



A **NEW LEASE**
on **LIFE**

THE SCAR OF THE BEAST

On December 10th, 2021, our community was hit by a devastating EF4 long-track, history-making tornado, commonly referred to as "The Beast." The wake of destruction it left in its path destroyed over 700 structures and left thousands homeless. The scar left by this mile-wide tornado forever changed our landscape.



It seemed as though, the entire world showed up during the initial response and we are forever grateful for their swift actions. Fortunately, we also had many organizations that pledged their support on our long road to recovery. New homes, built by volunteers from across the country, are springing up across our community. Many of our survivors are welcomed into these homes with home dedications attended by dozens of volunteers and community leaders. However, this isn't a reality for many of our survivors.

THE RENTAL REALITY



As funding quickly began to pour in, we found that much of it came with restrictions and guidelines. While our Long Term Recovery Group operates under very specific policies to ensure equitable recovery for survivors, protection of our partners resources and to prevent a duplication of benefits; there was a large gap forming that impacted our largest group of survivors. No organization wanted to fund rental properties. Many organizations see rental ownership as a business that should be able to protect its assets through insurance and equity.

However, we are facing record inflation and building materials have increased as much as 80%. In fact, according to a recent report by Nationwide Insurance, 65% of homeowners were underinsured by at least 20% of the replacement value of their home. Many rental homes in our community were purchased during the recession as foreclosures and the landlords did not have them insured. This has left much of what remained of our rental housing stock in complete disrepair and uninhabitable.

OUT IN THE COLD

Over one year after the disaster, we still find hundreds of previous renters tucked away in small travel trailers, hotel rooms or sleeping on floors and couches of friends and family. Some have



even moved back into houses that are structurally unsound, with holes in the roof, broken windows, mold growing on the walls and the floors so warped and broken, you can see the ground below. They do not have a long-term housing option and are essentially homeless. With winter approaching none of these current conditions are sustainable. We must find a quick solution to assist these survivors to find permanent housing.



There is not a silver bullet when it comes to recovery. Since there are many challenges, there must be many solutions. Due to the fact that almost 70% of our survivors were renters, we knew that we needed to think outside of traditional methods. Our goal is to place homeless renters into permanent housing, not through new construction, but to utilize our existing stock of vacant homes throughout our community. Listed below are the details:

- ✧ The Long Term Recovery Group (LTRG) will purchase vacant homes around Graves County and will utilize our partners, volunteers, and donated items to make repairs and improvements. These homes do not have to be in the tornado damaged area.
- ✧ After a proper financial analysis by our Disaster Case Managers, survivors will be matched with these homes based upon family size, location, and financial sustainability.
- ✧ Survivors will be allowed to lease the property at a significant discount to market rate. Our intention is to factor their payment on a 30-year mortgage including taxes and insurance.
- ✧ While the survivor is leasing the property, they will be required to complete classes in home ownership and financial management. They must also be current on all payments and utilities and have properly maintained the home and property.
- ✧ After a year, survivors will be allowed to execute a purchase option. This option will be extended if they need additional time to acquire a home loan.
- ✧ The LTRG will sell the home to the survivor at our purchase price plus the cost of any capital improvements not covered by partner agencies or donated materials. This would allow a survivor to purchase the home far below market value. Example: LTRG purchases a home for \$30,000 with \$5,000 in capital improvements but the market value of the home is now \$65,000 after the renovation. The survivor will be allowed to execute the purchase option at \$35,000.
- ✧ The property will be placed in a land trust which will control the amount of appreciation the survivor can realize on an annual basis over a multi-year period. This will allow the survivor to build equity and not incentivize them to “cash out” as soon as they execute their purchase option.

SELECTION PRIORITY LEVELS

Priority #1 - Renters living in state campers, FEMA trailers, hotels, Camp Graves, Tiny Homes, with family or friends.

Priority #2 - Renters who are currently leasing with leases expiring by March 31st. They are currently in a temporary housing and are looking for a permanent housing in Graves County.

Priority #3 - All other impacted tornado survivors.

SELECTION CRITERIA

- ✿ Must have adequate income to be able to sustain a monthly payment equivalent to a 30 year mortgage plus taxes and insurance (replacement value homeowner's insurance) to the home in which they are matched.
- ✿ Must have been gainfully employed for the past 6 months or have monthly retirement, social security or equivalent consistent income to afford the proposed payment.
- ✿ If a couple is not married, they must both sign the agreements and qualify.
- ✿ They must agree to make monthly payments on a timely basis.
- ✿ They must agree to maintain the home and grounds to acceptable standards during the lease period and allow the LTRG to inspect the premises with a 24-hour notice.
- ✿ Must agree to participate in home ownership and financial management classes.
- ✿ Must make timely payments on all utility bills during the lease period.
- ✿ They agree to fix or replace any damage they cause during the lease period
- ✿ The selected family will be the only ones with the ability to reside at the home unless special accommodations are made with the LTRG.

BUILDING BACK BETTER

The LTRG will partner with state and national professionals to repair our homes with the same resiliency measures used in the current new builds. This includes the following measures:

- ✿ Installation of hurricane clips and foundation straps
- ✿ High impact windows and doors
- ✿ More resilient roofing and siding
- ✿ Storm shelters installed at each residence
- ✿ Backup generators installed at each residence
- ✿ Additional interior and exterior bracing to ensure the structure is more resistant to high winds
- ✿ We will install extremely energy efficient appliances and HVAC units to lower the overall cost of home ownership



PROPOSED BUDGET

Item	Proj. CPU	# of Units	Total funding needed	Notes
Home Acquisition	\$75,000	25	\$1,875,000	We are utilizing \$75,000 as our max purchase price
Renovation Cost Average	\$35,000	25	\$875,000	Will vary per home and donated materials
Appliances	\$6,000	25	\$150,000	Energy efficient kitchen, washer/dryer & instant hot water heater
Surveys	\$2,000	25	\$30,000	Some homes will have recent surveys
Utilities During Renovation	\$2,000	25	\$50,000	Includes connection fees
Debris Removal	\$1,200	25	\$30,000	Dumpster rental and disposal fees
Tree, Landscape & Terrain Work	\$2,000	25	\$50,000	Will vary per home
Legal Fees, Bank and Inspection Fees	\$3,000	25	\$75,000	Closing costs, bank fees and cost of inspections
Storm Shelters	\$7,500	25	\$187,500	Shelter plus installation
Whole Home Generators	\$11,000	25	\$275,000	Gernator plus installation
	\$144,700		\$3,597,500	

HOW YOU CAN HELP US

1. Provide funding for the acquisition of the homes to be renovated.
2. Provide funding for renovation costs, utilities, legal fees, etc.
3. Donate materials (please contact Ryan for a specific list)
4. Volunteer your time. We need a large number of volunteers of all skill levels in order to achieve our goal.

Contact Mayfield Graves County LTRG Executive Director, Ryan Drane,
at 270-227-0841 or ryan@momentumgroupky.com

