



Neighborhood Home Program

Repair Guidebook

Overview

The goal of the Neighborhood Home Program (NHP) is to repair, rehabilitate and reconstruct Hurricane Katrina-damaged homes owned by low income families (and under some circumstances moderate income families) who have been unable, through other means, to meet their housing repair needs. The Program is administered by the Mississippi Development Authority (MDA) which is an agency of the State of Mississippi. Potential participants for home repairs must meet the requirements listed in this Guidebook.

Applications for home repair will be required to go through several steps before repairs can actually begin. The funding for this Program is provided through the Department of Housing and Urban Development (HUD). As such, MDA is required to follow certain rules and regulations such as minimum elevation requirements, environmental requirements and income eligibility requirements.

STEPS TO COMPLETION

Step 1: Personal Consultation

Step 2: Preliminary Eligibility Check

Step 3: Property Ownership Check

Step 4: Damage Inspection

Step 5: Environmental Inspection

Step 6: Home Repair

Step 1: Personal Consultation

Each applicant will be required to undergo an individual counseling session with an MDA analyst. Application processing will not begin until the applicant provides all required documents and completes the personal consultation. MDA encourages all applicants to ask questions regarding NHP requirements during this counseling session.

During the personal consultation, the applicant will confirm the accuracy of all information submitted on the application and will provide supporting documentation.

All consultations must be completed immediately upon request. Failure to attend a scheduled personal consultation or bring all of the required documents to the personal consultation may result in disqualification.

If transportation to the consultation or other special assistance is required, the applicant must inform the assigned MDA analyst at least seven days before the consultation so that arrangements can be made to provide reasonable assistance.

1.1 Documents Needed for the Personal Consultation

In order to complete a personal consultation, applicants should submit the information listed below. An MDA analyst will work with the applicant during the Personal Consultation to explain each of these documents. MDA requests that the applicant bring as many of these documents as possible to their Consultation.

Document	Explanation
Recorded Deed	Proof of current ownership of the applicant's property in the form of the most recent deed vesting ownership in the name of the applicant or the information required in Section 3.1
Paid Tax Receipt	Proof of payment of <i>ad valorem</i> taxes for the most recent tax year
List of Repairs	A list of all repairs to the property
Photo ID	A copy of a government issued photo ID for the applicant

Step 2: Preliminary Eligibility Check

After the applicant completes the Personal Consultation and provides all of the required documents, MDA will perform certain checks to verify eligibility to participate in the Program. The following is a list of common things that will be checked by MDA. This is not a complete list of all eligibility checks which will be performed.

2.1 Case Management Agency Applications

Various case management agencies provided MDA with a list of “open cases” which represented persons who had not yet received permanent housing solutions after Hurricane Katrina. In some situations, the eligibility requirements for “open case” applications are slightly different. Those differences are noted below.

2.2 Eligible Counties

New applicants for the Program must have an eligible primary residence located in Hancock, Harrison, Jackson, Pearl River, Stone, George, Forrest, Jones or Lamar County. Applicants who had an open case with a case management agency (CMA) may participate in the NHP as long as the property is located in a county in Mississippi's presidentially declared disaster area for Hurricane Katrina.

2.3 Income Eligibility

In order to be eligible for the Program, applicants must meet certain household income requirements.

New applicants within Hancock, Harrison, Jackson, Pearl River, Stone, George, Lamar, Forrest and Jones Counties are eligible to participate in the Program if their household income is at or below 80% of the Area Median Income (AMI). There will be an exception for those households above 80% AMI but below 120% AMI that meet one of the following hardship criteria:

1. Households that have monthly fixed expenses which exceed 90% of net income (a monthly fixed expense may be a recurring expense such as mortgage, rent, utilities, telephone, car payments, taxes or insurance), or
2. Households which have incurred a medical or other similar one-time necessary expense in the year prior to the date of their application consisting of more than 25% of their yearly net income, or
3. The household has unmet reconstruction/repair needs of more than \$50,000 and does not have more than \$25,000 in liquid assets excluding reasonable qualified retirement accounts. Reasonable qualified retirement accounts are IRS recognized retirement accounts, such as 401k, 403b, Traditional IRA, Roth IRA, and others, whose accumulated balances are no more than \$250,000.

Applicants who have a previously opened case file with a CMA are eligible to participate in the Program if their household income is at or below 120% of the AMI.

A chart showing the 2010 income eligibility limits for each of the nine counties is attached to this Guidebook.

2.4 Duplication of Benefits

Eligible applicants may have previously received assistance from other sources which were either inadequate to address and/or was not intended to address housing needs. Under the requirements of “The Robert T. Stafford Disaster Assistance and Emergency Relief Act” (42 U.S.C. 5121, et seq.), as interpreted and applied by HUD, MDA must take into account certain aid received by applicants in determining the amount of assistance which can be granted.

2.5 Property Eligibility Requirements

In order to be eligible to participate in NHP, the applicant’s property must satisfy the following requirements:

1. The applicant's structure must have unrepaired damage directly related to Hurricane Katrina;
2. The structure must be a single family home. Multi-unit structures, townhomes and condominiums are not eligible to participate.
3. Each property must currently have access to water, electricity, and sewer or septic service, or hookups to provide those services.

These are the minimum requirements and this list is non-exhaustive. MDA reserves the right to further define any necessary requirements.

2.6 Primary Residence Requirement

In order to be eligible for the Program, the home to be repaired, rehabilitated or reconstructed must have been occupied by the applicant as the applicant's primary residence as of August 29, 2005. The term "primary residence" means the dwelling where the applicant normally lives during the major portion of the calendar year; or the dwelling that is required because of proximity to employment, including agricultural activities, that provides 50 percent of the household's income.

The applicant will have three (3) alternative means to confirm that the applicant's home meets the above definition. The tests are as follows:

1. The applicant's name *and* the address listed on the NHP application appear on the list of homeowners who were determined to have "Habitable Repairs Required" as provided by FEMA for use by MDA for determining eligibility to participate in the Neighborhood Home Program.
2. In the event that the applicant does not satisfy alternative one (1) as stated above, the applicant may alternatively provide evidence that the applicant claimed the home for the homestead exemption in 2005.
3. In the event that the applicant is unable to comply with alternatives one (1) or two (2) as stated above, applicant may sign an MDA form statement which provides that the home which is the subject of the applicant's NHP application is where the applicant normally lived during the major portion of the twelve (12) month period ending on the date of Katrina or is the dwelling where the applicant lived because of his employment. The applicant must also confirm that the home was not a rental home or a second home.

Step 3: Property Ownership Check

After the applicant completes the personal consultation and preliminary eligibility reviews, MDA will verify that the applicant has ownership of the property and that all property taxes have been paid.

3.1 Property Ownership Requirements

In order to be eligible for the Program, the applicant **MUST** either have:

- (i) occupied the home and held an ownership interest in the property on the date of Katrina (or)
- (ii) occupied the home on the date of Katrina and obtained an ownership interest in the property after the date of Katrina.

In order to establish the above requirements, the applicant should provide a deed (if available) showing the applicant as a grantee. If the applicant does not have a copy of a deed, the applicant may provide the address for the home or a copy of a property tax receipt for the home. If the applicant never received a deed to the home, the applicant should provide evidence of an heirship interest in the home (also if available). The types of documents which can be used to establish an heirship interest in the home are as follows:

- (1) A copy of a death certificate for a prior owner, and either of the following:
 - (2)(a) if the prior owner died with a will, a copy of the will, and a court order admitting the will to probate; or
 - (2)(b) if the prior owner died without a will, a court order establishing the heirs at law, or an heirship affidavit which attests that the prior owner died without a will and attests to the identities of the heirs at law.

Any heirship affidavits provided to MDA are subject to MDA review and approval and must be executed by a disinterested individual (an individual with no current or prior interest in the property) who knew the prior owner during their lifetime. A form heirship affidavit may be provided by MDA upon request.

3.2 Taxes

The ad valorem real estate taxes must be current for all properties which will be receiving NHP funding. MDA funds cannot be used to pay these amounts. The applicant will be notified of any outstanding amounts. Failure to pay these taxes may result in disqualification.

Step 4: Damage Inspection

After the ownership verification is completed, MDA will perform a site inspection which will determine the extent and cost of repair and rehabilitation activities which are permissible under the Program. The applicant will need to be present for this inspection and the inspector will need to enter the home to inspect the interior of the home. The inspector will also verify that the residence suffered damage during Hurricane Katrina and that the home still requires repairs.

It is possible that MDA will be unable to repair the home. If MDA determines that repair, reconstruction or rehabilitation is not an option, the applicant may be eligible for another type of permanent housing solution such as a cottage.

4.1 Property Flood Elevation Requirements

Properties that sustained 50% or more damage must conform to the Digital Flood Insurance Rate Maps (DFIRM) elevation requirements issued by FEMA, pursuant to the National Flood Insurance Program, to be eligible for this program. No funds from NHP will be used to elevate structures except for Katrina Cottage placement.

Step 5: Environmental Inspection

All NHP applications must pass a federally-required environmental review. This review will be performed at MDA's expense. There are three potential steps to the review:

- **Step 1 – Initial Review:** An environmental assessor will visit the property. The assessor will take photos and possibly measurements of the property from the street. They will collect tax information in order to determine the date of construction of structures on the property. Applicants do not need to be present for this visit.
- **Step 2 – Issue Analysis:** If the Initial Review reveals a potential environmental issue, further analysis will be required. This analysis may require follow-up site visits or additional research. MDA will schedule required follow-up visits in order to perform the necessary analysis. Applicants will be notified if they are required to be present for these follow-up visits.
- **Step 3 – Issue Mitigation:** Any issue that cannot be cleared through Issue Analysis will need to be mitigated before environmental clearance is granted. MDA may pay for mitigation of issues identified during the environmental review if it is deemed an eligible activity.

The environmental review is a separate and distinct review from any other review. Other previously performed (or applicant-provided) environmental reviews will not satisfy MDA's requirements. Be aware that applicants are prohibited from beginning repairs, rehabilitation or reconstruction until they receive notice that their contractor can begin repairs or rehabilitation. If an applicant fails the environmental review, they will be disqualified.

Step 6: Home Repair

If the applicant passes each of the eligibility steps outlined above, MDA will coordinate with the applicant to begin repairing, reconstructing or rehabilitating the home. The type of repairs that will be performed will vary from property to property. All work will be performed by an MDA contractor and MDA will fund up to \$75,000 for eligible activities.

Insurance Required After Completion

Failure to maintain hazard insurance may result in the lack of future federal assistance; however failure to maintain flood insurance (if required because the property is in a floodplain) will result in the lack of future federal assistance should a future disaster event occur.

Fraud Warning

FRAUD WARNING - Applicants are not required to pay fees or provide any type of payments to third parties in order to apply for or participate in the NHP. If you suspect fraud, report it to the Office of the State Auditor's Katrina Fraud Hotline at 800-321-1275 or online at this link: <http://www.osa.state.ms.us/complaint.asp>