation, and emergency preparedness comply with Federal environmental and historic preservation laws and executive orders; and provides environmental and historic preservation technical assistance to FEMA staff, local, State, and Federal partners, and Grantees and subgrantees.

The federal agency under which the National Flood Insurance Program (NFIP) is administered. In March 2003, FEMA became part of the newly created U.S. Department of Homeland Security.

GOHSEP	Governor's Office of Homeland Security & Emergency Preparedness - GOHSEP is an agency authorized by the Governor to manage state funds available to eligible applicants and parishes from a declared natural disaster.
HMGP	Hazard Mitigation Grant Program - as authorized under Section 404 of the Stafford Act, provides funding for hazard mitigation measures that are cost effective and complement existing post-disaster mitigation programs and activities by providing funding for beneficial mitigation measures that are not funded through other programs.
HVAC	Heating, Ventilation and Air Conditioning – HVAC stands for the closely related functions of "Heating, Ventilating, and Air Conditioning"- the technology of indoor or automotive environmental comfort.
ICC	Increased Cost of Compliance - coverage benefits under the National Flood Insurance Program may be used for elevation and/or acquisition costs. The coverage is included under all regular NFIP policies issued or renewed after June 1, 1997.
IMM	Individual Mitigation Measures - IMM are cost effective types of protection providing homeowners the ability to make their homes more wind resistant and better protected against flood damage.
LFD	Letter of Final Determination - A Letter of Final Determination (LFD) is a letter the Federal Emergency Management Agency (FEMA) sends to the Chief Executive Officer of a community stating that a new or updated Flood Insurance Rate Map (FIRM) or Digital Flood Insurance Rate Map (DFIRM) will become effective in 6 months.
NFIP	National Flood Insurance Program - provides the availability of flood insurance in exchange for the adoption of a minimum local floodplain management ordinance that regulates new and substantially improved development in identified flood hazard areas.
OCD-DRU	Office of Community Development – Disaster Recovery Unit - The Disaster Recovery Unit is a new section within the Division of Administration's Office of Community Development created by the Commissioner of Administration.
OHP	Overhead and Profit - Of or relating to the operating expenses of a business.
SBA	Small Business Administration Office of Disaster Assistance – Provides low interest rate loans to homeowners, renters, and business owners to repair replace disaster damaged property.
TPC	Total Project Cost – is the contracted dollar amount for the mitigation activity.
UCG	Unit Cost Guidance - UCG is used to determine whether an estimate is cost reasonable. It is FEMA guidance based on standard grade construction.
VPA	Voluntary Participation Agreement - An agreement completed and signed by the legal homeowner that is intended to show that the homeowner is a willing participant in his/her selected mitigation activity.

V-Zone **Velocity Zone; Coastal High Hazard Areas (also known as CHHA) - “V-Zones”**—
Areas that are subject to high velocity waters such as storm surges or wind driven waves.
These areas have specific requirements which can be obtained from the Local Flood Plain
Manager.

WIP **Work in Progress** - A work that has been started before March 16, 2008 which may or
may not be completed at this time. This is indicated on the VPA form received from the
homeowner and is verified by a Mitigation Analyst.

Appendix B
OCD-DRU HMGP
Required Documents

Office of Community Development Disaster Recovery Unit (OCD-DRU)

HAZARD MITIGATION GRANT PROGRAM (HMGP)

VOLUNTARY PARTICIPATION AGREEMENT (VPA)

Complete and return this form by mail to:

OCD-DRU HMGP

P. O. Box 1089

Hammond, LA 70404-1089

SECTION 1: MITIGATION ELECTION (check one)

- I/We am/are **NOT** interested in participating in the OCD-DRU Hazard Mitigation Grant Program (HMGP).
- I/We have sold the home that was damaged during the storm and therefore will not be eligible to participate in the program.

IF YOU CHECKED EITHER OF THE ABOVE: SIGN BELOW AND RETURN THIS

Applicant or Co-Applicant NAME

Applicant or Co-Applicant SIGNATURE

Date

Applicant or Co-Applicant NAME

Applicant or Co-applicant SIGNATURE

Date

Home Phone: (_____) _____

Cell Phone: (_____) _____

FORM, OTHERWISE CONTINUE.

Are you signing as an agent with Power of Attorney (POA) for an applicant? YES NO If signing as agent with Power of Attorney:

Agent NAME (person with POA)

Agent SIGNATURE

Date

I/WE AM/ARE INTERESTED IN RECEIVING AN OCD-DRU HMGP AWARD. IF YOU CHECK THIS BOX, YOU NEED TO MEET ALL CRITERIA IN SECTION 3.

SECTION 2: I AM INTERESTED IN PARTICIPATING IN THE FOLLOWING PROGRAM(S):

SECTION 3: PROGRAM ELIGIBILITY

1. The status of mitigation work to my home is: (Select the one answer that most closely fits your situation)

- As of March 16, 2008, I had completed my mitigation activity of my home to meet the latest elevation standards in my community.
- As of March 16, 2008, I had started—but not completed—the mitigation activity of my home to meet the latest elevation standards in my community.
- I expect to start my mitigation activity by _____

2. My home was initially constructed: (mark all that apply)

- During or before 1964
- After 1964
- My damaged home from the time of the storm has been demolished or cleared.
- Don't know

For official use only.

VPA 03_26_2010

Page 1



A homeowner must meet ALL of the following criteria to be considered for the OCD-DRU HMGP Award:

- a. Applicant is eligible for Road Home Program benefits as part of the Homeowner Assistance Program.
- b. Homeowner selected *Road Home* Option 1 – “Keep Our Home.”
(NOTE: Even if a homeowner received a zero award letter from Road Home, that homeowner may still be eligible for money through the OCD-DRU HMGP.)
- c. Homeowner still owns the home that was eligible for *Road Home* benefits or has acquired the home along with an assignment of Road Home rights. (NOTE: Assignment of Rights is only applicable to Elevation or IMM activities.)
- d. The structure is located in a FEMA designated ABFE area or the mitigation activity is deemed cost beneficial according to FEMA guidelines.
- e. Be cleared by FEMA.
- f. Homeowner agrees to comply with all HMGP guidelines as set forth by FEMA, GOHSEP and OCD.

SECTION 4: VPA STATEMENT OF COMPLIANCE

This Agreement of Voluntary Participation is made on _____ (date). I/We am/are the owner of the following property, eligible for Road Home assistance and damaged by Hurricane Katrina and/or Rita at the following municipal address:

_____ (the “Property”).

Street City Parish ZIP

I/We currently plan to participate in the OCD-DRU HMGP Program. I/We understand the following concerning participation in OCD-DRU HMGP Program:

- The program is voluntary in nature;
- I/We are under no obligation to participate;
- I/We may drop out of the program at any time before receiving an award;
- The program reimburses cost of mitigation measures, homeowner must complete measures in accordance with program guidelines and request reimbursement from OCD-DRU's HMGP;
- Due to limited funding, IMM will be serviced on a "first come, first serve" basis until all funding is exhausted.

I/We understand that before cost will be reimbursed that an OCD-DRU HMGP Covenant must be signed, which requires the property owner to obtain and maintain flood insurance. The OCD-DRU HMGP will be recorded with Conveyance Records in the parish where the property is located.

I/We understand that property inspections are required for processing through the OCD-DRU HMGP and grant the program permission to take the necessary photos of my structure.

For Pilot Reconstruction Projects:

- Property owner has been notified that the following policy, listed in the June 2006 Pilot Reconstruction Guidance Section 2.3.7, has been **rescinded** by FEMA effective December 11, 2009: "Pilot Reconstruction activities must result only in an approximation of the original square footage of the structure, and that the square footage of the resulting structure shall be no more than 10 percent greater than that of the original structure."
- Property owner has been notified that the maximum award amount is \$100,000, less duplication of benefits.
- Property owner confirms that the information described in the preceding paragraphs has been explained and the information is understood.

Applicant or Co-Applicant NAME	Applicant or Co-Applicant SIGNATURE	Date
--------------------------------	-------------------------------------	------

Applicant or Co-Applicant NAME	Applicant or Co-Applicant SIGNATURE	Date
--------------------------------	-------------------------------------	------

Are you signing as an agent with Power of Attorney (POA) for an applicant? YES NO If signing as agent with Power of Attorney:

Agent NAME (person with POA)	Agent SIGNATURE	Date
------------------------------	-----------------	------

For official use only.



STATE OF LOUISIANA
PARISH OF _____

STATE OF LOUISIANA
OFFICE OF COMMUNITY DEVELOPMENT (OCD)

**DISASTER RECOVERY UNIT (DRU)
HAZARD MITIGATION GRANT PROGRAM (HMGP)
GRANT AGREEMENT AND AFFIDAVIT
RH NO: 06HH_____**

BEFORE ME, the undersigned Notary Public, duly qualified in and for the State and Parish aforesaid, personally came and appeared:

_____ and _____, herein, the Affiants, who have applied to the OCD-DRU Hazard Mitigation Grant Program (hereinafter, "HMGP Program"), and who after first being duly sworn according to law, do hereby certify and declare under oath and under penalties of perjury, to the State of Louisiana, Office of Community Development, the following statements are true, and hereby agrees to the following conditions and terms of this Grant Agreement:

I. RECITALS

I/We owned and occupied real property at _____, _____, Louisiana. (hereinafter, "Property") prior to Hurricanes Katrina on August 29, 2005 and/or Rita on September 24, 2005, or have acquired the property through either an assignment of rights or through inheritance. This property was damaged or destroyed by either Hurricanes Katrina on August 29, 2005 and/or Rita on September 24, 2005.

✓ Applicant Initials to acknowledge this statement: _____

I/We currently own real property at _____, _____, Louisiana.

✓ Applicant Initials to acknowledge this statement: _____

I/We currently occupy, or will occupy, the home as a primary residence within twelve months of accepting HMGP funds, the real property at _____, _____, Louisiana.

✓ Applicant Initials to acknowledge this statement: _____

I/We have received the following structural and/or elevation assistance funds as the result of flooding and/or wind damage that occurred during Hurricane Katrina on August 29, 2005 and/or Hurricane Rita on September 24, 2005, respectively, and any other events since that date (including Hurricanes Gustav and Ike), for the Property.

✓ Applicant Initials to acknowledge this statement: _____

(Note: The information listed below should only include assistance provided for structural repair, and/or the elevation process, and/or the Individual Mitigation Measures (IMMs) eligible for assistance through the HMGP Program. Content payments are **not** included. Please attach copies of supporting documentation for each applicable entry, if available.)

Initials

Flood Insurance	\$ _____
Increased Cost Compliance (ICC)	\$ _____
Homeowner's Insurance	\$ _____
Federal/State Individual & Family Grant Program (IFG)	\$ _____
FEMA Individual Assistance	\$ _____
Small Business Administration (SBA)	\$ _____
Hazard Mitigation Grant	\$ _____
Road Home Program Compensation Grant	\$ _____
Road Home Program Elevation Incentive	\$ _____
Temporary Housing Assistance (minimal repairs)	\$ _____
Farmers Home Administration (FHA)	\$ _____
Cora Brown Fund	\$ _____
Volunteer Agencies	\$ _____
Other: _____	\$ _____

I/We have received no other Federal assistance funds for structural and/or elevation assistance funds as the result of flooding and/or wind damage that occurred during Hurricane Katrina on August 29, 2005 and/or Hurricane Rita on September 24, 2005, respectively, and any other events since that date other than that set forth above.

✓ Applicant Initials to acknowledge this statement: _____

Total Amount of Funds Received \$ _____

II. PURPOSE AND SOURCE OF GRANT FUNDS

The purpose of this HMGP Grant is to mitigate losses from future damage resulting from hurricanes and similar natural disasters. The Owner (through either an assignment of rights or through inheritance) is the owner of property damaged or destroyed by either Hurricanes Katrina on August 29, 2005 and/or Rita on September 24, 2005. The Owner may be awarded a Hazard Mitigation Grant ("HMGP Grant") from the United States of America under the Department of Homeland Security Federal Emergency Management Agency ("FEMA") Hazard Mitigation Grant Program ("HMGP Program").

III. PROVISIONS

Owner(s) agree(s) to the following conditions precedent to receiving grant funds under the HMGP Program for mitigation projects on the Property and agree(s) to satisfy all conditions subsequent to receiving disbursements. The failure to satisfy all conditions subsequent to disbursements may result in the owner being placed in default under this Agreement and may result in the recoupment of the grant funds disbursed.

Owner(s) agree(s) to the following conditions precedent to receiving grant funds under the HMGP Program for mitigation projects on the Property and agree(s) to satisfy all conditions subsequent to receiving disbursements. The failure to satisfy all conditions subsequent to disbursements may result in the owner being placed in default under this Agreement and may result in the recoupment of the grant funds disbursed.

Owner(s) agree(s) to provide OCD-DRU HMGP the following documents to participate in the program:

- a) Letter from OCD-DRU HMGP stating that the property has been cleared by FEMA
- b) Voluntary Participation Agreement (VPA)
- c) Notarized HMGP Grant Agreement and Affidavit
- d) Notarized HMGP Covenant
- e) Copy of executed fixed-price contract with contractor for turn-key project to include a scope of work in accordance with the guidance for Elevation and for Reconstruction with said contract being subsequently reviewed and approved by OCD-DRU HMGP for cost reasonableness. Guidance information will be provided by OCD-DRU HMGP
- f) Verification of the structure's square footage for cost reasonableness determination

Owner(s) agree(s) to complete the mitigation activity within 12 months or receiving assistance from OCD-DRU HMGP.

Owner(s) agree(s) to provide to OCD-DRU HMGP all documentation typically required for payments and closeout. *(Note: A complete listing of the required documents can be obtained from the Mitigation Analyst).*

IV. DEFAULT PROVISIONS

Owner(s) understand and acknowledge that failure to satisfy the conditions listed and those listed in the OCD-DRU HMGP Covenant will place Owner(s) at risk of being in default of this agreement for which the remedy of recoupment of grant funds may be invoked by OCD-DRU HMGP.

V. ACKNOWLEDGMENT OF TERMS AND CONDITIONS

1. I/We assert, certify and reaffirm that all information on this Grant Agreement and Affidavit, the OCD-DRU HMGP Covenant, and documentation for reimbursement or advances provided (e.g., receipts, invoices, contractor statements, canceled checks, self certification affidavits, Alternative Payment Option (APO) required documents, etc) are true to the best of my/our knowledge.

2. I/We acknowledge that such has been relied on by OCD-DRU HMGP to make a determination of eligibility for the Grant Award.
3. I/We certify that all expenses claimed in connection with my/our reconstruction/elevation/individual mitigation measures application for grant proceeds were a direct result of the declared disaster(s) and for my/our mitigated structure.
4. I/We have disclosed to OCD-DRU HMGP all insurance proceeds and other funds received from sources, such as non profits and governmental agencies, as compensation for damages and intended mitigation measure (e.g. elevation, reconstruction, individual mitigation measures) as a result of the declared disaster(s) in the application process.
5. I/We acknowledge that I/We may be prosecuted by Federal, State and/or local authorities in the event that I/We make or file false, misleading and/or incomplete statements and/or documents.
6. I/We agree to repay the OCD-DRU HMGP Grant in the event I/We make or file false, misleading and/or incomplete statements and/or documents.

VI. AUTHORIZATION TO RELEASE INFORMATION

Privacy Act Notice: I/We understand that information provided is used by the OCD-DRU Hazard Mitigation Grant Program or its assignees in determining whether I/We qualify as a recipient, and if so, the amount of assistance to which I am entitled under the OCD-DRU Hazard Mitigation Grant Program. It will not be used outside of the agency except as required or permitted by law or with my written consent. I understand I do not have to provide this information, but if I do not, my application as a program participant may be delayed or rejected.

I/We the undersigned, as an applicant to the OCD-DRU Hazard Mitigation Grant Program, authorize the disclosure and release of information to any authorized representative of the OCD-DRU Hazard Mitigation Grant Program relevant to my application for assistance to that program. This shall include, but not be limited to, records relating to my transactions and accounts with financial institutions in connection to mortgages, insurance companies and their agents, real estate title companies, contractors, utility companies, and local, state and federal governmental authorities, specifically the Small Business Administration.

Signed at _____ (city), State of Louisiana on the _____
day of _____, 20____, in the presence of the undersigned, competent witnesses
and Notary Public:

Witness

Applicant/Owner

Signature Signature _____

Print Name Print Name _____

Witness

Applicant/Owner

Signature Signature _____

Print Name Print Name _____

Notary Public

Parish of _____, State of Louisiana

Notary ID Number _____

My Commission Expires _____

**THE STATE OF LOUISIANA
OFFICE OF COMMUNITY DEVELOPMENT
DISASTER RECOVERY UNIT
HAZARD MITIGATION GRANT PROGRAM
RECONSTRUCTION/ELEVATION/INDIVIDUAL MITIGATION MEASURES**

**DECLARATION OF COVENANTS RUNNING WITH THE LAND
HURRICANE KATRINA/HURRICANE RITA**

BE IT KNOWN that on this ____ day of _____, 20__, (**“Effective Date”**), before me the undersigned Notaries Public, duly commissioned and qualified, and in the presence of the undersigned competent witnesses, personally came and appeared:

Print Homeowner(s) Name(s)

See **Exhibit “A”** attached hereto and made a part hereof who declared as follows:

RECITALS

THIS DECLARATION OF COVENANTS RUNNING WITH THE LAND (“Covenants”) is made by the undersigned homeowner(s) further described on **Exhibit “A”**, all future owners of the Property, and their successors, heirs and assigns, and all other persons and parties claiming by, through or under the present and future owners, their successors and assigns (collectively, the **Owner**).

The Owner (through an assignment of rights or through inheritance) is the owner of the immovable property described on **Exhibit “B”** (the **“Property”**) attached hereto. The residence located on the Property was damaged or destroyed by either Hurricane Katrina in August 2005 or Hurricane Rita in September 2005 (the **“Hurricanes”**). The Owner has been awarded a Hazard Mitigation Grant (“HMGP Grant”) from the United States of America under the Department of Homeland Security Federal Emergency Management Agency (**“FEMA”**) Hazard Mitigation Program (“HMGP” (**HMGP Program**)), under a Grant agreement executed by the Owner. The HMGP Program is being administered by the State of Louisiana, Division of Administration, Office of Community Development, Disaster Recovery Unit, Hazard Mitigation Grant Program (**“OCD-DRU”**).

AGREEMENTS

NOW, THEREFORE, for and in consideration of receipt of all HMGP Grant proceeds in order to mitigate future damage from hurricanes and similar natural disasters, Owner hereby makes the following Covenants and Agreements with respect to the Property, which Covenants and agreements shall constitute covenants and restrictions running with and encumbering the Property. Owner agrees that Owner will be or become, as applicable, fully compliant with all covenant requirements within the time periods specified below.

OWNER AGREES THAT SECTION 4 – COVENANT AS TO FLOOD INSURANCE SHALL BE IN PERPETUITY.

These Covenants shall begin to run with the Property from and after the Effective Date.

1. **Certification of Ownership of Structure and Land:** The undersigned Owner(s) under oath hereby certifies/affirms that he/she/they own both the immovable property and all improvements located thereon at the aforementioned property address. The affiant(s) acknowledge that he/she/they may be prosecuted by Federal, State and/or local authorities in the event he/she/they makes or files false and/or misleading statements or documents. Additionally, in the event the mitigation measure undertaken is that of Pilot Reconstruction/Elevation/Individual Mitigation Measures, the undersigned (“Owner(s)”) certify/affirm that he/she/they owned the property at the time of the event (i.e., Hurricane Katrina declaration date of August 29, 2005 or Hurricane Rita declaration date of September 24, 2005) for which funding is authorized or he/she/they gained title as a result of succession/assignment due to the death or incapacity of the property owner.

2. **Covenant to complete Reconstruction/Elevation/Individual Mitigation Measures and Re-Occupy Property:** The Owner(s) hereby represents and agrees to execute and complete the mitigation activities funded under this agreement in a timely fashion sufficient to satisfy the requirement that the owner re-occupy the property as his/her/their primary residence within twelve (12) months from the effective date of this Declaration of Covenants. An extension of the period for compliance with this provision may be granted by OCD-DRU to Owner upon request by Owner to extend the compliance period based on good cause and circumstances beyond Owner’s control that precluded compliance with the provisions of this section. OCD-DRU may on its own, upon evidence of reasonable efforts made by Owner to occupy the property, grant an extension of a period not to exceed twelve (12) months to comply with this provision. Evidence of such extensions must be in writing, signed by OCD and Owner, and filed into the conveyance of records in which these Covenants were filed.

Duties Accessory to Primary Covenants: In order to comply with the covenants set forth in Sections 1 and 2 above (“**Primary Covenants**”), and as duties accessory and incidental to the Primary Covenant set forth in Section 2 above, Owner covenants and agrees as follows:

3. **Covenant as to Compliance with Building Codes, Elevation Standards, Building Permits, Contractors, Lien Waivers and Performance Bonds:** The Owner(s) agrees that:

- a. All mitigation measures (e.g., Reconstruction, Elevation or flood-related Individual Mitigation Measures (IMMs)) funded through the HMGP Grant provided through this Covenant shall be in conformance with State of Louisiana and Local Parish Mitigation Plans, as provided by 44 CFR, Part 201. Property elevation shall meet or exceed the Base Flood elevation (BFE) or Advisory Base Flood Elevation (ABFE), whichever is higher, and set forth by FEMA. The owner agrees to comply at minimum with the FEMA Digital Flood Insurance Map (DFIRM) elevation requirement in the event it is the applicable requirement for the local jurisdiction in which the property resides. The Owner(s) shall provide a copy of the **Final Elevation Certificate** for the Property issued by the applicable governing authority. The elevation certificate must be completed by an authorized engineer, architect, land surveyor or community official on the basis of the Flood Insurance Rate Map (FIRM) at the time of certification. Any additional mitigation repairs or replacements to any dwelling on the Property

shall conform to the minimum standards set forth by the 2003 International Residential Building Code, as modified, amended, or replaced from time to time.

- b. Owner(s) shall be responsible for ensuring compliance with both Louisiana Contractor Licensing Law and the Louisiana Home Improvement Registration Act for mitigation work performed on his/her/their property. In addition, all mitigation work must comply and adhere to more stringent local requirements, building codes, permitting, ordinances, standards, etc., where applicable

Owner(s) can obtain a copy of these documents at the following websites:

Louisiana Contractor Licensing Law

http://www.lslbc.louisiana.gov/pdf_files/865555_ConLawTxt.pdf

Louisiana Home Improvement Registration Act

http://www.legis.state.us/leg_docs/03RS/CVT4/OUT/0000KTIZ.PDF

Contractors shall secure all required building permits from the local governmental authority prior to commencement of reconstruction, elevation or individual mitigation measures, where applicable. The Owner(s) will provide OCD with copies of applicable Building Permits or other municipality documents as requested by OCD. A homeowner or builder affidavit shall not serve as a substitute or exemption from the licensing requirement of the builder.

The Owner(s) also hereby acknowledge and agree(s) to comply with the document submittal requirements and program guidelines as set forth by the OCD-DRU, Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), and FEMA.

4. Covenant as to Flood Insurance for HMGP Reconstruction/Elevation/Individual Mitigation Activities:

As a recipient of Federally-funded hazard mitigation assistance under the Hazard Mitigation Grant Program, as authorized by 42 United States Code (U.S.C.) §5170c, the Property Owner accepts the following conditions which shall encumber the property in perpetuity.

Covenant in Perpetuity: "Covenant as to Flood Insurance for HMGP Reconstruction/Elevation/Individual Mitigation Measures" listed herein shall run with the Property in perpetuity, or alternatively, for the maximum permitted by law. The OCD-DRU will not provide a release of this Covenant:

- a. The Owner shall insure all structures on the Property, that will not be demolished or relocated out of the Special Flood Hazard Area (SFHA), under a Flood Insurance policy, in an amount equivalent to the lesser of the project cost or to the maximum limit of coverage available for the Property, through the National Flood Insurance Program (NFIP), as authorized by 42 U.S.C. §4001 *et seq.* as long as the Property Owner holds title to the property as required by 42 U.S.C. §4012a.
- b. The Owner will maintain all structures on the Property in accordance with the flood plain management criteria set forth in Title 44 of Federal Regulations

(C.F.R.) Part 60.3 and City/County/Parish Ordinance. These criteria include, but are not limited to, the following measures:

- i. Enclosed areas below the Base Flood Elevation (BFE) will only be used for parking of vehicles, limited storage, or access to the structure;
- ii. All interior walls and floors below the Base Flood Elevation will be unfinished or constructed of flood resistant materials;
- iii. No mechanical, electrical, or plumbing devices will be installed below the Base Flood Elevation; and
- iv. All enclosed areas below Base Flood Elevation in identified A Zones must be equipped with vents permitting the automatic entry and exit of flood water.

In addition to the criteria above, enclosed areas below the Base Flood Elevation in identified V Zones, areas subject to 1.5 foot breaking waves and A Zones must not exceed 299 square feet and must be constructed with non-supporting breakaway walls. Your local Floodplain Manager will have a list of these criteria.

- c. **Notice to Subsequent Transferees:** To provide notice of these conditions to subsequent purchasers, the property Owner agrees to include in the deed of conveyance to be recorded with the parish or appropriate jurisdiction's land records a notice that includes the name of the current Property Owner (including book/page reference to record of current title, if readily available), a legal description of the property, and the following notice of flood insurance requirements:

“This property has received Federal hazard mitigation assistance. Federal law requires that flood insurance coverage on this property must be maintained during the life of the property regardless of transfer of ownership of such property. Pursuant to 42 U.S.C. §5154a, failure to maintain flood insurance on this property may prohibit the owner from receiving Federal disaster assistance with respect to this property in the event of a flood disaster. The Property Owner is also required to maintain this property in accordance with the flood plain management criteria of Title 44 of the Code of Federal Regulations Part 60.3 and City/County/Parish Ordinance. In addition to the criteria above enclosed areas below the Base Flood Elevation in identified V Zones, or areas within the limit of 1.5 foot breaking wave inundations must not exceed 299 square feet and must be constructed with non-supporting breakaway walls.”

- d. Failure to abide by the above notice provisions required in any subsequent conveyance instrument to subsequent purchaser of the Property (“transferee(s)”) may prohibit the Owner(s) and/or any subsequent purchasers from receiving Federal disaster assistance with respect to this property in the event of any future flood disasters. If the above conditions are not met, FEMA may recoup the amount of the grant award with respect to the subject property,

and the owner transferring the Property (“Transferor”) may be liable to repay such amounts.

- e. The Transferor(s) may be liable if he or she fails to notify transferee of this requirement. In the event of the transfer of the Property, the Owner(s)/transferor(s) shall, not later than the date on which such transfer occurs, notify the transferee in writing of the requirements to: (i) obtain Flood Insurance in accordance with applicable federal law, if the Property is not insured as of the date on which the Property is transferred; and (ii) main Flood Insurance in accordance with applicable federal law. Such written notification shall be contained in documents evidencing the transfer of ownership of the Property. If the transferor fails to provide notice as described above, and subsequent to the transfer of the Property: (1) the transferee fails to obtain or maintain Flood Insurance, in accordance with federal law and this Agreement; and (2) the Property is damaged by a flood disaster; and (3) federal disaster relief assistance is provided for the repair, replacement, or restoration of the Property, as a result of such damage, then the transferor must reimburse the federal government in an amount equal to the amount of the federal disaster relief assistance provided with respect to the Property.

5. Environmental Review Requirements/Compliance with Environmental Laws and Regulations

If it cannot be documented that mitigation started after the event declaration date (i.e., Hurricane Katrina declaration date of August 29, 2005 or Hurricane Rita declaration of September 24, 2005) and prior to March 16, 2008, in conjunction with any construction, elevation and/or individual mitigation measures, improvements, or repairs on the Property, an environmental report providing an assessment of such construction/elevation in accordance with NEPA requirements, must be completed on the Property **before Owner commences any mitigation work**. Payment of the HMGP Grant by OCD-DRU is expressly contingent on the satisfactory completion of such report. The OCD-DRU HMGP shall not be responsible for funding of remediation or other steps should there be an event of discovery of any environmental clearance issue.

The Owner(s) and hired contractor (s) shall follow and comply with Federal, State, and Local Laws and requirements set by NEPA and NHPA during execution of mitigation activities and construction/elevation of the dwelling on the property. The Owner(s) or its contractor and any subcontractor shall immediately cease construction and further ground disturbing activities should any elements of historical artifact be discovered, and notify the local jurisdictional authority and OCD-DRU HMGP. FEMA shall conduct a Special Considerations Review prior to the Owner(s) recommencing construction/elevation and/or individual mitigation activities.

6. **Compliance:** The Grant proceeds will be disbursed to the Owner in accordance with the terms of the Voluntary Participation Agreement (VPA) between the Owner(s) and the OCD-DRU's Hazard Mitigation Grant Program. Evidence acceptable to OCD-DRU shall include without limitation the following:

Signed Voluntary Participation Agreement (VPA)

Signed and Notarized OCD-DRU HMGP Covenant

Building Permit(s)

Square Footage Documentation (Original Structure and New Structure), (if applicable)

Power of Attorney documentation (if applicable)

Construction contract (if applicable)

Paid invoices, receipts, cancelled checks, and/or notarized homeowner affidavit documenting work

Substantial Damage document or applicable documentation that shows original structure could not withstand an Elevation

Insurance and ICC payouts

Inspection Photos

Property owner grants authority to HMGP inspectors to access the property/home to verify the completion of the work.

Final Elevation Certificate

Building Plans, if applicable

Proof of Flood Insurance (Amount must be compliant with NFIP standards)

Certificate of Occupancy or Statement from local building inspection official that the elevation was completed to code (Note: Cos are mandatory for Reconstructions)

Work in Progress (WIP) documentation (if applicable)

7. **Covenants Running with the Property:** These Covenants shall constitute covenants running with the Property and shall be binding upon the Owner(s), and are intended to create negative predial servitudes, predial servitudes, and restrictions on alienation. To the extent any obligation(s) set forth in the Covenants is (are) construed by a court of competent jurisdiction not to be a negative predial servitude or predial servitude, such provision(s) shall not be severed from these Covenants but shall constitute a personal servitude(s) of and enforceable against the Owner(s) and his assignees, and remaining obligations shall be enforced as negative predial servitudes or predial servitudes.

8. **Enforcement of Covenants:** These Covenants shall be enforceable, at law or in equity, by the State of Louisiana or the United States of America, and Owner(s) hereby agree(s) that the State of Louisiana or the United States of America may demand repayment of Grant proceeds or compel specific performance by the Owner(s) or claim injunctive relief against the Owner(s) for violation of these Covenants, without posting bond and without the need for demonstrating irreparable harm.

9. **Default Provisions:** If Owner violates the covenants contained in Sections 1 through 6 ("**Defaulting Owner**"), and such violation is not cured within 30 days, the entire amount of the Grant shall become due and payable, without notice or demand, by the Defaulting

Owner to OCD immediately upon expiration of the 30-day cure period. The obligation to the Defaulting Owner to pay any amounts owned as a result of a breach of these Covenants by the Defaulting Owner shall not create any privilege, lien, or encumbrance on the Property. Any judgment obtained against the Defaulting Owner for a breach of the Covenants and recorded in the mortgage records where the Property is located, shall act as a judicial mortgage against the Property from and after the date of recordation.

10. Acknowledgement of Terms and Conditions: Owner(s) asserts, certifies and reaffirms that all information on the application, covenant rider, documentation for reimbursement provided (e.g., receipts, invoices, bank statements, canceled checks, self certification affidavits, etc) are true to the best of his/her/their knowledge. Owner(s) acknowledges that said documents provided to OCD-DRU HMGP are used to make a determination of eligibility for the HMGP Grant Award. Owner(s) certifies that all expenses claimed in connection with the owner(s)' reconstruction/elevation/individual mitigation measures application for grant proceeds were a direct result of the declared disaster(s) and for the owner(s) mitigated structure; and that the owner(s) have disclosed to OCD-DRU HMGP all insurance proceeds and other funds received from governmental agencies that classify as a duplication of benefits as compensation for damages and intended mitigation measure (e.g. elevation or reconstruction) as a result of the declared disaster. Owner(s) acknowledge that they may be prosecuted by Federal, State and/or local authorities or be asked to repay Grant proceeds in the event that owner(s) make or file false, misleading and/or incomplete statements and/or forge documents and/or **supply fraudulent** documents to the program in order to receive HMGP Grant disbursements. Owner(s) acknowledges notice of the danger of fraud and scams perpetrated by unscrupulous individuals, contractors and businesses and that the State has provided an Office of Fraud to address such issues.

11. Severability/Construction: These Covenants shall be governed and construed in accordance with the laws of the State of Louisiana. Any provision of these Covenants found to be prohibited by law or unenforceable will be ineffective to the extent of such prohibition or unenforceability without invalidating any other part hereof, or any of the other Covenants contained herein. These Covenants, to the extent possible, will be construed or reformed so as to give validity to all of its provisions. Time is of the Essence. These Covenants are not intended to create, nor shall it be in any way interpreted or construed to create, any third party beneficiary rights in any person not a party hereto except for the United States of America, as set forth herein.

These Covenants shall be recorded in the conveyance records of the Registrar of Conveyances for the applicable Parish, Louisiana, or in the conveyance records of the Office of any Clerk of Court or Recorder for any other Parish in which the Property is located.

STATE OF LOUISIANA

PARISH OF _____

THUS DONE AND SIGNED on the _____ day of _____, 20__ __,
in the presence of the undersigned witnesses and Notary Public, after due
reading of the whole.

WITNESSES:

OWNER:

Witness Signature

Homeowner Signature

Print Name: _____

Print Name: _____

Witness Signature

Homeowner Signature

Print Name: _____

Print Name: _____

Notary Public

Print Name: _____

Notary No./Bar Roll No. _____

My Commission Expires: _____

STATE OF LOUISIANA

PARISH OF _____

THUS DONE AND SIGNED by OCD or its designee on the _____ day
of _____, 20__ __, in the presence of the undersigned witnesses and
Notary Public, after due reading of the whole.

WITNESSES:

**STATE OF LOUISIANA, DIVISION OF
ADMINISTRATION, OFFICE OF
COMMUNITY DEVELOPMENT**

Witness Signature

Print Name:_____

By:_____

Sign Name:_____

Witness Signature

Name:_____

Print Name:_____

Print Name:_____

Title:_____

Notary Public

Print Name:_____

Notary No./Bar Roll No._____

My Commission Expires:_____

EXHIBIT "A"

Owner Information

Road Home File No.:

-
Owner(s): Names

Homeowner ONE

Homeowner TWO

Domicile PROPERTY ADDRESS
Address:

Parish:

OCD-DRU HMGP Information

OCD-DRU HMGP:

**State of Louisiana
Division of Administration
Office of Community Development
Disaster Recovery Unit
Hazard Mitigation Grant Program**

**PO Box 5098
Baton Rouge, LA 70821-5098**

EXHIBIT "B"

Immovable Property Description

Property Owner _____

Street Address _____

City , State Zip Code _____

Deed dated _____, Recorded _____

Tax map _____, Block _____, Parcel _____

Base Flood Elevation at the site is _____ feet (NGVD)

Map Panel Number _____, Effective Date _____

Legal Description of Property

Please provide the written legal property description in the box below.

**Office of Community Development
Disaster Recovery Unit
Hazard Mitigation Grant Program**

Homeowner Information Release Authorization Form

Privacy Act Notice: I/We understand that information provided is used by the OCD-DRU Hazard Mitigation Grant Program or its assignees in determining whether I/We qualify as a recipient, and if so, the amount of assistance to which I am entitled under the OCD-DRU Hazard Mitigation Grant Program. It will not be used outside of the agency except as required or permitted by law or with my written consent. I understand I do not have to provide this information, but if I do not, my application as a program participant may be delayed or rejected.

I/We the undersigned, as an applicant to the OCD-DRU Hazard Mitigation Grant Program, authorize the disclosure and release of information to any authorized representative of the OCD-DRU Hazard Mitigation Grant Program relevant to my application for assistance to that program. This shall include, but not be limited to, records relating to my transactions and accounts with financial institutions in connection to mortgages, insurance companies and their agents, real estate title companies, utility companies, and local, state and federal governmental authorities, specifically the Small Business Administration.

Applicant Name: _____

Applicant Signature

Date: _____

Co-Applicant Name: _____

Co-Applicant Signature

Date: _____

**Office of Community Development / Disaster Recovery *Unit*/Hazard Mitigation Grant Program
P.O. Box 1089 • Hammond, LA 70404-1089 • Toll Free Phone (877) 824-8312
Email: hazardmitigation@mitigatela.org**

Appendix C

OCD-DRU HMGP

SCOPE OF WORK FOR ELEVATION

Eligible Cost for Elevation Projects

As a general rule, all costs that are directly associated with the elevation activity are potentially eligible for reimbursement. Approval from FEMA and the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) is required for costs not included in the following list of items.

Elevation of an Existing Structure

1. Soil stabilization (limited to \$1,000 per structure)
2. Concrete & block work; masonry work
3. Drilling & installation of Piers, Columns, or Piles
 - Note:** Termite treatment costs are eligible.
4. Beams and columns
5. Embedment and sealant
6. Foundation walls
7. Structural steel work
8. Bracing and anchoring
9. Lifting/Jacking/Elevating
10. Backfilling
11. Detachment & re-attachment (elements affixed to structure)
 - This could include carports, sheds, or attached garages. If the attached structure had to be demolished in order to perform the elevation, the demolition and rebuilding of the structure is eligible.
12. Sub-flooring
13. Wall and roof framing and shell construction
 - (Eligible if damage occurred as a result of the elevation. Further documentation may be required.)
14. Exterior doors and windows, insulation
15. Hurricane clips/ties
16. Seismic retrofits to building code
17. Building code upgrades
18. Porches and decks
 - HMGP will reimburse for standard size landings at each access door (standard size is defined by FEMA as 4 ft x 4 ft). Extensive decks or wrap-around porches that were not pre-existing are not eligible.
 - If porches or decks were pre-existing and were damaged as a result of the elevation, they are potentially eligible items. Additional documentation may be required.
19. Stairs and railings leading to each entryway to the structure are eligible.
20. Handicap access
 - **Elevators:** A doctor's note indicating the elevator is necessary to access the home will be required in order to justify the expense. A quote for the elevator must be approved by GOHSEP prior to initiation of work. If the person with the need for an elevator is not a homeowner, further documentation will be required to show that the person occupies the home as a primary residence.

21. Plumbing disconnect, reconnect, and extension (for supply and drain, waste and vent)
 - **Note:** If the entire plumbing system was damaged as a result of the elevation (such as what typically occurs in a slab elevation), the replacement system is eligible. Further documentation of the damage may be required.
22. Electrical disconnect, reconnect, and extension
23. Installation of ductwork for HVAC
24. Electrical service elevation & reconnection
25. Water service elevation & reconnection
26. Sewer/septic system
27. Elevate mechanical equipment
28. Roof and foundation drainage systems
29. Soil stabilization/retaining walls
30. Final clean-up

Engineering and Surveying Fees

1. Engineering/Design for proposed elevation
2. Surveying and site layout
3. Elevation certificate(s)

Permitting/Recording/Legal Fees

1. Building Permit(s)
2. Plumbing, Electrical, Mechanical Permits
3. Recording fees
4. Legal Fees (covenant, notary, recording fees)
5. Hazardous materials abatement report/permit/fees

Site Preparation

1. If fencing or trees had to be removed in order to perform the elevation work, the replacement fencing or trees are eligible. Additional documentation may be required.
2. If sidewalks or driveways were damaged during the elevation and had to be replaced, they are eligible. Additional documentation may be required.
3. Debris removal and disposal
4. Hazardous materials removal/disposal
5. Excavation/fill for grading
6. Soil Stabilization/restoration (capped at \$1,000)
 - For landscape disturbed by the construction, requests will be considered on a case-by-case basis. Homeowner must provide photographs or other documentation showing what landscaping was in place prior to the elevation. If no landscaping was in place prior to the elevation, costs for new landscaping are not eligible. Reimbursement is subject to the approval of GOHSEP.

Displacement Costs

1. Temporary Living Expenses
 - Costs for temporary housing during the time the home is being elevated are eligible. Monthly costs cannot exceed the threshold of \$1.00 multiplied by the square footage of the home being elevated. For example, if an applicant's home is 1000 square feet, HMGP can

pay the homeowner for up to \$1,000 per month. The maximum time the program can pay an applicant for temporary living expenses during the elevation of their home is three months.³

- Living expenses paid by FEMA are not eligible.

Additional Costs

1. Overhead and Profit (OHP)

- Costs associated with Overhead and Profit are not eligible.

Non-reimbursable items

1. Builder's risk insurance

Note: This not intended to be a comprehensive list. Approval from FEMA and GOHSEP may be required.

³ See FEMA's *Guidelines for Benefit Cost Analysis of PDM Applications, Pre Disaster Mitigation Program FY 2003*.

Appendix D

OCD-DRU HMGP

SCOPE OF WORK FOR RECONSTRUCTION PROJECTS

The OCD-DRU HMGP can provide up to \$100,000 (based on actual construction costs) to eligible homeowners for expenses incurred in reconstructing their homes to meet the Advisory Base Flood Elevation (ABFE) or to meet the adopted Base Flood Elevation (BFE) if no ABFE exists – OR in a V-Zone to the elevation requirement set in the DFIRM map even if that map has not been adopted by the parish or community governing authority. Homeowner eligibility and eligible expenses are determined by FEMA based on HMGP regulations.

Please note: This is not intended to be a comprehensive list. All costs directly associated with the reconstruction activity may potentially be eligible. Approval from FEMA and GOHSEP is required for costs outside of the above lists and approval is needed for any displacement costs associated with reconstructions.

Demolition/Removal⁴

Mitigation reconstruction projects can include either total or partial demolition of the site. All demolition debris shall be removed and taken to an approved landfill. The following must be considered during demolition:

1. Abatement of asbestos and lead-based paint;
2. Removal of existing associated structures, garages, and above-grade concrete slabs;
3. Abandoned septic tanks, if not removed, must be emptied, have the floors and walls cracked or crumbled to prevent the tank from holding water, and be filled with sand or other clean fill;
4. All foundation and basement walls not included within the mitigation reconstruction project footprint shall be removed to at least 1 foot below the finish grade of the site, or as necessary to construct the new foundations;
5. All basements not included within the mitigation reconstruction project footprint shall be filled with compacted clean fill. Prior to filling, basement floors should be provided with a minimum 1-foot diameter hole in the floor to allow for drainage;
6. Only trees that restrict the mitigation reconstruction work on any structure may be removed;
7. Any abandoned utilities shall be terminated at least 2 feet below the finish grade of the site;
8. Any abandoned wells shall be capped and associated components may be removed; and
9. All disturbed areas must be graded and leveled. The top 12 inches of soil should be capable of supporting vegetation in areas not included in the reconstructed footprint.

Project Scoping

1. Property Verification (e.g.; size of pre-existing structure)
2. Preliminary Elevation Determination
3. Environmental Site Assessment Phase 1
4. Engineering Feasibility Study (e.g.; can existing structure be elevated; is mitigation reconstruction feasible)

⁴ See *Hazard Mitigation Assistance Unified Guidance, D.2.1 Eligible Demolition/Removal Activities*

5. Benefit-Cost Analysis
6. Title Search (e.g.; ownership verification)

Pre-Construction Activities

1. Site Survey (i.e.; boundaries and elevation)
2. Testing for: Soils/Geotechnical, Asbestos, Lead-Based Paint
3. Archeological Assessment Phase 1
4. Local, State & Federal Permitting (e.g.; environmental, historic, etc.)
5. Architectural/Engineering Design/Plans/Specifications

Construction Activities

1. Environmental/Historic Preservation Mitigation
2. Demolition/Removal
3. Erosion Control/Grading/Drainage
4. Utility Connections
5. Landscaping for Site Stabilization (i.e.; seeding) Note: Landscaping for ornamentation is not eligible for reimbursement.
6. Walkways and Driveways
7. Elevated Foundation Construction
8. Inspection of Foundation System
9. Structural Shell
10. Framing
11. Exterior Doors
12. Windows (includes protection)
13. Access/Egress
14. Exterior Cladding
15. Roofing
16. Interior Partitioning
17. Drywall
18. Trim Note: Crown molding is not eligible for reimbursement.
19. Painting
20. Interior Doors
21. Insulation
22. Utility Equipment
23. Heating, Ventilation and Air Conditioning (HVAC)
24. Water/Wastewater Plumbing
25. Electrical Panel and Wiring
26. Hot Water Heater
27. Fixtures
28. Sinks/Toilets/Showers
29. Lighting
30. Cabinets and Countertops
31. Flooring
32. Building Inspections
33. Certificate of Occupancy
34. Final Elevation Certificate

35. Prepare and Record Flood Insurance Requirement (after construction finalized)

Additional Costs

1. Overhead and Profit (OHP) - Costs associated with Overhead and Profit are not eligible.

Displacement Costs

1. Temporary Living Expenses

Costs for temporary housing during the time the home is being rebuilt may be eligible for reimbursement. Monthly costs cannot exceed the threshold of \$1.00 multiplied by the square footage of the home being elevated. For example, if an applicant's home is 1000 square feet, HMGP can pay the homeowner for up to \$1,000 per month. The maximum time the program can reimburse an applicant for temporary living expenses during the reconstruction of their home is six months. Living expenses paid by FEMA are not eligible.⁵

Ineligible Items

1. Appliances
2. Skylights
3. Solar heating and power systems
4. Security systems
5. Crown molding/wainscoting
6. Custom shelving or built-in bookcases
7. Jacuzzi-style tubs
8. Builder's risk insurance
9. Other luxury items (i.e., granite countertops)

⁵ See FEMA *Guidelines for Benefit Cost Analysis of PDM Applications, Pre Disaster Mitigation Program FY 2003*.

Appendix E

Individual Mitigation Measures Specifications and Guidelines

Installing Window Protection



All photos courtesy of LSU AgCenter.

The OCD-DRU HMGP can provide funds for such items up to a maximum of \$7,500 for this and all other IMMs combined.

Shutters (traditional, Bahaman style, accordion, awning, colonial, or manual or motorized roll-down) should be designed and tested to withstand hurricane winds and impact loads. Documentation to that effect is required from the manufacturer. All glazed opening must be mitigated and mix and match of window protection is allowed. See 4.3 for a listing of eligible and ineligible items.

Replacing the window assembly is not an eligible expense.

Installing Hurricane Straps and Clips



All photos courtesy of LSU AgCenter.

Hurricane straps or clips are steel joints that brace and secure your roof to the walls of your home. They are available in several types that fit most construction methods and can be installed from the interior, the exterior, or during re-roofing. The materials used should have the maximum uplift and shear capacity available, and should be installed in compliance with manufacturer's specifications and the locally International Residential Code.

The OCD-DRU HMGP can provide funds for such items up to a maximum of \$7,500 for this and all other IMMs combined.

Bolting Walls to Foundation



All photos courtesy of LSU AgCenter.

Standard methods of achieving this strengthening include installing anchor bolts that tie the wall framing to the floor system, installing anchor bolts that tie the wall framing to the foundation (wood walls with concrete foundations), and installing anchor bolts from the floor system to the foundation.

All installation and retrofits must be done in accordance with local building code requirements.

The OCD-DRU HMGP can provide funds for on such items up to a maximum of \$7,500 for this and all other IMM combined.

Strengthening Doors

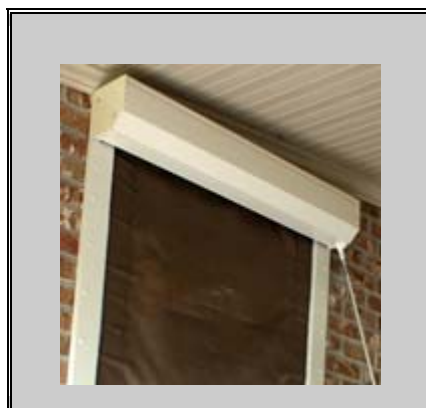


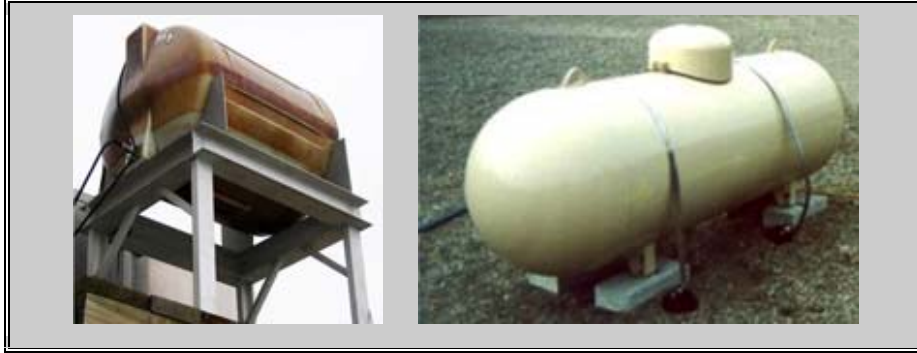
photo courtesy of LSU AgCenter.

To strengthen and secure doors, remember these mitigation principles:

1. Metal door frames are stronger than conventional wood frames
2. Sliding doors should be mounted securely in the frame, and the frame attached securely to the wall
3. Exterior doors should be made of solid wood or metal – doors that open outward are the safest
4. All door and framing materials/construction activities should adhere to local building code requirements

The OCD-DRU HMGP can provide funds for such items, up to a maximum of \$7,500 for this and all other IMM combined.

Anchoring Propane Tank/Heating Fuel Tank



All photos courtesy of LSU AgCenter.

FEMA mitigation specialists strongly urge homeowners to make sure any fuel tanks are solidly anchored.

An inexpensive way to secure a horizontal outside propane tank is to install four ground anchors connected across the top of the tank with metal straps. A vertical tank can be secured with two ground anchors.

The ground anchors and straps used to secure these tanks are the same products required by building codes to tie down manufactured homes. These products are available from suppliers and installers that service the manufactured housing industry.

The OCD-DRU HMGP can provide funds for such items, up to a maximum of \$7,500 for this and all other IMM's combined.

Elevating Electrical Panel, HVAC Unit, Washer/Dryer, Furnace and/or Water Heater

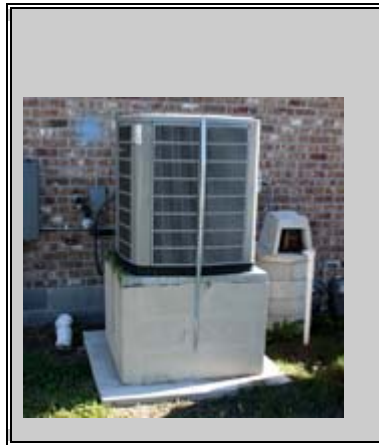


Photo courtesy of LSU AgCenter.

Raising these items above the recognized local flood plain is an important mitigation measure that you should seriously consider, if needed. Remember these principles:

1. The main electric panel board should be at least 12 inches above the projected flood elevation for your home. The panel board height is regulated by code.

2. For protection against shallow flood waters, the washer and dryer can sometimes be elevated on masonry or pressure-treated lumber at least 12 inches above the projected flood elevation. Other options are moving the washer and dryer to a higher floor, or building a floodwall around the appliances.
3. The furnace and water heater can be placed on masonry blocks or concrete at least 12 inches above the projected flood elevation, enclosed by a floodwall or moved to a higher floor. Furnaces that operate horizontally can be suspended from ceiling joists if the joists are strong enough to hold the weight.
4. Outside air conditioning compressors, heat pumps or package units can be placed on a base of masonry, concrete or elevated in some other way that is allowed by the building codes.

The OCD-DRU HMGP can reimburse your expenditures on such items, up to a maximum of \$7,500 for this and all other IMMs combined. See 4.3 for details.

Appendix F
OCD-DRU HMGP
GENERAL FREQUENTLY ASKED QUESTIONS

I'm told that I need to be cleared by FEMA to begin. What is "clearance"?

FEMA reviews the property for cost effectiveness as well as historical and environmental issues. If no issues exist, the property is approved or "cleared" for the program. If there is an issue, the program works with the appropriate entity to resolve the issue so the property may be approved. Normally, work started before receiving FEMA clearance disqualifies the property from HMGP funding.

What if I have completed elevation or reconstruction? Am I still eligible?

For the OCD-DRU HMGP award, if you started construction prior to March 16, 2008, you could still be eligible (documentation is required). After March 16, 2008, written authorization from the State has been required in order to begin work and remain eligible. Without written authorization you may be ineligible.* In all cases, however, it is important that you contact OCD-DRU before beginning any work to be sure your property is on the FEMA "cleared list." This means your property was reviewed for environmental clearance and is cleared for you to begin work.

***Note:** Recent legislation (Section 602 of the American Recovery and Reinvestment Act of 2009) seeks to repeal the provision regarding the date of March 16, 2008. Pending clarification and a ruling from FEMA, the provision remains in force.

Why is March 16, 2008 so important?

Thousands of homeowners who began elevating and reconstructing their homes immediately after Katrina and Rita without first getting EHP clearance were going to be disqualified from participation in the HMGP program. However, FEMA granted a partial waiver for those cases.

Homeowners who began elevating by March 16, 2008, are not automatically disqualified or qualified, but still must pass an EHP review and meet certain criteria to be deemed eligible.

- **If you started work on or before March 16, 2008**, whether you have finished your work or not, you should contact OCD-DRU to identify interest in participating in the program and make sure a FEMA review has been done or will be done. You must be on the FEMA "cleared" list to qualify for HMGP funds.
- **If you have not yet begun work**, you should contact OCD-DRU to identify interest in participating in the program and make sure a FEMA review is completed first. **NOTE: Homeowners who start work before receiving FEMA clearance will be ineligible for OCD-DRU HMGP funds.**
- **If you began work after March 16, 2008**, please call OCD-DRU at 1-877-824-8312 to determine if and when your property received FEMA clearance. **Note:** If FEMA has not performed the necessary clearance process, you are currently ineligible for OCD-DRU HMGP funds.

Note: Recent legislation (Section 602 of the American Recovery and Reinvestment Act of 2009) seeks to repeal the provision regarding the date of March 16, 2008. Pending clarification and a ruling from FEMA, the provision remains in force.

If I sold my home since receiving my Road Home grant, am I eligible?

No. You are not eligible to receive funds under either program if you have sold the home since receiving your Road Home grant.

What if someone received Road Home money, then sold that property to me with an “assignment of rights”? As the new homeowner, do I qualify for HMGP funding?

Homeowners who have purchased a home with an Assignment of Rights from someone who applied to The Road Home and chose Option 1 (whether that original applicant received Road Home money or not) may still be eligible for HMGP elevation or IMM funding. These homeowners are not eligible for HMGP reconstruction funding.

What is the difference between Elevation and Reconstruction?

Elevation means physically raising an existing home to or above the required elevation level. Repair costs are not eligible for reimbursement in an elevation, but things such as reconnecting the plumbing, reconnecting electrical lines, and building access to the elevated home are eligible.

Within this program, **Reconstruction** does not mean repairing. It means demolishing an existing structure (that is deemed infeasible for elevation) and rebuilding a new structure on the same lot. That new structure must be hazard resistant and built at or above the required elevation level.

***NOTE:** On December 11, 2009, FEMA eliminated the rule forbidding the use of HMGP funds for Pilot Reconstructions resulting in a home more than 10% larger than the square footage of the previous structure. OCD-DRU HMGP funds can now be used for such larger structures which are cost reasonable, but the overall cap of \$100,000 remains.*

When can I receive HMGP funding?

If you qualify and you have already paid for all or part of your project, you can get reimbursed for eligible expenses by presenting your receipts, contractor signed contract, canceled checks, paid invoices or other proofs of payment. All rules and regulations must be followed and all requirements of the program met.

For those who don't have the money to spend and then wait to get reimbursed, you can request consideration for the Advanced Payment Option. This is a mechanism by which FEMA-cleared applicants whose OCD-DRU HMGP awards have been calculated may receive advance funding for either mitigation work performed to date or to be performed. All contracts (specifically the Total Project Cost listed therein) must be evaluated for cost reasonableness and must be approved by OCD-DRU HMGP. All advance requests are subject to the approval of OCD-DRU HMGP and GOHSEP.

Participation in OCD DRU-HMGP requires that you maintain flood insurance. Was I required to have flood insurance at the time of the storm?

Under the OCD-DRU Hazard Mitigation Grant Program, there is no requirement for an applicant to have had flood insurance at the time of the declared event. However, FEMA does require that an applicant maintain flood insurance for the life of the structure following the completion of the mitigation activity (hence the need for a deed restriction--this requirement follows the structure regardless of any future owner).

I'm told I have to use state licensed contractors in most instances. Do you have a list of approved contractors?

OCD-DRU HMGP is not affiliated with any contractor or contracting firm, and does not endorse or recommend any contractor or contracting firm. The Louisiana State Licensing Board for Contractors has a database of licensed contractors at www.lslbc.louisiana.gov/findcontractor.asp.

NOTE: OCD-DRU is in the process of establishing an updated builders registry and construction services. Once available this information will be posted on the OCD-DRU HMGP website: www.mitigatela.org.

What is the HMGP Covenant?

The HMGP Covenant is required by FEMA. The covenant must be recorded and will require the completion of construction, compliance with building codes, elevation standards, building permits, contractor requirements (registered or licensed), maintenance of flood insurance, and other FEMA requirements.

Can I appeal the amount of my OCD-DRU HMGP funding?

Yes. If you disagree with your award amount or eligibility for the program you may file an appeal. The appeal must be made in writing and submitted to:

Appeals Section
OCD-DRU HMGP
P.O. Box 1089
Hammond LA 70404-1089

The OCD-DRU HMGP award is based on your actual elevation construction costs, not to exceed \$100,000. If you disagree with the awarded amount you may appeal. You may appeal your initial eligibility to receive an elevation grant from either program.

What kind of receipts do I need to keep for reimbursement?

In order to effectively document that eligible work was both performed and paid for, we require verification of payment (paid invoices, receipts, cancelled checks documenting work, contractor statement on company letter head certifying that an eligible expense was paid for if no other documentation is available). If a homeowner chooses to provide a bank statement that reflects the payment of an eligible expense, then that form of documentation is acceptable as well.

What if I paid with a credit card?

If you paid for the expense with a credit card, an invoice and the receipt for the credit card transaction is sufficient justification to document the transaction.

What do you mean by “duplication of benefits”?

Once you receive enough money to complete your project from program funds dedicated to such projects, no additional money can be granted. In other words, if your elevation cost \$60,000 and you got \$30,000 from ICC and \$30,000 from the Road Home Elevation Incentive, you would have received the total amount needed to elevate, and any additional funds from HMGP would be a duplication of the benefits

already received. Therefore, by law, you would not qualify for additional HMGP funding. However, if your elevation cost \$70,000 and you got \$30,000 from ICC and \$30,000 from the Road Home Elevation Incentive, you would be potentially eligible for \$10,000, the project cost not covered by the other programs.

To clarify: The Hazard Mitigation Grant Program looks at the actual cost of the elevation project and the resources used to pay said activity. This is to ensure that homeowners do not receive more money than it costs to mitigate their structure.

Who will verify and approve the OCD-DRU HMGP payments? Will this require field inspections?

OCD reviews payment packages internally and submits to GOHSEP. GOHSEP conducts its review as Grantee and authorizes release of funding. Inspections are conducted by OCD and are a requirement prior to Midpoint and Final Payments.

Is the cost of third party assistance (management consultant, program expediter, etc.) reimbursable?

No, it is not.

What expenses are eligible?

All expenses that are cost-reasonable and are directly associated with the elevation activity may potentially be eligible for payment (see sample list on page 44). OCD-DRU, the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) and FEMA use Unit Cost Guidance (UCG) in determining cost-reasonableness. Written approval is needed for any displacement costs associated with reconstructions and elevations.

Is installing an elevator a reimbursable expense?

If a homeowner has the proper medical documentation, the cost of an elevator and its installation may be eligible for payment during an elevation or reconstruction project (it is not an allowable Individual Mitigation Measure). The elevator must meet certain specifications, so contact your HMGP mitigation analyst as soon as possible when considering purchase or installation.

Each project must be monitored for construction progress and compliance with HMGP regulations prior to disbursement of funds. Who will be overseeing the construction progress and compliance?

Each contractor is responsible for code and program compliance during construction. Local building officials permit and inspect the mitigation activity for code compliance. OCD inspects the property to document work in progress or work completed. FEMA and GOHSEP may inspect a property to verify compliance with program requirements. For Elevations, a Certificate of Occupancy or a statement from the local building inspection official that the elevation was completed to code is required.

Appendix G
OCD-DRU HMGP
ELEVATION FAQs
GENERAL FREQUENTLY ASKED QUESTIONS

What are the different elevation grant programs?

Road Home Option 1 participants may have had access to one or more of these three elevation programs:

The **National Flood Insurance Program's Increased Cost of Compliance (ICC)** program can provide up to \$30,000 to eligible policy holders who sustained damage of 50% or more. This is administered through the NFIP (National Flood Insurance Program). Homeowners should contact their flood insurance provider for additional information.

The **Road Home Elevation Incentive Award** provides \$30,000 (\$20,000 for manufactured homes) to eligible homeowners as an incentive to elevate their homes to meet the local Base Flood Elevation or Advisory Base Flood Elevation. These funds are limited to the specific dollar amount and cannot exceed the Road Home \$150,000 maximum. For questions about the *Road Home Elevation Incentive Award Program*, call Road Home at 1-888-ROAD2LA (1-888-762-3252).

The State **OCD-DRU Hazard Mitigation Grant Program (HMGP)** provides up to \$100,000 in additional funds (based on actual construction costs rather than a fixed amount) to eligible homeowners to elevate their homes to to comply with, at minimum, the FEMA required elevation height for the area. Under FEMA's Pilot Reconstruction Program, eligible applicants may receive HMGP funds to demolish an existing structure and construct an improved, elevated structure on the same site. Homeowner eligibility is determined by FEMA based on HMGP regulations.

For all of these programs you should contact your local building code and permit office to determine elevation requirements for your home.

The potential award amount for elevation and duplication of benefits would lead one to believe that up to \$160,000 could be used to elevate a home before the applicant would have to use their own money for elevation. This of course assumes one is eligible for ICC \$30,000, Road Home \$30,000 and HMGP \$100,000. Is this a correct assumption?

Yes. Regardless of the sources or amounts of funding an Applicant receives, OCD reviews each project for cost reasonableness.

If the time frame for applying for Road Home elevation incentive award has expired, can an applicant reapply for this award?

Road Home applicants who were affected by Hurricanes Gustav or Ike, and/or did not accept the Road Home Elevation Incentive Award because funding was insufficient until the OCD-DRU HMGP began, can apply for an exception to the elevation deadline by sending a letter to:

OCD-DRU
Attn: Elevation Incentive Program
P.O. Box 94095
Baton Rouge, LA 70801

Anyone determined to be eligible for elevation after December 5, 2008, will be reviewed on a case by case basis.

Is Elevation allowed in a V-Zone?

The elevation of an existing structure is eligible for HMGP funds in a V-Zone. Be sure to speak with your local building official and permitting office for specific elevation requirements in V-Zones. (See NOTE below)

***NOTE:** All Elevation projects must use the base flood elevations (BFE) established in the Preliminary DFIRM maps for any properties that are located in a coastal V-Zone or Coastal A-Zone on the Preliminary DFIRM maps for any properties that are located in a coastal V-Zone or Coastal A-Zone on the Preliminary DFIRM map. The V-Zone determination must be used as soon as the Preliminary DFIRM maps are made available to the local jurisdiction. Please speak with local building officials regarding elevation requirements in your area, and be sure to tell them you are applying for program funds and need to meet FEMA HMGP requirements.*

What is an Advisory Base Flood Elevation (ABFE) or Base Flood Elevation (BFE)?

The ABFE or BFE establishes the height, relative to the mean sea level, that has a one percent chance or greater of flooding in a given year as determined by FEMA and adopted by your local jurisdiction. An ABFE becomes a BFE once adopted by a municipality.

How high do I have to elevate?

You must elevate to the Base Flood Elevation (BFE) or Advisory Base Flood Elevation (ABFE), whichever is higher.

***Note:** All Elevation projects must use the base flood elevations (BFE) established in the Preliminary DFIRM maps for any properties that are located in a coastal V-Zone or Coastal A-Zone on the Preliminary DFIRM map. The V-Zone determination must be used as soon as the Preliminary DFIRM maps are made available to the local jurisdiction. Please speak with local building officials regarding elevation requirements in your area, and be sure to tell them you are applying for HMGP funds and need to meet HMGP requirements.*

What point is being measured for elevation?

There are different measuring points for a home's elevation above the ABFE or BFE, depending upon whether that home is in an A-Zone or a V-Zone.*

- For homes in an **A-Zone** the **Top of the Bottom Floor** must be above the ABFE or BFE.
- For homes in a **V-Zone**, that measuring point is the **Lowest Horizontal Member**. That means horizontal floor beams (joists, or horizontal concrete supports in a slab elevation) underneath the subflooring must be above the required elevation level.*

Note: In a V-Zone the home must be elevated using this measuring point to the level set in the DFIRM map even if that map has not been adopted by the parish or community governing authority.

Am I required to move into my elevated home within twelve months?

There is an OCD-DRU HMGP requirement for a homeowner to reoccupy the property within 12 months of receiving an award payment. However, we can extend the timeline if the applicant demonstrates a reasonable effort to complete the mitigation activity and the work is completed prior to the end of the grant's performance period.

How are HMGP Elevation Grants calculated?

HMGP is a reimbursement program, capped at a maximum of \$100,000 per household. In order to avoid a duplication of benefits, HMGP elevation funds can only be used for eligible expenses that were not covered by other programs such as ICC and the Road Home Elevation Incentive Award. Therefore, duplication of benefits is not allowed.

Here is an example of an ELEVATION Grant calculation:

TPC (Total Project Cost) *	\$98,699.60
Subtract money received from Road Home Elevation Incentive Award	-\$30,000.00
Subtract money received from ICC	-\$30,000.00
Subtract money received from the Small Business Administration (SBA)	-\$10,000.00
TPC remaining after subtracting Road Home Elevation Incentive & ICC	\$28,699.60
Total Potential HMGP Award **	\$28,699.60

Note: The Midpoint Payment Award is capped at \$14,349.80 (up to half of total potential amount)

* Total Project Cost (TPC) is calculated by totaling all of the expenses associated with the Elevation project that are eligible for reimbursement per FEMA HMGP guidelines

** The OCD-DRU HMGP is a supplemental program with an award capped at \$100,000.

Is a contract with the proposed elevation cost breakdown sufficient to document the scope of work for eligible cost reimbursement?

As long as the breakout is within the contract and includes a detailed listing of what activities will be performed for elevation, then the Scope of Work in the contract should be sufficient.

Note: Subsequent invoices sent to the applicant should match the breakout in the contract (i.e., if the contract states: Draw 1: \$13,000--Pilings, beam installation, etc., then the invoice for Draw 1 should reflect the same amount). If there are any change orders not listed in the original contract, the change order Scope of Work should be included in subsequent documentation.

Appendix H
OCD-DRU HMGP
RECONSTRUCTION FAQs
FREQUENTLY ASKED QUESTIONS

Why is it sometimes referred to as “Pilot” Reconstruction?

Prior to Hurricanes Katrina and Rita, FEMA did not provide funding for reconstruction activities. For these disasters FEMA has made reconstruction an eligible activity as a "pilot" or test program.

Do I need a certificate of occupancy?

Upon presentation of final documentation, a homeowner who has reconstructed must provide a Certificate of Occupancy.

Is Reconstruction allowed in a V-Zone?

Pilot Reconstructions are eligible for HMGP funds in a V-Zone if the structure was substantially damaged but not completely destroyed (defined by FEMA as less than 90% damaged). Documentation by the local jurisdiction is required prior to acceptance into the HMGP.

What is an Advisory Base Flood Elevation (ABFE) or Base Flood Elevation (BFE)?

The ABFE or BFE establishes the height, relative to the mean sea level, that has a one percent chance or greater of flooding in a given year as determined by FEMA and adopted by your local jurisdiction. An ABFE becomes a BFE once adopted by a municipality.

How high do I have to elevate?

You must elevate to the Base Flood Elevation (BFE) or Advisory Base Flood Elevation (ABFE), whichever is higher.

Note: All Pilot Reconstruction projects must use the base flood elevations (BFE) established in the Preliminary DFIRM maps for any properties that are located in a coastal V-Zone or Coastal A-Zone on the Preliminary DFIRM map. The V-Zone determination must be used as soon as the Preliminary DFIRM maps are made available to the local jurisdiction. Please speak with local building officials regarding elevation requirements in your area, and be sure to tell them you are applying for HMGP funds and need to meet HMGP requirements.

What point is being measured for elevation?

There are different measuring points for a home's elevation above the ABFE or BFE, depending upon whether that home is in an A-Zone or a V-Zone.*

- For homes in an **A-Zone** the **Top of the Bottom Floor** must be above the ABFE or BFE.
- For homes in a **V-Zone**, that measuring point is the **Lowest Horizontal Member**. That means horizontal floor beams (joists, or horizontal concrete supports in a slab elevation) underneath the subflooring must be above the required elevation level.*

Note: In a V-Zone the home must be elevated using this measuring point to the level set in the DFIRM map even if that map has not been adopted by the parish or community governing authority.

Am I required to move into my reconstructed home within twelve months?

There is an OCD-DRU HMGP requirement for a homeowner to reoccupy the property within 12 months of receiving an award payment. However, we can extend the timeline if the applicant demonstrates a reasonable effort to complete the mitigation activity and the work is completed prior to the end of the grant’s performance period.

How are HMGP Reconstruction Grants calculated?

Reconstruction means demolishing an existing home and constructing an improved, elevated home on the same site. Since it is a larger, more involved project than an elevation, there are more factors to be considered to avoid duplication of benefits. These include payments received from hazard insurance, flood insurance, FEMA Individual Assistance for home repair, and the Road Home Compensation Grant. All construction costs must be based on work and materials that meet required codes and standards.

HMGP awards for reconstruction are capped at a maximum of \$100,000 per household and are intended to pay only for eligible expenses not covered by other programs.

Here is an example of a RECONSTRUCTION Grant calculation:

TPC (Total Project Cost) *	\$364,000.00
Subtract money received from Hazard Insurance	-\$3,000.00
Subtract money received from Flood Insurance	-\$139,000.00
Subtract money received from FEMA IA (for home repair)	-\$0.00
Subtract money received from Road Home Elevation Incentive	-\$4,000.00
Subtract money received from Road Home Compensation Grant	-\$126,030.00
Subtract money received from ICC	-\$0.00
TPC remaining after subtracting other moneys received	\$92,000.00
Total Potential HMGP Award (capped at a maximum of \$100,000)	\$92,000.00

NOTE: The Midpoint Payment Award is capped at \$46,000.00 (up to half of total potential amount)

*** Total Project Cost (TPC) is calculated by totaling all of the expenses associated with the Reconstruction project that are eligible for reimbursement per FEMA HMGP guidelines**

What expenses are eligible?

All expenses that are cost-reasonable and are directly associated with the reconstruction activity may potentially be eligible for payment (see sample list on page 47). OCD-DRU, the Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP) and FEMA use Unit Cost Guidance (UCG)

in determining cost-reasonableness. Written approval is needed for any displacement costs associated with reconstructions and elevations.

Is a contract with the proposed reconstruction cost breakdown sufficient to document the scope of work for eligible cost reimbursement?

As long as the breakout is within the contract and includes a detailed listing of what activities will be performed for elevation, then the Scope of Work in the contract should be sufficient.

Note: Subsequent invoices sent to the applicant should match the breakout in the contract (i.e., if the contract states: Draw 1: \$13,00--Pilings, beam installation, etc., then the invoice for Draw 1 should reflect the same amount). If there are any change orders not listed in the original contract, the change order Scope of Work should be included in subsequent documentation.

IMM FAQs

FREQUENTLY ASKED QUESTIONS

INDIVIDUAL MITIGATION MEASURES (IMM) FAQ

Glazed Opening Protection

Below are Frequently Asked Questions and their Answers that should help everyone understand the HMGP-OCD DRU Individual Mitigation Measures Program as they relate to glazed opening protection (a glazed opening is defined as any opening in a door or wall that contains glass):

1. What products are approved for glazed opening protection?

Answer: Shutters, impact resistant windows, storm panels, hurricane screens, and window film that meet the ASTM E 1886 & 1996 standards are approved for program participation.

2. What are the Certification/Approval/Evaluation agencies, which can certify the products to be used as opening protection for the IMM Program?

Answer: At a minimum, all products must meet the specifications of the International Residential Code of 2006 (IRC 2006) which requires products to meet or supersede ASTM E 1886 and ASTM E 1996 standards.

3. Can an applicant mix other shutter products with a lesser expensive type of approved shutter product (i.e. a form of storm panels) in order to manage costs and protect all openings?

Answer: Yes, an applicant can mix and match window protection measures (i.e. - shutters and panels, panels, etc.)

4. Does an applicant have to cover all glazed openings (all windows and doors) to receive Grant Funds?

Answer: Yes, unless the glazed opening is certified and verified to be impact resistant according to the IRC code.

5. Can Window Film be used as opening protection for the IMM Program?

Answer: Yes, window film can be used as a standalone IMM product but cannot be used with other window protection products. Window film must meet the ASTM E 1886 and 1996 standards.

6. Can an applicant receive grant funds to hire a contractor to install plywood to cover their openings?

Answer: No, the installation of plywood is not an eligible IMM expense

7. If an applicant has too many windows and doors and cannot completely protect them with the \$7,500 grant fund total, is the applicant required to pay the balance out of pocket?

Answer: Yes, applicants to the program are required to cover all glazed openings. Any expense above the \$7,500 reimbursement limit will be the responsibility of the applicant.

8. If an applicant can acquire an approved product via the Internet or mail order, can an applicant have their local handyman, brother, husband, etc install their shutters for them?

Answer: Yes, if the total project cost is \$7500 or less a licensed contractor is not required to install approved products. If the total project cost is above \$7500 a Louisiana licensed contractor or Home Improvement contractor must install all approved products. All products must be installed per manufacturer specifications.

9. What will the inspection consist of after the opening protection product has been installed?

Answer: OCD representatives are required to ensure that the entire envelope has been protected. OCD is responsible for taking a photograph of the home for visual documentation and verifying that the product specified in the contract is the product that has been installed.

10. What are the repercussions to a contractor or applicant if the products are not installed in accordance with the program specifications?

Answer: The contractor would be required to make the appropriate changes to meet program specifications and bring the IMM project up to code according to the IRC 2006 standards (at the contractor's expense), or any funds paid to the contractor or applicant would have to be re-paid to OCD-DRU HMGP.

11. Do doors with glazed openings, which are covered by an exterior door or storm screen (which often has Plexi-Glass or Lexan attached to it), have to be protected?

Answer: Yes, unless the exterior door meets the ASTM E 1886 & 1996 standards.

12. If an applicant has a garage door(s) that is not wind rated, does the applicant have to install a garage door bracing system, an approved opening protection product, or replace the garage door with a door that meets program guidelines to receive the Grant Funds?

Answer: Yes, garage doors are considered an opening and must be properly mitigated per program guidelines. Garage doors are not an eligible standalone IMM and must be done in conjunction with another qualifying IMM such as window protection, hurricane straps or clips, bolting walls to the foundation, strengthening doors (garage doors do not fall into this category), anchoring fuel tank, or elevating HVAC equipment.

13. If an applicant's home has a covered or screened-in patio, do the doors and windows inside the screened area need to be protected?

Answer: Yes, if the windows/doors lead into the home they must be protected.

14. If a door has a small amount of glass, does just the glass have to be protected or the entire opening?

Answer: All glazed openings must be protected in accordance with the IRC standards. If this can be accomplished without protecting the entire door then that will be allowed

15. When can an applicant expect to receive their Advanced Disbursement Funds?

Answer: Once the applicant's completed file passes the OCD and GOHSEP QA/QC department for review, funds should be disbursed to the applicant within 10 business days.

16. Can Advanced Disbursement Funds be made payable to both the applicant AND the contractor?

Answer: No, the grant funds can only be made payable to the applicant by check or Electronic Funds transfer (EFT). The applicant will have 10 business days from receipt of funds to pay those funds to their pre-selected IMM Contractor.

17. Can an applicant who lives in a manufactured home constructed before 1995 receive grant funds for opening protection products?

Answer: No, HUD manufacturing requirements before 1995 did not require manufactures to design the exterior wall surrounding a window and sliding glass door that allowed for the installation of shutters or other protective covers to cover these openings.

18. Can an applicant whose home was built after January 1, 2007 receive Grant Funds for Individual Mitigation Measures?

Answer: New home construction after 1/1/2007 will comply with local building code and in those cases where a wind-related mitigation measure (i.e., window protection) is required by local code, the applicable mitigation measure is not eligible for IMM funding. If wind-related mitigation measures were not required by local code for reconstruction, then additional IMM funding may be available.

19. Can an applicant receive wind mitigation funds if they have not yet made arrangements to perform non-wind mitigation measures (i.e. - have air conditioning system lifted, back flow valve installed, etc.)?

Answer: The opening protection portion of the IMM program is a separate and distinct portion of the program. Meaning that if you are doing window protection all glazed openings must be protected, but an applicant is not required to perform other mitigation measures as part of the same project. (i.e. – an applicant does not have to raise their a/c, add roof straps, etc in order to get reimbursed for the opening protection measures).

20. Can an applicant receive IMM funds if their home has not been elevated or does not meet local ABFE or DFIRM requirements?

Answer: No, all homes must be in compliance with ABFE or DFIRM requirements in order to receive flood-related IMM funding.

OCD-DRU HMGP
Required Documentation Detailed

1. OCD-DRU HMGP Covenant

All owners are required to complete, sign and have notarized the OCD-DRU HMGP Covenant prior to receiving a payment. The Covenant will be recorded in the Conveyance Records in the Clerk of Court Office located in the parish where the property is located. If an owner is not able to be present in order to sign the covenant, the owner should provide Power of Attorney to a person designated to act on their behalf.

If an owner is not able to sign (or provide Power of Attorney), the other owners may execute the *HMGP Owner's Affidavit and Indemnity* form in order to receive funds.

Covenant Requirements

The purpose of the Covenant is to:

1. Serve as an agreement between HMGP and Property Owner
2. Certify ownership of property
3. State that the property owner will complete the mitigation activity he/she/they received federal funds to complete.
4. State property owner agrees to comply with all building codes, regulations for contractors and will conform to the Base Flood Elevation or Advisory Base Flood Elevation (whichever is higher). Will provide a copy of the final Elevation Certificate.
5. Maintain flood insurance in perpetuity
6. Provide for transferring of property and flood insurance obligation to future property owners
7. Provide for Compliance and Enforcement of Covenant
8. Legal description of property

*The full covenant can be reviewed in **Appendix B**.

2. OCD-DRU HMGP Agreement

3. DOB (Duplication of Benefits) Affidavit (if applicable)

4. Photo Id (State of Federally issued)

5. Road Home Application ID number (06HH_ _ _ _ _)

6. Proof of Current Ownership

7. DOB (Duplication of Benefits) documentation (i.e. Flood insurance payouts, SBA, etc.)

8. Building Permit (Demolition Permit for Reconstruction Projects)

9. Final Elevation Certificate

- a. *If the applicant has an elevation certificate that shows the elevation level before the elevation began, it should be provided as well.*

10. Paid invoices, receipts, and canceled checks documenting payments made

- a. *Note: HMGP cannot pay an applicant for costs that are not documented. If the applicant paid by check, a copy of the canceled check is needed. If the applicant paid by credit card, the credit card statement can be provided showing the transaction. If it was paid in cash, an invoice marked paid or a receipt should be provided.*

11. Certificate of Occupancy

- a. *This can be obtained from the Safety and Permit office of your parish or municipality after construction is complete. Note: For elevations, an equivalent document from the local building inspection official may be provided certifying that the elevation was completed to code.*

12. Proof of current flood insurance in the amount required by HMGP

- a. *Flood insurance carriers can provide a copy of the current declaration page.*

13. Power of Attorney (if applicable)

- a. *If the applicant is an eligible Road Home applicant and would like someone else to handle their HMGP application, the applicant will need to provide a Power of Attorney which allows a designated person to act on their behalf.*

14. Construction Contract (if applicable)

- a. *If a contract was in place for the elevation or reconstruction of the home, a copy is needed.*

15. Building plans (if applicable)

- a. *Building plans for the new home are needed for Reconstruction projects.*
- b. *Foundation Plans, highly encouraged and recommended for elevation.*

16. Document verifying the square-footage of the new residence for cost reasonableness (needed for elevations and reconstructions).

- a. *This could be a property tax bill, building plans, appraisal, or building permit.*

17. Work in Progress (WIP) Waiver Documentation

If an applicant started the elevation or demolished the home by 3/16/2008, home owner must provide documents to verify the date started. This could be an invoice, receipt, estimate, signed contract, or letter from a contractor.