

Recovery Programs

Program Name: *Homeowner Recovery Program*

The Homeowner Recovery Program will provide assistance to low and moderate income homeowners who experienced major to severe damage to their homes and have remaining unmet needs, after subtracting other benefits received from FEMA, SBA, private insurance, and charitable organizations. The program will include reconstruction activities, acquisition and construction of new homes, and insurance subsidies to eligible low and moderate income homeowners.

Rehabilitation: For homeowners who wish to remain in their homes, the program will provide reconstruction grants for the rebuilding and mitigation of damaged structures.

Acquisition and/or New Construction: Where cost-benefit analysis indicates it is not feasible to rebuild, the program will provide homeowners with the option to purchase another home in a sustainable area. This may include acquiring an existing home, or acquiring vacant land and constructing a new home. It is anticipated that any such purchase will be done through an acquisition program versus the alternative of a buyout which while not foreseen to be employed would only occur as a last option and only if it was clear the site would not be conducive for building or restoring a structure. The State may also begin to purchase property through an acquisition program following HUD guidelines for acquisition in advance of the HUD grant agreement to ensure that projects are ready to go when funds become available. The State will ensure that any activity intended to be reimbursed by CDBG-DR will have environmental clearance before a choice limiting action is taken.

Reimbursement: Low and moderate income homeowners who expended private funds to make necessary repairs may be eligible for a reimbursement grant.

Insurance Subsidies: Low and moderate income homeowners whose flood insurance premiums increase substantially due to revised Advisory Base Flood Elevations may be eligible for insurance subsidies for up to two years. **Application Process**

North Carolina citizens who were directly impacted by the disaster will have an opportunity to apply to the Housing Recovery Programs through one application into the program. As the State continues to develop Standard Operating Procedures to support the Action Plan Programs further

guidance will be provided on how citizens will apply, where they will apply, and to whom they will apply. The application will allow the applicant to list their housing recovery needs. Applicants may have unmet needs in more than one eligible category of assistance listed above. For example, an applicant may be still be displaced from their residence and have already used FEMA temporary rental assistance. Their home is still uninhabitable and they require assistance with the repairs or replacement of the damaged home. The home is substantially damaged and in a 100 year floodplain and will require elevations to meet Federal floodplain requirements.

The applicant will list their needs which will be confirmed by the State's damage inspectors. After an inspection of unmet need, an analysis of prior assistance received for the same purposes will be undertaken to determine an award amount. In the example above, it may be determined that the damage estimate indicates \$60,000 needed in repairs. The home is valued at \$110,000 and therefore the damages are more than 50% of the home's value. Because the home is in a floodplain, Federal regulations require that it be elevated to at least 1 foot base flood elevation (BFE). It is estimated that it will take approximately 6 months to complete the construction. Based on this scenario, the applicant would be eligible for the \$60,000 in repairs and up to \$75,000 additionally to cover the required elevation. Because the applicant is still displaced, they will be eligible to receive the 6 months of rental assistance until they can move back into their home.

Similarly, an applicant who used their own personal funds in addition to FEMA, SBA, insurance or other sources of disaster assistance to begin clean and repair of their home may be eligible for reimbursement of their personal funds up to \$25,000. Again, this information would be entered into the application and a damage inspection would be conducted by the State. The first step would be to verify and quantify repairs completed and also to assess whether health or safety code violations were still remaining on the structure. If it is determined that the home is still in need or additional repairs, the applicant could be eligible for reimbursement of out-of-pocket expenses and additional repairs to the home.

Once an applicant enters the Housing Recovery Program, they will be assessed for all eligible assistance including supportive services. Receiving assistance for one program does not preclude an applicant from receiving additional assistance or services if they are eligible. The State will provide experienced Case Managers and Housing Counselors to assist applicants through the decision-making process during the application and implementation phase of the program(s). Applicants will be kept informed of their progress through the programs until they are back into their homes.

The program will be administered by North Carolina Emergency Management and is estimated to benefit 1,000 to 1,200 homeowners.

Allocation for Housing Activities: \$93,977,299

Maximum Award: Single-Family Homeowner Rehabilitation: up to \$75,000 per applicant for homes with damages totaling less than 75% of its pre-disaster value; additional \$50,000 available on a case-by-case basis due to extraordinary costs.

Single-Family Homeowner Reconstruction: up to \$150,000 per applicant to rebuild homes with damages totaling 75% or more of the homes pre-disaster value, when all other options have been exhausted.

Mobile Home Repair: \$15,000 per applicant for homes with damages totaling less than 51% of its pre-disaster value. The Mobile Home must have a minimum unmet need of at least \$2,000. It must be determined through the inspection that after repairs the home will meet HUD's requirements for decent, safe, and sanitary.

Mobile Home Replacement: up to \$60,000 per applicant for mobile home replacement when damages total 51% or more of the predisaster value of the home. HUD has determined that it is not cost effective to invest repair funds into a significantly damaged mobile home as the overall soundness of the structure is likely compromised. Where a mobile home is determined to have significant damage (more than 51% pre-disaster value), than the home will be replaced to provide a safer and more sustainable solution for the household.

Home Buyout: At this time, the State will address the need to buyout flood-prone properties through the FEMA Hazard Mitigation Grant Program (HMGP) and State funds. Although an eligible activity for the CDBG-DR funds, the State is not intending to use CDBG-DR for the matching portion of the grant. Acquisition of homes for the purpose of a flood mitigation buyout will base the purchase value on the appraised pre-disaster value of the home. Homes purchased for this purpose must remain open space with no further development other than the limited uses allowed by HUD in compliance with the Federal Register Notice.

Acquisition for Redevelopment: up to \$80,000. No CDBG-DR funds obligated at this time. However, the State reserves the right to allocate funds through

future amendments if determined to be an unmet need. Acquisition of homes for redevelopment will allow

impacted homeowners to sell their properties and relocate to a more resilient housing solution. Homes will be purchased at the post-disaster fair market rate based on appraisals. The purpose is to allow purchased properties to be redeveloped and made more resilient before being put back into the market for additional affordable housing.

Acquisition for New Construction: up to \$1,000,000. There is also a need to develop affordable housing outside of flood prone areas. Property will be purchased and used to develop new affordable housing units. The State may begin to purchase property in advance of the HUD grant agreement to ensure that projects are ready to go when funds become available. The State will ensure that any activity intended to be reimbursed by CDBG-DR will have environmental clearance before a choice limiting action is taken.

Temporary Rental Assistance: up to \$10,000 per applicant. Will be provided to households who are not able to re-enter their homes. Any units occupied and paid for with CDBG-DR funds would be subject to Housing Quality Standards inspection.

Eligible Applicants:

Homeowners who experienced major to severe damage to their primary residence (where FEMA determined the Full Verified Loss of at least \$8,000) and who are low to moderate income according to HUD Income Guidelines.

Priorities:

75% of funds are set aside for households residing within a town or city where at least 100 homes sustained major to severe damage, or in a Census Tract where at least 50 homes sustained major to severe damage, and under one or more of the following conditions: a) the householder is 65 years of age and older; b) a member of the household receives Social Security Disability Income or Supplemental Security Income; and/or c) the household earns less than 60% of Area Median Income.

Eligible Activities:

Rehabilitation; Acquisition; Residential Construction; Homeowner Assistance

National Objective: Low and Moderate Income

Eligible Activity:

Housing Repair Reimbursement; up to \$25,000 to reimburse homeowners for out-of-pocket expenses to clean and repair their homes following the disaster but prior to applying to the Homeowner Recovery Program. The reimbursement of out-of-pocket funds will be paid to homeowners who have had their disaster repairs verified by receipts, inspections, or other sources, and that exceed funding that may have been received from FEMA, SBA, insurance, or other charitable organizations following the disaster. These costs are only reimbursable if expended within one year of the disaster incident (i.e., October 8, 2017) or prior to application for assistance – whichever comes first.

To exercise the reimbursement option, owners must stop making repairs to their homes while an inspection and site specific environmental review are completed, owners must comply with all Program requirements, and if there are any remaining code or lifesafety issues to be addressed, the owner must commit to completion of the remaining work through the Housing Recovery Program. Reimbursable costs must be reasonable and necessary as determined by the State inspection and cost estimates. All reimbursements will be in the form of grants to the homeowner.

Eligible Applicants:

Homeowners who were directly impacted by the disaster may apply for reimbursement up to \$25,000. 75% of funds will be reimbursed to low and moderate income households and 25% will be available for households up to 120% of area medium income.

Priorities:

The funds will be distributed on a first-come-first-serve basis as this is for repairs already completed in the home and therefore do not require a particular priority.

National Objective:

Low and Moderate Income (75%); Urgent Need (25%)

Eligible Activity:

Flood Insurance Assistance; \$2,000 per household for a maximum of two years for low and moderate income homeowners that are located in the 100-year flood plain. Homeowners residing in the flood plain and who receive CDBG-DR assistance for their homes, must maintain flood insurance into perpetuity on the property. To assist low and moderate income homeowners still struggling to get their lives back on track and lessen burdens of recovery, the State will fund the first two years on flood insurance.

Priorities:

All low and moderate income households receiving CDBG-DR rehabilitation or replacement assistance and who reside in a 100-year flood plain will have equal priority.

National Objective:

Low and Moderate Income

Program Name:

Small Rental Repair Program

The Small Rental Repair Program will provide assistance to landlords whose rental units experienced major to severe damage and have not been repaired. The program is reserved for small rental structures, including single family rental units, duplexes, triplexes, and buildings with less than 10 units. The program will be administered by North Carolina Emergency Management and is estimated to develop 500 to 750 units serving Low and Moderate Income renters.

Allocation for Activity:

\$18,204,756

Maximum Award:

Up to \$30,000 per unit

Eligible Applicants:

Rental units in structures with less than 10 units that experienced major to severe damage and have remaining unmet needs. Units must be affordable to renters earning less than 80% AMI for five years.

Priorities:

60% of funds are set aside for damaged rental units located in a town or city where at least 100 homes sustained major to severe damage, or in a Census Tract where at least 50 homes sustained major to severe damage.

Eligible Activity:

Rehabilitation

National Objective: Low and Moderate Income

Program Name: *Multi-Family Rental Housing*

The Multi-Family Rental Housing Program will provide gap financing to repair majorly to severely damaged rental housing in the most impacted communities, and to create new multifamily housing affordable to low to moderate income renters in the most impacted communities.

The program will be administered by North Carolina Emergency Management and is estimated to help create 300 to 500 units.

Allocation for Activity: \$18,204,756

Maximum Award: Up to \$50,000 per unit

Eligible Applicants: Developers building rental housing reserved for households earning less than 80% of Area Median Income for a minimum of 5 years. Projects must be multi-family new construction or substantial rehabilitation, consisting of at least 10 units, and located in the most impacted counties.

Priorities: Priority will be given to projects that leverage other resources and produce new housing that is sustainable, integrated with neighborhood services and jobs, and provides deeper affordability. Projects will be selected through a competitive application process.

Eligible Activity: Construction of Housing

National Objective: Low and Moderate Income

Program Name: *Supportive Housing and Services Grant*

North Carolina Emergency Management will provide grants to state, local and non-profit agencies to provide supportive services to families and individuals in need of assistance; to repair permanent supportive housing and housing for the homeless that was damaged from Hurricane Matthew; and to increase the supply of permanent supportive housing and housing for the homeless in the most impacted areas. Assistance may include homeless services, repair or

construction of permanent supportive housing, mental health services, child services, and financial assistance to very low and extremely low income families. **Allocation for Activity:** \$7,500,000

Maximum Award: \$500,000 for non-construction supportive services; \$2,000,000 for construction-related projects. Needs-based award based on a competitive application process. For individual services, a \$5,000 cap will be applied. For household services, a \$10,000 cap will be applied.

Eligible Applicants: State, county, local and non-profit organizations who provide supportive services in storm-impacted counties

Priorities: Applicants will be selected based on a competitive application process that will consider applicant capacity and target group served. 80% of funds are set aside for services within the most impacted counties.

Eligible Activity: Public Facilities/Public Service

National Objective: Low and Moderate Income

Program Name: *Public Housing Restoration Fund*

Deeply affordable rental units managed by Public Housing Authorities (PHAs) in impacted areas experienced severe damage due to Hurricane Matthew. Based on surveys administered to PHAs in March 2017, the Lumberton PHA identified substantial remaining unmet needs, estimated at \$5 million. The Public Housing Restoration Fund will be administered by North Carolina Emergency Management and will be available to rebuild Lumberton public housing units that have not yet been repaired.

Allocation for Activity: \$5,000,000
Maximum Award: \$50,000 per unit

Eligible Applicant: Public Housing Authorities

Priorities:

The first funding round will be available to micro-businesses (<10 employees) and DBEs located within a substantially damaged, town, city, or neighborhood.

The second funding round will be available to all small businesses located within the most impacted counties.

Eligible Activities:

Special Economic Development Activity;
Microenterprise Assistance

National Objective:

Low and Moderate Income; Urgent Need

Program Name:

Community Recovery Program

Through county planning efforts and outreach, local communities have identified more than \$60 million in unmet needs to restore basic services and provide healthy, safe neighborhoods. This includes repairing health clinics, day care centers, senior centers, libraries, and supportive service facilities; blight remediation; and implementing community recovery plans. North Carolina Emergency Management will provide grant assistance to local jurisdictions and counties to repair these facilities with remaining unmet needs, after factoring in FEMA, other public assistance, and private insurance funds available for repair and recovery.

Allocation for Activity: \$15,883,239

Maximum Award: Up to \$2,000,000 per project. This maximum award will be subject to review when additional information becomes available.

Eligible Applicants:

Local and county government and non-profit organizations that clearly document a) the facility was substantially damaged in Hurricane Matthew; b) the facility is needed for the immediate functioning and support of residents living in the community; and c) the owner of the facility has exhausted all other resources for repair, including FEMA and private insurance, and has remaining unmet needs.