



FORT BEND COUNTY DISASTER RECOVERY VOLUNTARY BUYOUT PROGRAM GUIDELINES

For 2016 Community Development Block Grant – Disaster Recovery Program

January 2019
Updated 4/2022
Updated 5/27/22

Table of Contents

Introduction.....4
 Maximum Assistance Amount5
Definitions5
National Objective.....9
 Low- and Moderate-Income.....9
 Urgent Need.....9
 Unmet Needs Analysis9
Program Administration.....10
 Application Processing Overview.....10
 URA Requirements11
 Fort Bend County Case Managers11
 Property Requirements12
 Criteria for 2016 Buyout Program12
 Structure Type13
 Property Type.....14
 Flood Claims.....14
 Environmental Review.....14
 Appraisal14
 Restrictive Covenant14
 Owner Requirements15
 Ownership.....15
 Identity Verification.....16
 Second Homes16
 Occupancy16
 Special Circumstances Related to Occupancy.....16
 Death of Eligible Owner.....17
 Income.....17
 Amount of Assistance18
 Incentives.....18
 Exceptions.....19
 Moving Costs and Relocation19
 Offer.....19

Eligible Allowable Expenditures	19
Duplication of Benefits	20
Sources of Duplication of Benefits	20
Recapture Duplication of Benefits	21
FEMA Individual Assistance (FEMA IA)	21
FEMA National Flood Insurance Program (NFIP)	21
Increased Cost of Compliance (ICC)	21
Private Insurance	21
The Small Business Administration (SBA)	22
Other Sources of Duplication of Benefits	22
Adjustments and Offset to the Amount of Assistance	22
No receipts provided	22
Partial receipts provided	22
All receipts provided	22
Legal Fees	23
Buyout Award Determination	24
Down Payment Assistance	24
Buyout Applicants Who Owned the Property Prior to the Disaster	24
Buyout Applicants Who Purchased the Property After the Date of Disaster	24
Buyout Applicants with Negative Equity on Mortgage	24
Buyout Applicants with Reverse Mortgage	24
Buyout Applicants in Foreclosure	24
Contract for Deed/Land Leases/Mobile Homes	24
Certification Requirements Prior to Receiving Assistance	25
Offer to Purchase	25
Documenting Eligibility and Acceptance of Offer	25
Applicant Closing	25
Property Before Closing	25
Document Execution at Closing	26
Subrogation Agreement	26
Assignment Relation to Funds Received Under Program	26
Cooperation and Further Documentation	27
Authorization for Program to Contact Third Parties	27
Promissory Note	27
Property After Closing	27

Appeals28

 Grievance Policy/Procedure28

 Complaints.....28

 Responsibilities.....28

 Documentation28

Affirmative Marketing/Fair Housing29

Coordinated Housing Strategy.....29

Compliance and Monitoring.....30

 Conflict of Interest.....30

 Section 330

 Record Retention.....30

Performance Reviews and Audits.....**30**

 Closeout.....30

 Anti- Fraud and Compliance Policies.....31

 Program Contact31

Disaster Recovery Voluntary Buyout Program Guidelines

Fort Bend County, TX

Introduction

In April and May of 2016 (DR 4269 and DR 4272), rainstorms caused catastrophic flooding in Fort Bend County. The Brazos River experienced severe flood levels and the rain caused stream, bayou, street and flash flooding throughout the County. The 2016 Floods, as this event is now called, caused hundreds of families and/or thousands of persons to be evacuated and unable to return to their damaged homes. Homes, businesses and public infrastructure flooded resulting in unprecedented damage throughout the County. Many structures were built pre-FIRM and are located in low lying areas that are now classified as river floodway and 100-year floodplain hazard areas. One of the most severely damaged areas was the Cumings Road Census Defined Place (CDP) community. This area is located across the Brazos River from Rosenberg and is not protected by a levee. Homes across the County in the towns of Katy, Needville, Richmond, Rosenberg, Simonton and Thompsons also experienced wide-spread, severe flooding. Also, some properties and the Tierra Grande community along the County's southern border, the San Bernard River, flooded.

Fort Bend County Disaster Recovery Voluntary Buyout Program is a program jointly operated through the Fort Bend County Community Development Department and the Fort Bend County Office of Emergency Management to assist owners whose homes were damaged by the 2016 flooding to relocate outside the threat of flooding. Buyout programs support hazard mitigation, and resiliency by removing homeowners from the floodway and floodplain, thus eliminating vulnerability to future flooding situations. After homes are purchased, the structures are demolished or relocated. The land reverts to a natural floodplain, converts into a retention area, or is retained as green space for recreational purposes. The buyout program serves multiple objectives and provides a resiliency option versus rebuilding within a floodplain. Buyouts help prevent repetitive loss and extreme risk to human health and safety. When conducted sooner rather than later, Buyouts prevent homeowners from making repairs and investing funds in properties that they then may not want to sell. The objectives of the program are:

1. Acquire properties that have been subject to 2016 floods use for public space, green space, and/or flood control measures.
2. Assist homeowners to move to an area with a reduced risk of flooding¹.
3. Return properties in the floodplain to natural and beneficial function, aiding in the storage of floodwaters
4. Eliminate future flood damages and health and safety risks for owners and rescuers.
5. Reduce repetitive subsidized flood insurance payments and federal disaster assistance

The program will focus on providing assistance to owners of properties that are located in a floodway and flood plain.

¹ 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 (2 feet above the 500-year flood plain).

Maximum Assistance Amount

Fort Bend County will use Community Development Block Grant Disaster Recovery (CDBG-DR) funds from the U.S. Department of Housing and Urban Development (HUD) through the Texas General Land Office for the buyout of approximately 80 properties, of which no less than 70 percent will be owned by low- and moderate income (LMI) households. The maximum amount of CDBG-DR funding available for any single buyout will be capped at the FHA Mortgage Limit for Fort Bend County, provided in Table 1 below. However, it is expected that the average amount of buyout assistance including incentives, project delivery and other eligible project costs will be approximately \$150,000.00 per buyout. Using CDBG-DR funds, the program provides property owners up to the pre-disaster fair market value of their home and may also include an incentive payment to encourage relocation to an area of reduced flood risk.

Table 1: Fort Bend County FHA Mortgage Limit²

	One Family	Two Family	Three Family	Four Family
Fort Bend County	\$420,160	\$538,650	\$651,050	\$809,150

Definitions

Affirmative Fair Housing Marketing Plan – A document used to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, ex, familial status, or disability

Adjusted Gross Income (AGI) – AGI is an individual’s total gross income minus specific deductions. The GLO-DR Adjusted Gross Income Methodology may be found at <http://recovery.texas.gov/>

Area Median Family Income (AMFI) – Calculated limits based on HUD-estimated median family income with adjustments based on family size.

Buyout – A type of acquisition with the purchase of an eligible property with the intent to reduce risk from future flooding or to reduce risk from the hazard that led to the property’s Disaster Risk Reduction Area. The property acquired will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.

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 take into account 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.

Damage Assessment- An inspection of the unit to document damage from the event. The assessment by a certified or licensed inspector (MPS, TREC, or similar license) is required to specifically and clearly document storm related property damage via photographic evidence and

² 2022 FHA Mortgage Limits for Fort Bend County Mortgage maximums as of January 4, 2022.

detailed narratives (see the GLO's Damage Assessment Guidelines). Damage assessments may also include final cost of repair estimates.

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 of residential property only if such property contains not less than 8 units.

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

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 Disaster Recovery 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.³

Environmental Review- All substantially qualified applicants (e.g. applicants who apply for the repair and replacement of their damaged unit must have received damage from the event, own their home and lived in the home as their primary residence) 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.

Family – A household composed of two or more related persons. The term family also includes one or more eligible persons living with another person or persons who are determined to be important to their care or well-being and the surviving member or members of any family described in this definition who were living in a unit assisted under the Housing Opportunities for Persons with AIDS (HOPWA) program at the time of his or her death.

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.

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 an 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.

Housing Incentives- Incentive payments are generally offered in addition to other programs or funding (such as insurance), to encourage households to relocate in a suitable housing

³ Federal Register/Vol. 81, No. 117/Friday, June 17, 2016/Notices (2015 Flood event); Federal Register/Vol. 81, No. 224/Monday, November 21, 2016/Notices (2016 Flood event); Federal Register/Vol. 82, No. 247/Wednesday, December 27, 2017

development or an area promoted by the community’s comprehensive recovery plan. The housing incentive may be offered for the purpose of improving the residential structure that upon completion will be occupied by a Low to moderate income household. An incentive may be offered to a buyout payment for households that volunteer to relocate outside of 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.

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 (2) 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 low- to moderate- income (LMI) objective is based on the LMI of households.

Housing Quality Standards (HQS) – The HQS establishes 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.

Housing and Urban Development Act of 1968, Section 3 – Requires the Subrecipient to 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. 4

Housing Unit- An owner-occupied housing damaged or destroyed by an event.

Low- to Moderate- Income (LMI) National Objective – Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined 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 to verify the income eligibility of each household applying for assistance at the time assistance is provided.

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

LMB National Objectives – Low to Moderate Buyout (LMB) is used for a buyout award to acquire housing owned by a qualifying LMI household, where the award amount (including optional relocation assistance) is greater than the pre-disaster fair market value of that property.

⁴ <https://www.hudexchange.info>

LMHI National Objectives - Low Moderate Housing Incentive (LMHI) benefits LMI households that are used for a housing incentive award and tied to a voluntary buyout or other voluntary acquisition of housing owned or occupied by a qualifying LMI household.

Manufactured Housing Unit (MHU) – A structure, transportable in one or more sections which, in the traveling mode is eight body-feet or more in width, or forty 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.

Needs Assessment – An assessment that determines the type of housing programs that will be offered equitably and based upon an objective assessment of unmet needs in the affected community’s population.

Negative Equity Mortgage – also known as “under water” or “upside down” mortgages – when homeowners owe more on their mortgages than their homes are worth.

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, as well as how the Program will be marketed, how Fair Housing Objectives will be achieved, 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 a single fiscal year, received by the Subrecipient and directly generated from the use of housing CDBG-DR funds.

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

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 contractors providing supplies, equipment, construction, or services and may be further restricted by Program Rules or other guidance including applications.

Subrogation Agreement– Means an agreement executed by the beneficiary agreeing to repay any duplicative assistance if they later receive other disaster assistance for the same purpose.

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24) (Uniform Act referred to 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 multi-family 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.

Unsecured Forgivable Promissory Note – Is an agreement between the assisted beneficiary and Subrecipient/GLO that requires applicants to comply for several terms during a set affordability period. At the end of the affordability period the terms are forgiven after they are met by the homeowner.

Urgent Need National Objective – An urgent need that exists because existing conditions pose serious and immediate threat to health/welfare of 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 must document how each program and/or activity funded under this category responds to a disaster related impact.

National Objective

The 2016 flood disaster will be used to determine the national objective for each property assisted. The national objective is determined based on the type of activity. For more information about which national objective applies based on disaster, please see the table below:

Low- and Moderate-Income

Table 2. Buyout National Objective

Disaster	Activity Types	LMI Buyout	LMI Housing Incentive	Urgent Need Buyout
2016 Spring Floods	Acquisition-buyout of residential property	X		X
	Clearance and Demolition	X		X
	Relocation Payment and Assistance		X	X

Urgent Need

One critical component of a buyout program is taking measures to limit the checkerboard effect that buyout programs can sometimes have on a neighborhood. To help limit the checkerboarding effect, Fort Bend County will include an Urgent Need activity in parallel with the LMI activity.

Unmet Needs Analysis

Fort Bend County staff reviewed FEMA damage assessment (FEMA Verified Loss) and FEMA SBA assistance estimates by jurisdiction to determine the areas affected by the 2016 disasters. To assess ongoing unmet needs in the community, Fort Bend County staff received input from public surveys, social media, local community-based organizations, local jurisdictions, and County departments.

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. Fort Bend County will make every effort to encourage elderly persons and households with disabled individuals to utilize the buyout resource.

Program Administration

Application Processing Overview

The Fort Bend County Buyout Program is available to applicants identified through the Fort Bend County Community Development Department Application Process. The priority will be placed on low- and moderate-income households living within the floodway. After applications are received from households living within the floodway, applications will be extended to households living within the flood plain. The County will provide timely notification to applicants on their application status via telephone, email or regular mail services. Additionally, the County 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 Fort Bend County Community Development Department located at 301 Jackson Street, Richmond, Texas, 77469. Applicants may call the department at 281-341-4410. Below is a summary outline of the buyout program process from pre-application through closing:

1. Waiting List
 - a. Fort Bend County Community Development Department adds households to the waiting list that have expressed an interest in volunteering to be bought out. 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 flood plain 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 2016 flooding.
4. Evaluation & 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 pre-disaster fair market value
6. Complete program documents with case manager/assess need for relocation advisory services
 - a. Owners and non-owner 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 pre-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. Submission to Commissioners Court for funding approval
 - a. All properties that will receive buyout funds must be reviewed and approved by the Commissioners Court
10. Approval letter sent to Applicant
11. Funding secured
12. Lender schedules closing
13. County approves closing documents
14. Closing occurs/title transfers to Fort Bend County
15. Demolition
16. Compliance & 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. Fort Bend County 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.

Fort Bend County 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. Fort Bend County, 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 Fort Bend County 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 Fort Bend County jurisdiction
2. Located in one of the designated floodway or flood plain areas
3. Have been damaged by 2016 Spring Floods
4. Must be an eligible property type
5. The property's source of flooding is from a river, bayou, creek, or smaller tributary.
6. The property must be located in a mapped floodway or floodplain and/or subject to repetitive flooding caused by out-of-bank river or bayou flooding.
7. A home buyout must be the most beneficial solution to the property's flooding problem (as opposed to a structural solution, such as a channel conveyance improvement or storm water detention basin).
8. 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 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 (buy-out) purposes only.

Criteria for 2016 Buyout Program

This is a voluntary housing buyout 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.
- Fort Bend County will not acquire the property if negotiations fail to result in an amicable agreement, and the owner is so informed in writing.

- Fort Bend County will inform the owner in writing of what it believes to be the market value of the property.

To qualify for this buyout program, a parcel must be located in a floodway or a flood plain. It must have been damaged by the spring 2016 floods. The County has not designated Disaster Risk Recover 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 or vacant lot.⁵ 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).

1. Eligible Structure Types
 - a. Single family property (detached and attached 1-4 units)
 - b. Condominium unit
 - c. Cooperative unit
 - d. Modular home/Manufactured home
 - e. Vacant land

The buyout program will acquire 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, Fort Bend County will follow the URA requirements, as amended by the applicable Federal Register Notices for each disaster allocation.

⁵ Fort Bend County does intend to acquire vacant and abandoned residential structures as well as vacant and abandoned so that it may maximize the effectiveness of the buyout program.

Property Type

Property is the land and improvements listed on the title or appraisal district record as published on Fort Bend County Appraisal District's website at fbcad.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 the National Flood Insurance Program (NFIP) FIRM maps. Any assistance identified through the NFIP verification will be considered for potential Duplication of Benefits.

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. Accordingly, environmental review activities are carried out for site contamination and demolition control, and documented prior to commitment of funds.

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

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

Restrictive Covenant

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

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 acquisition or relocation 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.

Owner 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.
4. Homeowner must agree to move to an area with reduced risk of flood⁶
5. The buyout may be a result of environmental review restrictions in which the environmental review deems the property not eligible for other rehabilitation or reconstruction assistance.
6. NFIP Check – The County will review all 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 Fort Bend County Case Manager will provide owners with referrals and recommendations on title clearance assistance, such as local legal aid organizations.

⁶ 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 (2 feet above the 500-year flood plain).

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, Fort Bend County wishes to provide buyout assistance to as many volunteers as possible within the Buyout Area. However, owners who volunteer for buyout 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.

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 Fort Bend 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 Fort Bend County 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 Fort Bend County 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).

Note: Income calculations will be generated using the AGI Calculation Worksheet

Amount of Assistance

Fort Bend County 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 the 2016 federally declared disaster events. Fort Bend County will use the approximately \$5.9 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 Fort Bend County. It is anticipated that the average assistance amount per household will be approximately \$150,000.00. Eligible costs included in the buyout maximum assistance amount are:

- buyout purchase price⁷,
- clearance and demolition⁸ (performed by the County),
- moving expenses,
- settlement costs,

⁷ Purchase price set at pre-storm fair market value due to significant decrease in home values in the areas due to damage caused by the disasters.

⁸ Demolition costs can include the actual demolition of the existing structures on the property, clearing the property, and proper disposal of resulting debris.

- a replacement housing incentive payment of up to \$35,000
- down payment assistance
- rehabilitation incentive

Eligible Expense	Eligible Expense Cap
Buyout 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
Rehabilitation incentive	Up to \$15,000 based on cost estimate provided by homeowner and verified by County

Incentives

Fort Bend County 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 the floods of 2016. Funds will be provided to households purchasing a more expensive home in Fort Bend County, 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. Per GLO guidelines “Incentives are only allowable if the POST-disaster fair market value is used to purchase the home.

Down Payment Assistance

To encourage participation in the buyout program without making applicants worse off financially, Fort Bend County 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. Downpayment 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.

Rehabilitation Expenses

Funding will be provided to homeowners to bring their new home up to HQS standards. Fort Bend County will review the cost estimate provided by homeowner for reasonableness and inspect work for completion. Rehabilitation Expenses will be capped at \$15,000.

Exceptions

Applicants that exceed the FHA maximum due to the Fort Bend 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 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, Fort Bend County 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, Fort Bend County will provide the applicant with a buyout offer in accordance with the appraised value (pre-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

- 1. Appraised Property Buy Out Costs**
- 2. Settlement Costs**
 - a. Appraisal Cost
 - b. Appraisal Review
 - c. Title Search
 - d. Boundary Surveys
 - e. Fort Bend County Document Signing
 - f. Credit Check
 - g. Environmental Assessment Costs
 - h. Inspection Costs
 - i. Deed Conversion Fees

- j. Recording Fees
- k. Other Associated Closing Costs outlined in the HUD 1
3. **Demolition Costs** including the actual demolition of the existing structures on the property, clearing the proper, and proper disposal of resulting debris
4. **Moving expenses** – to cover the cost of moving associated with participation in the buyout program.
5. **Replacement Housing Incentive** – to cover the difference in purchase price of the buyout home and a more expensive replacement home in Fort Bend County, up to \$35,000.
6. **Down Payment Assistance**- provided as gap financing to cover up to 100 percent of down payment and closing costs for a replacement home
7. **Rehabilitation Incentive**- provided as an incentive to households to rehabilitate their replacement home to meet decent, safe, and sanitary standards.
8. **Relocation Advisory Services** – additional case management and real estate services to assistance vulnerable households locate eligible housing in lower risks areas.

Duplication of Benefits

Federal law prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss as to which he has received financial assistance under any other program or from insurance or any other source. A duplication of benefits (DOB) occurs when:

- a beneficiary receives assistance, and
- the assistance is from multiple sources, and
- the assistance amount exceeds the need for a particular recovery purpose

To ensure that Fort Bend County does not provide a duplication of benefits, the County will adhere to the following general process:

1. determination of the applicant's total need
2. identify all potentially duplicative assistance
3. determine whether assistance was duplicative
4. deduct duplicative assistance from the applicant's total need

Sources of Duplication of Benefits

The following are sources of funding assistance provided for structural damage and loss that are considered a duplication of benefits (DOB). Under federal law DOB must be deducted from the assistance amount (the amount that will be offered for the purchase of the home): FEMA Individual Assistance (IA), FEMA National Flood Insurance Program (NFIP), Private Insurance, Small Business Administration (SBA) and other sources. Assistance received in the form of services instead of money, for home repairs from any source is not considered a duplication of benefits. Any additional duplication of benefits received by the applicant after the offer for purchase has been extended, the funding for the purchase of the home has been awarded or the purchase transaction has occurred, must be applied to reduce the award amount. Funds received from any source including flood insurance, FEMA and hazard insurance that were used to cover repair to the applicant's home do not reduce the amount of disaster assistance if the evidence of expenditures at least equals the amount of assistance. Documentation must be provided demonstrating the cost and type of repair conducted. Fort Bend County will conduct a work write-up that will inspect, confirm and estimate value of repairs based upon applicant's statement of repair work already completed.

Recapture Duplication of Benefits

If a duplication of benefits is identified, Fort Bend County will recapture CDBG-DR funds to the extent they are in excess of the need and duplicate other assistance received by the beneficiary for the same purpose.

FEMA Individual Assistance (FEMA IA)

FEMA IA will be determined and verified by Fort Bend County through the FEMA database. If Fort Bend County is unable to verify the FEMA IA amount through the FEMA database, Fort Bend County will use the payment amount provided by the applicant at the time of application. If an applicant is able to provide documentation demonstrating that the FEMA IA amount provided by the FEMA database includes amounts not paid to cover structural loss, Fort Bend County will use the documentation provided by the applicant to adjust the FEMA IA payout amount. The documentation provided by the applicant must come from FEMA.

FEMA National Flood Insurance Program (NFIP)

Fort Bend County will check all applicants for NFIP to verify whether they maintained flood insurance. Any payments for loss to the dwellings under NFIP insurance policies will be deducted from the amount the applicant is eligible to receive. Payments for contents or other expenses are not deducted from the applicant's award.

The payment to applicants under NFIP policies will be documented and verified by Fort Bend County through the FEMA database and cross referenced with Texas GLO data. If Fort Bend County is unable to verify the NFIP insurance proceeds through the NFIP database, Fort Bend County will use documentation supplied by the applicant. If an applicant is able to provide documentation demonstrating that the insurance proceeds amount provided by the FEMA database includes items not covered in the home evaluation or not paid to cover structural loss, Fort Bend County will use the documentation provided by the applicant to adjust the insurance payout. The documentation provided by the applicant must come from the insurance company which issued the payments.

Increased Cost of Compliance (ICC)

The program will determine duplication of benefits regarding Increased Cost of Compliance funds for elevation and/or demolition activities.

If severe property damage occurs as a result of flooding, before repair or rebuild activities can occur, it may be required by law that the damaged property meet community ordinances and/or state floodplain management standards. ICC coverage provides funding to help cover the costs of meeting those requirements with the intent aimed at reducing future flood damage. ICC coverage is separate from and in addition to insurance coverage that provides for structural or personal flood damage.

Private Insurance

All private insurance settlement amounts for loss to dwellings are deducted from the applicant's award if the funding was not used to repair the damaged property. Private insurance payments for contents or other expenses such as fences, storage sheds, etc., are not deducted from the applicant's award.

Insurance proceeds are documented and verified by Fort Bend County through the applicant's insurance settlement. If an applicant is able to provide documentation demonstrating that the insurance proceeds amount provided by the insurance company includes items not covered in the home evaluation or not paid to cover structural loss, Fort Bend County may use the documentation provided by the applicant to adjust the private insurance DOB. Mold remediation is not included in the home evaluation. Therefore, insurance payments to cover mold remediation are not deducted from an applicant's funding assistance award. The documentation provided by the applicant must come from the insurance company which issued the payments.

The Small Business Administration (SBA)

SBA loan proceeds available to the applicant are a duplication of benefit (DOB). Any dispersed funds for repair to the dwellings less any verifiable expenditures used for temporary repairs to the dwelling under Small Business Administration Disaster Assistance are deducted from the amount the applicant is eligible to receive. Payments for contents or other expenses are not deducted from the applicant's award.

Other Sources of Duplication of Benefits

Following a disaster, charitable organizations provide many kinds of contributions, including donations, grants, or loans among other types of assistance. Grants and cash donations designated for specific eligible work, even when provided from non-Federal sources, but designated for the same purpose as Federal disaster funds generally are considered a duplication of benefit. Grants and cash donations received for unspecified purposes (e.g., "for disaster recovery/relief efforts"), or for work not eligible for federal assistance, do not constitute a duplication of benefits.

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, Fort Bend County 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 the 2016 flood; **and**
2. A Certified Inspector must determine with reasonable assurance that the repairs were made after the date of the disaster; **and**
3. Fort Bend County will document, through photographs, the repairs that were made.

A Certified Inspector(s) is a person or persons hired by Fort Bend County, qualified to inspect for labor and/ or repairs made to the damaged home in the absence of receipts. In conjunction with site inspections, self-certified statements of homeowners must be reviewed in detail by a Certified Inspector to determine:

1. Whether the home was repaired;
2. Whether the repairs could be reasonably determined as occurring after the 2016 flood; and
3. A reasonable value of the cost of repairs to the home (including labor).

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 Fort Bend County 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

Fort Bend County will provide eligible participants with the pre-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.

Down Payment Assistance

It is the intent of Fort Bend County 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 buy-out participants to apply for down payment assistance funds. Amounts received through the buyout program in excess of the pre-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 pre-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. Fort Bend County 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. Fort Bend County 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. Fort Bend County 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. Fort Bend County 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 buy-out offer. If applicant does not agree to the offer, they may counter offer by providing their own pre-storm appraisal prepared by a licensed appraiser. The county will review the counter offer and make a decision regarding the appraisal amount that is to be used.

If applicant appeals, the county 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

Fort Bend County 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 Closing

Property Before Closing

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

Once the purchase offer has been made, the Seller is notified of available resources to help applicant move.

Upon Homeowner acceptance of offer

- Fort Bend County sends information to Title Company, requests title commitment, and invoice;
- Fort Bend County receives invoice, title commitment, and preliminary settlement statement from Title Company
- Fort Bend County prepares set-up award statement including estimated closing and demolition costs;
- Fort Bend County prepares setup file for GLO. Setup file to include award statement with cost of acquisition, necessary soft costs, incentives and demolition (if applicable) costs. Setup file to include:
 - Set-up form
 - Award Statement
 - Release of Funds
 - Sales Agreement-
 - Title Commitment
 - Itemized Budget – includes closing costs based upon estimated closing date
- Fort Bend County submits setup file to GLO.
- GLO reviews and approves, or reviews and denies setup.
- If approved, Fort Bend County schedules closing.

Document Execution at Closing

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

1. Agreement for Sale
2. Subrogation Agreement
3. Promissory Note (if housing incentives are provided in addition to the pre-storm FMV)
4. Agreement to have all utilities disconnected within 7 days.

Subrogation Agreement

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

Assignment Relation to Funds Received Under Program

In consideration of the Property Owner’s award of funds and the commitment by Fort Bend County to evaluate the Property Owner’s application for the award of funds under the Fort Bend County Buyout Program, the Property Owner assigns to the Program all future rights to reimbursement and all payments received under any insurance policy, including but not limited to any type of casualty or property damage insurance (the Policies); any reimbursement or relief program related to or administered by FEMA or the SBA for physical damage to the property (not including proceeds received to cover contents); any other assistance from non-profit organizations, faith based organizations, or disaster relief entities, and other governmental entities, that was the basis of the calculation of the Property Owner’s award to the extent of the proceeds paid under the Program. The proceeds or payments from the above described duplicative assistance are referred to herein as “Proceeds.” The rights the Property Owner assigns to the Program are specific to the Property with respect to which the Proceeds were paid. The Proceeds paid, as described in the Property Owner’s application with the Program, arise out of physical damage to the Property originally caused by the

federally declared disaster, but also includes Proceeds received for damage to the Property caused by any subsequent event that occurred (until the time of purchase of the Property using Program funds). The Policies include, but are not limited to, policies characterized as damage, flood, or any other type of casualty or property damage insurance coverage held by the Property Owner which provides coverage for physical damage to the Property. Once the Program has recovered an amount equal to the award proceeds, the Fort Bend County Buyout Program reassigns any rights assigned to Fort Bend County pursuant to this Agreement to the Property Owner.

Cooperation and Further Documentation

The Property Owner agrees to assist and cooperate with Fort Bend County should Fort Bend County elect to pursue any of the claims the Property Owner has against the insurers for reimbursement under any such Policies. The Property Owner's assistance and cooperation includes allowing suit to be brought in the Property Owner's name(s), giving depositions, providing documents, producing records and other evidence, testifying at trial and any other form of assistance and cooperation reasonably requested by Fort Bend County. The Property Owner further agrees to assist and cooperate in the attainment and collection of any proceeds that the Property Owner would be entitled to under any applicable FEMA or SBA Programs. The Property Owner agrees to take necessary actions and to execute additional documents at Fort Bend County's request to assign Property Owner's insurance policies to Fort Bend County, to the extent of the funds granted to the Property Owner under the Program and/or the disaster relief funds from FEMA or SBA.

Authorization for Program to Contact Third Parties

The Property Owner explicitly allows the Program to request of any company with which the Property Owner held Policies or FEMA or SBA, any non-public or confidential information needed by the Program to monitor/enforce its interest in the rights assigned to it under the Consent and Release Agreement, and to give the Property Owner's consent to such company to release said information to the Fort Bend County Buyout Program.

Promissory Note

The homeowner must maintain ownership, residency, taxes, and insurance on the new home that was purchased with funds the County provided for housing incentives for a period of three years. If the homeowner was only provided the pre-storm FMV they will not be required to sign this document.

Property After Closing

Following closing, Community Development Department sends copies of closing documents to Fort Bend County Attorney. Upon receipt, Fort Bend County Attorney maintains recorded deed and title policy in program file. The Fort Bend County Attorney submits Order to Commissioners Court to authorize Fort Bend County Road and Bridge Department to be responsible for long-term property maintenance.

Fort Bend County is 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. Fort Bend County will take ownership of the property and is responsible for ensuring the property title is deed restricted remaining public open space in perpetuity. A covenant will be placed on the property being acquired to maintain it as open space.

Additionally, Fort Bend County will execute any required agreements detailing the property maintenance requirements.

The County will provide mowing, tree trimming, weed eating, and debris removal services with County staff or a separate agreement. County maintenance offices work in partnership with the Sheriff's Department and Precinct constables to evaluate the need for security patrol.

Appeals

Grievance Policy/Procedure

Fort Bend County Community Development staff is responsible for responding to complaints and appeals in a timely and professional manner. A grievance and appeals procedure will be afforded to applicants to provide a quick and efficient system for resolution of concerns or disputes that applicants may have with the procedures followed and services provided by Fort Bend County. The appeals procedure will include both an informal and a written grievance process which may include but not be limited to informal hearings, third-party review and director approval. Fort Bend County will keep a record of each complaint or appeal that it receives to include all communications and their resolutions. Complaints alleging violation of fair housing laws will be directed to the U.S. Department of Housing and Urban Development for immediate review (see Grievance and Appeals policy). Complaints regarding fraud, waste, or abuse of government funds will be forwarded to the HUD OIG Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov). If an applicant disagrees with the county's decision, he or she can appeal to the Texas GLO.

Complaints

When a complaint or appeal is received, a representative will respond to the complainant or appellant within fifteen (15) business days where practicable. For expediency, the Fort Bend County Community Development Department staff shall utilize telephone communication as the primary method of contact; however, email and postmarked letters will be used as necessary.

Responsibilities

Fort Bend County will identify staff within Community Development Department tasked with handling all homeowner inquiries.

These staff will be responsible for (1) determining whether or not complaints and appeals relate to the business or authority of Fort Bend County, (2) ensuring that a response to all complaints and appeals are within the appropriate time frame (a response must be provided within 15 working days of the receipt of the complaint), and (3) ushering all complaints and appeals through to a resolution.

Fort Bend County has a Grievance and Appeals policy that addresses handling incoming complaints, including a complaint escalation process in order 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 Fort Bend County 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.

Affirmative Marketing/Fair Housing

Fort Bend County shall ensure that no person shall on the ground of race, color, national origin, religion, sex, sexual orientation, age, familial status, or disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or be denied access to the CDBG Disaster Recovery Program. Marketing will occur and referrals will be accepted through Fort Bend County Community Development Department and the Fort Bend County Office of Emergency Management. The County will also coordinate with Fort Bend Recovers and local non-profit and community-based organizations. Fort Bend County will take additional measures to affirmatively market the CDBG Disaster Recovery Program, as follows:

1. Fort Bend County will make the program accessible to persons who are considered members of a protected class under the Fair Housing Act by holding informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), provide sign language assistance when requested, and provide special assistance for those who are visually impaired when requested.
2. Fort Bend County will make all efforts to communicate, both orally and in writing, in appropriate languages to affected residents.
3. Fort Bend County will provide reasonable accommodations as needed to make the program accessible to people with disabilities.
4. Fort Bend County will retain documentation of all marketing measures used, including copies of all advertisements and announcements that will be available for public viewing upon request.
5. Fort Bend County will use the Fair Housing logo in advertising, post Fair Housing posters and related information, and, in general, inform the public of its rights and obligations under Fair Housing regulations.

Fort Bend County will engage community members in the targeted buyout areas as well as those in potentially impacted, adjacent communities to gather stakeholder input, disseminate important program information, and to answer questions. Fort Bend County will use radio advertisement, newspaper, postings at schools, county offices, and other appropriate media to ensure that residents of the targeted and most vulnerable areas are reached. Fort Bend County will also include door to door canvassing. See Community Engagement and Marketing Plan for further details.

Coordinated Housing Strategy

Fort Bend County's Buyout Program will strive to coordinate with partners across the County and in the Gulf Coast region to mitigate the reduction of housing lost as result of buyouts with complimentary housing production including but not limited to the new construction and rehabilitation of replacement housing in areas of the County that provide access to work, school and social services, as well as proximity to transit. The goals established in other Fort Bend County Disaster Recovery programs will seek to provide an equal or greater amount of new or rehabilitated housing units to offset the number of homes removed from the County's housing stock as a result of the buyout program.

Compliance and Monitoring

Fort Bend County will establish a monitoring/oversight program to ensure that buyout assistance is being provided to eligible owners, for eligible properties, and receiving the proper assistance amounts. The County will also provide oversight to ensure that all properties are being added to the County's maintenance schedule and that all properties are being maintained to standard.

Conflict of Interest

The conflict of interest regulations contained in the contract between the Fort Bend County and the GLO prohibit local elected officials, Fort Bend County employees, and consultants who exercise functions with respect to CDBG-DR Disaster Recovery 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 is able to consider granting an exception to the conflict of interest provision should it be determined by the GLO that Fort Bend County 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. Fort Bend County will not enter into a conflict of interest until justification has been received and approved by the GLO in accordance with applicable procurement laws.

Section 3

Fort Bend County will adhere to all Section 3 requirements and will perform regular monitoring of any required contractors and inter-local partners and their contractors. Fort Bend County will also provide a quarterly report to the GLO for HUD reporting purposes.

Record Retention

The buyout program will adhere to the record retention policies of either Fort Bend County, the State of Texas, or HUD for the use of CDBG-DR funds as required by the grant.

All official records on programs and individual activities shall be maintained for at least three years beyond the closing of the grant between the GLO and HUD. Applicant records will be maintained electronically in the GLO's system of record.

Performance Reviews and Audits

Fort Bend County will make available to the GLO and HUD all records requested for performance reviews and audits for at least five years beyond the closing of the grant. Fort Bend County shall have a single or program specific audit conducted annually in accordance with the applicable federal requirements.

Closeout

Fort Bend County will work to ensure records are complete, that all affordability requirements are adhered to and that the County has performed all subrogation monitoring processes. The County will create project and grant closeout checklists that will be maintained with the project file.

Anti- Fraud and Compliance Policies

Fort Bend County will aggressively investigate all allegations of misconduct, fraud, waste or abuse regarding eligibility and the disbursement of award amounts to applicants. Information in both English and Spanish has been posted on the Fort Bend County website.

Program Contact

Website: <https://www.fortbendcountytexas.gov>

Email: communitydevelopment@fortbendcountytexas.gov

Phone Number: **281-341-4410**

Fort Bend County has the right to change, modify, waive, or revoke all or any part of these guidelines, with the prior written approval of the GLO. The GLO will provide the option for a waiver only after the waiver request has been posted on subrecipient's 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 subrecipient. 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.