

Updates on HMGP Elevation Grants

A CHAT member told me today that there are two Katrina/Rita-related provisions in the federal stimulus bill. One could be the rationale for LRA Exec. Dir. Paul Rainwater's statement at the LRA Housing Task Force meeting this month that there may be large increase in the ceiling of HMGP elevation grants. Be sure to send in to LRA/OCD your HMGP elevation grant form (Hazard Mitigation Grant Program (HMGP) Statement of Voluntary Participation Agreement and the **Elevation Election Form**) if you are planning to elevate.

There may no longer be deadline problems with FEMA and you can still get and send in these HMGP elevation grant forms if you contact the number below and you qualify. Remember that the HMGP grant requires you to pay the bills yourself and then reimburses you halfway through the project and at the end of it.

New Katrina/Rita Related Provisions:

One sets up an arbitration process for larger (>\$500,000) FEMA Public Assistance projects from Katrina, Rita, Gustav, and Ike that are caught in channels.

The other seems to effectively eliminate the March 16, 2008 deadline for the start of hazard mitigation work without FEMA approval, allowing anyone affected by Katrina and Rita to be eligible for HMGP funds no matter when they start work on raising their house.

The exact provisions are in the section of the bill dealing with the Department of Homeland Security.

Sec. 601. Notwithstanding any other provision of law, the President shall establish an arbitration panel under the Federal Emergency Management Agency public assistance program to expedite the recovery efforts from Hurricanes Katrina, Rita, Gustav, and Ike within the Gulf Coast Region. The arbitration panel shall have sufficient authority regarding the award or denial of disputed public assistance applications for covered hurricane damage under section 403, 406, or 407 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170b, 5172, or 5173) for a project the total amount of which is more than \$500,000.

Sec. 602. The Administrator of the Federal Emergency Management Agency may not prohibit or restrict the use of funds designated under the hazard mitigation grant program for damage caused by Hurricanes Katrina and Rita if the homeowner who is an applicant for assistance under such program commenced work otherwise eligible for hazard mitigation grant program assistance under section 404 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170c) without approval in writing from the Administrator.

Senator Landrieu got these inserted during the Senate debate on the bill. She gave a little more background on them in a February 10th press release:

<http://landrieu.senate.gov/releases/09/2009210831.html>

Arbitration panel: This provision will free \$1.4 billion trapped in bureaucratic red tape since the 2005 storms. The arbitration panel will expedite hurricane recovery projects held up by the Federal Emergency Management Agency (FEMA). The panel will have authority to determine eligibility and scope of work for proposed projects.

Hazard mitigation: FEMA has refused to reimburse homeowners who without prior approval began mitigation work after March 16, 2008 -- an arbitrary date set by the agency. The Landrieu provision should probably allow all homeowners who paid out of pocket to prevent damage from future storms to be reimbursed under the Road Home program regardless of bureaucratic deadlines if they have no special historic structure or environmental issues with FEMA.

A reminder from my last newsletter:

- Ø **If you are demolishing your house and building a new one,**
- Ø **your HMGP elevation grant of up to \$30,000 is determined by total allowable costs for construction and elevation minus total Road Home grant, FEMA structural damage, insurance benefits, and ICC money**
- Ø **If you are elevating and repairing your house,**
- Ø **your HMGP elevation grant of up to \$30,000 is determined by total allowable costs for elevation minus Road Home elevation grant and ICC money**
- Ø **For details and to determine your HMGP eligibility to start rebuilding, contact:**
1-877-744-7235 or 1-225-339-3746 or hazardmitigation@la.gov

More information recently obtained from OCD:

PROGRAM ELIGIBILITY

You must meet the following criteria to be considered for the OCD-DRU HMGP award:

- Homeowner is an eligible recipient of the *Road Home* program (although if you were ruled ineligible due to receipt of funds from other sources you may also be eligible)
- Homeowner selected *Road Home* Option 1 – Keep your home
- Homeowner still owns the home that was eligible for *Road Home* benefits
- The structure is located in the 100 year floodplain
- Homeowner agrees to comply with all HMGP regulations

AWARD AMOUNT

The OCD- DRU HMGP is a reimbursement program; eligible applicants may receive up to \$30,000 based on documentation of actual total construction costs.

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

ELEVATING YOUR HOME

Elevation means raising the lowest floor of the structure to comply with local floodplain ordinances and the requirements of the ABFEs published in 2007. The structure is raised with a higher first floor, allowing floodwater to flow under the house rather than through it. This is accomplished by:

- Elevating the entire house, or
- Leaving the house in its existing position and constructing a new elevated floor within the house.

RECONSTRUCTING YOUR HOME

Reconstruction means demolishing and rebuilding structures in compliance with the ABFEs or the Base Flood Elevation, whichever is higher. The new structure must be designed and rebuilt, at minimum, to the requirements of the 2003 edition of the International Building Code, or The International Residential Code for One- and Two-Family Dwellings published by the International Code Council. The total square footage of the new structure cannot be greater than 110% of the original structure's footprint.

What is the *HMGP Award Covenant Rider*?

The HMGP Covenant Rider is required by FEMA. It modifies the *Road Home* covenant you signed at closing. The covenant rider must be recorded and will require assuring such things as completion of construction, compliance with building codes, elevation standards, building permits, contractors, current flood insurance, and other FEMA requirements.

How do I get my elevation funding?

For the Road Home Elevation Incentive, you had to return the **Elevation Election Form**. When you returned the form with your preferences, *Road Home* reviewed your file to determine the amount of your grant. *Road Home* will send you a letter with the grant amount and the *Elevation Incentive Agreement*. When you return the signed Elevation Incentive Agreement, and have no outstanding resolutions or Appeals in the *Road Home*, you will be disbursed the funds.

For the State HMGP Award, you had to return the **Elevation Election Form** and the FEMA required **Voluntary Participation Agreement (VPA)**. When you returned these forms with your preferences the State began to work with FEMA to determine your eligibility. Once your home is determined eligible by FEMA the State will contact you regarding the steps you will need to follow to be eligible to receive reimbursements.

How high do I have to elevate?

This depends on each individual property. For the State HMGP Award, you must elevate to the ABFE or BFE, whichever is higher. You should contact your local building code and permit office to determine elevation specifics for your property.

When will I get my State HMGP Award?

It is anticipated that this program will begin providing funds later this year. Prior to the award, each project must be determined eligible by FEMA. Once your home is determined eligible by FEMA the State will notify you and send a copy of the covenant to be signed and returned. You will then be provided formal notification that it is OK to initiate

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

WHAT ITEMS ARE REQUIRED IN ORDER FOR ME TO BE REIMBURSED?

Please bring the following items, or as many as possible, with you to your appointment:

- Road Home applicant number
- Signed Voluntary Participation Agreement (VPA)
- Power of Attorney (if applicable)
- Construction contract
- Notarized Elevation Covenant Rider
- Approved building plans
- Copy of your recorded Road Home Covenant
- Paid invoices, receipts and cancelled checks documenting work
- Insurance and ICC payouts
- Estimated damage
- Proof of Current Flood Insurance
- Final Elevation Certificate
- Final Building Permit
- Certificate of Occupancy
- Square footage of original structure (Reconstruction only)
- Square footage of new structure (Reconstruction only)
- Demolition Inspection Certification (Reconstruction only)
- Foundation Inspection Certification (Reconstruction only)
- Floodplain Inspection Certification (Reconstruction only)
- Framing Inspection Certification (Reconstruction only)
- Sheathing Inspection Certification (Reconstruction only)
- Final Inspection Certificate (Reconstruction only)

Ø The following are examples of the documentation that the property was affected by Hurricanes Katrina or Rita:

§ Insurance claims

§ Inspection report completed after the event

§ Proof of assistance through FEMA's Individual Assistance or Public Assistance Program

§ Flood data verifying inundation

Best wishes,

Melanie Ehrlich

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