

CHAT News 10/25/08: After Mar. 15, 2008? HMGP Elevation Funds?

I have written in these newsletters about the incorrect diversion of RH compensation grant funds to house-elevation incentive grants when there was \$1.2 billion of FEMA Hazard Mitigation Grant Program (HMGP) money available that the last administration said was to be the source of elevation grants.

That HMGP elevation program needed a waiver from FEMA to start. The waiver was granted in Jan. 2008, as I have related in these newsletters but the HMGP elevation program, which this administration has made a secondary elevation grant program, has sat in limbo all this time. LRA has complained that FEMA was holding things up. No, not since Jan. 2008! The shoe is on the other foot.

According to FEMA, if applicants started elevating their homes after Mar. 15, 2008 without receiving FEMA elevation-eligibility notification (based partly on massively conducted cost-benefit analyses), applicants would lose the right to get an HMGP elevation grant in addition to the RH elevation incentive grant.

I have questioned why the state was not sending FEMA eligibility approval letters to applicants for the HMGP elevation program put in place by LRA in 2008.

LRA said that the federal government was slow. The feds weren't processing FEMA elevation eligibility for RH applicants at any kind of substantial pace, we at CHAT were told. We found out months ago that LRA was withholding this information from several thousand applicants.

Now we know that LRA was withholding notice of HMGP eligibility from almost 16,000 applicants whom FEMA has qualified for HMGP elevation grants.

http://www.nola.com/news/index.ssf/2008/10/aid_to_raise_homes_sits_in_lim.html

I was concerned about the use of RH grant money for elevation incentive awards instead of FEMA HMGP money, which could have been awarded with \$60,000 cap. It was up to the state to design the HMGP elevation program, a top FEMA official told me. (Sound familiar about the state blaming the feds for applicant-hostile RH rules?)

Now we learn that the state could have advanced money to homeowners and could have included non-RH applicant. For example, it could have included those acquiring homes from RH applicants, as CHAT member KC King has suggested.

We also have more evidence to stoke my apprehension that the state was looking for a way to spend as little of the HMGP elevation money on RH applicants as possible so that it could be used for other purposes. RH money can only be spent on RH applicants' grants but the \$1.2 billion of HMGP money (that came as a result of Hurricane-Flood Katrina and Rita) could be spent anywhere in the state on hazard mitigation of many diverse sorts.

Now we learn that the state asked if it could spend some the \$1.2 billion, which has whittled down to \$0.75 billion on acquiring properties and that a FEMA official is concerned at the lack of distribution of HMGP grant money to RH applicants.

http://www.nola.com/news/index.ssf/2008/10/aid_to_raise_homes_sits_in_lim.html

One way to make fewer applicants eligible for HMGP elevation money is to withhold information about their HMGP elevation eligibility so that they lose it if they did not start elevating before Mar. 16.

On Oct. 19, I wrote to a top official of the LA Office Of Community Development (OCD) and asked for answers to the following questions ASAP.

I wrote that "I was told today by a DOA person at my house, that applicants can phone to find out whether they were approved by FEMA for HMGP Elevation eligibility and so can start elevating if they did not do so before Mar. 15.

What is the phone number for applicants to find out this information? I know it is not the main RH number but rather a state number.

What receipts should HMGP Elevation Gt. applicants have when DOA individuals come to their home?

What items are eligible for HMGP?

Is the only duplication of benefit issue that the applicant should have spent more money for elevation than they received from ICC?"

Below are the answers I received from OCD. Unfortunately they do not address the issue of those who did not begin elevation before Mar. 16. When I get the answer to that question, which I re-addressed to the official, I will tell you. I highly recommend that you call the number below if you sent back the form expressing interest in an HMGP elevation grant.

These HMGP elevation grants are the grants from FEMA's Hazard Mitigation Grant Program, that have not yet started to be awarded and are intended for those who had or will have more elevation costs than are covered by the ICC program.

From OCD About The HMGP Elevation Grants 10/24/08

Eligible applicants interested in obtaining a status update can contact the Hazard Mitigation section at 225-339-3746.

Eligible mitigation activities for the purpose of the OCD-DRU HMGP grant are limited to Elevation and Reconstruction.

Elevation

The goal of the elevation process is to raise the lowest floor of the structure to comply with local floodplain ordinances and the requirements of the Advisory Base Flood Elevation (ABFE) or Base Flood Elevation (BFE), whichever is higher. This is accomplished by elevating the entire house, including the floor, or by leaving the house in its existing position and constructing a new, elevated floor within the house.

Reconstruction

The goal of Pilot Reconstruction is to demolish and rebuild structures in compliance with the Advisory Base Flood Elevations(ABFE) or the Base Flood Elevation (BFE), whichever is higher. The structure must also be rebuilt in compliance with the 2003 International Building Code (IBC) standards. The total square footage of the new structure cannot be greater than 10% of the original structure's footprint.

Following formal approval by GOHSEP and FEMA, MAs will meet with homeowners and conduct continued eligibility determination reviews (i.e., the homeowner must be in compliance with program guidance, policy, etc).

To the extent possible, homeowners should have copies of the following when meeting with Mitigation Analysts (MAs).

Midpoint Payment (50%):

§ For elevations, the midpoint is the point at which the structure is elevated on steel beams. Documentation needed by the MA prior to this payment occurring include:

- § Signed VPA (Voluntary Participation Agreement)
- § Signed and notarized Homeowner Covenant Rider

- § Building Permit
- § Construction Contract (if applicable)
- § Approved Building Plans
- § Estimated Damage
- § Insurance Payouts (thus far)
- § WIP documentation (if applicable, see details that follow)
- § Midpoint Inspection Photos (verifying the 50% completion requirements) (Note: Mitigation Analysts will take these photos)

§ For reconstructions, the midpoint will be the completion of the framing for the house. Documentation needed by the MA prior to this payment occurring include:

- § Invoices documenting work
- § Signed VPA
- § Signed and notarized Homeowner Covenant Rider
- § Building Permit
- § Construction Contract
- § Approved Building Plans
- § Estimated Damage
- § Insurance Payouts (thus far)
- § Demolition Inspection Certification
- § Foundation Inspection Certification
- § Floodplain Inspection Certification
- § Framing Inspection Certification
- § WIP documentation (if applicable, see details that follow)
- § Midpoint Inspection Photos (verifying the 50% completion requirements) (Note: Mitigation Analysts will take these photos)

Final Payment:

- § Elevation documentation/items needed by the MA prior to this payment occurring include:

- § Signed VPA
- § Signed and notarized Homeowner Covenant Rider
- § Building Permit
- § Construction Contract
- § Approved Building Plans
- § Estimated Damage
- § Insurance Payouts (thus far)
- § Proof of deed restriction
- § Final elevation certificate
- § Final building permit
- § Certificate of occupancy
- § Road Home applicant number
- § Height to finish floor (Note: should be listed on final elevation certificate)
- § Type of foundation
- § Proof of Flood Insurance
- § WIP Documentation (if applicable, see details that follow)
- § Final inspection photos (verifying the work is 100% complete) (Note: Mitigation Analysts will take these photos)

- § Reconstruction documentation/items needed by the MA prior to this payment occurring include:
- § Invoices documenting work
- § Signed VPA
- § Signed and notarized Homeowner Covenant Rider
- § Building Permit
- § Construction Contract
- § Approved Building Plans
- § Estimated Damage
- § Insurance Payouts (thus far)
- § Demolition Inspection Certification

- § Foundation Inspection Certification
- § Floodplain Inspection Certification
- § Framing Inspection Certification
- § Sheathing Inspection Certification
- § Final Inspection Certification
- § Proof of deed restriction
- § Final elevation certificate
- § Final building permit
- § Certificate of occupancy
- § Road Home applicant number
- § Height to finish floor (Note: should be listed on final elevation certificate)
- § Type of foundation
- § WIP Documentation (if applicable, see details that follow)
- § Final inspection photos (verifying the work is 100% complete) (Note: Mitigation Analysts will take these photos)
- § Proof of Flood Insurance

Work in Progress Documentation (WIP)

On January 15, 2008, FEMA issued Disaster Specific Guidance regarding "Eligibility Criteria for Retroactive Approvals under the Hazard Mitigation Grant Program for Louisiana and Mississippi." While this guidance does not waive any requirements of the Hazard Mitigation Grant Program (HMGP) regarding application completeness or eligibility criteria, it does allow for work to commence following the disaster declaration date but prior to March 16, 2008 if the following criteria are met:

(1) Work initiated after the date of declaration but prior to March 16, 2008

The following are examples of documentation that the work was initiated after the date of declaration but prior to March 16, 2008 is:

- § Invoices showing the actual dates of physical work of the mitigation activities
- § Signed statement from a contractor certifying the date the mitigation activity was initiated on-site or a Property owner's statement certifying that mitigation activity was performed by self and the date the mitigation activity was initiated.
 - o Either of these statements must be accompanied by a copy of the building permit obtained for the activity;

§ An Inspection report by the local building official dated no later than March 16, 2008 (this will prove the work was initiated prior to March 16, 2008).

(2) Documentation that the property was affected by Hurricanes Katrina or Rita

The following are examples of 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

Duplication of Benefits (DOB)

Simply put, "no" duplication of benefit issues are not limited to "whether the applicant should have spent more money for elevation than they received from ICC."

By law, FEMA cannot duplicate the benefit paid by one program with benefits from another source. This includes all insurance or awards and Individual Assistance (IA) received for the **SAME** purpose as the HMGP award (i.e., Elevation or Reconstruction). Duplication of Benefit determinations are performed on a case by case basis.

For the purpose of Elevation DOB determinations, homeowner insurance structure claims, NFIP Structure Settlements and Road Home Compensation Grants do not need to be deducted from eligible costs. For the purpose of Reconstruction DOB determinations, NFIP Structure Settlements may need to be deducted from eligible costs (Note: If homeowner can show documentation that the settlement or award was used for home repair before home was demolished and reconstructed, funds will not be deducted from eligible costs).

To end on a different note, here is some news from Georgia of the Former Soviet Union. This illustrates how far the Road Home Program's reputation extends.

"When compared with state housing programs used in other emergencies — [Hurricane Katrina](#) comes to mind — the Georgian building program is swift and bureaucracy-free."

http://www.nytimes.com/2008/10/23/world/europe/23georgia.html?_r=1&oref=slogin

Best wishes,

Melanie Ehrlich

Co-Chairman, Citizens' Road Home Action Team (CHAT)