

Rebuild Florida Voluntary Home Buyout Program for Hurricane Michael

Frequently Asked Questions



Q. What entities are eligible to apply for funding from the Rebuild Florida Voluntary Home Buyout Program (the Program)?

A. City and county governments that are within the Most Impacted and Distressed (MID) areas, as defined by the U.S. Department of Housing and Urban Development (HUD) and the Florida Department of Economic Opportunity in the [Hurricane Michael State of Florida Action Plan](#) and shown below, may apply.

Bay, Calhoun, Holmes, Leon, Taylor, Gulf and Jackson counties; 32321 (Liberty), 32327 (Wakulla), 32328 (Franklin), 32346 (Wakulla and Franklin), 32351 (Gadsden), 32428 (Washington) ZIP codes and the jurisdictions within the counties. Per FR-6182-N-01, where HUD identified specific zip codes as MID communities, DEO intends to expand program operations and eligibility to the whole county. The remaining 20% can be spent in state-identified MID communities, while ensuring that properties acquired through the buyouts will be used in a way that benefits all the residents in an area where at least 51% of the residents are low- and moderate-income (LMI) persons. This is necessary to reach the National Objective.

Q. What activities are eligible for funding in the Program:

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

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

Q: After the Request for Application is published, when will the application submission cycle open?

A. The application submission cycle will open on August 17, 2020.

Q: When the application submission cycle opens, how long will applications be accepted?

A. Applications can be submitted from August 17, 2020 through November 30, 2020.

Q. What are the criteria for the property to qualify for the Program?



A. Each property must meet the following qualifications listed below:

- The property is purchased from a willing, voluntary seller.
- The property contains a structure that has been damaged or destroyed due to Hurricane Michael, or the property is in a Special Flood Hazard Area (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 Federal Emergency Management Agency (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 Rebuild Florida Housing Repair and Replacement Program will not be eligible for assistance under the Rebuild Florida Voluntary Home Buyout Program.

Q. Is there an income qualification component to the Program?

A. When city and county governments are applying for the Low- and Moderate-Income (LMI) Area Benefit Program, at least 51% of the households in that area must meet the low and moderate median income of that area, as defined by HUD. When applying for the LMI Household Program, all households must meet the LMI median income of that area.

Q. How will DEO evaluate applications?

A. DEO will rate all subrecipient applications by a process using a scoring method based on:

- Low- and moderate-income (LMI) persons;
- Households that are occupied by a disabled individual, 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.

Q. What professional services may be procured to achieve success for the Program?

A. 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.

Q. Are there any types of ownership that are ineligible for the Program?



A. Yes, the following types of ownership are ineligible for the Program:

- Applicants who lost ownership of their home due to foreclosure;
- Applicants who have outstanding judgments or lawsuits that would prevent the issuance of a clear title on the property.

Q. Who is responsible for the property after the Buyout or Acquisition is completed?

A. The Local entity is responsible for the property after the buyout or acquisition is completed. For Buyouts, the property must be maintained in perpetuity for open space, recreation, wetland or flood control and limited structures may be erected.

Q. Is a property appraisal required?

A. Yes. The property value, either current or pre-event depending upon ownership status at the time of Hurricane Michael, must be derived from a method that results in a reasonable determination of Fair Market Value (FMV). The value for each property identified for buyout will be established by the subrecipient based on the pre-event FMV, minus any DOB for applicants that owned the property at the time of the disaster. Owners that purchased the property after the date of the disaster will be limited to the price the owner paid for the property, which is not to exceed the pre-event FMV. If repairs have been made to the property, eligible repair receipts are added to the post-event price of the buyout.

Q. What if the property owner disagrees with the appraiser's determination for market value?

A. If the property owner disagrees with the appraisal, the property owner may, at their expense, have a second appraisal performed. The Program shall not reimburse the owner for the second appraisal. In the event of a pre-storm disaster appraisal, the Program can determine in policy if they want to accept an independent appraisal for a third-party transaction—like a refinancing—that was done relatively close in time to the storm as an appeal.

Q. Does the Duplication of Benefits review apply?

A. Yes, under the Stafford Act: Sec. 312 – Duplication of Benefits (DOB), any agency administering a federal grant must ensure that their assistance does not duplicate the benefits of any other assistance. If duplicate funding is discovered, the amount of the buyout award shall be decreased.

Q. How can Duplication of Benefits be prevented?

A. Property flood claim damage payments can be verified by the National Flood Insurance Program (NFIP) and a thorough review of the applicant's information will be conducted and evaluated.

Q. Is an environmental review necessary?

A. Yes, 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, including 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.

Q. Is a damage assessment required?



A. Yes, an assessment by a certified or licensed inspector (HQS, TREC, or similar license) is required to specifically and clearly document storm related property damage via photographic evidence and detailed narratives.

Q. If a homeowner has negative equity on their mortgage, can they still participate in the Program?

A. Participation in the Program requires a clear title. If a clear title cannot be obtained, then the property does not qualify for the Program.

Q. Who is responsible for the demolition?

A. The local Program is responsible for the demolition of improvements on the property, but it is an allowable expense under the CDBG-DR Program.

Q. How long do we (local governments) complete the Program?

A. All subrecipients have 24 months, from the date of final subrecipient agreement execution, to complete the program.

Q. Are residential rental properties eligible?

A. Yes.

Q. What if houses have renters?

A. Tenants who are displaced as a result of the owner's sale of the property to the subrecipient are entitled to assistance under the Uniform Relocation Act (URA) and Real Property Acquisition Policies Act. 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.

Q. Can Housing Replacement Assistance be provided?

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

Q. If a homeowner demolished the home after the event, but applies to the buyout program, can the lot/home be purchased if they can prove the home previously existed?

A. Yes, the subrecipient can purchase the home. The use of the County Appraisal District's records could be used to establish a value.

Q. How do you submit an application for the Voluntary Home Buyout Program?

A. Rebuild Florida prefers electronic submissions, but mailed applications are also acceptable.

Completed applications should be submitted electronically to cdbg-dr@deo.myflorida.com with "Voluntary Home Buyout Program Application" as the subject line.



Completed applications may also be submitted via postal mail to:
Florida Department of Economic Opportunity
Office of Disaster Recovery
Attention: Joshua Bradt
The Caldwell Building
107 East Madison Street, MSC-400
Tallahassee, FL 32399

Q: What activities described in the application and the program guidelines must be completed by a local government prior to submitting an application?

A: The only two activities described in the program guidelines that must be completed prior to application include the Citizen Participation Plan and the Certified Appraisal, in order to estimate the need. The title search, site inspections and environmental assessments are required prior to DEO providing funding after grants have been awarded.