

**VERMILION PARISH  
HOMEOWNER COMPENSATION  
PROGRAM**

**DRAFT**

**HOUSING PROGRAM GUIDELINES**

**REVISED 2/18/11**

# **TABLE OF CONTENTS**

I.	PURPOSE OF THE PROGRAM	1
II.	PROGRAM FUNDING SOURCE	1
III.	AUTHORITY TO ADMINISTER PROGRAM	1
IV.	GENERAL APPLICANT ELIGIBILITY	2
	A. ELEVATION	2
	B. PERMITTING AND COMPLIANCE	2
	C. CONTRIBUTION OF PERSONAL FUNDS	2
V.	PROPERTY SELECTION AND ELIGIBILITY	2
	A. LOCATION	2
	B. STRUCTURE TYPE	2
	C. DAMAGE	2
VI.	HOUSEHOLD SELECTION AND ELIGIBILITY	2
	A. OWNERSHIP	2
	B. OCCUPANCY	3
	C. PROPERTY TAXES	3
	D. MORTGAGE PAYMENTS	3
	E. INSURANCE	3
	F. INCOME	4
	G. CONFLICT OF INTEREST	6
VII.	TYPES & TERMS OF ASSISTANCE	7
	A. TYPE OF ASSISTANCE	7
	B. TERMS OF ASSISTANCE	7
VIII.	PROGRAM IMPLEMENTATION	7
	A. APPLICATION INTAKE	8
	B. HOME INSPECTION	10
	C. AWARD LETTERS	11
IX.	PRIORITIZATION OF APPLICANTS	11
X.	EXECUTION OF AGREEMENT	11
XI.	GRANT DISBURSEMENT	12
XII.	GRIEVANCE PROCEDURES	12

## **I. PURPOSE OF THE PROGRAM**

The Vermilion Parish Police Jury has established a Homeowner Compensation Program to provide assistance to single family homeowners in Vermilion Parish who suffered flood damage to their primary residence as a result of Hurricane Gustav and/or Ike. The purpose of the Homeowner Compensation Program is to provide a one-time grant incentive payment to assist homeowners with unmet housing needs.

In exchange for the grant payment, a qualifying homeowner must agree to a covenant that establishes ownership and occupancy requirements as well as insurance coverage requirements on their home. Upon payment of this one-time grant incentive, homeowners have complete discretion of the use of the compensation grant, as allowable by State and Federal Law, as they work through their personal disaster recovery situations. In order to receive assistance applicants must meet the eligibility requirements outlined in this document.

Vermilion Parish has a vested interest in working with its residents to assure there is a quality housing stock in the Parish. It is understood that fully functional homes better protect the occupants and add value to the overall neighborhood, thus increasing the livability of the entire Parish.

## **II. PROGRAM FUNDING SOURCE**

The funding source for the Homeowner Compensation Program is the Community Development Block Grant (CDBG) Program, administered by the United States Department of Housing and Urban Development. The Louisiana Office of Community Development – Disaster Recovery Unit (OCD-DRU) is acting as the coordinating agency of these funds for the State’s Disaster Recovery Program.

## **III. AUTHORITY TO ADMINISTER PROGRAM**

This program shall be governed by the State of Louisiana Action Plan for the Utilization of CDBG Funds related to Hurricanes Gustav and Ike and operated in accordance with all applicable rules and regulations of:

- The US Department of Housing and Urban Development (HUD);
- The LA Office of Community Development-Disaster Recovery Unit (OCD-DRU); and
- The Vermilion Parish Police Jury.

The Vermilion Parish Police Jury will administer the Program in accordance with these Housing Program Guidelines (Guidelines). The Program shall be under the direct supervision of Mrs. Linda Duhon, Vermilion Parish Administrator, or her designee.

#### **IV. GENERAL APPLICANT ELIGIBILITY**

Eligibility will be assessed using the following applicant selection criteria:

##### **A. ELEVATION**

To qualify for the program, the applicant must have had their home elevated after the occurrence of Hurricane Gustav and/or Ike (September 1, 2008 for Gustav and September 13, 2008 for Ike) or obtained a permit from the Vermilion Parish Police Jury or the municipality they reside in by February 1, 2011.

##### **B. PERMITTING AND COMPLIANCE**

The applicant must have proper permit documentation for the elevation of their home from the Parish or the municipality they reside in. Their elevation must be in compliance with the rules and regulations of the National Flood Insurance Program. Vermilion Parish adopted the DFIRM maps on 1/19/11. All homes elevated on or after 1/19/11 must meet the DFRIM requirements. For homes elevated prior to 1/19/11 they must be in compliance with the flood zone requirements that were in place at that time.

##### **C. CONTRIBUTION OF PERSONAL FUNDS**

The applicant must have contributed personal funds to their elevation project. Documentation of loss, contract documents and paid receipts will be required.

#### **V. PROPERTY SELECTION AND ELIGIBILITY**

Eligibility will be assessed using the following property selection criteria:

##### **A. LOCATION**

To qualify for the program, the housing unit must be located within Vermilion Parish.

##### **B. STRUCTURE TYPE**

Structures eligible for the program are single-family houses and mobile homes.

##### **C. DAMAGE**

The housing unit must have been flooded as a result of Hurricane Gustav and/or Ike.

#### **VI. HOUSEHOLD SELECTION AND ELIGIBILITY**

In order to receive assistance households must meet the following eligibility criteria:

##### **A. OWNERSHIP**

The applicant must currently own the damaged home and property. The applicant must also have owned the damaged home and property at the time Hurricane Gustav and/or

Ike occurred in Vermilion Parish (September 1, 2008 for Gustav and September 13, 2008 for Ike). Applicants will be required to provide documentation proving ownership of their property (currently, as well as at the time either or both hurricanes occurred). Applicants who do not own the property but their home is on family land will be considered on a case by case basis.

#### **B. OCCUPANCY**

The applicant must currently occupy the damaged home and property if the home is livable. The applicant must also have occupied the damaged home and property as their primary residence at the time Hurricane Gustav and/or Ike occurred in Vermilion Parish (September 1, 2008 for Gustav and September 13, 2008 for Ike). Applicants will be required to provide documentation proving occupancy of their property (currently, as well as at the time either or both hurricanes occurred).

#### **C. PROPERTY TAXES**

All delinquent property taxes must be paid on the property prior to the Parish providing any financial assistance. Applicants will be required to provide proof of their paid 2008 property taxes as well as their current property taxes to show that there are no outstanding taxes or liens associated with the property.

#### **D. MORTGAGE**

A Home cannot be in foreclosure. Applicants will be required to provide proof of their mortgage as well as their last mortgage payment.

#### **E. INSURANCE**

Homes must be currently covered with flood insurance. Applicants will be required to provide proof of flood insurance as well as their last flood insurance payment.

*Note: Applicants who received Road Home compensation will be required to provide proof of insurance at the time Hurricane Gustav and/or Ike occurred (September 1, 2008 for Gustav and September 13, 2008 for Ike). Applicants who have already received grant money to repair, replace or elevate their home will be required to provide proof of continues flood insurance coverage since receiving those funds. If continues flood insurance has not been maintained since receiving their grant, the applicant will not be eligible to receive funds through this Homeowner Compensation Program.*

Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154(a)) prohibits flood disaster assistance in certain circumstances. In general, it provides that no federal disaster relief assistance made available in a flood disaster area may be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property, if that person at any time has received flood disaster assistance that was conditional on the person first having obtained flood insurance under applicable federal law and the person has subsequently failed to obtain and maintain flood insurance as required under applicable federal law on such property. (Section 582 is self-implementing without regulations.) This means that a grantee may not provide disaster assistance for the abovementioned repair, replacement, or restoration to a person that has failed to meet this requirement.

## **F. INCOME**

Applicants must provide current income information for all members of the household 18 years of age or older in order for the Parish to determine their Household Income.

Income is defined as the gross amount, before any deductions have been taken, of income that is anticipated to be received by all household members during the upcoming twelve (12) months. Income of household members under the age of 18 or a full-time student under the age of 25 is not counted. Income must be verified no earlier than six (6) months from the date the grant is made. If an applicant has non-standard income (e.g. fisherman or self-employed handyman) they will be required to provide a self-certified letter of income.

Sources of income used in determining gross annual household income are as follows:

1. All wages and salaries, overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services (before any payroll deductions). Employment income must be verified via third party. This means that the verification must come directly from the employer.
2. Net income from the operation of a business. This income is defined as the higher of either current year-to-date **net income** (proven through bank statements) or the highest **net income** shown on any one of the last three years' Federal Income Tax Returns with all schedules and attachments. **NET INCOME** is defined as gross income plus depreciation, plus amortization, plus deductions for use of a home, plus deductions.

3. All gross periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump sum payment for the delayed start of a periodic payment.

Note: Income received by an adult household member on behalf of a minor (i.e. Social Security) is considered household income.

4. Payment in lieu of earnings, such as unemployment, worker's compensation, severance pay and welfare assistance. However, lump sum payments under health and accident insurance such as worker's compensation are excluded.

5. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling to the extent that such payments are reasonably expected to continue.

6. All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is the head of the family, spouse or other person whose dependents are residing in the unit.

**The following exceptions shall apply in the determination of gross income:**

1. Income from the employment of children under the age of 18 years.

2. Payments received for the care of foster children. **Note: Foster children shall not be used in the determination of the number of persons in the household.**

3. Lump-sum additions to family assets, such as inheritance, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal and property losses. These items shall be considered as assets for the purposes of this program.

4. Amounts that are specifically for, or in reimbursement of, the cost of medical expenses.

5. Income from a live-in aide. **Note: A live-in aide shall not be used in the determination of the number of persons in the household.**

6. Amounts of education scholarships paid directly to the student or the educational institution and amounts paid by the government to veterans for use in meeting the costs of tuition, fees, books and equipment. Any amounts not used for these purposes are to be included as income.

7. Special pay for a household member serving in the Armed Forces who is exposed to hostile fire.

8. Amounts received under HUD-funded training programs or received under a public assistance program that are specifically for out-of-pocket costs made solely to allow participation in a specific program.

9. Temporary, non-recurring or sporadic income.

10. Lump sum payments of SSI and lump sum payments of Social Security benefits, the value of the allotment provided under the Food Stamp Act of 1977.

*Note: Income will not be used to determine eligibility for the program. However, it is required that the Parish gather and report on household income information to the U.S Department of Housing and Urban Development for its CDBG-funded Homeowner Compensation Program.*

#### **G. CONFLICT OF INTEREST**

Applicants can be denied participation in the program if a conflict of interest exists unless the Parish goes through HUD procedures to a potential conflict of interest. A conflict of interest exists if an applicant is an employee, officer, elected official or appointed official of Vermilion Parish Government and:

- 1) Exercises or has exercised any functions or responsibilities with respect to the funds for the program.
- 2) Participates in the decision making process related to funds for this program.
- 3) Is in a position to gain inside information with regard to program activities.

*Note: In the event that any of these situations arise the Parish may ask for an opinion/ruling from the Louisiana State Board of Ethics on the matter.*

## **VII. TYPE AND TERMS OF ASSISTANCE**

### **A. TYPE OF ASSISTANCE**

The program will provide a one-time grant payment not to exceed \$ 40,000, to eligible homeowners under the Homeowner Compensation Program. If CDBG funding is still available after each applicant has received assistance for which they are eligible up to the maximum ceiling amount, applicants may receive additional assistance above the \$40,000 as to be evaluated by the Police Jury at a later date.

### **B. TERMS OF ASSISTANCE**

Assistance is in the form of a deferred loan. A three-year forgivable deferred loan will be placed on the property for the entire CDBG homeowner assistance award amount. Repayment is not required if a homeowner abides by the agreement with the Parish requiring them to own, occupy and have flood insurance on their home for no less than three (3) years after receiving their grant incentive payment.

### **RECAPTURE**

At the time the homeowner signs their Homeowner-Parish Agreement they will also agree to a recapture clause in the agreement. The amount of the CDBG award and the three year recapture period will be included in the document as will all stipulations governing any recapture of funds. If the homeowner chooses to vacate, rent or sell their home during the recapture period, the financial assistance provided by the Parish will be due and payable in full.

In the event of a sale of the home if the net proceeds from the sale are not sufficient to recapture the entire amount of the CDBG award, then the Parish may reduce the amount of recapture on a pro-rated basis of 1/36<sup>th</sup> per month of the three-year recapture period. The pro-ration will be based on the length of time the homeowner occupies the property relative to the required recapture period.

## **VIII. PROGRAM IMPLEMENTATION**

Providence Technical Services (PTS) will serve as Housing Consultant for the Parish's Homeowner Compensation Program and will begin implementing the program by conducting a series of four public outreach meetings throughout the Parish. These meetings will serve as informational meetings and will also allow parish residents to sign up for assistance.

Attendance at these meetings will not be mandatory. However, residents will be encouraged to attend via PTS' outreach and marketing efforts. The date of the first scheduled meeting will mark the first day of the of the 90-day sign-up period. Sign-up forms will be available at local government offices and libraries throughout the parish.

During the signup period, PTS will begin contacting prospective applicants by phone to schedule personal individual interviews. During scheduling, Providence staff will inform the applicants of the documents they will be required to bring to their scheduled interviews to determine eligibility.

Within 24 hours of scheduling the interviews, staff will follow up the phone calls with letters to the prospective applicants reminding them of the time, date and location of their interviews. This letter will also list the documents they are required to bring to their interviews to complete the application.

The interviews will begin with the interviewer giving the applicant an explanation of the program. Once the interviewer gives the applicant an explanation of the program, they will answer any questions the applicant may have. When all questions are answered the interviewer will move on to the application phase of the interview.

#### **A. APPLICATION INTAKE**

In lieu of an applicant having to follow instructions in filling out a long application, PTS will have in place a program which allows staff to input the required information from the applicant into an electronic version of the application. During the interview the applicant will be required to provide the following to complete the application:

1. Identification in the form of a government-issued photo identification card
2. Social security numbers (preferably social security cards) for all household members
3. Receipt for paid property taxes (dated as of the billing cycle that includes September of 2008)
4. Proof of Insurance (current)

*Note: Road Home recipients must provide proof of homeowner's insurance and flood insurance, if applicable, at the time either or both hurricanes occurred. Applicants who have already received grant money to repair, replace or elevate their home will be required to provide proof of continues flood insurance coverage since receiving those funds. If continues flood insurance has not been maintained since receiving their grant, the applicant will not be eligible to receive funds through this Homeowner Compensation Program.*

5. Proof of Ownership

Acceptable documentation for Proof of Ownership at the time of storms and currently:

- Warranty Deed (all types)
- Fee simple title
- 99-year leasehold interest

- Life estate
- Probated will/court order/judgment

#### 6. Proof of Occupancy

Acceptable documentation for Proof of Occupancy

- 2008 tax records and current tax records
- Copy of electric, gas, water, trash, sewage, cable or landline phone bill
- Letter from electric, gas, water, trash, sewage, cable or landline phone company
- Voter registration and drivers license
- Copy of credit card bill
- Copy of bank statement
- Copy of insurance policy (declarations page)

*Note: For proof of occupancy applicants must provide three forms of documentation, one of which must be their 2008 tax record/current tax records. These documents must include the applicants name and the damaged residence address.*

#### 7. Income information (all adult members of their household)

Acceptable documentation for Proof of Income:

- Most recent Federal Income Tax Returns (Employment and/or Business)
- Three consecutive check stubs
- Social Security/SSI benefit print-outs
- Retirement benefit print-outs
- Disability print-outs
- Unemployment benefit print-outs
- AFCD
- Rental receipts
- Interest on Savings/Income Earning Accounts
- Alimony
- Child Support

## 8. Asset Information

Acceptable documentation for Asset information:

- Banks statements for checking and savings accounts
- Revocable trusts
- Equity in rental property or capital investments
- Individual Retirement Accounts (401k, etc.)
- Retirement and pension funds
- Cash value of life insurance policies available before death
- Personal property held as investment (coins, gems, etc.)
- Lump sum or one-time receipts (lottery winnings, capital gains, etc.)
- Mortgages or deeds of trust

When the applicant has provided all required information, the interviewer will input the information into the application and review it to ensure it is complete. The applicant will then review the application for accuracy and sign it.

Before ending the interview PTS staff will make copies of the applicant's documents for their files and return the original documents to the applicant. Shortly after the applicant interview is completed, PTS will initiate third party income verification and verify whether or not the applicants received Road Home assistance.

Applicants who do not bring in the required documentation for the initial interview will be given 45 days to provide the documentation for application completion. If they do not provide the information within 45 days of their initial interview their application will be deemed inactive.)

Note: If all items required for application completion are not provided by the applicant, PTS staff will provide the applicant with a checklist of items needed to complete the application.

## **B. HOME INSPECTION**

Once the application is complete and the income information provided by the applicant is being verified PTS will contact the applicant to schedule a home visit. The applicant (or their designee) will be required to accompany the PTS staff on the visit to give him/her access to their home. During the home visit pictures of the home will be taken to prove the applicant currently occupies their home.

### C. AWARD LETTERS

The award will be calculated based on the cost of the elevation project minus any other assistance (Road Home, HMGP, ICC, flood insurance, etc.) an applicant has received for the same purpose of this Homeowner Compensation Program. The award will then be determined based on the eligible out of pocket expenses a homeowner paid up to the full grant amount. The applicant must have contributed personal funds to their elevation project.

Once income verification is complete and occupancy is proven via the home visit, PTS will include the amount of compensation individual applicants will receive in an award letter. These award letters will also include information as to which steps applicants must take in order to receive their financial assistance award.

### IX. PRIORITIZATION OF APPLICANTS

The awarding of homeowner compensation grants to eligible applicants will be based on priority according to which households rank the highest during the rating process. The rating system is based on points. Assistance will be provided in descending order - the household with the highest score first, the next household second and so on until the funds are committed. Information for determination of points will be taken from individual applications. Each applicant shall be rated.

<u>Rating System</u>	<u>Points</u>
Households considered extremely low income (0%-30% of AMI)	80
Households considered very low income (31%-50% of AMI)	60
Households considered low income (51%-80% of AMI)	40
Households considered moderate income (81% and above the AMI)	20
Number of Elderly Household Members	10 (per person)
Number of Handicapped or Disabled Household Members	10 (per person)
Number of Household Members	
1-2	5
3-4	7
5 or more	10

**Note: Individuals residing in the household can be counted more than once. For example, an elderly person who is also handicapped or disabled would count for twenty points.**

### X. EXECUTION OF AGREEMENT

When applications for assistance are prioritized PTS will begin contacting applicants to schedule a time and date for execution of the Homeowner-Parish Agreement. After the document is signed PTS will forward it to the Police Jury President for his signature. Once signed by the Police Jury President PTS will record the document with the Parish Clerk of Court.

## **XI. GRANT DISBURSEMENT**

Following execution of the Homeowner-Parish Agreement, PTS will make individual requests for payments to the Parish's CDBG Administrator who will submit the requests to the State. Upon approval of the request for payment by the State payment will be made by the Parish to individual applicants.

## **XII. GRIEVANCE PROCEDURES**

Each applicant shall have the right to appeal any decision in the form of a grievance to Vermilion Parish Police Jury, provided such an appeal is made within fifteen (15) days from when a decision has been rendered or the grievance occurred and/or became known to the applicant. If an applicant is not satisfied with a decision rendered by PTS, he/she may then appeal his or her grievance to the Police Jury.

The grievance must be made to the Parish Administrator and may be done in writing or communicated in any way that accommodates the applicant and is effective in communicating the complaint. A sub-committee of the Police Jury will then review the grievance and render a decision.