

U.S. Department of Homeland Security
Louisiana Recovery Office
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FEMA

March 9, 2015

Mark S. Riley
Deputy Director – Disaster Recovery Division
GOHSEP, State of Louisiana
1500 Main Street
Baton Rouge, LA 70802

Re: City of New Orleans – Grant 1
Sandy Recovery Improvement Act – Consolidated Subgrant
City of New Orleans; FIPS # 071-55000-00
FEMA-1603-DR-LA; Project Worksheets 1815, 1908, 3779, 3980, 3987, 4423, 4970,
6133, 7418, 7425, 7446, 7459, 7746, 7765, 7769, 10653, 10680, 10815, 11734, 19845,
20873
FEMA Correspondence Log #6732-O; AIDB #2335

Dear Mr. Riley,

This is in reply to your request on behalf of the City of New Orleans (Sub-grantee) for a Consolidated Subgrant under the Public Assistance Alternative Procedures Pilot Program for Permanent Work (Pilot Program) in accordance with the Sandy Recovery Improvement Act of 2013 (SRIA) (Public Law 113-2).

The Sub-grantee requests to utilize funding from Project Worksheets (PWs) 1815, 1908, 3779, 3980, 3987, 4423, 4970, 6133, 7418, 7425, 7446, 7459, 7746, 7765, 7769, 10653, 10680, 10815, 11734, 19845, and 20873, written for repair and/or replacement of damaged facilities and equipment throughout the City of New Orleans toward the Consolidated Project. In lieu of restoring the individual damages in-kind, eligible funding will be consolidated and used toward renovation and new construction at various Sub-grantee sites. The Sub-grantee proposes the following scope of work (SOW) under the Consolidated Subgrant:

- Construction of the new Criminal Evidence and Processing Complex;
- Repairs and replacement as necessary to mechanical, electrical and plumbing (MEP) systems at City Hall and the Civil District Court;
- Mill and overlay of roads in the Desire neighborhood of New Orleans;
- Renovation of the Municipal Traffic Court
- New Orleans Police Department (NOPD) Early Warning System (EWS);

- Construction of the new Rosenwald Pool House;
- Demolition of the existing Keller Center, and construction of the new Keller Center;
- Demolition of existing buildings and installation of new pre-fabricated buildings at the Almonaster Auto Pound;
- Measures to secure the Equipment Maintenance Division (EMD) Central Maintenance Garage including installation of fencing, infilling of pits, clearing of the site, and removal of fuel tanks if required by the Louisiana Department of Environmental Quality;
- Demolition, clearing, and fencing at the Department of Public Works (DPW) Rock Crusher Plant in preparation for use as a storage and staging area; and
- Demolition of existing structures and measures to secure the EMD Gentilly facility.

The Sub-grantee indicates the proposed SOW under the SRIA Pilot Program request will commence upon FEMA approval, except for work associated with the NOPD EWS. In a letter dated February 3, 2015 (attachment 1), FEMA determined the SOW associated with the EWS to meet Public Assistance and FEMA environmental and historic preservation (EHP) eligibility criteria for the SRIA Pilot Program. CNO commenced work on the NOPD EWS upon receipt of the February 3, 2015 approval letter from FEMA.

The Sub-grantee provided an executed Public Assistance Alternative Procedures Pilot Program for Permanent Work Acknowledgement letter dated November 18, 2014 (attachment 2), which states they agree to the fixed estimate of the subgrant. If the approved fixed estimate is less than the actual cost for the SRIA subgrant, FEMA will not increase the fixed grant funds. In the event of a cost overrun, the CNO may utilize other financial sources to cover the difference.

Please advise the Sub-grantee damaged facilities associated with the contributing PWs which are not restored, demolished, sold, or repaired will not be eligible for further federal assistance on any disaster. In order for the facilities to be eligible to receive Public Assistance funding in a subsequent disaster, the Sub-grantee must repair the facilities to meet codes and standards and mitigation measures that would have been approved in accordance with 44 CFR § 206.226. A summary of the demise and demise funding source of each damaged facility related to the subject PWs is enclosed (attachment 3).

As provided in the Public Assistance Alternative Procedures Pilot Program Guide for Permanent work (Version 2) December 2013 – Formulation and Management of Fixed Estimate Subgrants (page 5), “FEMA will conduct all applicable reviews of the subgrant in accordance with standard procedures, including review for EHP compliance.” FEMA has confirmed in the GOHSEP Louisiana Public Assistance tracking system funding has been disbursed for large project PWs 1815, 1908, 3779, 3980, 4423, 7418, 7425, 7459, 7477, 7746, 7769, 10680, and 11734 as of February 10, 2015. GOHSEP has approved and disbursed the following funding amounts to the Sub-grantee for these PWs:

Approved and paid: \$1,540,980.26

PW	Disbursed Amount
1815	\$51,832.06
1908	\$163,601.18
3779	\$563,277.56
3980	\$47,348.00
4423	\$55,023.40
7418	\$26,117.80
7425	\$64,506.12
7459	\$14,304.90
7477	\$88,987.90
7746	\$381,689.75
7769	\$53,787.81
10680	\$26,584.99
11734	\$3,918.79
Total:	\$1,540,980.26

FEMA has confirmed the Sub-grantee has not started construction on the SOW proposed in the Consolidated Subgrant request, except when previously authorized to do so for the NOPD EWS. The monies disbursed thus far have funded Architectural and Engineering (A&E) fees, demolition of two facilities (PWs 3779 and 7425), and costs incurred to provide temporary power at one facility to determine the extent of damages (PW 1908). Therefore, the proposed scopes of work are eligible for inclusion in the Individual Subgrant Project.

FEMA has conducted the necessary reviews of this information, including site visits, program eligibility determinations, and an examination of historic and environmental concerns. The attached Finding of No Significant Impact (FONSI) and Records of Environmental Consideration (RECs) were issued containing the related conditions and conclusions for the proposed work (attachments 4, A-K).

With the passage of SRIA, FEMA may fund Consolidated Subgrant Projects under the Pilot Program at 100 percent of the federal share of the aggregate amount of the eligible costs for the formerly separate, individual facilities based on a fixed estimate.

The aggregate fixed estimate identified for the subject PWs is \$48,036,846.07. This amount does not include funding for temporary power and/or demolition, or Section 406 Hazard Mitigation funding. The aggregate fixed estimate includes insurance proceeds in the following amounts, which are outlined in Attachment 5:

- National Flood Insurance Program (NFIP) proceeds at \$2,112,507.61.
- Wind insurance proceeds at \$1,058,983.52.

After insurance reductions, the federal contribution for this Consolidated Subgrant is capped at \$44,865,354.94.

The Sub-grantee requested a total of \$186,088.38 in Section 406 Hazard Mitigation funding be transferred from PWs 1815, 3980, 7746, 7765, 7769, 10680, 10815, and 11734 to the Consolidated Subgrant. The Sub-grantee has identified recipient HMP SOW including the replacement of three donor facilities which FEMA previously funded as repair projects (PW 20873 Rosenwald Pool house, PW 7769 Keller Community Center, and PW 10653 Almonaster Auto Pound). The Sub-grantee asserts the determination to demolish the storm damaged facilities and design/construct new facilities, which will be constructed to the Advisory Base Flood Elevation (ABFE) as required by the City's Flood Plain Manager, meets the threshold and requirement for cost effective mitigation. The Sub-grantee has requested FEMA "exercise the discretion provided by policy and export all currently obligated 406 Hazard Mitigation funding to the resulting SRIA Consolidated Subgrant."

FEMA's eligibility determination regarding the proposed transfer of Section 406 Hazard Mitigation funding to the Consolidated Subgrant will be addressed under separate cover.

In accordance with the SRIA, the Sub-grantee provided Fixed Subgrant Agreement Letters stating they accept responsibility for all costs above the fixed estimate. The letters are dated May 20, 2014 (attachment 6). In accordance with Section 428 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, FEMA concurs and agrees on the adjusted fixed estimates, with the correction to the total insurance reductions noted above. Please advise the Sub-grantee if it does not fulfill its obligations under the Public Assistance Alternative Procedures Pilot Program, including the completion of all recipient scopes of work, FEMA will de-obligate the funding for this project.

In order to prevent a duplication of benefits per 44 CFR § 206.226(a)(1), the Sub-grantee is advised FEMA will reduce the amount by insurance proceeds and/or credits the Sub-grantee receives. Adjustments will be made at closeout for actual insurance proceeds, if greater than proceeds included in the fixed estimate. This reduction is necessary to comply with Section 312 of the Stafford Act. Any new construction must comply with federal floodplain requirements.

If GOHSEP or the Sub-grantee identifies any discrepancies in the information provided in this letter, including but not limited to project description, scope of work, or costs please contact FEMA within 30 days with a list of specific items for resolution.

Any balance of funds necessary for completing the Consolidated Subgrant will be the responsibility of the Sub-grantee. If actual costs associated with the scope of work are less than the fixed estimate, the Sub-grantee may use excess funding from the Consolidated Subgrant for Public Assistance program-related purposes. Requests to use excess funds must be approved by FEMA prior to commencing work. The project utilizing excess funds must meet all other PA Program requirements and must comply with other applicable Federal requirements, including environmental and historic preservation laws, regulations, and executive orders.

The Sub-grantee must comply with 44 CFR § 206.252 and 206.253, which states assistance under Section 406 of the Stafford Act will be approved only on the condition that insurance is obtained and maintained in such types and amounts as are reasonable and necessary to protect

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against future loss. The Sub-grantee must provide GOHSEP with insurance policy documentation that confirms the Sub-grantee's compliance with the Stafford Act. The Sub-grantee must provide evidence of insurance for the facilities identified in this request.

I have directed my staff to prepare a new PW to reflect approval of this funding option. Upon obligation, FEMA will grant the new PW a time extension until November 30, 2016, which is the estimated completion date of the project with the longest construction schedule (Criminal Evidence and Processing Complex). For consideration of future time extensions, the Sub-grantee will need to provide the following information on the recipient projects:

Projects in the construction phase:

- Copy of the notice to proceed (NTP) issued to the construction company
- NTP should include a date authorizing the construction contractor to begin work
- Please specify which recipient projects correlate to the NTP
- Detailed construction schedule including estimated construction completion date
- Detailed justification for the delay in project completion

FEMA will also prepare a new version to PWs 1815, 1908, 3779, 3980, 3987, 4423, 4970, 6133, 7418, 7425, 7446, 7459, 7746, 7765, 7769, 10653, 10680, 10815, 11734, 19845, and 20873 to de-obligate eligible funds being transferred to the new Consolidated Subgrant.

There is no work remaining on PWs 1815, 3980, 3987, 4423, 4970, 6133, 7418, 7446, 7459, 7746, 7765, 7769, 10653, 10680, 10815, 11734, 19845, and 20873. Please schedule these PWs for closeout.

PWs 1908, 3779, and 7425 retain funding for site specific costs and/or demolition.

The time extensions for PWs 1908 and 7425 expired on May 31, 2011. The time extension for PW 3779 expired on February 19, 2014. FEMA has confirmed the demolition and site specific work for all facilities addressed in these PWs was completed under the prior time extension granted. Since no uncompleted work remains, further time extensions are not warranted. Please work with the Sub-grantee to complete the reimbursement process and schedule PWs 1908, 3779, and 7425 for closeout.

Please do not hesitate to contact me if you have questions about this determination or need additional information.

Sincerely,



Thomas M. (Mike) Womack
Director
Louisiana Recovery Office

Digitally signed by THOMAS M WOMACK
DN: c=US, o=U.S. Government, ou=Department
of Homeland Security, ou=FEMA, ou=People,
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- Attachments:
- 1) FEMA Letter, dated February 3, 2015 (without attachments)
 - 2) Public Assistance Alternative Procedure Acknowledgement, dated November 18, 2014
 - 3) SRIA Donor Project Demise Listing
 - 4) Environmental Documentation- Recipient Scopes of Work
 - A) Finding of No Significant Impact – Criminal Evidence and Processing Complex dated February 27, 2015
 - B) Record of Environmental Consideration – City Hall and Civil District Court dated February 25, 2015
 - C) Record of Environmental Consideration – Desire Area Streets dated February 24, 2015
 - D) Record of Environmental Consideration – NOPD Early Warning System dated February 24, 2015
 - E) Record of Environmental Consideration – Municipal Traffic Court dated October 12, 2012
 - F) Record of Environmental Consideration – Rosenwald Poolhouse dated January 8, 2015
 - G) Record of Environmental Consideration – Keller Center dated February 27, 2015
 - H) Record of Environmental Consideration – Almonaster Auto Pound dated February 24, 2015
 - I) Record of Environmental Consideration – EMD Central Maintenance Garage dated February 25, 2015
 - J) Record of Environmental Consideration – DPW Rock Crusher Plant dated January 8, 2015
 - K) Record of Environmental Consideration – EMD Gentilly dated February 24, 2015
 - 5) Summary of SRIA Donor Funding
 - 6) Fixed Cost Agreement Letters, dated May 20, 2014

cc: Mark DeBosier, Assistant Deputy Director, Public Assistance, GOHSEP
Cedric S. Grant, Deputy Mayor, City of New Orleans
Vincent A. Smith, Director of Capital Projects, City of New Orleans
Lynn Wiltz, Federal Grants Manager, City of New Orleans
Katie Dignan, Project Delivery Manager, City of New Orleans
LaNitrah Hasan, Management Consultant, City of New Orleans