

Mobile County, Alabama

# **Voluntary Home Buyout Project Design Guide**



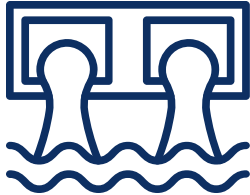


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# Executive Summary

The Mobile County Commission (the County), serving as a Subrecipient to the Alabama Department of Economic and Community Affairs (ADECA), has allocated a portion of their Community Development Block Grant – Disaster Recovery (CDBG-DR) funding to support and implement a Voluntary Homeowner Buyout (VHB) project. This project will acquire property in the targeted location of Mardanne Drive to Thomas Drive in Theodore, Alabama, which is in a high-risk flood area, to reduce the impact of future disasters and repetitive loss. The targeted location is a low-lying and flood prone area and has been identified using repetitive flooding data. Once properties are purchased, permanent structures will be demolished, and the land will be deed-restricted allowing for the following uses:

		
<b>Natural Green Space</b>	<b>Recreation</b>	<b>Stormwater Management</b>

Additionally, buyouts assist with the prevention of repetitive loss and extreme risks to human health and safety. The overarching objectives of this project are:

	Acquire properties that were impacted by Hurricanes Sally and Zeta and convert the property for a restricted use.
	Provide mitigation to the County against future flood damages, effects of sea level rise, and health and safety risks for homeowners.
	Reduce the impact of future disasters.

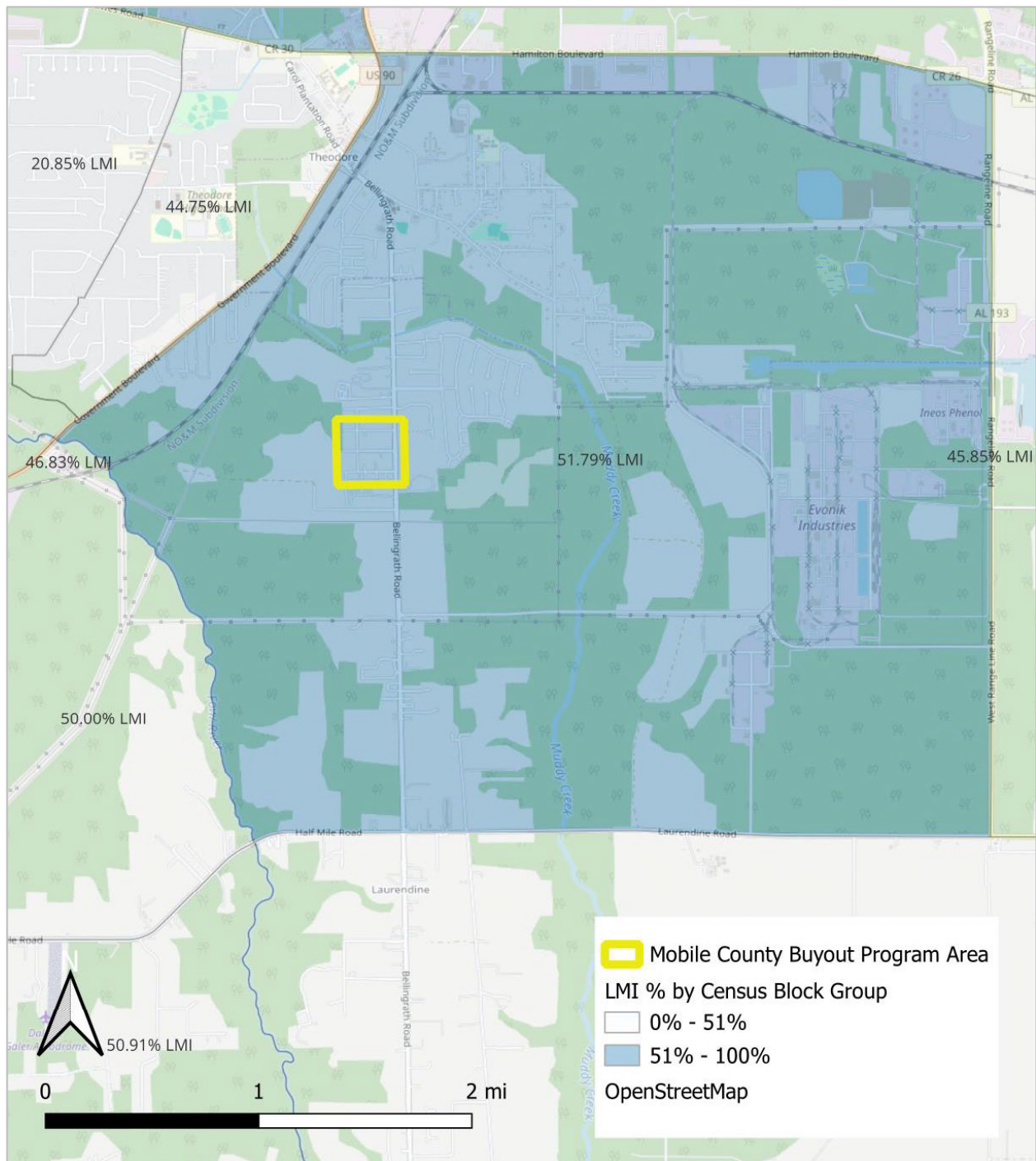
All project participation will be done on a voluntary basis and if at any time a homeowner no longer wants to proceed in the project, they may opt out.

## National Objective

The National Objective of the VHB project will be the Low-Moderate-Income Area Benefit (LMA) pursuant to 24 CFR 570.483(b)(1). To meet the LMA National Objective, the acquired properties

must be re-used in a way that benefits all residents in an area where at least 51 percent of the residents are low-and moderate-income persons.




The County took several factors into account when determining the service area for the buyout project. The County considered what HUD describes as, a “reasonable service area” as well as the best methodology by which LMI data could be collected. The targeted service area map that will be used for this project can be found below.



# Property Requirements and Eligibility

## Property Requirements

Homeowners who live in Mobile County, Alabama may be eligible to receive buyout assistance through the VHB project. For a property to qualify for the project, the property must meet the following criteria:

	Located within Mobile County, Alabama, but not located within the City of Mobile;
	Damaged by Hurricanes Sally and/or Zeta; and
	Meet a National Objective

## Eligible Applicants

To be eligible to participate in the VHB project, applicants must:

- Own their home prior to the 2020 disasters. If a homeowner took possession of their home after the disaster, then they would be entitled to the current Fair Market Value but not entitled to any incentives offered.
- Homeowners stating their home as a primary home must provide proof that they resided in the structure at the time of the disaster as a primary home.
- Homeowners must be current on property taxes or current on an approved payment plan (including exemptions under current law). All remaining liens on the property will be cleared at closing, including any liens and outstanding homeowner association (HOA) dues.
- Property qualifying as a primary or second home must have had an eligible structure on the property prior to the disasters. Eligible structures for this project must have been used as a dwelling unit.

## Eligible Property Types and Additional Project Requirements

For this project, the eligible property types are non-commercial properties, which may include owner-occupied structures (both primary and secondary), residential rental properties, or vacant lots. To be considered an eligible property for the buyout project, the property must satisfy at least one of the following requirements:

- The property is located within the designated areas (SFHA or High-Risk Flood Area); or
- The property is located outside of the designated areas and satisfies one of the following requirements:

- The property is substantially damaged (51 percent or more of the pre-event FMV of the structure is damaged); or
- The property is considered a health/safety risk; or
- The property is located within a floodway.

## Eligible Structure Types

Eligible properties must be a residential dwelling structure or vacant lot. 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 include:

	Single family property (detached and attached 1-4 units)
	Modular home/Manufactured home
	Vacant land

## Proof of Ownership

Project staff will verify ownership and primary residency through the provision of a deed to the property and/or tax records provided by the associated municipality. Ownership and primary residency must be maintained until the project is complete. Ownership can be documented as follows:

- Provide a copy of a valid deed of trust or warranty deed that is recorded in tax records which cites the applicant's name. For Manufactured Homes's (MHU), a Statement of Ownership and Location (SOL) may be provided.
- For the purposes of federally funded disaster recovery projects, ownership may be proven in the following manner:
  - Homeowners may prove ownership by providing alternative documentation and completing a notarized affidavit that certifies that one of the following circumstances applies:
    - If there is no one else who has the right to claim ownership;
    - Anyone who has a right to claim ownership has agreed to participate in the VHB project; or
    - Anyone who has a right to claim could not be located, upon reasonable attempts to contact.
  - Alternative documentation that can be provided in the place of a copy of the deed includes the following:





- Tax receipts
- Homeowner insurance information
- Utility bills

Proof of residency can be provided through a homestead exemption. In the absence of a homestead exemption, the following hierarchy will be used to establish occupancy. Homeowners will provide an Affidavit of Ownership and Affidavit of Principal Residency plus a copy of one of the following:

- Water, electricity, or gas bill, credit card bill, cable or internet bill. The bill must confirm that service is active and in the homeowner's name.
- Copy of FEMA letter showing payment received for home repairs or contents or insurance document showing content coverage.
- Letter from electric, gas, cable, or other utility service provider confirming that service is active and in the owner's name.
- Other qualified documents may be presented for consideration as proof of occupancy is subject to approval by the County or ADECA and will be reviewed on a case-by-case basis.

## Homeowner Identification Verification

Homeowner's identification will be verified through a credible method including but not limited to current tax records, or by a credit check. A homeowner's credit score will not be used to consider project eligibility. If a credit score is reviewed, it is only used to verify the following:

	A homeowner's identity and
	No judgments or liens are on the property

CDBG-DR funding cannot be used to pay delinquent taxes or child support payments.

## Income Eligibility

The adjusted gross household income will be determined and verified in accordance with HUD approved Adjusted Gross Income methodology utilizing the IRS 1040 "long form". IRS 1040 forms will be collected for all household members as applicable. Dependents and their potential income will be recorded as such and as indicated on IRS 1040 forms. Adjusted gross income as indicated on the IRS 1040 forms will be recorded for all household members and combined to calculate a total household income.

The County will conduct the eligibility review and complete the Income Verification Form for each application. The Income Verification Form is a worksheet designed to collect all adjusted gross income data for all household members to calculate Total Household Income. This Total

Household Income must meet the income eligibility criteria set by HUD for LMI qualified households to qualify under the LMI priority. The County will use the IRS Form 1040 Adjusted Gross Income (AGI) method of income calculation for the purposes of identifying and confirming household income unless the applicant did not file a Federal Income tax form for the most recent year. Self-employed applicants will be required to submit the most recent two years of Federal income tax forms. If the applicant did not file an income tax return, then the AGI Worksheet method will be used to determine Low-Mod Housing.

Income limits are established by HUD and updated annually. In verifying income, the VHB project will use source documentation as evidence of annual income including review of documents and third-party verification. Homeowners are required to provide their most recent IRS Form 1040 also referred to as the "long form." The 1040EZ or "short form" is not an acceptable form of income verification and determination of applicant eligibility. The income calculation process must conform to HUD's guidance in determining income and allowances for CDBG-DR funding allocations. Under the Annual Gross Income methodology of income calculation, the County will depend on the IRS 1040 adjusted gross income calculation to determine household member income. Income for all household members must be accounted for through the provision of IRS 1040 documentation. If the applicant, or a member of the household, did not file an income tax return, then the AGI Worksheet method will be used to determine income for that individual and any potential dependents. The County will do a "snapshot" of the household's current financial circumstances to project future income, using an assumption that today's circumstances will continue for the next 12 months, unless there is verifiable evidence to the contrary. Adjusted Gross Income and total household income calculations will be performed in accordance with the "Technical Guide for Determining Income and Allowances for the HOME Program". This is a self-study guide that provides an explanation as to the Adjusted Gross Income calculation methodology.

## Eligible and Allowable Costs

Allowable costs for a property buyout project depend on the individual project scope. The following costs associated with the buyout of flood-prone real property and the demolition of structures are allowable:

- Fair Market Value of the real property (i.e., land and structure) either at the time of sale or immediately prior to Hurricanes Sally and Zeta depending upon the ownership status at the time of the disasters.
- Fees for appraisal costs, title search, title insurance, property inspection, and survey if applicable.
- Demolition and removal of property.
- Fees associated with the Environmental Assessment
- Relocation costs associated with displaced tenants under the Uniform Relocation Assistance and Real Property Acquisition Act (URA)



- Removal of demolition debris to an approved landfill, which includes debris from the demolition of houses, garages, driveways, sidewalks, and above-grade concrete slabs.
- Asbestos abatement
- Removal of septic tanks. If not removed, the floors and walls of the tank must be cracked or crumbled so the tank will not hold water and then be filled with sand or other type of clean fill.
- Removal of all structure foundation and basement walls to a point at least one foot below the finish grade of the site.
- Removal of only those trees that restrict the demolition work on any structure.
- Termination of all abandoned utilities to a point at least two feet below the finish grade of the site.
- Capping of all wells and/or removal of associated components.
- Grading, leveling, and site stabilization of all demolition sites.

Each homeowner's total buyout and assistance will differ. The table below shows the eligible activity vs the expense cap.

Eligible Activity	Expense Cap
Buyout purchase amount	Fair Market Value
Settlement costs	Based on actual costs
Clearance and Demolition	Based on actual costs
Replacement Housing Incentives	\$25,000 for LMI and \$10,000 for non-LMI

## Total Allocation

The total allocation for the project is \$1,739,130 of CDBG-DR funding with an additional 13.5 percent for Activity Delivery Cost of \$234,782, totaling \$1,973,912.

## Property Prioritization

Homeowners applying for the VHB project will be processed on a first come, first served basis until no additional project funding is available. Special preference will be given to Low to Moderate Income (LMI) homeowners. All eligible homeowners will be required to submit income documentation so that project staff can conduct the LMI determination.

Eligible secondary homes will be prioritized after primary residency homes.

# Voluntary Home Buyout Project Phases and Proposed Timeline

The VHB project's lifecycle will consist of five general phases starting with outreach and application intake and finishing with the long-term open space management phase. County staff will review all applications and supporting documentation to verify program eligibility. Once the County approves the homeowner's application, the County will conduct a duplication of benefits check to determine that the homeowner did not receive assistance through another program for replacement or buyout activities.

The graphic below shows the full lifecycle of the VHB project:



## Phase I – Outreach and Application

1. **Outreach** – The County will conduct outreach to homeowners in the targeted project area to gauge interest and project participation. Preliminary information will be collected during this phase to begin assembling a list of potential applicants.
2. **Application Submissions** – The County will connect with interested homeowners on completion and submission of an application. During this process, the County will request

information from the homeowners in an effort to make their applications as comprehensive as possible.

3. **Duplication of Benefits Check-** Using information gathered during the application phase, the County will verify that interested homeowners did not get approved for ADECA's Home Recovery Alabama Program (HRAP) that provides home repair or replacement assistance to those impacted by the 2020 hurricanes.
4. **Application Review** – The County will conduct a comprehensive review of all submitted applications to ensure that there are no information gaps that need further investigation. Application reviews will include, but are not limited to:
  - Property ownership verification;
  - Primary residency verification;
  - Determination whether home is owner-occupied or if tenants are currently in the home;
  - Assess the Uniform Relocation Assistance and Real Property Acquisition (URA) impacts to the project;
  - Determination whether home was occupied by applicant prior to Hurricanes Sally and Zeta;
  - Obtain hold harmless and right of entry forms; and
  - Verification of household size
5. **Eligibility Review-** This will include verification and calculation of household income, verification of ownership status, clear title, current on property taxes, determination of property location/eligibility, determination of LMI status, etc.
6. **Application Technical Assistance** – Applicants will be required to complete program documentation with a case manager from the County. The case manager will assist homeowners with relocation services, as needed.

## Phase II – Determine Buyout Offers

1. **Environmental Review** - CDBG-DR buyout assistance is contingent on compliance with the National Environmental Policy Act (NEPA) and related environmental and historic preservation legislation and executive orders found at 24 CFR Part 58. The County will conduct an Environmental Review prior to the commitment of project funding.
2. **Property Appraisal and Value Calculation** – The County will procure a third-party vendor to conduct property appraisals on all selected properties. Properties will be determined at fair market value (FMV) for the land and structure.
3. **Determine Housing Replacement Assistance** – This project has been designed to allow for Housing Replacement Allowance of \$10,000 for non LMI properties and \$25,000 Housing Replacement Assistance for income eligible properties. Housing replacement assistance will be limited to owner-occupied properties. Owners of vacant land and rental properties are not eligible for housing replacement assistance. Tenants of rental properties

participating may be eligible to receive relocation assistance under the Uniform Relocation Act.

4. **Homeowner Approval/Award-** Once the property has been found eligible and the homeowner has been deemed as eligible, the homeowner will receive an offer to purchase. All purchase offers will be calculated at FMV with any duplication of benefits subtracted. Any displaced tenants and homeowners will be offered information on available resources to assist in relocation.
5. **Commitment** – After the homeowner has accepted the offer to purchase, the homeowner's file will be submitted to the County Board of Commission for funding approval.

## Phase III – Property Buyout

1. **Closing Documentation Approval** – The County will approve closing documentation which will include, but is not limited to:
  - Contract
  - Restrictive Covenant
  - Legal Notices for demolition
  - Title searches
  - Title insurance
2. **Property Transfer** – Following the property closing, the County will be transferred the title to the property and the County will become the property owners.

## Phase IV – Clearance and Demolition

1. **Procurement-** The County will begin the procurement process for a contractor to complete the property demolitions.
  - The procured contractor will be responsible for obtaining all necessary permits to conduct the demolition.
2. **Compliance – Prior to any demolition occurring, the following will occur:**
  - The contractor will take photographs of all properties for the project file, and
  - The County will conduct an onsite visit/inspection of each property.

Following the completion of demolition, the contractor will take completion photographs for the project file and submit their final request for payment.

## Phase V – Open Space Management

1. **Land Management** – The now open space will be maintained by the County’s facilities and maintenance staff. While the County intends to maintain the open space as green space, they may consider other allowable uses as other funding opportunities become available.

## Proposed Milestones and Timeline

The following milestones will be established for each buyout project and will be closely monitored by the County. At a high level, the County has established an anticipated timeline for each buyout project:

Project Milestones / Deliverables	Anticipated Timeline
Obligation Date	3 to 6 months
Procures Necessary Services	
Conducts Title Search and Appraisals on properties	
Make offers to the property owners, provides deadline to accept offer	6 to 12 months
Closing on properties is preformed	
Deed Restrictions are documented and recorded	
Demolition of structures and removal of debris	12 to 24 months
Project Completion Date	
Final Reporting and Final Reimbursement Request	
Project Closeout	

## Project Specifics

### Appraisals

Property appraisals will be conducted by a County procured third party vendor. The appraiser must comply with relevant State laws and requirements and shall have the appropriate certification, qualifications, and competencies based on the type of property being appraised.

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.

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

## **Homeowner Incentives**

Eligible homeowners will be provided 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 flood risk while not being made worse off financially or in terms of housing quality by participating in the project. All provided incentives must be justified and reasonable according to HUD and federal regulations.

Federal regulations prohibit the VHB project from providing compensation payments. LMI qualified homeowners are eligible to receive \$25,000 in incentive funding and non-LMI homeowners are eligible to receive \$10,000 in incentives. These incentives are to assist the homeowner in obtaining housing in an area of lower hazard risk. Incentives shall be limited to owner-occupied properties. Owners of vacant land or rental properties are not eligible for project incentives. Tenants of rental properties participating in the project may be eligible to receive relocation assistance under the Uniform Relocation Act.

## **Title and Legal Services**

The County will conduct a title search on each property that the project intends to acquire. The title search is conducted with the intended purpose of ensuring that the owner is the sole and actual title holder of the property, identifying other individuals with an interest in the property, and to ensure that the title is clear. Additionally, there may not be incompatible easements or other encumbrances to the property that would make it either ineligible for acquisition or noncompliant with open space land use restrictions.

Additional requirements include:

- A site inspection for each property verifies the property has no physical encumbrances, which may result in a site survey to clearly establish property boundaries.
- Title to the property must be transferred by a warranty deed in all jurisdictions that recognize warranty deeds.
- All incompatible easements or encumbrances must be extinguished.
- The County must take possession at settlement.
- The County must record the deed at the same time as and along with the deed restrictions.
- The transferring title to the property and deed restrictions will be recorded in accordance with State law and within 14 days following closing.



## Purchase Offer

Following an eligibility determination and once an assistance amount has been calculated, the homeowner will receive an offer to purchase. The homeowner must sign a voluntary participation agreement within 14 days of the buyout offer being presented. If the homeowner does not agree to the offer, they may counter-offer by providing their own appraisal prepared by a licensed appraiser. This appraisal is at the expense of the homeowner and the County is not liable for reimbursement. The County will review the counteroffer and make a decision regarding the appraisal amount that is to be used.

The County has ten business days to review the counteroffer and make a decision regarding the appraisal amount that will be used. Homeowners will be notified by mail and/or telephone of the final decision.

## Homeowner Project File

The County will maintain a comprehensive file on each homeowner applying/ participating in the project. Within the file you will find:

- Homeowner and property eligibility documentation;
- Detailed copies of all award determinations;
- Homeowners executed buyout agreement;
- Incentives amounts and supporting documentation; and
- Appeal documents, if applicable.

## Demolition

The County will procure a contractor to administer the demolition of properties participating in the project. All participating properties will be secured prior to demolition. Following demolition and cleanup, the County will maintain the properties.

## Restrictive Covenant

Properties acquired by the County must have a restrictive covenant stating that the property must be dedicated and maintained for compatible uses in perpetuity. Restrictions include:

- 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.
- No new structure will be erected on property acquired, accepted, or from which a structure was removed under the acquisition or relocation program other than allowable uses under HUD.
- 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.

## **Property Disposition**

Properties acquired by the County may be disposed to local governments or nonprofit entities, subject to covenants protecting their use as open space in perpetuity. Any entity assuming ownership of the property must submit a plan for operations and maintenance of the property consistent with the VHB project's purposes.

## **Property Acquired**

Properties purchased by the County through this project are dedicated in perpetuity for uses compatible with open space, recreation, or floodplain/wetlands management practices. Preservation of open space includes, but is not limited to, maintaining greenspace, wetlands restoration, flood mitigation and/or water quality projects, pocket parks, bike paths, and other recreational amenities.

# **Homeowner Specifics**

## **Negative Equity**

While the VHB project may assist homeowners who owe more on their mortgage, the buyout amounts will be set at Fair Market Value. Should the homeowner owe more than the current fair FMV, then the homeowner would be required to cover the difference. To achieve the project's goals, 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. Each negative equity case will be reviewed by the County on a case-by-case basis.

## **Reverse Mortgages**

While the VHB project may assist homeowners who have a reverse mortgage, the buyout amounts will be set at Fair Market Value. 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 County will review these cases on a case-by-case basis.

## Homeowners in Foreclosure

Homeowners in Foreclosure may be provided buyout assistance; however, the buyout amounts will be set at Fair Market Value. Assistance will only be provided if the assistance allows the household to pay off the mortgage and move from the damaged home to an area of reduced flood risk. The County will review foreclosure cases on a case-by-case basis, given the lender's interest in the property, the buyout may not be feasible.

## Land Leases and Mobile Homes

For properties where there is a different owner of the land than the owner of the dwelling, such as a long-term land lease, and often with mobile home units, may be assisted through the buyout project only if the property owner converts the contract to full ownership. Situations such as this will be discussed with the County and handled on a case-by-case basis.

## Case Management and Homeowner Rights

All homeowners must agree to the following prior to receiving assistance from the project:

- 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 homeowner, co-owner, and other adult household members will be required to sign the release unless the individual has a power of attorney in place.
- Sign a Certification of Truth attesting to the accuracy and completeness of all information provided to the County.
- Agrees to the verification of ownership and assistance received.
- Homeowners may grant power of attorney to someone who can apply on their behalf.
- 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.'

Homeowners must remove all personal property from the home prior to the end of the day of closing. Any personal property remaining after closing will be included in the demolition.

Following the purchase offer being made, the homeowner will be notified of available resources to assist with the move, if needed.

Upon Homeowner acceptance of offer:

- The Mobile County Commission will approve the project to move forward with the purchase;
- The County will send information to the Title company, requests title commitment, and invoice;
- The County will coordinate closing and demolition

## Closing Documentation

The following documents will be signed by the homeowner at the time of agreement:

- Agreement for Sale
- Subrogation Agreement
- Promissory Agreement – if housing incentives are provided in addition to the FMV buyout
- Agreement to have all utilities disconnected within 10 business days.

## Subrogation Agreement

Subrogation is the process by which duplicative assistance paid to the homeowner after receiving an award is remitted to the County to rectify a Duplication of Benefits. All applicable claims (including insurance payments, unpaid claims, lawsuits, and settlements) paid to homeowner not included in the original benefit determination calculation and/or received after closing, must be subrogated to the County to prevent a duplication of benefits.

## Administrative Requirements and Compliance

The County is committed to administering this project to be consistent with HUD's cross-cutting requirements. Below is a high-level overview of cross-cutting requirements. Please refer to the County's CDBG-DR Manual for more detailed information.

### Procurement







Procurement will be required for any contracts or purchases that benefit this project. This is recommended through an RFP and contract. The County will be required to follow the federal procurement regulations detailed in [2 CFR Part 200](#).

### Duplication of Benefits

Duplication of Benefits (DOB) occurs when an individual or entity receives financial assistance from multiple sources for the same purpose, and the total amount received exceeds the need or eligible costs for that purpose. Under Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) and HUD's CDBG-DR guidelines, the County and its subrecipients must take steps to prevent and remedy any instances of DOB.

DOB compliance is essential to ensure that CDBG-DR funds are used efficiently, meeting legitimate needs, and avoid the improper use of federal resources. This is to prevent "double dipping" or excessive funding, which can occur if HDAP funds are combined with other financial

aid, grants, or benefits without proper analysis. The following steps will be used to ensure that DOB does not occur under this program:

	Review all available funding sources		Coordination with other assistance
	Calculation of Unmet Needs		Recovery of excess funds
	Monitoring and Verification		Documentation

## URA and Real Property Acquisition Policies Act

The URA establishes minimum federal requirements for real property acquisition and relocation assistance for federally funded projects. URA requirements pertain to any phase of a project involving acquisition, rehabilitation, or demolition. In circumstances where relocation is prompted, various requirements may need to be met including, but not limited to, relocation advisory services, minimum 90-day written notice to vacate, and moving expense payments. All buyouts will be voluntary and therefore property owners will not be eligible for Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended, and implementing regulations at 49 CFR Part 24. However, any tenants residing at a property at the time that an application for the voluntary buyout of the property is submitted will be considered involuntarily displaced and will be eligible for URA.

It is very important that homeowners understand that they are not eligible for assistance under URA. URA assistance will be used for tenants who are displaced because of the homeowner's sale of the property to the County.

The County will ensure that the impacted tenants receive notifications in a timely manner in accordance with HUD regulations. Additionally, relocation services will be offered and available to all impacted tenants throughout the life of this project.

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

## Environmental Review

The County will perform a site-specific environmental review of each property in accordance with 24 CFR Part 58, which governs environmental reviews for HUD-assisted projects and other relevant regulations. The reviews will assess the property's location, environmental risks, and any

factors that could affect its sustainability. If the property fails to meet environmental standards or if mitigation efforts are not feasible, the County will deny the homeowners application.

## **Davis Bacon and Related Acts**

As a Subrecipient to ADECA, the County is responsible for adhering to Davis Bacon and Related Acts (DBRA) regulations. However, DBRA will not apply to activities under VHB project because the program will not fund construction-based projects or activities.

## **Affirmatively Furthering Fair Housing**

The County is committed to affirmatively further fair housing (AFFH) in all programs and activities funded under CDBG-DR programs, including the VHB project, and this commitment is consistent with previously discussed compliance with various civil rights and fair housing requirements. By integrating AFFH principals into the VHB project, the County seeks to expand equitable, safe, and sanitary housing opportunities, particularly for low- to moderate- income (LMI) households and individuals from historically marginalized groups impacted by the 2020 hurricanes.

## **Minority and Women-owned Business Enterprise (M/WBE)**

In an effort to comply with 2 CFR 200.321, the County will solicit to a variety of contractors including those who are M/WBE. Where feasible and cost reasonable, the County will give M/WBE contractors preference.

## **Debarment or Suspension Policy**

To ensure compliance with Federal regulations, the County will not do business with individuals, corporations, or entities that are suspended, debarred, or otherwise ineligible to receive Federal awards. This policy applies to all stages of the project.

### **Contractor Eligibility**

- Contracting Restrictions
- General Contractor Responsibilities

### **Verification Process**

- [SAM.gov](https://sam.gov) Verification
- Certification Requirement, if applicable

## **Anti-Fraud, Waste and Abuse**

As a Subrecipient of ADECA, the County does not condone the commission or concealment of acts of fraud, waste, and abuse. In accordance with HUD's Buying Right CDBG-DR and



Procurement: A guide to Recovery<sup>2</sup>, Grantees and Subrecipients procuring goods and services with grant funds must follow all applicable statutory and regulatory requirements.<sup>3</sup> All employees are responsible for reporting suspected instances of fraud, waste, and abuse.

## **Financial Management**

The County has an established process and system for Financial Management that will be used for all CDBG-DR programs and projects. The full document will be made available via the CDBG-DR Manual.

## **Monitoring and Compliance**

The County will conduct internal monitoring and compliance reviews to ensure both state and federal requirements are being met. ADECA, as the grantee holds oversight over the grant and will conduct periodic monitoring site visits both onsite and virtually. Following all monitoring visits, the County will share any monitoring and compliance report received with any key stakeholders, as applicable. In general, onsite monitoring visits are completed when at least 50% of expenditures have been requested and at the end of the construction period.

## **Record Retention**

To remain consistent with HUD requirements, the County must maintain records for at least five years following the closeout of ADECA's CDBG-DR grant with HUD.

# **Closeout and Ongoing Maintenance**

## **Closeout**

The County will be the responsible entity to ensure that records are complete, that all affordability requirements are adhered to, and that County staff have performed all subrogation-monitoring duties. The County will ensure that all invoices have been paid and verified prior to completing the closeout process. The County will coordinate with ADECA on any closeout documentation or checklists required.

## **Ongoing Maintenance**

Deed records will be maintained by the Clerk of Court and Comptroller, and a copy will be kept in the project file. The County will ensure that the property has been added to the County's property to be maintained list. County staff will be responsible for the maintenance and/or demolition of the residential structure and any outbuildings and proper disposition of the debris, in accordance with state and federal environmental laws, rules and regulations. A covenant will be placed on the property being acquired to maintain it as open space. The County will provide mowing, tree

trimming, weed eating, and debris removal services with County staff or through contractors as necessary.

## Project Toolkit

- Homeowner Application
- Income Verification Form
- URA Notice
- Duplication of Benefits Affidavit
- Agreement for Sale
- Subrogation Agreement
- Promissory Note
- Authorization for Release of Information
- Certification of Completeness