



Illinois “IKE” Disaster Recovery Program Housing Rehabilitation and Reconstruction Program (IKE-HRR) FAQS

Existing Damage

In reference to the requirement for \$10,000 in damages to the home, does that mean \$10,000 in damages at the time of the disaster, or remaining damage?

The program requires \$10,000 in remaining damages, still existing today, in order to meet the seriousness of need.

To further expand on this, if the housing unit has remaining damage from the storm, it has been our experience that additional rehabilitation is necessary to bring the house up to code. When the work write-up for each housing unit is completed, all components of the housing unit must meet Housing Quality Standards (HQS) and Minimum Housing Standards. In addition, for any house built prior to 1978 a lead risk assessment inspection would need to be completed and if necessary use remediation measures to reduce any hazards. Also, lead safe work practices must be implemented. This will, overall, add an additional cost to the rehabilitation.

To sum it up, components of the housing unit must have been damaged by the storm, which made it a substandard housing unit first before the Illinois “IKE” Disaster Recovery Program (IDRP) can assist the home with other items needing to be addressed. The IDRP office can provide “examples” to assist communities in understanding the scope of work involved with our targeted audience. Please feel free to contact us at 217/ 241-6650.

Forgivable Loans

These are not grants, they are forgivable loans. Can you please explain what a forgivable loan is?

A forgivable loan is also called a deferred payment loan. The homeowner is required to remain the owner for a certain number of years after receiving the federal funding. For each year the homeowner remains in the home, the loan amount decreases a certain amount. If they sell the home before the identified timeframe, they will need to pay back the remaining portion of the loan.

Over what period of time will the loans be forgiven?

The most common time period is three to five years. So, for example, if the time period is three years, the loan amount will decrease by $33\frac{1}{3}$ percent for each year the homeowner remains in the home. If the time period is five years, then the loan will decrease by 20 percent each year.

Does the homeowner make payments during that time?

No. The homeowner doesn't have to make any payments unless they sell the home.

Reimbursement

If the damage was done in 2008, and most of the repairs have been done with other money, will the homeowner qualify for a grant?

Homeowners will not be reimbursed for money paid out of their own pockets for work already completed. IDRPs cannot reimburse homeowners for repairs they did prior to this funding program, but they won't be penalized for spending their own money.

Why won't IDRPs reimburse homeowners?

Reimbursement is not an eligible activity under this program.

What if previous repairs were done using insurance coverage?

If repairs were covered by insurance, IDRPs will subtract the amount of insurance money received from the total in damages to avoid a duplication of benefits.

Contractors

How will the contractor get paid?

Contractors will be paid by the local government.

Will IDRPs handle contractor bidding, inspections, etc.?

Yes.

Do you have a list of lead abatement contractors?

It can be found online.

<http://app.idph.state.il.us/envhealth/lead/LeadProfessionalListing.asp>

There are a lot of lead abatement contractors in the metro areas but not in outlying areas.

There are not as many as in the metro areas, but there are lead abatement contractors in outlying areas.

Risk Reduction

If the home was damaged in 2008, and money was spent on repairs, can the request be for back flows or sewer improvements with this grant?

If there are additional repairs that need to be done from the 2008 flood damage then the additional funds needed for construction could be utilized in order to prevent further flooding damage to the home.

Our village has homes that have been rehabilitated through a previous grant program. If they've already received grants and done repairs, and there's no storm damage left, can homeowners use the money for mitigation like drains?

If there's no existing damage from the 2008 floods, no.

What about soil stabilization around structures? Some people have eroded foundations from 2008.

If the homeowner still has damage remaining from the flood, it may be eligible.

Floodplains

Eighty percent of our village is in a 100-year floodplain. Are the homes in the floodplain eligible for the IKE-HRR Program?

No, they are not eligible for funding under this program. They may be eligible for the "IKE" Property Buyout Program. The 20 percent of the village that is outside the floodplain is eligible.

If residents can't apply because the home is in a 100-year floodplain, is there someplace else to seek assistance?

The Village should contact the Illinois Emergency Management Agency (IEMA) with that question.

Flood Insurance

Does the home need to be insured during the life of the loan?

Yes, general homeowner insurance must be carried during the life of the loan.

Elevation

Are elevation funds available?

IKE-HRR will not fund elevation of homes located in 100-year floodplains. Elevation funds are available only for homes in the 500-year floodplain.

What if elevation is the only work that needs to be done, is it eligible?

If elevation alone is required, it is ineligible. 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 combined with more than 50 percent damage, it may be eligible, if it is not in the 100-year floodplain.

Elderly/Disabled Requirements

Do the requirements involving elderly or disabled household members apply to the head of the household, or any household member?

The requirements apply to any household member.

Do applicants include disability payments in income?

Yes.

Other Grants and Benefits

Section 2 of the application asks to list other grants. Does this mean other disaster relief grants, or any other grants?

It applies to any other grants received by the applicant from the State of Illinois within the last 3 years.

If homeowners have used previous benefits to repair the home, are they still eligible?

Yes, as long as there is still existing damage.

Businesses

Are businesses eligible for these funds?

Businesses are not eligible for these funds.

Definition of a Single Family Home

The U.S. Department of Housing defines a single family home as one to four units. Does that definition apply here?

No. Only single family owner-occupied households are eligible. Single-family (home, house, or dwelling) is defined as one building which is occupied by just one household or family, and consists of just one dwelling unit.

Project Locations

Section 3 of the application asks about project locations. If we don't know which houses will be included by the application deadline, can we list the village in general?

Yes. However, if you have a particular neighborhood or area within your community that you would like to target, please specify this in your application as well. A map, highlighting the selected area, may also be included in the application.

Number of Houses in an Application

Is there a minimum number of homes we should include in an application?

No, include whatever the community need is, even if it's just one household.

If we find 1, 2, or 3 houses, can we aggregate them by county, not municipality, and can we use a regional planning council to apply for the grant?

Either the county or the municipality can apply. A regional planning council is not eligible to apply. A regional planning council or a council of government can complete an application for a local government, but is not eligible to be the grantee. A local government must be the grantee.

Administrative Costs

Can you explain the one percent allocated for administrative costs?

Local governments receiving grants will be conducting simple administrative duties, such as: processing draw requests, quarterly financial and project reports, preparing of budgets and scheduling, and producing policies/ordinances. There will also be a drawdown of payments to contractors that will go through local government sponsors. Local governments can be paid one percent for this, but it must be documented.

According to the Ike-HRR guidelines, "...if selected, the applicant jurisdiction will be responsible for marketing the program and for ensuring that a sufficient number of eligible homeowner applications are received and forwarded to the HRR review team put in place by DCEO."

What about work done in preparing the application, can we be reimbursed for that?

Any work done previous to the awarding of the grant will not be reimbursed.

If our administrative costs are two percent, would it be an in-kind staff contribution?

Yes, 1% would be reimbursable by the grant, while any remaining contribution (cash or in-kind), by the city/village/count, would not be reimbursable.

If we think the administrative costs will be five percent, should we budget for that?

Yes, that would be a four percent match.

Is there an IDR form for recording administrative costs?

A form for administrative costs has been created. Contact IDR to request this form.

County Share

Is there a minimum allotment of funds per county for the IKE-HRR?

No, awards will be based on greatest need. There is no funding breakdown by county for the IKE-HRR.

Surveys

If we only get a portion of the surveys we anticipate before the application deadline, how do we account for this in a budget estimate?

If you send out 100 surveys and receive only 10 back by the deadline, you can explain in the application that more surveys will be coming in. In the application, it is encouraged that the applicant state what the current data indicates to community: for example, if only those 10 surveys were received by the deadline, the City would expect, based on the citizen's expressed interest, that an additional 5 applications will be added to the program after the application deadline. Describe rationale for your estimates in your application.

If you have any questions, you can contact IDR staff.

Resolutions

If we can't get a resolution passed by the application deadline, what should we do?

You should list the expected date for the passage of the resolution in the application. If you make the final list of recommended communities, you must have a resolution passed by the time announcements are made for the final invitation for application.

Public Notice Template

Do we use the IDR template for notifying the public about who reported damage to city hall in 2008? The template calls for a grant request amount. What if we haven't determined this by the April 16, 2012 deadline?

Yes, use the IDR template. If you haven't determined the grant request amount by the deadline, write "To Be Determined."

Estimates

Do we estimate the damage for each home and put it in the budget?

Yes, put an estimate in the budget.

Grant Award Timeline

Can you tell us what the timeline is for announcing grant awards?

The goal is to have grants awarded in time to start the grant process in the Spring 2012.