



City of Dickinson
Buyout/Acquisition Program
Housing Guidelines

Hurricane Harvey
Disaster Recovery

May 3, 2021

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INTRODUCTION

In response to the damage caused by Hurricane Harvey (TX-DR-4332) and other natural disasters that occurred across the nation in 2017, the U.S. Congress appropriated \$28 billion in Federal Fiscal Year 2018 funds for the Community Development Block Grant-Disaster Recovery (CDBG-DR) program through Public Law 113-2¹. Enacted on January 29, 2013, this law stipulates that these funds be used for the following recovery efforts:

“...for necessary expenses for activities authorized under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.) related to disaster relief, long-term recovery, restoration of infrastructure and housing, economic revitalization, and mitigation in the most impacted and distressed areas resulting from a major declared disaster that occurred in 2017 (except as otherwise provided under this heading) pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.): Provided, That funds shall be awarded directly to the State, unit of general local government, or Indian tribe (as such term is defined in section 102 of the Housing and Community Development Act of 1974) at the discretion of the Secretary...”

Ultimately, HUD determined that the portion of the allocation that would be granted to the State of Texas would be \$5.024 billion in Federal Register Volume 82 Number 28². Subsequent to this determination, the State of Texas developed a framework for locally administered CDBG-DR buyouts and acquisitions under the umbrella of its Local Buyout and Acquisition Program. This program was described along with several other disaster recovery initiatives as outlined in the State of Texas Action Plan for Community Development Block Grant Program Disaster Recovery (“Action Plan”). The Local Buyout and Acquisition Program is designed to assist Texans whose homes were damaged by Hurricane Harvey.

Regional Classification	% of Total Funding
<p>Most Impacted Counties and Zip Codes Aransas, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Jefferson, Liberty, Montgomery, Nueces, Orange, San Jacinto, San Patricio, Victoria, Wharton Counties; 75956, 75979, 77335, 77414, 77423, 77612, 77632, 77979, 78377, 78934 and 78945 <i>Harris County and all zip code areas that fall within Harris County and Houston will have their programs administered by Harris County or Houston</i></p>	80%
<p>Other Presidentially Declared Counties Austin, Bastrop, Bee, Burleson, Caldwell, Calhoun, Colorado, Comal, DeWitt, Fayette, Goliad, Gonzales, Grimes, Guadalupe, Jackson, Jasper, Jim Wells, Karnes, Kleberg, Lavaca, Lee, Madison, Matagorda, Milam, Newton, Polk, Refugio, Sabine, San Augustine, Tyler, Walker, Waller, Washington</p>	20%

Following a framework created by the State of Texas, communities that were allocated funds for buyouts/acquisitions will aim to purchase homes that were impacted by Hurricane Harvey. Communities received allocations under a formal Method of Distribution Process (“MOD”) organized and administrated

¹ <https://www.congress.gov/113/plaws/publ2/PLAW-113publ2.pdf>

² <https://www.govinfo.gov/content/pkg/FR-2018-02-09/pdf/2018-02693.pdf>

by regional Councils of Governments (“COGs”). To receive a buyout/acquisition allocation, COGs must have determined that localities had more than one million dollars of housing need that could be addressed through buyout/acquisition program activities.

The City of Dickinson received an allocation of \$9,219,828 through the Houston-Galveston Area Council (HGAC) MOD. This money will be used as the sole funding source for the City’s voluntary Buyout and Acquisition program. This program will offer buyouts and acquisitions to property owners in eligible areas of the City who suffered real property damage during Hurricane Harvey. Per HUD requirements, 70% of the allocation’s project costs will be spent serving low-to-moderate income households. Property owners must be able to prove direct or indirect impact from Harvey to be considered eligible. All offers to purchase made through this program are capped at the FHA lending limit in Dickinson, Galveston County³, which is \$331,760.00 for a single-family home or \$424,800.00 for a two-family home.

The Texas General Land Office (GLO) and Long-Term Recovery

The GLO’s Community Development and Revitalization division (GLO-CDR) oversees the administration of Community Development Block Grant Disaster Recovery (CDBG-DR) funds allocated to Texas by the U.S. Department of Housing and Urban Development (HUD) following a disaster. These funds support communities working to build back stronger and more resilient.

CDBG-DR funds are a special appropriation from Congress associated with a presidentially declared disaster. These GLO Housing Guidelines⁴ (the Guidelines) address the Hurricane Harvey and subsequent flooding declared disaster events associated with the following CDBG-DR funds:

Recovery projects using CDBG-DR funds must meet one of the following HUD-designated National Objectives to be an eligible housing activity:

- Benefiting Low- to Moderate-Income Persons (LMI)
 - Low- and Moderate-Income Housing (LMH) provides that any assisted activity that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low-to moderate-income only to the extent such housing will, upon completion, be occupied by such persons;
 - Low to Moderate Buyout (LMB): Benefiting low-to moderate-income persons where the award amount is greater than their post-disaster fair market value of the property; and
 - Low to Moderate Housing Incentive (LMHI): Benefiting low-to moderate-income persons participating in the voluntary buyout or other voluntary acquisition of housing to move 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.
- Preventing or Eliminating Slum or Blight (SB) through buyout or acquisition with demolition
- Meeting an Urgent Need (UN) by providing housing assistance to applicants making in excess of 80 percent of the area median income(AMI)

The Dickinson Housing Guidelines provide a blueprint for implementing and closing a CDBG-DR Buyout and Acquisition Program.

The purpose of these guidelines is to aid in the long-term recovery efforts following Hurricane Harvey;

³ <https://entp.hud.gov/idapp/html/hicost1.cfm>

⁴ <https://recovery.texas.gov/files/housing-guidelines-requirements-reports/harvey-housing-guidelines.pdf>

specifically, to assist in moving eligible property owners who have suffered repetitive flooding out of harm’s way through fair market value buyouts or by redeveloping flood-prone properties for future mitigation activities through the acquisition process. Questions regarding these guidelines or requests for more information should be directed to the City of Dickinson.

The City of Dickinson will use the support of a consulting firm to administer the local Hurricane Harvey buyout and acquisition program to serve property owner assistance needs.

Hurricane Harvey CDBG-DR Housing Program

Programs and Eligible Activities	National Objective	Program Administrator	Tenure “Start date” is date of HUD’s approval of Action Plan
<p>Local Buyout and Acquisition Program:</p> <ul style="list-style-type: none"> • Buyouts • Relocation assistance with buyout activities • Down payment assistance • Demolition with buyout or acquisition activities • Housing incentives • Activities designed to relocate families out of floodways 	<p>Low- and moderate-income, elimination of slum/blight, urgent need, low/mod buyout (LMB), and low/mod housing incentive (LMHI)</p>	<p>City of Dickinson</p>	<p>30 days plus 3 years from start date</p>

Background and Need

The hurricane season of 2017 proved to be the most expensive in United States history, impacting families from Puerto Rico to Florida and across the state of Texas. Hurricane Harvey made landfall on August 25, 2017, between Port Aransas and Port O’Connor as a Category 4 hurricane with sustained winds over 130 mph. After initial impact, Hurricane Harvey’s winds began to decrease, but due to two high-pressure systems to the east and west, it remained fixed over the Texas coast for the next 4 days. During this period, as much as 60 inches of rain fell over the impacted area.

The General Land Office (GLO) estimates the cost of damages from Hurricane Harvey at \$120 billion, making it the costliest event in U.S. history. The hurricane shut down ports, trade, tourism, oil and gas production, agricultural production, and general businesses across most of the Texas coast, for almost a week and, in some cases, significantly longer.

Hurricane Harvey resulted in record rainfall totals of 34 trillion gallons of water. Combining this record rainfall together with the fact that Hurricane Harvey made landfall twice creates a three-event narrative: the initial landfall in Aransas County; the unprecedented rainfall in the Houston metroplex and surrounding areas; and Hurricane Harvey’s second landfall which caused massive flooding in Southeast Texas. Following these three events, tens of thousands of homes that had never been flooded took on water, and evacuations and rescues continued for days after landfall.

From August 25th through August 29th, 2017, the City of Dickinson experienced unprecedented rains and overwhelming flooding. The resulting rain and flood inundation in surrounding regions which discharge

into local tributaries, and ultimately flow into the Dickinson Bayou before out falling into the bay, proved to overwhelm the City of Dickinson's drainage infrastructure and ultimately the natural environments drainage ability. Over the span of four days, the City saw 13-foot flood waters that resulted in multiple deaths and damaged or destructed nearly 80% of residential structures (more than 2,000 homes). Additionally, approximately 32 local businesses sustained catastrophic damage. According to FEMA Individual Assistance (FEMA-IA) information, ten thousand seven hundred and thirty (10,730) households applied for assistance, of which one thousand four hundred and forty-three (1,443) fell under a rental category. The total loss to housing according to FEMA-IA was \$70,664,394.55.

The City of Dickinson has persevered through multiple federally declared flood disasters; most notably Hurricane Ike in 2008, and the catastrophic flooding from Hurricane Harvey in 2017. Consistent and destructive flooding is one of Dickinson greatest challenges. Many NFIP insured properties have flooded multiple times. Repetitive Loss Properties (RL) are those that have received at least two insurance payments of \$1,000 or more from the NFIP within the last 10 years.

It is the intent of the City of Dickinson to utilize this funding opportunity to help our citizens who cannot otherwise afford to move out of harm's way, the opportunity to relocate to an area that is safer for them and their families as well as provide future mitigation alternatives. With approximately 85 property parcels that lay within the floodway and floodplains of the City of Dickinson, buying out homes or acquiring property which have been repetitively damaged in flood events over the years, including Hurricanes Ike and Harvey, will allow land to either be redeveloped or returned to a green state to regain its ability to absorb and slow flood waters, thereby helping to mitigate flood damage to remaining structures in the future. Additionally, properties acquired for future development and/or mitigation will allow new and safer housing opportunities for citizens.

In doing this, we lessen our burden on our nation to continuously provide disaster relief; and lessen the dangers our first responders must endure when they are called upon to rescue those in harm's way.

PROGRAM DESIGN

The primary focus of the housing recovery program is to provide relief for survivors affected by an event while complying with all CDBG-DR requirements and addressing recognized impediments to fair housing choice as required under the Fair Housing Act. Assistance will be provided to survivors under the buyout housing activity (with associated incentives) and/or the acquisition activity to determine appropriate areas for future development and flood mitigation activity, as allowable by approved Action Plans. All housing activities should consider the following objectives:

- Provide high quality, durable, resilient, mold resistant, energy efficient, decent, safe, and sanitary housing that mitigates impact from future disasters.
- Prioritize households in which members are under the age of 18, female heads of household, elderly and disabled households, and/or Veteran populations while affirmatively furthering fair housing.
- Emphasize housing choices and designs to reduce maintenance and insurance costs, as well as provide the provision of independent living options.
- Target regions which have the greatest opportunity for redevelopment activity and/or flood mitigation improvements.

To develop the Program Design for the buyout and acquisition activity offered through this funding, The City of Dickinson will use qualified data (HUD/FEMA/SBA, insurance data, or other data as approved by

the GLO in advance, to allocate the disaster funding). The unmet needs assessment, if required, will be addressed within the guidelines. The GLO will assist the City of Dickinson in the development and approval of its needs assessment.

- The method of data evaluation utilized by the City of Dickinson (i.e., class distribution categories by income, raw number of homes impacted versus the aggregated dollar amounts impacting communities, etc.) must be made available to the public for 30 days on a publicly accessible website. Notice of the posting of the method of review must be provided to the GLO not later than the day the method is posted on a website. If any public comment is made, the City of Dickinson must address the comment in a public response.

Program Design Requirements

1. National Objective

All housing activities must meet one of the three National Objectives required under the authorizing statute of the CDBG-DR Program:

- a. LMI — Benefitting Low- to Moderate- Income persons:
 - i. LMH — Benefitting Low and Moderate-Income Housing (LMH) where any assisted activity that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low- and moderate-income only to the extent such housing will, upon completion, be occupied by such persons;
 - ii. LMB — Benefitting Low to Moderate Income persons where the award amount is greater than their post-disaster fair market value; and
 - iii. LMHI — Low to Moderate Housing Incentive assisted with a housing incentive tied to the voluntary buyout or other voluntary acquisition of housing owned by the qualifying LMI household 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.
- b. Slum and Blight — Aid in the prevention or elimination of slums or blight; or
- c. Urgent Need — Meet a need having a particular urgency.

2. Unmet Needs Analysis

An Unmet Needs Analysis of HUD/FEMA or other housing demographic disaster victim data may be considered when determining the proportions of funding awarded that must be set aside to benefit each LMI and non-LMI economic group. The use of FEMA claims data (when available) and other applicant demographic data allows for goals to be established to fairly allocate funds across jurisdictions and neighborhoods to serve survivors in proportion to need. The Needs Assessment will determine the activities to be offered, the demographics to receive concentrated attention, and any target areas to be served the disabled, "special needs", vulnerable populations, and target areas to be served.

The GLO will assist the City of Dickinson on the methodology and data analysis and provide applicable raw data needed to develop and assist in development of their regional Needs Assessments.

Applicants applying for disaster assistance must meet certain eligibility standards to qualify for assistance. Eligibility standards are further discussed in the activity-specific Guidelines.

The Needs Assessment will document goals within the income brackets in proportion to the damaged units in the impacted area. Deviations from goals must be approved by the GLO before the City of Dickinson can move forward:

- 0% - 30% AMFI
- 31% - 50% AMFI
- 51% - 80% AMFI

3. Environmental Review

All sites must undergo a complete environmental review prior to any commitment of funds. The environmental review shall document compliance with 24 CFR Part 58 and all related laws and authorities. Properties with adverse environmental conditions will not be permitted to proceed under housing activities unless the adverse conditions are corrected. No work can start on a site until the environmental review is complete.

4. Proof of Event Damage

The City is obligated to only offer CDBG-DR housing assistance to properties affected by Hurricane Harvey. HUD requires that all projects funded by this allocation be related to direct or indirect storm impact.

To comply with the federal requirement, the City will verify that each property purchased under the program was damaged by Hurricane Harvey. Any one of the following sources of information will be considered sufficient evidence that a property sustained direct impact by Hurricane Harvey:

- Photographs of property damage
- FEMA assistance
- Homeowners insurance claims
- Flood insurance claims
- Adjuster reports
- SBA documentation
- Written report of damage by certified inspector

5. Timeliness of Application Status

The City of Dickinson will ensure timely communication of application status to applicants who have applied for disaster recovery assistance in a variety of ways. The City of Dickinson will provide homeowner's their application statuses by the primary means indicated by the applicant, such as by mail, email, phone call, or face to face meeting. The City of Dickinson will ensure the accessibility and privacy of individualized information for all applicants, frequency of applicant status updates, and personnel or unit responsible for applicant's information on the status of recovery applications.

Applicants who have questions, concerns, or are inquiring about a status update may reach out by mail, phone, and/or email to:

City of Dickinson
C/O Buyout-Acquisition Program
4403 Highway 3
Dickinson, Texas 77539
281-337-2489
kolayiwola@ci.dickinson.tx.us

6. Affirmatively Furthering Fair Housing (AFFH) Review

All projects must undergo an AFFH review by the GLO prior to any commitment of funds. Such review will include assessment of a proposed project's area demography, socioeconomic characteristics, housing configuration and need, educational, transportation, health care opportunities, environmental hazards or concerns, and all other factors material to the determination. Applications should show that projects are likely to lessen area racial, ethnic, and low-income concentrations, and/or promote affordable housing in low-poverty, non-minority areas in response to natural hazard related impacts.

Buyouts

Property acquired through a buyout program will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices other purposes allowed by HUD and accepted by the GLO. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the buyout program other than: (1) a public facility that is open at all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area); (2) a rest room; or (3) a flood control structure, provided that structure does not reduce valley storage, increase erosive velocities, or increase flood heights on the opposite bank, upstream or downstream, and that the local floodplain manager approves, in writing, before the commencement of the construction of the structure. After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the buyout program, no subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the City of Dickinson to any federal entity in perpetuity. The City of Dickinson will use buyouts strategically as a means of acquiring contiguous parcels of land for uses compatible with open space, recreational, natural floodplain functions, other ecosystem restoration, or wetlands management practices.

Acquisition

The City of Dickinson can only redevelop an acquired property if it is not acquired through the buyout program and the purchase price is consistent with applicable uniform cost principals; in such cases, the property's post-disaster value must be used.

The City of Dickinson may opt to provide relocation assistance or housing incentives to the owner of a property that will be redeveloped if the property is purchased by through voluntary acquisition, and the owner's need for additional assistance is documented. In carrying out acquisition activities, The City of Dickinson must ensure they are in compliance with their long-term redevelopment plans.

When undertaking acquisition activities, to demonstrate that the acquisition meets the LMH National Objective, the City of Dickinson must meet the Housing and Community Development Act requirements and applicable regulatory criteria. Section 105 (c)(3) of the HCD Act (42 U.S.C. 5305(c)(3)) provides that any assisted activity under this chapter that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit low- to moderate-income persons only to the extent such housing will upon completion be occupied by such persons. Alternatively, the City will may meet the LMI National Objective if the end-use of the acquired property can be used for improvements which benefit census geographic areas as defined by the Low to Moderate Income Statistical Data (LMISD) provided by HUD.

Acquisition for Redevelopment

A primary function of the program will be Acquisition with the purpose of redevelopment. In an effort to ensure the City of Dickinson maintains taxable property values, the redevelopment of acquired property for either single-family or multi-family developments will be critical. Prioritization of flood-prone, underdeveloped, or dilapidated properties will allow for the greatest long-term return of investment for the City of Dickinson and its residents.

Properties will be targeted for acquisitions which will be used for redevelopment. In order to accomplish this the City will consider the following:

- Proximity to Floodplain/Floodway
- Site developability

The City of Dickinson will procure qualified developers for future single-family and multi-family developments through an RFQ process. Successful developers will negotiate future developments with the City of Dickinson based on site availability. The City of Dickinson will incentivize development with the donation of acquired property for the return of capital investment of future housing developments. Incentives through the redevelopment process will be contingent on the developer submitting the following:

- Site Plan and capital investment
- Housing unit affordability program
- Financial surety and appropriate bonding
- Development schedule and project timeline

The City of Dickinson will seek to leverage additional CDBG-DR program funds through the reallocation of housing funds through Action Plan Amendment No. 6.

Incentives offered to approved developers may include entire tracts of acquired property or a combination of acquired property.

The City of Dickinson will consider property for acquisition which could be aligned with future disaster recovery/mitigation funding to address regional flood control project as part of their long-term recovery strategy. These projects will be further defined and developed as opportunities are presented and funding allows.

All structures will be approved by the floodplain manager, and will follow the below requirements:

b. Meaning of Green Building Standard. For purposes of this notice, the Green Building Standard means the grantee will require that all construction covered by subparagraph a, above, meet an industry-recognized standard that has achieved certification under at least one of the following programs: (i) ENERGY STAR (Certified Homes or Multifamily High-Rise), (ii) Enterprise Green Communities, (iii) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), (iv) ICC-700 National Green Building Standard, (v) EPA Indoor AirPlus (ENERGY STAR a prerequisite), or (vi) any other equivalent comprehensive green building program acceptable to HUD. Grantees must identify which Green Building Standard will be used in the program policies and procedures.

e. Elevation standards for new construction, repair of substantial damage, or substantial improvement. The following elevation standards apply to new construction, repair of substantial

damage, or substantial improvement of structures located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR 55.2(b)(1). All structures, defined at 44 CFR 59.1, designed principally for residential use and located in the 100-year (or 1 percent annual chance) floodplain that receive assistance for new construction, repair of substantial damage, or substantial improvement, as defined at 24 CFR 55.2(b)(10), must be elevated with the lowest floor, including the basement, at least two feet above the base flood elevation. Mixed-use structures with no dwelling units and no residents below two feet above base flood elevation, must be elevated or floodproofed, in accordance with FEMA floodproofing standards at 44 CFR 60.3(c)(3)(ii) or successor standard, up to at least two feet above base flood elevation. Please note that grantees should review the UFAS accessibility checklist available at <https://www.hudexchange.info/resource/796/ufas-accessibilitychecklist/> and the HUD Deeming Notice, 79 FR 29671 (May 23, 2014) to ensure that these structures comply with accessibility requirements.

All Critical Actions, as defined at 24 CFR 55.2(b)(3), within the 500-year (or 0.2 percent annual chance) floodplain must be elevated or floodproofed (in accordance with the FEMA standards) to the higher of the 500-year floodplain elevation or three feet above the 100-year floodplain elevation. If the 500-year floodplain is unavailable, and the Critical Action is in the 100-year floodplain, then the structure must be elevated or floodproofed at least three feet above the 100-year floodplain elevation. Critical Actions are defined as an "activity for which even a slight chance of flooding would be too great, because such flooding might result in loss of life, injury to persons or damage to property." For example, Critical Actions include hospitals, nursing homes, police stations, fire stations and principal utility lines.

Applicable State, local, and tribal codes and standards for floodplain management that exceed these requirements, including elevation, setbacks, and cumulative substantial damage requirements, must be followed.

f. Broadband infrastructure in housing. Any substantial rehabilitation, as defined by 24 CFR 5.100, or new construction of a building with more than four rental units must include installation of broadband infrastructure, except where the grantee documents that: (a) The location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible; (b) the cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or (c) the structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

g. Resilient Home Construction Standard. Grantees are strongly encouraged to incorporate a Resilient Home Construction Standard, meaning that all construction covered by subparagraph (a) meet an industry recognized standard such as those set by the FORTIFIED Home™ Gold level for new construction of single-family, detached homes; and FORTIFIED Home™ Silver level for reconstruction of the roof, windows and doors; or FORTIFIED Home™ Bronze level for repair or reconstruction of the roof; or any other equivalent comprehensive resilient or disaster resistant building program. Further, grantees are strongly encouraged to meet the FORTIFIED Home™ Bronze level standard for roof repair or reconstruction, for all construction covered under subparagraph B.32.c. FORTIFIED Home™ is a risk-reduction program providing construction standards for new homes and retrofit standards for existing homes, which will increase a home's resilience to natural hazards, including high wind, hail, and tropical storms. Insurers can provide discounts for homeowner's insurance for properties certified as FORTIFIED. Grantees should

advise property owners to contact their insurance agent for current information on what discounts may be available.

PROGRAM ADMINISTRATION

Timelines and Notices

The City is required to spend the buyout and acquisition allocation within a timeframe determined by GLO and HUD. As a result, the program must enforce deadlines for certain project milestones. Deadlines will be communicated to program applicants in writing and verbally. Applicants that don't meet certain progress deadlines due to their own delays will be subject to withdrawal from the program. The proposed timeline is as follows:

Date	Action
Monday, May 3, 2021	Program Guidelines Posted for Public Comment
Thursday, June 3 2021	Program Guideline Public Comment Period Closed
Thursday, July 1, 2021	Open of application intake
Monday, August 16, 2021	Close of application intake
Monday, September 13, 2021	Proposed Date for Initiation of Offers
Friday, October 29, 2021	Proposed Date of Offer Acceptance Deadline
Friday, December 31, 2021	Proposed Date of Closing Deadline
Monday, February 28, 2022	Proposed Date for Demolition Deadline
Tuesday, May 31, 2022	Completion of all Activities and Final Reports Submitted

Application Processing Overview

The City of Dickinson Local Buyout and Acquisition program is available to applicants identified through the City of Dickinson's Community Development Department Application Process. Priority will be placed on low- and moderate-income households located in a floodway or floodplain. The City will provide timely notification to applicants on their application status via telephone, email or regular mail services. Additionally, the City will further define in its operating procedures the methods for communication (i.e., website, telephone, case managers, letters, etc.), ensuring the accessibility and privacy of individualized information for all applicants, indicating the frequency of applicant status updates, and identifying which personnel or unit is responsible for informing applicants of the status of recovery applications. The program will be administered through the City of Dickinson Community Development Department located at 4403 Highway 3, Dickinson, TX 77539. Applicants may call the department at 281-337-2489. Below is a summary outline of the buyout and acquisition program process from pre-application through closing:

1. Waiting List
 - a. The City of Dickinson Community Development Department adds households to the waiting list that have expressed an interest in volunteering to be bought out or acquired. Households are added to the waiting list on a first-come, first-served basis.
2. Pre-Application Review
 - a. The pre-application review is used to review preliminary data collected on the applicant and the applicant's property, contact the applicant to discuss the application process, provide

- information regarding the assistance available, inform the applicant of the documentation/verification requirements, and discuss next steps.
- b. Determine residency within floodway and floodplain according to program guidelines.
3. Application
 - a. Used to collect required information, certifications, authorizations, and supporting documentation/verifications used to determine program eligibility
 - b. Determine whether home is owner-occupied
 - c. Determine whether home was occupied by applicant prior to Hurricane Harvey.
 4. Evaluation and Eligibility Determination
 - a. Verification and calculation of household income, ownership status, clear title and current on property taxes, determine property location/eligibility, etc.
 - b. National Objective – LMI and UN status
 - c. Determination of Unmet Needs
 5. Appraisal
 - a. Property is appraised to determine post-disaster fair market value
 6. Complete program documents with case manager/assess need for relocation advisory services
 - a. Owners and non-owners occupants complete the application and provide required documentation to determine their eligibility for the program
 - b. Discuss relocation options and need for assistance in identifying comparable relocation opportunities. Assign relocation advisory services as needed/requested
 7. Offer to Purchase to Applicant
 - a. Once an owner and their property has been determined eligible, they will receive an offer to purchase. The offer will take into consideration the post-disaster fair market value and any duplication of benefits
 - b. Owner or displaced occupants receive information regarding available resources to help with move
 8. Commitment
 9. Approval letter sent to Applicant
 10. Funding Secured
 11. Lender Schedules Closing
 12. City approves closing documents
 13. Closing occurs/title transfers to City of Dickinson
 14. Demolition
 15. Redevelopment/Flood Mitigation (if appropriate)
 16. Compliance and Monitoring

URA Requirements

The buyout program will acquire properties from owners who agree to voluntarily participate in the program. Renters and other non-owner occupants who will be required to move from the unit involuntarily may be displaced as a result of the buyout. The City of Dickinson will follow the URA requirements, as amended by the applicable Federal Register Notices for each disaster allocation. For more information on the URA benefits and services that displaced persons are eligible to receive please see the Moving Costs and Relocation Section or the

City of Dickinson Case Managers

Applicants may need support throughout the process. Applying to the program may be complicated by the loss of documents or temporary residence outside the area. The City of Dickinson, through its case managers hired through the Community Development Department, will establish and maintain partnerships with local and community liaisons such as banks, counseling agencies, legal services, title companies, etc. to assist applicants with their recovery needs.

Case Managers will work in collaboration with other agencies to assist owners and displaced persons from inception to close-out of their recovery needs. Each applicant will be assigned a case manager as a single point of contact to work with throughout the eligibility process. The case manager will also work to ensure that the applicant has the information needed to be successful in their long-term recovery efforts. As applications are being accepted and reviewed for determinations of eligibility to participate in the Program, each applicant will be counseled and made aware of their application status.

In addition, HUD approved Housing Counseling Agencies may be used as a potential reference for homeowners. Homeowners will be encouraged to contact a local agency to obtain information that can be of assistance for their individual objectives and circumstances. Information regarding the HUD approved Housing Counseling Agencies can be found at the following websites.

<https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?webListAction=search&searchstate=TX>

<https://www.consumerfinance.gov/find-a-housing-counselor/?zipcode=77469>

Property Requirements

Homeowners who own a property in a City of Dickinson floodway or flood plain may be eligible to receive buyout assistance and will be prioritized to receive assistance. For the property to qualify for the buyout program the property must meet the following requirements:

1. Located in City of Dickinson's jurisdiction
2. Located in one of the designated floodway or floodplain areas
3. Have been damaged by Hurricane Harvey
4. Must be an eligible property/structure (discussed further below)
5. A buyout or acquisition must be the most beneficial solution to the property's flooding problem
6. The property is strategically located for potential or future flood damage reduction projects and/or floodplain preservation.

Additionally, a property may be eligible for buyout or acquisition assistance if an applicant originally applied for rehabilitation or reconstruction assistance, but the site could not be environmentally cleared, and conditions could not be mitigated to HUD standards for housing rehabilitation or reconstruction assistance due to the following conditions:

1. Any house in the floodway that cannot be moved or rebuilt within the property boundaries outside the floodway, or
2. Any house seeking reconstruction assistance with a noise-impact that cannot be mitigated to HUD acceptable levels, or

3. Any house that is not a clear site for hazardous toxins per Texas Commission on Environment Quality (TCEQ) without compliant mitigation possible, or
4. Any house seeking reconstruction assistance outside HUD's Acceptable Safe Distance guidelines from a flammable or explosive hazard.

Any time HUD standards for mitigation of a hazard cannot be satisfied to meet its obligations under NEPA and related laws, federal funds are prohibited from rehabilitation or restoring a house on the hazardous property. However, such property may be cleared for acquisition (buyout) purposes only.

Criteria for Hurricane Harvey Buyout and Acquisition Program

This is a voluntary housing buyout and acquisition program. In order to comply with the requirements, set forth in 49 CFR 24.101(b)(1) all acquisitions will meet the following:

- No specific site or property needs to be acquired
- The property to be acquired is not part of an intended, planned, or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits.
- The City of Dickinson will not acquire the property if negotiations fail to result in an amicable agreement, and the owner is so informed in writing.
- The City of Dickinson will inform the owner in writing of what it believes to be the market value of the property.

To qualify for this buyout and acquisition program, a parcel must be located in a floodway or a flood plain. It must have been damaged by Hurricane Harvey. The City has not designated Disaster Risk Reduction Areas. Disaster damage will be documented as follows:

- FEMA, Small Business Administration (SBA) or Insurance Award Letters;
- If the above-referenced documentation is not available, an inspection report/Damage Assessment (complete with photos of the damage and a written assessment of the damage with each photo taken) conducted by a certified or licensed inspector (HQS, TREC, or similar license) must be supplied that certifies the damage occurred as a result of the event; or
- If FEMA, SBA, or Insurance Award Letters are not available and an inspection report is inconclusive as to the cause of the damage, alternative evidence may be provided, such as neighborhood-level media reports or documentation of damage by disaster response/relief organizations. GLO approval is required for this form of proof.

If an applicant was denied assistance by FEMA, assistance through the CDBG-DR Program may still be available. Applicants are not solely ineligible based on a denial by FEMA. A Damage Assessment must be performed by a certified or licensed inspector (HQS, TREC or similar license) to specifically and clearly document event related damage via photographic evidence and detailed narratives if the survivor did not receive FEMA or SBA funds for the repair or replacement of a home.

Structure Type

Eligible properties must be a residential dwelling structure. A dwelling structure is defined as a residential space that is a place of permanent habitation for a person or family that contains a living room, kitchen area, sleeping area, and bathroom(s).

- Eligible Structure Types

- Single family property (detached and attached 1-4 units)
- Condominium unit
- Cooperative unit
- Modular home/Manufactured home

The buyout and acquisition program will purchase properties from owners who agree to voluntarily participate in the program. However, several of the structure types listed above may include occupants that are not the owner and who will be required to move from the unit involuntarily. Since these occupants may be displaced, the City of Dickinson will follow the URA requirements, as amended by the applicable Federal Register Notices for each disaster allocation. For more information, see the section below on Relocation Assistance.

Property Type

Property is the land and improvements listed on the title or appraisal district record as published on Galveston County Appraisal District's website at <http://www.galvestoncad.org/> on which the owner-occupant unit is located. The following types of ownership are ineligible for assistance under this program:

1. Applicants who lost ownership of their home due to foreclosure, properties with outstanding suits, judgments and tax liens that would jeopardize ownership may be ineligible for assistance.
2. Properties located where federal assistance is not permitted are ineligible for assistance. Properties must be in compliance with Environmental Code 24 CFR Part 58.

Flood Claims

To verify property flood damage from the applicable disasters, flood claims will be verified by maps from the National Flood Insurance Program (NFIP) or the Galveston County Appraisal District where NFIP information is unavailable. Any assistance identified through the NFIP verification will be considered for potential Duplication of Benefits.

Environmental Review

Properties located where federal assistance is not permitted are ineligible for assistance. Properties must be in compliance with Environmental Code 24 CFR Part 58. Specific instructions concerning environmental requirements will be made available to all recipients, sub-recipients, or Contractors. CDBG disaster grant funding from HUD is contingent on compliance with the National Environmental Policy Act (NEPA) and related environmental and historic preservation legislation and executive orders. Accordingly, environmental review activities will be carried out for site contamination and demolition control and documented prior to commitment of funds.

HUD's Environmental Review Procedures allow grantees to assume environmental review responsibilities. In addition:

- The City will assume the role of the Responsible Entity (RE), responsible for undertaking compliance efforts for the Program.
- The GLO will submit any requests for release of funds directly to HUD for review and approval.
- The City will be responsible to perform the Environmental Review Records (ERRs) or contract out for a preparer of the ERRs.

- The City's Grant Administrator will conduct an environmental analysis and prepare compliance documentation in support of the broad and site-specific environmental reviews, utilizing a tiered approach, in accordance with GLO regulations.
- The City will review all environmental draft documents as outlined in the required documentation and sign all documents requiring RE or agency official signatures.
- A broad, or Tier 1, review must be completed before HUD will release funds and a site-specific, or Tier 2, review must be completed for a site before funds can be committed to that particular site. The site-specific analysis, consisting of the Site-Specific Checklist and supporting documentation will be completed by the Grant Administrator. The site specific ERRs will be reviewed and signed off by the City. Once these reviews have been completed there can be a commitment of funds.
- The Grant Administrator is responsible for working in good faith with the City where additional documentation may be necessary to resolve an outstanding environmental/historic preservation compliance factor.

The environmental review will be performed in two phases: a broad review and a site-specific review. Lead and asbestos testing will typically be reserved for the site-specific review. The Phase II ESA (site-specific review) serves as the first step in remediation for any property with contamination levels deemed unsafe.

If remediation activities are required for lead, the contractor will obtain the necessary waste permits along with enclosure materials and/or paint removal equipment. A certified abatement contractor will be procured. Warning signs will be posted; all residents and construction workers in the vicinity will be informed and protected from contamination at the time of remediation. Waste will be securely stored and disposed of upon completion of cleanup. A clearance examination will be performed by an independent party at least one hour after the completed cleanup. If clearance fails, cleanup and/or abatement work will be repeated for a subsequent examination. Residents will be notified of the nature and results of the abatement work. If unsafe levels of lead are determined to exist in the soil, soil abatement will be utilized in the form of soil removal and replacement or soil cleaning.

For asbestos, any building built prior to 1978 will require a qualified asbestos inspector to perform a comprehensive building asbestos survey to locate and assess any presence of asbestos. If there is asbestos and it is friable or damaged, HUD recommends it be removed. If it is not friable or damaged, HUD recommends it, at a minimum, be encapsulated.

The grant administrator will provide a narrative Environmental Report and any supporting documentation for the project. Failure to complete this environmental checklist (environmental review and 58.6 checklist) will impede the program's ability to receive funding from HUD.

Appraisal

All properties will be appraised by a State licensed appraiser and in conformity 49 CFR 24.103-Criteria for Appraisal and 49 CFR 24.104-Review of Appraisals.

1. If appraisal exceeds the established maximum purchase limit as set by the City, the applicant may receive up to the City's established limit. Such cases will be evaluated on a case-by case basis and final determination made by the City.
2. If appraisal is below the City established maximum purchase limit, applicant will be offered the post-disaster fair market value.

The properties will be purchased at a post-storm fair market appraised value of the home, less any identified duplication of benefits and mortgage or other liens.

Restrictive Covenant

Properties purchased through the buyout program of the buyout/acquisition contract must have a restrictive covenant running with the property and require that the property be dedicated and maintained for compatible uses in perpetuity. Compatible uses include:

Buyout

1. Any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.
2. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the buyout program other than:
 - a. a public facility that is open on all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area);
 - b. a rest room; or
 - c. a flood control structure, provided that structure does not reduce valley storage, increase erosive velocities, or increase flood heights on the opposite bank, upstream, or downstream and that the local floodplain manager approves, in writing, before the commencement of the construction of the structure.
3. After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the acquisition or relocation program, no subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the owner of the buyout property (including subsequent owners) to any Federal entity in perpetuity. The entity acquiring the property may lease it to adjacent property owners or other parties for compatible uses in return for a maintenance agreement. Although Federal policy encourages leasing rather than selling such property, the property may also be sold.

Acquisition

1. Any property acquired, accepted, or from which a structure will be removed pursuant to the project will be (1) redeveloped in accordance with federal flood mitigation guidelines or (2) dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.

Homeowner Eligibility Requirements

In addition to the requirements for each property to be eligible for assistance, owners of the properties must also meet certain requirements in order to be eligible to receive buyout assistance.

In order to qualify, all of the following must pertain to the homeowner/applicant:

1. Homeowner must have clear title to the property
2. Homeowner must be current on property taxes, on an approved payment plan or be awarded a tax deferral as allowed under Section 33.06 of the Texas Tax Code.

3. Homeowner must be current on child support payments or have an accepted plan for payment. A copy of the payment plan signed by all applicable parties along with documentation demonstrating that they are current on their payment plan must be supplied.
4. The Applicant may only submit their principal residence for participation in the City’s buyout and acquisition program.
5. Homeowner must agree to move to an area with reduced risk of flood⁵
6. The buyout or acquisition may be a result of environmental review restrictions in which the environmental review deems the property not eligible for other rehabilitation or reconstruction assistance.
7. NFIP Check – the City will review applications to determine if prior assistance was received on the home and if the homeowner met flood insurance requirements (if applicable).

Participants in the buyout program will be required to certify to all eligibility criteria and must sign an acknowledgement agreeing to the following false claims statement:

“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.”

Ownership

Ownership will be verified by a full title search to ensure a clear title on the property. All title issues must be resolved prior to closing. The title company must provide title insurance on the property. Additionally, the City of Dickinson Case Manager will provide owners with referrals and recommendations on title clearance assistance, such as local legal aid organizations.

Identity Verification

Owners’ identity will be verified via a credible method including but not limited to current tax records, or by a credit check. An applicant’s credit score is not taken into consideration in determining program eligibility. If a credit report is reviewed, it is used to verify:

1. applicant’s identity and
2. that there are no judgments or liens on the property (example – tax lien)

Applicants must be current on property taxes, on an approved payment plan or be awarded a tax deferral as allowed under Section 33.06 of the Texas Tax Code. CDBG-DR funds may not be used to pay delinquent taxes or child support back payments.

Second Homes

To help accomplish the overall goals of the buyout program, the City of Dickinson wishes to provide assistance to as many volunteers as possible within the Buyout Area. However, owners who volunteer for buyout or acquisition on homes that qualified as their second home at the time of the disaster, or following the disaster, are often not eligible to participate in the buyout program and are not eligible for residential incentives. A second home may or may not be held out for rent or for resale. The applicant does not have to reside in the home during the year to be a second home.

⁵ Area with reduced risk of flooding means moving outside the 100-year flood plain or within the 100-year flood plain in a structure with flood mitigation measures above the current standard.

Occupancy

To confirm owner occupancy, the program looks for a homestead exemption in the property tax records in the applicant's name at the time of the storm. This will be verified through Galveston County Appraisal District. If the property tax records have established a homestead exemption, the property is considered occupied by the applicant. In the absence confirmation of a homestead exemption from records provided by the County, the following hierarchy will be used to establish occupancy (all occupancy documentation must be from one month prior to the storm, in the applicant or co-applicant's name, and the damaged address):

1. Property tax records demonstrating homestead exemption for the property;
2. Copy of electric, gas, or water bill in the applicant or co-applicant's name. The bill must confirm that service was provided in the month of or the month prior to the storm. Letter from electric, gas, or water company. The letter must confirm that service was provided in the month of or the month prior to the storm;

Special Circumstances Related to Occupancy

1. Active duty military personnel who own a storm-damaged home in the City of Dickinson but are currently assigned to duty away from their home or were assigned to duty away from their home at the time of the storm are eligible.
2. Applicants incapacitated due to illness who own a storm damaged home in the City of Dickinson and are currently incapacitated or were incapacitated at the time of the storm are eligible.
3. Applicants who were incarcerated at the time of the storm but are no longer incarcerated are eligible to apply for the program. If the applicant is incarcerated at the time of application, the applicant must give someone Power of Attorney on his or her behalf.
4. Applicants who were in a nursing home at the time of the storm but are no longer in a nursing home are eligible. If the applicant is in a nursing home at the time of application, the applicant must give someone Power of Attorney on his or her behalf.

Death of Eligible Owner

1. If the homeowner passes away before closing the transaction occurs the heir to the property may be eligible to proceed with the sale of the property once succession has been established. The heir must meet all eligibility requirements.
2. If an eligible owner dies and leaves their damaged property to a business entity, the application is ineligible for assistance.

Income

All eligible applicant income within the CDBG-DR program will be calculated using the Adjusted Gross Income (AGI) method, consistent with HUD regulations. The IRS Form 1040 method requires the applicant, co-applicant, and all other occupants over the age of 18 to submit their previous year's tax return or tax return transcript. (IRS Forms: 1040, 1040 A, and 1040 EZ). If the previous year's tax return is unavailable; the applicant must submit proof of income for the last 3 months. These documents can consist of state benefits, self-employment, or contractor positions (Form 1099).

Amount of Assistance

The City of Dickinson has been allocated funding from the U.S. Department of Housing and Urban Development (HUD) via the Texas General Land Office (GLO) for disaster recovery projects related to damage from Hurricane Harvey in 2017. The City will use the approximately \$9.2 million in Community

Development Block Grant Disaster Recovery (CDBG-DR) funds for the acquisition of approximately 80 properties. Based on the availability of funds, there may be multiple rounds for the Disaster Recovery Buyout Program to assist additional properties as preliminary.

Each application will be reviewed to determine if previous funding awarded to the applicant was appropriately used on the home and if any funds were received for the same purpose. Each applicant’s home must be assessed to verify that it was damaged from the event. A damage assessment report along with pictures will be required for each applicant and will be used in the unmet needs assessment. The applicant must have an unmet need to move forward in the buyout program. The unmet need will be calculated by the Case Manager. Only applicants with an unmet need related to the CDBG-DR funded event will be eligible. Documentation evidencing impact from the event will be required as part of the unmet needs determination. The unmet needs assessment is will be required for all applicants.

The maximum assistance amount of CDBG-DR buyout funds will be capped at the FHA Mortgage Limits for Galveston County. Eligible costs included in the buyout maximum assistance amount are:

Program Administration	Incentives/Assistance
Environmental Services (Tier I and Tier II)	Rental Assistance (Tenant URA) costs
Program management and administrative costs	Moving Expenses
Appraisal, Survey, Inspection, Settlement, Title/Legal/Escrow costs	Replacement Housing Incentive (up to \$35,000)
Case Management costs	Down Payment Assistance
Property Purchasing costs	
Clearance and Demolition	

Paying costs related to these line items will be considered lawful and eligible uses of the City’s buyout and acquisition allocation.

Eligible Expense	Eligible Expense Cap
Buyout or Acquisition purchase amount	FMV
Settlement costs	Based on actual costs
Clearance and Demolition	Based on actual costs
Moving expenses	\$5,000 or actual expenses
Replacement housing incentive payment	Up to \$35,000
Down Payment Assistance	Up to 100% of the amount required

Incentives

The City of Dickinson will provide eligible participants with housing incentives to relocate to areas with a reduced risk of flooding. The purpose of the incentives is to allow owners the ability to relocate to an area with reduced risk of flooding while not being made worse off financially or in terms of housing quality by participating in the program. While housing incentives are allowable, they must be justified and reasonable. Federal regulations prohibit the buyout program from providing compensation payment.

Replacement Housing Incentive

The replacement housing incentive is necessary due to increased housing costs following the three years of repetitive flooding and the devastation caused by Hurricane Harvey. Funds will be provided to households purchasing a more expensive home within the City of Dickinson, up to the amount by which

the new home price exceeds the buyout home not to exceed \$35,000. This incentive serves to fill in a gap to avoid making applicants worse off financially than they were before the flooding events.

Down Payment Assistance

To encourage participation in the buyout program without making applicants worse off financially, the City of Dickinson will offer down payment and closing cost assistance to applicants who need gap financing for the purchase of a replacement home. This assistance will cover up to 100 percent of down payment and closing costs for the purchase of a replacement home. Down Payment Assistance is only available to homeowners who make up to 120% of the AMI.

Moving Expenses

To assist homeowners with relocating to a new home, moving expenses will be offered and capped at \$5,000.

Exceptions

Applicants that exceed the FHA maximum due to the Galveston County Central Appraisal District's appraised value will be reviewed on a case-by-case basis and may be considered for an exception. Applicants will be allowed to submit a written request to their case manager. Applicants may include their own appraisal to request an exception. These requests will be reviewed by the Director, the extenuating circumstances documented and approved on an as needed basis. GLO will also review the file and provide the final approval.

The Buyout and Acquisition Program will allow coverage of eligible costs within the maximum assistance when the buyout is a result of environmental review restrictions in which the environmental review deems the property not eligible for other rehabilitation or reconstruction assistance. If the buyout is the result of environment review restrictions where the property is not eligible for other rehabilitation or reconstruction assistance, the City of Dickinson will review each case, which may exceed the maximum assistance allowed, on a case-by-case basis.

Moving Costs and Relocation

If the buyout is a voluntary acquisition of an owner-occupied residence, owners are not entitled to assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA).

Offer

Once the applicant has been determined eligible for buyout assistance, the City of Dickinson will provide the applicant with a buyout offer in accordance with the appraised value (post-disaster fair market value). Funding will include buyout assistance and moving expenses, and when the buyout is a result of environmental review restrictions in which the environmental review deems the property not eligible for other rehabilitation or reconstruction assistance.

Eligible Allowable Expenditures

The following expenditures are allowable under the Buyout and Acquisition Program:

- The closing costs associated with processing the transaction;
- Recording fees, transfer taxes, documentary stamps, evidence of title, boundary surveys, legal descriptions of the real property and similar expenses incidental to convey the real property to the city. Costs associated with perfecting the property are not allowed.

- Penalty costs and other charges for prepayment of any pre-existing recorded mortgage; and
- The pro rata portion of any prepaid real property taxes which are allocable to the period after the city obtains the title to the property or effective possession of it, whichever is earlier.

Funding provided toward the purchase must not be used to duplicate benefits already paid by another federal agency such as FEMA and SBA. The DOB Calculation Form will need to include payments for eligible relocation assistance.

Duplication of Benefits

Each application will be reviewed to determine if previous funding awarded to the applicant was appropriately used on the property and if any funds were received for the same purpose. The applicant must have an unmet need to move forward in the program. The City of Dickinson must determine the applicant's unmet needs first and then calculate the applicant's DOB. Applicants must provide insurance, FEMA, SBA, and any other type of funding documentation for funds that were received. Additionally, the City must verify that the submitted data is accurate and current at the time of the award, to the best of their abilities (e.g., validate against FEMA data). The City of Dickinson will also determine if insurance was required under the terms of the applicant's mortgage as part of the application review. Regardless of unmet needs and prior funds received, applicant awards cannot exceed program limits.

The total DOB (difference between assistance already received minus expenditures) will equal the remaining gap. The GLO's DOB Calculation Form will be used to determine the total DOB amount. If the total previously awarded assistance is greater than or equal to the total expenditures, then a positive dollar amount will indicate a DOB. To reconcile the DOB amount owed, the applicant can pay the DOB amount, or the applicant may be offered a reduction in FMV purchase offer. The City of Dickinson will use the approved DOB forms when determining an applicant's final DOB.

The City of Dickinson will develop policies and procedures to prevent any duplication of benefits when determining an applicant's unmet need. The policies and procedures must include recapture instructions (e.g., applicant is currently appealing or suing their insurance company; therefore, recapture of future funds will be completed by the city) and monitoring procedures to include priorities and frequency to comply with an executed Subrogation Agreement.

Adjustments and Offset to the Amount of Assistance

Adjustments and offsets are deducted from the award amount.

- No receipts provided
 - If the household is unable to provide receipts to show work completed for assistance amounts received for housing repair and/or replacement, the full amount of housing repair and/or replacement assistance previously received will be deducted from the amount of funding for which the household would otherwise be eligible.
- Partial receipts provided
 - If partial receipts are provided by the household documenting that only a portion of the housing repair and/or replacement assistance previously received was used as intended, the amount received not supported by receipts will be deducted from the amount of funding for which the household would otherwise be eligible.
- All receipts provided

- If receipts are provided by the household documenting that the full amount of housing repair and/or replacement assistance previously received was used as intended, no deduction will be made from the award amount for which the household is eligible.

In instances where no receipts or only partial receipts were provided by the homeowner, the City of Dickinson may consider self-certifications when calculating the amount of assistance that can be provided. In these instances, the following requirements apply:

1. The homeowner must provide a signed self-certified statement that documents in detail all labor and or repairs made to the damaged property following Hurricane Harvey; and
2. A Certified Inspector must determine with reasonable assurance that the repairs were made after the date of the disaster; and
3. The City of Dickinson will document, through photographs, the repairs that were made.

Although Rental Assistance is not considered to be a source of DOB under this Program, temporary housing expenses can offset the potential DOB amount. To offset the total amount, the following applies:

1. The offsetting amount would be the amount of documented expenses that exceed the amount received for Rental Assistance.
2. Self-certifications of the amount spent on or the value of rental resources obtained is not sufficient to off-set potential DOB.

Applicants can provide documentation for allowable activities to off-set potential DOB. Allowable activities are temporary housing such as rent, hotel stays and applicable utilities that occurred because of temporary displacement from their primary residence because of the disaster. Eligible temporary displacement is from the time of the storm until the date of the verification letter. Evacuation costs are not eligible for DOB Offset.

If an applicant was a victim of contractor fraud, the amount paid to the contractor may not be counted as a duplication of benefit. The applicant would have had to file a police report or a report of fraud to local authorities, or similar (ex: Texas Department of Licensing and Regulatory Affairs) before the date of the application submitted. If an applicant's mortgage company placed a force payment on insurance proceeds, the insurance amount may not count as a duplication of benefits. The applicant would have to provide the document proving that that the mortgage company did not release the insurance proceeds.

Legal Fees

Legal fees that were paid to successfully obtain insurance proceeds will be credited to applicant and will not be deducted as part of the duplication of benefits calculation. Applicants must provide evidence of payment and self-certify in accordance with the City of Dickinson's policy in order to be credited.

Tax filings related to losses to the home do not affect funding assistance awards and are not considered a duplication of benefits. Applicants should consult a personal tax consultant about any tax related matters.

Buyout Award Determination

The City of Dickinson will provide eligible participants with the post-disaster fair market value, less any duplication of benefits, plus moving and settlement costs, plus a Replacement Housing Incentive, Social Vulnerability Incentive, Rehabilitation Incentive, Down Payment Assistance, and an Equity Incentive.

Fair Market Value (FMV) Determination

Fair Market Determination will be based on post-storm appraised value of the unit for the property owner who occupied the residence at the time of the disaster. Appraisals will be conducted by an independent, contracted appraiser. Per the Stafford Act, disqualified prior assistance will be deducted from the final buyout offer. The City of Dickinson may provide relocation assistance outside of buyout and acquisition activities, as necessary. The City must document how the assistance will be determined and issued to applicants when determining final eligibility assistance costs. Incentive costs must be for a specific purpose and will properly be defined in the award.

Down Payment Assistance

It is the intent of City of Dickinson to provide funding for a Down Payment Assistance Program, depending on funding availability. The Down Payment Assistance Program will be available to buyout Applicants, but it is not mandatory for buyout participants to apply for down payment assistance funds. Amounts received through the buyout program in excess of the post-disaster fair market value may be considered for Duplication of Benefit for replacement housing along with any amounts they may be eligible to receive through the Down Payment Assistance Program.

Buyout Applicants Who Owned the Property Prior to the Disaster

Eligible owners determined to have owned the buyout property prior to the disaster will receive an offer to purchase the property based on the post-disaster fair market value of the property minus any duplication of benefits documented.

Buyout Applicants Who Purchased the Property After the Date of Disaster

Individuals that purchased a flood impacted home after the date of disaster are not eligible for assistance under this program.

Buyout Applicants with Negative Equity on Mortgage

The buyout program may assist people who owe more on their mortgage than their house is worth, also known as negative equity mortgage or being underwater on their mortgage, but assistance amounts are capped at the maximum total buyout assistance amount per household. Assistance will only be provided if the assistance will allow the household to move from the damaged home to an area of reduced flood risk. The City of Dickinson reserves the right to review each applicant with negative equity on their mortgage on a case-by-case basis.

Buyout Applicants with Reverse Mortgage

The buyout program may assist people who have a reverse mortgage, but assistance amounts are capped at the maximum total buyout assistance amount per household. Assistance will only be provided if the assistance will allow the household to pay off the reverse mortgage and move from the damaged home to an area of reduced flood risk. The City of Dickinson reserves the right to review each applicant on a case-by-case basis.

Buyout Applicants in Foreclosure

Applicants in foreclosure may be provided buyout assistance, however the assistance amounts are capped at the maximum total buyout assistance amount per household. Assistance will only be provided if the assistance will allow the household to pay off the mortgage and move from the damaged home to an area of reduced flood risk. The City of Dickinson reserves the right to review each applicant on a case-by-case basis.

Contract for Deed/Land Leases/Mobile Homes

Properties where there is a different owner of the land than the owner of the dwelling unit(s), such as in Contracts for Deed, long-term land leases, and often with mobile homes, may be assisted through the buyout program only if the property owner converts the contract to full ownership. The City of Dickinson reserves the right to review each application on a case-by-case basis.

Certification Requirements Prior to Receiving Assistance

All applicants must agree to the following to receive assistance:

1. Sign an Authorization for the Release of Information so that information provided can be shared and/or verified with state, federal and other third-party agencies. The applicant, co-applicant, and other adult household members are required to sign the release unless one of the eligible applicants has provided power of attorney to another to represent him/her).
2. Sign a Certification of Completeness attesting to the accuracy and completeness of all information provided to the program under penalty of law.
3. Agree to verification of their ownership status, the amount of disaster-related damage to the home, and assistance received.
4. Power of attorney: Applicant(s) may grant power of attorney to someone who can apply on their behalf, as applicable
5. Sign a Certification of Residency attesting to the fact that the new address where the applicant will relocate to or has already relocated to an area of reduced flood risk.
6. All signed documents will include the following statement: ‘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.’

Offer to Purchase

Once an applicant has been determined eligible and an assistance amount has been calculated, the applicant will receive an offer to purchase. An applicant must sign a voluntary participation or non-participation agreement within 14 days of the buyout offer. If applicant does not agree to the offer, they may counter offer by providing their own post-storm appraisal prepared by a licensed appraiser. The City will review the counter offer and make a decision regarding the appraisal amount that is to be used.

If the applicant appeals, the City will have ten (10) days to review the counter offer and make a decision regarding the appraisal amount that will be used. Applicant will be notified by mail and/or electronic mail of the final decision.

Documenting Eligibility and Acceptance of Offer

The City of Dickinson will document the owner and property eligibility in the applicant file and will retain detailed copies of all award determinations as well as the applicant acceptance of the offered buyout and incentive amounts.

APPLICANT INTAKE

City of Dickinson residents, who are interested in participating in the available Harvey CDBG-DR Buyout and Acquisition program, are able to apply. To be sure priorities for the program are being met, along with allotting a fair assessment of homeowners; each application will be issued a Priority Scoring Sheet (See Appendix) and scored accordingly. Scoring will be based on income level, location of home in regards to floodway or floodplain, home has suffered repetitive loss, if the home is located in a priority area, and if the homeowner had NO insurance. All applications will be scored and ranked. For ranking purposes, if there is a tie, the household having the lowest Per Capita Income will have the higher priority.

All documentation submitted by the applicant must include a signed statement verifying that the information provided is true, complete and accurate. Any false, fictitious, or fraudulent information, or the omission of any material, may subject the applicant to criminal, civil or administrative penalties. Program documents must capture the following statement:

“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.”

Applicants are likely to need support throughout the buyout and acquisition process. Applicants may have suffered significant losses and emotional hardships. The simple mechanics of applying to the CDBG-DR Program may be complicated by the loss of documents or temporary residence outside the area.

A consulting firm will provide case management and overall administrative support and will work to assist survivors from inception to close-out of their recovery needs associated with the buyout and acquisition program. A single point of contact will be given for each homeowner to ensure that homeowners have the immediate contact information and needs to be successful in their long-term recovery efforts. Homeowners are also able to reach out to the City of Dickinson at any time and speak with the City for any questions or concerns relating to the program. As homeowner applications are being accepted and reviewed for determinations of eligibility to participate in the program, each homeowner should be counseled and made aware of their application status.

Case managers and/or counselors or interpreters must be able to communicate with the applicant in their primary language and should be assigned to the clients as appropriate. Additionally, they must ensure effective communications with persons with disabilities pursuant to 24 CFR 8.6 and other fair housing and civil rights requirements (such as the effective communication requirements under section 504 and the Americans with Disabilities Act). Counselors will be trained to be well-versed in all housing recovery activity requirements.

APPLICANT CLOSING

Closing Process

All customary costs associated with the purchase of private property, including appraisal, legal, survey, title preparation and insurance, are paid for by the City, using CDBG-DR funding. Demolition, and site work, including environmental remediation, grading, and security, are also paid for under this Program.

The City and the property owner will agree to the terms of the real estate transaction when they sign the contract of sale. The contract of sale will not be customized for each individual applicant – a contract template will be designed by the City’s attorney. The contract will stipulate the terms of the real estate closing. It will give direction for the seller in terms of the anticipated vacancy date, the on-or-about closing date, the sellers’ responsibility for disconnecting utilities, and what happens to abandoned items on the property. The applicant will agree to these terms in writing and will be responsible for complying with the terms of the contract. The contract will also include language regarding seller failures to comply with the terms.

In many cases, the City anticipates that property owners will move on their closing date or shortly before their closing date. At the time of closing, the seller will surrender occupancy to the property and will no longer have access to any structures there. To assist property owners with the burden of moving, the City will supply each homeowner with a list of moving companies and storage facilities local to the buyout target areas.

It is the City’s policy to avoid undue procedural obstacles that delay, inconvenience, or impair completing transactions under the Program. The City, for this reason, accommodates reasonable seller requests when doing so does not expose the program to delay, liability, extra costs, or risk of loss.

The City can, under certain conditions, accommodate a seller who requests that all of the net proceeds from sale of a parcel under the program be paid to an agent instead of the seller in the conveyance granting title to the City and who executed the contract of sale.

If the terms of this procedure are fully satisfied, the seller must make the request in writing, acknowledge that payment to the agent will satisfy seller’s right to net purchase proceeds, and indemnify the City for any losses resulting from disbursement to the agent.

Disposal of Storm-Damaged Property

Once the applicant has purchased a lot or home as result of a buyout, the applicant’s storm-damaged property will be demolished. The City should complete the demolition of the home within 45 days of vacancy. The cost of demolition can be charged to the program.

Depending on the method of acquisition, the City of Dickinson will ensure all properties will be returned according to the following:

- Buyout – green space, recreational facility, flood control site, of which no habitable structure will be placed and will be maintained in perpetuity by the City.
- Acquisition – green space, recreations facility, future development (i.e. single family or multi-family, etc.), or flood control.

There are options for disposing property including:

- The city can lease the property to adjacent property owners or other parties in return for a maintenance agreement;
- The city can convert the land to green space.

AFFIRMATIVE MARKETING/FAIR HOUSING

Local jurisdictions administering the Program are committed to affirmatively furthering fair housing through established affirmative marketing policies. Affirmative marketing efforts for the disaster funding will include the following:

- An Affirmative Fair Housing Marketing Plan, based on HUD regulations, is to be followed by The City of Dickinson. The plan must include items on the GLO's checklist to affirmatively market units financed through the Program. The procedures cover dissemination of information, technical assistance to applicants, project management, reporting requirements, and project review.
- The goal is to ensure that outreach and communication efforts reach eligible survivors from all racial, ethnic, national origin, religious, familial status, the disabled, “special needs,” and gender groups. For each project or program, notification to these populations should include:
 - Given the opportunity to sell their primary residence that sustained damages due to the event and/or its after-effects.
 - Emphasis should be focused on successful outreach to LMI areas and those communities with minority concentrations that were affected by the disaster. Outreach efforts will include door-to-door canvassing and special outreach efforts to hard-to-reach populations (e.g., seniors, and persons with severe disabilities who either do not have information about the resources available or are unable to apply for resources).
- In addition to marketing through widely available media outlets, efforts may be taken to affirmatively market the CDBG-DR Program as follows:
 - Advertise with the local media outlets, including newspapers and broadcast media, that provide unique access for persons who are considered members of a protected class under the Fair Housing Act;
 - Include flyers in utility and tax bills advertising the Program;
 - Reach out to public or non-profit organizations and hold/attend community meetings; and
 - Other forms of outreach tailored to reaching the eligible population, including door-to-door outreach, and on the weekends, if necessary.
- Case managers will help navigate and inform survivors who may qualify for buyout of their damaged unit to remove them from flood hazards, environmental hazards, segregated areas, and other unsafe conditions while meeting AFFH obligations.
- Documentation of all marketing measures used, including copies of all advertisements and announcements, will be retained and made available to the public upon request.
- The City of Dickinson will be required to use the Fair Housing logo in Program advertising, post Fair Housing posters and related information and, in general, inform the public of its rights under Fair Housing regulations law.
- Evaluation of outreach activities and applications received will be necessary to determine if outreach is successful and applications that are being received accurately reflect the socioeconomic and other forms of demographic diversity. Evaluation should be an ongoing process. The GLO will assist the City of Dickinson by reviewing application intake reports before the City begins qualifying applicants, and periodically thereafter.

- The City of Dickinson and the state are also required to coordinate with HUD-certified housing counseling organizations to ensure that information and services are made available to both renters and homeowners.

COMPLIANCE AND MONITORING

Reporting Requirements

Compliance will be maintained in accordance with the reporting requirements under the GLO's CDBG-DR Program. This includes providing all information and reports as required under the GLO's contract with the City of Dickinson, demographic data and other information acquired from the applicants, and project documentation from awarded applicants.

Applicant Data

The GLO will establish procedures for the City of Dickinson to collect and report data relevant to HUD. The reporting requirements will include, but not be limited, to the following for each program activity requiring a direct application by an individual or non-institutional entity:

- Applicant's household income at the time of assistance;
- Household income as a percentage of area median family income at the time of assistance, as defined by HUD;
- The race, ethnicity, and gender of the head of household;
- The household's familial status;
- The presence or non-presence of a household member with a disability; and
- The presence or non-presence of a household member that is a veteran.

Records Retention

All official records on programs and individual activities shall be maintained for a 3-year period beyond the closing of a grant between the GLO and HUD. Applicant records may be maintained electronically. All projects, program activity files, and applicant information received must be maintained within the GLO's system of record.

Procurement Requirements

The City of Dickinson shall provide adequate documentation to show that the selection process was carried out in an open, fair, uniform and thorough manner to ensure that federal (2 CFR 200.318- 200.326) and state procurement requirements were met.

It's important to note that failure to maintain proper documentation may result in disallowed costs. These records must include, but are not limited to, the following information:

- Rational for the method of procurement;
- Evaluation and selection criteria;
- Contractor selection or rejection; and
- The basis for the cost or price.

During the procurement process, the City of Dickinson should clearly identify any items included in the bid/purchase that are not included in the CDBG-DR agreement with GLO. The City of Dickinson may utilize HUD's CDBG-DR and Procurement Guidance. The City of Dickinson must procure goods and services using the federal procurement and contract requirements outlined in 2 CFR 200.318-200.326. These procurement requirements must be followed for reimbursement from grant allocations of CDBG-DR funds provided by HUD. The City of Dickinson is also required to follow state and local procurement law and policies as prescribed by 2 CFR 200.318(a), as well as the additional requirements stated in 2 CFR part 200. Procurement policies and procedures should be updated to correspond with the procurement and contract requirements of 2 CFR 200.318-200.326 for CDBG-DR funding.

Additionally, the GLO may review draft solicitations or responses prior to award for compliance. The City of Dickinson should clearly identify during the procurement process any items included in the bid/purchase that are not included in the CDBG-DR contract.

Regardless of the type of procurement used, the City of Dickinson must execute a contract to document the period of performance, the work to be completed, the agreed upon price, and contractor or provider's required compliance with all applicable federal, state, and local requirements that must be followed. If there is a conflict between federal, state, and local laws and regulations regarding procurement, the more stringent law or regulation will apply.

Additionally, the City of Dickinson is required to achieve compliance with Section 3 (24 CFR Part 135). It is strongly suggested that HUD's best practices be utilized to help achieve compliance (HUD Model Section 3 Plan), including creating a Section 3 plan. The City of Dickinson is also required to "take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible." (HUD CFR 200.321.)

Inspection Requirements

The Buyout/Acquisition and Demolition phases will require an inspection for each activity. The program will only pay for one inspection per activity per phase. Any additional inspection costs will be the responsibility of the designated contractor performing work on the home as outlined below.

Site and Development Restrictions

Depending on the method of acquisition, the City of Dickinson will ensure all properties will be returned according to the following:

- Buyout – green space, recreational facility, flood control site, of which no habitable structure will be placed and will be maintained in perpetuity by the City.
- Acquisition – green space, recreations facility, future development (i.e. single family or multi-family, etc.), or flood control activities.

All properties will be enforced with a Land Use Agreement placed by the City of Dickinson, and filed in the appropriate conveyance record.

Conflict of Interest

The conflict of interest regulations contained in the contract between the City of Dickinson and the GLO prohibit local elected officials, City of Dickinson employees, and consultants who exercise functions with respect to CDBG-DR activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, from receiving any benefit from the

activity either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.

For purposes of this section, “family” is defined to include parents (including mother-in-law and father-in-law), grandparents, siblings (including sister-in-law and brother-in-law), and children of an official covered under the CDBG-DR conflict of interest regulations at 24 CFR Sec. 570.489(h).

The GLO can consider granting an exception to the conflict of interest provision should it be determined by the GLO that the City of Dickinson has adequately and publicly addressed all of the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and the effective and efficient administration of the program. The City should not enter into a conflict of interest until justification has been received and approved by the GLO in accordance with applicable procurement laws.

Complaint/Appeal Process

General Policy

The City of Dickinson is responsible for responding to complaints and appeals in a timely and professional manner. The city will keep a record of each complaint or appeal that it receives to include all communications and their resolutions.

When a complaint or appeal is received, a representative will respond to the complainant or appellant within three (3) business days where practicable. For expediency, the City of Dickinson shall utilize telephone communication as the primary method of contact; however, email and postmarked letters will be used as necessary. Complaints may be filed to the following: Interim City Manager, City of Dickinson, 4403 Highway 3, Dickinson, Texas 77539, 281-337-2489, kolayiwola@ci.dickinson.tx.us.

Responsibilities

The City of Dickinson will identify customer service specialists, as applicable, within their program that will be tasked with handling all homeowner inquiries.

Customer service specialists are responsible for (1) determining if complaints and appeals relate to the business or authority of the city, (2) ensuring that a response to all complaints and appeals are within the appropriate time frame (a final response must be provided within 15 working days of the receipt of the final complaint need for additional time), and (3) ushering all complaints and appeals through to a resolution.

Since jurisdictions are most often the first line of communication for program beneficiaries, they shall have an internal procedure for handling incoming complaints, including a complaint escalation process to ensure that complaints are handled at the earliest stage in the process.

Documentation

Documentation for each complaint or appeal must be maintained. Each file must include the following:

- Contact information for the complainant;
- Initial complaint;
- Address and GLO assigned project number (if applicable);
- Any communications to and from complainant or appellant;

- Results of the investigation, together with any notes, letters, or other investigative documentation;
- The date the complaint or appeal was closed; and
- Any other action taken.

Audit Requirements

Jurisdictions receiving funds which exceed the thresholds set in 2 CFR 200.501, Audit Requirements, shall have a single or program specific audit conducted in accordance with the applicable federal requirements.

Vendors and contractors employed by the state and the City of Dickinson will be required to comply with the executed contract.

Changes, Waivers, and/or Conflicts

The City of Dickinson has the right to change, modify, waive, or revoke all or any part of these guidelines, with prior written approval of the GLO.

Waivers to the requirements in these guidelines can only be approved by the GLO and must be provided in writing. The GLO will provide the option for a waiver only after the waiver request has been posted on the city's identified website for a public comment period of at least 7 days. The waiver request must demonstrate why the housing guidelines are not practicable for the city.

If these guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state, or federal law.

PUBLIC COMMENT

[insert public comments and subrecipient responses to all comments received]

The City of Dickinson Housing guidelines provide guidance on how to design, implement, and close the Hurricane Harvey CDBG-DR Housing Program, and should not be construed as comprehensive instructions

APPENDIX

Definitions

Acquisition: Acquisition of Real Property at 100 percent post-disaster fair market value (FMV) of the land and structures that allows subrecipients to acquire real property for any public purpose, as set forth in 24 CFR 570.201(a). Acquisition-only is typically not considered a complete activity in the Program and may be combined with another eligible activity (i.e., relocation assistance and new construction of housing). Methods of acquisition include purchase, long-term lease (15+ years), donation or otherwise (CPD-17-09). The subrecipients have the flexibility to hold any property purchased through acquisition as undeveloped green space in perpetuity or to redevelop it in a resilient manner.

Adjusted Gross Income (AGI): AGI is an individual's total gross income minus specific deductions.

Advisory Base Flood Elevation (ABFE): Provide a better picture of current flood risk than the existing Flood Insurance Rate Maps (FIRMs), which in some cases are more than 25 years old. The new ABFEs are the recommended elevation of the lowest floor of a building. State law, some communities, and the Residential Building Code may require that the lowest floor be built above the ABFE. The ABFEs are based on Federal Emergency Management Associations (FEMA) coastal studies that were completed before Hurricane Sandy. The studies include data that has been collected and analyzed over a number of years. Though advisory now, eventually information used to develop the ABFEs will be incorporated into official FIRMs.

Affirmative Fair Housing Marketing Plan (AFHMP): A document used to help subrecipients offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability⁶ (24 CFR Part 200, Subpart M). Implementing Affirmative Fair Housing Marketing Requirements Handbook (8025.1)⁷

Affirmatively Furthering Fair Housing (AFFH): AFFH is a legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act⁸. HUD's AFFH rule provides an effective planning approach to aid program participants in taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination.

Affordability Period: The period of time during which a property must comply with CDBG-DR program rules and regulations, including primary residency, income, and rent restrictions as applicable.

Applicant/Homeowner/Survivor: (Used interchangeably) Individuals whose homes or housing units were destroyed, made uninhabitable, needed repairs, or who suffered disaster-related displacement from their primary residences and/or loss of property.

Area Median Family Income (AMFI): Calculated annual limits based on HUD-estimated median family income with adjustments based on family size used for demonstrating LMI beneficiaries in the programs.

Base Flood Elevation: The elevation that waters from a 100-year flood will reach.

Beneficiary: The recipient deriving advantage from CDBG-DR funding.

⁶ 24 CFR 200.625

⁷ https://www.hud.gov/program_offices/administration/hudclips/handbooks/ftheo/80251

⁸ https://www.huduser.gov/portal/affht_pt.html

Builder/Contractor: (Used interchangeably) A person who contracts to construct or repair houses or buildings and/or supervises building operations.

Buyout: Purchase of an eligible property at the fair market value of the land and structures with the intent to reduce risk from future flooding or to reduce risk from future hazard. Buyouts are properties within defined Disaster Reduction Risk Areas (DRRA), (determined by City officials) such as areas within the 100-year floodplain and/or in the highest risk areas as defined by FEMA flood map “V Zone.” The property acquired will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational use, or floodplain and wetlands management practices. Buyout-only is typically not considered a complete activity in the Program and may be combined with another eligible activity (i.e., relocation assistance and new construction of housing).

Case Management: Working with individual survivors and their families to understand the Program’s housing options, resulting in clear and transparent determination of eligibility. Case managers must consider all special circumstances of the survivor’s needs to decrease their barriers to participate in the program where possible. Staff should meet at designated locations and supply information in a standard format.

Change Orders: Modifications to the Scope of Work required due to unforeseen circumstances.

Community Development Block Grant (CDBG): A federal program administered by the US Department of Housing & Urban Development (HUD) which provides grant funds to local and state governments. The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses.

Condominium: A building or complex in which units of property, such as apartments, are owned by individuals and common parts of the property, such as the grounds and building structure, are owned jointly by the unit owners.

Condominium Association: The entity made up of the unit owners responsible for the maintenance and operation of:

- Common elements owned in undivided shares by unit owners
- Other real property in which the unit owners have use rights

Contract for Deed (also referred to as a Lease Purchase Agreement): Legal document that establishes items to be met in order for the deed to a piece of property to transfer from one person to another, usually in exchange for monthly payments until the purchase price has been paid.

Contract of Sale: The formal contract between the City and the Property owner that stipulates the legal terms of the real estate transaction. All property owners will have the option of having an attorney review the contract of sale. Any cost involved in these reviews will not be covered by the City.

Conveyance: The act of transferring an ownership interest in a property from one party to another. Conveyance also refers to the written instrument, such as a deed or lease, that transfers legal title of a property from the seller to the buyer.

Cooperative apartments (Coops): Owner owns stock in the corporation that owns the apartment building. The building then “leases” the cooperative apartment to the buyer under a long-term proprietary lease. Coop owners pay monthly maintenance to the building corporation for items such as the expenses of maintaining and operating the building property, property taxes and the underlying mortgage on the building (if any).

Damage Assessment: An inspection of the housing unit to document damage from the event. The

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 (see the GLO's Damage Assessment Guidelines, found at <https://recovery.texas.gov/>). Damage assessments must include final cost of repair estimates according to local code, HUD's Housing Quality Standards, and mold remediation, to bring the home up to code at completion.

Davis-Bacon Act of 1931 (40 USC Part 3141 et seq.) and Related Acts: All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this chapter shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. This applies to the rehabilitation and reconstruction of residential property only if such property contains not less than 8 units.⁹

Demolition: The clearance and proper disposal of dilapidated buildings and improvements.

Disabled Household: Disabled household *is* a household composed of:

1. One or more persons at least one of whom is an adult (18 years or older) who has a disability;
2. Two or more persons with disabilities living together, or one or more such persons living with another person who is determined by HUD, based upon a certification from an appropriate professional (e.g., a rehabilitation counselor, social worker, or licensed physician) to be important to their care or wellbeing; or
3. The surviving member or members of any household described in paragraph (1) of this definition who were living in a unit assisted under this part with the deceased member of the household at the time of his or her death. [24 CFR 891.305]

Disaster Recovery Grant Reporting System (DRGR): The Disaster Recovery Grant Reporting system was developed by HUD's Office of Community Planning and Development for the Disaster Recovery CDBG program and other special appropriations. Data from the system is used by HUD staff to review activities funded under these programs and for required quarterly reports to Congress.

Disaster Risk Reduction Area: A geographic area outside of a floodplain and/or floodway that a grantee or subrecipient can target for pre-storm FMV buyouts. To create a Disaster Risk Reduction Area ("DRRA"), the purchasing agency must prove (1) The hazard was caused or exacerbated by the Presidentially declared disaster for which the grantee received its CDBG-DR allocation; (2) The hazard must be a predictable environmental threat to the safety and well-being of program beneficiaries, as evidenced by the best available data and science; and (3) The Disaster Risk Reduction Area must be clearly delineated so that HUD and the public may easily determine which properties are located within the Disaster Risk Reduction Area.

Duplex: A residential structure consisting of two separate dwelling units, side by side or one above the other.

Duplication of Benefits: The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG-DR funding with respect to any part of a loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other source.

Earth Movement: Is a FEMA term where there are shifts to land caused by landslide, slope failure, saturated soil mass moving by liquidity down a slope, or sinking of the earth.

⁹ <https://files.hudexchange.info/resources/documents/Housing-and-Community-Development-Act-1974.pdf>

Elderly Person: [24 CFR 891.205] An elderly person is a household composed of one or more persons at least one of whom is 62 years of age or more at the time of initial occupancy.

Elevation Standards: Standards that apply to new construction, repair of substantial damage, or substantial improvement of structures located in an area delineated as a flood hazard area or equivalent in FEMA's data source identified in 24 CFR 55.2(b)(1).

Eligible Properties (EP): Eligible Properties are those within a floodplain, floodway, or DRRA with documented impacts from Hurricane Harvey.

Environmental Code: Properties located where federal assistance is not permitted are ineligible for Program assistance. Properties must be in compliance with Environmental Code 24 CFR Part 58.

Environmental Review: All qualified projects must undergo an environmental review process. This process ensures that the activities comply with National Environmental Policy Act (NEPA) and other applicable state and federal laws.

Event: The Presidentially declared Hurricane Harvey, and subsequent flooding, disaster events.

Fair Housing: Activities that follow the rules and guidelines set forth in the Fair Housing Act and subsequent fair housing legislation. The goal of these activities is to eliminate housing discrimination, promote economic opportunity, and achieve diverse, inclusive communities.

Fair Housing Marketing Plan: A marketing strategy designed to attract applicants of all majority and minority groups, regardless of sex, handicap, familial status, etc. to participate in the housing activities which are being marketed.

Fair Market Value: The hypothetical price that a willing buyer and seller will agree upon when they are acting freely, carefully, and with complete knowledge of the situation.

Family: The term family means all persons living together in the same housing unit, as further defined under 24 CFR 570.3

Federal Emergency Management Agency (FEMA): An agency of the United States Department of Homeland Security. The agency's primary purpose is to coordinate the response to a disaster that has occurred in the United States and that overwhelms the resources of local and state authorities.

Federal Emergency Management Agency (FEMA)-Designated High-Risk Area: Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in 100-year flood zones. These areas will be identified during the environmental review process for each participating jurisdiction.

Federal Register (FR): A daily publication of the US federal government that issues proposed and final administrative regulations of federal agencies.

Flood Disaster Protection Act of 1973 and Sec. 582(a) of the National Flood Insurance Reform Act of 1994: Compliance with the legal requirements of Section 582(a) mandates that HUD flood disaster assistance that is made available in Special Flood Hazard Areas (SFHAs) may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement or restoration for flood damage to any personal, residential or commercial property if: (1) the person had previously received

federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and (2) that person failed to obtain and maintain flood insurance as required under applicable federal law on such property.

Flood Hazard Area: Areas designated by FEMA as having risk of flooding.

Flood Insurance: The Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) requires that projects receiving federal assistance and located in an area identified by FEMA as being within a Special Flood Hazard Areas (SFHA) be covered by flood insurance under the National Flood Insurance Program (NFIP). In order to be able to purchase flood insurance, the community must be participating in the NFIP. If the community is not participating in the NFIP, federal assistance cannot be used in those areas.

Floodplain: FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area.

- “100-year floodplain” — 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 floodplain” — the geographical area defined by FEMA as having a 0.2 percent chance of being inundated by a flooding event in any given year.

Garden Apartments: Multi-unit apartment complexes usually located on one or two stories with the entrances to individual apartments contained along a common walkway. These complexes usually have a common off-street parking lot as well as other common public spaces.

Gift of Property: A form of property transfer without exchange or payment.

General Land Office (GLO): The Texas General Land Office is the lead state agency for managing the state's Community Development Block Grant - Disaster Recovery grants through the U.S. Department of Housing and Urban Development.

Grant Agreement: A funding agreement detailing eligible program costs and project-specific award agreements between HUD and the GLO, including regulatory provisions, certifications, and requirements.

Green Building Standards: All rehabilitation (meets the definition of substantial improvement), reconstruction, or new construction must meet an industry-recognized standard that has achieved certification under at least one of the following programs: (1) ENERGY STAR (Certified Homes or Multifamily High-Rise), (2) EPA Indoor Air Plus (Energy Star a prerequisite), (3) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), or (4) ICC–700 National Green Building Standard.

Head of Household: The adult member of the family who is the head of the household for purposes of determining income eligibility and rent. [24 CFR 5.504]

Home/Housing Unit: (used interchangeably) a house, apartment, group of rooms, or single room occupied or intended for occupancy as separate living quarters.

Homeowner Assistance Activity: The utilization of CDBG-DR funding to rehabilitate or reconstruct damaged homes for the applicant to remain in the original home at the original home site. The home to be assisted must have been owner-occupied at the time of the event.

Household: A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living

together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the LMI National Objective is based on the LMI of the household.

Department of Housing and Urban Development (HUD): Federal department through which the Program funds are distributed to grantees.

Housing and Community Development Act of 1974, as amended by the Supplemental Appropriations Act of 1984: Established the program of Community Development Block Grants to finance the acquisition and rehabilitation of real property and which defined the recipients and uses of such grants, with the primary goal of benefitting LMI persons.

Housing and Urban Development Act of 1968, Section 3: Requires program administrators ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing federal, state, and local laws and regulations, to low- and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32.¹⁰

Housing Incentives: Incentive payments are generally offered in addition to other programs (e.g., buyout) or funding (such as insurance) to encourage households to relocate in a suitable housing development or an area promoted by the community's comprehensive recovery plan. The housing incentive may be offered to improve a residential structure that upon completion will be occupied by a low- to moderate-income household. An incentive may be offered in addition to a buyout payment for households that volunteer to relocate outside of the floodplain or to a lower-risk area. A buyout incentive is not available for properties that served as second homes at the time of the disaster or following the disaster.

Housing Quality Standards (HQS): The HQS establish certain minimum standards for buildings constructed under HUD housing programs. This includes new single family homes and multifamily housing as outlined in 24 CFR 982.401.

Invitation for Bid (IFB): The method used for the sealed bid process. IFBs usually include a copy of the specifications for the particular proposed purchase, instructions for preparation of bids, and the conditions of purchase, delivery and payment schedule. The IFB also designates the date and time of bid opening.

Internal Revenue Service (IRS): Federal department responsible for tax collection and tax law enforcement.

Limited English Proficiency (LEP): A designation for person that are unable to communicate effectively in English because their primary language is not English and they have not developed fluency in the English language. A person with Limited English Proficiency may have difficulty speaking or reading English. An LEP person will benefit from an interpreter who will translate to and from the person's primary language. An LEP person may also need documents written in English translated into his or her primary language so that person can understand important documents related to health and human services.

Low-Income Family: A family whose annual income does not exceed 80 percent of the area median income, as determined by HUD, with adjustments for smaller and larger families. [24 CFR 5.603]

Low to Moderate Buyout (LMB) National Objectives: LMB is used for a buyout award to acquire housing owned by a qualifying LMI household, where the award amount (including optional relocation

¹⁰ <https://www.hudexchange.info/>

assistance) is greater than the post-disaster (current) fair market value of that property.

Lost Ownership: Property owners who lost ownership of their homes due to foreclosure, or are pending foreclosure, are ineligible for Program assistance.

Low to Moderate Housing (LMH) National Objective: Any activity that involves the buyout, acquisition, or rehabilitation of property to provide housing or improve permanent residential structures will upon completion benefit and must be occupied by low- and moderate-income households (42 U.S.C. 5305(c)(3)). Income eligibility will be determined using Area Median Income (AMI), adjusted for family size and verified in accordance with GLO's Adjusted Gross Income Methodology. The most current income limits, published annually by HUD, shall be used by the subrecipient or the state to verify the income eligibility of each household applying for assistance at the time assistance is provided.

Low to Moderate Housing Incentive (LMHI) National Objectives: LMHI benefits 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 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.

Low to Moderate Income National Objective: Activities which benefit persons of income that does not exceed 80 percent of the area median income:

- Very low: Household's annual income is up to 30 percent of the area median family income, as determined by HUD, adjusted for family size;
- Low: Household's annual income is between 31 percent and 50 percent of the area median family income, as determined by HUD, adjusted for family size; and
- Moderate: Household's annual income is between 51 percent and 80 percent of the area median family income, as determined by HUD, adjusted for family size.

Manufactured Housing Unit (MHU): A structure, transportable in one or more sections which in the traveling mode is 8 body-feet or more in width, or 40 body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

Minimum Property Standards (MPS): Established housing quality standards for buildings constructed under HUD housing programs. This includes new single-family homes, multi-family housing and health care type facilities.

Minority Business Enterprise (MBE): A business that is owned and controlled (minimum of 51 percent ownership) by a member of a minority group.

Mitigation: Improvements made to reduce the possibility of property damage, personal and commercial hardship, as well as long lasting monetary burdens. For example, creating a flood mitigation program such as an acquisition of at-risk flood-prone property/housing, and elevation of housing in high-risk floodplains are two visible and effective mitigation projects that can be taken to make residents and communities safer in the face of natural disasters.

Mixed-Status Family: Is a family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

Modular Housing: A home built-in sections in a factory to meet state, local, or regional building codes.

Once assembled, the modular unit becomes permanently fixed to one site.

Multifamily Rental: Eight or more rental units in the property.

National: A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

Noncitizen: A person who is neither a citizen nor a national of the United States.

National of the United States: A non-US citizen who holds allegiance to the US is not considered an alien. For practical purposes, this describes a few people who live on some islands in the South Pacific.

National Environmental Policy Act (NEPA): Establishes a broad national framework for protecting the environment. NEPA's basic policy is to assure that all branches of government give proper consideration to the environment prior to undertaking any major federal action that could significantly affect the environment.

National Flood Insurance Program (NFIP): Created by Congress in 1968 to reduce future flood damage through floodplain management and to provide people with flood insurance through individual agents and insurance companies. FEMA manages the NFIP.

Notice of Opportunity to Rescind: The Property owner has three (3) business days to rescind the contract signing. On the fourth business day, the Property owner signs the form to either rescind the contract or to move forward with the program.

Needs Assessment: A needs assessment is a critical component in the allocation of funding across and within National Objectives for CDBG-DR funds. A given needs assessment will recommend the proportions of funding that should be set aside to benefit each LMI and non-LMI economic group. The needs assessment will determine the activities to be offered, the demographics to receive concentrated attention, the disabled, "special needs," vulnerable populations, and target areas to be served. The needs assessment will also include an assessment of the types of public services activities that may be needed to complement the program. The needs assessment should set goals within the income brackets similar to the housing damage sustained within the impacted areas. Deviations from goals must be approved by the GLO before the Program may move forward. The GLO will work with subrecipients and COGs to develop regional local needs assessments. Each needs assessment will be posted for a 30-day public comment period and approved by the GLO before implementation.

New Construction: A replacement home that substantially exceeds the original footprint on the existing lot (if permitted) or the construction of a new home in a new location.

One for One Replacement: Subpart B Requirements Under Section 104(d) of the Housing and Community Development Act of 1974, 24 CFR 42.375 provides for public and/or assisted lower-income dwelling units to be demolished or converted to a use be replaced with comparable lower-income dwelling units.

Overall Benefit: The state must certify that, in the aggregate, not less than 70 percent of the CDBG- DR funds received by the state during a period specified by the state will be used for activities that benefit persons of LMI.

Person with Disabilities: [24 CFR 5.403]. A person with disabilities for purposes of program eligibility:

- Means a person who:
 - Has a disability, as defined in 42 U.S.C. 423;

- Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or
- In the case of an individual who has attained the age of 55 and is blind, inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he/she has previously engaged with some regularity and over a substantial period of time. For the purposes of this definition, the term blindness means central vision acuity of 20/200 or less in the better eye with use of a correcting lens. An eye which is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees shall be considered for the purposes of this paragraph as having a central visual acuity of 20/200 or less.
- Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
 - Is expected to be of long-continued and indefinite duration,
 - Substantially impedes his or her ability to live independently, and
 - Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or
 - Has a developmental disability, as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(8))

Power of Attorney (POA): An authorization to act on someone else's behalf in a legal or business matter.

Program: The GLO's plan, process, and procedures to assist communities and distribute CDBG-DR funds to rebuild disaster affected areas and provide a broad range of housing recovery activities as provided in the GLO's approved Action Plan and subsequent amendments.

Program Design: The selection and development of programs and activities based on a needs assessment. The Program Design must include the type of housing activities that will be offered by the subrecipient or the state; how the program will be marketed; how Fair Housing Objectives will be achieved, as described in the AFHMP; and how funding will be prioritized as determined through a needs assessment.

Program Income: Net income derived from the sale of program assets that exceeds \$35,000 in the aggregate, in a single fiscal year, received by the subrecipient and directly generated from the use of housing CDBG-DR funds.

Purchase Contracts: Contract for deed is not eligible unless the Property owner converts his/her contract to full ownership prior to receiving funding assistance from the program.

Reconstruction: Demolition and rebuilding of a stick-built or modular housing unit on the same lot in substantially the same footprint and manner. This activity also includes replacing an existing substandard manufactured housing unit (MHU) with a new or standard MHU or stick-built/modular housing unit. The number of units on the lot may not increase, and the total square footage of the original, principal residence structure to be reconstructed may not be substantially exceeded; however, the number of rooms in a unit may be increased or decreased based on the applicant's current household size.

Rehabilitation: Repair or restoration of storm-damaged housing units in the impacted areas to applicable construction codes and standards.

Reimbursement Program: Program designed for eligible applicants who have used non-disaster relief funds for completed reconstruction, rehabilitation, elevation, and/or mitigation on single family homes prior to the start of the program on February 28, 2019. Reimbursement for costs after February 28, 2019 are ineligible.

Rental Activity: Acquisition, rehabilitation, or construction of affordable rental housing resulting in structures where at least 51 percent of units are occupied by LMI persons. Income and rent restrictions apply to the rental units to be built or assisted.

Request for Proposal (RFP): A procurement document designed to solicit proposal services where cost is considered as a factor.

Request for Qualifications (RFQ): A procurement document designed to solicit a quote for services defined.

Responsible Entity (RE): Under 24 CFR Part 58, the term “responsible entity” (RE) means the grantee receiving CDBG assistance. The responsible entity must complete the environmental review process. The RE is responsible for ensuring compliance with NEPA and the Federal laws and authorities has been achieved, for issuing the public notification, for submitting the request for release of funds and certification, when required, and for ensuring the Environmental Review Record (ERR) is complete.

Reverse Mortgage: A special type of home loan that lets a Property owner convert the equity in his/her home into cash. To qualify, the Property owner must be at least 62 years of age, must occupy the property as their principal residence, and must have sufficient equity in the property.

Real Estate Owned Property (REO): A property owned by a lender—typically a bank, government agency, or government loan insurer—after an unsuccessful sale at a foreclosure auction.

Scope of Work (SOW): The Scope of Work will be prepared after a thorough on-site inspection and documented into a project specific work write-up report. The work write-up will identify needed repairs to bring the home up to the Program’s minimum property standards.

Second Home: If a second home is not rented out at any time during the year, it is a second home regardless of if it is used by the household or not. If a home is rented out part of the year and the owner uses the home more than 14 days or more than 10 percent of the number of days during the year that the home is rented, then it is a second home. If a home is rented out for part or all of the year and the owner does not use the home long enough then it is rental property and not a second home.

Short Sale: When a financially distressed homeowner sells their property for less than the amount due on the mortgage. The buyer of the property is a third party (not the bank), and all proceeds from the sale go to the lender. The lender either forgives the difference or gets a deficiency judgment against the borrower requiring him or her to pay the lender all or part of the difference between the sale price and the original value of the mortgage. In some states, this difference must legally be forgiven in a short sale.

Single Family Home: A single-unit family residence detached or attached to other housing structures.

Site Specific Checklist (SSC): The environmental compliance checklist that is required to document environmental clearance before Federal funds are permitted to be awarded.

Slum and Blight National Objective: Activities which help to eliminate slum and blighted conditions. (Use of this National Objective is limited due to its inability to contribute towards the overall requirement

for 70 percent LMI to benefit low- to moderate-income beneficiaries.) See 24 CFR 570.208(b). Slum and Blight activities must meet the criteria of one of the three following categories:

- Prevent or eliminate slum and blight on an area basis;
- Prevent or eliminate slum and blight on a spot basis; or
- Be in an urban renewal area.

Small Business Administration (SBA): SBA's Office of Disaster Assistance (ODA) provides affordable, timely and accessible financial assistance to Property owners, renters, and businesses. The SBA low-interest, long-term loans are the primary form of federal assistance for the repair and rebuilding of non-farm, private sector disaster losses.

Subrecipient: Cities, counties, Indian tribes, local governmental agencies (including COGs), private non-profits (including faith-based organizations), or a for-profit entity authorized under 24 CFR 570.201(o). The definition of subrecipient does not include procured vendors, private grant administrators, or contractors providing supplies, equipment, construction, or services and may be further restricted by Program rules or other guidance including applications. See vendor definition for further clarification.

Subrogation Agreement: An agreement executed by the beneficiary agreeing to repay any duplicative assistance if the beneficiary later receives other disaster assistance for the same purpose as disaster recovery funds already received.

Substantial Damage: Damage of any origin sustained by a structure whereby the cost of restoring the structure to its pre-damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred (44 CFR 59.1).

Texas Integrated Grant Reporting (TIGR): TIGR is the GLO system of record for all CDBG-DR grant management and reporting.

Trust: A legal vehicle to hold property subject to certain duties and to protect it for another individual(s).

Two-Family Homes: Owner occupying one unit and a tenant occupying the other.

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24) (42 U.S.C. 4601 et seq.) (URA): Applies to all acquisitions of real property or displacements of persons resulting from federal or federally assisted program or projects. URA's objective is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects. For the purposes of these guidelines, URA mostly applies to residential displacements in involuntary (49 CFR Subpart B) acquisition or multifamily damaged/occupied activities that require the relocation of the tenants. A displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months, as waived by the FR.

Unsecured Forgivable Promissory Note: If the applicant qualifies for disaster recovery assistance and has been awarded funding, there are conditions placed on the applicant receiving the assistance. The conditions are outlined in an Unsecured Forgivable Promissory Note (the Note) between the assisted beneficiary and the subrecipient or the state that requires applicants to comply with several terms during a set affordability period. Once the homeowner complies with all the terms of the Note and the affordability period ends, the terms are forgiven.

Urgent Need National Objective: An urgent need that exists because conditions pose serious and immediate threat to the health or welfare of the community; the existing conditions are recent or recently became urgent; and the subrecipient cannot finance the activities on its own because other funding sources

are not available. Subrecipients or the state must document how each program and/or activity funded under this category responds to a disaster-related impact. See 24 CFR 570.208(c).

Vendor: Vendors and private grant administrators procured by the state or subrecipients to provide supplies, equipment, or services necessary to implement the Program and to serve homeowner assistance needs. Upon approval, the vendor may implement the Program or act on behalf of the GLO or the subrecipient.

Residential Anti-displacement and Relocation Assistance Plan (RARAP)

Displaced people, regardless of income, can receive benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (“URA” or “Uniform Relocation Act”). URA applies to both temporary (during construction) and permanent displacement (one year or greater). The City of Dickinson, has elected to perform an involuntary program, therefore the benefits outlined in this section will address participants.

Section 104(d) requires relocation assistance for lower-income individuals displaced as a result of the demolition or conversion of a lower-income dwelling and requires one-for-one replacement of lower-income units demolished or converted to other uses. Per the Federal Register Notice (FRN) governing these funds, the following waivers have been adopted:

- a. Section 104(d) one for one replacement. One-for-one replacement requirements at section 104(d)(2)(A)(i) and (ii) and (d)(3) of the HCD Act and 24 CFR 42.375 are waived in connection with funds allocated under this notice for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation. The section 104(d) one-for-one replacement requirements generally apply to demolished or converted occupied and vacant occupiable lower-income dwelling units. This waiver exempts disaster-damaged units that meet the grantee’s definition of “not suitable for rehabilitation” from the one-for-one replacement requirements. Before carrying out activities that may be subject to the one-for-one replacement requirements, the grantee must define “not suitable for rehabilitation” in its action plan or in policies/procedures governing these activities. A grantee with questions about the one-for-one replacement requirements is encouraged to contact the HUD regional relocation specialist responsible for its jurisdiction. HUD is waiving the section 104(d) one-for-one replacement requirement for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation because it does not account for the large, sudden changes that a major disaster may cause to the local housing stock, population, or economy. Further, the requirement may discourage grantees from converting or demolishing disaster damaged housing when excessive costs would result from replacing all such units. Disaster-damaged housing structures that are not suitable for rehabilitation can pose a threat to public health and safety and to economic revitalization. Grantees should reassess post-disaster population and housing needs to determine the appropriate type and amount of lower-income dwelling units to rehabilitate and/or rebuild. Grantees should note that the demolition and/or disposition of PHA owned public housing units is covered by section 18 of the United States Housing Act of 1937, as amended, and 24 CFR part 970.
- b. Relocation assistance. The relocation assistance requirements at section 104(d)(2)(A) of the HCD Act and 24 CFR 42.350 are waived to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24, as modified by this notice, for activities related to disaster recovery. Without this waiver, disparities exist in relocation assistance associated with activities typically funded by HUD and FEMA (e.g., buyouts and relocation). Both FEMA and CDBG funds are subject to the requirements of the URA; however, CDBG funds are subject to section 104(d), while FEMA funds are not. The URA provides at 49 CFR 24.402(b) that a displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months. By contrast, section 104(d) allows a lower-income displaced person to choose between the URA rental assistance payment and a rental assistance payment calculated over a period of 60 months. This waiver of the section 104(d) relocation assistance requirements assures uniform and equitable treatment by setting the URA and its implementing regulations as the sole standard for relocation assistance under this notice.

The City of Dickinson must provide the following benefits to households that they displace:

- Relocation advisory services;
- A minimum of a 90-day notice to vacate;
- Reimbursement for moving expenses; and
- Payments for added cost of renting or purchasing comparable replacement housing.

The relocation assistance requirements at Section 104(d)(2)(A) of the Housing and Community Development Act and 24 CFR 42.350 are waived to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR Part 24, as modified by the notice for activities related to disaster recovery. Without this waiver, disparities exist in relocation assistance associated with activities typically funded by HUD and FEMA (e.g., buyouts and relocation). Both FEMA and CDBG funds are subject to the requirements of the URA; however, CDBG funds are subject to Section 104(d), while FEMA funds are not.

The URA provides that a displaced person is eligible to receive a rental assistance payment that covers a period of 42 months. By contrast, Section 104(d) allows a lower-income displaced person to choose between the URA rental assistance payment and a rental assistance payment calculated over a period of 60 months. This waiver of the Section 104(d) requirements assures uniform and equitable treatment by setting the URA and its implementing regulations as the sole standard for relocation assistance under the federal register notice.

The City of Dickinson will follow its Residential Anti-displacement and Relocation Assistance Plan (RARAP). The City must minimize the direct and indirect displacement of persons from their homes by: (1) planning construction activities to allow tenants to remain in their units as long as possible, (2) by rehabilitating empty units or buildings first, (3) where feasible, give priority to rehabilitation of housing, as opposed to demolition, to avoid displacement, (4) adopt policies to identify and mitigate displacement resulting from intensive public investment in neighborhoods, (5) adopt tax assessment policies, such as deferred tax payment plans, to reduce impact of increasing property tax assessments on lower income owner-occupants or tenants in revitalizing areas; and/or (6) target only those properties deemed essential to the need or success of the project.

General Information Notice (GIN) - The URA regulations require that persons who are scheduled to be displaced will be provided with a GIN as soon as feasible. This program may involve both persons who are actually displaced and persons who are not displaced. If the tenant occupant of a dwelling moves permanently from the property after submission of an application for HUD financial assistance, the tenant will be presumed to qualify as a “displaced person.” To minimize such unintended displacements, HUD policy considers all occupants within a proposed HUD-assisted project involving buyouts as scheduled to be displaced for purposes of issuing a GIN. All occupants, therefore, will be provided with a GIN.

Tenant Intake Meeting- As soon as feasible, the City shall contact each person who is affected by the project to discuss his/her needs, preferences and concerns. Whenever feasible, contact shall be face-to-face. Due to the COVID-19 pandemic, virtual meetings will take place on a case-by-case basis. These meetings will take place after the landowner intake meeting and before the buyout offer is sent to the landowner. This scheduling is meant to avoid the possible issue of tenant ineligibility for HUD/URA assistance. It is possible that some tenants in the buyout target area are undocumented persons and are thus ineligible to receive benefits from HUD. However, HUD requires that all displaced tenants receive URA relocation assistance. Thus, properties with undocumented tenants are ineligible to participate in the program because if they were to do so they would either be in violation of the URA or the HUD rule against benefiting undocumented persons. If a property is deemed ineligible for buyout for reasons related to tenant eligibility, that property owner will receive a phone call and a letter from the City stating that the property is ineligible

for participation in the buyout program because of tenant ineligibility for HUD assistance. If the tenant does not qualify for relocation assistance, or if at any time the landowner decides not to participate in the program, the tenant will receive a Notice of Non-displacement and will not be eligible to receive assistance.

Notice of Nondisplacement - If a person does not qualify as a displaced person (see Paragraph 1-4 J.), HUD policy requires that such persons be provided with a Notice of Non-displacement (see Paragraph 1-4 AA.) to advise them of the City's determination and their right to appeal. A tenant will be defined as "non-displaced" only if they received a Move-In notice outlining the property owner's participation in the buyout program before they signed the lease. Even if there was no intention to displace the person, if they were not given timely information essential to making an informed judgment about a move, it is assumed that the person's move was an involuntary move caused by the project.

If the landowner continues to participate in the buyout program and eventually signs a contract of sale with the City, the tenants will be then given a Notice of Relocation Eligibility and 90 Day Notice to vacate. In order to have these documents ready to send immediately after contract signing, the case management team will have identified three comparable replacement dwellings that are currently for rent and completed and internally approved HUD Form 40061 before contract signing.

Notice of Relocation Eligibility (NOE) (49 CFR 24.203(b)). The NOE will be issued promptly after the initiation of negotiations (contract of sale between City and land owner), and will describe the available relocation assistance, the estimated amount of assistance based on the displaced person's individual circumstances and needs, and the procedures for obtaining the assistance. This Notice will be specific to the person and their situation so that they will have a clear understanding of the type and amount of payments and/or other assistance they may be entitled to claim.

Ninety-Day Notice (49 CFR 24.203(c)). The 90-day notice shall not be given before the displaced person is issued a notice of relocation eligibility (or notice of ineligibility) for relocation assistance. The 90-day notice need not be issued if: (a) there is no structure, growing stock, or personal property on the real property, or (b) the occupant made an informed decision to relocate and vacated the property without prior notice to the property owner, (c) in the case of an owner-occupant who moves as a result of a voluntary buyout described in 49 CFR 24.101(b)(1) or (2), the delivery of possession is specified in the purchase contract, or (d) the person is an unlawful occupant.

Determining Cost of Comparable Replacement Dwelling (49 CFR 24.403(a)). The upper limit of a replacement housing payment shall be based on the cost of a comparable replacement dwelling (49 CFR 24.2(a)(6)). If available, at least three comparable replacement dwellings shall be examined (including internal and external inspection) to ensure that the replacement dwelling is decent, safe and sanitary as defined at 49 CFR 24.2(a)(8). The upper limit of the replacement housing payment shall be established on the basis of the cost for the comparable replacement dwelling that is most representative of, and equal to, or better than, the displacement dwelling.

1. For purposes of establishing the payment limit, comparable replacement dwellings shall, to the extent feasible, be selected within the City.
2. A copy of Form HUD-40061, Selection of Most Representative Comparable Replacement Dwelling for Purposes of Computing a Replacement Housing Payment, is included as Appendix 12. The form is optional; however, if the form is not used, other reasonable documentation will be

maintained. NOTE: When selecting the most representative comparable replacement dwelling for a person with disabilities, reasonable accommodation is to be determined on a case-by-case basis.

3. The City may limit the amount of replacement housing payment to the amount required to obtain a comparable replacement dwelling only if it gives a timely written notice (referral) of such comparable replacement dwelling. If the City fails to offer a comparable replacement dwelling before the person enters into a lease or purchase agreement for, and occupies, a decent, safe and sanitary replacement dwelling, HUD may require the replacement housing payment be based on the cost of such decent, safe and sanitary replacement dwelling, or take such other corrective action as may be deemed necessary to mitigate (to the extent possible) the adverse consequences of the deficiency.

Inspection of Replacement Dwelling (49 CFR 24.403(b)). Before making a replacement housing payment or releasing a payment from escrow, the City or its designated representative shall make a thorough internal and external inspection of the replacement dwelling to determine whether it is decent, safe and sanitary (as defined at 49 CFR 24.2(a)(8)). A copy of the inspection report should be included with the pertinent claim form in the City's files. (See also Chapter 6, Paragraph 6-2C.1(h).) NOTE: The definition of “decent, safe and sanitary” provides that replacement units will contain the accessibility features needed by displaced persons with disabilities.

If the City determines that a replacement housing payment may have to be denied because the replacement dwelling selected by a displaced person is not decent, safe and sanitary (e.g., does not meet the local code), it will so notify the displaced person, determine if the property can be made decent, safe and sanitary, and/or assist the person to locate another replacement unit.

(1) Amount of payment. An eligible displaced person who rents a replacement dwelling is entitled to a payment not to exceed \$7,200.00 for rental assistance. (See § 24.404.) Such payment shall be 42 times the amount obtained by subtracting the base monthly rental for the displacement dwelling from the lesser of:

- (i) The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or
- (ii) The monthly rent and estimated average monthly cost of utilities for the decent, safe, and sanitary replacement dwelling actually occupied by the displaced person.

(2) Base monthly rental for displacement dwelling. The base monthly rental for the displacement dwelling is the lesser of:

- (i) The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement, as determined by the Agency (for an owner occupant, use the fair market rent for the displacement dwelling. For a tenant who paid little or no rent for the displacement dwelling, use the fair market rent, unless its use would result in a hardship because of the person's income or other circumstances);
- (ii) Thirty (30) percent of the displaced person's average monthly gross household income if the amount is classified as “low income” by the U.S. Department of Housing and Urban Development's Annual Survey of Income Limits for the Public Housing and Section 8 Programs 4. The base monthly rental shall be established solely on the criteria in paragraph (b)(2)(i) of this section for

persons with income exceeding the survey's "low income" limits, for persons refusing to provide appropriate evidence of income, and for persons who are dependents. A full time student or resident of an institution may be assumed to be a dependent, unless the person demonstrates otherwise; or,

Down Payment Assistance. An eligible displaced person who purchases a replacement dwelling is entitled to a down payment assistance payment in the amount the person would receive under paragraph (b) of this section if the person rented a comparable replacement dwelling. At the Agency's discretion, a down payment assistance payment that is less than \$5,250 may be increased to any amount not to exceed \$5,250. However, the payment to a displaced homeowner shall not exceed the amount the owner would receive under § 24.401(b) if he or she met the 180-day occupancy requirement. If the Agency elects to provide the maximum payment of \$5,250 as a down payment, the Agency shall apply this discretion in a uniform and consistent manner, so that eligible displaced persons in like circumstances are treated equally. A displaced person eligible to receive a payment as a 180-day owner-occupant under § 24.401(a) is not eligible for this payment. ***Manner of Disbursing Rental Assistance.*** Relocation assistance payments for residential tenants who are displaced for HUD projects are subject to 42 USC Sec. 3537c and will be disbursed in installments, except that lump sum payments may be made to cover (1) moving expenses, (2) a down payment on the purchase of replacement housing, or incidental expenses related to (1) or (2). Whenever the payment is made in installments, the full amount of the approved payment shall be disbursed in regular installments, whether or not there is any later change in the person's income or rent, or in the condition or location of the person's housing.

The frequency of these disbursements will be determined by the City in consultation with the tenant. However, there will be no less than three installment payments, except when the rental assistance payment is \$500 or less. Where the rental assistance payment is \$500 or less, it is recommended that payment may be made in two installments with no less than a four-month interval between payments.

Determination to provide replacement housing of last resort. Whenever a program or project cannot proceed on a timely basis because comparable replacement dwellings are not available within the monetary limits for owners or tenants, as specified in § 24.401 or § 24.402, as appropriate, the Agency shall provide additional or alternative assistance under the provisions of this subpart. Any decision to provide last resort housing assistance will be adequately justified either:

- (1) On a case-by-case basis, for good cause, which means that appropriate consideration has been given to:
 - (i) The availability of comparable replacement housing in the program or project area;
 - (ii) The resources available to provide comparable replacement housing; and
 - (iii) The individual circumstances of the displaced person, or
- (2) By a determination that:
 - (i) There is little, if any, comparable replacement housing available to displaced persons within an entire program or project area; and, therefore, last resort housing assistance is necessary for the area as a whole;
 - (ii) A program or project cannot be advanced to completion in a timely manner without last resort housing assistance; and
 - (iii) The method selected for providing last resort housing assistance is cost effective, considering all elements, which contribute to total program or project costs.

Documentation. Any claim for a relocation payment shall be supported by such documentation as may be reasonably required to support expenses incurred, such as bills, certified prices, appraisals, or other

evidence of such expenses. A displaced person will be provided reasonable assistance necessary to complete and file any required claim for payment.

Expeditious payments. The City shall review claims in an expeditious manner. The claimant shall be promptly notified as to any additional documentation that is required to support the claim. Payment for a claim shall be made as soon as feasible following receipt of sufficient documentation to support the claim.

Advanced payments. If a person demonstrates the need for an advanced relocation payment in order to avoid or reduce a hardship, the City shall issue the payment, subject to such safeguards as are appropriate to ensure that the objective of the payment is accomplished.

(d)Time for filing.

(1) All claims for a relocation payment shall be filed with the City no later than 18 months after:

(i) For tenants, the date of displacement.

(ii) For owners, the date of displacement or the date of the final payment for the buyout of the real property, whichever is later.

(2) The City shall waive this time period for good cause.

Notice of denial of claim. If the City disapproves all or part of a payment claimed or refuses to consider the claim on its merits because of untimely filing or other grounds, it shall promptly notify the claimant in writing of its determination, the basis for its determination, and the procedures for appealing that determination.

Mobile homes. Relocation assistance for owners of mobile homes on rented land will be handled on a case-by-case basis depending on physical and financial feasibility. Two options are available; moving the mobile home to a lot outside of the floodplain or offering a replacement mobile home outside the floodplain. The City will perform a cost-benefit analysis for each mobile home applicant and select the most financially feasible option. In both relocation options, moving costs and 42 months of lot fees will be paid for by the City. Both options are described below.

Moves from a mobile home. A displaced person's actual, reasonable and necessary moving expenses for moving personal property from a mobile home may be determined based on the cost of one, or a combination of the following methods: (self-moves based on the lower of two bids or estimates are not eligible for reimbursement under this section. Eligible expenses for moves from a mobile home include those expenses described in paragraphs (g)(1) through (g)(7) of this section. In addition to the items in paragraph (a) of this section, the owner-occupant of a mobile home that is moved as personal property and used as the person's replacement dwelling, is also eligible for the moving expenses described in paragraphs (g)(8) through (g)(10) of this section.)

(1)**Commercial move** - moves performed by a professional mover.

(2)**Self-move** - moves that may be performed by the displaced person in one or a combination of the following methods:

(i)**Fixed Residential Moving Cost Schedule.** (Described in § 24.302.)

(ii)**Actual cost move.** Supported by receipted bills for labor and equipment. Hourly labor rates should not exceed the cost paid by a commercial mover. Equipment rental fees should be based on the actual cost of renting the equipment but not exceed the cost paid by a commercial mover.

Replacement housing payment for 180-day mobile homeowner displaced from a mobile home, and/or from the acquired mobile home site.

(a) Eligibility. An owner-occupant displaced from a mobile home or site is entitled to a replacement housing payment, not to exceed \$31,00.00, under § 24.401 if:

(1) The person occupied the mobile home on the displacement site for at least 180 days immediately before:

(i) The initiation of negotiations to acquire the mobile home, if the person owned the mobile home and the mobile home is real property;

(ii) The initiation of negotiations to acquire the mobile home site if the mobile home is personal property, but the person owns the mobile home site; or

(iii) The date of the City's written notification to the owner-occupant that the owner is determined to be displaced from the mobile home as described in paragraphs (a)(3)(i) through (iv) of this section.

(2) The person meets the other basic eligibility requirements at § 24.401(a)(2); and

(3) The City acquires the mobile home as real estate, or acquires the mobile home site from the displaced owner, or the mobile home is personal property but the owner is displaced from the mobile home because the City determines that the mobile home:

(i) Is not, and cannot economically be made decent, safe, and sanitary;

(ii) Cannot be relocated without substantial damage or unreasonable cost;

(iii) Cannot be relocated because there is no available comparable replacement site; or

(iv) Cannot be relocated because it does not meet mobile home park entrance requirements.

(b) Replacement housing payment computation for a 180-day owner that is displaced from a mobile home. The replacement housing payment for an eligible displaced 180-day owner is computed as described at § 24.401(b) incorporating the following, as applicable:

(1) If the City acquires the mobile home as real estate and/or acquires the owned site, the purchase cost used to compute the price differential payment is the actual amount paid to the owner as just compensation for the buyout of the mobile home, and/or site, if owned by the displaced mobile homeowner.

(2) If the City does not purchase the mobile home as real estate but the owner is determined to be displaced from the mobile home and eligible for a replacement housing payment based on paragraph (a)(1)(iii) of this section, the eligible price differential payment for the purchase of a comparable replacement mobile home, is the lesser of the displaced mobile homeowner's net cost to purchase a replacement mobile home (*i.e.*, purchase price of the replacement mobile home less trade-in or sale proceeds of the displacement mobile home); or, the cost of the City's selected comparable mobile home less the City's estimate of the salvage or trade-in value for the mobile home from which the person is displaced.

(3) If a comparable replacement mobile home site is not available, the price differential payment shall be computed on the basis of the reasonable cost of a conventional comparable replacement dwelling.

(c) Rental assistance payment for a 180-day owner-occupant that is displaced from a leased or rented mobile home site. If the displacement mobile home site is leased or rented, a displaced 180-day owner-occupant is entitled to a rental assistance payment computed as described in § 24.402(b). This rental assistance payment may be used to lease a replacement site; may be applied to the purchase price of a

replacement site; or may be applied, with any replacement housing payment attributable to the mobile home, to the purchase of a replacement mobile home or conventional decent, safe and sanitary dwelling.

(d)Owner-occupant not displaced from the mobile home. If the City determines that a mobile home is personal property and may be relocated to a comparable replacement site, but the owner-occupant elects not to do so, the owner is not entitled to a replacement housing payment for the purchase of a replacement mobile home. However, the owner is eligible for moving costs described at § 24.301 and any replacement housing payment for the purchase or rental of a comparable site as described in this section or § 24.503 as applicable. In some cases, renters of participating properties may be paying little to no rent, posing a challenge for relocation assistance. In those cases, the City will offer pay for moving costs and offer relocation assistance for the gap between the estimated fair market rent of the displacement unit and the monthly cost of a replacement unit outside of the floodplain.

Summary of Relocation Assistance to a Business

As an eligible displaced person, businesses will be offered the following advisory and financial assistance:

- Advisory Services includes referrals to suitable replacement locations, help in preparing claim forms for relocation payments and other assistance to minimize the impact of the move.
- Payment for Moving and Reestablishment Expenses falls into two general categories:
 - Payment for Actual, Reasonable Moving and Related Expenses. If the business chooses this payment, the business may also be eligible for a Payment for Reestablishment Expenses, up to \$25,000.
 - Fixed Payment (“In Lieu Of” Payment). As an alternative to receiving payment for the businesses actual, reasonable and related moving and reestablishment expenses, certain persons are eligible to choose a Fixed Payment in the amount of \$1,000 - \$40,000.

Moving Expenses Eligible for Payment

If the business chooses a Payment For Actual, Reasonable Moving and Related Expenses, the business may include in it’s claim the reasonable and necessary cost of:

- Transportation of the displaced person and personal property. Transportation costs beyond 50 miles are ineligible, unless the Agency determines that relocation beyond 50 miles is justified.
- Packing, crating, unpacking, and uncrating personal property.
- Disconnecting, dismantling, removing, reassembling, and reinstalling relocated personal property including machinery, equipment, substitute personal property, and connections to utilities available within the building; it also includes modifications to the personal property, including those mandated by Federal, State or local law, code or ordinance, necessary to adapt it to the replacement structure, the replacement site, or the utilities at the replacement site, and modifications necessary to adapt the utilities at the replacement site to the personal property.
- Storage of the personal property for a period not to exceed 12 months, unless the Agency determines that a longer period is necessary.
- Insurance for the replacement value of the property in connection with the move and necessary storage.
- The replacement value of property lost, stolen, or damaged in the process of moving where insurance covering such loss, theft, or damage is not reasonably available.
- Any license, permit, fees or certification required at the replacement location. However, the payment may be based on the remaining useful life of the existing license, permit, fees or certification. Professional services as the Agency determines to be actual, reasonable and necessary for: Planning the move of the personal property; Moving the personal property; and installing the relocated personal property at the replacement location.
- Relettering signs and replacing stationery on hand at the time of displacement that are made

obsolete as a result of the move.

- Actual direct loss of tangible personal property incurred as a result of moving or discontinuing the business or farm operation. The payment shall consist of the lesser of: (1) The fair market value in place of the item, as is for continued use, less the proceeds from its sale; or (2) The estimated cost of moving the item as is, but not including any allowance for storage or for reconnecting a piece of equipment, if the equipment is in storage or not being used at the acquired site. If the business or farm operation is discontinued, the estimated cost of moving the item shall be based on a moving distance of 50 miles.
- The reasonable cost incurred in attempting to sell an item that is not to be relocated.
- Purchase of substitute personal property. If an item of personal property, (which is used as part of a business or farm operation) is not moved but is promptly replaced with a substitute item that performs a comparable function at the replacement site, the displaced person is entitled to payment of the lesser of: (1) The cost of the substitute item, including installation costs at the replacement site, minus any proceeds from the sale or trade-in of the replaced item; or (2) The estimated cost of moving and reinstalling the replaced item but with no allowance for storage.
- Searching for a replacement location. A business or farm operation is entitled to reimbursement for actual, reasonable expenses, not to exceed \$2,500, which are incurred in searching for a replacement location, including: Transportation; meals and lodging away from home; time spent searching, obtaining permits, attending zoning hearings and negotiating the purchase or lease of a replacement site (based on reasonable salary or earnings); fees paid to a real estate agent or broker to locate a replacement site (exclusive of any fees or commissions related to the purchase of such sites).
- Low value/high bulk. When the personal property to be moved is of low value and high bulk, and the cost of moving the property would be disproportionate to its value in the judgment of the displacing City, the allowable moving cost payment shall not exceed the lesser of: (1) the amount which would be received if the property were sold at the site or (2) the replacement cost of a comparable quantity delivered to the new business location. Examples include, but are not limited to, stockpiled sand, gravel, minerals, metals and other similar items of personal property as determined by the City.

In addition to the eligible expenses for moving personal property listed above, the following items are also eligible moving expenses if the City determines they are actual, reasonable and necessary:

- Connection to available nearby utilities from the right-of-way to improvements at the replacement site.
- Professional services (based on a reasonable City pre-approved hourly rate) performed prior to the purchase or lease of a replacement site to determine its suitability for the displaced person's business operation including but not limited to, soil testing, feasibility and marketing studies (excluding any fees or commissions directly related to the purchase or lease of such site).
- Impact fees or one-time assessments for anticipated heavy utility usage.

The City will explain all eligible moving and related costs, as well as those which are not eligible. The business must be able to account for all costs that the business incurs; so keep all receipts. The City will inform business of the documentation needed to support businesses claim.

The business may elect to pay its moving costs their selves and be repaid by the City or, if the business prefers, the business may have the City pay the mover. In either case, the business should select its mover with care. The City can help the business select a reliable and reputable mover.

Also, the business should keep the City informed about its moving plans. The business must provide the City reasonable advance written notice of the approximate date of the start of its move or disposition of its personal property and an inventory of the items to be moved. The City may agree to waive this requirement. The business must permit the City to make reasonable and timely inspections of the personal property at the old and new locations and to monitor the move.

A Payment for Reestablishment Expenses

If the business chooses to receive a payment for its actual moving and related expenses, the business may also be eligible to receive a payment for reestablishment expenses, not to exceed \$25,000. Such expenses must be reasonable and necessary, as determined by the City. They include, but are not limited to the following:

- Repairs or improvements to the replacement real property as required by Federal, State or local law, code or ordinance.
- Modifications to the replacement property to accommodate the business operation or make replacement structures suitable for conducting the business.
- Construction and installation costs for exterior signing to advertise the business. Previous Edition Obsolete 6 HUD-1043-CPD (06/2016) • Redecoration or replacement of soiled or worn surfaces at the replacement site, such as paint, paneling, or carpeting.
- Advertisement of replacement location.
- Estimated increased costs of operation during the first 2 years at the replacement site for such items as: Lease or rental charges; Personal or real property taxes; Insurance premiums; and Utility charges, excluding impact fees.
- Other items that the City considers essential to the reestablishment of the business.

A Fixed Moving Payment (“In Lieu of” Payment)

Certain businesses, nonprofit organizations and farms are eligible to obtain a Fixed Moving Payment, “in lieu of” receiving a payment for Actual, Reasonable Moving and Related Expenses and a Payment for Reestablishment Expenses. The Fixed Payment for a business or farm operation is based on the average annual net earnings of the business or farm operation; the Fixed Payment for a nonprofit organization is based on average annual gross revenues less administrative expenses. A Fixed Payment will not be less than \$1,000, nor more than \$40,000. Check with the City to see if you are eligible for this payment option.

The City will inform you as to your eligibility for this payment and the documentation the business must submit to support its claim. Remember, when the business elects to take this payment they are not entitled to reimbursement for any other moving or reestablishment expenses.

NOTE: All claims for relocation payments must be filed no later than 18 months after: For tenants, the date of your move. For owners, the later of (1) the date of your move; or (2) the date of final payment for the acquisition of your property. However, it is to the businesses advantage to file as soon as possible after its move. The sooner the business submits its claim, the sooner it can be processed and paid. If the business is unable to file its claim within 18 months, ask the City to consider extending this period. If the business has decided to discontinue the business rather than reestablish, the business may still be eligible to receive a payment. Contact the City and discuss its decision to discontinue the business. The business will be informed of the payment, if any, for which it may be eligible and the requirements that must be met to obtain the payment.

Priority Scoring Sheet

City of Dickinson Buyout/Acquisition Program Applicant Scoring Sheet

Applicant Number: _____

Address: _____

Number of Residents: _____

Annual Household Income: _____

	Possible Points	Points Awarded
Property Risk	15	
Floodway	10	_____
Floodplain	5	_____
Repetitive Loss	5	_____
Annual Household Income	25	
Less than \$20,000	25	_____
\$20,001 - \$40,000	20	_____
\$40,001 - \$60,000	15	_____
\$60,001 - \$80,000	10	_____
\$80,001 - \$100,000	5	_____
Greater than \$100,000	0	_____
Property Location	25	
Areas 1 or 8	25	_____
Areas 2 through 7	0	_____
Flood Insurance?	10	
Yes	0	_____
No	10	_____
TOTAL	75	