



State of Louisiana
Division of Administration
Office of Community Development
Disaster Recovery Unit

February 12, 2009

Jim Stark
Director
Louisiana Transitional Recovery Office
U.S. Department of Homeland Security
Federal Emergency Management Agency
1250 Poydras Street, Box 43
New Orleans, Louisiana 70113

RE: Reconstruction Size Waiver Request

Dear Mr. Stark:

The State of Louisiana requests the Federal Emergency Management Agency (FEMA) to grant a waiver to Section 2.3.7 of the Reconstruction Grant Pilot dated June 23, 2006. The guidance reads "The square footage of all resulting structures shall be no more than 10 percent greater than that of the original structure." The waiver would allow projects which result in structures where the square footage is more than ten percent larger than the original structures to remain eligible for funding.

Homeowners who began rebuilding following Hurricanes Katrina and Rita did so with the intent of complying with all applicable codes. The majority intended to take advantage of the federal aid made available to persons adversely affected by the storms. Numerous citizens began their recovery process without knowledge of the size restriction imposed by FEMA's Reconstruction Grant Pilot. 61% of the reconstructions that have completed work that the Office of Community Development's (OCD) hazard mitigation staff has inspected thus far have been determined to be ineligible due to the 110% size allowance. OCD estimates more than 1,000 properties that have completed work will be determined to be ineligible due to the 110% allowance through no fault of the homeowner.

In August 2008, the State decided to implement the \$750 million dollar OCD hazard mitigation grant internally. The OCD Hazard mitigation staff has recently completed training and a pilot program to test its processes. The staff is now capable of and intends to notify all potentially eligible applicants of the 110% rule within the next two months. Once the notification occurs, the State will not consider any work that is initiated after that point that exceeds the 110% allowance to be eligible.

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The State of Louisiana proposes to use the following process for calculating awards on properties that exceeded the 110% size allowance:

The total cost of reconstruction will be divided by the structure's new square footage to determine a cost per square foot. The original square footage will be multiplied by 110% to determine square footage eligible for reimbursement. The cost per square foot will be multiplied by square footage eligible for reimbursement to determine allowable project cost.

As we approach the four year anniversary of the storms that ravaged the Gulf Coast, I am encouraged that our respective agencies remain united in our efforts to overcome the rebuilding challenges that resulted in the wake of Hurricanes Katrina and Rita. Thank you for your continued support of the State of Louisiana's mitigation efforts. Should you have questions or require additional information, please contact me by phone at (225) 342-1626 or via email at Paul.Rainwater@la.gov.

Sincerely,



Paul Rainwater
Executive Director
Louisiana Recovery Authority