



# Rebuild Florida Voluntary Home Buyout Program Design

## Voluntary Home Buyout Program Design

This document provides the program design for Voluntary Home Buyout requirements for the Hurricane Michael Voluntary Home Buyout Program Design administered by the State of Florida Department of Commerce (FloridaCommerce). This program is funded by the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant—Disaster Recovery (CDBGDR) allocation as described in Public Laws 115-254 and 116-20.

VERSION 1.3

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## VERSION HISTORY

Version Number	Change Date	Summary of Changes
1.0	04/1/2020	Original Document
1.1	06/08/2021	Updated “Anti-Fraud, Waste, and Abuse” section
1.2	08/31/2021	Changed formatting of entire document to mirror OLTR Policy Document Guidelines Reorganized sections to mirror other OLTR policy documents
1.3	10/17/2023	As of July 1, 2023, and per Florida HB 5, ch. 2023-173, L.O.F. the former Florida Department of Economic Opportunity has been renamed the Florida Department of Commerce, referred to as “FloridaCommerce.” To reflect this change, all references to the former Florida Department of Economic Opportunity (including “the Department” and “DEO”) have been updated to represent FloridaCommerce. Associated branding (including logos, fonts, and colors) has been updated throughout the document

## **VERSION POLICY**

Version history is tracked in the Version History Table with notes regarding version changes. Dates of each publication are also tracked in this table.

Substantive changes in this document that reflect a policy change will result in the issuance of a new version of the document. For example, a substantive policy change after the issuance of Version 1.0 would result in the issuance of Version 2.0, an increase in the primary version number. Non-substantive changes such as minor wording and editing or clarification of existing policy that do not affect interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase behind the primary version number (i.e., Version 2.1, Version 2.2, etc.).

## **POLICY CHANGE CONTROL**

Policy review and changes for the State of Florida Michael Community Development Block Grant - Disaster Recovery Program are considered through a change-control process. Policy clarifications, additions, or deletions are needed during the course of the program to more precisely define the rules by which the Program will operate. Program staff will document policy-change requests that will be tracked in the program files. Requests are compiled and brought before supervisory staff in a policy meeting. Subject matter experts working in a particular policy area or task area that will be affected by the policy decision may be invited to assist in policy evaluation, if necessary. Policy meetings will be held as frequently as is necessary to consider policy decisions critical to moving the Program forward in a timely manner. Policy decisions will be documented and will result in the revision of the Department of Commerce's Policies and Procedures Manual.

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## 1.0 Introduction

This document includes the program design for the Florida Department of Commerce's (FloridaCommerce) Community Development Block Grant–Disaster Recovery (CDBG-DR) Hurricane Michael Voluntary Home Buyout Program. The Rebuild Florida Voluntary Home Buyout Program is funded by the U.S. Department of Housing and Urban Development (HUD) and the Supplemental Appropriations for Disaster Relief Act, 2018 Public Law (P.L.) 115-254, and the Additional Supplemental Appropriations for Disaster Relief Act, 2019 P.L. 116-20. FloridaCommerce is the agency responsible for the administration of disaster funds allocated to housing, economic development and infrastructure activities. FloridaCommerce is administering Rebuild Florida's Voluntary Home Buyout Program. FloridaCommerce is the HUD grantee responsible for administering funding related to Hurricane Michael recovery. As part of the State Action Plan, FloridaCommerce has created the Rebuild Florida Voluntary Home Buyout Program. "Buyout" refers to the acquisition of properties located in a floodway or floodplain that is intended to reduce risk of future flooding.

The Rebuild Florida Voluntary Home Buyout Program will provide local jurisdictions the opportunity to administer a local buyout program through a competitive application cycle. The Rebuild Florida Voluntary Home Buyout Program is designed to assist property owners in relocating outside the threat of flooding. The seller must be in a Special Flood Hazard Area (SFHA) or other high-risk flood areas. All property sellers must be willing, voluntary participants, and the use of eminent domain is strictly prohibited. Any property acquired, accepted, or from which a structure will be removed pursuant to the buyout project, will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain, and wetland management practices.

Subrecipients must develop and implement projects that are compliant with the 2018 Action Plan for Disaster Recovery (Action Plan), all Action Plan amendments, governing Federal Register Notices (6066-N-01, 6109-N-01, 85 FR 4681) and any subsequent notices), Rebuild Florida Voluntary Home Buyout Program Design, Rebuild Florida Voluntary Home Buyout Program Guidelines, and applicable federal, state, and local rules and regulations.

## 2.0 Voluntary Home Buyout

Hurricane Michael caused unprecedented damage to housing, business and infrastructure in Florida's Panhandle. The impacts of Hurricane Michael demonstrated the need for an effective, comprehensive long-term recovery plan that would address and meet the remaining needs of Floridians after catastrophe struck in October of 2018.

The goal of the Rebuild Florida Voluntary Home Buyout Program is to successfully revitalize the affected areas by reducing the risk of future flooding by converting the property to open space, recreational, or floodplain and wetlands uses while maintaining the tax base. To help maintain the tax base, this program will assist low- and moderate-income (LMI) households that were impacted by Hurricane Michael by offering Housing Replacement Awards to sellers that owned and occupied the property at the time of the disaster.

All counties and municipalities with those counties that received a declaration of both Federal Emergency Management Agency, Disaster Assistance, Individual Assistance (FEMA IA), and Public Assistance (PA) after Hurricane Michael are eligible to apply for assistance for non-commercial properties, which include owner-occupied structures and residential properties and vacant lots. The local governments will have two potential funding options in this program. The first option would be to leverage CDBG-DR funding as a match for projects that are also eligible for FEMA Hazard Mitigation Assistance Programs. The second option would be to apply directly to Rebuild Florida as a subrecipient to the Voluntary Home Buyout program, which focuses on LMI households that did not have flood insurance at the time of Hurricane Michael.

A total of \$27,362,572 has been allocated for the Voluntary Home Buyout activities, with a maximum award not to exceed \$5,000,000. At least 80 percent of the program allocation will be spent within HUD-identified Most-Impacted and Distressed (MID) communities, which include: Bay, Calhoun, Gulf and Jackson counties; 32321 (Liberty), 32327 (Wakulla), 32328 (Franklin), 32346 (Wakulla and Franklin), 32351 (Gadsden), 32428 (Washington) ZIP codes and the jurisdictions within the counties. Per FR-6182-N-01, where HUD identified specific zip codes as MID communities, FloridaCommerce intends to expand program operations and eligibility to the whole county. The remaining 20 percent can be spent in state-identified MID communities, while ensuring that properties acquired through the buyouts will be used in a way that benefits all the residents in an area where at least 51% of the residents are LMI persons. This is necessary to reach the National Objective.

## 3.0 Objective

The Rebuild Florida Voluntary Home Buyout Program identifies and targets the most impacted areas with unmet needs through the local governments that include all counties, cities and municipalities that were affected by Hurricane Michael. These local governments will apply for assistance as a subrecipient of the Rebuild Florida Voluntary Home Buyout Program. For subrecipients to meet the National Objective, they must provide a clear plan for both the buyout area and the end use of the area that meets the community needs of public space and assist with the resettlement of the homeowners that apply by offering Housing Replacement Assistance.

### 3.1 Purpose

The Voluntary Home Buyout Program will meet the LMI Area Benefit, and the Low- to Moderate-Income Housing (LMH) National Objective. To meet the LMI Area Benefit, the properties acquired through buyouts will be used in a way that benefits all the residents in an area where at least 51 percent of the residents are low- and moderate-income persons. To meet the National Objective of LMH, the households to be assisted must be LMI and occupy the replacement housing. Occupying replacement housing means that CDBG-DR funds will be provided for an eligible activity that benefits the LMH by supporting their move from high risk areas.

### 3.2 Meeting the National Objective

When undertaking buyout activities and to demonstrate that a buyout meets the LMH National Objective, and according to the State CDBG regulations at 24 CFR 570.483(b)(3), entitlement CDBG regulations at 24 CFR 570.208 apply the LMH National Objective to eligible activity carried out for the purpose of providing or improving permanent residential structures that, upon completion, will be occupied by LMI households. Therefore, a buyout program that merely pays homeowners to leave their existing homes does not result in a LMI household occupying a residential structure and, thus, cannot meet the requirements of the LMH National Objective.

If the subrecipient chooses to buyout LMI households, the buyout can be structured in one of the following ways to meet the National Objective:

- The subrecipient must combine the acquisitions of the properties with another direct benefit, such as the housing replacement assistance and allowance program that Rebuild Florida has established as an incentive for the Voluntary Home Buyout Program, or
- The subrecipient must meet the LMI area benefit criteria, provided that the subrecipient can document that the properties acquired through the buyouts will be used in a way that benefits all the residents in an area where at least 51 percent of the residents are LMI persons. When using this approach, the subrecipient must define the service area based on the end use of the buyout properties

### 3.3 Outreach Period

Each subrecipient is required to execute an Outreach Plan based on a Needs Assessment. Prior to kicking off the application period, all subrecipients must hold at least two public meetings that afford the public a reasonable opportunity to participate. Public meetings should detail specific data about the proposed projects. Subrecipients are encouraged to reach out to homeowners through the press, social media, and website announcements to affected areas, etc. Rebuild Florida will monitor subrecipient outreach activities to verify that affirmative marketing practices have been employed. The outreach process will help the subrecipient gather information to support program design options that best fit community needs. The data each outreach meeting should address includes but is not limited to:



- Historical flood data that will include maps demonstrating the extent and degree of disaster damage over time;
- Explain the costs and the future costs that occur with disasters pertaining to wind, flood, and storm surges;
- Demonstrate the future cost of flood insurance coverage;
- Address needs and concerns of residential owners, non-residential owners, and tenants;
- Present the benefits of the buyout and the advantages of resettlement in target areas; and
- Provide information to the homeowners of what will be required to complete the application process.

## 3.4 Timeline

FloridaCommerce's Program Management Office is responsible for the development and maintenance of all Hurricane Michael Housing activities Work Breakdown Schedules (WBS), including the Voluntary Home Buyout Program.

Currently, the overall programmatic timeline for activities for the Hurricane Michael Voluntary Home Buyout is as follows:

- August 17, 2020 – November 30, 2020: Subrecipient Application Intake Period.
- December 1, 2020 – December 31, 2020: Scoring and Awarding of the Subrecipient Application.
- January 1, 2021 – April 30, 2021: Anticipated Execution of the Subrecipient Agreements.

## 4.0 Part 1: Voluntary Home Buyout Design

### 4.1 Subrecipient Application

The Request for Applications for the Rebuild Florida Voluntary Home Buyout Program will open on August 17, 2020 and will close on November 30, 2020. There may only be one application per responding agency or entity. Any extension of the application intake period beyond the expected closing date will be announced using the Rebuild Florida website at [www.rebuildflorida.gov](http://www.rebuildflorida.gov).

An organization may apply for subrecipient funding to implement the Voluntary Home Buyout Program by responding to the Request for Application announced online at [www.RebuildFlorida.gov](http://www.RebuildFlorida.gov). Completed Applications should be submitted electronically to [CDBG-DR@Commerce.fl.gov](mailto:CDBG-DR@Commerce.fl.gov) with “Voluntary Home Buyout Program Application” as the subject line. Completed applications may also be submitted via postal mail to:

Florida Department of Commerce  
Office of Long-Term Resiliency  
107 East Madison Street  
The Caldwell Building, MSC 420  
Tallahassee, FL 32399  
Attention: Ashley Napier

All submitted applications must be accompanied by the following documents:

- An Annual Financial Statement, to provide the most recent financial statement prepared in accordance with 2 CFR 200.510 and include a schedule of expenditures and schedule of findings and questioned costs;
- Names and contact information for staff that will provide local oversight of the Program the potential contract, and applicable program requirements; and
- Local procurement policies and procedures;
- The Citizen Participation Plan: List all the opportunities where citizens were invited to participate in the determination of these needs (public hearing, community meeting, survey, etc.).
- Community Needs Assessment: List the cause of the damage, current condition of the activity, and detailed description of the project that coincides with specific flood and storm-related conditions that caused direct damage (date and duration), and the impacts on the community that resulted from the disaster-related damages, a break-out of areas identified as FEMA High Risk areas to include floodways.
- List material submitted as documentation of the Hurricane Michael-related condition.
- Describe how the proposed activities will address damage affected by Hurricane Michael.
- Provide an analysis of income categories of the households in the LMI area affected by the disaster, as evidence by FEMA Claims or other FloridaCommerce approved data, broken out by:
  - 0%–30% AMI, very low income.
  - 31%–50% AMI, low income.
  - 51%–80% AMI, moderate income.
- Provide comprehensive budget information to include the FMV and additional eligible cost. See Appendix A for an example table of this information.
- Provide a project schedule that shall not exceed 24 months following the execution of the contract between the subrecipient and FloridaCommerce. See Appendix B for an example of this schedule.

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- If funds are being leveraged in a matched program for Hazard Mitigation Assistance, provide the funding amount and a description of its use.

Be prepared to answer the following questions:

- Will assistance require relocation activity requiring compliance with the Uniform Relocation Assistance Act (URA)?
- What is the end use of the property?
- How many households occupy persons 62 years of age or older, and/under age 18?
- How many households occupy persons that are disabled, handicap, or have special needs?
- Are there any female head of households, or a disabled head of households?

## 5.0 Scoring of Subrecipient Applications and Award Calculation

### 5.1 Threshold and Scoring Criteria

FloridaCommerce will apply a two-phased process to review applications.

First, proposals must pass HUD CDBG-DR **Threshold Compliance Criteria**. Second, FloridaCommerce will review and score each proposal based on **Scoring Criteria**.

If a proposal does not meet any of the Threshold Criteria, FloridaCommerce cannot proceed to score it for funding consideration.

The maximum score for Scoring Criteria is 170 points.

1. CDBG-DR Threshold Compliance Criteria
  - A. Projects or programs must meet a CDBG-DR National Objective such as:
    - Benefit to low- / moderate-income individuals
    - Benefit to low- / moderate-income areas
    - Benefit to low- / moderate-income individuals for buyouts (LMB) and housing incentives (LMHI) that benefit LMI households
  - B. Projects or programs must address a clear unmet need:
    - Tied to Hurricane Michael,
    - Primarily serve low- to moderate- income (LMI) populations, and
    - Primarily serve housing activities.
2. Scoring Criteria

Once a proposal is determined to satisfy CDBG-DR's Threshold Compliance Criteria, then FloridaCommerce will apply scoring based on the following Scoring Criteria. The maximum Scoring Criteria score is 170.

1. **Management Capacity:** Subrecipient, program manager and/or developer presents depth of program or project, case and compliance management capacity to deliver services on-time and on-budget. Citizen Complaint Policy is in place. **Max Points 35**
2. **Readiness to Proceed and Viable Production Plan:** Applicant must show evidence for
3. how proposed program or project will mobilize and operate in a timely manner. **Max Points 25**
4. **Proposes Cost Reasonable Budget:** Proposal budgets reflect cost reasonableness and affirmative efforts to leverage CDBG-DR funds with additional funding to address
5. unmet needs. Budget narrative reflects research, quotes and/or contracted pricing. **Max Points 25**
6. **Storm Resilience:** In addition to addressing unmet needs, program or project proposals need to show how they make investments that improve resilience to future storm-related damage. **Max Points 15**
7. **Overall LMI benefit (Percent LMI benefit of the activity):** Higher LMI benefit of the activity will receive higher score. For example, a project with 100 percent LMI benefit would be scored higher than a project with 65 percent LMI benefit. **Max Points 50**
8. **Vulnerable Populations:** Applications which address the following vulnerable populations will receive higher scores. The special needs of persons who are not homeless but require supportive housing (e.g., elderly persons 62 or older, persons with disabilities, persons with alcohol or other

drug addiction, persons with HIV/AIDS and their families and public housing residents, as identified in 24 CFR 1.315(e)). **Max Points 20**

**Total Maximum Score: 170**

## 5.2 Methodology

### 5.2.1 Award Determination

Subrecipients will use the Pre-Event Fair Housing methodology for all participants that owned the property at the time of Hurricane Michael. Participants of the eligible properties at the time of Hurricane Michael will receive an offer to purchase the property minus any Duplication of Benefits (DOB).

Participants that purchased eligible property after Hurricane Michael will receive an offer limited to the price of which the owner paid for the property, not to exceed the pre-event Fair Market Value (FMV). If repairs have been made to the property, eligible repair receipts are to be added to the post-disaster price of the acquisition.

The deduction of DOBs will be taken from the purchase offer if the offer is determined by a pre-event FMV prior to Hurricane Michael. When the purchase price of the property exceeds the current FMV, this is considered assistance to the seller, thus making the seller a beneficiary of the CDBG-DR assistance.

However, owners that purchase the property post Hurricane Michael that receive a purchase price equal to or less than the current FMV will not be considered a beneficiary of the CDBG-DR assistance, and therefore, no DOBs are required to be deducted. Regardless of the purchase price, all buyout activities are a type of acquisition of real property as permitted by 42 U.S.C 5305(a)(1).

### 5.2.2 Award Methodology

The following methods will be used for calculating DOBs:

1. HMGP: FEMA acquires flood damaged properties at fair market value (FMV). HMGP are designed to receive Federal Cost Share of 75% with a Non-Federal Cost Share of 25%, or a Federal Cost Share of 90% with a Non-Federal Cost Share of 10% by FEMA. The Voluntary Home Buyout Program will match the Non-Federal Cost Share of the HMGP. DOB methodology used by HMGP is similar to the CDBG-DR methodology except HMGP award calculation methods do not consider replacement housing to be a DOB.
2. Rebuild Florida's Voluntary Home Buyout Program: This program will limit the award based on pre-disaster fair market value for all sellers that own the property at the time of Hurricane Michael; therefore, making the applicant a beneficiary of the program. All DOBs will be taken from the purchase amount offered to the seller.
3. Housing Replacement Assistance: This program will award up to \$25,000 in addition to the FMV of the buyout for income-qualified buyout applicants with a household income that is 80% or less than the AMI.
4. Housing Replacement Allowance: This program will award up to \$10,000 in addition to the FMV of the buyout for applicants with a household income that is greater than 80% of the AMI.

Both housing replacement awards are subject to the Robert T. Stafford Act, requiring that these funds be considered duplication of benefits. This funding may only be used to purchase a home with the same taxing jurisdiction. Additionally, applicants that receive this assistance must relocate outside the floodplain to a lower risk area. Subrecipients must maintain documentation describing how the amount of assistance was determined to be necessary and reasonable. See Appendix D for examples of DOB calculation methods.

## 6.0 Subrecipient Responsibilities

### 6.1 Responsibilities

Awarded subrecipients must accept the following responsibilities:

- Enter into a subrecipient agreement with FloridaCommerce.
- Comply with all terms and conditions of the subrecipient agreement, Voluntary Home Buyout Program guidelines, *Action Plan*, *Action Plan* Amendments, and federal, State and local laws.
- Meet performance benchmarks established in the subrecipient agreement.
- Meet or exceed federal underwriting standards. Subrecipients must establish underwriting criteria that, at a minimum, complies with CDBG-DR underwriting criteria found at 24 CFR 570.209. Project costs must be demonstrated to be reasonable. All other sources of financing must be committed or otherwise unavailable to the applicant. Project costs must be need-based, and documentation must be sufficient to prove that CDBG-DR funds will not supplant non-federal financial funding or support.
- Design and implement a public outreach campaign to target homeowners that may have been impacted by Hurricane Michael.
- Design a Voluntary Home Buyout grant application and application process.
- Develop policies and procedures that, at a minimum, include information about the application process, application requirements, underwriting criteria, compliance requirements, and reporting methodology.
- Develop policies and procedures to detect and prevent fraud, waste and abuse that describe how the subrecipient will verify the accuracy of applicant information, monitoring policy indicating how and why monitoring is conducted, the frequency of monitoring, and which items will be monitored, and procedure for referring instances of fraud, waste and abuse to the HUD OIG Fraud Hotline at: 1-800-347-3735 or [hotline@hudoig.gov](mailto:hotline@hudoig.gov).
- Develop policies and procedures for the requirements under 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as applicable.
- Develop and implement a complaint procedure and ensure all complaints are resolved within 15 working days of receipt.
- Develop and implement an appeals procedure.
- Develop and implement subrogation policies and procedures and enter into a subrogation agreement with each funded applicant.
- Develop and implement policies and procedures for any person who may qualify for assistance under the Uniform Relocation Assistance and Real Property Policies Act of 1970 (URA), as amended (49 CFR 24), and 104(d) of the Housing and Community Development Act of 1974, as amended (24 CFR 42).
- Conduct environmental reviews or causing such review to occur through contracted providers of environmental services, which includes damaged properties that are to be acquired by the local government as well as properties obtained by the seller through the housing replacement assistance.
- Update policies and procedures timely and upon FloridaCommerce request.
- Include the following statement on all program materials and applications:

*“Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.”*

- Comply with the requirement that subrecipients will not carry out any of the activities under their agreement with FloridaCommerce in a manner that results in a prohibited Duplication of Benefits (DOBs) as defined by Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 U.S.C. 5155 *et seq.*) and as described in Appropriations Acts.
- Comply with the Davis-Bacon Act (40 U.S.C.A. §§ 276a to 276a-5) a purpose to preserve local wage standards and promote local employment.
- All projects seeking assistance under the current CDBG-DR funds for Hurricane Michael, and any future funds allocated for Hurricane Michael, provided by FloridaCommerce, will require an Environmental Clearance from FloridaCommerce prior to the subrecipient being able to commit CDBG-DR funds.
- Evaluate each grant applicant for the potential for DOBs and decline any grant amount that would constitute such a duplication.
- Provide a detailed budget and measure actual cost versus projected cost on a monthly basis.
- Provide a detailed timeline for implementation consistent with the milestones outlined in this guidebook and report actual progress against the projected progress on a monthly basis.
- Provide a monthly report to FloridaCommerce that outlines the progress made to date, the projected activities to be completed in the upcoming month, and any risks or issues identified for the delivery of the project. The report must include metrics that demonstrate the implementation costs to date with projected spending.
- Provide a monthly report to FloridaCommerce that details the grant funding approved versus funding disbursed.
- Monitor grantee compliance with the terms and conditions of the grant agreement.
- Document all activities.
- Maintain organized files and make them accessible to FloridaCommerce or its representatives upon request.

## 6.2 Conflict of Interest

State officials and employees, FloridaCommerce employees, FloridaCommerce subrecipients and consultants who exercise functions with respect to CDBG-DR activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, are prohibited from receiving any benefit from the activity either for themselves or for those with whom they have family or business ties, during their tenure.

For purposes of this section, “family” is defined to include: parents, including mother-in-law and father-in-law; grandparents; siblings, including sister-in-law and brother-in-law; and children of an official covered under the CDBG- DR conflict of interest regulations at 24 CFR Sec. 570.489(h).

An exception to the conflict of interest provision may be granted should it be determined that the subrecipient has adequately and publicly addressed all concerns generated by the potential conflict of interest, and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and the effective and efficient administration of the program. No party will enter into a conflict of interest until a request for an exception has been granted by FloridaCommerce.

## 6.3 Files, Records, and Reports

Subrecipients will maintain accurate files and records on each grant provided under the Rebuild Florida Voluntary Home Buyout Program and will retain all pertinent documentation for the grant between FloridaCommerce and the subrecipient. Compliance will be maintained in accordance with the reporting requirements as outlined in the FloridaCommerce policies and procedures. This includes all information

and reports as required under the FloridaCommerce contract with HUD and demographic data and other information on awardees.

All official records on programs and individual activities must be maintained for a six-year period beyond the date of grant closeout. Subrecipients must maintain electronic files for each applicant funded through the Voluntary Home Buyout Program. FloridaCommerce will monitor subrecipient file management practices. Each file must contain at a minimum the following information:

- Verification of program eligibility.
- Determination that the National Objective has been met (can be LMI or Urgent Need in some cases and should be noted in each file).
- Determination and justification that activities relate to the impact of Hurricane Michael.
- Proof that funds do not supplant other funding sources.
- Invoicing/proof of expense related items is eligible under CDBG-DR.
- Award calculation and supporting documentation.
- Duplication of benefits assessments and calculations.
- Grant recapture documents.
- Environmental clearance.
- Grant agreement documents.
- Monitoring QA/QC.
- Appeals, if applicable.
- Correspondence, notes.
- Supporting documentation and forms.

## 6.4 Procurement Requirements

Subrecipients must abide by the Procurement process mandated by federal and state government codes as they are applicable to the program. The procurement process includes the decision to purchase as well as the process to complete the purchase. The federal government has established a set of procurement rules in 2 CFR Part 200.317-326 that apply to CDBG-funded projects. These rules are in place to ensure that federal dollars are spent fairly and encourage open competition for the best level of service and price. If a conflict between federal and local procurement regulations should occur, the more stringent regulation will be followed. These same procurement requirements apply to all FloridaCommerce subrecipients. FloridaCommerce will monitor subrecipient procurement policies and procedures.

## 6.5 Civil Rights

Recipients of CDBG-DR funds must comply with federal and State civil rights, fair housing, equal opportunity, and equal employment opportunity regulations and requirements. These laws are designed to ensure that members of protected groups are treated fairly by avoiding discrimination, providing equal opportunity and taking affirmative action to correct past discrimination based on race, color, religion, gender, national origin, age, sex/gender, disability, and/or family status.

All subrecipients must comply with Civil Rights requirements. FloridaCommerce will monitor subrecipient activities for compliance. Civil rights laws applicable to Florida CDBG-DR programs are set forth in the following statutes and Executive Orders:

- **Title VI of the Civil Rights Act of 1964:** This act states that no person shall be excluded from participation, denied program benefits, or subjected to discrimination on the basis of race, color, or national origin.



- **Title VIII of the Civil Rights Acts of 1968, as amended (Fair Housing Act):** This act prohibits discrimination in housing on the basis of race, color, religion, sex, or national origin. It also requires HUD to administer its programs in a manner that affirmatively promotes fair housing.
- **Section 504 of the Rehabilitation Act of 1973, as amended:** This act states that no otherwise qualified individual shall, solely by reason of his or her handicap, be excluded from participation (including employment), denied program benefits, or subjected to discrimination.
- **Section 109 of the Housing and Urban Development Act of 1974, as amended:** This act states that, under any program or activity funded in whole or in part under Title I or Title II of the act (regardless of a contract's dollar value), no person shall be excluded from participation (including employment), denied program benefits or subjected to discrimination on the basis of race, color, national origin, or sex.
- **The Age Discrimination Act of 1975, as amended:** This act states that no person shall be excluded from participation, denied program benefits, or subjected to discrimination on the basis of age.
- **Executive Order 11063:** This act states that no person shall, on the basis of race, color, religion, sex or national origin, be discriminated against in housing (and related facilities) provided with federal assistance, or lending practices with respect to residential practices when such practices are connected with loans insured or guaranteed by the federal government.
- **Executive Order 11246, as amended:** This act states that no person shall be discriminated against, on the basis of race, color, religion, sex or national origin in any phase of employment during the performance of federal or federally assisted construction contracts in the excess of
- \$10,000.
- **Equal Access to HUD-assisted or Insured Housing—24 CFR 5.105 (a)(2)(i) and (ii):** This regulation requires equal access to housing in HUD programs, regardless of sexual orientation, gender identity, or marital status.
- **Chapter 760, Florida Statutes:** Includes the Florida Civil Rights Act and Fair Housing Act.

## 6.6 Equal Employment Opportunity

Equal Employment Opportunity is a family of laws that prohibit discrimination of various kinds against protected classes of people. The laws include the following:

- Title VII of the Civil Rights Act of 1964.
- The Pregnancy Discrimination Act.
- The Equal Pay Act of 1963.
- The Age Discrimination in Employment Act of 1967.
- Title I of the Americans with Disabilities Act.
- Sections 102 and 103 of the Civil Rights Act of 1991.
- Sections 501 and 505 of the Rehabilitation Act of 1973.
- The Genetic Information Nondiscrimination Act of 2008.

Subrecipients should strive to set a high community standard for providing equal employment opportunities. Subrecipients must maintain records documenting compliance with equal opportunity and civil rights requirements. FloridaCommerce will monitor subrecipient activities for compliance.

## 6.7 Section 3

Section 3 is part of the Housing and Urban Development Act of 1968, as amended. It states that, to the greatest extent feasible, employment and other economic opportunities should be directed to low- and very low-income persons and business concerns that provide economic opportunities to low- and very

low-income persons. Local governments, especially entitlement counties, may already maintain lists of Section 3 vendors.

Compliance with Section 3 may be demonstrated by the following:

- Developing lists of minority-owned, women-owned, and local businesses in construction trades, business services, and professional services.
- Contacting minority-owned, women-owned, and contractor associations to obtain information on skill and resource capabilities.
- Establishing an action plan and goals for the use of minority-owned, women-owned, and local businesses, including opportunities for subcontracting in procurement and construction contracting-related activities.
- Establishing goals and taking steps to provide opportunities for minority equity investments in funded projects.
- Notifying minority-owned and women-owned firms of contract opportunities, including the date Request for Proposal or bid packages will be available or when Statements of Interest and Qualifications are due.
- Requiring a Section 3 of the HUD Act of 1968 clause in all contracts.
- Documentation of actions undertaken to meet Section 3 requirements and the written Section 3 Plan.

Compliance with Section 3 is required for local governments for awards of at least \$200,000. Contractors or subcontractors that receive awards in excess of \$100,000 are also subject to Section 3 requirements. Section 3 requirements apply for projects involving housing construction, demolition, rehabilitation or other public construction activities (e.g., roads, sewer, water, community centers) and the completion of these projects creates the need for new employment, contracting or training opportunities. Neither Section 3, nor 24 CFR 135, supersedes the general requirement that all procurement transactions be conducted in a competitive manner. However, Section 3 allows geographic preference to be a consideration when evaluating a bid or proposal. A person seeking preference under Section 3 has the responsibility to provide evidence (if requested) of eligibility for the preference. Section 3 does not require employment of a Section 3 resident who does not meet the qualifications for the position. A Section 3 business that seeks preference must document (if requested) that it qualifies as a Section 3 business.

## 6.8 Public Records

The following information is provided by the Florida Constitution: Pursuant to Article 1, Section 24, Florida Constitution and Chapter 119, Florida Statutes, department is subject to the Public Records law. Accordingly, unless an exemption exists, all records produced or received pursuant to law or in connection with the official business of can be requested and provided for inspection. All Public Records requests will be processed in accordance with the department Administrative Policy 1.06, Processing Public Records Requests.

Detailed guidance on Public Records requests can be found in the following resources:

- Florida Government in the Sunshine Manual at: [http://myfloridalegal.com/webfiles.nsf/WF/RMAS-9UPM53/\\$file/2015SunshineLawManual.pdf](http://myfloridalegal.com/webfiles.nsf/WF/RMAS-9UPM53/$file/2015SunshineLawManual.pdf); and
- Florida Public Records Act at: [http://www.leg.state.fl.us/statutes/index.cfm?App\\_mode=Display\\_Statute&URL=0100-0199/0119/0119.html](http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&URL=0100-0199/0119/0119.html).

## 7.0 Fraud Waste, and Abuse

The subrecipient must have adequate procedures to detect and prevent fraud, waste, and abuse. The subrecipient must submit procedures that indicate:

- How it will verify the accuracy of information provided by applicants;
- A monitoring policy indicating how and why monitoring is conducted, the frequency of monitoring, and which items are monitored;
- An internal audit plan that provides both programmatic and financial oversight of funded activities; and
- A document signed by the internal auditor that describes his or her role in detecting fraud, waste, and abuse.

The subrecipient must include the following statement on program applications and on program documentation:

*“Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C.3729.”*

FloridaCommerce shall attend and require subrecipients to attend fraud related training provided by HUD OIG to assist in the proper management of CDBG-DR grant funds.

## 8.0 Voluntary Buyout Beneficiary Requirements

### 8.1 Application Development

The subrecipient is responsible for developing and implementing an application and application process for property owners seeking Voluntary Home Buyout assistance. The following sections describe minimum process requirements for which FloridaCommerce will monitor each subrecipient.

#### 8.1.1 Application Intake and Eligibility Requirements

Completed applications are received by the subrecipient and the Voluntary Home Buyout applicant will be contacted for a personal consultation. While scheduling the consultation, the subrecipient should confirm application information and notify the applicant of all required documents.

The subrecipient must provide the applicant with a contact number for rescheduling the consultations in case of unforeseen circumstances. The subrecipient should establish procedures to ensure that communication with and access to program are fair and equitable. The subrecipient must also establish a communication policy that outlines how and when an applicant file will be put on hold, put in an inactive status or closed due to lack of applicant communication. These policies should be published for public viewing.

#### 8.1.2 Personal Consultation

At the personal consultation, the subrecipient will meet with the applicant and all adult (i.e., 18 or older) household members that are available to attend the consultation, to discuss the process of the Voluntary Home Buyout Program. The subrecipient must confirm the application information and collect the required documents supplied by the applicant. The subrecipient must independently verify, to the extent feasible, all application information.

#### 8.1.3 Area Median Family Income

During the personal consultation, the subrecipient should work with the applicant to calculate the household's Area Median Family Income (AMFI). Households with an AMFI above 80% are eligible to participate in the Voluntary Home Buyout Program; however, the calculation of the participant with household income above 80% AMFI will not be used as part of the 51% LMI area benefit, which is the National Objective. Additionally, CDBG-DR funding may not be used to provide assistance to households with an AMI greater than 120%.

#### 8.1.4 Deed Review

The subrecipient should inspect the applicant's warranty deed or deed of trust to the damaged address. Participants in the program must have fee simple title to the damaged address in order to participate.

#### 8.1.5 Tax Check

The subrecipient must confirm with the local jurisdiction the property tax status of all applicants. Eligible applicants must be current on all damaged address property taxes before conveying the damaged address to the subrecipient. Applicants must provide evidence that property taxes are current.

#### 8.1.6 Duplication of Benefits

The subrecipient is required by the Stafford Act to verify all federal and state housing benefits received by the household and related to Hurricane Michael. The subrecipient must verify amounts received with the granting party and verify benefit expenditures with the applicant.

Costs that duplicate amounts received by or available to the property owner or affected tenant from another source for the same purpose is not allowable. These costs would include: U.S. Business Administration (SBA) loans, FEMA assistance, National Flood Insurance Program (NFIP), United States Department of Agriculture (USDA), or any other local, state, or federal related assistance for the same purpose.

FloridaCommerce will monitor subrecipient DOB policies and procedures and audit subrecipient files to verify DOB practices are implemented and compliant.

## 8.2 Site Eligibility

All properties to be purchased must have a damage inspection and an environmental review. The following sections describe the process.

### 8.2.1 Damage Inspection

The subrecipient shall coordinate with a damage inspector to verify hurricane damage at the damaged property address. The damage inspector must schedule an appointment with the applicant to visit the damaged property to confirm that damages caused by Hurricane Michael. The inspection report must also contain current color photographs of the damaged property. The photographs must be that of the exterior of all four sides and of the interior of the structure.

### 8.2.2 Environmental Reviews

After the damage inspection has been completed and it has been confirmed that the damages of the property were created by Hurricane Michael, an environmental review must be performed on the property. The site location will require environmental clearance even if reconstruction or rehabilitation will not take place at the site. Per HUD guidelines, any damaged property to which any funds provided by HUD are applied, including, but not limited to: demolition, site cleanup, conversion to green space, transfer of title, etc., must be environmentally cleared prior to such action.

If the applicant chooses to participate in the replacement housing award and is awarded a grant to assist them with relocation, the new property to which the applicant relocates will also require environmental clearance.

Subrecipients are responsible for conducting environmental reviews and may procure the environmental service providers to complete such reviews. Subrecipients must submit the environmental reviews to FloridaCommerce for approval. No funding may be committed to a buyout project until the project's environmental review is cleared/signed by FloridaCommerce.

## 8.3 Complaints

Subrecipients shall develop and implement a complaints protocol to log, track and resolve all complaints related to the Voluntary Home Buyout projects. The complaints resolution protocol must ensure that a timely response is provided to any individual or entity within 15 working days of receipt of the complaint. Complaints regarding fraud, waste, or abuse of government funds should be forwarded to the HUD OIG Fraud Hotline at: 1-800-347-3735 or: [hotline@hudoig.gov](mailto:hotline@hudoig.gov). FloridaCommerce will monitor subrecipient compliance with these requirements.

## 8.4 Appeals

The subrecipient shall establish appeal procedures to afford applicants an opportunity to dispute subrecipient decisions related to eligibility, award amount, appraisal value, and/or DOBs. FloridaCommerce will review subrecipient appeal procedures and monitor subrecipient appeal response.

## Appendix A: Budget Information Table

Direct Voluntary Home Buyout Program			
FMV	Estimated Demo Cost	Estimated Asbestos Testing Cost (if applicable)	Estimated Total Project Cost
\$150,000	\$15,000	\$1,500	\$172,500
\$100,000	\$12,000	\$1,500	\$119,500
\$50,000	\$15,000	\$1,500	\$72,500
<b>Subtotal Budget Amount:</b>			<b>\$364,500</b>
HMPG Match Program			
HMGP Total Project Cost	Federal Cost Share 75%	Non-Federal Cost Share 25%	
\$100,000	\$75,000	\$25,000	
\$200,000	\$150,000	\$50,000	
\$75,000	\$56,250	\$18,750	
<b>Subtotal Budget Amount:</b>			<b>\$93,750</b>

**Total Amount Requested \$458,250**

## Appendix B: Project Schedule

Highlight the projected length of months for each phase on the desired months. If a phase is not applicable, leave it blank. This project is expected to be completed within 24 months following the execution of the contract between the subrecipient and FloridaCommerce. Please provide any comments regarding the schedule that may be helpful.

<b>MONTHS</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>
Outreach Meetings																									
Application Intake and Appraisal Process																									
Inspections																									
Environmental Reviews																									
Buyout Offer																									
Closing																									
DEMO																									
Final Inspection																									
Audit & Closeout																									

NOTE: IF THE PROPOSED PROJECT REQUIRES A SCHEDULE LONGER THAN 24 MONTHS, JUSTIFICATION MUST BE PROVIDED. COMMENTS:

## Appendix C: Demonstrations of Award Calculation Methodology

### Example 1- Buyout Only:

This is a scenario where 100% of the funding for the buyout will be CDBG-DR money and the homeowner did not receive any housing replacement assistance and had duplication of benefits provided by insurance coverage:

Pre-Event Fair Market Value	\$200,000
Subtract Insurance DOB	\$50,000
Total Buyout Award	\$150,000

Because the applicant in this example received \$50,000 in insurance money to repair the damaged structure, the amount must be subtracted from the pre- event FMV as a DOB. This makes the purchase price available to the homeowner \$150,000.

### Example 2- Buyout and Replacement Housing Assistance:

This is a scenario where the homeowner received \$20,000 in replacement housing assistance from a different source of funding prior to applying for the Voluntary Home Buyout Program. The amount received is \$5,000 less than the maximum amount that is being offered in the Housing Replacement Assistance under the Rebuild Florida program. Therefore, the homeowner would only qualify for \$5,000 in Housing Replacement Assistance under the Rebuild Florida program. This homeowner also had DOB from insurance in the amount of \$40,000. Viewed as two separate activities, the same result can be reached. The following approaches are taken by CDBG-DR and HMGP. Both approaches are assuming that the homeowner is purchasing property that costs \$25,000 more than their pre-event fair market value of the damaged property they are selling to the rebuild Florida program.

CDBG-DR Buyout Example	
Pre-Flood Event Market Value:	\$100,000
Replacement Housing Assistance:	\$25,000
Total for Buyout and Replacement Housing:	\$125,000
Total for Buyout and Replacement Housing:	\$125,000
Subtract Insurance DOB:	\$40,000
Subtract Prior Housing Assist. DOB:	\$20,000
Buyout and Replacement Award:	\$65,000



***Hurricane Michael Voluntary Home Buyout Program Design***

For HMGP, the buyout and housing replacement assistance award are treated indecently as two separate activities, but the ultimate total funding amount derived from this method is the same as the method above for CDBG-DR buyouts.

HMPG Buyout Example:	
Pre-Flood Event Market Value:	\$100,000
Subtract Insurance DOB:	\$40,000
Buyout Award:	\$60,000
CDBG-DR Replacement Award:	\$25,000
Subtract Prior Housing Assist. DOB:	\$20,000
Replacement Housing Award:	\$5,000