



# Rebuild Florida Voluntary Home Buyout

## PROGRAM GUIDELINES

This document provides guidelines for the requirements for the Hurricane Irma Voluntary Home Buyout administered by the State of Florida Department of Commerce (FloridaCommerce). This program is funded by the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant—Disaster Recovery (CDBG-DR) allocation as described in Public Laws 115-56, 115-123, 116-20.

## VERSION 2.1

December 4, 2023

## VERSION HISTORY

Version Number	Change Date	Summary of Changes
1.0	2/28/2021	Original Document
1.2	6/17/2021	Updated Anti Fraud Waste and Abuse section.
1.3	8/23/2021	<p>Changed formatting to mirror other OLTR guidelines.</p> <p>Added Version History table</p> <p>Added Version Policy</p> <p>Added Policy Change Control</p> <p>Moved <b>Definitions</b> to precede <b>Introduction</b></p>
1.4	12/17/2021	<p>Added 9.1 Uniform Relocation Act Policy</p> <p>Added Appendix 1 Uniform Relocation Act (URA) Information</p>
1.5	12/21/2021	<p>Removed definition of Pre-Event Fair Market Value</p> <p>Updated mentions of Pre-event to Post- Event Fair Market Value</p> <p>Removed language related to pre-event FMV</p>
2.0	4/6/23	<p>Added Low Moderate Area Benefit and Low Moderate Housing Incentive to Definitions.</p> <p>Added clarifying language to 2.3 National Objectives including a reference to national objective criteria stated in FR Vol. 83, No. 28.</p> <p>Added clarifying language on the LMI National Objective criteria Low Moderate Housing Incentives (LMHI) and Low Moderate Area Benefits (LMA) to 2.3.1 How to meet the National Objective. Removed language regarding ineligible national objective to prevent confusion. Added language on the requirement to meet the LMA criteria when acquiring second homes.</p> <p>Added sections 4.1 Primary Residency and 4.2 Assistance to Second Homes.</p> <p>Updated 5.2 Ineligible (Not Allowable) Costs with language clarifying the eligibility of the purchase of second homes.</p>
2.1	12/4/23	<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>

***Hurricane Irma Voluntary Home Buyout Guidelines***

		Updated language in 2.3 National Objectives and 2.3.1 How to meet the National Objective to include the use of the Urgent Need National Objective
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## **VERSION POLICY**

Version history is tracked in the Version History Table (page i), 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 Office of Long-Term Resiliency 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

**100-year flood plain:** 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:** The geographical area defined by FEMA as having a 0.2 percent chance of being inundated by a flooding event in any given year.

**CDBG-DR:** Community Development Block Grant-Disaster Recovery.

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

**Duplication of Benefits (DOB):** 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.

**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.

**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.

**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):** LMI National Objective criteria that may be met on an area basis, through an activity which is available to benefit all the residents of an area where at least 51 percent of the residents are low- and moderate income. The end use of the project must primarily benefit the LMI population of the project area.

**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):** An income less than 80% of the local area median income.

**Low- to-Moderate Income Household (LMH):** A household with an income that is less than 80% of the local area median income (AMI).

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

**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:** A city or a county that has applied for and has been awarded a CDBG-DR buyout project by the Florida Department of Commerce (FloridaCommerce).

## 2.0 Introduction

The Florida Department of Commerce (FloridaCommerce) Office of Long-Term Resiliency (OLTR) is the administrator of a Community Development Block Grant–Disaster Recovery (CDBG-DR) program funded by the U.S. Department of Housing and Urban development (HUD) under Public Laws 115-56 and 115-123.

FloridaCommerce is the agency responsible for the administration of disaster funds allocated to housing, economic development, and infrastructure activities. FloridaCommerce is administering Rebuild Florida’s Voluntary Home Buyout Program. The purpose of Rebuild Florida’s CDBG-DR 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 FloridaCommerce in the *2018 State of Florida Action Plan for Disaster Recovery*, may apply.

There are two options for cities and counties to apply for assistance under the Rebuild Florida Voluntary Home Buyout Program. The first option is to use the available CDBG-DR funding as leverage to match funding for projects that are also eligible for the Hazard Mitigation Grant Program (HMGP). The second option is to work with the cities and counties directly in low- to moderate-income areas to acquire contiguous parcels of properties, and to acquire property from low- to moderate- income households (LMH) with a focus on LMH that did not have flood insurance at the time of Hurricane Irma.

Cities or counties participating in this program must purchase properties at the post-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 Irma. For all sellers that own the property post Hurricane Irma, 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 Act, requiring that all funds used for disaster-related purposes be deducted as a duplication of benefit, which is discussed in greater detail below.

### 2.1 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 FloridaCommerce’s Office of the Inspector General at [OIG@Commerce.fl.gov](mailto:OIG@Commerce.fl.gov). If FloridaCommerce’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 FloridaCommerce’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 84 FR 169.*

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

## 2.2 Application and Administration of the Buyout

A city or county must apply for the CDBG-DR 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 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 FloridaCommerce 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 FloridaCommerce 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.

## 2.3 National Objectives

All Voluntary Home Buyout Program projects must meet either the Low- Moderate-Income (LMI) National Objective (through the Low Moderate Area (LMA) Benefit national objective criteria or the Low Moderate Housing Incentive (LMHI) national objective criteria) or the Urgent Need National Objective.

To meet the LMI National Objective through LMA Benefit, per FR Vol. 83, No. 28, VI.a(7)(b), properties acquired through buyouts will be used in a way that benefits all the residents in an area where at least 51 percent of the residents are low- and moderate-income persons. To meet the LMI National Objective through the LMHI criteria, 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. Subrecipients should note that second homes acquired through the VHB must meet the LMA national objective criteria in order to meet the LMI National Objective and be considered eligible for VHB.

To use the Urgent Need National Objective, the subrecipient must provide justification of the need's urgency, as outlined in section 2.3.1 below.

### 2.3.1 How to meet the National Objective

The National Objectives of the VHB program are LMI benefit and Urgent Need.

#### **LMI National Objective**

When undertaking buyout activities using the LMI National Objective, subrecipients must demonstrate that the activities are structured so as to meet one of the following national objective criteria:

- LMI Housing Incentives (LMHI) – VHB eligible Housing incentives are incentives tied to a voluntary buyout of housing owned by eligible LMI households which are provided for the purpose of moving the eligible household outside the affected floodplain or to a lower-risk area, or improving the residential structures that will be occupied by the LMI household. To meet LMHI criteria, 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.



- LMI Area Benefit (LMA) - The subrecipient must meet LMA 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.

Subrecipients must note in the project file which national objective criteria is being used to meet the LMI National Objective.

Second homes acquired through the VHB, in accordance with the requirements outlined in 4.2 Assistance to Second Homes, must meet the LMA criteria in order to meet the LMI National Objective and be considered eligible for VHB.

### **Urgent Need National Objective**

The Urgent Need National Objective can be utilized to address a need having a particular urgency. When undertaking buyout activities using the Urgent Need National Objective, subrecipients must provide FloridaCommerce with justification of the urgency of the need addressed by the VHB project. Examples of situations that may be justifiable reasons for VHB activities may include, but are not limited to, that the project/homeowner has limited to no access to emergency services in a flood event, or that the project site has experienced significant loss or damage due to flooding.

Justification for use of the Urgent Need National Objective must:

- Be provided to FloridaCommerce on the municipality's official letterhead.
- Include photos of flooding and damage tied to the storm and supporting the claim of urgency.
- Come from the city's floodplain manager and/or emergency service manager, if possible.

## **2.4 Locations**

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

## **2.5 Prioritizing Projects**

All local governments that apply will prioritize all home buyouts by focusing on acquisition of properties that are in concentrated residential areas that meet the low- and moderate-income area definition. FloridaCommerce will rate all subrecipient applications by a process using a scoring method based on low- and moderate-income persons; households that are occupied by the disabled, and persons that are 62 years of age and older; benefit target areas; activity need and justification; cost reasonableness and effectiveness; environmental justice; and application completion.

Each subrecipient can score a maximum 55 points per household plus an additional 15 bonus points for an early submission and application completion. The scoring method will be as follows:

1. Benefit to LMI households—maximum of 20 points combined:
  - A. LMI household: 5 points.
  - B. LMI household that occupies anyone 62 or older: 5 points.
  - C. LMI household that occupies anyone under age 18: 5 points.
  - D. LMI household that includes anyone that is disabled, handicapped, or has special needs: 5 points.
2. Low- and moderate-income households that did not have flood insurance at the time of the disaster: 10 points.

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3. Matching contributions—maximum of 25 points combined:
  - A. Efforts leverage funding with HMGP: A maximum of 10 points will be awarded based on the applicant's efforts to secure funding with HMGP as part of the match program offered as option one of the Voluntary Home Buyout Program.
  - B. Matching: A maximum of 15 points will be awarded based on the ratio of the amount of eligible matching funds to the amount of CDBG funds request: 1.1 or more, 15 points; 0.75– 1, 10 points; 0.50–1, 7 points; 0.25–1, 5 points; and less than 0.25, 0 points.
4. Application submitted 10 days prior to the deadline: 10 points—application must be completed in its entirety. *An incomplete application will not receive these 10 points.*
5. Application Completeness: A maximum of 5 points—applications will receive up to 5 bonus points based on completeness. ***Applications that have not been signed will not be considered.***

## 3.0 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 post-event FMV. 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.

### 3.1 Appraisals

Appraisals will be conducted using the current 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. FloridaCommerce will monitor each subrecipient's appraisal practices.

### 3.2 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, 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.

### 3.3 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 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.

## 4.0 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 [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 post-event fair market value of the structure is damaged); or
  - The property is considered a health/safety risk; or
  - The property is located within a floodway.

### 4.1 Primary Residency

Subrecipients must include in their policies and procedures the procedures by which they will determine primary residence. Primary residence can be verified using a variety of documentation including, but not limited to, voter registration cards, tax returns, homestead exemptions, driver's licenses, and rental agreements.

Subrecipients must also identify in each project file whether the acquired property is a primary residence or a second home.

### 4.2 Assistance to Second Homes

In accordance with FR Vol. 83, No. 28, VI. 39, "properties that served as second homes at the time of the disaster, or following the disaster, are not eligible for rehabilitation assistance or housing incentives. A second home is defined under this notice as a home that is not the primary residence of the owner, a tenant, or any occupant at the time of the storm or at the time of application for assistance." As clarified in FR Vol. 83, No. 28, VI. 37. a, "when purchase price (of a buyout) exceeds the current FMV, any CDBG-DR funds in excess of the FMV are considered assistance to the seller, thus making the seller a beneficiary of CDBG-DR assistance. ... providing post-disaster FMV to buyout applicants merely provides the actual value of the property; thus, the seller is not considered a beneficiary of CDBG-DR assistance."

Based on the federal register guidance above, FloridaCommerce is establishing that properties identified as second homes must be acquired through the VHB at current, post-event fair market value. If purchase price exceeds post-event FMV, any CDBG-DR funds in excess of the fair market value are considered assistance to the seller; assistance for second homes is prohibited. In addition, second homes may not receive assistance in the form of housing incentives.

Subrecipients must include the definition of a second home in their policies and procedures. Subrecipients must also identify in each project file whether the acquired property is a primary residence or a second home.

Second homes acquired through the VHB must meet all VHB eligibility and national objective criteria. As housing incentives for second homes are prohibited, second homes must meet the LMI National Objective through the LMA national objective criteria. Per FR Vol. 83, No. 28, VI.a(7)(b), "properties acquired through buyouts will be used in a way that benefits all of the residents in a particular area where at least 51 percent of the residents are low- and moderate-income persons."

## 5.0 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 Irma, 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.

### 5.1 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 post Hurricane Irma depending upon the ownership status at the time of Hurricane Irma.
- 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 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.

## 5.2 Ineligible (Not Allowable) Costs

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.
- The acquisition of a property at a rate that exceeds current post-event fair market value.
- The use of housing incentives on a property considered a second home (meaning any home that is not the primary residence of the owner, a tenant, or any occupant at the time of the storm or at the time of application for assistance).

## 6.0 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 Irma, and must provide documentation within the application to FloridaCommerce to support that methodology:

- Owners of eligible properties at the time of Hurricane Irma receive an offer to purchase the property minus any duplication of benefits (DOB).
- Owners that purchased eligible property after Hurricane Irma 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 fair market value.
  - Banks or mortgage companies that have been deeded the property on a post Hurricane Irma 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.
  - Properties that are in foreclosure and with the same owner as that prior to Hurricane Irma 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 fair market value 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 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 post-event fair market value of the property.



## 7.0 Award Calculation Methodology

Rebuild Florida has developed multiple disaster recovery housing programs based on the nature and scope of damage in order 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 post-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 post-event FMV 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 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 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.

## 8.0 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 Irma. 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.

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.

## 9.0 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 as a result 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 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 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 post-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. 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 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.

### 9.1 Uniform Relocation Act Policy

The FloridaCommerce URA Policy is available on the Office of Long-Term Resiliency website at <https://www.FloridaJobs.org/CDBG-DR>.

## 10.0 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 FloridaCommerce 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 FloridaCommerce 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 (URA) Information

More information on Uniform Relocation Assistance and the requirements of the Uniform Relocation Act 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 <http://www.floridajobs.org/CDBG-DR>. This plan includes the recordkeeping and retention requirements to which subrecipients are subject.

Voluntary Home Buyout Standard Operating Procedures relating to Uniform Relocation Assistance 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
- Documentation of Acquisition Activities for URA