

Voluntary Home Buyout Program

Public Questions & Responses



- Q. Can this program supplement an existing/obligated FEMA Grant (to-be converted to acquisition-demolition project), or is this required to be a standalone program?**

The Voluntary Home Buyout Program cannot supplement an existing/obligated FEMA Grant. The program leverages CDBG-DR funding as a match only for projects that are also eligible for the FEMA Hazard Mitigation Grant Program (HMGP).

- Q. Is there any issue or DOB concern with a HUD mortgage on the property?**

Program funds may be used to satisfy a HUD mortgage if the pre-storm fair market value, less duplication of benefits (DOB), exceeds the amount of the mortgage.

- Q. Would the NFIP Claim payment from Irma that is missing documentation (receipts/invoices) be considered a DOB in this program? Would it be deducted from the buyout value?**

Yes, it would be considered DOB and it would be deducted from the leveraged funding match amount.

- Q. What is the expected timeframe for notice of award and obligation of funds for this program? The specific project in question would ideally be completed sometime in the next 12-16 months.**

The program's timeline includes the process for receiving and scoring the applications, making award notifications and negotiating subrecipient agreements, which contain the award and obligation of funds. We anticipate the first subrecipient agreement to be executed by mid-November 2019.

- Q. Are there any caps or other cost limitations for this program? Understood that project is to be cost effective (which has already been demonstrated for FMA project).**

The award amount shall not exceed the pre-storm fair market value, less an adjustment for duplication of benefits. Leveraged funds only cover the difference in funding of the cost share amount.

- Q. The property is a flag lot and the County does not wish to take ownership (and maintenance responsibility) of the access road. Even though a large portion of access road is within the SFHA, could the County subdivide the lot and split ownership of the access road portion amongst the remaining lots?**

No property may be subdivided prior to buyout. A flag lot is designed to provide access to a public street and sometimes a waterway. If the flag lot has a home on the property that received damages due to Hurricane Irma, the County may acquire it; however, the County may not split the lot, nor split ownership at or prior to the buyout. Once a County buys the property, they are fully

responsible for the property and any maintenance thereof. A County may lease it to adjacent property owners or parties' compatible uses in return for a maintenance agreement. Also, the property may be sold; however, in all cases, a deed restriction and/or covenant running with the property must require that the buyout property be dedicated and maintained for compatible uses in perpetuity. If the flag lot is a vacant lot and has never had a home located on the property that received damages due to Hurricane Irma, then the flag lot will not qualify for assistance.

Q. Is there funding available to purchase vacant property in a flood hazard area that is zoned for residential housing? The Town is interested in purchasing the property to use as open space and a public facility.

Vacant property must have residential housing on-site to qualify for the program.

Q. Would you please clarify if properties in SFHAs or High-Risk Flood Areas without documented damage from Hurricane Irma still qualify?

All properties must have received damages due to Hurricane Irma, regardless of their location.

Q. If one goes for the second option – applying directly to the LMI Area Benefit, and if the property is within the Special Flood Hazard Area (SFHA), then do we still need to do a damage assessment? The Project Eligibility states that *“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.”*

There must be documentation to support Hurricane Irma damage, particularly if you are doing a spot buyout. Also, if you are doing an area-basis and designating a neighborhood or street that is eligible, then you would have to demonstrate that damage occurred at the neighborhood or street level and this would require that the area be in the SFHA or high-risk area. To prove the eligibility at the area level, you could use historical data from past events AS WELL AS Irma to justify the definition of the area.

Q. The Home Buyout Program Guidelines states: *“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.”* Could you please explain how this match requirement works? Is there a minimum match requirement?

The 1.1 is 100% or more of the homeowner cost share. The 0.75 is at least 75% of the homeowner costs share, etc. As a result, the higher request of leverage, the higher the points a subrecipient will receive. There is no minimum match requirement.

Q. Lastly, how much is the maximum funding that can be requested under the Voluntary Home Buyout Program?

There is no limit to the amount that may be requested however, the maximum funding award per award is \$5,000,000.

Q. Where can I find more detailed information about the citizen participation required? We (at the County) are working with our colleagues in a local municipality to coordinate on our public outreach. Can we co-host an informational meeting to inform our residents about the grant application? Or do we need to host two separate meetings?

Yes, a public hearing may be co-hosted. There is no need to hold separate meetings. However, the posting of the public application, requiring the 14-day comment period, must be separate and specific to each municipality.

The following excerpts were lifted from the RFA instructions section:

CDBG-DR applicants are required to carry out citizen participation procedures in accordance with the Citizen Participation Plan as described in the Rebuild Florida Voluntary Home Buyout Plans and Designs. Each applicant must conduct at least one (1) public hearing prior to submitting the application and post the application for a 14-day public comment.

Each applicant must maintain a citizen participation file which includes (1) a copy of the Plan Requirements, (2) the applicant's compliant procedures, (3) any technical assistance provided by the applicant, and (4) public notices, minutes, and attendance lists for any public hearings. Applicants are cautioned that despite the expedited application process, they are still responsible for ensuring that all citizens have equal access to information about project activities.

Q. Does the HMGP project need to have been awarded prior to application to the CDBG-DR program, or is it possible to apply for match funding for a project that is expected to be awarded after August 15th?

Yes, the HMGP project needs to have been awarded prior to the application.

Q. The CDBG-DR Action plan has a set aside for Monroe County of \$10 Million. Are Monroe County and the cities required to submit an application under the RFA for the \$10 Million set aside?

No, they would not need to apply for the designated set aside amount. However, they must provide supporting documentation of the need including the how and where the designated funds will be used for the Voluntary Home Buyout. A basic tenet of CDBG-DR is that the money may only be spent where there is an unmet need; therefore, no allocated funds set aside for a municipality will be given upfront. It will only be given once the subrecipient has demonstrated the need by providing project budgets and the valuation of properties the subrecipient believes are potentially eligible for buyout under the requirements that are listed in the Voluntary Home Buyout Program Guidebook. After receiving and approving the supporting documentation, the subrecipient would enter in to a subrecipient contract agreement. Please note that the same guidelines will apply just as if they were applying under the RFA. Any amount above and beyond the designated amount, the subrecipient would need to apply under the RFA.

Q. If the cities partner with the County to submit a single application for the Voluntary Home Buyout Program, how would the \$5 million cap per jurisdiction be allocated?

The award will be limited to five million and will be distributed in accordance with the project description and amounts outlined in the application.

Q. Can Monroe County and cities submit more than the maximum award, with the chance of receiving additional funding above the \$5 Million cap per jurisdiction and \$10 Million Monroe County set aside? If the state does not receive applications that expend all of the \$75 million available statewide, could additional funds be allocated to Monroe County jurisdictions?

Yes. Subrecipients can apply for as much funding as needed; however, the maximum amount per award is five million dollars. It is highly suggested that if a subrecipient applies for more than the five million-dollar cap, they provide a scoring or ranking system within their own application process with the property owners that apply. This ensures that those of them that have greater unmet needs are assisted first.

Q. In the Keys, it will be virtually impossible to identify contiguous properties for buyout. However, this funding is much needed to relocate individuals out of highly vulnerable velocity zones, subject to storm surge. The Florida Keys is almost entirely located in a flood zone; and, therefore, any purchase of land within high risk flood zones would eliminate flood risk. Further, the County and municipal jurisdictions have already embarked on Sea Level Rise mitigation projects in certain neighborhoods by raising roadways and redesigning drainage areas. These projects require land area for drainage pumps. So, scattered sites that can be used for mitigating floods would be beneficial to the County. These sites would not be contiguous but would meet the intent of the program. Will this be acceptable?

Yes. Under the Rebuild Florida Voluntary Home Buyout Program Guidelines, the Voluntary Home Buyout Program will meet the Low- Moderate-Income (LMI) Area Benefit, and the Low- to Moderate-Income Housing (LMH) National Objective. The Low- to Moderate Income Housing National Objective is designed to assist those properties that may not be identified as contiguous properties, such as, scattered properties, or spot buyouts. However, when choosing this method, to demonstrate that a buyout meets the LMH National Objective, and according to the State CDBG regulations at 24 CFR 570.483(b)(3), entitlement CDBG regulations at 24 CFR 570.208, you must apply the LMH National Objective to an eligible activity carried out for the purpose of providing or improving permanent residential structures that, upon completion, will be occupied by low- and moderate- income households. Therefore, a buyout that merely pays homeowners to leave their existing homes does not result in a low- and moderate- income household occupying a residential structure and will not meet the requirements of the LMH National Objective. If the subrecipient chooses to buyout low- and moderate-income households located in scattered sites and are not contiguous properties, the buyout can be structured to meet the National Objective by combining the buyouts 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.

Q. Will LMI Households that have insurance be eligible for participation in the Voluntary Home Buyout Program?



Yes. Rebuild Florida recommends that subrecipients focus on acquiring properties without insurance in Special Flood Hazard Areas. However, properties with insurance will be eligible for participation also.

Q. For the VHBP in Monroe County what is the maximum LM Income limit that can be assisted to acquire property from low-to moderate income households (LMH).

HUD publishes income limits annually. The 2019 Area Median Income can be found on the HUD Exchange Website at https://www.huduser.gov/portal/datasets/il.html#2019_query. The LMI Demographic Groups are:

- a) 0%-30% AMI Extremely Low
- b) 31%-50% AMI Very Low
- c) 51%-80% AMI Low

Q. Could this funding be used to match any existing HMGP projects? Or do they need to be resident HMGP projects? For example, the County has HMGP projects that are focused on infrastructure (wastewater pump stations). Could the funds be used to further those projects?

The Rebuild Florida Voluntary Home Buyout Program is designed to assist homeowners whose properties received damages because of Hurricane Irma; therefore, matching funds can only be used for the same purpose. The leveraging of the funds may not be used for infrastructure projects.

Q. As we (Palm Beach County) consider this program, we are questioning our eligibility. On page 3 of the Voluntary Home Buyout Program Guidelines, under Locations, it states that “...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...” Palm Beach County received a PA declaration for Irma, but not IA. Am I to presume that our county and its municipalities are therefore, ineligible?

Yes, applicants are ineligible unless they demonstrate having received a declaration of both FEMA IA and PA. To see what communities are eligible to apply, please reference FEMA’s Disaster Declaration map [here](#).

Q. We’re looking to do a buyout of home in Flagler beach, do we put the information for the city or for the county in the application?

The Unit of local government who is taking the responsibility for administering the program would enter its information.

Q. In reviewing the application for the Voluntary Home Buyout Program, there is a Citizen Participation Plan (CPP) required. How long does the CPP need to be?

There is no length requirement.

Q: For clarification: With a one application limit, can a City located within a designated County apply for funding, or is it one per County?

Each municipality may apply for properties within its designated area. The city may apply for all properties that are located within the city limits. The County may apply for all properties that are located within the county as long as the county and the city are not applying for the same property.

Q: One home in our proposed project has (a) no flood insurance; (b) no insurance claims; (c) no prior permits for repairs BUT the home is surrounded on all sides by other homes where documentation of losses, claims and repair permits exist Can we still include this home in the application? (FEMA HMGP is allowing us to include it)

Yes. This home can be included as long as you can demonstrate that it had damages due to Hurricane Irma, or if it is included in the LMI Area Benefit where at least 51% of the homes are LMI and you can demonstrate damages of the area due to Hurricane Irma. There must be documentation to support Hurricane Irma damage, particularly if you are doing a spot buyout. Also, if you are doing an area-basis and designating a neighborhood or street that is eligible, then you would have to demonstrate that damage occurred at the neighborhood or street level and this would require that the area be in the SFHA or high-risk area. To prove the eligibility at the area level, you could use historical data from past events AS WELL AS Irma to justify the definition of the area.

Q: Application and/or instructions indicate that all sites have inspection reports indicating the damage from Hurricane Irma. - The City's proposed project includes 13 homes that completed repairs and are currently occupied and do not have any current damage. Will this be acceptable? (FEMA HMGP is allowing us to include all 13 properties)

The answer is the same as above.

Q: Are any pre-award costs reimbursable? (Specifically, legal advertisements required for public comment periods, environmental review, etc.)

Yes. Administrative Cost, such as advertisement for public comment, court cost for recording, etc., Environmental Review Cost, Certified Appraisals, Certified Inspectors, Contractors for demolition purposes are all allowable cost. All cost must be a part of the budget that is in the application, and all subrecipients must follow proper procurement for any and all contractors or vendors hired under this CDBG- DR Program to be funded for these costs.

Q: Are administrative costs an allowable budget item?

Yes. Administrative Cost, such as advertisement for public comment, court cost for recording, etc., Environmental Review Cost, Certified Appraisals, Certified Inspectors, Contractors for demolition purposes are all allowable cost. All cost must be a part of the budget that is in the application, and all subrecipients must follow proper procurement for any and all contractors or vendors hired under this CDBG- DR Program to be funded for these costs.

Q: If yes, what percentage?

There is no percentage of cost. All subrecipients must follow proper procurement. Proof of procurement will be required.

Q: Does the 14-day public notification have to be complete before the application is submitted or can it be somewhere in the process by the time of submission/the deadline.

The information you provide in a 14-day public notification must be completed prior to submitting the application. The 14-day public notice with Citizen comments are considered information that will be needed in the application under the heading of "Citizen Plan."

Q: Are 3rd party vendors for contract/project management eligible project costs? I see where environmental review charges from a 3rd party vendor are applicable.

Yes. Administrative Costs, such as advertisement for public comment, court costs for recording, etc., Environmental Review Costs, Title and Legal Services, Certified Appraisals, Certified Inspectors, Contractors for demolition purposes are all allowable costs. All costs must be included in the budget section of the application. All subrecipients must follow proper procurement for all contractors or vendors hired under this CDBG- DR Program to be funded. For further reference, all eligible (allowable costs) are located on page 6 of the Rebuild Florida Voluntary Home Buyout Guidelines.

Q: Are duplication of benefits supposed to be accounted for in the application process or will the final numbers be worked out once the project is under contract?

All duplication of benefits must be accounted for in the application process. The deduction will be taken from the purchase offer determined by the appraised market value prior to Hurricane Irma. The program will recoup duplicative amounts identified after grant funds have been expended if necessary. Property owners who receive duplicate payments following the property settlement are responsible for reimbursing the subrecipient for those duplicated funds.

Q: Are there any closing costs that will take place? If yes, should those be noted or estimated in the application budget?

Yes, closing costs are an allowable and should be noted in the application in the section labeled "Budget."

Q: Are there any advances available to local governments for the purchases of homes?

No, advances will be available for purchases of homes. Funds will be allocated to local municipalities and all costs disbursed during the closing of the buyout that must be handled by a Certified Title Firm, or other Legal Services.

Q: What is the reimbursement timeframe once a request for reimbursement is submitted?

This is not a finalized timeframe for reimbursement.

Q: Is there a particular Citizen Participation Plan for the Rebuild Florida Voluntary Home Buyout? Or should we use our own Citizen Participation Plan?

A: As long as an applicant conducts 1 public hearing prior to submitting the application and posts the application for at least 14 days for public comment, it will be compliant.

Q: Is each jurisdiction limited to one award? Just to clarify, the max one jurisdiction could get for the Program would be \$5 million, correct?

A: If a city that is within a county applies alone, then the City may be awarded up to 5 million dollars. If the county also applies alone, they too may be awarded up to 5 million dollars. However, if the city and the county apply together in one application then that application may only receive up to 5 million dollars. The 5-million-dollar maximum award amount is per application. Therefore, if the City and County apply on separate applications, the County may not include any properties that are located inside the City's limits. To prove that the properties are located inside the City Limit, the applicant (subrecipient) would provide property tax information prior to funding.

Q: Should the subrecipient submit current financial audits at the time of the submission of application, or would providing the link to the website be sufficient?

A: This information should be provided as a PDF at the time the application is submitted.

Q: Can you provide some clarification on whether we are able to offer any participation incentive to the property owner? Specifically, we are dealing with very low property values (approximately \$15K per home) – if the property is currently being held as a rental, are we able to provide any incentive beyond the pre-loss fair market value of the property?

A: Rebuild Florida Voluntary Home Buyout Program is currently providing the following to Subrecipients for homeowners that participate:

1. 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 populations, awarding up to \$25,000 in addition to the pre-event FMV of the buyout home for income-qualified buyout applicants.
2. Housing Replacement Assistance: Subrecipients may offer a lower value incentive to qualified participants who do not meet the low- to moderate-income requirements but the property of which was acquired by the subrecipient is in the 51% low to moderate income area benefit. Participants can be eligible for up to \$10,000 in Housing Replacement Assistance. Both housing replacement awards are subject to the Robert T Stafford Act, requiring that these funds be considered duplication of benefits. Additionally, this funding may only be used to purchase a new home within the same taxing jurisdiction, and the relocation must be outside the floodplain to lower-risk area. All Subrecipients must maintain documentation describing how the amount of assistance was determined to be necessary and reasonable.

Q: Does flooded septic and well systems qualify for Hurricane Irma damage?

A: Flooded septic and well systems damaged by Hurricane Irma do qualify if it is the homeowner's intent to sell their house to the Unit of Local Government responsible for managing the award.

Q: If the property owners are in the middle of divorce, willing to participate, are they eligible?

A: Yes.

Q: Given that 49.85% of the population in one of our neighborhoods is LMI and we are 1.15% away from the required 51%, can FDEO designate this area as LMA?

A: According to Federal Register Notice 83 FR 5844 issued February 9, 2018, to meet the National Objective Buyout programs that assist low- and moderate-income persons can be structured in one of the following ways:

- a) The buyout program combines the acquisition of properties with another direct benefit- Low- and Moderate- Income housing activity, such as down payment assistance-that results in occupancy and otherwise meets the applicable LMH national objective.
- b) The program meets the low- and moderate-income area benefit criteria as defined in the federal register notice, to demonstrate objective compliance, provided that the grantee can document that the 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. When using the area benefit approach, grantees must define the service area based on the end use of the buyout properties; or
- c) The program meets the criteria for the low- and moderate-income limited clientele national objective when an activity benefits are available to all residence of the area. A buyout program could meet the national objective criteria for the limited clientele national objective if it restricts buyout program eligibility to exclusively low- and moderate-income persons, and the buyout provides an actual benefit to the low- and moderate-income sellers by providing pre-disaster valuation uniformly to those who participate in the program.
- d) The program meets the criteria for the Low/Mod Buyout (LMB) or Low/Mod Housing Incentive (LMHI) national objectives for buyouts and the use of the housing incentives as authorized in HUD's August 7, 2017 Federal Register notice at 82 FR 36825 and described further in the February 9, 2018 notice. Grantees must demonstrate the CDBG-DR funds have been provided for an eligible activity that benefits LMI households supporting their move from high risk areas.
 1. Low/Mod Buyout (LMB). When CDBG-DR funds are used for a buyout award to acquire housing owned by a qualifying LMI household, where the award amount (including optional relocation assistance) is greater than the post-disaster (current) fair market value of that property.
 2. Low/Mod Housing Incentive (LMHI). When CDBG-DR funds are used for a housing incentive award, tied to the voluntary buyout or other voluntary acquisition of housing owned by a qualifying LMI household, for which the housing incentive is for the purpose of moving outside of the affected floodplain or to a lower-risk area; or when the housing incentive is for the purpose of providing or improving residential structures that, upon completion, will be occupied by an LMI household.



In carrying out acquisition activities, grantees must ensure they are in compliance with their long-term redevelopment plans.

Rebuild Florida Voluntary Home Buyout Program is designed to meet the National Objective for “a”, “b”, and “d”. If only 49.85% of the population of the particular area is low- and moderate-income residents, then the subrecipient would not be able to meet the National Objective as listed under “b” and as stated in the Federal Register Notice. The subrecipient would have to apply for assistance that meets either “a” or “d”.

To meet the National Objective under the criteria of “a”, per the Rebuild Florida Voluntary Home Buyout Guidelines, the households to be assisted must be low- and moderate-income households and the subrecipient must combine the acquisitions of the properties with another activity or 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.

Similar to option “a”, option “d” also provides that grantees and their subrecipients can meet the national objective by providing incentives tied to the voluntary buyout of LMI households, but “d” provides that this can meet a national objective when the funds are provided for the purpose of moving outside of the affected floodplain or to a lower-risk area (LMHI national objective). Additionally, the subrecipient can provide a buyout benefit, that can include relocation assistance, to LMI households for the specific purpose of those households out of high risk areas; i.e. outside of the floodplain if the subrecipient provides an award greater than the current fair market value of the property (LMB national objective).