DR-4263 & DR-4277
Individual Assistance Declared Parishes

- Shreveport
- Monroe
- Alexandria
- Baton Rouge
- Lafayette

Legend:
- **4263 & 4277 (7)**
- **4277 (22)**
- **4263 (36)**
**March Flooding Statistics**

<table>
<thead>
<tr>
<th>Known Data as of 9/1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total IA Registrants</td>
</tr>
<tr>
<td>Total # of IA Awards</td>
</tr>
<tr>
<td>Total IA Awards</td>
</tr>
<tr>
<td>Average IA Award</td>
</tr>
<tr>
<td>Applicants with FEMA Verified Loss (FVL)</td>
</tr>
<tr>
<td>Average FVL</td>
</tr>
<tr>
<td>Total FVL</td>
</tr>
</tbody>
</table>
## August Flooding Statistics

<table>
<thead>
<tr>
<th></th>
<th>Known Data as of 10/10</th>
<th>Projections</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total IA Registrants</td>
<td>149,000</td>
<td>150,000-155,000</td>
</tr>
<tr>
<td>Total # of IA Awards</td>
<td>79,991 (54%)</td>
<td>81,000</td>
</tr>
<tr>
<td>Total IA Awards</td>
<td>$698 M</td>
<td>$750 M</td>
</tr>
<tr>
<td>Average IA Award</td>
<td>$8,732</td>
<td></td>
</tr>
<tr>
<td>With IA Inspections</td>
<td>126,641 (85%)</td>
<td></td>
</tr>
<tr>
<td>Inspections with FEMA Verified Loss (FVL)</td>
<td>90,679 (72%)</td>
<td>93,000</td>
</tr>
<tr>
<td>Average FVL</td>
<td>$12,856</td>
<td></td>
</tr>
<tr>
<td>Total FVL</td>
<td>$1.17B</td>
<td>$1.3 B</td>
</tr>
</tbody>
</table>
### Potential Target Populations

<table>
<thead>
<tr>
<th>Potential Target Populations</th>
<th>DR-4263</th>
<th>DR-4277</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeowner w/ Damage</td>
<td>16,729</td>
<td>68,524</td>
</tr>
<tr>
<td>Homeowners w/ Major/Severe Damage</td>
<td>7,200</td>
<td>51,281</td>
</tr>
<tr>
<td>Homeowners w/ Major/Severe Damage – LMI</td>
<td>3,761</td>
<td>22,200</td>
</tr>
<tr>
<td>Homeowners w/ Major/Severe Damage – No NFIP</td>
<td>5,243</td>
<td>32,018</td>
</tr>
<tr>
<td>Homeowners w/ Major/Severe Damage – LMI &amp; No NFIP</td>
<td>3,180</td>
<td>16,672</td>
</tr>
</tbody>
</table>

* HUD defines Major/Severe for a Homeowner as $8000+ of real property damage (FVL) or 1 foot or more of flooding
## Homeowner/Renter Breakdown

<table>
<thead>
<tr>
<th>DR-4263 - with FVL</th>
<th>DR-4277 - with FVL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Owners</strong></td>
<td><strong>Owners</strong></td>
</tr>
<tr>
<td>16,459</td>
<td>67664</td>
</tr>
<tr>
<td><strong>Renters</strong></td>
<td><strong>Renters</strong></td>
</tr>
<tr>
<td>5,225</td>
<td>23009</td>
</tr>
<tr>
<td><strong>(blank)</strong></td>
<td><strong>(blank)</strong></td>
</tr>
<tr>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>Grand Total</strong></td>
</tr>
<tr>
<td>21,684</td>
<td>90679</td>
</tr>
</tbody>
</table>

- **Owners**: 16,459 (76%) vs. 67664 (75%)
- **Renters**: 5,225 (24%) vs. 23009 (25%)
- **(blank)**: 1 vs. 6
- **Grand Total**: 21,684 vs. 90679
### Potential Unmet Need to Serve Homeowners with Major/Severe Damage and No Flood Insurance

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Cost of Home Repair</td>
<td>$70,000</td>
</tr>
<tr>
<td><strong>Target Population</strong></td>
<td></td>
</tr>
<tr>
<td>* DR-4263 - 5,234</td>
<td></td>
</tr>
<tr>
<td>* DR-4277 - 32,018</td>
<td></td>
</tr>
<tr>
<td><strong>Total Target Population Cost</strong></td>
<td>$2,608,270,000</td>
</tr>
<tr>
<td><strong>Less: FEMA IA Grants for Population</strong></td>
<td>$578,000,000</td>
</tr>
<tr>
<td><strong>Unmet Need for Homeowner Assistance</strong></td>
<td>$2,030,270,000</td>
</tr>
<tr>
<td><strong>Add: Program Delivery and Admin Costs (25%)</strong></td>
<td>$676,756,667</td>
</tr>
<tr>
<td><strong>Add: Environmental Review Costs</strong></td>
<td>$105,000,000</td>
</tr>
<tr>
<td><strong>Total Unmet Need to Serve Target Population</strong></td>
<td>$2,812,026,667</td>
</tr>
</tbody>
</table>

* $70,000 is based on several damage and rebuilding estimation methods
## Potential Unmet Need to Serve Homeowners with Major/Severe Damage, LMI Status, and No Flood Insurance

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Cost of Home Repair</strong></td>
<td>$70,000</td>
</tr>
<tr>
<td><strong>Target Population</strong></td>
<td></td>
</tr>
<tr>
<td>* DR-4263</td>
<td>- 3,180</td>
</tr>
<tr>
<td>* DR-4277</td>
<td>- 16,672</td>
</tr>
<tr>
<td><strong>Total Cost of Repair for Target Population</strong></td>
<td>$1,389,640,000</td>
</tr>
<tr>
<td>Less: FEMA IA Grants for Population</td>
<td>$283,000,000</td>
</tr>
<tr>
<td><strong>Unmet Need for Homeowner Assistance</strong></td>
<td>$1,106,640,000</td>
</tr>
<tr>
<td>Add: Program Delivery and Admin Costs (25%)</td>
<td>$368,880,000</td>
</tr>
<tr>
<td>Add: Environmental Review Costs</td>
<td>$56,500,000</td>
</tr>
<tr>
<td><strong>Total Unmet Need to Serve Target Population</strong></td>
<td>$1,532,020,000</td>
</tr>
</tbody>
</table>

* $70,000 is based on several damage and rebuilding estimation methods
DR-4263
Homeowners
Major/Severe
No NFIP & LMI
Total: 3,180 Households
DR-4277 Homeowners with Damage
Total: 68,524 Households
DR-4277 Homeowners
Major/Severe
No NFIP & LMI
Total: 16,672 Households
Single Family Housing Programs

Opportunities and Challenges
<table>
<thead>
<tr>
<th>Rebuilding Programs</th>
<th>Other Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>State-Implemented Rehabilitation and Reconstruction</td>
<td>Incentive</td>
</tr>
<tr>
<td>Homeowner-Driven Rehabilitation and Reconstruction</td>
<td>Interim Mortgage or Rental Assistance</td>
</tr>
<tr>
<td>Reimbursement</td>
<td>Buyout/Acquisition</td>
</tr>
<tr>
<td>Compensation</td>
<td>First-time Homeowner</td>
</tr>
</tbody>
</table>

Note – All programs involving construction require environmental reviews prior to start of work
Predominantly serve low to moderate income (LMI) households

Ensure funds disbursed are cost reasonable and documented

Complete an environmental review before undertaking new work and before funding is disbursed

Ensure there is no duplication of benefits with other federal or private funding sources (SBA, FEMA, NFIP, insurance, etc.)

Distribute funds quickly and efficiently
STATE IMPLEMENTED REHABILITATION AND RECONSTRUCTION

Single Family Housing
Program Summary

State Implemented Rehabilitation and Reconstruction: New Jersey, New York City and Texas

• Rehabilitation: the house is salvaged as much as possible

• Reconstruction: the house is demolished and rebuilt

• The state goes out for bid for program management and construction (e.g. hire program management and construction separately or one turnkey for the entire process) to rehabilitate or reconstruct homes on behalf of the homeowner

• Can be done in tandem with other single family housing programs
State Rehabilitation and Reconstruction: Opportunities

State can ensure applicants' homes are completed
Better ability to prioritize by need
Standardized delivery of housing
Reduced compliance risk
Minimize risk of recapture

Homeowner doesn't have to worry about compliance, managing documentation or fulfilling certain building requirements
Could incorporate green energy and rebuilding techniques into the process
State Rehabilitation and Reconstruction: Challenges

Homeowners don’t choose their own contractor

Construction completion possibly delayed as contractors make their way through the queue of approved applicants

A program cap and duplication of benefits (DOB) issues can result in the homeowner’s having to deposit other funds into escrow account; this may be a deterrent to some homeowners

If no award cap, difficult to budget the program
HOMEOWNER-DRIVEN REHABILITATION AND RECONSTRUCTION

Single Family Housing
Homeowner-Driven Rehabilitation and Reconstruction: New York State and New Jersey

The state provides assistance to homeowners to rehabilitate or reconstruct their homes and the state has little or no role in the vetting and selection of construction contractors or the construction process.

Funds may be disbursed to the homeowner in multiple tranches, but funds not fully disbursed before construction is complete.

Can be done in tandem with other single family housing programs.
Homeowner Rehabilitation and Reconstruction: Opportunities

Homeowner is able to choose their own contractor and their own design

Homeowner has greater control- or a greater sense of control- over the rehabilitation or reconstruction of their home

Homeowner doesn't have to place additional funding in escrow with the state

The state is not a party to the contract between the homeowner and the contractor
Homeowner Rehabilitation and Reconstruction: Challenges

Vulnerable populations may struggle with navigating the contracting process

A program cap and duplication of benefits (DOB) issues can result in the homeowner’s having to deposit other funds into escrow account; this may be a deterrent to some home owners

Increased potential for contractor fraud

Homeowner must maintain receipts and documentation of eligible costs incurred

Advances to homeowners to engage a contractor may result in depletion of available funds for construction prior to project completion - recapture
REIMBURSEMENT

Single Family Housing
Program Summary

Reimbursement: New York State, New York City and New Jersey
Following Sandy, HUD allowed reimbursement to homeowners for eligible costs incurred before application for CDBG-DR funds within one year of the storm event.

So, if homeowners rebuilt their homes before the CDBG-DR programs rolled out, the state or city could reimburse them for their rebuilding efforts, less any duplication of benefits limitations.

If they are mid-construction when they apply for CDBG-DR funding, they will have to stop construction until the environmental review is complete.

Can be done in tandem with other single family housing programs.

Not a preferred approach by HUD or HUD OIG.
Reimbursement: Opportunities

- Gets money out relatively quickly
- Helps homeowners who were able to be proactive and rebuild immediately after the disaster
Reimbursement: Challenges

Not as likely to benefit vulnerable populations

If homeowner applies during construction and they are seeking funds for the prospective work in addition to completed work, they have to stop construction until the ERR is complete, which can cause significant delays and contractual challenges for homeowners.

If homeowner is mid-construction at the time of application, the state will assess additional work required to complete construction, which may add additional time delays for additional funding to become available.

Homeowners will need receipts for expenses incurred during the eligible pre-award period.
COMPENSATION

Single Family Housing
Program Summary

Compensation: Louisiana and Mississippi

Following Hurricanes Katrina and Rita, HUD provided a waiver to the states to allow use of a compensation program.

The state was allowed to provide assistance to homeowners as compensation for their losses, rather than tying the award directly to the process of reconstruction of their homes.

The funding still required occupancy of the damaged structure.

**HUD does not currently allow this method of funding.**
Compensation: Opportunities

- Gets money out relatively quickly
- Possibly avoids environmental reviews
- Applicant has full control over funds
- Reduces program delivery costs
- Demonstrated 94% occupancy in Louisiana
- Demonstrated 96% occupancy in Mississippi
Compensation: Challenges

Vulnerable populations may struggle with navigating the contracting process.

Homeowners may face challenges in completing construction due to lack of sufficient funding or re-prioritization of funds received.

Not currently allowed by HUD.
OTHER HOUSING PROGRAMS

Single Family Housing
Incentive: New Jersey
To prevent loss of significant populations within communities across the impacted areas of the state

To encourage people to remain while long-term rebuilding programs were developed, $10,000 checks were issued to homeowners who agreed to stay in their homes for a minimum of three years after receipt of grant

If they didn’t stay, they had to repay the full grant

Not a preferred approach by HUD
Program Summary: Interim Mortgage and Rental Assistance

Interim Mortgage and Rental Assistance: New York State

Allows for the provision of rental or mortgage assistance to homeowners or renters who can document two housing payments following a disaster event

Retroactive, “reimbursement” payments are allowable, per HUD regulations

Payments under this program are subject to DOB review against FEMA and DHAP assistance
Program Summary: Buyout and Acquisition

Buyout/Acquisition: Louisiana and New York State
Offer of buyout or acquisition of their property in lieu of rebuilding

**Buyout:** If the property is in a high-risk area, the state may purchase and permanently convert to greenspace

**Acquisition:** If the property is on relatively high ground or is in an area that would suffer from pockets of vacant lots, the state may work with a land trust to acquire the property from the homeowner and place it back into commerce

Ongoing maintenance costs can be considerable from the time of acquisition to the time of final property disposition
PROGRAM EXAMPLES
New York City Build It Back

New York City implemented a Single Family Housing Program that allowed for two pathways:

1. **Construction Assistance (State-Implemented Rehab/Reconstruction):** NYC managed construction contractors that were procured directly by NYC and these construction contractors rebuilt applicants’ homes.

2. **Reimbursement:** NYC reimbursed homeowners that repaired their homes prior to application to the program and within one year of the date of the storm.

Example: New York City Superstorm Sandy (October 2012)
Example: New York City Superstorm Sandy (October 2012)

<table>
<thead>
<tr>
<th>Initial Registration Pool</th>
<th>Completed Applications</th>
<th>Total Remaining Applicants</th>
<th>Approved for Construction</th>
<th>Completed Construction</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,000</td>
<td>12,000</td>
<td>8,600</td>
<td>4,500</td>
<td>2,200</td>
</tr>
</tbody>
</table>

**State Implemented Rehabilitation and Reconstruction:**

**Contractor Selection:** The City divided the impacted area into 12 regions and selected contractors for each region.
- Due to their cost proposals, three construction contractors won the bids for the 12 regions, which led to significant capacity challenges.
- NYC had to pivot mid-way through program implementation to expand capacity, adding significant expense to the program.

**Program Design:** Original program was designed to be inflexible and standardized in order to move applicants through the program quickly, but homeowners wanted more control over the rebuilding, so the City added more options mid-way through the program.
- More options led to longer applicant processing times and increased costs, as the City ended up doing custom-design and build for all approved applicants.
Program Award Cap: The City set an award cap of $700,000, subject to duplication of benefits limitations.

- The cap was based on FHA homeowner borrowing limits and it was intended that the homeowners would never hit the cap
- If the homeowner had DOB funding sources, they contributed that funding to the construction project by placing funds in an escrow account managed by the City

Attrition: There were originally 12,000 applicants and a significant reason for the reduction of the final applicant pool to 4,500 is the result of attrition; most homeowners with the capacity to engage their own contractor dropped out of the program.
New York Rising

New York State implemented a Single Family Housing Program that allowed for two pathways:

1. **Homeowner Rehabilitation or Reconstruction**: The state provided grant funding to homeowners for them to engage their own contractors and drive the rebuilding process of their home.

2. **Reimbursement**: NYS reimbursed homeowners that repaired their homes prior to application to the program and within one year of the date of the storm.
Homeowners could draw down funds in up to three tranches:

- 50% of the award up-front
- Additional 25% interim payment upon inspection
- Final disbursement once home was complete

Collected minimal documentation up-front

Made multiple and significant programmatic eligibility and design changes once the program was fully underway, which led to public confusion and increased program delivery expenses due to the need to collect additional documentation and re-work files

Did not collect receipts from homeowners, only used estimates for basis of award; currently have a significant cost reasonableness finding from HUD OIG

Example: New York State

<table>
<thead>
<tr>
<th>Initial Registration Pool</th>
<th>Completed Applications</th>
<th>Approved for Initial Disbursement</th>
<th>Number of Houses Complete and Closed Out</th>
<th>Number of Homeowners in Recapture</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,000</td>
<td>18,000</td>
<td>12,500</td>
<td>500</td>
<td>Hundreds</td>
</tr>
</tbody>
</table>
New Jersey

New Jersey implemented a Single Family Housing Program that allowed for three pathways:

1. **Reimbursement**: New Jersey reimbursed homeowners that repaired their homes prior to application to the program and within one year of the date of the storm.

2. **Homeowner-Driven Rehabilitation and Reconstruction**: The state provided grant funding to homeowners for them to engage their own contractors and drive the rebuilding process of their home.

3. **State-Implemented Rehabilitation and Reconstruction**: NJ managed construction contractors that were procured directly by NJ and these construction contractors rebuilt applicants’ homes.
Initially, homeowners had to bring in their receipts and invoices for all eligible expenses.

Later, HUD agreed to allow them to itemize their expenses and sign an attestation agreeing to being audited and the ability to produce the receipts at a later date (not currently allowed by HUD).

The state would send out inspectors to assess the damages and would use this information with the itemized list of expenses to determine the approved award amount.
In order to determine the award amount for homeowners, the City would take the following steps:

- Inspectors perform site visit for a damage assessment of the work that had been completed to date
- The City plugged this information into a line item damage assessment software tool to determine the dollar value of the work completed and future work to be completed
- They used this information to reimburse applicants for costs already incurred without collecting receipts

The City reimbursed 60% of the eligible incurred costs; the reduction helped make the argument that the reimbursement process using assessment in lieu of receipts was cost reasonable

Example: New York City
Example: Louisiana

<table>
<thead>
<tr>
<th>Initial Registration Pool</th>
<th>Approved and Awarded</th>
<th>Number of Homeowners Completed Construction</th>
<th>Number of Homeowners in Recapture for Non-Occupancy (Compensation was tied to Occupancy of Damaged Structure)</th>
<th>Number of Homeowners in Recapture for Failure to Meet Requirements of Elevation Grant (Different from Compensation)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>229,000</td>
<td>101,000</td>
<td>8,000</td>
<td>13,000</td>
</tr>
<tr>
<td></td>
<td>120,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Difference between Approved, Construction Completed, and Recapture is attributed to those homeowners that have not completed construction but have a documented unmet need