



Disaster Recovery Program Housing Repair, Rehabilitation, Reconstruction and Elevation

Summary of Application Guidelines

Administered by the Illinois Department of Commerce
and Economic Opportunity



Disaster Recovery Program Housing Repair, Rehabilitation, Reconstruction and Elevation Summary of Application Guidelines

Purpose

The Disaster Recovery-Housing Repair/Rehabilitation, Reconstruction Elevation ("HRRE") Program is a competitive program offered by the Illinois Department of Commerce and Economic Opportunity (DCEO) to assist homeowners who received significant damage from storms that occurred during 2011-2013. This program will provide grants to affected homeowners to repair damages caused by the storms and when necessary reconstruct homes. The three federally declared disasters are: FEMA-DR-4116 declared on July 7, 2013 and FEMA DR-4157 declared on November 26, 2013.

Applicant Responsibilities In order to more effectively operate this initiative, DCEO will begin accepting applications on **August 15, 2014** from county governments and municipalities that are located in one of the Illinois counties affected by the aforementioned federally declared disasters. The Application Guide Book can be found at the following link:

<http://www.illinois.gov/dceo/CommunityServices/DisasterRecovery/Pages/2013CDBGDR.aspx>

A maximum of six (6) percent will be allowed for administrative costs. Jurisdictions will have until **September 30, 2014** in which to submit their application applications. The applications will require jurisdictions to specify:

- the total amount of funds being sought
- the number of homes to be rehabilitated
- the number of destroyed homes (if any) to be replaced
- the amount of funds to be allocated to rehabilitation
- the amount of funds to be allocated to new construction of replacement homes
- the amount of funds to be allocated to elevation of homes

The application will also outline which areas in the community will be served by the program and prioritize those areas by need. The application will also set targets for the number of homes that will require substantial rehabilitation (i.e. more than \$50,000 in storm related repairs/reconstruction).

The jurisdictions will be responsible for the day to day management of this program and determining homeowner eligibility and verify income. In addition, the jurisdiction is responsible for conducting inspections, developing scopes of works, selecting contractors, and overseeing the construction process.

General Housing Eligibility Requirements

To be eligible for the program all of the following requirements must be met:

- Home must have been damaged by the disaster
- Home must be a single family unit structure
- Home must be affixed to a permanent foundation on land owned by the property owner being assisted
- Dwelling and site is taxed as real property by the community
- Home must have been the homeowner's primary residence



ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

- Homeowner must have been the owner of record at the time of the disaster and continue to be the owner
- Household must be considered Low and Moderate Income
- Home must still have an estimated minimum of \$15,000 worth of damage

Damage designations are based on FEMA damage assessment data. For those homeowners who did not receive FEMA funding and do not have a FEMA damage designation, HRRE will use the homeowner's insurance damage assessment.

Note: It is conceivable that depending on the number of applicants funding could run out leaving unfunded requests.

Ranking The following are the criteria for rating and ranking applications:

- Level of seriousness by county- Maximum of 40 points
- Low and Moderate Income- Maximum of 20 points
- Level of remaining damage- Maximum of 35 points
- Elderly- Maximum of 10 points
- Disabled- Maximum of 10 points

Please refer to Exhibit A for the scoring breakdown for each of the criteria listed above. As outlined above, if selected, applicants will be held accountable for delivering on their projections (e.g. total units, total low income units, etc.) and will risk jeopardizing their award if they are not able to meet the goals stated in the application for funding. DCEO will review and rank the application applications based on the principles outlined above. Jurisdictions will be encouraged to maximize the number of units that require significant rehabilitation or replacement, the number of units that will serve low income families, elderly, and disabled. Jurisdictions will be asked to submit a list of expressions of interest from homeowners with damage to support their applications. The jurisdiction must ensure that they are able to achieve its program objectives with regard to targeting low income and special needs populations and directing funds to "high need" target areas.

Types of Assistance

Housing Rehabilitation/Reconstruction/Elevation

Applicants may apply for assistance for housing repairs, reconstruction and elevation through the HRR program. The level of damage to the home will determine the type of assistance received.

- *Housing Rehabilitation*- Eligibility for rehabilitation requires that the 75% rule be met. The 75% rule states that a housing unit is suitable for **rehabilitation** if the estimated cost of improvements will be 75% or less of the pre-storm appraisal value. Estimated cost of improvements includes the damage from the disaster and code violations that are not associated with flood damage. Homes that qualify for housing rehabilitation assistance may receive up to \$50,000.
- *Housing Reconstruction* -Housing units which do not meet the 75% rule described above will be considered for **reconstruction**. Homes that qualify for reconstruction assistance may receive up to \$100,000.
- *Housing Elevation*-The house must be elevated if it is located in a 500-year flood plain and the damages are considered a "Substantial Improvement". A substantially improved building is one that will be reconstructed, rehabilitated, or otherwise be improved and the improvement cost



ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

equals or exceeds 50 percent of the market value of the structure before the start of construction. Properties with over 50% damage assessment will have to be raised to the Advisory Base Flood Elevation (meet National Flood Insurance Program (NFIP) minimum requirements, and current building code). If elevation is required, a homeowner may receive up to an additional \$40,000 to cover the costs of elevation in addition to any assistance provided under the Rehabilitation or Reconstruction categories.

Reimbursement

Homeowners, who have already completed all of the repairs, are not eligible for assistance or any reimbursement costs for repairs under the HRRE.

Duplication of Benefits

The Federal Government does not allow anyone to receive federal funding assistance for any activity that has already received benefits from other sources. This is referred to as a "duplication of benefits" or DOB. Any funds homeowners have received to repair the structure of their damaged property (*this includes insurance, FEMA, and/or SBA*), must be accounted for when determining the housing assistance award amount. If they have spent the funds to repair their home and have receipts for repairs completed, these funds will not be subtracted from the award amount. If homeowners spent funds intended for the repair of their house on anything other than home repairs, this money will be subtracted from the assistance award. The homeowner will be responsible for providing those funds and any un-spent repair funds towards the cost of repairing or rebuilding the home.

Application Submission Information

HRRE Application period opens on August 15, 2014. Deadline for application is September 30, 2014

The following address should be used for the application submission:

**Illinois Disaster Recovery Program
Attn: Frankie Atwater
Assistant Deputy Director
Office of Community Development
Illinois Department of Commerce and Economic Opportunity
500 E. Monroe Street
Springfield, IL 62704**



Exhibit A
Housing Repair, Rehabilitation, Reconstruction and Elevation Program
Application Housing-Related Damages to Scorecard
Application #: _____

Applicant: _____

The rating factors and possible points awarded for each are as follows:

Total Score: _____ Selection Criteria

Table with 3 columns: Selection Criteria, Score, and Comments. Rows include categories like a) Damage (Level of seriousness), b) LMI 0-80%, c) Damage \$28,800 or more (Severe), d) Damage \$15,000 to \$28,800 or more (Major-High), e) Elderly (62 or older), and f) Disabled, with associated point values.

*FEMA inspected real property damage and determined destroyed and/or four (4) or more feet of flooding on the first floor.

** FEMA inspected real property damage and/or one (1) to four (4) feet of flooding on the first floor.



ILLINOIS DEPARTMENT OF COMMERCE AND ECONOMIC OPPORTUNITY

Counties under FEMA 2013 Declarations (By Level of Damage, Unmet Need)

County	Level of Seriousness	Unmet Needs
Brown	0.00	\$0.00
Bureau	0.00	\$0.00
Champaign	0.10	\$1,385,378.01
Calhoun	0.00	\$0.00
Clark	0.00	\$49,231.18
Crawford	0.00	\$89.73
DeKalb	0.00	\$0.00
Douglas	0.00	\$40,419.03
Fayette	0.03	\$472,591.00
Fulton	0.01	\$71,104.51
Grundy	0.02	\$207,872.92
Henderson	0.00	\$47,479.36
Henry	0.00	\$0.00
Jasper	0.00	\$0.00
Kane	0.00	\$0.00
Kendall	0.00	\$32,644.06
Knox	0.00	\$0.00
Lake	0.02	\$221,011.26
LaSalle	0.04	\$614,107.77
Livingston	0.01	\$83,252.56
Massac	0.22	\$3,007,487.49
Marshall	0.00	\$0.00
Mason	0.02	\$208,602.44
McDonough	0.00	\$21,872.22
McHenry	0.00	\$48,114.52
Peoria	0.04	\$521,642.92
Pike	0.00	\$0.00
Pope	0.00	\$57,732.76
Putnam	0.00	\$0.00
Rock Island	0.01	\$102,097.15
Schuyler	0.00	\$0.00
Stark	0.00	\$5,000.00
Tazewell	0.39	\$5,433,507.93
Vermillion	0.01	\$149,009.06
Wabash	0.00	\$15,940.00
Washington	0.04	\$535,311.00
Wayne	0.01	\$125,572.96
Warren	0.00	\$18,512.39
Whiteside	0.00	\$0.00
Will	0.01	\$147,567.23
Winnebago	0.00	\$0.00
Woodford	0.01	\$196,639.55
	Total Unmet Need Identified to Date:	\$13,819,791.01