Rebuild Florida Voluntary Home Buyout Program for Hurricane Michael Guidelines
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Introduction

The Florida Department of Economic Opportunity (DEO) Office of Disaster Recovery (ODR) is the administrator of a Community Development Block Grant–Disaster Recovery (CDBG-DR) program funds appropriated 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. DEO is the agency responsible for the administration of disaster funds allocated to housing, economic development, and infrastructure activities. DEO is administering Rebuild Florida’s Voluntary Home Buyout Program. The purpose of Rebuild Florida’s Voluntary Home Buyout Program is to acquire properties that are in a Special Flood Hazard Area (SFHA), and in high-risk flood areas to help reduce the impact of future disasters, and to assist property owners to relocate outside the threat of flooding. To administer this program, city and county governments that are within the Most Impacted and Distressed (MID) areas, as defined by HUD and DEO in the 2018 State of Florida Action Plan for Disaster Recovery, may apply.

The first option is to leverage CDBG-DR funding as match for projects that are also eligible for the Hazard Mitigation Assistance (HMA) grant programs. The second option is to work directly with DEO on projects located in low- and moderate-income (LMI) areas to buyout residential areas in support of permanent open space supporting green infrastructure or other floodplain management systems.

DEO will prioritize home buyout projects that focus on the acquisition of concentrations of residential areas that meet low- and moderate-income area requirements. The CDBG-DR driven buyout program will be required to meet a low-moderate area (LMA) benefit for funding so that DEO meets or exceeds its overall low- and moderate-income support requirements.

Cities and counties that are interested in this program will work with DEO to determine feasibility of the project. Once a project is determined feasible, it will be eligible for funding in this program. Local governments are encouraged to leverage matching funds under this program and will also be eligible to include homeowner incentives to encourage relocation.

For all properties acquired by subrecipients through the Rebuild Florida Voluntary Home Buyout Program, a restrictive covenant, in perpetuity (i.e. running with the land), prohibiting all future redevelopment of the site must be recorded upon closing of the transaction. New development would be on an alternative site that is less at risk of flooding and would be built to building code, elevation standards, and meet requirements of CDBG-DR. Properties that have received rehab or repairs through the Housing Repair Program will not be eligible for assistance under the Rebuild Florida Voluntary Home Buyout Program. However, on a case-by-case basis, housing units that have been demolished through the Rebuild Florida Voluntary Home Buyout Program may be eligible for new construction/replacement, in an area other than the buyout zone, through the Housing Repair and Replacement Program at DEO’s discretion. No specific site or property needs to be acquired, although DEO may limit its search for alternative sites to a general geographic area. Where DEO wishes to purchase more than one site within a general geographic area on this basis, all owners are to be treated similarly. The property to be acquired is not part of an intended, planned, or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits. DEO will not acquire the property if negotiations fail to result in an amicable agreement, and the owner is so informed in writing. DEO will inform the owner in writing of what it believes to be the market value of the property. Florida Licensed Real Estate Appraisers will be used to value property in the buyout program. DEO will offer the homeowner the value of the home as appraised prior to the storm. Additionally, DEO will establish policies on resettlement incentives. DEO’s policies will ensure that its resettlement incentives comply with applicable Civil Rights and Affirmatively Furthering Fair Housing requirements and that there is no discrimination against a protected class.
Cities or counties participating in this program must purchase properties at the pre-event fair market value (FMV) of the land and the structure for all sellers that were owners of the property at the time of Hurricane Michael. For all sellers that own the property post Hurricane Michael, post-event FMV must be used to purchase the property and may not exceed the pre-event FMV and properties located in the designated area must be deed-restricted to remain green space in perpetuity. In addition to the pre-event FMV of the property, eligible owners with qualified income may also receive a housing replacement assistance incentive up to $25,000, and owners with non-qualified income may receive a housing replacement allowance up to $10,000. All awards are subject to the Robert T. Stafford Act, requiring that all funds used for disaster-related purposes be deducted as a duplication of benefit, which is discussed in greater detail below.

Definitions

- “CDBG-DR” means Community Development Block Grant-Disaster Recovery.
- “100-year flood plain” means the geographical area defined by FEMA as having a one percent chance of being inundated by a flooding event in any given year.
- “500-year flood plain” means the geographical area defined by FEMA as having a 0.2 percent chance of being inundated by a flooding event in any given year.
- “Duplication of Benefits” (DOB) means any assistance provided to a homeowner for the same purpose (i.e., for repair, replacement or reconstruction) as any previous financial or in-kind assistance provided to a property owner for the repair, replacement, or reconstruction of his or her home. Rebuild Florida is prohibited from creating a DOB. This prohibition comes from the Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) and therefore, these other sources of funds must be deducted from any potential award.
- “Pre-event fair market value” means the land and dwelling value for parcels, as determined by each subrecipient, prior to the disaster.
- “Post-event fair market value” means the land and dwelling value for parcels, as determined by each subrecipient, after the disaster.
- “Eligible receipts” means proof of payment for items that are strictly for rebuilding the disaster-affected structure. Receipts must consist of permanent fixtures only, such as wood panels, drywall, paint, carpet, etc.
- “Ineligible receipts” means receipts for repairs that are completed on detached buildings such as garages or sheds, and personal items such as food and clothing, gasoline, tools, and equipment.
- “Eligible Property” means a property that is located within designated areas or is located outside of the designated area and is substantially damaged and is a health and safety risk.
- “Designated Area” means the land determined by the subrecipient that is eligible for the Voluntary Home Buyout Program.
- “Low- and Moderate-Income (LMI)” means an income is less than 80% of the local area median income.
- “Low- to Moderate-Income Household (LMH)” means a household with an income that is less than 80% of the local area median income (AMI).
- “Special flood hazard area (SFHA)” means the area where the National Flood Insurance Program’s (NFIP’s) floodplain management regulations must be enforced and the area where the mandatory purchase of flood insurance applies.
- “Subrecipient” means a city or a county that has applied for and has been awarded a CDBG-DR
Application and Administration of the Buyout

A city or county must apply for the Rebuild Florida Voluntary Home Buyout Program offered in their community. At the time of the application, the subrecipient identifies properties that would qualify for the program. A budget will be determined based on the pre-event FMV of all properties identified eligible for the program that were owned by the sellers at the time of the disaster; however, all properties identified as eligible for the program that were purchased post disaster will have budgets determined on the basis purchase price, which is not to exceed the pre-event FMV. If awarded, the city or county would enter into a contract with DEO to administer and oversee their jurisdiction in which the program applies.

The property owners that apply for the voluntary home buyout program submit their applications directly to the subrecipient. Once the local level of government approves an individual property owner’s application for buyout assistance, the subrecipient must submit the application to DEO for verification that the property is not receiving or has not received Rebuild Florida housing repair or replacement assistance. A property owner cannot be eligible for buyout assistance if the property owner has received CDBG-DR funding to repair the property. A subrecipient may subcontract with a third-party administrator to administer the program for them.

National Objectives

The Voluntary Home Buyout Program will meet the Low- Moderate-Income (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 LMI 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.

How to meet 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 you must 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 low- and moderate-income 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.
Locations

Those counties that received a declaration of both FEMA Individual Disaster Assistance (IA) and Public Disaster Assistance (PA) after Hurricane Michael are eligible to apply to DEO to be a subrecipient of funding and administer a local Voluntary Home Buyout Program.

Threshold and Scoring Criteria

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

First, proposals must pass HUD CDBG-DR Threshold Compliance Criteria.

Second, DEO will review and score each proposal based on Scoring Criteria.

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

The maximum score for Scoring Criteria is 170 points.

A. CDBG-DR Threshold Compliance Criteria

1. 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

2. 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.

B. Scoring Criteria

Once a proposal is determined to satisfy CDBG-DR’s Threshold Compliance Criteria, then DEO 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 how proposed program or project will mobilize and operate in a timely manner. Max Points 25

3. Proposes Cost Reasonable Budget: Proposal budgets reflect cost reasonableness and affirmative efforts to leverage CDBG-DR funds with additional funding to address unmet needs. Budget narrative reflects research, quotes and/or contracted pricing. Max Points 25

4. 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
5. **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**

6. **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**

*Applications that have not been signed will not be considered.*

## Property Valuation

The value for each property identified for buyout will be established by the subrecipient based on the pre-event FMV, minus any DOB for applicants that owned the property at the time of the disaster. Owners that purchased the property after the date of the disaster will be limited to the price the owner paid for the property, which is not to exceed the pre-event FMV. If repairs have been made to the property, eligible repair receipts are added to the post-event price of the buyout. Local governments are responsible to hire contract teams that are licensed in the State of Florida to provide the following:

- Appraisals;
- Title and legal services;
- Environmental reviews;
- Demolition of the property; and
- Other related buyout processes.

### Appraisals

The property value, either current or pre-event depending upon ownership status at the time of Hurricane Michael, must be derived from a method that results in a reasonable determination of FMV. The appraisal methodology shall be used in this program, and appraisals must be conducted by an appraiser in accordance with the *Uniform Standards of Professional Appraisal Practice*. The appraiser must comply with relevant State laws and requirements and shall have the appropriate certification, qualifications, and competencies based on the type of property being appraised. When determining the value of many structures, the subrecipient may choose to perform appraisals to establish a statistical sampling of property values and develop an adjustment factor to apply to tax assessed values so that they reasonably reflect each property's market value. DEO will monitor each subrecipient's appraisal practices.

### Title and Legal Services

The subrecipient shall conduct a title search for each property it plans to acquire. The purpose of the title search is to ensure that the owner is the sole and actual titleholder to the property, identify other
persons with a property interest, and to ensure that the title is clear. Clear title means that there are no mortgages or liens outstanding at the time of sale. In addition, there may not be incompatible easements or other encumbrances to the property that would make it either ineligible for acquisition or noncompliant with open space land use restrictions.

Other requirements include:

- A title insurance policy, demonstrating a clear (fee) title conveyance, must be obtained for each approved property that will be acquired.
- A physical site inspection for each property verifying the property has no physical encumbrances, which may require a site survey to clearly establish property boundaries.
- Title to the property must transfer by a warranty deed in all jurisdictions that recognize warranty deeds.
- All incompatible easements or encumbrances must be extinguished.
- The subrecipient shall take possession at settlement.
- The subrecipient must record the deed at the same time as and along with the programmatic deed restrictions.
- The deed transferring title to the property and the programmatic deed restrictions will be recorded according to State law and within 14 days after settlement.

**Environmental Reviews**

The subrecipient is responsible for conducting environmental reviews or causing such reviews to occur through contracted providers of environmental services. The subrecipient will be responsible for ensuring that all reviews are completed on all properties, which includes damaged properties that are to be acquired by the local government as well as properties to be obtained by the seller through the housing replacement assistance. This review is to be completed prior to an award for both acquired and allocated properties. The new property must meet the minimum Department of Social Services Standards (DSS), as determined by the Housing Quality Standards (HQS) under HUD guidelines, or an inspection equivalent. This is not to be completed until the property owner has completed the eligibility phase and has been confirmed to be eligible for assistance.

**Eligible Property Types and Requirements**

The eligible property types are non-commercial properties, which may include owner-occupied structures, residential rental properties, or vacant lots. To be considered an eligible property for the buyout program, the property must satisfy at least one of the following requirements:

- The property is located within the designated areas (Special Flood Hazard Area (SFHA) or High-Risk Flood Area) or
- The property is located outside of the designated areas and satisfies one of the following requirements:
  - The property is substantially damaged (51% or more of the pre-event fair market value of the structure is damaged); or
  - The property is considered a health/safety risk; or
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- The property is located within a floodway.

## Project Eligibility

Properties eligible for buyout must meet the following requirements:

- The property will be purchased from a willing, voluntary seller.
- The property contains a structure that has been damaged or destroyed due to Hurricane Michael, or the property is in a SFHA, or a High-Risk Flood Area.
- All compatible easements or encumbrances can and must be extinguished.
- The property cannot be contaminated with hazardous materials at the time of buyout, other than incidental demolition or household waste.
- The property cannot be part of an intended, planned, or designated project area for which the land is to be acquired by a certain date, and/or where there is an intention to use the property for any public or private future use inconsistent with the open space deed restrictions and FEMA acquisition requirements (e.g., roads and flood control levees).
- The property will not be subdivided prior to the buyout, except for portions outside the identified hazard area, such as within a SFHA or any risk zone identified by FEMA.
- Properties that have received rehabilitation or repairs through the Housing Repair and Replacement Program will not be eligible for assistance under the Voluntary Home Buyout Program.

## Eligible (Allowable) Cost

Allowable costs for property buyout projects depend upon the scope of the project. The following costs associated with the buyout of hazard-prone real property and the demolition of structures are allowable:

- Market value of the real property (i.e., land and structure) either at the time of sale or immediately prior to Hurricane Michael depending upon the ownership status at the time of Hurricane Michael. Therefore, if the appraisal of the property is prior to the disaster then all Duplication of Benefits (DOB) must be subtracted from this amount unless the owner can provide proof that funds were used for another eligible purpose and should be excluded as an offset to the amount of the DOB.
- Fees for necessary appraisal costs, title search, title insurance, property inspection, and survey if applicable.
- Demolition and removal of property.
- Fees paid for environmental review services.
- Relocation costs associated with displaced tenants under the Uniform Relocation Act.

The following costs of demolition activities at the vacated site are generally allowable if necessary:

- Removal of demolition debris to an approved landfill, which includes debris from the demolition of houses, garages, driveways, sidewalks, and above-grade concrete slabs.
- Asbestos abatement.
- Removal of septic tanks. If not removed, the floors and walls of the tank must be cracked or crumbled so the tank will not hold water and then be filled with sand or other type of clean fill.
- Removal of all structure foundation and basement walls to a point at least one foot below the
Ineligible (Not Allowable) Cost

Costs that are not allowable under this Voluntary Home Buyout Program include, but are not limited to:

- Compensation for land that is already held by an eligible entity. This is the case even if the eligible entity is not the subrecipient for the project. However, in that event compensation for development rights (e.g., obtaining an open space easement) may be an allowable cost.
- The cleanup or remediation of contaminated properties, except for permitted disposal of incidental demolition and household hazardous wastes.

Award Determination

Cities and counties will use the applicable FMV methodology to determine the fair market value of a property for sellers based on the ownership status at the time of Hurricane Michael, and must provide documentation within the application to DEO to support that methodology:

- Owners of eligible properties at the time of Hurricane Michael receive an offer to purchase the property minus any duplication of benefits (DOB).
- Owners that purchased eligible property after Hurricane Michael will receive an offer to purchase the property based on pre-event FMV as the basis of their buyout, subject to the following limitations and DOB review:
  1. The amount of the award is limited to the price the owner paid for the property, not to exceed the pre-event fair market value. If repairs have been made to the property, eligible repair receipts are to be added to the post-disaster price of the acquisition.
  2. Banks or mortgage companies that have been deeded the property on a post Hurricane Michael basis will be limited to the amount of the mortgage balance (pay-off). This is all that the bank(s) or mortgage company(ies) would receive if the owner of the property had participated in the program.
  3. Properties that are in foreclosure and with the same owner as that prior to Hurricane Michael will receive any remaining proceeds (i.e., after sales expenses, taxes, liens) after the sale of the property, with the award being based on pre-event FMV.
  4. Trusts, probates, and living wills will receive an offer based on the pre-event fair market value as if the pre-event owner is participating and subject to a DOB review. This is the same offer the owner would have received if they had participated in the program.
  5. If the property is in the court of bankruptcy, the bankruptcy trustee will provide the valuation documentation that was used to value the property at the time of the bankruptcy. The award
amount is not to exceed the pre-event fair market value; however, if the property is being held in the trust with the owner remaining the current deed holder and has not been acquired by the trustee, documentation must be provided to demonstrate that the property is still deeded to the owner and only held in the trust. If this proof is provided, the owner will receive an award based on the pre-event fair market value of the property.

**Award Calculation Methodology**

Rebuild Florida has developed multiple disaster recovery housing programs based on the nature and scope of damage to meet the objectives of recovery efforts. This Award Calculation Methodology demonstrates a method of calculating an individual’s award in the context of the Voluntary Home Buyout Program by using the pre-event FMV, and in combination with other housing programs, such as HMGP and the Housing Replacement Assistance and Housing Replacement Allowance programs. All awards are subject to DOBs.

The following provides four examples of calculating duplication of benefits for the subrecipient to offer in combination with other housing programs:

- **Hazard Mitigation Grant Program (HMGP):** Subrecipients may use CDBG-DR funds as the required matching funds for residential properties that will be purchased through the local jurisdiction’s HMGP program. This is a voluntary real property acquisition program funded by FEMA to acquire flood damaged homes at FMV. HUD has provided a CDBG-DR matching component funded with 75% FEMA funds (with up to 25% CDBG-DR match funds) or 90% FEMA funds (with up to 10% CDBG-DR match funds).

- **CDBG-DR Buyout Program:** Subrecipients may fund 100% of the buyout with CDBG-DR funds. This is a voluntary real property acquisition program with awards that are limited to the pre-event FVM of the land and structure.

- **Housing Replacement Assistance:** Subrecipients may offer incentives to low- to moderate-income qualified applicants as part of the buyout program design. This is a program to retain an area’s population, awarding up to $25,000 in addition to the pre-event FMV of the buyout home for income-qualified buyout applicants.

- **Housing Replacement Allowance:** Subrecipients may offer a lower value incentive to qualified participants who do not meet low- to moderate-income requirements. This is a program for those who are not income-qualified for the Housing Replacement Assistance. Participants can be eligible for up to $10,000 in Housing Replacement Assistance if their damaged home meets certain requirements.

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 new home within the same taxing jurisdiction. Additionally, applicants may only qualify for this additional assistance if they relocate outside of the floodplain to a lower-risk area. Subrecipients must maintain documentation describing how the amount of assistance was determined to be necessary and reasonable.

**Duplication of Benefits Process**

Costs that duplicate amounts received by or available to the property owner or affected tenant from another source for the same purpose are not allowable. The deduction will be taken from the purchase offer if the offer is determined by an appraised market value prior to Hurricane Michael. The program will recoup duplicative amounts identified after grant funds have been expended. Property owners who receive duplicative payments following the conclusion of the property settlement are responsible for reimbursing the subrecipient for those duplicated funds.
State grant program funding is supplemental to other funding sources and must be reduced by amounts reasonably available (even if not sought or received) from other sources to address the same purpose or loss. DEO, subrecipients, and project participants, including property owners and tenants, must take reasonable steps to recover all such amounts. Amounts that are reasonably available to the individual or entity shall be treated as benefits available for the same purpose, even if he/she/it did not seek them.

All subrecipients must create and implement a subrogation policy to address recoupment of duplicative funds received by a program participant after the settlement of grant funds. All subrecipients must enter into a subrogation agreement with each program participant.

Tax adjustments resulting from filings related to losses to the rental property are not considered a DOB and do not affect the award.

For property valuations based on post-disaster FMV, no DOB will be taken from the offer. A program that provides post-disaster FMV to buyout applicants only provides the actual value of the property; thus, the seller is not considered a beneficiary of CDBG-DR assistance; therefore, this activity does not fall under the Stafford Act.

For property valuations based on pre-disaster FMV, the following procedures assist in preventing grant funds from duplicating benefits available from other sources:

- Property owners who have a U.S. Small Business Administration loan with a mortgage on the property that is to be acquired are required to repay the loan or roll it over to a new loan at closing.
- The subrecipient shall identify any other potential sources of benefits to the property owner, or tenant.
- The subrecipient is responsible to verify information via FEMA Data for structural repairs and replacement, and rental or relocation assistance provided to tenants along with verifying all National Flood Insurance Program (NFIP) coverage information, including the amount paid on a claim and the amount of coverage available.
- The subrecipient shall coordinate with property owners who shall disclose all potential amounts available to them for the same purpose, as described above, including repair or replacement assistance received, all insurance benefits available to them under an existing policy (whether they submitted a claim or not), and any potential recovery based on litigation or other legal obligations. The property owner must take reasonable steps to recover such amounts. Amounts that are reasonably available or anticipated to the property owner shall be treated as benefits available for the same purpose, even if the property owner did not seek them.
- The subrecipient shall coordinate with tenants who shall disclose any amounts received from rental or relocation assistance.

**Housing Replacement Assistance Determination**

Because this is a voluntary home buyout program, owners are not eligible for assistance under the Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act. However, tenants who are displaced because of the owner’s sale of the property to the subrecipient are entitled to assistance under the URA.

All property owners participating in the buyout are eligible for up to the maximum housing replacement assistance allowed by the Robert T. Stafford Act. All income qualified buyout participants are eligible for up to $25,000 in the housing replacement assistance plus pre-event market value of their buyout home. Those that are not income qualified will be eligible for up to $10,000 in housing replacement
allowance only if the damaged property is located within the designated area.

The following requirements must be met to qualify for housing replacement assistance:

- The buyout home must be in the designated area or house a low- to moderate-income family.
- The homeowner must purchase a replacement home that is more expensive than the buyout home.
- The replacement home must be located within the jurisdiction of the subrecipient.
- The replacement home must be considered decent, safe, and sanitary.

If income qualified, the housing replacement assistance would be a maximum of $25,000. However, the replacement home purchased must be valued at $25,000 greater than the buyout home to receive the full award. If the value of the replacement home is less than $25,000 but is more than the pre-event fair market value of the buyout home, the applicant’s housing replacement assistance will be capped at the difference. If the applicant is not income-qualified, the maximum amount of replacement housing the applicant can receive is $10,000. Pre-event owners of vacant lots and rental properties are not eligible to receive housing replacement assistance, as they did not occupy the structure at the time of the disaster. In addition, post-event owners are not eligible to receive a replacement housing award, as they were not required to relocate due to the disaster.

If a rental home is purchased through the Voluntary Home Buyout Program and houses tenants that will be required to relocate, they are considered displaced persons that are eligible for relocation benefits under the Uniform Relocation Act (URA). The subrecipient must develop and implement URA policies and procedures and ensure that all required notices, services and payments afforded to tenants qualified under URA are provided in a timely manner.

Open Space Restrictions

To be eligible, a project must result in property buyout that meets all the requirements governing the use of grant funds and the use of acquired real property, including:

- The property acquired, accepted, or from which structures are removed will carry a permanent deed restriction requiring the property be maintained for open space, recreational, or wetlands management purposes only.
- The subrecipient will dedicate and maintain the property in perpetuity for uses compatible with open space, recreational, or wetlands management practices, and be consistent with conservation of natural floodplain functions.
- The subrecipient must record the deed restrictions consistent with the model deed.

Construction of new structures is only allowed where:

- A public building is open on all sides and functionally related to a designated open space or recreational use.
- The structure is a public restroom.
- The structure is compatible with open-space, recreational, or wetlands management usage and floodplain management policies and practices and has DEO and FEMA approval in writing before the construction of the structure begins.
- Any new structures built on the property according to the third subparagraph above will be elevated or flood-proofed to the Base Flood Elevation (BFE) plus two foot of freeboard as defined in the Federal Register 24 CFR 55.2(b)(10) and meet applicable requirements of the National Flood Insurance Program (NFIP) floodplain management regulations or local codes.
• After settlement, no federal disaster assistance for any purpose from any federal source, nor flood insurance payments will be made with respect to the property, and no person or entity shall seek such amounts.

• The subrecipient must obtain the approval of DEO and the FEMA Regional Administrator before conveying ownership (fee title) of the property to another public agency or qualified conservation organization. Property transfer to private citizens and corporations will not be approved.

• All development rights in the form of a conservation easement on the property must be conveyed to the conservation organization or retained by the subrecipient or other public entity.

• The subrecipient must accept responsibility for monitoring and enforcing the deed restriction and/or easement.