



# Rebuild Florida Hurricane Sally Voluntary Home Buyout

## PROGRAM GUIDELINES

This document provides guidelines for requirements for the Hurricane Sally Voluntary Home Buyout Program administered by the State of Florida Department of Commerce. This program is funded by the U.S. Department of Housing and Urban Development Community Development Block Grant—Disaster Recovery allocation described in the *Supplemental Appropriations for Disaster Relief Act, 2022* (Public Law 117-43).

VERSION 1.2

January 29, 2024

## VERSION HISTORY

Version Number	Change Date	Summary of Changes
1.0	1/24/2023	Original Version
1.1	2/28/2023	<p>In 2.0 Introduction updated “must purchase properties at the post-event fair market value” to “must purchase properties at the current fair market value (FMV) post storm” for consistency with the Action Plan.</p> <p>Added section 4.0 Civil Rights</p> <p>Added VHB program timeline to 5.0 Application and Administration of the Buyout</p> <p>Added sections 5.1 Subrecipient Application, 5.2 Subrecipient Responsibilities, 5.3 Outreach Period, 5.4 Complaints, and 5.5 Appeals</p> <p>In 7.0 Property Valuation updated verbiage to state that property value for buyouts will be based on the “<i>post event</i>” fair market value.</p> <p>Updated 7.1 Appraisals to read that the homeowner will be offered the value of the home as appraised <i>after</i> the storm.</p> <p>Added information regarding environmental reviews and environmental clearance to 7.3 Environmental Reviews</p> <p>9.3 Site Eligibility and subsections Damage Inspection and Environmental Review Process</p> <p>Added Appendix 2: Area Median Income Charts</p> <p>Added Appendix 3: Demonstrations of Award Calculation Methodology</p>
1.2	11/xx/2023	<p>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.”</p> <p>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.</p>

## 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 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 document in question.

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# 1.0 Definitions and Acronyms

**100-year floodplain** – The geographical area, defined by the Federal Emergency Management Agency, subject to inundation from a flood with a 1 percent or greater chance of being equaled or exceeded in any given year.

**500-year flood plain** – The geographical area, defined by the Federal Emergency Management Agency, subject to inundation from a flood with a 0.2 percent chance of being inundated by a flooding event in any given year.

**Action Plan** – Community Development Block Grant-Disaster Recovery Action Plan for Disaster Recovery provides the high-level strategy to carry out strategic and high-impact activities to minimize or eliminate risks and reduce losses from future disasters. The Action Plan also describes the opportunity to improve state and local planning protocols and procedures.

**Acquisition** – The acquiring of real property, in whole or in part, by the recipient, or other public or private nonprofit entity through purchase, long-term lease, donation, or otherwise for any public purpose, subject to the limitation of 24 CFR 570.207. Real property includes air rights, water rights, rights-of-way, easements, and other interests therein (24 CFR 570.201).

**Allocation Announcement Notice (AAN)** – Publication announcing the Community Development Block Grant-Disaster Recovery allocations for specific disasters and including waivers and alternative requirements specific to the Appropriations Act that allocated the funding.

**Allowable Costs** – Costs deemed allowable under the Community Development Block Grant-Disaster Recovery rules and regulations and 2 CFR 200 Subpart E.

**Applicant** – Any entity that submits a response to the request for applications for potential funding through the Community Development Block Grant-Disaster Recovery program.

**Appraisal** – A written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

**Area Median Income (AMI)** – The median household income for an area adjusted for household size as published and annually updated by the U.S Department of Housing and Urban Development. Once household income is determined, it is compared to the U.S Department of Housing and Urban Development's income limit for that household size.

**Base Flood Elevation (BFE)** – Base Flood Elevation, as determined by the Federal Emergency Management Agency, is the relationship between the Base Flood Elevation and a structure's elevation. It is used to determine flood insurance premiums. The Federal Register sets the minimum elevation requirements for properties that will be assisted with CDBG-DR funding, and which require elevation. FloridaCommerce of Urban and Housing Development has determined that structures designed principally for residential use and located in the 100-year floodplain that receive assistance for new construction, repair of substantial damage, or substantial improvement must be elevated with the lowest floor, including the basement, at least two feet above the Base Flood Elevation.

**Buyout** – The acquisition of a property located in a floodway, floodplain, or other Disaster Risk Reduction Area with the intention of reducing risk from future hazards.

**CFR** – Code of Federal Regulations.

**Community Development Block Grant (CDBG)** – Supports community development activities to build stronger and more resilient communities. To support community development, activities are identified through an ongoing process. Activities may address needs such as infrastructure, economic development

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projects, public facilities installation, community centers, housing rehabilitation, public services, clearance/acquisition, microenterprise assistance, code enforcement, homeowner assistance, etc.

**Community Development Block Grant-Disaster Recovery (CDBG-DR)** – The Community Development Block Grant Disaster Recovery Program, administered by the U.S. Department of Housing and Urban Development, as authorized under Title I of the Housing and Community Development Act of 1974, as amended. These funds are provided as a last resort to help cities, counties, and states to recover from Presidentially declared disasters.

**Consolidated Notice** – The U.S. Department of Housing and Urban Development's Community Development Block Grant-Disaster Recovery Consolidated Notice, Appendix B of Federal Register Vol. 87, No. 23. The Consolidated Notice governs all Office of Long-Term Resiliency Community Development Block Grant-Disaster Recovery grants beginning with 2020 disasters (Hurricane Sally) and includes amended requirements from previous Federal Register Notices and Community Planning and Development Notices that have regulated Community Development Block Grant-Disaster Recovery funds in the past. The Consolidated Notice includes waivers and alternative requirements, relevant regulatory requirements, the grant award process, criteria for action plan approval, and eligible disaster recovery activities.

**Contractor** – An entity competitively selected to provide clearly-specified goods or services meeting the procurement requirements at 24 CFR 85.36, 2 CFR 200, Section 287.055, Florida Statutes, and Rule 73-23.0051(3), Florida Administrative Code.

**CPD** – Community Planning and Development.

**Designated Area** – The land determined by the subrecipient that is eligible for the Voluntary Home Buyout Program.

**DR** – Disaster Recovery.

**Decent, Safe, and Sanitary (DSS)** –A dwelling which meets local housing and occupancy codes. Any of the standards outlined in 49 CFR 24.2(a)(8) which are not met by the local code shall apply unless waived for good cause by the Federal Agency funding the project.

**Duplication of Benefits (DOB)** – When a person, household, business, government, or other entity receives financial assistance from multiple sources for the same purpose within the same time period, and the total assistance received for that purpose is more than the total need for assistance.

**Eligible Receipts** – 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.

**Eligible Property** – 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.

**Federal Register (FR)** – The official journal of the Federal Government of the United States that contains government agency rules, proposed rules, and public notices issued by federal administrative agencies.

**FEMA** – Federal Emergency Management Agency.

**Florida Department of Commerce (FloridaCommerce)** – Administrator of the Community Development Block Grant-Disaster Recovery and Community Development Block Grant-Mitigation programs funded by the U.S. Department of Housing and Urban Development. Florida Commerce is the governor-designated state authority responsible for administering all long-term disaster recovery funds awarded to Florida from the U.S. Department of Housing and Urban Development. As used in this document, “the Department” refers to the Florida Department of Commerce.

**HCDA** – Housing and Community Development Act of 1974, as amended.

**HMGP** – Hazard Mitigation Grant Program.

**HQS** – Housing Quality Standards.

**HRRP** – Subrecipient Housing Repair and Replacement Program.

**HUD** – The United States Department of Housing and Urban Development.

**Ineligible receipts** – 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.

**Low Moderate Area Benefit (LMA)** – An eligible activity that benefits all residents in a particular area, where at least 51 percent of the residents are Low-to-Moderate Income Persons as determined by the most recently available decennial Census information, together with the Section 8 income limits that would have applied at the time the income information was collected by the Census Bureau, or a current survey of the residents of the service area.

**Low- to Moderate-Income (LMI)** – An income that is less than 80% of the local area median income.

**Low Moderate Housing (LMH)** – Eligible activities that are undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by LMI households. To be eligible, structures with one unit must be occupied by a Low-to-Moderate Income Household, with two units, at least one unit must be Low-to-Moderate Income occupied, and structures with three or more units must have at least 51 percent occupied by Low-to-Moderate Income Households.

**Low Moderate Housing Incentive (LMHI)** – Housing incentives tied to a voluntary buyout or other voluntary acquisitions of housing owned by eligible Low-to-Moderate Income Households and provided for the purpose of moving the eligible household outside the affected floodplain or to a lower-risk area, or improving residential structures that will be occupied by an LMI household

**Low-to-Moderate Income (LMI) Household** – A household whose annual income does not exceed 80 percent of the median income for the area as most recently determined by HUD.

- LMI 30 refers to those individuals/families making less than 30 percent of the Area Median Income.
- LMI 50 refers to those individuals/families making less than 50 percent of the Area Median Income.
- LMI 80 refers to those individuals/families making less than 80 percent of the Area Median Income.
- Above LMI 80 refers to those individuals/families making more than 80 percent of the Area Median Income.

**Low-to-Moderate Income (LMI) National Objective** – Activities that benefit households whose total annual gross income does not exceed 80 percent of Area Median Income, adjusted for family size. Pursuant to federal statute, the grantee is required to expend 70 percent of Community Development Block Grant-Disaster Recovery funds to meet the Low-to-Moderate-Income National Objective.

**Low-to-Moderate Income (LMI) Resident/Person/Individual** – A person whose annual income does not exceed 80 percent of the median income for the area as most recently determined by the U.S. Department of Housing and Urban Development.

**Most Impacted and Distressed (MID) Areas** – Areas of most impact as determined by the U.S. Department of Housing and Urban Development or the state using the best available data sources to calculate the amount of disaster damage.

**National Flood Insurance Program (NFIP)** –

- NFIP Zone A refers to those applicants within the 100-year flood zone.



- NFIP Zone V refers to those applicants within the 100-year flood zone with velocity (coastal storm surge risk).
- NFIP Zone X refers to those applicants outside of the 100-year flood zone.

**Necessary Costs** – Community Development Block Grant-Disaster Recovery funding will fill a necessary gap to address an unmet need that cannot be filled by another funding source. This is demonstrated by conducting a duplication of benefits analysis calculation for each activity.

**Office of Long-Term Resiliency (OLTR)** – The Florida Department of Commerce’s office dedicated to the administration of Community Development Block Grant-Disaster Recovery and Community Development Block Grant-Mitigation funded programs and activities.

**Post-event fair market value** – The land and dwelling value for parcels, as determined by each subrecipient, after the disaster.

**Project/Program/Activity** – The housing, infrastructure, economic development, or planning endeavor undertaken by the Department, the subgrantee and/or subrecipient using Community Development Block Grant-Disaster Recovery funds.

**RARAP** – Residential Anti-displacement and Relocation Assistance Plan.

**Real Property** – Land, including all the natural resources and permanent buildings on it. Real property includes air rights, water rights, rights-of-way, easements, and other interests therein. (24 CFR 570.201)

**Reasonable Costs** – Costs that do not exceed what a prudent person would incur under similar circumstances, as demonstrated by the market price for comparable goods and services. For contracted work, the Responsible Entity should conduct an independent cost estimate to establish cost reasonableness as outlined in 2 CFR 200.

**Rebuild Florida** – A disaster recovery program created by the Florida Department of Commerce to help Florida’s long-term recovery efforts from disasters that have impacted the citizens of Florida.

**Responsible Entity (RE)** – The entity responsible for certain components of the Community Development Block Grant-Disaster Recovery administration process including environmental reviews, monitoring, and administration. The Responsible Entity can be the Department of Commerce or a Unit of General Local Government, also known as a subrecipient, as specified by the Department.

**Service Area** – The total geographic area to be directly or indirectly served by a subgrant project that addresses the Low-to-Moderate Income National Objective, in which at least 51 percent of the residents are low-to-moderate income persons. A service area must include all, and only those, beneficiaries who are reasonably served or would be reasonably served by the activity.

**Special Flood Hazard Area (SFHA)** – Areas where the National Flood Insurance Program’s (NFIP’s) floodplain management regulations must be enforced and the mandatory purchase of flood insurance applies.

**Subcontract** – A contract entered into by a subcontractor to furnish supplies or services for performance of a prime contract, or another subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.

**Subcontractor** – Any supplier, distributor, vendor, or firm that furnishes supplies or services to or for a subrecipient. As related to Section 3 of the of the Housing and Urban Development Act of 1968, as amended, any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor’s obligation for the performance of work generated by the expenditure of Section 3 covered assistance or arising in connection with a Section 3 covered project.

**Subgrantee** – A recipient that demonstrated its abilities to carry out competitive applications due to their expertise related to goals of the program.

**Subrecipient** – A competitively-selected recipient, usually a local government, that is provided Community Development Block Grant-Disaster Recovery funds from the Department of Commerce to agreed-upon eligible disaster recovery activities documented in a Subrecipient Agreement.

**Subgrant Agreement** – An agreement between the Department of Commerce and the subgrantee for the subgrantee to undertake activities using Community Development Block Grant-Disaster Recovery funds.

**Subrecipient Agreement** – An agreement between the Department of Commerce and the subrecipient for the subrecipient to undertake activities using Community Development Block Grant-Disaster Recovery funds.

**Subrogation** –A legal doctrine that allows one entity to take on the rights of another. In the context of Disaster Recovery grants, a subrecipient must enter into a subrogation agreement in which the funding agency (the Department of Commerce) obtains the right to collect any additional disaster recovery payments the entity obtains for the same purpose after the entity has received disaster recovery benefits.

**Uniform Relocation Assistance and Real Property Acquisition Act (URA) of 1970, as amended** – A federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms. The URA's protections and assistance apply to the acquisition, rehabilitation, or demolition of real property for federal or federally funded projects pursuant to 49 CFR Part 24 and applicable waivers provided in the U.S. Department of Housing and Urban Development's Community Development Block Grant-Disaster Recovery Consolidated Notice, Appendix B of Federal Register Vol. 87, No. 23.

**Urgent Need** – A recent need that poses a serious and immediate threat to the health or welfare of the community.

**VHB** – Voluntary Home Buyout Program.

**Waiver** – A revision to the standard Community Development Block Grant-Disaster Recovery regulations, requirements, and activities, granted by the U.S. Department of Housing and Urban Development.

## 2.0 Introduction

The Florida Department of Commerce (the “Department”) Office of Long-Term Resiliency (OLTR) is the administrator of 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, 2022 Public Law (P.L.) 117-43, approved September 30, 2021, and through publication of the Federal Register, Vol. 87, No. 23. FloridaCommerce is the agency responsible for the administration of disaster funds allocated to housing, economic development, and infrastructure activities. FloridaCommerce is administering the Rebuild Florida Voluntary Home Buyout (VHB) Program. The Rebuild Florida CDBG-DR VHB Program is designed to address needs that remain after all other assistance has been exhausted. This plan details how funds will be allocated to address remaining unmet need in disaster-impacted areas in Northwest Florida and reduce vulnerability through acquisitions and buyouts. This program will primarily benefit Low-to-Moderate income (LMI) households with properties that are in a Special Flood Hazard Area (SFHA), and in high-risk flood areas to help reduce the impact of future disasters.

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 the Department on projects located in LMI areas to buyout residential areas in support of permanent open space supporting green infrastructure or other floodplain management systems.

FloridaCommerce will prioritize home buyout projects that focus on the acquisition of concentrations of residential areas that meet LMI area requirements.

Cities and counties that are interested in this program will work with the Department 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 VHB 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 Subrecipient Housing Repair and Replacement Program (HRRP) will not be eligible for assistance under the VHB Program. However, subrecipients, on a case-by-case basis, may be required to replenish/replace tenant-occupied housing units that have been demolished through the VHB Program pursuant to the requirements in the Allocation Announcement Notice (AAN) in FR Vol. 87, No. 23 and Appendix B of FR Vol. 87, No. 23 (the “Consolidated Notice”) section IV.F.1 and as instructed by the Department. The replacement units must be located in areas outside the buyout zone and any Special Hazard Flood Area (SHFA).

Cities or counties participating in this program must purchase properties at the current fair market value (FMV) post storm, of the land and the structure for all sellers that were owners of the property at the time of Hurricane Sally. For all sellers that own property post-Hurricane Sally, post-event FMV must be used to purchase the property and may not exceed the post-event FMV and properties located in the designated area must be deed-restricted to remain green space in perpetuity. In addition to the post-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 Disaster Relief and Emergency Assistance Act (Stafford Act), requiring that all funds used for disaster-related purposes be deducted as a Duplication of Benefit (DOB), which is discussed in greater detail below.

## 3.0 Anti-Fraud, Waste, and Abuse

Rebuild Florida constituents, employees, and contractors may report suspected fraud, waste, or abuse by contacting Constituent Management Services staff, submitting information via the Report Fraud, Waste, or Abuse online form <http://floridajobs.org/rebuildflorida/report>; (all contact information fields are optional to allow for anonymity) or by sending an e-mail to [CDBG-DR\\_antifraudwasteabuse@Commerce.fl.gov](mailto:CDBG-DR_antifraudwasteabuse@Commerce.fl.gov)

All suspected cases of fraud will be taken seriously, and complaints will be reported to OLTR's Compliance and Reporting Manager and Florida Commerce's Office of the Inspector General at [OIG@Commerce.fl.gov](mailto:OIG@Commerce.fl.gov). If Florida Commerce's OIG determines that it is appropriate, it will coordinate its investigation with agencies such as the Florida Office of the Inspector General, the Florida Office of the Attorney General, or the Florida Department of Business and Professional Regulation.

All substantiated cases of fraud, waste, or abuse of government funds will be forwarded to the United States Department of Housing and Urban Development (HUD), Office of Inspector General (OIG) Fraud Hotline (phone: 1-800-347-3735 or email: [hotline@hudoig.gov](mailto:hotline@hudoig.gov) and Florida Commerce's HUD Community Planning and Development (CPD) Representative. *OLTR must provide a timely response within 15 working days of the receipt of a complaint, as stated in the Consolidated Notice.*

Office of Long-Term Resiliency's comprehensive Anti-Fraud Waste and Abuse Policy can be found [here](#).

## 4.0 Civil Rights

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.

## 5.0 Application and Administration of the Buyout

A city or county must apply for the CDBG-DR VHB 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 post-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 post-event FMV. If awarded, the city or county would enter into a contract with the Department to administer and oversee their jurisdiction in which the program applies.

The property owners that apply for the VHB 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 the Department 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.

Currently, the overall programmatic timeline for activities for the Hurricane Sally VHB is as follows:

- January 24, 2023 – April 9, 2023: Application Cycle Period
- April 9, 2023 – June 1, 2023: Application Review and Scoring
- June 1, 2023 – June 28, 2023: Florida Commerce Performs Site Visits
- July 14, 2023 – July 22, 2023: Award Announcement
- July 24, 2023 – August 24, 2023: Execution of Subrecipient Agreements

### 5.1 Subrecipient Application

The Request for Applications for VHB will open on January 24, 2023 and will remain open for a minimum 80-day intake period. There may only be one application per responding agency or entity. Any extension of the application intake period beyond 80 days 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 VHB by registering for a VHB application via the link on the Hurricane Sally VHB webpage at <https://floridajobs.org/cdbg-dr/Hurricane-Sally/rebuild-florida-hurricane-sally-voluntary-home-buyout-program>

Applications must be:

- Printed and completed on the Department Application Portal;
- Completed on PDF (upon request); or
- Submitted electronically via [HousingSubrecipient@Commerce.fl.gov](mailto:HousingSubrecipient@Commerce.fl.gov)

The application cycle began January 24, 2023, and will extend through April 14, 2023. Subrecipients must complete and submit an application within this 80-day period. All applications must be accompanied by the following documents:

- An Annual Financial Statement, providing the most recent financial statement prepared in accordance with 2 CFR 200.510, including a schedule of expenditures, findings, and questioned costs;
- Names and contact information for staff that will provide local oversight of the application, the potential contract, and applicable requirements; and
- Local procurement policies and procedures,



- Other required documentation, if applicable.

In addition to the required documents listed above, the subrecipient applicant shall be ready and willing to provide the following information:

- The Citizen Participation Plan: List all the opportunities where citizens were provided 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 Sally-related condition.
- Describe how the proposed activities will address damage resulting from Hurricane Sally.
- Provide an analysis of income categories of the households in the LMI area affected by the disaster, as evidence by FEMA Claims or other Florida Commerce 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 3: Demonstrations of Award Calculation Methodology for an example table of this information.
- Provide a project schedule not exceeding 36 months following the execution of the contract between the subrecipient and Florida Commerce.
- If funds are being leveraged in a matched program for the HMGP, provide the funding amount and a description of its use.

Subrecipient applicants should be prepared to answer the following questions:

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

## 5.2 Subrecipient Responsibilities

Awarded subrecipients must enter into a subrecipient agreement with the Department and comply with the performance benchmarks and terms and conditions therein. By entering into a subrecipient agreement and participating in the VHB, subrecipients must also accept the following responsibilities:

- Comply with these VHB Program guidelines, the Action Plan and any subsequent Action Plan Amendments, and all applicable federal, state, and local laws.
- 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.

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- Comply with the requirement that subrecipients will not carry out any of the activities under their agreement with the Department in a manner that results in a prohibited DOBs as defined by Section 312 of the Stafford Act (42 U.S.C. 5155 *et seq.*) and as described in Appropriations Acts.
- Comply with the Davis-Bacon Act (DBA) (40 U.S.C.A. § 276a to 276a-5) purpose to preserve local wage standards and promote local employment.
- 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.”*
- Conduct environmental reviews or require such reviews 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.
- Design and implement a public outreach campaign to target homeowners that may have been impacted by Hurricane Sally. Further information on public outreach is outlined in 5.3 Outreach Period.
- Design a VHB grant application and application process.
- Evaluate each grant applicant for the potential for DOB and decline any grant amount that would constitute such a duplication.
- Monitor grantee compliance with the terms and conditions of the grant agreement.
- Document all activities and maintain organized files accessible to the Department or its representatives upon request.

In addition, subrecipients must provide the Department with the following:

- A detailed budget and measure actual cost versus projected cost on a monthly basis.
- A monthly report outlining 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.
- A monthly report that details the grant funding awarded versus funds disbursed.
- A detailed timeline for implementation consistent with the milestones outlined in these guidelines, and report actual progress against the projected progress on a monthly basis.

Subrecipients of the VHB must develop and implement policies and procedures for program implementation and update these policies and procedures in a timely manner and upon Department request. These policies and procedures include:

- Policies and procedures that, at a minimum, include information about the application process, application requirements, underwriting criteria, compliance requirements, and reporting methodology.
- Policies and procedures to detect and prevent fraud, waste, and abuse that:
  - Describe how the subrecipient will verify the accuracy of applicant information,
  - Describe the subrecipient’s monitoring policy indicating how and why monitoring is conducted, the frequency of monitoring, and which items will be monitored, and
  - Establish procedures 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).
- Policies and procedures developed in compliance with the requirements under 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as applicable.
- Policies and procedures for complaints and ensure all complaints are resolved within 15 working days of receipt.



- Policies and procedures for appeals.
- Policies and procedures for subrogation and enter into a subrogation agreement with each funded applicant.
- Policies and procedures for any person who may qualify for assistance under the URA, as amended (49 CFR Part 24), and 104(d) of the Housing and Community Development Act of 1974 (HCDA), as amended (24 CFR Part 42).

## 5.3 Outreach Period

Each subrecipient is required to execute an Outreach Plan based on a Needs Assessment. Prior to kicking off their 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. Each outreach meeting should, at minimum address the following:

- 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.

## 5.4 Complaints

Subrecipients shall develop and implement a complaints protocol to log, track, and resolve all complaints related to VHB 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.

## 5.5 Appeals

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

## 6.0 National Objectives

Benefit to LMI persons or Urgent Need (meeting a need having a particular urgency). The CDBG-DR driven buyout program will meet or exceed its overall LMI National Objective by requiring all activities to meet all requirements of the HCDA, and one of the following national objective criteria as stated in Federal Register Vol. 87, No. 23 (p. 6374):

1. Low- to-Moderate Income Area (LMA) Benefit: properties acquired through buyouts will be used in a way that benefits a service area where at least 51 percent of the residents are LMI. Proposed buyout areas will undergo a review of eligibility to ensure that the end use of the properties results in a project service area where at least 51 percent of the residents are LMI.
2. Low-Moderate Housing Incentive Criteria (LMHI): buyout must be of a qualifying LMI household, and a housing incentive is used for the purpose of moving outside of the affected floodplain to an area of reduced flood risk.

### 6.1 How to meet the National Objective

When undertaking buyout activities and to demonstrate that a buyout meets the Low Moderate Housing (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 VHB 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.

### 6.2 Locations

Those counties that received a declaration of both Federal Emergency Management Agency (FEMA) Individual Assistance (IA) and Public Assistance (PA) after Hurricane Sally are eligible to apply to the Department to be a subrecipient of funding and administer a local VHB Program.

### 6.3 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, the Department will review and score each proposal based on Scoring Criteria.

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

The maximum score for Scoring Criteria is 200 points.

### 6.3.1 CDBG-DR Threshold Compliance Criteria:

1. Projects or programs must meet a CDBG-DR National Objective such as:
  - A. Benefit to LMI individuals
  - B. Urgent Need (meeting a need having a particular urgency)
2. Projects or programs must address a clear unmet need:
  - A. Tied to Hurricane Sally,
  - B. Primarily serve LMI populations, and
  - C. Primarily serve housing activities.

### 6.3.2 Scoring Criteria

Once a proposal is determined to satisfy the CDBG-DR Threshold Compliance Criteria, then the Department will apply scoring based on the following Scoring Criteria. The maximum Scoring Criteria score is 200.

		Max Points
1	<b>Benefit to LMI Households:</b>  The LMI score will be determined on the average household incomes of all homeowners to be included in the project. The applicant should provide their LMI data for the homeowners in a percentage form. For example, if the service area LMI is 65 percent, Florida Commerce will multiply by 50 (the maximum amount of points) to receive the final LMI score of 32.5 points.	50
2	<b>Acquisition of Properties in Special Flood Hazard Areas Without Flood Insurance:</b>  <b>10 Points</b> shall be given for each household in a Special Flood Hazard Area which does not have flood insurance.	40
3	<b>Vulnerability of LMI Population Served:</b>  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)).  <b>5 Points</b> per qualifying individual within a household.	35
4	<b>Concentration of LMI Residential Properties Acquired:</b>  <b>10 Points</b> shall be given to applicants where five or more adjoining properties occupied by LMI households are to be acquired for completion of the project. <b>5 Points</b> shall be given to applicants where three or four adjoining properties occupied by LMI households are to be acquired for completion of the project. <b>1 Point</b> shall be given to applicants where less than three adjoining properties occupied by LMI households are to be acquired for completion of the project.	15
5	<b>Leverage of Funds:</b>  <b>10 Points</b> CDBG-DR funds used as federal program local match. <b>5 Points</b> CDBG-DR funds used along with leveraged funds from the applicant.	15

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6	<b>Benefit to Target Area:</b> <b>15 Points</b> CDBG-DR funds used for creative stormwater design. <b>10 Points</b> CDBG-DR funds used for the development of park space.	25
7	<b>Proposes Cost Reasonable Budget:</b> 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.	15
8	<b>Staffing and Management Capacity:</b> The local entity has the experience and capacity to complete the project and the ability to perform required maintenance.	5
<b>Total Maximum Score:</b>		<b>200</b>

## 7.0 Property Valuation

The value for each property identified for buyout will be established by the subrecipient based on the post-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 post-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.

### 7.1 Appraisals

The current FMV depending upon ownership status at the time of Hurricane Sally, 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. The subrecipient will inform the owner in writing of what it believes to be the market value of the property. FloridaCommerce will monitor each subrecipient's appraisal practices.

Florida Licensed Real Estate Appraisers will be used to value property in the buyout program. The subrecipient will offer the homeowner the value of the home as appraised after the storm. Additionally, the subrecipient should establish policies on housing incentives. The subrecipient's policies should ensure that its housing incentives comply with applicable Civil Rights and Affirmatively Furthering Fair Housing requirements and that there is no discrimination against a protected class. FloridaCommerce will review and approve the subrecipient's established housing incentive policies.

### 7.2 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, which 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; and
- 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.

## 7.3 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 Decent, Safe, and Sanitary 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.

All projects seeking assistance under the current CDBG-DR funds for Hurricane Sally, and any future funds allocated for Hurricane Sally, provided by the Department, will also require an Environmental Clearance from Florida Commerce prior to the subrecipient being able to commit CDBG-DR funds.

More information on the completion of environmental review can be found in 9.3.2 Environmental Review.

## 8.0 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 (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 percent or more of the pre-event FMV of the structure is damaged); or
  - The property is considered a health/safety risk; or
  - The property is located within a floodway.

## 9.0 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 Sally, 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.
- No specific site or property needs to be acquired, although the subrecipient may limit its search for alternative sites to a general geographic area. Where the subrecipient wishes to purchase more than one site within a general geographic area on this basis, all owners are to be treated similarly.
- 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 subrecipient will not acquire the property if negotiations fail to result in an amicable agreement, and the owner is so informed in writing.
- 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 HRRP will not be eligible for assistance under the VHB Program.

### 9.1 Eligible (Allowable) Costs

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 Sally depending upon the ownership status at the time of the disaster.

Therefore, if the appraisal of the property is prior to the disaster then all 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 URA.

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 finish grade of the site.



- Removal of only those trees that restrict the demolition work on any structure.
- Termination of all abandoned utilities to a point at least two feet below the finish grade of the site.
- Capping of all wells and/or removal of associated components.
- Grading, leveling, and site stabilization of all demolition sites.

## 9.2 Ineligible (Not Allowable) Costs

Costs that are not allowable under this VHB 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.

## 9.3 Site Eligibility

All properties to be purchased must have a damage inspection and an environmental review. The processes for meeting these requirements are described in the following sections.

### 9.3.1 Damage Inspection

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

### 9.3.2 Environmental Review Process

After the damage inspection has been completed and it has been confirmed that the damage to the property was created by Hurricane Sally, 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 assistance 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 environmental reviews to the Department for approval. No funding may be committed to a buyout project until the project's environmental review is cleared and signed by the Department.

## 10.0 Award Determination

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

- Owners of eligible properties at the time of Hurricane Sally receive an offer to purchase the property minus any DOB.
- Owners that purchased eligible property after Hurricane Sally will receive an offer to purchase the property based on post-event FMV as the basis of their buyout, subject to the following limitations and DOB review:
  - The amount of the award is limited to the price the owner paid for the property, not to exceed the post-event FMV. If repairs have been made to the property, eligible repair receipts are to be added to the post-disaster price of the acquisition.
  - Banks or mortgage companies that have been deeded the property on a post Hurricane Sally basis will be limited to the amount of the mortgage balance (pay-off). This is all that banks or mortgage companies would receive if the owner of the property had participated in the program.
  - Properties that are in foreclosure and with the same owner as that prior to Hurricane Sally will receive any remaining proceeds (i.e., after sales expenses, taxes, liens) after the sale of the property, with the award being based on post-event FMV.
  - Trusts, probates, and living wills will receive an offer based on the post-event FMV as if the post-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.
  - 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 post-event FMV; 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 post-event FMV of the property.

## 11.0 Award Calculations 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 VHB Program by using the post-event FMV, and in combination with other housing programs, such as Hazard Mitigation Grant Program (HMGP) and the Housing Replacement Assistance and Housing Replacement Allowance programs. All awards are subject to DOB.

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

- **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 percent FEMA funds (with up to 25 percent CDBG-DR match funds) or 90 percent FEMA funds (with up to 10 percent CDBG-DR match funds).
- **CDBG-DR Buyout Program:** Subrecipients may fund 100 percent of the buyout with CDBG-DR funds. This is a voluntary real property acquisition program with awards that are limited to the post-event FVM of the land and structure.
- **Housing Replacement Assistance:** Subrecipients may offer incentives to LMI 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 post-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 LMI 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 Stafford Act, requiring that these funds be considered DOB. 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.

## 12.0 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 Sally. 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. FloridaCommerce, 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.

## 13.0 Housing Replacement Assistance Determination

Because this is a VHB Program, owners are not eligible for assistance under the 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 Stafford Act. All income qualified buyout participants are eligible for up to \$25,000 in the housing replacement assistance plus post-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 LMI 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 post-event FMV 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. Post-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 VHB Program and tenants are required to relocate, they are considered displaced persons that are eligible for relocation benefits under the 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.

### 13.1 Uniform Relocation Act Policy

The Florida Commerce URA Policy is available on the Office of Long-Term Resiliency website at [http://www.floridajobs.org/docs/default-source/office-of-disaster-recovery/office-of-disaster-recovery-main-page/master-v1-0-oltr-ura-rarap-\(9-14-2021\).pdf?sfvrsn=793b51b0\\_2](http://www.floridajobs.org/docs/default-source/office-of-disaster-recovery/office-of-disaster-recovery-main-page/master-v1-0-oltr-ura-rarap-(9-14-2021).pdf?sfvrsn=793b51b0_2).

## 14.0 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 the Department 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 the Department 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.

## Appendix 1: Uniform Relocation Act Information

More information on Uniform Relocation Assistance and the requirements of the URA are located in the Office of Long-Term Resiliency Uniform Relocation Assistance Guide and Residential Anti-Displacement and Relocation Assistance Plan located on the Rebuild Florida website at [https://floridajobs.org/docs/default-source/office-of-disaster-recovery/master-v2-0-oltr-ura-rarap-7-15-2022f91735a4cbbb61cbb02aff01004f56df.pdf?sfvrsn=c0ac54b0\\_0](https://floridajobs.org/docs/default-source/office-of-disaster-recovery/master-v2-0-oltr-ura-rarap-7-15-2022f91735a4cbbb61cbb02aff01004f56df.pdf?sfvrsn=c0ac54b0_0).

This plan includes the recordkeeping and retention requirements to which subrecipients are subject.

VHB Standard Operating Procedures relating to URA requirements are located in the Subrecipient Uniform Relocation Activities Standard Operating Procedure. This document includes information on the following:

- Relocation Notification Requirements,
- URA Recordkeeping Requirements,
- Not Suitable for Rehabilitation Determination, and
- Documentation of Acquisition Activities for URA.

## Appendix 2: Area Median Income Charts

CDBG Household Income Limit Categories by County										
FY 2022 Income Limit Area	Median Family Income	FY 2022 Income Limit Category	Persons in Household							
			1	2	3	4	5	6	7	8
			Persons in Household							
			1	2	3	4	5	6	7	8
Bay County	\$78,100	Very Low (50%) Income Limits (\$)	26,300	30,050	33,800	37,550	40,600	43,600	46,600	49,600
		Extremely Low Income Limits (\$)*	15,800	18,310	23,030	27,750	32,470	37,190	41,910	46,630
		Low (80%) Income Limits (\$)	42,100	48,100	54,100	60,100	64,950	69,750	74,550	79,350
			Persons in Household							
			1	2	3	4	5	6	7	8
Escambia County	\$79,500	Very Low (50%) Income Limits (\$)	27,100	30,950	34,800	38,650	41,750	44,850	47,950	51,050
		Extremely Low Income Limits (\$)*	16,250	18,600	23,030	27,750	32,470	37,190	41,910	46,630
		Low (80%) Income Limits (\$)	43,300	49,500	55,700	61,850	66,800	71,750	76,700	81,650
			Persons in Household							
			1	2	3	4	5	6	7	8
Okaloosa County	\$90,600	Very Low (50%) Income Limits (\$)	30,800	35,200	39,600	43,950	47,500	51,000	54,500	58,050
		Extremely Low Income Limits (\$)*	18,450	21,100	23,750	27,750	32,470	37,190	41,910	46,630
		Low (80%) Income Limits (\$)	49,250	56,250	63,300	70,300	75,950	81,550	87,200	92,800
			Persons in Household							
			1	2	3	4	5	6	7	8
Santa Rosa County	\$79,500	Very Low (50%) Income Limits (\$)	27,100	30,950	34,800	38,650	41,750	44,850	47,950	51,050
		Extremely Low Income Limits (\$)*	16,250	18,600	23,030	27,750	32,470	37,190	41,910	46,630
		Low (80%) Income Limits (\$)	43,300	49,500	55,700	61,850	66,800	71,750	76,700	81,650
			Persons in Household							
			1	2	3	4	5	6	7	8



### Hurricane Sally Voluntary Home Buyout Program Guidelines

Walton County	\$79,500	Very Low (50%) Income Limits (\$)	27,250	31,150	35,050	38,900	42,050	45,150	48,250	51,350
		Extremely Low Income Limits (\$)*	16,350	18,700	23,030	27,750	32,470	37,190	41,910	46,630
		Low (80%) Income Limits (\$)	43,600	49,800	56,050	62,250	67,250	72,250	77,200	82,200

## Appendix 3: Demonstrations of Award Calculation Methodology

### Example 1- Buyout Only:

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

Buyout Example:	
Post Flood Event 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 post-event FMV as a DOB. This makes the purchase price available to the homeowner \$150,000.

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

In this scenario, 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 a 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 post-event FMV of the damaged property they are selling to the Rebuild Florida program.

CDBG-DR Buyout Example	
Post-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

For HMGP, the buyout and housing replacement assistance are treated differently 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:	
PostFlood Event Market Value:	\$100,000

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***Hurricane Sally Voluntary Home Buyout Program Guidelines***

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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