

# Mississippi Development Authority

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## PILOT SUMMARY OF THE NEIGHBORHOOD HOME PROGRAM



April 29, 2011

# Executive Summary

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- Application intake for the program began November 15, 2010 and concluded January 31, 2011, with the collection of 17,763 applications.
- Automated filters performed initial eligibility screening and reduced the number of potentially eligible applications to 10,002. These filters screened for presence on the eligibility lists identified in the Action Plan, ineligible counties, and prior resolution of unmet housing need by other KCDBG programs.
- MDA selected a sample of 200 from the potentially eligible applications. The sample, with 95 per cent certainty, estimates the project costs and outcomes within 7.07 per cent of the actual population repair costs and outcomes.

## KEY SAMPLE FINDINGS:

- 3,601 applications are projected to be eligible for repairs with variances of 3,346 to 3,856.
- The projected repair cost includes the estimated cost for wind retrofit. Eighteen of the homes in the sample required wind mitigation at an average cost of \$2,938.
- 2,651 applications are projected to be eligible for full repair with no duplication of benefits issue.
- 950 applications will be eligible for a partial repair due to the duplication of benefits gap.

PROJECTED PROGRAM COSTS	
Projected Eligible Population	3,601
Average Cost per Applicant	\$26,951.85
Projected Program Costs	\$97,053,551.00
Projected Cottage Needs	\$32,000,000.00
Projected Rental Needs	\$900,000.00
Total Projected Needs	\$129,953,611.90
Total Budget	\$132,863,767.00
Budget Variance	(\$2,910,155.10)

The demographics of the sample show a diverse, largely low income, majority elderly or disabled population residing primarily in the lower three Coastal counties:

- 51.6 per cent of the projected population is elderly or disabled; 59.2 per cent is African American; 35.7 per cent is white; the remainder is either unidentified race, Asian, Hispanic or American Indian/Native Alaskan.
- The population is low income, with an average AMI of 48 per cent representing an average adjusted gross income of \$19,888.47. Thirty per cent falls in the 0<30 per cent AMI range.
- 67 per cent of the applicants are located in Harrison, Hancock, and Jackson Counties. Ten per cent reside in Forrest County and 7.5 per cent in Pearl River County.

# Production Projections

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NHP Potentially Eligible Applications		NHP Projected Eligible Applications	
	Applications		Applications
<b>Total Applications</b>	<b>17,763</b>	<b>Potentially Eligible Applications</b>	<b>10,002</b>
<b>No Assistance Needed</b>	<b>(435)</b>	<b>Projected Withdrawn<sup>1</sup></b>	<b>(950)</b>
Housing Restored	247	<b>Projected Total Closed</b>	<b>(4,051)</b>
Relocated	32	<b>Already Assisted/Other Housing Programs</b>	<b>650</b>
Not Specified	156	SRAP	50
<b>Already Assisted/Other Housing Programs</b>	<b>(668)</b>	Cottage	200
SRAP	2	EGP	200
Cottage	426	Other Housing Programs	200
EGP	20	<b>Cannot Assist</b>	<b>3,401</b>
LTWH	178	Cannot Contact	450
Other Housing Programs	42	Ineligible County	100
<b>Duplicate Applications</b>	<b>(176)</b>	Ineligible Rental (New Cases)	150
<b>Cannot Assist</b>	<b>(6,369)</b>	Not on Eligibility List	750
Cannot Contact	327	Above AMI	1,101
Ineligible County	1,208	No Occupancy at Katrina	150
Ineligible Rental (New Cases)	122	Not a Homeowner	200
Not on Eligibility List	4,275	No Katrina Related Damage	250
No Occupancy at Katrina	34	Not Primary Residence	50
Not a Homeowner	158	Ineligible Repairs	50
Not Primary Residence	22	Other Reason <sup>2</sup>	150
Ineligible Repairs	8	<b>Projected Eligible Applications</b>	<b>5,001</b>
No Unmet Needs	99	Rental Eligible (Existing Cases)	(100)
Other Reason	116	Unable to Contact for Site Estimate	(250)
<b>Rental Applications</b>	<b>(113)</b>	DoB > Cost of Repair	(900)
<b>Potentially Eligible Applications</b>	<b>10,002</b>	Title Ineligible	(150)
		<b>Applications Ready for Construction</b>	<b>3,601</b>
		Full Repair	2,651
		Partial Repair < \$75k	700
		Partial Repair = \$75k	250

<sup>1</sup> Project Withdrawn includes formal withdrawals and applicants that have indicated that they wish to withdraw.

<sup>2</sup> The Pilot indicates that some applicants may not qualify due to death, post-Katrina loss by fire, or other similar reasons.

# Introduction

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Mississippi Development Authority's Neighborhood Home Program (NHP) strives to repair, rehabilitate, and reconstruct Katrina impacted homes owned by low to moderate income families unable to recover through past programs and other means.

Application intake initiated November 15, 2010 at 11 service centers in 9 counties and concluded January 31 with the collection of 17,763 applications. The sizeable applicant response warranted a Pilot study to ensure that the program's policies and procedures accounted for the extensive breadth of disaster housing issues encountered.

Automated filters performed initial eligibility determinations such as applications in ineligible counties, applications previously receiving complete housing solutions, and applications not found on at least one of the Eligibility Lists identified in the program Action Plan. Program analysts further identified eligible rental applications and referred their cases to Gulf Coast Renaissance Corporation for assistance. Furthermore, analysts closed all applications identified by the applicant as no longer needing housing assistance. All remaining applications represent the Potentially Eligible Application Population and total 10,002 applications. The Pilot was randomly generated from the Potentially Eligible Application Population.

# Pilot Methodology

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MDA engineered the Pilot to better understand applicant housing issues, identify challenging issues, calculate an approximate eligibility rate, and estimate program funding requirements and duration.

MDA required that the sample, with 95% certainty, estimate the project costs and outcomes within 10% of actual population costs and outcomes. Since the Central Limit Theorem ensures that the Potentially Eligible Population is normally distributed, the sample size formula yields a minimum sample size of 96 repair applications to provide the required accuracy:

$$n = z_{\alpha}^2 \left( \frac{pq}{\delta^2} \right)$$

Whereas:

n=sample size

z=the ordinate on the normal curve corresponding to  $\alpha$  (2.5%=2)

p=probability of a successful (eligible) outcome (60%)<sup>3</sup>

q=probability of a negative (ineligible) outcome (40%)

$\alpha$ =probability value range (2.5%)

$\delta$ =specified precision of the estimate (10%)

The geographic range of applications and the complexities involved in disaster recovery housing justified increasing the sample size to 200 to ensure the observation of as many housing scenarios as reasonably possible within the given timeframe.

The Pilot eligibility rate of 50% differed from the estimated success rate of 60%. Adjusting the eligibility rate to reflect actual outcomes and the larger sample size yields an actual sample accuracy rate of 95% with a 7.07% confidence interval, rather than a 10% confidence interval as initially required. The larger sample size compensated for the difference between the estimated and actual eligibility rate which ultimately provided MDA greater projection precision.

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<sup>3</sup> MDA estimated the probability of success and failure based on experiences implementing disaster recovery housing programs of similar size and scope in the past five years.

# Demographics

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The charts below demonstrate the Pilot’s demographic comparability to the total potentially eligible population’s demographics, including geographic dispersal, age and ability, and race.

## GEOGRAPHY

PILOT			POTENTIALLY ELIGIBLE POPULATION		
Disaster County	Applications	% of Pilot	Disaster County	Applications	% of Total
Harrison	55	27.5%	Harrison	3147	31.5%
Jackson	52	26.0%	Jackson	2452	24.6%
Hancock	27	13.5%	Hancock	1132	11.3%
Forrest	20	10.0%	Forrest	916	9.2%
Pearl River	15	7.5%	Jones	747	7.5%
Jones	9	4.5%	Pearl River	631	6.3%
George	7	3.5%	Stone	307	3.1%
Stone	7	3.5%	George	259	2.6%
Lamar	3	1.5%	Lamar	233	2.3%
Perry	2	1.0%	None Selected	78	0.5%
Covington	1	0.5%	Jasper	31	0.3%
Jefferson Davis	1	0.5%	Perry	17	0.2%
Simpson	1	0.5%	Smith	14	0.1%
	200		Wayne	12	0.1%
			Covington	8	0.1%
			Greene	6	0.1%
			Simpson	5	0.1%
			Jefferson Davis	2	0.0%
			Walthall	2	0.0%
			Hinds	1	0.0%
			Marion	1	0.0%
			Pike	1	0.0%
				10002	

Although the total population exhibits greater geographic range, the sample and the total population demonstrate similar application concentrations. In the Pilot, 77% of applications were located in Harrison, Hancock, Jackson, and Forrest counties, and similarly in the total population, 76.7% of applications were located in the same counties.

## AGE AND ABILITY

PILOT			POTENTIALLY ELIGIBLE POPULATION		
Age and Ability	Applications	% of Pilot	Age and Ability	Applications	% of Total
Elderly	74	37.0%	Elderly	3246	32.5%
Disabled	72	36.0%	Disabled	3899	39.1%
Elderly & Disabled	42	21.0%	Elderly & Disabled	1996	20.0%
Elderly or Disabled	104	52.0%	Elderly or Disabled	5149	51.6%

To facilitate reporting and simplify comparisons, age and ability data refer to the applicant disclosed information regarding the application’s Head of Household applicant. For example, if the Head of Household discloses that they are disabled, then the application is counted as a disabled application. Whereas, if the Head of Household does not disclose any disability, then the application is not counted as disabled even if the Head of Household’s spouse discloses a disability.

As demonstrated by the similarities between the Pilot and the total population, the Head of Household assumptions impact data minimally and still support a representative sample.

## RACE

PILOT		
Race	Applications	% of Pilot
Black/African American	111	55.5%
White	76	38.0%
Not Identified	9	4.5%
Black/African American and White	2	1.0%
Asian	2	1.0%

  

POTENTIALLY ELIGIBLE POPULATION		
Race	Applications	% of Total
Black/African American	5902	59.2%
White	3558	35.7%
Not Identified	345	3.5%
Asian	74	0.7%
Black/African American and White	34	0.3%
Hispanic/Latino	31	0.3%
Other Multi-Racial	12	0.1%
American Indian/Alaskan Native	9	0.1%
American Indian/Alaskan Native and White	5	0.1%
Asian and White	4	0.0%
American Indian/Alaskan Native and Black/African American	2	0.0%

As with the Age and Ability data above, the data refer to the race disclosed by the application’s Head of Household applicant. The data indicates that the Pilot captures a racially diverse applicant population similar to the program’s total population.

# Production Summary

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The table below summarizes the Pilot’s eligibility conclusions and statuses.

PRODUCTION SUMMARY			
	Applications	% of Pilot	Projected Population Impact
<b>Total Applications</b>	<b>200</b>	<b>100.00%</b>	<b>10,002.00</b>
<b>Total Withdrawn</b>	<b>19</b>	<b>9.50%</b>	<b>950.19</b>
<b>Total Closed</b>	<b>81</b>	<b>46.00%</b>	<b>4,050.81</b>
<b>Already Assisted/Other Housing Programs</b>	<b>13</b>	<b>6.50%</b>	<b>650.13</b>
SRAP	1	0.50%	50.01
Cottage	4	2.00%	200.04
EGP	4	2.00%	200.04
Other Housing Programs	4	2.00%	200.04
<b>Cannot Assist</b>	<b>68</b>	<b>39.50%</b>	<b>3,400.68</b>
Cannot Contact	9	4.50%	450.09
Ineligible County	2	1.00%	100.02
Ineligible Rental	3	1.50%	150.03
Not on Eligibility List	15	7.50%	750.15
Above AMI	22	11.00%	1,100.22
No Occupancy at Katrina	3	1.50%	150.03
Not Homeowner	4	2.00%	200.04
No Katrina Related Damage	5	2.50%	250.05
Not Primary Residence	1	0.50%	50.01
Ineligible Repairs	1	0.50%	50.01
Other Reason	3	1.50%	150.03
<b>Eligible Applications</b>	<b>100</b>	<b>50.00%</b>	<b>5,001.00</b>

The production summary demonstrates that 50% of the Pilot will attend a Personal Consultation, satisfy the program’s primary residence requirements, and meet the program’s AMI requirements. Although, Duplication of Benefits (DoB) is a programmatic requirement, MDA cannot disqualify applicants on the basis of previously received housing repair benefits. If the previously received benefits exceed the applicant’s cost of repair, then assistance cannot be provided under the current rules. MDA collects benefit and applicant expenditure information for all eligible applicants and uses the information to calculate the applicant’s eligible award. Refer to “Duplication of Benefits” for additional information regarding the topic.

According to the data above, 50% of Pilot applicants will not qualify according to the NHP eligibility criteria or will withdraw from the program.<sup>4</sup> After applying the Pilot’s eligibility rate to the total population, the pilot predicts that the NHP will produce 5,001 initially eligible applications.

The following discussion outlines the disqualification reasons and provides additional details to describe applicant circumstances.

## Closed and Withdrawn Applications

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The Pilot’s production results indicate that 50%, 5,001 applications, of the Potentially Eligible Population will withdraw or will not qualify for the Neighborhood Home Program or withdraw. The Pilot identified the following reasons for disqualification.

### TOTAL WITHDRAWN

Withdrawn and Attempted Withdrawal applications include applicants that have indicated they no longer wish to participate in the Neighborhood Home Program.

WITHDRAWN AND ATTEMPTED WITHDRAWAL APPLICATIONS

Application ID	Disaster City	Disaster County	Status
10NH01396	Ellisville	Jones	Attempted Withdrawal Missing Doc
10NH03332	Biloxi	Harrison	Attempted Withdrawal Missing Doc
10NH06705	Lucedale	George	Attempted Withdrawal Missing Doc
10NH04553	Picayune	Pearl River	Attempted Withdrawal Missing Doc
10NH07190	Moss Point	Jackson	Attempted Withdrawal Missing Doc
10NH07688	Ellisville	Jones	Attempted Withdrawal Missing Doc
10NH11812	Ocean Springs	Jackson	Attempted Withdrawal Missing Doc
10NH13267	Poplarville	Pearl River	Attempted Withdrawal Missing Doc
10NH13611	Kiln	Hancock	Attempted Withdrawal Missing Doc
10NH15875	Moss Point	Jackson	Attempted Withdrawal Missing Doc
10NH16465	Gulfport	Harrison	Attempted Withdrawal Missing Doc
10NH00964	Biloxi	Harrison	Withdrawn
10NH03782	Ellisville	Jones	Withdrawn
10NH04638	Picayune	Pearl River	Withdrawn
10NH05637	Moss Point	Jackson	Withdrawn

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<sup>4</sup> The Pilot fallout rate is 25% higher than the predicted fallout rate used to construct the sample size, and as a result, the Pilot accuracy conclusions are amended to reflect the difference. See “Pilot Methodology” for the adjusted probability outcomes and Pilot precision.

10NH11500	Picayune	Pearl River	Withdrawn
10NH14055	Wiggins	Perry	Withdrawn
10NH14370	Gulfport	Harrison	Withdrawn
10NH16201	Biloxi	Harrison	Withdrawn

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Withdrawn or Attempted Withdrawal applications represent 9.5% of the Pilot population.

## ALREADY ASSISTED

The Already Assisted population includes applications disqualified for NHP because of previous participation in grant programs designed to fully restore the applicant’s housing needs. Programs include Small Rental Assistance Program, Mississippi Alternative Housing Program (labeled ‘Cottages’), Elevation Grant Program, Long Term Workforce Housing Program, and other non-profit housing programs such as 100 Homes in 100 Days.

Although MDA utilized automated filtering and analyst reviews to identify applications which participated in other home repair assistance programs, incomplete and inaccurate application data required a Personal Consultation and correction before identifying the applications as Already Assisted. Furthermore, some home repair programs, such as Long Term Workforce Housing and Mississippi Alternative Housing Program continue to process applications; therefore, their served population continues to change.

### ALREADY ASSISTED APPLICATIONS

Application ID	Disaster City	Disaster County	Status	Status Detail
10NH03120	Pass Christian	Harrison	Analyst Closed	Already Assisted - Cottage
10NH06876	Pass Christian	Harrison	Analyst Closed	Already Assisted - Cottage
10NH08365	Biloxi	Harrison	Analyst Closed	Already Assisted - Cottage
10NH17443	Gulfport	Harrison	Analyst Closed	Already Assisted - Cottage
10NH05183	Bay St. Louis	Hancock	Analyst Closed	Already Assisted - EGP
10NH06345	Gautier	Jackson	Analyst Closed	Already Assisted - EGP
10NH10075	Pearlington	Hancock	Analyst Closed	Already Assisted - EGP
10NH16760	Bay St. Louis	Hancock	Analyst Closed	Already Assisted - EGP
10NH18384	Biloxi	Harrison	Analyst Closed	Already Assisted - Hope CDA
10NH08018	Pascagoula	Jackson	Analyst Closed	Already Assisted - Other
10NH11631	Bay St Louis	Hancock	Analyst Closed	Already Assisted - Other
10NH12975	Gulfport	Harrison	Analyst Closed	Already Assisted - Other
10NH18348	Pass Christian	Harrison	Analyst Closed	Already Assisted - SRAP

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Note that all of the Already Assisted applications occur in Hancock, Harrison, and Jackson counties where Katrina related housing assistance programs were most prevalent. The Mississippi Alternative Housing Program (MAHP) and Elevation Grant Program (EGP) account for 62% of applicants Already Assisted.

## CANNOT CONTACT

The Cannot Contact applications include those for which the analyst made extensive efforts to contact the applicant according to the contact information provided, but contact was not made or did not result in a completed Personal Consultation. After numerous phone attempts, the analysts referred the applications to the originating Case Management Agency which attempted to contact the applicants by phone, certified mail, and home visit. After all attempts were unsuccessful, the application was closed as Cannot Contact.

CANNOT CONTACT APPLICATIONS				
Application ID	Disaster City	Disaster County	Status	Status Detail
10NH00465	Kiln	Hancock	Analyst Closed	Cannot Contact
10NH04506	Moss Point	Jackson	Analyst Closed	Cannot Contact
10NH06251	Pascagoula	Jackson	Analyst Closed	Cannot Contact
10NH10016	Gautier	Jackson	Analyst Closed	Cannot Contact
10NH11241	Gautier	Jackson	Analyst Closed	Cannot Contact
10NH12062	Pascagoula	Jackson	Analyst Closed	Cannot Contact
10NH14686	Biloxi	Harrison	Analyst Closed	Cannot Contact
10NH15562	Pascagoula	Jackson	Analyst Closed	Cannot Contact
10NH15795	Hattiesburg	Forrest	Analyst Closed	Cannot Contact

Cannot Contact applications represent 4.5% of the Pilot and over 66% of those applicants reside in Jackson County. The data provide no clear reason why Jackson County applicants dominate the Cannot Contact applications.

## INELIGIBLE COUNTY

The Ineligible County applications are new cases that reside in ineligible counties. The applications were included in the sample because inaccurate address information indicated that the applicant was potentially eligible. After further analyst review, MDA determined that the applicant did not reside in a program eligible county.

#### INELIGIBLE COUNTY APPLICATIONS

Application ID	Disaster City	Disaster County	Status	Status Detail
10NH17964	SEMINARY	Covington	Analyst Closed	Cannot Assist - Ineligible County
10NH18392	Prentiss	Jefferson Davis	Analyst Closed	Cannot Assist - Ineligible County

Ineligible county applications represent 1% of the Pilot.

## INELIGIBLE RENTAL

The Ineligible rental applications are new cases that requested rental assistance. The Pilot included the applications because the original application did not accurately describe the applicant’s housing need. Since program eligibility precludes MDA from providing new cases with rental assistance, these applications were closed as Ineligible Rental applications.

#### INELIGIBLE RENTAL APPLICATIONS

Application ID	Disaster City	Disaster County	Status	Status Detail
10NH04484	Gulfport	Harrison	Analyst Closed	Cannot Assist - Ineligible Rental
10NH04539	Gulfport	Harrison	Analyst Closed	Cannot Assist - Ineligible Rental
10NH06761	Gulfport	Harrison	Analyst Closed	Cannot Assist - Ineligible Rental

Ineligible Rental Applications account for 1.5% of the Pilot.

## NOT ON ELIGIBILITY LIST

The Not on Eligibility List applications are new cases not found on any of the eligibility lists as outlined in the NHP Action Plan. These applications were included in the sample because automated filtering found an initial match to the eligibility list, but after further analyst review, neither the applicant nor the property was listed as eligible.

#### NOT ON ELIGIBILITY LIST APPLICATIONS

Application ID	Disaster City	Disaster County	Status	Status Detail
10NH00616	Gulfport	Harrison	Analyst Closed	Cannot Assist - Not on Eligibility List
10NH01114	McHenry	Stone	Analyst Closed	Cannot Assist - Not on Eligibility List
10NH01796	Hattiesburg	Forrest	Analyst Closed	Cannot Assist - Not on Eligibility List
10NH02650	Picayune	Pearl River	Analyst Closed	Cannot Assist - Not on Eligibility List
10NH03290	Laurel	Jones	Analyst Closed	Cannot Assist - Not on Eligibility List
10NH03755	Picayune	Pearl River	Analyst Closed	Cannot Assist - Not on Eligibility List
10NH05097	Hattiesburg	Forrest	Analyst Closed	Cannot Assist - Not on Eligibility List
10NH09506	Hattiesburg	Forrest	Analyst Closed	Cannot Assist - Not on Eligibility List
10NH10013	Kiln	Hancock	Analyst Closed	Cannot Assist - Not on Eligibility List

10NH11543	Lucedale	George	Analyst Closed	Cannot Assist - Not on Eligibility List
10NH13341	Vancleave	Jackson	Analyst Closed	Cannot Assist - Not on Eligibility List
10NH16490	Gulfport	Harrison	Analyst Closed	Cannot Assist - Not on Eligibility List
10NH16734	Saucier	Harrison	Analyst Closed	Cannot Assist - Not on Eligibility List
10NH17945	Hattiesburg	Forrest	Analyst Closed	Cannot Assist - Not on Eligibility List
10NH18049	Lucedale	George	Analyst Closed	Cannot Assist - Not on Eligibility List

The 15 applications above represent 7.5% of the pilot. The data indicate no direct correlation between geography and exclusion from an Eligibility List as conventional wisdom may suggest. In fact, most of the applications excluded from the eligibility list are located in counties with the highest exposure to Katrina related housing assistance programs.

## ABOVE AMI

Above AMI applications fail to meet the area median income program requirements and the hardship exceptions where applicable. Sixteen applicants were considered for a hardship exception; 12 failed to provide the required documentation and 4 qualified according to rules set forth in the Action Plan.

### ABOVE AMI APPLICATIONS

Application ID	Disaster County	Existing Case	Status	Status Detail	Gross Income	AMI Percent
10NH10171	Jackson		Analyst Closed	Above AMI	\$ 113,504.56	254%
10NH02649	Harrison		Analyst Closed	Above AMI	\$ 93,468.96	198%
10NH10449	Jackson		Analyst Closed	Above AMI	\$ 76,569.48	196%
10NH16738	Hancock	Yes	Analyst Closed	Above AMI	\$ 67,660.80	184%
10NH17797	Forrest		Analyst Closed	Above AMI	\$ 61,507.46	158%
10NH17451	Harrison		Analyst Closed	Above AMI	\$ 56,167.48	153%
10NH10871	Harrison		Analyst Closed	Above AMI	\$ 67,110.26	142%
10NH07841	Jackson		Analyst Closed	Above AMI	\$ 61,672.24	138%
10NH06730	George		Analyst Closed	Above AMI	\$ 56,264.04	126%
10NH07939	Jackson		Analyst Closed	Above AMI	\$ 56,444.18	126%
10NH05504	Jackson		Analyst Closed	Above AMI	\$ 46,314.84	118%
10NH04110	Jackson		Analyst Closed	Above AMI	\$ 45,896.00	117%
10NH06005	Forrest		Analyst Closed	Above AMI	\$ 48,630.71	100%
10NH00224	Forrest		Analyst Closed	Above AMI	\$ 33,885.28	99%
10NH15955	Forrest		Analyst Closed	Above AMI	\$ 33,711.34	99%
10NH04249	Forrest		Analyst Closed	Above AMI	\$ 33,439.44	98%
10NH14117	Jones		Analyst Closed	Above AMI	\$ 52,002.92	98%
10NH18060	Forrest		Analyst Closed	Above AMI	\$ 32,248.44	95%

10NH10596	Jackson	Analyst Closed	Above AMI	\$	40,611.44	91%
10NH16548	Harrison	Analyst Closed	Above AMI	\$	45,880.82	87%
10NH06057	Jackson	Analyst Closed	Above AMI	\$	33,120.00	85%
10NH01878	Harrison	Analyst Closed	Above AMI	\$	34,688.70	83%

Above AMI applications represent 11% of the Pilot population. Above AMI is the most frequent disqualification reason in the Pilot.

## NO OCCUPANCY AT KATRINA

No Occupancy at Katrina applications include applicants that did not occupy their repair address at the time of Katrina. These applicants are requesting repairs for an address other than their disaster address. The applications below include incidences where the applicant sold their disaster address and purchased a Katrina damaged property.

NO OCCUPANCY AT KATRINA APPLICATIONS				
Application ID	Disaster City	Disaster County	Status	Status Detail
10NH02330	Wiggins	Stone	Analyst Closed	No Occupancy at Katrina
10NH10892	Ocean Springs	Jackson	Analyst Closed	No Occupancy at Katrina
10NH17505	Lucedale	George	Analyst Closed	No Occupancy at Katrina

No Occupancy at Katrina applications represent 1.5% of the Pilot population.

## NOT A HOMEOWNER

Not a Homeowner applications include applicants that presently do not own the property needing repair.

NOT A HOMEOWNER APPLICATIONS				
Application ID	Disaster City	Disaster County	Status	Status Detail
10NH00804	Pass Christian	Harrison	Analyst Closed	Not a Homeowner
10NH01065	Pascagoula	Jackson	Analyst Closed	Not a Homeowner
10NH03525	Hattiesburg	Lamar	Analyst Closed	Not a Homeowner
10NH11557	Bay St. Louis	Hancock	Analyst Closed	Not a Homeowner

Not a Homeowner applications compose 2% of the Pilot population.

## NO KATRINA RELATED DAMAGE

No Katrina Related Damage applications are those which met the eligibility criteria of the program but after a site inspection, the estimating engineer determined that the property exhibited no damage related to Katrina.

NO KATRINA RELATED DAMAGE				
Application ID	Disaster City	Disaster County	Status	Status Detail
10NH02575	Moss Point	Jackson	Analyst Closed	No Katrina Related Damage
10NH04807	Gautier	Jackson	Analyst Closed	No Katrina Related Damage
10NH06486	Gulfport	Harrison	Analyst Closed	No Katrina Related Damage
10NH10788	Gautier	Jackson	Analyst Closed	No Katrina Related Damage
10NH14447	Gulfport	Harrison	Analyst Closed	No Katrina Related Damage

No Katrina Related Damage applications compose 2.5% of the Pilot population.

## NOT PRIMARY RESIDENCE

Not Primary Residence applications are those which request repairs for an applicant's rental/vacation home.

NOT PRIMARY RESIDENCE APPLICATIONS				
Application ID	Disaster City	Disaster County	Status	Status Detail
10NH11336	Pascagoula	Jackson	Analyst Closed	Not Primary Residence

Not Primary Residence applications make up 0.5% of the Pilot population.

## INELIGIBLE REPAIRS

Ineligible repair applications are those which request repairs outside the scope of the program such as MEMA cottage additions.

INELIGIBLE REPAIRS APPLICATIONS				
Application ID	Disaster City	Disaster County	Status	Status Detail
10NH10177	Bay St. Louis	Hancock	Analyst Closed	Ineligible Repairs

Ineligible repairs account for 0.5% of the Pilot population.

## OTHER REASONS

Other Reason applications include unique scenarios that resulted in a closed application. Reasons include suspected fraud (10NH00575), house fire post-application (10NH00695), and a deceased applicant with no heirs (10NH01795).

OTHER REASON APPLICATIONS

Application ID	Disaster City	Disaster County	Status	Status Detail
10NH00575	WIGGINS	Stone	Analyst Closed	Suspected Fraud Hold
10NH00695	Bay St. Louis	Hancock	Analyst Closed	Cannot Assist - Other Reason
10NH01795	Hattiesburg	Forrest	Analyst Closed	Cannot Assist - Other Reason

Other Reason applications represent 1.5% of the Pilot population.

## Eligible Applications

The Pilot identified 100 applications eligible for assistance. Of the 100, 2 applications were referred to Renaissance for rental assistance and 98 were identified for repair.

ELIGIBLE APPLICATIONS

	Applications	% of Pilot	Projected Population Impact
<b>Eligible Applications</b>	100	50.0%	5,001.00
Rental Assistance (Existing Cases Only)	2	1.0%	100.02
Repair Assistance	98	49.0%	4,900.98

### ELIGIBLE APPLICATION AMI

The Pilot’s eligible applications exhibit the following AMI characteristics.

ELIGIBLE APPLICATIONS AMI

AMI Range	Applications	% of Eligible Apps
0% < 30%	30	30%
30% < 50%	26	26%
50% < 80%	34	34%
80% < 120%	10	10%
Average		48%

The average application AMI is 48% representing an average adjusted gross income of \$19,888.47. The Pilot suggests that on average the Neighborhood Home Program targets low income applicants as defined by the Department of Housing and Urban Development.

### DUPLICATION OF BENEFITS

The Stafford Act requires that no beneficiary can recover from the same loss twice. The Department of Housing and Urban Development requires that all disaster recovery program applicants undergo a duplication of benefits assessment to ensure compliance with the Stafford Act and that no applicant receives duplicated benefits. In NHP, a duplicated benefit occurs when the housing benefits received exceed the dollars expended on eligible housing recovery expenses. According to MDA’s present

Duplication of Benefits policy, eligible recovery expenses are limited to home repair expenses, except for HAP benefits which may also include expenditures on unreimbursed medical or dental expenses, burial or funeral costs, or forced mortgage payoff expenses.

The Duplication of Benefits calculation assesses the applicant’s previously received benefits relative to their present housing need. Through interagency data sharing agreements and applicant disclosures, MDA obtains all housing assistance funds previously granted to the applicant. MDA compares the amount received to the amount the applicant spent repairing their home. An applicant with no duplication of benefits expended all previously received housing funds repairing their home. An applicant qualified for partial repairs spent some of their previously received benefits repairing their home and the residual cost of repair to be funded by NHP exceeds the applicant’s undocumented benefits received. The difference between the benefits received and the documented amount expended on home repair is the applicant’s Duplication Gap. For example,

Benefits Received:	\$55,000
Benefits used to repair home:	\$40,000
Duplication of Benefits Gap:	\$15,000
NHP Cost of Repair:	\$30,000
Eligible Partial Repair Award:	\$15,000

Under current rules, some applicants will not be able to receive NHP assistance due to their duplication of benefits. These applicants have Duplication Gaps larger than their NHP Cost of Repair.

Applicants received various types of benefits. The charts below describe the sources and amounts of the benefits received.

Benefit	Applications Receiving Benefit	Average Benefit	% of Eligible Apps
HAP	34	\$ 57,877.04	34%
EGP	0	\$ -	0%
SBA	11	\$ 41,384.25	11%
FEMA Repair	55	\$ 3,468.69	55%
FEMA Replacement	6	\$ 9,000.86	6%
Private Insurance	47	\$ 15,085.52	47%
Flood Insurance	6	\$ 71,467.83	6%
Average Total Benefit		\$ 40,037.81	

The Pilot indicates that FEMA Repair was the smallest benefit and the benefit most often received by eligible applicants. According to the Pilot, 89% of eligible applicants received some home repair benefit as a result of Hurricane Katrina. Furthermore, the Pilot indicates that 85% of eligible applications received at least one of the following benefits: FEMA Repair (55%), Private Insurance (47%), or HAP (34%).

TOTAL BENEFIT RANGES AND AVERAGES

Range of Benefits Received	Applications	Range Average	% of Eligible Apps	Projected Population Impact
\$0	11	\$ -	11%	550.11
\$0 < \$10,000	34	\$ 3,466.76	34%	1700.34
\$10,000 < \$20,000	11	\$ 12,894.92	11%	550.11
\$20,000 < \$30,000	7	\$ 23,809.71	7%	350.07
\$30,000 < \$40,000	4	\$ 37,003.40	4%	200.04
\$40,000 < \$50,000	6	\$ 45,242.59	6%	300.06
\$50,000 < \$60,000	2	\$ 53,939.61	2%	100.02
\$60,000 < \$70,000	6	\$ 65,583.64	6%	300.06
\$70,000 < \$80,000	0	\$ -	0%	0
\$80,000 < \$90,000	2	\$ 85,428.84	2%	100.02
\$90,000 < \$100,000	6	\$ 96,022.04	6%	300.06
\$100,000 < \$110,000	3	\$ 105,819.37	3%	150.03
\$110,000 < \$120,000	1	\$ 110,500.00	1%	50.01
\$120,000 < \$130,000	0	\$ -	0%	0
\$130,000 < \$140,000	1	\$ 130,465.15	1%	50.01
> \$140,000	6	\$ 225,189.22	6%	300.06

The Pilot data show that 56% of eligible applications received less than \$20,000 in Katrina related benefits.

The Pilot’s eligible applications fall into three different Duplication of Benefit categories: no duplication of benefits (full repair), duplicated benefits qualified for partial repairs, and duplicated benefits not qualified for repairs. Simplified, this means MDA can initiate construction for 75 applications, or 37.5%, of the Pilot. The chart below describes these populations and the average Duplication Gap.

ELIGIBLE REPAIR APPLICATION DUPLICATION OF BENEFITS <sup>5</sup>			
	Applications	Duplication Gap	% of Pilot
Total Eligible Repair Applications	98	-	49.00%
Unable to Contact for Site Estimate	5	\$0	2.50%
No Duplication of Benefits – Full Repair	59	\$0	29.50%
Duplicated Benefits	34	\$28,257.13	17.00%
Qualified for Partial Assistance	16	\$9,026.02	8.00%
DoB > Cost of Repair	18	\$44,360.80	9.00%

## NO DUPLICATION OF BENEFITS – FULL REPAIR

The Pilot consisted of 59 applications that had no duplication of benefits and qualified for full repair. The average benefit received by the 59 full repair applications was \$25,669. These applicants provided receipts to document their home repair expenses or MDA performed a site estimate to verify the

<sup>5</sup>Rental applicants are excluded from Duplication of Benefits requirements because private funds satisfy the housing needs; therefore the figure excludes 2

amount expended on repairs. The verified repair expenses fully accounted for the benefits received; therefore, the applicant had no duplication of benefits and qualified for full repair.

## PARTIAL ASSISTANCE

Of the 34 applicants with duplication, 16 provided adequate documentation to allow partial repairs. These 16 applications received benefits averaging \$44,348. The chart below details these applicants and how the applicant expended the benefits received, regardless of documentation.

APPLICATIONS QUALIFIED FOR PARTIAL ASSISTANCE

Application ID	Disaster County	Gross Income	AMI Percent	Total Benefits	Permissible Expenses	Total Duplicated Benefits	Eligible Funding Amount	Cost of Repair	Fund Use
10NH02358	Forrest	\$ 11,208.00	23%	\$ 185.84	\$ -	\$ 185.84	\$ 8,228.11	\$ 8,413.95	Funds not spent on repair; no recollection
10NH06096	Forrest	\$ 14,294.76	33%	\$ 218.94	\$ -	\$ 218.94	\$ 8,202.03	\$ 8,420.97	Applicant did not remember receiving any benefits
10NH09532	Hancock	\$ 24,804.96	59%	\$ 164,344.00	\$ 163,862.35	\$ 481.65	\$ 4,097.93	\$ 4,579.58	Applicant relocated to California, lost 2 of 3 cars, paid to replace furnishings and personal items, and temporary living expenses; no documentation or specific amounts recalled. Site estimate performed.
10NH03654	Lamar	\$ 7,928.00	23%	\$ 2,454.59	\$ 1,713.71	\$ 740.88	\$ 42,259.12	\$ 43,000.00	No recollection. Site estimate performed.
10NH17258	Pearl River	\$ 12,132.00	33%	\$ 2,814.36	\$ 1,760.30	\$ 1,054.06	\$ 10,054.32	\$ 11,108.38	No recollection. Site estimate performed.
10NH11731	Harrison	\$ 32,307.06	77%	\$ 17,513.61	\$ 16,441.36	\$ 1,072.25	\$ 110,844.29	\$ 111,916.54	Site estimate performed.
10NH05635	Forrest	\$ 24,821.44	64%	\$ 3,468.20	\$ 2,232.49	\$ 1,235.71	\$ 42,764.29	\$ 44,000.00	Son stole the money; no documentation. Site estimate performed.
10NH03602	Jackson	\$ 40,168.40	90%	\$ 41,902.25	\$ 38,577.07	\$ 3,325.18	\$ 2,001.47	\$ 5,326.65	Purchased furnishings, kitchen items, and linens lost in the storm. Site estimate performed.
10NH04651	Pearl River	\$ 7,800.00	25%	\$ 13,758.99	\$ 10,331.12	\$ 3,427.87	\$ 18,204.85	\$ 21,632.72	Site estimate performed.

10NH01128	Harrison	\$ 11,282.40	24%	\$ 5,100.31	\$ 841.12	\$ 4,259.19	\$ 10,981.58	\$ 15,240.77	\$1250 spent to replace home furnishings, no documentation; temporary living expenses, no amount or documentation. Site estimate performed.
10NH10216	Harrison	\$ 37,566.36	66%	\$ 232,223.00	\$ 227,206.27	\$ 5,016.73	\$ 7,408.70	\$ 12,425.43	\$140,300 expended to payoff mortgage; some repairs reworked multiple times; no documentation. Site estimate performed.
10NH00237	Stone	\$ 16,962.80	40%	\$ 12,689.48	\$ 5,225.21	\$ 7,464.27	\$ 7,720.84	\$ 15,185.11	Site estimate performed.
10NH08437	Hancock	\$ 8,929.92	21%	\$ 10,500.00	\$ -	\$ 10,500.00	\$ 123,036.99	\$ 133,536.99	\$2500 receipt for debris removal; no recollection of other expenses
10NH02298	Forrest	\$ 11,033.72	32%	\$ 11,052.82	\$ -	\$ 11,052.82	\$ 38,621.80	\$ 49,674.62	Used funds for a down payment on a new trailer, which was later repossessed. Site estimate performed.
10NH04542	Harrison	\$ 5,780.00	16%	\$ 94,731.00	\$ 76,737.90	\$ 17,993.10	\$ 7,085.19	\$ 25,078.29	\$1700 spent during displacement, \$8000 spent to replace furnishings, \$10000 spent on two A/C units because 1 was stolen, copper wire (also stolen); some receipts available but not organized. Site estimate performed.
10NH03866	Hancock	\$ 9,129.12	25%	\$ 96,615.00	\$ 20,254.16	\$ 76,360.84	\$ 52,483.07	\$ 128,843.91	Paid off mortgage to avoid foreclosure, rent expenses during displacement; no documentation. Site estimate performed.

Of the 16 applications qualified for partial repairs, only 25% could provide expense estimates for benefit expenditures. Common expenditures included temporary living expenses, home furnishings lost in the storm, and mortgage payoffs/payments. In addition, only 1 of the 16 applications, or 6% believed that they could provide receipts or other qualified documentation of the expenditures incurred. As a result,

MDA verified repair expenses with an onsite evaluation conducted by construction engineer. Of the applicants qualified for partial repair, 75% had duplicated benefit of less than \$10,000.

## DoB > Cost of Repair

The remaining 18 applicants had a duplication in excess of the estimated cost to repair the property. After accounting for receipts and the site estimate of repair expenses, these applicants could not verify expenditures for the remaining housing repair benefits received. The average of their previous benefits received totaled more than \$75,224.

### DUPLICATION OF BENEFITS > COST OF REPAIR

Application ID	Disaster County	Gross Income	AMI Percent	Total Benefits	Validated Permissible Expenses	Total Duplicated Benefits	Eligible Funding Amount	Cost of Repair	Fund Use
10NH03976	Pearl River	\$ 19,154.16	60%	\$ 17,164.69	\$ 12,920.66	\$ 4,244.03	\$0	\$ 1,893.32	\$10,495 in receipts; Site estimate performed.
10NH02880	Forrest	\$ 3,848.00	11%	\$ 11,218.84	\$ 5,322.89	\$ 5,895.95	\$0	\$ 2,546.99	Spent \$5,000 on a roof, purchase food, and paid bills; no documentation
10NH03196	Hancock	\$ 26,084.24	62%	\$ 15,079.31	\$ 4,768.72	\$ 10,310.59	\$0	\$ 9,919.15	Spent about \$10,000 on roof, temporary living expenses, wife lost job; no documentation. Site estimate performed.
10NH07416	Pearl River	\$ 20,999.94	66%	\$ 27,099.32	\$ 9,564.70	\$ 17,534.62	\$0	\$ 17,219.13	Site estimate performed.
10NH00550	Jackson	\$ 31,882.24	71%	\$ 48,780.11	\$ 30,427.12	\$ 18,352.99	\$0	\$ 10,130.48	Incurred funeral expenses of \$4,500; no documentation. Site estimate performed.
10NH06902	Hancock	\$ 43,106.56	117%	\$ 103,960.00	\$ 79,892.65	\$ 24,067.35	\$0	\$ 4,789.90	\$9,631 spent to pay off mortgage, car lease and temporary rent and utilities, replaced furnishings at Goodwill; no documentation. Site estimate performed.
10NH17739	Jackson	\$ 43,980.00	79%	\$ 104,118.00	\$ 76,529.97	\$ 27,588.03	\$0	\$ 11,319.63	Applicant claims all funds spent on repair; receipts for \$76,529.97
10NH04197	Harrison	\$ 33,743.16	80%	\$ 56,357.70	\$ 26,356.35	\$ 30,001.35	\$0	\$ 8,529.71	Temporary living expenses; unknown amounts and no documentation. Site estimate performed.
10NH10572	Jackson	\$ 12,189.60	27%	\$ 43,051.20	\$ 594.97	\$ 42,456.23	\$0	\$ 2,942.85	Applicant claims all funds spent on home repair; no documentation. Site estimate performed.

10NH05052	Jackson	\$ 19,093.36	49%	\$ 63,292.40	\$ 18,736.27	\$ 44,556.13	\$0	\$ 5,594.87	Applicant claims all funds spent on home repair; no documentation. Site estimate performed.
10NH08314	Jackson	\$ 22,950.00	41%	\$ 51,521.51	\$ 4,948.81	\$ 46,572.70	\$0	\$ 24,946.39	Site estimate performed.
10NH01635	Jackson	\$ 31,004.36	79%	\$ 62,023.00	\$ 11,835.46	\$ 50,187.54	\$0	\$ 5,784.42	Receipts totaled \$11,835.46, more than the site estimate, about \$10,000 in funeral expenses, replaced furnishings; no documentation.
10NH06111	Hancock	\$ 46,271.64	98%	\$ 333,900.66	\$ 283,254.94	\$ 50,645.72	\$0	\$ 4,199.37	Applicant claims all funds spent on home repair; no documentation. Site estimate performed.
10NH07679	Harrison	\$ 12,080.00	29%	\$ 94,426.24	\$ 35,217.09	\$ 59,209.15	\$0	\$ 8,979.47	Site estimate performed.
10NH16919	Jackson	\$ 53,748.04	107%	\$ 83,156.87	\$ 10,019.71	\$ 73,137.16	\$0	\$ 9,406.10	Replaced roof for \$12,000, flooring for \$800, \$7,000 in funeral expenses, \$12,600 on appliances and furnishings, \$4,600 on garage repairs and den modification, \$4500 for driveways, and \$8000 for uninstalled bathroom fixtures; no documentation. Site estimate performed.
10NH09139	Hancock	\$ 34,264.52	93%	\$ 98,801.00	\$ 24,077.25	\$ 74,723.75	\$0	\$ 47,268.59	Site estimate performed.
10NH03477	Jackson	\$ 38,930.88	77%	\$ 197,923.00	\$ 89,832.34	\$ 108,090.66	\$0	\$ 9,703.00	No recollection; purchased furnishings; no documentation. Site estimate performed.
10NH01602	Jackson	\$ 29,879.66	76%	\$ 246,711.34	\$ 95,198.21	\$ 151,513.13	\$0	\$ 15,955.89	Significant funds spent on gutting the home and cleaning the property, replaced furnishings; \$42,731 in receipts

The average estimated cost of repairs for applications with a DoB greater than cost of repair assistance is \$8,673.13. The average is lower than the eligible population’s estimated cost of repair. The lower repair average suggests that these homes are in better condition than the other eligible applications

## DUPLICATION OF BENEFITS CONCLUSIONS

The Pilot data indicate that 59% of applicants spent their benefits entirely on their home’s repair.

Out of all eligible applications, only 1% provided adequate receipts to document expenses greater than or equal to the benefits received. Although other applicants had some receipts, the Pilot found that most receipts only documented a few repairs, were not legible due to ink fading, or accounted only for materials and not sweat equity. In turn, the Pilot utilized the site estimator in 96%<sup>6</sup> of applications to approximate repair expenses incurred.

According to the claims above, applicants incurred some home repair costs that the site estimator could not observe or credit the application, such as theft and multiple repairs to roofs. Furthermore, applicants expended home repair benefits to replace furnishings, kitchen items, toiletries, and food. Few applicants knew specific amounts expended and only 1 applicant indicated that they could provide receipts for those transactions.

## TITLE ELIGIBILITY

Of the eligible population, 13% had ownership issues, tax sales, or pending foreclosures. Based on the observations made in the Pilot, 1.5% of title issues are not curable impacting about 150 applications in the total population.

## REPAIR ESTIMATE

The site estimator prepared repair estimates for 93 eligible applications. Five applicants could not be contacted for an estimate or did not attend the estimate scheduled.

REPAIR ESTIMATE RANGES					
Range of Repair Costs	Applications	Range Average	% of Pilot	Projected Population Impact	
\$0 < \$5,000	21	\$ 3,008.32	10.5%	1050.21	
\$5,000 < \$10,000	27	\$ 7,530.95	14%	1350.27	
\$10,000 < \$15,000	16	\$ 12,982.44	8%	800.16	
\$15,000 < \$20,000	7	\$ 16,489.01	4%	350.07	
\$20,000 < \$25,000	5	\$ 23,346.47	3%	250.05	
\$25,000 < \$30,000	3	\$ 25,730.60	2%	150.03	
\$30,000 < \$35,000	2	\$ 31,915.56	1%	100.02	
\$35,000 < \$40,000	1	\$ 37,636.75	1%	50.01	
\$40,000 < \$45,000	2	\$ 43,500.00	1%	100.02	
\$45,000 < \$50,000	2	\$ 48,471.61	1%	100.02	
\$50,000 < \$55,000	1	\$ 51,299.18	1%	50.01	
\$55,000 < \$60,000	0	\$ -	0%	0	
\$65,000 < \$70,000	0	\$ -	0%	0	
\$70,000 < \$75,000	0	\$ -	0%	0	
> \$75,000	6	\$ 115,262.50	3%	300.06	

According to the Pilot data, 52% of eligible repairs are less than \$10,000 and 69% are less than \$15,000.

<sup>6</sup> Site estimators were not used if receipts fully accounted for repairs performed or if the applicant did not perform any repairs to the house. 4% of applicants either had receipts or did not perform repairs.

## REPAIR ESTIMATES GREATER THAN \$75,000

The Pilot identified 6 estimates greater than \$75,000. Based on the projections, MDA expects 300 applications to require more than \$75,000 in repairs. The chart below describes the population.

REPAIR ESTIMATES > \$75,000					
Application ID	Total Benefits Received	Duplication Gap	Cost of Repair	Eligible Award	
10NH00881	\$ 48,400.00	\$ -	\$ 97,321.03	\$ 75,000.00	
10NH03866	\$ 96,615.00	\$ 76,360.84	\$ 128,843.91	\$ 52,483.07	
10NH08437	\$ 10,500.00	\$ 10,500.00	\$ 133,536.99	\$ 75,000.00	
10NH11346	\$ 2,395.00	\$ -	\$ 87,457.78	\$ 75,000.00	
10NH11731	\$ 17,513.61	\$ 1,072.25	\$ 111,916.54	\$ 75,000.00	
10NH16890	\$ -	\$ -	\$ 132,498.73	\$ 75,000.00	

Repair estimates greater than \$75,000 will be treated like partial repair applications. MDA will perform up to \$75,000 in home repairs or provide an alternative housing solution.