

## **HOME DISASTER RECOVERY PROGRAM FACT SHEET**

Overview: Home Disaster Recovery funds can assist low-income homeowners make necessary rehabilitation, repairs and replacements to homes located in a County declared by FEMA as Disaster Federation location.

- Eligible Applicants: Counties included in an Emergency or Major Disaster Declaration issued after January 1, 2020 by the Federal Emergency Management Agency (FEMA).
- Eligible Beneficiaries: Low Income homeowner with an annual gross household income not to exceed 80% of area median income for the area determined by income limits issued by HUD. Homeowner of a single-family owner-occupied housing unit impacted by an Emergency or Major Disaster Declaration.
- Eligible Activity: Repair, rehabilitation of single-family owner-occupied housing and rehabilitation, replacement of owner-occupied manufactured housing. Property must be located in a county designated by an Emergency or Major Disaster Declaration.
- Maximum Award per County: \$100,000; Maximum Award per Beneficiary : \$10,000 & \$80,000- MFG Homes
- Distribution of Funds: Statewide.
- Structured: Forgivable Grant.
- Period of Affordability Requirement: 5 years
- Period of Affordability-Enforced by Deed Restriction
- Request for Funds:Funds cannot be disbursed prior to eligibility of cost
- Limitation on Award: Funds cannot be used to assist in immediate clean up or restoration of services in the aftermath of a disaster. Duplication of benefit is prohibited. Duplication of benefits occurs when Federal disaster recovery funding is provided for the same costs paid by any other source, or for costs to repair or replace losses that have or will be paid by private insurance. Total amount of funds received from all sources cannot exceed the total cost of repairs.

## UNDERSTANDING HOME PROGRAMS

### HOME Terms and Requirements

#### Eligible Homeowners

To receive assistance, homeowners must be *low-income* or *very low-income*. This means that they have a gross annual household income of 80 percent or less of the median income for their area.

#### Eligible Properties

To be eligible under the Disaster Recovery Program program, properties must meet several conditions:

- Property Type.** Eligible property types include any property that will serve as the purchaser's principal residence, including: single-family properties (one unit), or manufactured housing units.
- Ownership interest.** The homeowner must have legal ownership of the property, as verified by MHC. Ownership must be in the form of fee simple title, a 99-year leasehold interest, or another form of ownership approved by HUD. The property may have a lien or encumbrances **but cannot** impair the good and marketable nature of the title to the ownership interest.
- Principal Residence.** The property must be the **homeowners** principal residence. This must be specified in a deed restriction or other program documents.
- Property Value.** The estimated property value, after rehabilitation, may not exceed 95 percent of the area median purchase price for the area. The value can be assessed by cost estimates by qualified person on staff, appraisal, or tax assessment. The value must be assessed before any work may be performed.
- Property Standards.** All properties assisted with HOME funds must meet applicable program rehabilitation standards, as well as local codes.

#### Eligible Costs

Home Disaster Recovery funds may be used to cover the following costs in a home project that meets HOME requirements:

- Hard costs such as cost of construction material and labor.
- Temporary relocation costs such as moving costs, temporary replacement housing, and advisory services, **if applicable**.

#### Key Program Requirements

HOME requires that projects meet the following requirements:

- The minimum per unit HOME investment by MHC must be \$1,000;
  - The value of the property after rehabilitation must not exceed 95 percent of the purchase price for the area;
  - Applicable codes and property standards must be met;
  - The program and property must comply with other applicable Federal requirements, such as environmental reviews and fair housing; and other cross-cutting requirements.
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- A limited number of basic rules apply to the program. The most significant rules are:
    - The homeowner must be low-income;
    - The property must be the homeowner's principal residence;
    - HOME funds may be used for eligible costs related to the repair, rehabilitation, or replacement of manufacturer home;
    - When work is complete, the property must meet established property standards, including MHC's rehabilitation standards and state or local codes; and
    - The after rehabilitation property value may not exceed 95 percent of the area median property value.