

**Disaster Recovery Initiative  
U.S. Department of Housing and Urban Development (HUD)**

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**Louisiana Office of Community Development,  
Division of Administration**

***Proposed Action Plan Amendment 47  
Individual Mitigation Measures Payments***

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# 1. Introduction

This Action Plan Amendment describes *The Road Home* Homeowner Assistance Program. As providing mitigation funding was part of the original program design, the purpose of this Action Plan Amendment is to clarify the process by which the program will provide a payment of \$7,500 to homeowners to be used to complete individual mitigation measures intended to strengthen their homes against any future storms. These measures include such activities as installing window protection, elevating the HVAC unit, and bolting walls to the foundation. This Amendment replaces Section 2.4.2 of the *Road Home* Housing Plan, as amended by Amendment No. 7: *Further Changes and Clarification to Road Home Program*, Amendment No. 14: *Road Home Homeowner Compensation Plan*, Amendment No. 39: *Removal of Affordable Compensation Grant Cap*, and Amendment No. 44: *V-Zone Compensation Payments* and is to be considered current policy upon its publication. The remaining action plan is unchanged. We hereby amend Section 2.4.2 to read as follows:

## **2.4.2 Financial Assistance for Homeowners – Overview**

The Program will provide compensation for three types of homeowners:

- Homeowners that want to stay in their homes (referred to as “Option 1: Stay”)
- Homeowners that want to sell the home they occupied as of the date of the storms to the state, but remain homeowners in Louisiana (referred to as “Option 2: Relocate”)
- Homeowners that want to sell the home they occupied as of the date of the storms to the state, and either move out of the state or remain in the state but as a renter (referred to as “Option 3: Sell”).

Compensation is provided in exchange for acceptance of legal agreements described in Section 2.3. Homeowners that want to stay in their home or relocate will be eligible for four types of benefits:

1. Compensation grants - To cover uninsured, uncompensated damages by the homeowner as a result of Hurricane Katrina or Hurricane Rita.
2. Elevation Assistance
  - Elevation Compensation for those homeowners who select Option 1 and whose property is subject to the latest available FEMA guidance for base flood elevations<sup>1</sup>;
  - Elevation Grants for those homeowners who select Option 2 and whose replacement homes require elevation to meet the latest

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<sup>1</sup>. Elevation Compensation up to a maximum of \$30,000 may be awarded to compensate a homeowner for the loss of equity caused by the higher flood elevation standards for new construction and rebuilding. Funding of this program is dependent on available funding.

available FEMA guidance for base flood elevations. This program will be a traditional rehabilitation program and is subject to Environmental and other federal regulations and documentation of receipts<sup>2</sup>.

- One-time Compensation Payment for homeowners that completed their elevation/reconstruction project based on established BFE or ABFE guidelines and do not have the capacity to re-elevate their homes to bring them into compliance with the DFIRM guidelines. In addition, the compensation payment can be disbursed to individuals that have incurred costs that are not typically covered by FEMA for reimbursement for re-elevation of their homes to the DFIRM levels. The payment will be issued in an effort to help cover the homeowner's out-of-pocket costs associated with the original elevation or reconstruction project<sup>3</sup>.
3. Additional Compensation Grant – Funding of up to \$50,000 for homeowners with income at or below 80% of area median income. The State may establish criteria for funding above the \$50,000 provided herein, subject to the \$150,000 maximum.
  4. Mitigation Grant – Payment of \$7,500 to complete various individual mitigation measures (IMM) intended to strengthen their homes against any future storms<sup>4</sup>.

The calculation of compensation payments takes into account the cost of replacement housing, whether or not the home was more than 51% damaged, the value of a home before the storm, and other payments received by the homeowner as compensation for losses. The compensation grant for homeowners who did not carry hazard insurance and/or homeowners who were living in the flood zone and did not carry flood insurance will be reduced by thirty percent.

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<sup>2</sup> Elevation Grants up to a maximum of \$30,000 may be awarded in the form of a rehabilitation grant to homeowners who choose Option 2 to elevate their replacement home. Environmental regulations and all other HUD regulations that apply to a traditional rehabilitation construction program will apply to this program. A homeowner's replacement home must have a cleared Environmental Review before the homeowner is awarded funds. Funding of this program is dependent on available funding.

<sup>3</sup> The payment is limited to homeowners located in the areas affected by the more restrictive DFIRM guidelines and those that have completed the elevation or reconstruction project between the release of the DFIRM maps and the execution of this policy change. The payment will be calculated as the difference between the Road Home Elevation Incentive already received and the Total Eligible Project Cost (as calculated by HMGP). Further, the compensation payment will be factored into the total Road Home grant calculation, which cannot exceed the established \$150,000 cap.

<sup>4</sup> The payment is limited to homeowners that completed an Option 1 closing and signed a Road Home Declaration of Covenants, still own and occupy their pre-storm property, and expressed interest in receiving the IMM funds. Further, the payment will be factored into the total Road Home grant calculation, which cannot exceed the established \$150,000 cap.