



**CDBG-DR Hurricane Harvey
Voluntary Buyout Guidelines**

Jefferson County, Texas
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SECTION 1: GENERAL

1.1 Background

Hurricane Harvey was a Category 4 hurricane that made landfall on Texas and Louisiana in August 2017, causing catastrophic flooding and many deaths. It is tied with 2005's Hurricane Katrina as the costliest tropical cyclone on record, inflicting \$125 billion (2017 USD) in damage, primarily from catastrophic rainfall-triggered flooding in the Houston metropolitan area and Southeast Texas.

In a four-day period, many areas received more than 40 inches (1,000 mm) of rain as the system slowly meandered over eastern Texas and adjacent waters, causing unprecedented flooding. With peak accumulations of 60.58 in (1,539 mm), in Nederland, Texas, Harvey was the wettest tropical cyclone on record in the United States. The resulting floods inundated hundreds of thousands of homes, which displaced more than 30,000 people and prompted more than 17,000 rescues.

Jefferson County estimates that over 80% of its housing units were impacted or severely damaged. Based on FEMA Individual Assistance (FEMA-IA) data over 13,000 households applied for assistance and of those, 643 households fell under the renter category. The total loss to housing according to FEMA-IA was \$45,929,034.46.

The latest NOAA damage estimate from Harvey statewide is \$125 billion. As a result, Congress through HUD (Department of Housing and Urban Development) and GLO (Texas General Land Office) authorized \$5.024 billion in Round 1 of disaster recovery funds for the State of Texas.

Among the eligible activities for those funds, HUD has authorized the use of Voluntary Acquisition programs. Voluntary acquisition programs accomplish the following: (1) reduce the risk to homeowners from the effects of subsequent disasters, (2) assist in the recovery of low- and moderate-income households, and (3) protect taxpayer resources that might otherwise be needed after a disaster in the same area (80FR 72102).

1.2 Buyout Program (General)

Voluntary buyout programs support hazard mitigation, floodplain management goals, and resiliency by removing homeowners from the floodplain to minimize the possibility of future flooding to the home. The Jefferson County voluntary buyout program will not provide incentives to households who return to disaster-impacted floodplains. The SETRPC (South East Texas Regional Planning Commission) Method of Distribution (MOD) finalized August 2018 allocated \$2,651,308.80 to Jefferson County to fund HUD-qualified voluntary buyout projects.

After homes are purchased, the structures are demolished, and the property will follow any of the below requirements:

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.

As this project is a buyout program as defined by HUD and the TX GLO in the State of Texas Plan for Disaster Recovery: Hurricane Harvey- Round 1, it does carry the open space deed requirements post-property acquisition and does require strategic acquisition of contiguous parcels of land for uses compatible with open space, recreational, natural floodplain functions, other ecosystem restoration, or wetlands management.

The purpose of the County's Buyout Program is to assist up to twenty (20) single family owner occupied or non-owner occupied households relocate outside of floodplains or floodways, to assist with moving/relocation expenses and to provide incentives, relocation assistance and down payment assistance to encourage eligible families to relocate to safe, decent and affordable housing in low risk areas of the County.

1.3 National Objective

The Voluntary Buyout Program is structured to meet one of two (2) National Objectives.

LMHI- Low-Moderate Housing Incentive: It will accomplish this by serving qualified residents from lowest-income households first, then continuing up the household income scale until funds are extinguished. It is anticipated that 80% of the funds will be utilized to acquire and assist relocation of qualified Low-Moderate Income households.

LMA- End use of property provides a benefit to an area determined by census data or household income survey to consist of primarily low to moderate income households.

The CDBG-DR Buyout Program will principally provide assistance to those households meeting the LMI objective. When the Property owner does not meet the definition of the LMI Objective, eligibility for assistance will be provided through the Urgent Need Objective.

In determining income, the program will use the most recent signed federal income tax returns (e.g., IRS Forms, 1040, 1040A or 1040EZ).

If one or all household members do not have an IRS tax return, or the income situation has changed since the tax return(s) was filed, any of the following applicable documents must be presented for every household member that is 18 or older:

- Minimum of three current and consecutive months of check stubs (if the household member is paid monthly)
- Minimum of four current and consecutive check stubs (if the household

member is paid weekly, bi-weekly or bi-monthly)

- Pension statement showing current monthly or yearly gross amount
- Social Security statement or IRS Form1099
- Unemployment statement
- Certification of Zero Income Form
- Completed Household Income Worksheet and Certification

Under the disaster recovery federal regulations, HUD has determined that an urgent need exists within the Presidentially Declared counties. An urgent need exists because existing conditions pose serious and immediate threat to health/welfare of community, the existing conditions are recent or recently became urgent (typically within 18 months), and the County or state cannot finance the activities on its own because other funding sources are not available. All Property owners which cannot meet the LMI National Objective will be placed into the Urgent Needs category.

The U.S. Department of Housing and Urban Development has established the requirement that 70% of the aggregate of CDBG-DR funds be utilized for the benefit of the low and moderate-income population in the impacted area. the U.S. Department of Housing and Urban Development has indicated they will only consider a waiver to this requirement if it can be adequately demonstrated that the needs of the low- or moderate-income population within the impacted area have had their needs sufficiently addressed or potentially if the impact is less than 70% low- or moderate-income persons. As a result, the County will prioritize LMI applicants and provide ongoing monitoring to ensure that 70% of the allocation is used benefiting LMI households. If the County determines that the impacted population eligible for acquisition assistance does not have enough LMI households to meet the 70% LMI requirement, the County will seek a waiver from the GLO and provide supporting data with its waiver request.

SECTION 2: ELIGIBILITY AND APPLICATION

2.1 Eligibility Test

Applications must meet following prerequisites in order to be considered for voluntary buyout:

- Structure must be inside a floodplain or floodway,
- Property owner must be able to provide documented proof of impact from Hurricane Harvey at the property,
- Property owner agrees to voluntarily participate,
- Structure must be a Single-Family Owner Occupied or Non-Owner Occupied, including adjacent lot. Residence status will be verified with the Jefferson County Appraisal District and property tax homestead exemption records; and
- Applicant is current on their tax accounts and child support payments; tax account files will be verified with the Jefferson County Appraisal District and child support documentation will be verified with the Texas Department of Health & Human Services to ensure affirmative status.

Applications that meet all the prerequisites will be ranked and prioritized based on the percentage of household income in relation to area median household income. In the event of a tie, the following criteria will be used in individual determinations as suggested in the GLO's

Hurricane Harvey Disaster Recovery Housing Guidelines (updated September 19, 2018):

- 1) Households with members under the age of 18 (minors),
- 2) Female heads of household,
- 3) Elderly & disabled households, and
- 4) Military veterans in the household

Note if the intake process contradicts the Affirmatively Furthering Fair Housing review conducted for this program, further prioritization or outreach may occur.

2.2 LMI Eligibility

Income levels will be established for all homeowners. Although low income homeowners will be given priority, it is not necessary to be low income to qualify for this program. HUD publishes these AMFI levels annually, and eligibility will be based on the most recently published HUD income limits. This program will verify income received by all household members using the Internal Revenue Service (IRS) Form 1040 series method. Documents used in verifying household income must be current as of the date the application is signed.

Income sources include but are not limited to the following:

- Tax Return
- Wages
- Benefits (Social Security, Pension or Retirement, Annuity)
- Self Employed/Business Income
- Rental Income
- Unemployment
- Alimony/Spousal Support/Maintenance
- Other potentially taxable income
- Lump sum or on time potentially taxable receipts (capital gains, lottery winnings etc.)

Method of Verification

IRS Criteria and Definitions

Taxable income is the gross income of an individual or corporation, less any allowable tax deductions. Your taxable income is the amount of your income that is subject to income tax, as defined in the Internal Revenue Code Section 63. Jan 23, 2012.

A household is considered LMI if their income is less than 80% of the area median income. Income eligibility will be determined using Area Median Income (AMI) based on HUD Section 8 Housing Income Limits, adjusted for family size and verified following the GLO's Adjusted Gross Income Methodology. The methodology uses the previous year's filed tax return or tax return transcript for all household members to verify the household's annual income.

FY 2020 Income Limit Area	Median Family Income Explanation	FY 2020 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Beaumont-Port Arthur, TX HUD Metro FMR Area	\$67,500	Very Low (50%) Income Limits (\$) Explanation	23,650	27,000	30,400	33,750	36,450	39,150	41,850	44,550
		Extremely Low Income Limits (\$) * Explanation	14,200	17,240	21,720	26,200	30,680	35,160	39,640	44,120
		Low (80%) Income Limits (\$) Explanation	37,800	43,200	48,600	54,000	58,350	62,650	67,000	71,300

A committee will be formed comprised of County staff and consultants for the purpose of eligibility determinations and case management. Attention will be placed on uniform and consistent documentation materials and criteria used to make determinations.

Determining Household Composition

All persons living in the household are part of the household unless they are specifically excluded.

Included persons:

- Head of household, spouse, or co-head of household
- Dependents
- A dependent is never the head, spouse, or co-head. A dependent is a family member who is under 18 years of age, disabled or a full-time student.
- Prison inmates, if scheduled to be released within 12 months
- Children in joint custody, if in home at least 50% of the time or more
- Military personnel, but only if head, spouse, or co-head. Combat/Hazard pay should not be counted as income
- Temporarily absent family members. Gross income and income from assets of temporarily absent family member must be counted in household income, regardless of the amount of income the absent member contributes to the household.
- If a homeowner is separated from their spouse, the homeowner's application will be used as proof that the estranged spouse is permanently absent from the household.

Excluded persons:

- Live-in aides
- Children of live-in aides
- Foster Children
- Foster Adults

Proof of Ownership

The homeowner must be an individual who owns the home to be demolished or vacant lot(s) in which a home once stood during Hurricane Harvey, that are to be purchased by Jefferson County. Ownership can be documented as follows:

- A valid deed of trust or warranty deed that is recorded in Jefferson County
- Statement of Ownership and Location (for Mobile Home Units)

Lien's on MHU properties - If a homeowner owns a mobile home and there is a lien on the property, your case manager will work with the property owner to ensure that the lien is transferred properly (if one is in place with the mortgage company). The MHU needs to be "perfected" and made a real property showing that is fixed to the lot. The wheels and axel need to be removed, and a statement of location needs to be in place from TDHCA. Once this is done, the lender can transfer the lien from the mobile home to the new property.

Title clearance is a necessary component of any traditional real estate transaction. The County will only purchase properties that have clear title as determined by its procured title company. It is the responsibility of the property owner to assist the title company with obtaining clear title. In some cases, the County predicts that applicants will have to obtain legal assistance from private attorneys or pro-bono legal aid organizations. The cost of these legal services is at the expense of the property owner(s). If an applicant is unable to clear title within a reasonable amount of time, the Buyout Program may determine that they are ineligible for assistance. In these cases, the County will establish the closing deadline at least 90 days in advance and inform the property owner with a documented phone call and certified mailing.

Property Taxes

Homeowner must furnish evidence that property taxes are current, have an approved payment plan, or qualify for an exemption under current laws. Homeowner must prove that property taxes have been paid or that one of the following alternatives have been met:

- The homeowner qualified for and received a tax deferral as allowed under Section 33.06 of the Texas Property Tax Code
- The homeowner has entered a payment plan with the applicable taxing authority.
- Support documentation verifying the tax deferral or tax exemption must be provided by the homeowner. Any homeowner that enters a payment plan must supply a signed copy of the payment plan from the applicable taxing entity along with documentation that they are current on their payment plan.

Duplication of Benefit (DOB) Review

Each homeowner's application will be reviewed to determine if previous funding was appropriately used on the home. The homeowner must have an unmet need to move forward in the program. The County will determine the homeowner's unmet needs first prior to calculating the homeowner's DOB. Homeowner must provide insurance, FEMA, SBA, and any other type of funding documentation for funds that were received. Additionally, the County/Grant Administrator will verify that the submitted data is accurate to the best of their

abilities (e.g. validate against FEMA data).

Using the GLO's DOB Calculation Form, if the prior assistance received exceeds the documented repairs, this calculated amount becomes the DOB amount. The Case Manager will identify any possible Duplication of Benefits and discuss with homeowner.

As part of the Buyout process, homeowners will be required to sign a subrogation agreement. The subrogation agreement will require that the homeowner pay back funds if he/she receives any future disaster assistance for the same reason. Future assistance could include funds from an insurance company if the homeowner is in current litigation and later receives funds from the claim.

Applicants participating in the Program are not eligible to receive an offer if they are involved in litigation or any other process that will change their duplicative benefits. Applicants will sign a subrogation agreement indicating that they will repay any funds they received deemed to be duplicative after their Program real estate closing. To avoid this and the costs involved in the subrogation process, the County will not purchase any homes that are subject to an ongoing insurance settlement case or legal action. The deadline for litigation settlements that could impact duplication of benefits is October 30th, 2020.

Child Support

All homeowners and other members of their household must be current on payments for child support. If any member of the household is not current on child support, that member will be required to enter a payment plan which will be obtained from the Office of Attorney General (OAG). A copy of the payment plan signed by all applicable parties along with documentation demonstrating they are current on their payment plan must be supplied. Each homeowner will be asked to sign an affidavit regarding child support.

Damage assessment

All homes must be assessed to verify that it was damaged, or a hazard is presently caused from the event. A damage assessment report along with pictures will be required for each application. Please refer to the GLO's Damage Assessment Guidelines.

For buyout activities, the homeowner must demonstrate that damage or destruction to the home occurred or a hazard currently exists as the result of the DR-4332 disaster event. All verification methods are subject to Jefferson County approval. Disaster damage can be documented by the following source documentation:

- FEMA, SBA or Insurance award letters

If the above-referenced documentation is not available and/or if a homeowner was denied assistance by FEMA, assistance through the DR-4332 Buyout Program may still be available. Homeowners are not solely ineligible based on a denial by FEMA. Time stamped photos provided by homeowners, neighborhood level media reports, or documentation done by disaster relief organizations may be utilized to determine that the damage was caused by the event. As a last resort, a Damage Assessment complete with photos of the damage and a written assessment of the damage by each photo taken must be performed and conducted by a certified or licensed inspector

(HQS, TREC, or similar license). This inspection must be completed in accordance with GLO's Damage Assessment Guidelines and must be supplied by Jefferson County as the GLO subrecipient that certifies the damage occurred as a result of the event. If proof of event damage is inconclusive, Jefferson County must provide alternative evidence to GLO prior to approval of any assistance.

Environmental Review

An environmental review must be performed on the property prior to federal funds being committed by Jefferson County (24 CFR Parts 50, 58, 574, 582, 583, and 970). No commitment or disbursement of funds will occur prior to the completion of this review. The environmental review should document compliance with 24 CFR Part 58 and all related laws, authorities and executive orders. The CDBG-DR Program will not reconstruct or rehabilitate homes that have been determined to be in the floodway. Specific instructions concerning environmental requirements will be made available to all recipients, sub-recipients, or Contractors. CDBG disaster grant funding from HUD is contingent on compliance with the National Environmental Policy Act (NEPA) and related environmental and historic preservation legislation and executive orders. Accordingly, environmental review activities will be carried out for site contamination and demolition control and documented prior to commitment of funds.

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

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

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

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

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

Applicants will also need to complete the 58.6 checklist for the desired buyout property. This consists of questions regarding: National Flood Insurance Program participation, Coastal Barrier Improvement Act compliance, and Runway Clear Zones compliance.

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

Flood Insurance Verification/Requirements

Flood Disaster Protection Act of 1973 as amended 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.

Project Closeout/Affordability Monitoring Requirements

Approved projects will require affordability note monitoring if the homeowner receives housing Incentive through the DR-4332 Acquisition Program. For activities that include housing Incentives, Jefferson County will set a budget to accommodate the necessary work to perform the monitoring requirements under the Unsecured Forgivable Promissory Note for three (3) years. To ensure compliance with the requirements of the 13.09 executed with the homeowner,

the County will perform an annual check to confirm all promissory note commitments are in place. through the term of the 13.09. Insurance notice of default will be documented and followed up on as they are received by the County. Jefferson County will use the GLO Monitoring Process.

Closing Activities

Once all eligibility requirements have been met and final approval has been received from GLO, the title company will schedule a meeting between the homeowner and a representative from Jefferson County to sign closing paperwork on the Buyout property. The Case Manager will also be present to help with any questions that the County or homeowner may have. Homeowners will be required to sign all closing documents provided by the title company and a list of homeowner responsibilities will be provided (such as maintaining insurance on replacement property and staying current on taxes). If the homeowner chooses to accept relocation assistance, a separate closing may need to be scheduled for the purchase of the replacement property.

Homeowner Eligibility Requirements Summary

- Income Eligibility
- Proof of Ownership
- Principle Residency
- Property Taxes
- Duplication of Benefits
- Child Support
- Damage Assessment
- Environmental Review
- Flood Insurance Verification
- Project Closeout/Monitoring

2.3 Eligibility Review and Appeals

The County's Grant Administrator is responsible for eligibility determinations and case management. Attention will be placed on uniform and consistent documentation materials and criteria used to make determinations. The County staff will serve as final review and approval.

A property owner may also appeal the Pre-Storm Fair Market Value (FMV) appraisal of their property. If they choose this option, a second appraisal can be conducted if paid for by the homeowner and conducted in accordance with USPAP standards by an independent objective licensed certified appraiser with no connections nor affiliations with interested parties. The results of these 2 appraisals will be averaged to formulate the FMV portion of the buyout offer.

When a complaint is received, the County will respond to the complainant or appellant within fifteen (15) business days. The County will follow its internal procedure for handling complaints, per its Citizen Participation Plan.

The County will keep a record of each complaint or appeal that it receives along with all communications and their resolutions.

2.4 False Claims Disclaimer

False claims by applicant/homeowners are strictly prohibited. Application, qualification, and voluntary authorization documents signed by homeowner/applicant will carry the following warning disclaimer: "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."

SECTION 3: BUYOUT OFFER, INCENTIVES, CLOSING

3 Current Fair Market Value (CFMV)

The initial basis for buyout funds to seller is the Pre-Storm Fair Market Value (FMV) of their property. Appraisal methodology for this CDBG-DR buyout project will be pre-storm fair market value of parcel (structure, land/lot, fee simple, highest best use assumption, comparable sales approach). The results of the FMV appraisal will constitute the base offer.

Once the FMV investigation is complete, a formal Verification of Disaster Benefits Received form is completed and reviewed, then forwarded to the Case Manager. Funds received from other sources which are determined a DOB are deducted from the structure's FMV unless the Property Owner can demonstrate, through receipts, that the funds received have already been expended on eligible costs. It is the responsibility of the owner to maintain receipts. Inspectors will not be procured to estimate the cost of post-disaster improvements. The resulting value cannot exceed the applicable program cap. DOBs cannot be used to decrease an award to lower than the property's land value. Below is an example award calculation:

Offer Example 1:

Structure value	\$50,000.00
Land value	\$20,000.00
FMV	\$70,000.00
Homeowners Insurance	-\$5,000.00
Flood Insurance (NFIP)	-
FEMA Repair Grant	\$20,000.00
Other Govt' Sources	\$0.00
Other Non-Govt' Sources	\$0.00
Sum of Duplicating Benefits ("DOBs")	\$25,000.00
Eligible Receipts for Repair	\$10,000.00
Eligible Receipts for Temporary Housing	\$3,000.00
Sum of DOB "Offsets"	\$13,000.00
Final Offer (Award Amount)	\$58,000.00

(Cannot exceed current structure value)

(Cannot exceed sum of DOBs)

(Current FMV minus Sum of DOBs plus Sum of Offsets)

Offer & Incentive Example 2 (Affixed Home):

Structure value	\$60,000.00
Land value	\$20,000.00
FMV	\$80,000.00
Homeowners Insurance	-\$5,000.00
Flood Insurance (NFIP)	\$0.00
FEMA Repair Grant	\$0.00
Other Govt' Sources	\$0.00
Other Non-Govt' Sources	\$0.00
Sum of Duplicating Benefits ("DOBs")	-\$5,000.00
Eligible Receipts for Repair	\$8,000.00
Eligible Receipts for Temporary Housing	\$0.00
Sum of DOB "Offsets"	\$5,000.00
Final Offer (Award Amount)	\$80,000.00
Optional Moving Assistance	\$5,000.00
Replacement Property Total Cost	\$95,000.00
Resettlement Incentive	\$35,000.00
Total Compensation to LMI Applicant	\$120,000.00

(Cannot exceed current structure value)

(Cannot exceed sum of DOBs)

(Current FMV minus Sum of DOBs plus Sum of Offsets)

(Automatically paid to owner-occupants)

(Cost of Replacement Property minus Final Offer of Acquisition Property)

(Sum of Acquisition, Moving Assistance, and Resettlement Incen

3.1 Duplication of Benefits

Duplication of Benefits (DOB) as defined by federal agencies are strictly prohibited. Due to the buyout project framework, utilizing current Fair Market Value (FMV), most Duplication of Benefits will not be applicable. Each homeowner's application will be reviewed to determine if previous funding was appropriately used on the home. The homeowner must have an unmet need to move forward in the program. Jefferson County will determine the homeowner's unmet needs first prior to calculating the homeowner's DOB. Homeowner must provide insurance, FEMA, SBA, and any other type of funding documentation for funds that were received. Additionally, the County/Grant Administrator will verify that the submitted data is accurate to the best of their abilities (e.g. validate against FEMA data).

Using the GLO's DOB Calculation Form, if the prior assistance received exceeds the documented repairs, this calculated amount becomes the DOB amount. The Case Manager will identify any possible Duplication of Benefits and discuss with homeowner.

As part of the Buyout process, homeowners will be required to sign a subrogation agreement. The subrogation agreement will require that the homeowner pay back funds if he/she receives any future disaster assistance for the same reason. Future assistance could include funds from an insurance company if the homeowner is in current litigation and later receives funds from the claim.

3.2 Timeliness of Application Notice & Status

An announcement will be posted and circulated announcing that applications are being accepted beginning October 1, 2020 and that the deadline for applications is 12/31/2020, establishing an application period of 90 days. After the initial 90- day period, all applications that have been submitted will be reviewed for completeness and basic eligibility. From the list of applicants initially assessed to be potentially eligible, a follow-up correspondence will be made to request any additional information needed for secondary eligibility determination. Property owners will have 30 days to submit all necessary information. At the end of the 30- day period, all applicants who have submitted all required information and remain eligible will be ranked in descending order from lowest income to highest income. The appraisal process will be initiated for a wave of approximately 5 to 10 applicants beginning with those properties with the lowest incomes and continuing down the list. Additional waves will be initiated until the funds are extinguished so that 100% of the funds will be utilized. Property owners will be contacted with an update on the status of their application within 30 days of each milestone/deadline.

Date	Action
8/28/2020	Program Guidelines Posted for Public Comment
9/28/2020	Program Guideline Public Comment Period Closed
10/1/2020	Open of application intake
12/31/2020	Close of application intake
3/1/2021	Proposed Date for Initiation of Offers

8/1/2021	Proposed date of Offer Acceptance Deadline
9/1/2021	Proposed Date of Closing Deadline
12/1/2021	Proposed Date for Demolition Deadline
1/1/2022	Proposed Date for Housing Incentive Deadlines
2/01/2022	Proposed Date to Have all End Uses Completed
02/15/2022	Completion of all Activities and Final Reports Submitted

These dates are estimates and subject to change.

3.3 Housing Incentives

Subrecipients may use the Low to Moderate Housing Incentive (LMHI) to resettle households who were affected. Housing incentives are usually offered to encourage households to relocate to a more suitable environment, including an area promoted by the community's comprehensive recovery plan and may be in addition to acquisition or buyout awards. Housing incentives will only apply to participants that are relocating within current County.

The purpose of offering additional housing incentives is to assist certain applicants to obtain Decent Safe Sanitary Housing (DSSH) options in safer, more disaster-resilient areas. A Needs Assessment Methodology will be utilized for each qualified applicant file to determine the minimum necessary funding in order to obtain DSSH.

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

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

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

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

HUD guidance stipulates that CDBG funds should be last in the hierarchy of recovery funds made available to beneficiaries. From Federal Register Notice Vol. 76 No. 221:

Since CDBG disaster recovery provides long-term recovery assistance via supplemental congressional appropriations and falls lower in the hierarchy of delivery than FEMA or SBA assistance, it is intended to supplement rather than supplant these sources of assistance.

The County's Program, which is intended to purchase real property that is vulnerable to future severe weather events and increase regional housing resiliency, is required to develop a needs assessment methodology that ensures CDBG-DR assistance is the last assistance provided to the beneficiary related to Hurricane Harvey. Any funds provided to the applicant after their CDBG-DR buyout award is paid may be subject to recapture.

The County will determine each applicant's unmet need through the following process:

An appraisal will determine the fair market value of the property. The total need of each applicant is equivalent to the appraisal value. The County will then determine what assistance the applicant has already received as a benefit towards the property that has not been utilized for its intended purpose. Examples include NFIP claim disbursements or FEMA grants that were intended for property repair but were not utilized for property repair. These unused monies reduce the applicant need for resettlement and are deducted from the total need. This methodology is further described in Offer Calculation Methodology. The remaining total need after the deductions represent the unmet need. The intent of Jefferson County's Buyout Program is to determine each applicant's unmet need and deliver the total unmet need to them at a real estate closing in exchange for title to the subject property.

Allowable Expenditures:

The following expenditures are allowable under the Acquisition Program:

- The closing costs associated with processing the transaction, recording fees, transfer taxes, documentary stamps, evidence of title, boundary surveys, legal descriptions of the real property and similar expenses incidental to convey the real property to the County
- Penalty costs and other charges for prepayment of any preexisting recorded mortgage.
- The pro-rated portion of any prepaid real property taxes which are allocable to the period after the County obtains title to the property or effective possession of it, whichever is earlier.

*Costs for obtaining clear title to the property are NOT allowed.

Additional Assistance

Project Type	Acquisition/ Buyout••
Base Unit	Fair Market Value (Post-Disaster)
Relocation Assistance	Up to \$5,000 for temporary moving and relocation costs
	\$35,000 for a lot or newly constructed home**** Up to \$10,000 for an existing home****
Down Payment	Up to 100% of the Required Amount Up to \$35,000
Acquisition Incentives	Up to \$35,000****

Source: Texas General Land Office (GLO); Hurricane Harvey, Disaster Recovery, Housing Guidelines; Sept 19, 2018; pages 22-23

******Buyout Incentives:** The purpose of the incentive is to encourage maximum participation by property owners and remove as many properties as possible from high-risk areas. Incentive payments should assist the household with necessary funds to buy an existing home or construct a home on a newly purchased lot, as applicable. Incentives are only allowable if the post-disaster fair market value is used to purchase the home. An acquisition incentive is not available for properties that served as second homes. A second home is not the primary residence of the owner, a tenant, or any occupant at the time of the storm or at the time of application for assistance. Subrecipients and the state may provide relocation assistance outside of buyout activities, as necessary. Subrecipients and the state must document how the assistance will be determined and issued to applicants when determining final eligibility assistance costs. The vacant land limit is set at \$35,000. Although this is the cap, it is not the floor; the actual lot cost should not exceed the standard single lot size in the community.

Source: Texas General Land Office (GLO); Hurricane Harvey, Disaster Recovery, Housing Guidelines; Sept 19, 2018; page 23

Ultimate proceeds paid to seller of qualified eligible acquisition property will be comprised of the following subtotals:

- 1) Current Fair Market Value (FMV) as determined by licensed real estate appraiser
- 2) Uniform Relocation Assistance benefits deemed eligible
 - a. Relocation assistance will not exceed \$35,000 for purchase of a lot or newly constructed home, or \$10,000 for an existing home.
 - b. This is a voluntary program so no involuntary displacement will occur. As only primary properties will be included in the program, there is no risk of renters and non-owner occupants being involuntarily displaced.
- 3) Temporary Relocation Assistance benefits deemed eligible
 - a. Temporary relocation assistance will not exceed \$5,000.
- 4) Qualified Down Payment Assistance benefits

In order to qualify for Down Payment Assistance Benefits, the following must apply:

- a. Purchase a lot or are using a pre-owned lot located outside of a floodplain or to a lower- risk area within the subrecipient’s jurisdiction for construction of a new home

- (a construction date must be provided), or the applicant purchased a newly constructed or existing home located outside of floodplain or a lower-risk area in the community where assistance as provided.
- b. Purchased homes must be considered decent, safe, and sanitary (DSSH).
 - c. The funding must be used within 60 days.
 - d. The amount of assistance is based on the determined need of the applicant but will not exceed amount determined by the GLO.
 - e. Eligible properties must fit in the following categories:
 - i. Single family property (detached and attached 1-4 units)
 - ii. Condominium unit
 - iii. Cooperative unit
 - iv. Modular home/manufactured home
 - v. Vacant land

All costs for initial appraisal and closing will be paid by the project. Curative title issues will be the seller's responsibility to resolve but may be paid out of closing proceeds. Referrals to local legal aid services will provided for applicants with clouded titles or curative title issues.

For residents of Port Arthur, the City of Port Arthur has obtained a HUD approved a waiver to allow homeownership assistance to be provided to households earning up to 120 percent of the area median income and down payment assistance for up to 100 percent of the amount required. "While homeownership assistance may be provided to households with up to 120 percent of the area median income, only those funds used to serve households with up to 80 percent of the area median income may qualify as meeting the low- and moderate-income person benefit National Objective.

3.4 Environmental Requirements

All sites will undergo a thorough environmental evaluation that approximately coincides with the timing of the initial appraisal. The environmental evaluation will be reviewed and approved by the GLO before an offer can be extended to the homeowner.

Lead-based paint and asbestos inspections will be conducted. No negative impacts to endangered species will occur as a result of this project and the US Fish and Wildlife Service (US FWS) will be consulted as to all project activities. US Department of Agriculture (USDA)-designated Prime Farmland will not be negatively impacted. Archaeological sites and historic structures will not be disturbed, and the State Historic Preservation Office (SHPO) will be consulted for verification. No hazardous materials will be disturbed and released into the environment over the course of this project. No wetlands will be negatively impacted and all necessary environmental permits will be obtained for project operations. All new buildings will be required to be built at a minimum of 2 feet above Base Flood Elevation (BFE). No new construction of residential structures will occur in a FEMA- designated floodway. Green building standards will be adhered to and green building practices will be employed. All relevant environmental laws and regulations will be followed.

3.5 Offer and Closing Process

Following the completion of the Current Fair Market Value (CFMV) appraisal and the calculation of additional housing assistance incentives the homeowner qualifies for, an offer to acquire

property will be extended to the homeowner. If owner accepts, a sales agreement will be executed and documents sent to title company for deed research, issuance of title insurance policy, parcel boundary survey, and closing document preparation. Once closing date is set or negotiated, property owner will be given notice to vacate, instruction on utilities disconnection, and referrals for assistance with moving, etc. Advance payment of relocation assistance may be available for qualified applicants. Down payment assistance funds shall sit in escrow and shall be distributed to the proper agency upon relocation. Once closing is complete, demolition will begin within 45 days of assignment to the demolition contractors. The entire structure, including discarded or abandoned items, will be removed from the property and disposed of at an approved disposal site.

3.6 Residential Anti-Displacement and Relocation Assistance Plan (RARAP)

This program is a voluntary buyout program so there will be no involuntary displacement, unless there is a tenant occupied unit. Project management will provide general programmatic guidance. Additional support can be provided by Lone Star Legal Aid of Southeast Texas and the Jefferson County Office of Disaster Assistance, among other resources potentially available. Owner Occupied applicants will receive benefits outlined in the guidelines, although tenants will follow URA guidelines below:

US Department of Housing and Urban Development (HUD) regulations at 24 CFR 42.325 and 570.440(1), use of Community Development Block Grant Disaster Recovery (CDBG-DR) funds will minimize adverse impacts on persons of low and moderate-income persons. The purpose of this Residential Anti-displacement and Relocation Assistance Plan (RARAP) is to provide guidance on complying with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), (Pub. L 91-645, 42 U.S.C. 4601 et seq) and section 104(d) of the HCD Act (42 U.S.C. 5304(d))(Section 104(d)). The implementing regulations for the URA are at 49 CFR part 24. The regulations for section 104(d) are at 24 CFR part 42, subpart C.

The requirements of sections 204 and 205 of the URA, and 49 CFR 24.2(a)(6)(vii), 24.2(a)(6)(ix), and 24.402(b) are waived to the extent necessary to permit a grantee to meet all or a portion of a grantee's replacement housing payment obligation to a displaced tenant by offering rental housing through a tenant based rental assistance (TBRA) housing program subsidy (e.g., Section 8 rental voucher or certificate), provided that comparable replacement dwellings are made available to the tenant in accordance with 49 CFR 24.204(a) where the owner is willing to participate in the TBRA program, and the period of authorized assistance is at least 42 months.

One-for-one replacement requirements at section 104(d)(2)(A)(i) and (ii) and (d)(3) of the HCD Act and 24 CFR 42.375 are waived in connection with funds allocated under this notice for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation. Also, The relocation assistance requirements at section 104(d)(2)(A) of the HCD Act and 24 CFR 42.350 are waived to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24, as modified by this notice, for activities related to disaster recovery.

The County has determined that the following homes which apply would not trigger one-for-one replacement:

1. Substandard dwellings that cannot be brought into compliance with housing rehabilitation standards and/or applicable state and local code requirements shall be deemed not suitable for rehabilitation, as determined by the program and consistent with program guidelines. The determination may be established based on the calculation that the cost of rehabilitation exceeds 75% of the market value of the property or that the property is deemed a blighted structure consistent with state or local ordinance; in which case the property would be a candidate for demolition and/or reconstruction and not subject to one-for one replacement.

OR

2. A “blighted structure” is any structure unfit for use, habitation, or dangerous to persons or other property. In addition, a structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a risk to human health, safety, and public welfare. This includes structures showing evidence of physical decay or neglect, or lack of maintenance. Characteristics may also include any nuisance conditions including but not limited to: Any “Nuisance” as defined by law, or (a) Any residential property that poses a public nuisance, which may be detrimental to the health or safety whether in a building, on the premises of a building, or upon an unoccupied lot. This includes, but is not limited to: abandoned wells, shafts, basements, excavations, unclean swimming pools or spas, abandoned iceboxes, refrigerators, motor vehicles, and any structurally unsound fences or structures, lumber, trash, fences, or debris which may prove a hazard for inquisitive minors; (b) Unsanitary conditions or anything offensive to the senses or dangerous to health including, but not limited to, the emission of odors, sewage, human waste, liquids, gases, dust, smoke, vibration or noise, or whatever may render air, food, or drink detrimental to the health of human beings; (c) Physical conditions such as, but not limited to, old, dilapidated, abandoned: scrap or metal, paper, building materials and equipment, bottles, glass, appliances, furniture, rags, rubber, motor vehicles, and parts thereof; or (d) Physical conditions posing fire hazards, (e) Physical conditions posing a hazard such as but not limited to dead or damaged trees.

OR

3. Residential properties that have experienced repetitive losses under FEMA’s National Flood Insurance Program (NFIP).

For Structures that do not fall under the criteria above, one-for one replacement will be trigger and these homes will be reported to the GLO for tracking of replacement housing.

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

template for the GIN is attached in the Appendix.

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

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

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

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

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

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

Determining Cost of Comparable Replacement Dwelling (49 CFR 24.403(a)). The upper limit of a replacement housing payment shall be based on the cost of a comparable replacement dwelling (49 CFR 24.2(a)(6)). If available, at least three comparable replacement dwellings shall be examined (including

internal and external inspection) to ensure that the replacement dwelling is decent, safe and sanitary as defined at 49 CFR 24.2(a)(8). The upper limit of the replacement housing payment shall be established on the basis of the cost for the comparable replacement dwelling that is most representative of, and equal to, or better than, the displacement dwelling.

1. For purposes of establishing the payment limit, comparable replacement dwellings shall, to the extent feasible, be selected within the County.

2. A copy of Form HUD-40061, Selection of Most Representative Comparable Replacement Dwelling for Purposes of Computing a Replacement Housing Payment, is included as Appendix 12. The form is optional; however, if the form is not used, other reasonable documentation will be maintained. NOTE: When selecting the most representative comparable replacement dwelling for a person with disabilities, reasonable accommodation is to be determined on a case-by-case basis.

3. The County may limit the amount of replacement housing payment to the amount required to obtain a comparable replacement dwelling only if it gives a timely written notice (referral) of such comparable replacement dwelling. If the County fails to offer a comparable replacement dwelling before the person enters into a lease or purchase agreement for, and occupies, a decent, safe and sanitary replacement dwelling, HUD may require the replacement housing payment be based on the cost of such decent, safe and sanitary replacement dwelling, or take such other corrective action as may be deemed necessary to mitigate (to the extent possible) the adverse consequences of the deficiency. Inspection of Replacement Dwelling (49 CFR 24.403(b)). Before making a replacement housing payment or releasing a payment from escrow, the County or its designated representative shall make a thorough internal and external inspection of the replacement dwelling to determine whether it is decent, safe and sanitary (as defined at 49 CFR 24.2(a)(8)). A copy of the inspection report should be included with the pertinent claim form in the County's files. (See also Chapter 6, Paragraph 6-2C.1(h).) NOTE: The definition of "decent, safe and sanitary" provides that replacement units will contain the accessibility features needed by displaced persons with disabilities.

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

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

(i) The monthly rent and estimated average monthly cost of utilities for a comparable replacement dwelling; or

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

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

(i) The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement, as determined by the Agency (for an owner-occupant, use the fair market rent for the displacement dwelling. For a tenant who paid little or no rent for the displacement dwelling, use the fair market rent, unless its use would result in a hardship because of the person's income or other circumstances);

(ii) Thirty (30) percent of the displaced person's average monthly gross household income if the

amount is classified as “low income” by the U.S. Department of Housing and Urban Development's Annual Survey of Income Limits for the Public Housing and Section 8 Programs 4. The base monthly rental shall be established solely on the criteria in paragraph (b)(2)(i) of this section for persons with income exceeding the survey's “low income” limits, for persons refusing to provide appropriate evidence of income, and for persons who are dependents. A full time student or resident of an institution may be assumed to be a dependent, unless the person demonstrates otherwise; or,

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

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

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

(1) On a case-by-case basis, for good cause, which means that appropriate consideration has been given to:

- (i) The availability of comparable replacement housing in the program or project area;**
- (ii) The resources available to provide comparable replacement housing; and**
- (iii) The individual circumstances of the displaced person, or**

(2) By a determination that:

- (i) There is little, if any, comparable replacement housing available to displaced persons within an entire program or project area; and, therefore, last resort housing assistance is necessary for the area as a whole;**
- (ii) A program or project cannot be advanced to completion in a timely manner without last resort housing assistance; and**

(iii) The method selected for providing last resort housing assistance is cost effective, considering all elements, which contribute to total program or project costs.

Documentation. Any claim for a relocation payment shall be supported by such documentation as may be reasonably required to support expenses incurred, such as bills, certified prices, appraisals, or other evidence of such expenses. A displaced person will be provided reasonable assistance necessary to complete and file any required claim for payment.

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

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

(d)Time for filing.

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

(i) For tenants, the date of displacement.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

displacement mobile home); or, the cost of the County's selected comparable mobile home less the County's estimate of the salvage or trade-in value for the mobile home from which the person is displaced.

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

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

(d) Owner-occupant not displaced from the mobile home. If the County determines that a mobile home is personal property and may be relocated to a comparable replacement site, but the owner-occupant elects not to do so, the owner is not entitled to a replacement housing payment for the purchase of a replacement mobile home. However, the owner is eligible for moving costs described at § 24.301 and any replacement housing payment for the purchase or rental of a comparable site as described in this section or § 24.503 as applicable.

In some cases, renters of participating properties may be paying little to no rent, posing a challenge for relocation assistance. In those cases, the County will offer pay for moving costs and offer relocation assistance for the gap between the estimated fair market rent of the displacement unit and the monthly cost of a replacement unit outside of the floodplain.

SECTION 4: PROGRAM ADMINISTRATION

4.1 Affirmative Marketing & Fair Housing

The 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. The Jefferson 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. The 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. The County will engage community members to gather stakeholder input, disseminate important program information, and to answer questions.

4.2 Public Outreach & Targeted Communities

The goal of Jefferson County is to ensure that outreach and communication efforts reach eligible survivors from all racial, ethnic, national origin, religious, familial status, the

disabled, “special needs,” and gender groups. Emphasis will be focused on successful outreach to LMI areas and those communities with minority concentrations that were affected by the disaster. Outreach efforts may include:

- Door-to-door canvassing and special outreach efforts to hard-to-reach populations (e.g., seniors, and persons with severe disabilities who either do not have information about the resources available or are unable to apply for resources).
- Advertise with the local media outlets, including newspapers and broadcast media, that provide unique access for persons who are considered members of a protected class under the Fair Housing Act;
- Flyers in utility and tax bills advertising the Program;
- Reach out to public or non-profit organizations and hold/attend community meetings;
- Other forms of outreach tailored to reaching the eligible population, including door-to-door outreach, and on the weekends, if necessary;
- Measures will be taken to 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), providing sign language assistance when requested, and providing special assistance for those who are visually impaired when requested.
- Applications and forms will be offered in English and other languages prevailing in the region in accordance with Title VI of the Civil Rights Act of 1964, including persons with disabilities (24 CFR 8.6), Limited English Proficiency (LEP), and other fair housing and civil rights requirements such as the effective communication requirements under the Americans with Disabilities Act. Every effort will be made to assist such applicants in the application process.
- Case managers will help navigate and inform survivors who may qualify for acquisition and Acquisition of their damaged unit to remove them from flood hazards, environmental hazards, and other unsafe conditions while meeting AFFH obligations.
- Documentation of all marketing measures used, including copies of all advertisements and announcements, will be retained and made available to the public upon request.
- Subrecipients and the state will be required to use the Fair Housing logo in Program advertising, post Fair Housing posters and related information and, in general, inform the public of its

rights under Fair Housing regulations law.

- The County will coordinate with HUD-certified housing counseling organizations to ensure that information and services are made available to both renters and homeowners. Additional information for each grantee is available here: <https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?weblistaction=summary>

4.3 Communication Strategies for Persons with Special Needs

Program administrators will maintain bilingual capabilities in order to adequately communicate to non-native English-speaking applicants and will provide sign language assistance & assistance for those who are visually impaired when requested. All print & written materials will align with the GLO's guidelines for communications with persons with special needs in accordance with Title VI of the Civil Rights Act of 1964, including persons with disabilities (24 CFR 8.6), Limited English Proficiency (LEP), and other fair housing and civil rights requirements such as the effective communication requirements under the Americans with Disabilities Act. All print & written materials will be available in multiple languages. Every effort will be made to assist such property owners in the application process. In addition, community engagement & informational events will include bilingual staff. The State of Texas Emergency Assistance Registry (STEAR) will be reviewed for potential targeted outreach.

4.4 Record Keeping

The County will fully comply with all record-keeping and reporting requirements including but not limited to:

- 1) Record-keeping: records will be maintained and on file electronically for a minimum of 3 years beyond the closing of the grant between the GLO and HUD. All projects, program activity files, and applicant information received will be maintained within the GLO's system of record.
- 2) Applicant data: applicant data will be maintained in a private file bound by federal Privacy Act rules and standards regarding disclosure of personal and sensitive information, as well as entered into the TIGR system. Generated monthly reports will be submitted to the GLO for review. Applicant data kept on file will include but is not limited to: household income at the time of assistance, the household income as a percentage of area median income, the race/ethnicity/gender of the head of the household, the household's familial status, and any disabilities or veterans in the household.
- 3) Section 3 reporting; the project will comply with all Section 3 requirements including but not limited to affirmative placement of qualified individuals from low-to-moderate income households and county residents seeking job placements. A Section 3 Plan will be created and continue to be updated throughout the program process. Quarterly reports will be filed in the GLO grant management system of record.

4.5 Conflict of Interest

Conflicts of interest are defined as local elected officials, County employees, contractors, and consultants who exercise functions with respect to CDBG-DR activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities 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. Conflicts of interest are strictly prohibited in this program. Conflict of Interest Questionnaires (CIQs) and A503 forms will be completed and maintained on file for all parties with existing or potential conflicts of interest.

4.6 Applicant Data

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

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

4.7 Audit Requirements

A mandatory single audit which complies with all county, state, and local requirements will be performed by an independent accountant at the end of each fiscal year. This audit will be maintained on file in compliance with record-keeping procedures set forth above.

4.8 Closeout Procedures

Following completion of project scope of work, invoices payments and reimbursements, closeout procedures will begin. The first step will be an internal audit, records inventory, and review of project financials. All data, records, and accounts will be reviewed and reconciled. The next step will be the packaging and summation of projects, including records structure for external audit and digital back-ups. The next step will be to request GLO and closeout procedures, including the delivery of any requested records, files or documents. Once all data requests are satisfied and final closeout is authorized by the GLO, the grant award contract will be closed by executing parties. Following the grant closeout with the County and the GLO, all records will be retained for three (3) years following the date in which the Hurricane Harvey grant is closed out between the GLO and HUD.

4.9 Citizen Comments

Citizen comments and complaints should be directed to vballou@gmjinc.com or County Judge.

The project manager will handle all homeowner inquiries and complaints, and a timely written response will be provided to every citizen comment. The response will be provided within 15 working days of the receipt of the comment. 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](mailto:hotline@hudoig.gov)).

Documentation for each complaint will be maintained. Each file will include contact information for the complainant, the initial complaint, the property address, any communications to and from complainant, 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.

Definitions

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

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

Affirmative Further Fair Housing: The County desires to ensure that the program meets the requirements of the Affirmatively Furthering Fair Housing Final Rule to provide all residents of the County an opportunity to improve their living environments within the program parameters as established by GLO. To that end, the County has examined areas of concentration or people of racial and ethnic status for inclusion within the program and adopted the Fair Housing Marketing Plan to provide additional outreach to ensure eligibility for participation.

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

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

Area Median Income (AMI): Calculated annual limits based on HUD-estimated median family income with adjustments based on family size used for demonstrating LMI beneficiaries in the programs. May also be referred to Area Median Family Income (AMFI) in other program documents.

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

Community Development Block Grant (CDBG): A federal program administered by the US Department of Housing & Urban Development (HUD) which provides grant funds to local and state governments. The CDBG program works to ensure decent affordable housing, to provide services

to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses.

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

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

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

Disaster Risk Reduction Area: An area identified as meeting the following conditions as declared by Resolution of the Commissioners Court:

1. An area containing a hazard caused or exacerbated by the Presidentially declared disaster for which the grantee received its CDBG-DR allocation;
2. The hazard must be a predictable environmental threat to the safety and well-being of Program beneficiaries, as evidenced by the best available data and science; and
3. The Disaster Risk Reduction Area must be clearly delineated so that HUD and the public may easily determine which properties are located within the Disaster Risk Reduction Area.
4. In carrying out acquisition activities, the subrecipient must ensure they are in compliance with their long-term redevelopment plans.

Documented Impact (DI): Documented Impact from Hurricane Harvey includes copies of Flood Insurance Claim Adjustor Report and Claim Payment Summary, FEMA Damage Assessment, FEMA Individual Assistance Emergency Home Repair payments, and geo-referenced/time-stamped photos. As all potential participants are required to provide documented proof of impact, this captures the tie back to the storm requirement as stated in the GLO's Acquisition and Acquisition Program Guidelines Checklist.

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

or from insurance or any other source.

Elderly Family:

1. Families of two or more persons, the head of which (or his or her spouse) is 62 years of age or older;
2. The surviving member or members of a family described in paragraph (1) living in a unit assisted under 24 CFR part 891, subpart E (Section 202 loans) with the deceased member of the family at the time of his or her death;
3. A single person who is 62 years of age or older; or
4. Two or more elderly persons living together, or one or more such persons living with another person who is determined by HUD, based upon a licensed physician's certificate provided by the family, to be essential to their care or well-being. [24 CFR 891.505]

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

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

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

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

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

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

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

Floodplain: FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area. • "100-year floodplain" - the geographical area defined by FEMA as having a one percent chance of being inundated by a flooding event in any given year. • "500-year floodplain" - the geographical area

defined by FEMA as having a 0.2 percent change of being inundated by a flooding event in any given year.

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

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

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

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

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

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

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

Slum and Blight: "Blighted area" and "slum" mean an area in which at least seventy per cent of the parcels are blighted parcels and those blighted parcels substantially impair or arrest the sound growth of the state or a political subdivision of the state, retard the provision of housing accommodations, constitute an economic or social liability, or are a menace to the public health, safety, morals, or welfare in their present condition and use.

Subrogation: The process by which duplicative assistance paid to the Property owner after receiving an award are remitted to the Program in order to rectify a duplication of benefit.

Substantial Damage: Occurs when a property sustains damages that equal or exceed 50 percent of its Fair Market Value (FMV) prior to the event, as determined by a local authorized official (e.g., a code officer) and is sent a Substantial Damage Letter, or if the ECR/AA value (minus elevation and bulkheads costs) meets or exceeds 50 percent of the Program cap.

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

Urgent Need National Objective: An urgent need that exists because conditions pose serious and immediate threat to the health or welfare of the community; the existing conditions are recent or recently became urgent; and the subrecipient cannot finance the activities on its own because other funding sources are not available. Subrecipients or the state must document how each program and/or activity funded under this category responds to a disaster-related impact. See 24 CFR 570.208(c).