



Louisiana Division of Administration

**Office of Community Development**

# SOLUTION 2 CONTRACTOR WEBINAR



**RESTORE  
LOUISIANA**

Homeowner Assistance Program



**866.735.2001**



**Restore.La.Gov**

# WELCOME & OVERVIEW

*RESTORE LOUISIANA: CONTRACTOR WEBINAR*

*SOLUTION 2 HOMEOWNER-MANAGED CONSTRUCTION PROGRAM*

## PURPOSE

This session explains how Solution 2 works and what the Program requires from participating contractors. The goal is to help contractors understand the process and reduce avoidable delays or compliance issues.

We will cover:

- ✓ **Eligibility and the estimated cost of repair (ECR)**
- ✓ **Inspections and reimbursement**
- ✓ **Licensing, self-managed repairs (SMPR), and environmental requirements**
- ✓ **Reconstruction standards, including FORTIFIED and elevation**
- ✓ **Appeals, change orders, draws, and closeout**

*The Q&A chat will remain open throughout the webinar with moderated discussion following the presentation.*

## PROGRAM OBJECTIVES



Rebuild/Repair homes safely, affordably, and in compliance with state and federal standards



Ensure quality workmanship and code compliance



Prevent duplication of benefits (DOB)



Support homeowners through transparent processes

## CORE MISSION

The core mission of Restore Louisiana is **recovery with integrity**. Our shared goal is to help families return home safely, quickly, and within compliance boundaries.

# IMPORTANT PROGRAM CLARIFICATION

## NO CONTRACTOR ASSIGNMENTS, LISTS, OR ENDORSEMENTS

- Restore Louisiana does **not** provide contractor referral lists.
- The Program does **not** assign work to contractors.
- Participation in workshops or webinars does **not** imply endorsement.
- Homeowners are solely responsible for selecting and contracting with their builder.

The Program's role is to verify compliance, eligibility, and use of federal funds – not to manage construction activities or resolve private contract disputes.

# PROGRAM COVERAGE – HURRICANE FRANCINE

**Restore 2024 assistance applies only to homes that are in a Francine-declared parish and sustained FEMA-verified major or severe damage from the Hurricane Francine disaster.**

FEMA defines major or severe damage as meeting at least one of the following criteria:

- FEMA-inspected residential damage of **\$8,000+**
- One foot or more of first-floor flooding
- FEMA-inspected personal property damage of **\$3,500+**

*Assistance is no longer available for homeowners impacted by 2020–2021 disasters.*

**Francine Declared Parishes:**  
Ascension, Assumption,  
Jefferson, Lafourche, St. Charles,  
St. James, St. John the Baptist,  
St. Mary, Terrebonne

## NOTE:

Parish location alone does **not** guarantee eligibility. Homeowners must meet all program requirements.

# WHAT IS SOLUTION 2?

- ❶ Homeowners hire their own licensed contractors.
  - ❷ The program reimburses eligible work after inspection and verification.
  - ❸ Payments are issued jointly to homeowners and contractors.
  - ❹ Projects must be completed within 365 days of grant execution
- Solution 2 relies on your professionalism and coordination with the homeowner. It allows for more autonomy but **comes with greater** accountability.
  - Contractors must understand **the documentation and verification** requirements.

# DAMAGE ASSESSMENTS & ECRS

Program inspectors conduct a **Damage Assessment** to determine the program's **Estimated Cost to Repair (ECR) or scope of work**.

- All associated costs are based on **Program-approved Xactimate pricing using standard grade materials**.

The ECR determines the eligible scope of work. The total award may include:

- Repair costs, Program-eligible square footage (reconstruction projects), 20% contractor overhead
- Any upgrades beyond standard grade must be documented and **paid for by the homeowner before Program funds are released**.

## ENVIRONMENTAL & HISTORIC REVIEW

Every project is subject to HUD environmental review requirements (24 CFR Part 58). The Program completes this review before grant award and before work may begin.

- ✓ Environmental considerations will be included in the ECR (e.g., lead-based paint, floodplain, historic, wetlands).
- ✓ If a homeowner relocates or the building footprint changes, the Program may conduct an updated review before work continues.
- ✓ Historic properties will be reviewed on a case-by-case basis by the program and State Historic Preservation Office (SHPO) and may require additional clearances or scope.

**Contractors should be aware of environmental considerations before construction begins.**



# DUPLICATION OF BENEFITS (DOB)

- **Federal requirement to prevent double funding**
- Includes FEMA, SBA, NFIP, insurance proceeds, or charitable contributions toward repair or reconstruction of the home
- Verified at award and at closeout
- Contractors should not accept additional funds for the same purpose to prevent creating a duplication for the applicant.



# HOMEOWNER RESPONSIBILITY (HOR)

Homeowners must complete and pay for the amount of their **Homeowner Responsibility (HOR)** on eligible repairs before the Program releases any funds

- Homeowner responsibility is deducted from the first draw (if applicable).
- The Program cannot release funds until the homeowner responsibility has been invested into the project.
- Failure to meet HOR can cause project delays.

Any contract costs above standard program pricing is the responsibility of the homeowner and must also be invested before program funds can be drawn down.

**Note: The Program will not make advance payments to contractors. Any contract terms requiring upfront payments are between the homeowner and contractor.**

# AWARD EXAMPLE

**\$50,000**  
**IN DAMAGES**

AS DETERMINED BY THE PROGRAM

ESTIMATE OF COMPLETED WORK	\$20,000
DUPLICATION OF BENEFIT	$\begin{matrix} \$10,000 \text{ (FEMA)} \\ \$20,000 \text{ (SBA LOAN)} \\ \$30,000 \end{matrix}$
MAXIMUM REIMBURSEMENT AWARD	$\begin{matrix} \$10,000 \\ \text{REMAINING BENEFITS} \\ \$0 \end{matrix}$

REPAIR ESTIMATE	\$30,000
REMAINING DUPLICATION OF BENEFIT	\$10,000
REPAIR AWARD	\$20,000

## SOLUTION TWO: HOMEOWNER-MANAGED CONSTRUCTION

TO RECEIVE MAXIMUM REPAIR AWARD	\$20,000
MUST COMPLETE REPAIRS TOTALING	$\begin{matrix} \$10,000 \\ \text{FROM REMAINING} \\ \text{DUPLICATION OF BENEFITS} \end{matrix}$

## APPEALS VS. CHANGE ORDERS – WHEN EACH APPLIES

### APPEAL

#### BEFORE GRANT EXECUTION

- Used when the homeowner believes eligible repairs were left out of the ECR.
- The contractor may help review the ECR.
- **Must be filed** within 60 days of award notice or before grant execution (whichever comes first).
- The Program reviews and, if eligible, updates the award before the grant is signed.

**Helpful:** clear, time- and date-stamped photos supporting what's missing.

### CHANGE ORDER

#### AFTER GRANT EXECUTION

- Used when **unforeseen conditions** are discovered during construction that were not visible at assessment.
- Must be reviewed and approved by the Program **before work begins** on the added scope.
- Change orders can **increase or decrease** the final award based on actual work.

**Helpful:** time- and date-stamped photos showing when the issue was discovered.

## HOMEOWNER RESPONSIBILITIES

- Review and understand the terms of the Grant Agreement, including eligible scope, documentation requirements, and compliance obligations including flood insurance where applicable
- Select and contract with a **qualified builder**
- Obtain permits and **maintain compliance**
- **Provide documentation** requested by the Program
- Pay required **Homeowner Responsibility (HOR)** directly to contractor
- Demonstrate progress within **180 days** and complete within **365 days**
- Sign negative/positive **change orders** at appropriate stages

## PROGRAM RESPONSIBILITIES

- **Review and approve** costs for compliance with Program, HUD, and federal requirements
- Conduct environmental and **eligibility reviews**
- Verify progress through **inspections**
- Review **DOB and HOR** before releasing funds
- Process **payment requests** after documentation and **compliance review**

The Program verifies compliance and proper use of federal funds. We do not direct construction work. We do not approve construction contracts, and we do not resolve contract disputes.

## CONTRACTOR RESPONSIBILITIES

- ✓ Understand the homeowner's program-approved scope of work (ECR).
- ✓ Confirm the homeowner has designated you as a Communication Designee (CD) before contacting the Program about their file *(A CD may receive information but cannot make decisions or sign documents).*
- ✓ Provide documentation necessary for the Program to verify completed work.
- ✓ Ensure all materials and workmanship meet Louisiana Residential Code and Program standards.
- ✓ Carry appropriate insurance, including Builder's Risk when required by the contract or local code.

**Homeowners take a lead role, but they depend on your expertise to keep the project compliant.** You may need to remind them about inspection readiness, documentation, or environmental requirements.

## CONTRACTOR ELIGIBILITY

- ✓ Must hold **valid Louisiana contractor license or home improvement registration.**
- ✓ Carry **general liability and worker's comp insurance.**
- ✓ Maintain **active registration** with the Louisiana State Licensing Board.
- ✓ Be in **good standing** with no outstanding code or performance violations.

# SELF-MANAGED REPAIRS: RULES AND LIMITATIONS

**The Program verifies contractor licenses for validity and correct license type.** The licensing authority remains with the State Licensing Board.

## Repairs

Homeowners may self-manage repairs when the scope is less than \$7,500 and does not require a permit or licensed trade.

If the work requires a permit or licensed trade, the appropriate licensed contractor must perform that work.

## Reconstruction

For reconstruction (full demolition and rebuild), a Louisiana-licensed residential contractor is required to complete the reconstruction scope.

## State Licensing Requirements

Louisiana law requires a licensed residential contractor for projects of \$50,000 or more or any structural work.

Work below the licensing threshold may be performed by a home-improvement contractor or managed by the homeowner, provided no permit is required.

**Note:** The contractor must hold the correct license for the specific work being performed (for example, structural work or roofing work).



## CONSTRUCTION REQUIREMENTS

- ✓ Build to **Louisiana Residential Code**
- ✓ Obtain and close out **all required permits**
- ✓ Build to **FORTIFIED Gold** standard for all reconstruction projects

**All construction must meet code and, where applicable, FORTIFIED Gold standards. Keep documentation organized from the start. Missing permits or inspection sign-offs are the most common causes of draw delays.**

# GREEN BUILDING & ENERGY STANDARDS



All Solution 2 projects must comply with **HUD's Community Planning and Development (CPD) Green and Resilient Building Retrofit Checklist** for repairs and **ENERGY STAR Certified Home standards** for reconstructions.

Reconstruction projects must also meet **IBHS FORTIFIED Gold standards**, verified through certified evaluators at key construction stages

**Contractors should maintain evaluator documentation and stage photos to ensure eligibility.**

# REPAIR VS. RECONSTRUCTION



## Repair/Rehab

Repairs to an existing structure



## Reconstruction

Complete demolition and rebuild to FORTIFIED Gold standard

- Both require code compliance and inspection documentation.
- Repairs use COMPLETE vs. INCOMPLETE verification – no partial credit.
- Recon is based on percentage completion at each milestone inspection.



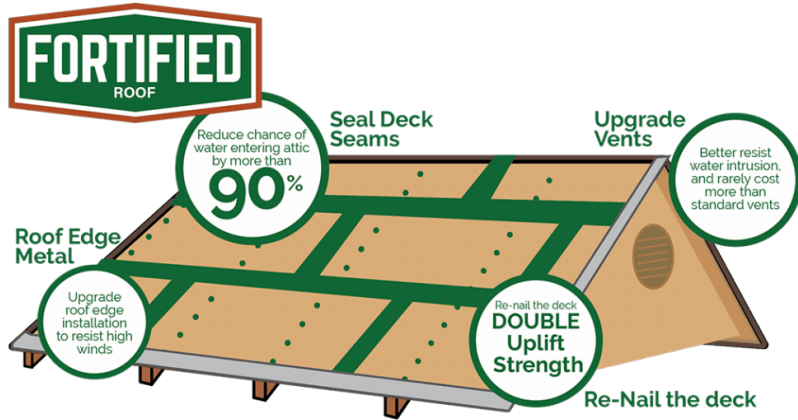
## FORTIFIED GOLD (RECONSTRUCTION ONLY)

- ✓ Applicant or contractor selects a FORTIFIED Evaluator
- ✓ Evaluator works with architect + engineer to create FORTIFIED-compliant plans
- ✓ Engineer reviews and stamps plans
- ✓ Evaluator conducts required on-site inspections at major build milestones
- ✓ Evaluator submits documentation to Insurance Institute for Business & Home Safety (IBHS)
- ✓ IBHS issues the FORTIFIED Gold Certificate (required for closeout)



**FORTIFIED Gold** is a resilience-based standard **required** for new construction. Make sure evaluators are scheduled early and all certification steps are completed.

## FORTIFIED ROOF



Effective November 1, 2025, all residential reroofs and new-construction roofs must be installed by a FORTIFIED Certified Roofer and must meet the 2025 FORTIFIED Home™ Standard, regardless of local permitting requirements. **The general contractor is responsible for ensuring that a certified roofer performs the installation and that all roofing work complies with the 2025 FORTIFIED requirements.**

## ACT NO. 239 RESIDENTIAL ROOFING UPDATE

As of January 1, 2026, any person who advertises bid, quote or estimate to construct, supervise, direct, oversee, or perform any construction, modification, repair, or maintenance, etc. of any portion of a roofing system on a residential structure for which the project value is \$7,500 or more shall hold the classification of Residential Roofing or Residential Construction. (**\$2156.4**)

## BLUEPRINT & PLAN REQUIREMENTS FOR RECONSTRUCTIONS

### Requirements:

- Plans must include **engineer's stamp**
- Plans must reflect **accurate square footage**
  - If new living area is **smaller** than pre-storm verified damaged structure, the reconstruction award may **decrease**
- Plans must incorporate **Green/Resiliency standards** and **FORTIFIED Gold requirements**

## WHY THIS MATTERS?

- Incorrect square footage changes the award
- Missing engineer approval (with valid license) prevents elevation, and FORTIFIED review
- Incomplete plans delay the entire file

# RECONSTRUCTION

## ELEVATION REQUIREMENTS

- ✓ Reconstruction projects must be built to the **Program-determined required elevation**, which incorporates all applicable **HUD, FEMA, State, and local elevation standards**.
- ✓ For homes in the Special Flood Hazard Area (SFHA), elevation of two (2) feet above the BFE, two (2) feet above the ABFE, two (2) feet above the preliminary ABFE, or as required by the local jurisdiction, whichever is higher.
- ✓ The Program cannot waive or reduce this requirement.
- ✓ Dirt fill as an elevation method is not eligible for reimbursement
- ✓ Elevation is verified through **Elevation Certificates and inspections**.

**WARNING:** Projects that do not meet HUD CDBG-DR elevation requirements are **not eligible for payment** and may result in **recapture of previously paid funds**.

## CONTRACT DOCUMENTATION

- ✓ Fully executed construction contract
- ✓ Scope of Work/cost breakdown
- ✓ Project timeline and draw schedule
- ✓ Proof of insurance and licensing
- ✓ Completed/Signed W9

Before any funds are approved, the Program **must have a copy of the construction contract and scope.**

**The applicant's award will be based on the lesser of the ECR +20% or actual contract price, whichever is less.**



## CONSTRUCTION SCHEDULES

### Rehab Projects:

- Construction schedule required **for all projects**
- Must reflect realistic work phases and timelines

### Reconstruction Projects:

- Reconstruction schedule required for **all reconstruction files**
- Should include major milestones - elevation phase, foundation work, vertical build, inspections, FORTIFIED evaluator checkpoints, and expected completion

### Why It Matters:

- Incomplete or missing schedules delay issuance of Notice to Proceed
- Unrealistic timelines cause compliance issues and missed draw expectations

# LICENSE, INSURANCE, AND CONTRACT REVIEW

## COMMON ISSUES

The Program reviews license, insurance, and contract documentation before issuing Notice to Proceed.  
The most frequent issues we see:

### Contract / Documentation

- **Missing signatures on construction contracts**
- **Plans without engineering approval**
- **Incorrect square footage listed**
- **Line-item pricing incomplete (elevation or FORTIFIED costs missing)**
- **HOR documentation missing or not matching the contract**
- **Missing required forms such as construction schedule, construction plan, etc.**

### Licensing / Insurance

- **General Liability submitted without Worker's Compensation**
- **License submitted, but inactive or expired when verified**
- **Missing or outdated insurance certificates**

## DRAW PROCESS OVERVIEW

- ✓ Payments released after **verified progress inspections**.
- ✓ Draw requests are triggered by a **completed inspection report**.
- ✓ **Two-party checks** to homeowner and contractor.
- ✓ Reconciliation required before final draw, which means a deductive change order (DCO) may be needed.
- ✓ The program issues no more than **five draws per project**.

**Payments are released only after inspectors verify that work has been completed. The Program does not reimburse for materials that were purchased or ordered but not installed.**

## AVOIDING DELAYS IN PAYMENT

- ✓ Confirm **DOB/HOR issues** resolved early
- ✓ Coordinate timely **inspections**
- ✓ Maintain **open communication with homeowners**

The fastest projects are those with **proactive communication**.

## CHANGE ORDERS

- ✓ Must be approved before work begins or they may not be reimbursed.
- ✓ Include justification, itemized pricing, measurements/details for generating a change order, and homeowner signature.
- ✓ Unauthorized changes may not be reimbursable.

Keep all change orders transparent. Surprises cause payment rejections and re-inspections.  
**Submit early and document everything.**

## FINAL INSPECTION & CLOSEOUT

- ✓ **Final inspection** verifies completion and compliance.
- ✓ Submit closed permits, final elevation certificates (if applicable) **Certificate of Occupancy, Certificate of Completion**
- ✓ **FORTIFIED certificate** required for reconstruction

The project isn't complete until **final documentation is received and verified.**

## COMMUNICATION EXPECTATIONS

- Maintain weekly homeowner updates
- Document decisions in writing
- Ensure the homeowner and program are aware of unforeseen issues

Clear, consistent communication reduces misunderstandings and protects both the contractor and the homeowner.

## COMMON PITFALLS

- Starting before environmental clearance
- Missing permits or inspection sign-offs
- Poor documentation
- Incomplete or incorrect documentation to support change order requests

These are the top reasons projects stall. Address them early, it's easier to fix up front than to correct retroactively.

## KEY RESOURCES

### **Solution 2 Contractor Hotline – (225) 251-6783 Monday – Friday 8am – 5pm**

- Hurricane Francine Policy Manual (v1.1)
- Hurricane Francine Program Price List
- Solution 2 Reconstruction Guide
- SHPO Historic Property Guide
- Scope Deferment reference sheet
- HUD FR-6303-N-01: Green Building Standards
- 24 CFR Part 58: Environmental Review Procedures
- HUD CPD Green & Resilient Building Checklist
- IBHS FORTIFIED Home Fundamentals
- Louisiana State Licensing Board for Contractors: [lslbc.louisiana.gov](https://lslbc.louisiana.gov)



Thank you for your partnership and for helping Louisiana families rebuild stronger and smarter. **We share the same mission, resilience and recovery done right.**



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# Q&A and Discussion

## Verbal Questions

- If you would like to speak, please use the “**Raise Hand**” feature.
- When called on, you will be unmuted to ask your question.

## Written Questions

- The **Q&A panel will remain open throughout the session** and will be moderated by the Program team.

## Reminder

- Please keep questions **general and program-focused**.
- We are unable to discuss individual or case-specific situations during this session.

## Follow-Up

Case-specific questions may be directed to: [contractorhotline@restore-la.org](mailto:contractorhotline@restore-la.org)