



**Mississippi Development Authority
Katrina Disaster Assistance Program**

Long Term Workforce Housing Action Plan

**Amendment 6
Modification # 3
Unmet Needs**

CDBG Disaster Recovery Program

October 28, 2010

**Long Term Workforce Housing Action Plan
Amendment 6 – Modification 3**

Date: October 28, 2010

Background and Scope

The Mississippi Development Authority (MDA) submits this Substantial Modification 3 to the final Long Term Workforce Housing Program (LTWH) Action Plan Amendment 6 that was approved by HUD on June 23, 2008. A copy of the LTWH Action Plan Amendment 6 and all modifications to it in English, Spanish and Vietnamese can be found at http://www.msdisasterrecovery.com/index.php?option=com_content&view=article&id=9&Itemid=65&lang=us.

MDA has determined that this change does represent a substantial modification to the LTWH Action Plan requiring public comment and formal submission to HUD. The nature, purpose, and scope of the LTWH Action Plan remain the same subsequent to the modification. However, the direct beneficiaries are expanded to include the following: (1) the 4,415 cases identified through the “Unmet Housing Needs Data Collection Project;” and (2) in the counties of Hancock, Harrison, Jackson, Pearl River, Stone, George, Lamar, Forrest and Jones, those households who are included on the following lists: (a) households existing on State of Mississippi lists of applicants turned down for prior MDA assistance solely based on wind damage issues from Hurricane Katrina; (b) households found in “Closed, No Resources” cases in the CAN database from Katrina Aid Today; (c) households in 2005 FEMA data collected cases on home repair or displaced from home immediately following the Hurricane Katrina; and (d) household information gathered by the Mississippi Case Management Consortium “Adopt a Katrina Family” program. This substantial modification will not negatively impact other potential beneficiaries presently included in the LTWH Action Plan.

This modification creates the new “Neighborhood Home Program” under LTWH which is designed to provide the eligible activities of home repair, rehabilitation, and reconstruction for those eligible households which have previously unmet Katrina related housing needs, as well as rental assistance provided to a limited number of households, as more fully outlined below under “Amendment Details.”

Since the approval of LTWH, the State of Mississippi and MDA have continued to evaluate housing needs on the Mississippi Gulf Coast as a result of Hurricane Katrina. The “Unmet Housing Needs Data Collection Project” (the “Project”) was created to identify residents within Hancock, Harrison, Jackson, Pearl River, Stone, George, Lamar, Forrest and Jones Counties who suffered damage from Hurricane Katrina and whose homes needed repairs because of the hurricane damage. A variety of public and private agencies serving residents impacted by Hurricane Katrina submitted unmet needs information to MDA. This information was compiled and cases were referred to MDA (through a LTWH subrecipient) for the creation of a list of 4,415 cases where residents have contacted a public or private agency for assistance with

housing needs arising from damage caused by Hurricane Katrina that are currently unmet. Contributing public and private agencies are listed on Exhibit "A" attached.

MDA, the Mississippi Center for Justice and HUD have reviewed this list of cases, conducted sampling to test the results, and have identified a universe of 4,415 remaining cases to be examined for the existence and treatment of unmet housing repair needs. The majority of these residents have been determined to be elderly or disabled and to have incomes less than 80% of the area median income. This existing study of unmet housing repair needs includes various coastal counties identified by the public and private agencies. A total amount of \$92,863,767 in funds will be available for this aspect of the program.

To further assure that all previously unmet housing needs are identified for evaluation and eligibility, an additional outreach effort agreed to by the State and HUD will be completed by January 15, 2011. This outreach effort will consist of a paid media campaign through radio, television and newspaper advertising promoting the "Neighborhood Home Program," describing eligibility criteria, potential benefits, service center locations, website information, and telephone numbers. In addition, there will be direct distribution of all "Neighborhood Home Program" print material (consisting of flyers giving eligibility criteria, possible benefits, deadlines, contact information and service center locations; application materials; and the guidebooks) through community based outreach organizations. Finally, a website will also be launched containing all information and material. All of the outreach material will clearly provide potential beneficiaries with the parameters of the "Neighborhood Home Program," the criteria for eligibility, potential benefits to applicants, all deadlines for submission of applications, the locations of all service centers, and the contact information for the program. The additional outreach effort will be carried out within Hancock, Harrison, Jackson, Pearl River, Stone, George, Lamar, Forrest and Jones Counties only. Again, this outreach effort will end on January 15, 2011. MDA will provide funding for this outreach effort.

Application intake for this program will be open until the fixed date of January 31, 2011, with partial application treated as adequate to meet the deadline. Any funds necessary to meet any additional needs identified by this outreach effort will be drawn from a \$40,000,000 reserve fund of CDBG money.

As set forth previously, households eligible for the Neighborhood Home Program will consist of:

1. The 4,415 cases previously identified; and
2. Households within Hancock, Harrison, Jackson, Pearl River, Stone, George, Lamar, Forrest and Jones Counties to be identified through the additional outreach effort described above and which are no more than 80% of Area Median Income (AMI), emphasizing those determined to be elderly or disabled, with an exception created to address those households above 80% AMI but below 120% AMI that meet one of the

following criteria: (1) 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, (2) households that have monthly fixed expenses which exceed 90% of net income, or (3) 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.

A total amount of \$132,863,767 from various sources is designated for the “Neighborhood Home Program.” In this regard, there will be a total commitment of \$101,571,267 in Katrina CDBG funds to the program. Presently, \$295.7 million of the \$350 million LTWH allocation is obligated to various LTWH projects. Out of these existing LTWH projects, \$30 million will be dedicated to the “Neighborhood Home Program:” \$10 million from the Pearl River Valley Opportunity housing repair and rehabilitation project and \$20 million from the Mississippi Emergency Management Agency’s “Mississippi Alternative Housing Pilot Program” (“Katrina Cottage” project). It is anticipated that these unspent project dollars will remain with the awarded entities but dedicated to the purposes of the “Neighborhood Home Program.” In addition, \$31,571,267 of presently unobligated LTWH funds will be committed to the program, resulting in a total obligation of \$61,571,267 in LTWH Katrina CDBG funds to this new initiative.

In addition to the \$61,571,267, \$40 million dollars in CDBG funds will be maintained in a reserve to cover over subscriptions, if any, in the “Neighborhood Home Program.” This reserve consists of approximately \$20 million of remaining unobligated LTWH funds and \$20 million from the Homeowners Assistance Program Phase II. Thus, there will be a total designation of \$101,571,267 in Katrina CDBG funds to the Neighborhood Home Program.

In addition to the commitment of Katrina CDBG funding for the program, an additional infusion of funds will come from two other sources; \$30 million from the Mississippi Emergency Management Agency’s non-CDBG funds in its “Mississippi Alternative Housing Pilot Program” and \$1,292,500 of private dollars from the Gulf Coast Renaissance Corporation. Thus, the “Neighborhood Home Program” will be funded as follows:

	Katrina CDBG Funds	Other Funding Sources	Total
Unmet Needs	\$61,571,267	\$31,292,500	\$92,863,767
Reserve Fund	\$40,000,000		\$40,000,000
Total By Category	\$101,571,267	\$31,292,500	\$132,863,767

Duplication of Benefits Policy

Eligible households under the “Neighborhood Home Program” may have previously received assistance from other sources which was 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 the household in determining the amount of assistance which can be granted. Based upon recent HUD guidance in making determinations of unmet housing needs, MDA will undergo a fact-specific inquiry to be applied on an individual basis to exclude any non-housing specific amounts used for other purposes in its duplication of benefits analysis. Homeowner Assistance Program funds and non-housing funds expended for legitimate Katrina-recovery needs will not be deducted for purposes of duplication of benefits calculations. Such inquiries will be clearly documented on a case by case basis by MDA, its grant assignees, and/or contractors.

Amendment Details

Pursuant to this amendment, MDA is creating the “Neighborhood Home Program” under the LTWH Action Plan, a housing repair/rehabilitation program with a rental assistance component to address previously unmet Katrina related housing needs with the following eligibility criteria:

Eligible households for consideration under the program will only include:

- Existing State lists of applicants turned down for prior MDA assistance solely based on wind damage issues;
- “Closed, No Resources” cases in the CAN database from Katrina Aid Today;
- 2005 FEMA data collected cases on home repair or displaced from home immediately following the storm;
- Information gathered by the Mississippi Case Management Consortium “Adopt a Katrina Family” Program;
- The 4,415 case previously identified and referenced above.

And eligible households must also meet the following criteria:

- Eligible households assisted would include: (a) those households identified from the 4,415 cases as set forth above will be no more than 120% of the AMI with an emphasis on those determined to be elderly or disabled or have incomes of less than 80% of AMI; and (b) those households assisted that are identified by additional outreach efforts will be no more than 80% of AMI, emphasizing those determined to be elderly or disabled, with an exception created to address those households above 80% AMI but below 120% AMI that meet one of the following criteria: (1) 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 (2) households that have monthly fixed expenses which exceed 90% of net income, or (3) 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.

Eligible activities under the program shall consist of the following:

- Home repairs, which must be directly related to Hurricane Katrina flooding or wind damage, must be made to the primary residence of the applicant, and may not be made to a rental or secondary residence.
 - The home upon which repairs will be made must have been either (a) owned at least in part by the current owner prior to Katrina and occupied by the current owner prior to and on the date of Katrina; or (b) owned prior to and on the date of Katrina by another person from whom title has been conveyed to the current owner and also occupied by the current owner prior to Katrina.
 - Only repair, rehabilitation, and reconstruction of homes will be considered. New construction and/or elevation, except for cottages, will not be considered in the program.
- Direct rental assistance to those renters displaced by Katrina who have previously opened a case file, as defined by the program, said assistance to be provided strictly from private dollars provided by the Gulf Coast Renaissance Corporation.

“Unmet needs” are defined as follows: (a) *for the purpose of housing repair/reconstruction*, housing needs of income-eligible households who require home repair, reconstruction, cottage placement, elevation of cottages, or rehabilitation directly related to damages from Hurricane Katrina; and (b) *for the purpose of rental assistance provided by private funds*, assistance to renters displaced by Katrina who have previously opened a case file.

“Primary residence” will be defined by either the Program Guidebook and/or a specific Policy. The maximum amount of repair/rehabilitation/reconstruction assistance shall not exceed \$75,000 per home, with exceptions only for clearly defined hardship cases.

MDA’s Disaster Recovery Division will implement, manage and control the housing repair program. The State reserves the right to grant funds directly to a unit of local government which has been certified by HUD as having been trained in CDBG program rules and regulations and Fair Housing and Equal Opportunity requirements, said training having been provided by HUD at its expense.

MDA will develop specific policies and procedures that meet federal and state guidelines for this program.

National Objectives

The national objectives for this amendment will remain the same as provided for under the LTWH Action Plan.

Substantial Amendments

MDA recognizes that adding or deleting an activity or changing the planned beneficiaries of an activity will constitute a substantial change requiring an amendment of the action plan.

Citizen Participation

This Amendment will be submitted for public comment in English, Spanish and Vietnamese versions to the website at www.msdisasterrecovery.com on October 28, 2010, with seven (7) day public comment period agreed to by HUD ending on November 4, 2010. Written comments regarding this proposed modification may be mailed to MDA, Post Office Box 849, Jackson, MS 39205, Attention: Disaster Recovery, or sent via facsimile to (601)359-4004. Comments may also be submitted online to **disasterrecoverycomments@mississippi.org**. Changes may be made at that time and the final amendment to the Action Plan will then be submitted to HUD for approval.

Public Comment

Exhibit A – Contributors to Unmet Housing Need Data Collection Project

Mississippi Center for Justice
International Relief and Development
Hancock County Housing Resource Center
Hope Community Development
Disability Rights Mississippi (DRMS)
L.I.F.E. Resource Center/ MANNA Ministries
Lutheran Episcopal Services in MS Ministries
Recover, Rebuild, Restore Southeast MS (R3SM)
Recovery Assistance Inc, MS
Waveland Citizens Fund
American Red Cross
Lutheran Episcopal Services in MS-KAT
Pine Belt Restoration
Recovery Assistance International, RAI
Mississippi Coast Interfaith Disaster Task Force
FEMA - VAL
MS - VOAD
MS Case Management Consortium