



City of Vidor, TX

City of Vidor Hurricane Harvey CDBG-DR Buyout Program

Funded by the U.S. Department of Housing and Urban Development through its
Community Development Block Grant-Disaster Recovery Program

INTRODUCTION

The City of Vidor, Texas was inundated with historic flash and riverine flooding on August 25, 2017, as a result severe rainfall and flood conditions caused by Hurricane Harvey. As a result, a Major Disaster Declaration was declared on August 25, 2017 (DR-4332). Orange County, Texas was designated as a Most-Impacted County.

In response to Hurricane Harvey, the United States Congress allocated disaster recovery funding to the U.S. Department of Housing and Urban Development (HUD). HUD distributed Community Development Block Grant Disaster Recovery (CDBG-DR) funds to the State of Texas to be administered through the Texas General Land Office. Through a Method of Distribution (MOD) analysis developed by the Southeast Texas Regional Planning Commission (SETRPC), the City of Vidor received an allocation of \$2,572,057 for a Buyout Program. SETRPC MOD estimated an impacted population of 4,898 persons, representing approximately 45% of the City's total population. The total reported Real Property FEMA Verified Loss for the City of Vidor totaled over \$18 million and impacted approximately 3,000 structures.

The City of Vidor Hurricane Harvey CDBG-DR Buyout Program ("Buyout Program") is operated by the City of Vidor to assist owners whose homes were damaged by Hurricane Harvey to relocate outside of the floodplain. Buyout programs support hazard mitigation, and resiliency by removing homeowners from the floodway and floodplain, thus eliminating vulnerability to future flooding situations. After homes are purchased, the structures are demolished or relocated. The land reverts to a natural floodplain, converts into a retention area, or is retained as green space for recreational purposes. The buyout program serves multiple objectives and provides a resiliency option versus rebuilding within a floodplain. Buyouts help prevent repetitive loss and extreme risk to human health and safety. When conducted sooner rather than later, buyouts prevent homeowners from making repairs and investing funds in properties that they then may not want to sell. The objectives of the program are:

1. Acquire properties that have been subject to Hurricane Harvey to use for public space, green space, and/or flood control measures;
2. Assist homeowners to move to an area with a reduced risk of flooding;
3. Return properties in the floodplain to natural and beneficial function, aiding in the storage of floodwaters;
4. Eliminate future flood damages and health and safety risks for owners and rescuers;
5. Reduce repetitive subsidized flood insurance payments and federal disaster assistance;
6. Assist in the recovery of low to moderate income households;
7. Protect taxpayer resources that might otherwise be needed after disaster in the same area.

The program will focus on providing relief and assistance to owners of properties that are located in a floodway or floodplain. Priority will be given to households living in a structure with a history of severe repetitive loss. In accordance with the Program Objectives of the GLO's Housing Guidelines, priority will also be given to households in which members are under the age of 18, female heads of household, elderly and disabled households, and/or Veteran populations. All program activities will seek to affirmatively further fair housing (AFFH). In the event the applications do not coincide with AFFH requirements further prioritization may take place.

City of Vidor has established that in order to be eligible for a buyout the home or property must be located in either a floodplain or floodway. Having a home located in a floodplain or floodway is a predictable

environmental threat to the safety and well-being of program beneficiaries as evidenced by the best available data and science. The City will seek to assist homeowners that are currently located in the floodplain and floodway to relocate to an area that is less prone to flooding and disaster.

A Disaster Risk Reduction Area may be established at a later time to aid homeowners located in disaster prone areas that are not in a designated floodplain or floodway if funding allows.

Property May NOT Be Redeveloped

City of Vidor may not redevelop property acquired through the Buyout Program. Property will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices, or other purposes allowed by HUD and accepted by the GLO. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the acquisition or relocation program other than:

- a public facility that is open at all sides and functionally related to a designated open space (e.g. a park, campground, or outdoor recreation area);
- a restroom;
- 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.
- A land use restriction covenant will be placed on the land to restrict use to the above eligible activities, to include open space in perpetuity.

Maximum Assistance Amount

The City of Vidor will use Community Development Block Grant Disaster Recovery (CDBG-DR) funds from the U.S. Department of Housing and Urban Development (HUD) through the Texas General Land Office for the buyout of approximately 20 properties, of which no less than 70 percent will be owned by low- and moderate income (LMI) households. The maximum amount of CDBG-DR funding available for any single buyout will be capped at the FHA Mortgage Limit for Orange County. According to the 2012 – 2016 ACS the median single-family housing value in Orange County is \$331,760.00 (2020 FHA Mortgage Limits for Orange County from <https://entp.hud.gov/idapp/html/hicost1.cfm>. Mortgage maximums as of Monday February 10, 2020). Using CDBG-DR funds, the program provides property owners up to the pre-disaster fair market value of their home and may also include an incentive payment to encourage relocation to an area of reduced flood risk. The purchase price is set at pre-storm fair market value due to significant decrease in home values in the areas due to damage caused by the disasters.

DEFINITIONS

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

The subrecipients have the flexibility to hold any property purchased through acquisition as undeveloped green space in perpetuity or to redevelop it in a resilient manner.

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

Affirmative Fair Housing Marketing Plan (AFHMP) – A document used to help subrecipients offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability https://www.hud.gov/program_offices/administration/hudclips/handbooks/fheo/80251. 1 (24 CFR Part 200, Subpart M). Implementing Affirmative Fair Housing Marketing Requirements Handbook (8025.1) can be obtained from HUD's website.

Affirmatively Furthering Fair Housing (AFFH) – A legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act. HUD's AFFH rule provides an effective planning approach to aid program participants in taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. The HUD AFFH assessment tool and final rule can be found here: https://www.huduser.gov/portal/affht_pt.html.

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

Area Median Family Income (AMFI) – Calculated limits based on HUD-estimated median family income with adjustments based on family size. May also be referred to Area Median Income (AMI) in other program documents.

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

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

Demolition Builder Assignments – A qualified pool of demolition contractors, if proposed through the Request for Proposal (RFP) process, developed by subrecipients or the GLO. They must also meet state and federal procurement requirements and possess controls that will ensure demolition that meets the standards of the CDBG-DR Housing Program.

Buyout – Purchase of an eligible property at the fair market value of the land and structures with the intent to reduce risk from future flooding or to reduce risk from future hazard. Buyouts are properties within defined Disaster Reduction Risk Areas (DRRA), determined 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. Buyout-only is typically not considered a complete activity in the Program and may be combined with another eligible activity (i.e., relocation assistance and new construction of housing).

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

Damage Assessment – An inspection of the housing unit to document damage from the event. The assessment by a certified or licensed inspector (HQS, TREC, or similar license) is required to specifically and clearly document storm-related property damage via photographic evidence and detailed narratives (see the GLO’s Damage Assessment Guidelines, found at: <http://recovery.texas.gov/>). Damage assessments must include final cost of repair estimates according to local code, an assessment of the cost-effectiveness of each recommended activity (rehabilitation, reconstruction, or new construction), mold remediation, and assistance needed to bring the home up to code at completion.

Davis-Bacon Act of 1931 (40 USC Part 3141 et seq.) and Related Acts – All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this chapter shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. This applies to the rehabilitation and reconstruction of residential property only if such property contains not less than 8 units.
<https://www.hudexchange.info/resources/documents/Housing-and-Community-Development-Act-1974.pdf>

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

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

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

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

Event – The Presidentially declared Hurricane Harvey, and subsequent flooding, disaster event.

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

Federal Emergency Management Agency (FEMA)-Designated High-Risk Area – Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in 100-year flood

zones. These areas will be identified during the environmental review process for each participating jurisdiction.

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

Flood Disaster Protection Act of 1973 and Sec. 582(a) of the National Flood Insurance Reform Act of 1994 – Compliance with the legal requirements of Section 582(a) mandates that HUD flood disaster assistance that is made available in Special Flood Hazard Areas (SFHAs) may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement or restoration for flood damage to any personal, residential or commercial property if: (1) the person had previously received federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and (2) that person failed to obtain and maintain flood insurance as required under applicable federal law on such property.

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

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

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

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

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

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

Grantee – An eligible community (entitlement or non-entitlement) or entity that is approved to receive and/or administer an allocation of CDBG-DR funds.

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

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

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

Household – A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two (2) or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the low- to moderate- income (LMI) objective is based on the LMI of households.

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

Housing and Urban Development Act of 1968, Section 3 – Requires City of Vidor to ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing Federal, State, and Local laws and regulations, to low and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32.

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

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

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

Low to Moderate Housing (LMH) National Objective – Any activity that involves the buyout, acquisition, or rehabilitation of property to provide housing or improve permanent residential structures will upon completion benefit and must be occupied by low- and moderate-income households (42 U.S.C. 5305(c)(3)). Income eligibility will be determined using Area Median Income (AMI), adjusted for family size and verified in accordance with GLO's Adjusted Gross Income Methodology. The most current income

limits, published annually by HUD, shall be used by the subrecipient or the state to verify the income eligibility of each household applying for assistance at the time assistance is provided.

Low to Moderate Housing Incentive (LMHI) National Objectives – LMHI benefits are used for a housing incentive award, tied to the voluntary buyout or other voluntary acquisition of housing owned by a qualifying LMI household, for the purpose of moving outside of the affected floodplain or to a lower risk area; or when the housing incentive is for the purpose of providing or improving residential structures that, upon completion, will be occupied by an LMI household.

Low- to Moderate- Income (LMI) National Objective – Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with GLO's Adjusted Gross Income Methodology. The most current income limits, published annually by HUD, shall be used by City of Vidor to verify the income eligibility of each household applying for assistance at the time assistance is provided.

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

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

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

Modular Housing – A home built in sections in a factory to meet state, local, or regional building codes. Once assembled, the modular unit becomes permanently fixed to one site.

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

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

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

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

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

Program Design – The selection and development of programs and activities based on a Needs Assessment. The Program Design must include the type of housing activities that will be offered by City of Vidor, as well as how the Program will be marketed, how Fair Housing Objectives will be achieved, and how funding will be prioritized as determined through a Needs Assessment.

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

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

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

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

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

Slum and Blight National Objective – Activities which help to eliminate slum and blighted conditions. (Use of this National Objective is limited due to its inability to contribute towards the overall requirement for 70% LMI to benefit low- to moderate- income beneficiaries.)

Slum and Blight activities must meet the criteria of one of the three following categories:

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

Subrecipient – Cities, Counties, Indian Tribes, local governmental agencies (including COGs), private non-profits (including faith-based organizations), or a for-profit entity authorized under 24 CFR 570.201(o). The definition of Subrecipient does not include procured contractors providing supplies, equipment,

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

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

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

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

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 existing conditions pose serious and immediate threat to health/welfare of community, the existing conditions are recent or recently became urgent and the county cannot finance the activities on its own because other funding sources are not available. City of Vidor must document how each program and/or activity funded under this category responds to a disaster related impact. See 24 CFR 570.208(c).

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

VOLUNTARY BUYOUT PROGRAM DESIGN

National Objective

All activities under the Buyout Program must meet one of the following National Objectives:

- **LMI** – Benefit Low- to Moderate- Income persons;
- **LMB** – Benefitting Low to Moderate Income persons where the award amount is greater than their post-disaster fair market value;
- **LMHI** – Low to Moderate Housing Incentive - assisted with a housing incentive tied to the voluntary buyout of housing owned by the qualifying LMI household for the purpose of moving outside of the affected floodplain or to a lower-risk area; and

- **Urgent Need** – Meet a need having a particular urgency.

The Buyout Program will principally provide assistance to those households meeting the LMI objective. At least 70% of funds must be used by homeowners meeting the Low-to-Moderate Income person criteria. All Property owners which cannot meet the LMI National Objective will be placed into the Urgent Needs category. No more than 30% of funds can be used to meet this National Objective.

2019 HUD Income Limits:

FY 2019 Income Limit Area	Median Family Income	FY 2019 Income Limit Category	Persons in Family							
	Explanation		1	2	3	4	5	6	7	8
Beaumont-Port Arthur, TX HUD Metro FMR Area	\$65,200	Very Low (50%) Income Limits (\$) Explanation	22,850	26,100	29,350	32,600	35,250	37,850	40,450	43,050
		Extremely Low Income Limits (\$) * Explanation	13,700	16,910	21,330	25,750	30,170	34,590	39,010	43,050*
		Low (80%) Income Limits (\$) Explanation	36,550	41,750	46,950	52,150	56,350	60,500	64,700	68,850

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 sub-grantee or state cannot finance the activities on its own because other funding sources are not available.

One critical component of a buyout program is taking measures to limit the checkerboard effect that buyout programs can sometimes have on a neighborhood. To help limit the checkerboarding effect, the City of Vidor will include an Urgent Need activity in parallel with the LMI activity. The Urgent Need buyout activity will follow the same guidelines as the LMI activity.

Per the alternative requirements of the Federal Register notice, the City of Vidor need not issue formal certification statements to qualify an activity as meeting the Urgent Need national objective. The City will document how the activity funded under the Urgent Need national objective responds to a disaster-related impact.

Timeline

Date	Action
June 18, 2020	Program Guidelines Posted for Public Comment
July 20, 2020	Program Guideline Public Comment Period Closed
<i>TBD – Upon final GLO approval of Guidelines</i>	Open of application intake
<i>(60 days later)</i>	Close of application intake

January 2021	Proposed Date for Initiation of Offers
April 2021	Proposed Date of Offer Acceptance Deadline
August 2021	Proposed Date of Closing Deadline
November 2021	Proposed Date for Demolition Deadline
January 2022	Proposed Date for Housing Incentive Deadlines

Contiguous Tracts of Land for Open Space and Vacant Parcels

The City will implement several policies designed to increase its ability to buy contiguous tracts of land that will be reserved as open space in perpetuity. The policies are designed to reduce the amount of “checkerboarding” or “patchwork implementation” that may result from an entity’s refusal to acquire subdivided lots that don’t contain a dwelling unit or any improvement values.

- Plots of land where a structure once stood at the time of Hurricane Harvey are eligible for a buyout and do not need to be contiguous to an eligible Property.

Voluntary

Homes and adjacent vacant lots purchased by City of Vidor under the Buyout Program will be voluntary. There will be no threat or use of eminent domain and the program will meet requirements set forth in 49 CFR 24.101(b). However, City of Vidor will require that the homeowner relocate to an area outside of a floodplain or floodway.

The goal of the Buyout Program is not to merely pay homeowners to leave their existing homes. The program is designed to help homeowners relocate to another home in a lower risk area.

To be considered a Voluntary Buyout the following conditions must be met:

- Transactions with no threat or use of eminent domain and meet requirements set forth in 49 CFR 24.101(b)(1) as follows:
 - No specific site or property needs to be acquired, although City of Vidor may limit its search for alternative sites to a general geographic area.
 - The property to be acquired is not part of an intended, planned, or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits.
 - City of Vidor will not acquire the property, if negotiations fail to result in an amicable agreement and the owner is so informed in writing.
 - City of Vidor will inform the owner in writing of what it believes to be the market value of the property.

Buyout Program Process:

1. Homeowner will complete an application to determine eligibility. Part of this process includes:
 - Title Search to be completed by title company.

- If there are any issues with presenting clear title the homeowner will be given an opportunity to clear these issues at his/her own expense. The homeowner may seek assistance from the title company that completed the search or from legal aid of their choice.
 - Survey may be required by title company before closing.
2. The City of Vidor will perform the required 24 CFR Part 58 environmental requirements associated with the property which is being submitted by the applicant.
 3. City of Vidor will procure a professional appraiser to complete a real estate analysis based on comparative properties. The final buyout offer will be based on the Sales Comparison Approach using the pre-disaster Fair Market Value as determined by the professional appraiser.
 4. The homeowner will have the right to determine the value of the property by hiring an appraiser to conduct their own assessment if they do not agree with the amount offered. If accepted, City of Vidor will update the offer and submit the offer to the owner.
 5. The participating homeowner must remove all personal property from the residence prior to the day of closing. The City will provide a notice to vacate, utility disconnection requirements, what will happen to abandoned items, and other applicable resources to the applicant to assist in the move.
 6. Closing documents – Homeowner must sign the agreement for sale document and a limited subrogation agreement document. If the homeowner receives duplicative funds in the future, (eg. Insurance payments that are currently in litigation) they will be required to pay back funds.
 7. If the homeowner qualifies for a Relocation Incentive and/or Down Payment Assistance, the funds are provided once confirmation of relocation is received (closing statement of new home or property) by City of Vidor. While it is advisable that the homeowner already have a new property lined up to purchase before closing with the City on Buyout Property, it is not required. However, any such incentive and/or assistance must be expended within the contract period with the GLO and the City of Vidor.
 8. City of Vidor will require that property title acquired by the City is deed restricted/covenanted and remains public, open space in perpetuity, as necessary for a buyout program as described above.

Disposal of Storm Damaged Property

Once the homeowner has purchased a lot or home as result of a buyout, the homeowner's storm damaged property will be demolished. The program should complete the demolition of the home within 45 days of vacancy. The cost of the demolition will be a charge to the program. The land will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, floodplain or wetlands

management practices. The City of Vidor will maintain the land in the event it is converted into open space or other allowable end use. There are options for disposing of the property including converting the land to green space or leasing the property to adjacent property owners or other parties in return for a maintenance agreement.

Property Eligibility Requirements for Buyout

Homeowners who own a property in a City of Vidor Buyout Interest Area may be eligible to receive buyout assistance and will be prioritized to receive assistance. For the property to qualify for the buyout program the property must meet the following requirements:

1. Located in the City of Vidor jurisdiction;
2. Located in one of the designated buyout interest areas or is a Severe Repetitive Loss property;
3. Have been damaged by Hurricane Harvey;
4. Must be an eligible property type;
5. The property must be located in a mapped floodplain and/or subject to repetitive flooding.

Eligible Structure Types

Eligible properties must be a residential dwelling structure or vacant lot in which a structure once stood during the storm. A dwelling structure is defined as a residential space that is a place of permanent habitation for a person or family that contains a living room, kitchen area, sleeping area, and bathroom(s). Any ancillary or other structures located on the property will also be included in the buyout. The City of Vidor intends to acquire vacant and abandoned residential structures as well as vacant property so that it may maximize the effectiveness of the buyout program.

- Single Family Home
- Modular Home/Manufactured Home
- Vacant Lots in which a structure once stood during the time of the storm.

The buyout program will acquire properties from owners who agree to voluntarily participate in the program. However, some of the structure types listed above may include occupants that are not the owner and who will be required to move from the unit involuntarily. Since these occupants may be displaced, the City of Vidor will follow the URA requirements, as amended by the applicable Federal Register Notices for each disaster allocation. Vacant lots in which a structure once stood during the event are also eligible for buyout assistance and may prove essential to meeting the objectives of the Program by preventing further residential development in the buyout target area.

Property Type

Property is the land and improvements listed on the title or appraisal district record as published on Orange County Appraisal District's website at <https://www.orangecad.net> on which the owner-occupant unit is located.

The following types of ownership are ineligible for assistance under this program:

1. Applicants who lost ownership of their home due to foreclosure, properties with outstanding suits, judgments and tax liens that would jeopardize ownership may be ineligible for assistance.

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

Buyout Interest Areas

To be identified as a buyout interest area, it must be in a repetitive flood area- where dwelling structures have sustained multiple flood-related damages, with one of the occasions being damages resulting from Hurricane Harvey. To identify the buyout interest areas, current effective floodplain data was used to analyze the City; however, in some areas better data was available. The City will retain documentation for each property bought out through the buyout program, indicating the location of the properties in each of the Buyout Interest Areas.

The City of Vidor identified two buyout interest areas in the Buyout Program Application approved by GLO. The City identified two high flood risk area with history of repetitive flood losses: one is located within a FEMA High Risk Area and Census 2000 Poverty Concentrated Area in the West Circuit Drive area; a second high flood risk area is located in the Melrose Street area next to Vidor High School. The City of Vidor has previously conducted buyout activities in these areas and this Buyout Program will further enable to City to buyout contiguous properties in order to limit or eliminate the “checkerboarding” effect.

The prioritization of the buyout areas will be evaluated periodically as future grant funds and other funding sources become available. The suitability of buyout areas will be evaluated considering the availability of funds, the requirements of the available funding sources, and the ability to accomplish the City’s recovery goals.

Severe Repetitive Loss Properties

In addition to buying out properties in Buyout Interest Areas, the City of Vidor may buyout Severe Repetitive Loss (SRL) properties located in the floodplain. A Severe Repetitive Loss designation applies to any NFIP-insured property after 1978, regardless of ownership, meeting at least one of the following paid flood loss criteria:

- Four or more separate claim payments where each of the payments is greater than \$5,000 (including building and contents payments); or
- Two or more separate claim payments (building payments only) where the total payments exceed the current value of the property.

In either case, two of the claim payments must have occurred within 10 years of each other. Losses occurring at the same location within 10 days of each other count as one loss. The loss history includes all owners of the property since 1978 or from the building’s construction, if it was built after 1978.

City of Vidor Buyout Program Housing Assistance Caps

Type of Assistance	Relocate Outside Floodplain/ Within City of Vidor	Relocate Outside Floodplain/ Outside City of Vidor
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Purchase of Damaged Home <i>*Subject to Orange County FHA Mortgage Limit and calculation of Duplication of Benefits</i>	Pre-Disaster Fair Market Value	Pre-Disaster Fair Market Value
Down Payment Assistance		
Down Payment Assistance	Up to 100% of the required Down Payment not to exceed \$35,000.00	Up to 100% of the required Down Payment not to exceed \$35,000.00
Relocation Incentives		
Buyout Incentives	Up to \$35,000.00	Not available

In addition to being paid Fair Market Value for Buyout Property, a homeowner may receive one Down Payment Assistance and one Relocation Incentive amount. Relocation Incentives are funds needed to purchase a home such as inspections, appraisals, surveys, insurance, closing costs, moving and storage expenses etc. Homeowners must provide statements or invoices to prove funds are needed.

Additional Allowable Expenditures

The following expenditures are allowable under the Buyout 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 City of Vidor.
- Penalty costs and other charges for prepayment of any preexisting recorded mortgage.
- The pro rata portion of any prepaid real property taxes which are allocable to the period after City of Vidor 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 Recovery Relief

In addition to buying a homeowner's primary residence that is prone to disaster, City of Vidor will offer additional relief to aid in recovery. A buyout program that merely pays homeowners to leave their existing homes is not sufficient. Additional funds have been set aside to assist homeowners with obtaining homes in areas less likely to flood. However, it is not a compensation program. This program is designed to help homeowners to recover rather than enrich.

These funds will be available as either Down Payment Assistance and/or Relocation Incentives. Since the replacement home can't be located in the floodplain, floodway, or Disaster Recovery Area, flood insurance will not be required, but regular homeowner insurance must be maintained. To qualify for assistance, purchased homes must be considered safe, decent, sanitary housing.

Down Payment Assistance

To encourage participation in the buyout program without making applicants worse off financially, the City of Vidor will offer down payment and closing cost assistance to applicants who need gap financing for the purchase of a replacement home. This assistance will cover up to 100 percent of down payment and closing costs for the purchase of a replacement home up to \$35,000.00.

Eligible properties for down payment assistance include:

- Single family houses
- Modular home/Manufactured home

Relocation Incentives

Relocation Incentives would be other funding needed to purchase a replacement lot or home. These expenditures would include items such as inspections, appraisals, surveys, insurance, closing costs, etc. The following requirements must be met to qualify for the Relocation Incentive:

- Homeowner purchased or will use a pre-owned lot located outside of the floodplain, floodway, or Disaster Reduction Area (if designated) for construction of a new home. A construction date must be provided.
- Homeowner purchased an existing home located outside of the floodplain or floodway.
- Purchased homes must be considered decent, safe, and sanitary.
- The funding must be used within an established timeframe (e.g. sixty (60) days).
- Relocation must be within the corporate limits of the City of Vidor.
- Relocation funding must not exceed \$35,000.00.

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

Buyout Applicants with Negative Equity on Mortgage

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

Buyout Applicants with Reverse Mortgage

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

Buyout Applicants in Foreclosure

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

Contract for Deed/Land Leases/Mobile Homes

Properties where there is a different owner of the land than the owner of the dwelling unit(s), such as in Contracts for Deed, long-term land leases, and often with mobile homes, may be assisted through the buyout program only if the property owner converts the contract to full ownership. Any persons displaced by such conversion will be provided replacement housing assistance following applicable URA requirements. The City of Vidor reserves the right to review each application on a case-by-case basis to determine the appropriate assistance amount.

GENERAL BUYOUT PROGRAM REQUIREMENTS

Needs Assessment Methodology

The City of Vidor's Buyout 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 City Of Vidor 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 City of Vidor 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. The remaining total need after the deductions represent the unmet need. The intent of the City's 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.

Environmental

Properties located where federal assistance is not permitted are ineligible for assistance. Properties must be in compliance with Environmental Code 24 CFR Part 58. Specific instructions concerning environmental requirements will be made available to all recipients, sub-recipients, or Contractors.

CDBG disaster grant funding from HUD is contingent on compliance with the National Environmental Policy Act (NEPA) and related environmental and historic preservation legislation and executive orders. Accordingly, environmental review activities will be carried out for site contamination and demolition control and documented prior to commitment of funds.

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

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

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

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

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

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.

Proof of Event Damage

For buyout activities, the homeowner must demonstrate that the damage or destruction to the home occurred by the event. All verification methods must be consistent and are subject to City of Vidor approval.

The City is obligated to only offer CDBG-DR housing assistance to properties affected by Hurricane Harvey. HUD requires that all projects funded by this allocation be related to direct or indirect storm impact. From the February 2018 Federal Register notice:

a. Clarification of disaster-related activities. All CDBG-DR funded activities must clearly address an impact of the disaster for which funding was allocated. Given standard CDBG requirements, this means each activity must: (1) Be a CDBG-eligible activity (or be eligible under a waiver or alternative requirement in this notice); (2) meet a national objective; and (3) address a direct or indirect impact from the major disaster in a Presidentially-declared county.

Method of Verification

Disaster damage can be documented by the following source documentation:

- Photographs of property damage
- FEMA assistance
- Homeowners insurance claims
- Flood insurance claims
- Adjuster reports
- SBA documentation

Alternate Method of Verification

- If the above-referenced documentation is not available and/or if a homeowner was denied assistance by FEMA, assistance through the 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 City of Vidor as the GLO subrecipient that certifies the damage occurred as a result of the event.

- If proof of event damage is inconclusive, City of Vidor must provide alternative evidence to GLO prior to approval of any assistance.

Timeliness of Application Status

City of Vidor will ensure timely communication of application status to homeowners who have applied for disaster recovery assistance. A Case Manager will be assigned to each applicant and will be responsible for contacting the applicant by phone to provide status updates. In the event that the applicant cannot be reached by phone, an email or letter will be sent. A written correspondence will always be sent by mail to inform the applicant of their final application determination. Applicants may call or email their Case Manager to inquire about their application status. Phone numbers and email addresses will be provided once a complete application has been received and a Case Manager has been assigned.

Affirmatively Furthering Fair Housing (AFFH) Review

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

The City of Vidor is committed to affirmatively furthering Fair Housing. The City has selected areas impacted by the storm that have been designated as target buyout areas (see map at the end of Guidelines). The total allocation available to the City may be insufficient to purchase homes from every interested property owner in the target areas. The goal of Affirmatively Furthering Fair Housing rule is to provide additional opportunities areas where racial and ethnic minorities may benefit from Federal, state and local resources that may not have been historically available.

One condition placed on the City of Vidor during a GLO AFFH review of the intended Buyout program was: The City should maintain a free-standing participant log with all applicants with the amount of the award in each area (buyout, relocation assistance and Homebuyer Assistance), and, where possible, the race or ethnicity of the applicant (since this is generally voluntary information, if it is not obtainable, that should be indicated) for each applicant whether awarded or not. Personally Identifiable Information should not be included (social security numbers, driver's license information or mortgage information) as it is not relevant for this review. A log of this nature will expedite the review for GLO monitors or outside parties to ensure the program is in keeping with the goals of the Affirmatively Furthering Fair Housing Final Rule.

The City of Vidor will be responsible for the development of this list and, prior to awards being made, the City will analyze the list to ensure that the applicants involved, where possible in the buyout target area,

are in conformance, at a minimum, to the overall population demographics of the City. In the event that there are not sufficient racial and/or ethnic minorities on the application list or participating in the program, the City will provide additional outreach within the target areas or provide certification that every property owner in the target has been contacted at a personal level and has chosen not to participate.

In the event that the racial and ethnic participation cannot be achieved within the 70% LMI program requirements, the incomes of those who do not meet the LMI requirement will be included in the list maintained by the City and added as an exhibit to the certification.

The City will provide a Fair Housing Complaint web link to the Texas Workforce Commission Civil Rights Division and/or HUD.

Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA)

Pursuant to HUD and other federal guidelines, the City is required to comply with Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). HUD describes the objective of the URA as follows:

- (1) to provide uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects;
- (2) to ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement;
- (3) to ensure that no individual or family is displaced unless decent, safe and sanitary housing is available within the displaced person's financial means;
- (4) to help improve the housing conditions of displaced persons living in substandard housing; and
- (5) to encourage and expedite acquisition by agreement and without coercion.

The buyout program being implemented by the City will not displace any owner-occupants, as the program is voluntary in nature. However, rental properties are eligible for buyout assistance and any tenants residing in the rental properties may be considered displaced persons by the City's buyout activities. The City has developed an Anti-Displacement and Relocation Plan which will be followed to ensure the equitable treatments of tenants displaced by buyout activities.

Anti-Displacement and Relocation Plan

In accordance with the Housing and Community Development Act of 1974, as amended, (HCDA), and 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.

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. Lastly, 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.

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 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 City stating that the property is ineligible for participation in the buyout program because of tenant ineligibility for HUD assistance.

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

Notice of Non-displacement

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

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

Notice of Relocation Eligibility (NOE) (49 CFR 24.203(b))

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

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

Determining Cost of Comparable Replacement Dwelling (49 CFR 24.403(a))

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

1. For purposes of establishing the payment limit, comparable replacement dwellings shall, to the extent feasible, be selected within the City.
2. A copy of Form HUD-40061, Selection of Most Representative Comparable Replacement Dwelling for Purposes of Computing a Replacement Housing Payment, is included as Appendix 12. The form is optional; however, if the form is not used, other reasonable documentation will be maintained. NOTE: When selecting the most representative comparable replacement dwelling for a person with disabilities, reasonable accommodation is to be determined on a case-by-case basis.
3. The City may limit the amount of replacement housing payment to the amount required to obtain a comparable replacement dwelling only if it gives a timely written notice (referral) of such comparable replacement dwelling. If the City fails to offer a comparable replacement dwelling before the person enters into a lease or purchase agreement for, and occupies, a decent, safe and sanitary replacement dwelling, HUD may require the replacement housing payment be based on the cost of such decent, safe and sanitary replacement dwelling, or take such other corrective action as may be deemed necessary to mitigate (to the extent possible) the adverse consequences of the deficiency.

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

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

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

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

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

- (i) The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement, as determined by the Agency (for an owner-occupant, use the fair market rent for the displacement dwelling. For a tenant who paid little or no rent for the displacement dwelling, use the fair market rent, unless its use would result in a hardship because of the person's income or other circumstances);
- (ii) Thirty (30) percent of the displaced person's average monthly gross household income if the amount is classified as "low income" by the U.S. Department of Housing and Urban Development's Annual Survey of Income Limits for the Public Housing and Section 8 Programs 4. The base monthly rental shall be established solely on the criteria in paragraph (b)(2)(i) of this section for persons with income exceeding the survey's "low income" limits, for persons refusing to provide appropriate evidence of income, and for persons who are dependents. A full-time student or resident of an institution may be assumed to be a dependent, unless the person demonstrates otherwise; or,

Documentation

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

Expeditious payments

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

Advanced payments

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

Notice of denial of claim

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

Mobile homes

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

Moves from a mobile home

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

- (1) Commercial move - moves performed by a professional mover.
- (2) Self-move - moves that may be performed by the displaced person in one or a combination of the following methods:
 - (i) Fixed Residential Moving Cost Schedule. (Described in § 24.302.)
 - (ii) Actual cost move. Supported by receipted bills for labor and equipment. Hourly labor rates should not exceed the cost paid by a commercial mover. Equipment rental fees should be based on the actual cost of renting the equipment but not exceed the cost paid by a commercial mover.

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

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

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

- (i) The initiation of negotiations to acquire the mobile home, if the person owned the mobile home and the mobile home is real property;
- (ii) The initiation of negotiations to acquire the mobile home site if the mobile home is personal property, but the person owns the mobile home site; or
- (iii) The date of the City's written notification to the owner-occupant that the owner is determined to be displaced from the mobile home as described in paragraphs (a)(3)(i) through (iv) of this section.

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

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

- (i) Is not, and cannot economically be made decent, safe, and sanitary;
- (ii) Cannot be relocated without substantial damage or unreasonable cost;
- (iii) Cannot be relocated because there is no available comparable replacement site; or
- (iv) Cannot be relocated because it does not meet mobile home park entrance requirements.

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

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

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

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

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

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

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

Reporting Requirements

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

Section 3

Compliance with Section 3 is required by 24 CFR Part 135 and the executed contract between the City of Vidor and the GLO. City of Vidor is subject to the GLO's Section 3 Policy.

Applicant Data

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

- Applicant's household income.
- 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 that is Elderly (age 65 or older).
- 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.

Records Retention

Compliance will be maintained in accordance with the reporting requirements under the GLO's CDBG-DR Program. All official records on programs and individual activities shall be maintained for a 3-year period beyond the closing of a grant between the City of Vidor and the GLO. Applicant records may be maintained electronically. The City will use the approved electronic record management system utilizing the GLO's

Activity File Checklist. All projects, program activity files, and applicant information received will be maintained within the GLO's system of record.

Procurement Requirements

City of Vidor will maintain adequate documentation to show that the procurement process was carried out in an open, fair, uniform, and thorough manner to ensure that federal (2 CFR 200.318-200.326) and state procurement requirements were met. These records must include, but are not limited to, the following information:

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

During the procurement process, City of Vidor will clearly identify any items included in the bid/purchase that are not included in the CDBG-DR contract. City of Vidor may utilize HUD's CDBG-DR and Procurement guidance.

City of Vidor will procure goods and services using the federal procurement and contract requirements outlined in 2 CFR 200.318 – 200.326. These procurement requirements must be followed for reimbursement from grant allocations of CDBG-DR funds provided by the U.S. Department of Housing and Urban Development (HUD). City of Vidor is also required to follow state and local procurement laws and policies as prescribed by 2 CFR 200.318(a) as well as the additional requirements stated in 2 CFR Part 200.

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

Conflict of Interest

The conflict of interest regulations contained in the contract between City of Vidor and the GLO prohibit local elected officials, City of Vidor employees, and consultants who exercise functions with respect to CDBG-DR activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, from receiving any benefit from the activity either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.

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

The GLO is able to consider granting an exception to the conflict of interest provision should it be determined by the GLO that City of Vidor has adequately and publicly addressed all of the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and the effective and efficient administration

of the program. City of Vidor should not enter into a conflict of interest until justification has been received and approved by the GLO in accordance with applicable procurement laws.

Complaint/Appeal Process

General Policy

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

When a complaint or appeal is received, a representative will respond to the complainant or appellant within fifteen (15) business days where practicable. For expediency, City of Vidor will utilize telephone communication as the primary method of contact. However, email and postmarked letters will be used as necessary.

Responsibilities

City of Vidor will identify staff (or a third-party consultant) to handle all homeowner inquiries regarding buyouts. These staff will:

- 1) Determine whether or not complaints and appeals relate to the business or authority of the City.
- 2) Ensure that a response to all complaints and appeals are within the appropriate time frame. Response must be provided within 15 working days of the receipt of the complaint.
- 3) Usher all complaints and appeals through to a resolution.

City of Vidor has developed an internal procedure for handling incoming complaints, including a complaint escalation process in order to ensure that complaints are handled at the earliest stage in the process.

Documentation

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

- Contact information for homeowner;
- Initial complaint;
- Address and GLO assigned project number (if applicable);
- Any communications to and from claimant or appellant;
- Results of the investigation, together with any notes, letters, or other investigative documentation;
- The date the complaint or appeal was closed;
- Any other action taken.

Audit Requirements

Since City of Vidor will receive funds which exceed the thresholds set in 2 CFR § 200.501, Audit Requirements, the City will have a single or program specific audit conducted in accordance with the applicable federal requirements.

Changes, Waivers, and/or Conflicts

City of Vidor has the right to change, modify, waive, or revoke all or any part of these guidelines, with the prior written approval of the GLO. Waivers to the requirements in these Guidelines can only be approved by the GLO and must be provided in writing. The GLO will provide the option for a waiver, only after the posting of the waiver request on the City's website for a public comment period of at least seven (7) days. The waiver request must demonstrate why the housing guidelines are not practicable for City of Vidor.

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

HOMEOWNER ELIGIBILITY REQUIREMENTS

Case Management

Applicants are likely to need support throughout the process. Applicants may have suffered significant losses and emotional hardships. Undertaking the process to claim insurance is often burdensome and confusing. The simple mechanics of applying to the program may be difficult for a homeowner to complete. The City of Vidor will work to cultivate partnerships with local and community liaisons such as banks, counseling agencies, legal services, title companies, etc.

City of Vidor Case Managers (which will be a third-party consultant) will work to assist applicants from inception to close out under the Buyout Program. A single point of contact will be assigned to each applicant to ensure that applicants have the immediate contact information to be successful in their long-term recovery efforts. As applications are being accepted and reviewed for determinations of eligibility to participate in the Program, each homeowner will be counseled and made aware of their application status.

Application Intake and Counseling

Included in this program design is the mechanism to prevent any pre-screening of homeowners without a written application being taken therefore anyone who makes an inquiry about the program is provided City of Vidor application package to complete. All such inquiries will be reported in a format to be provided by GLO. All documentation submitted by the applicant must include a signed statement, verifying that the information provided is true, complete and accurate. Any false, fictitious, or fraudulent information, or the omission of any material, may subject the homeowner to criminal, civil or administrative penalties. Program documents include the following statement:

"Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729."

Case Managers or Interpreters must be able to communicate with the homeowners in their primary language and should be assigned to the clients as appropriate. Additionally, they must ensure effective

communications with persons with disabilities pursuant to 24 CFR 8.6 and other fair housing and civil rights requirements (such as the effective communication requirements under the Americans with Disabilities Act). Case Managers will be trained to be well versed in all aspects of the Buyout Program.

Applicant Priority and Eligibility Requirements

The following are threshold requirements, which must be met for an applicant to be eligible for assistance. Eligibility does not assure assistance since a prioritization strategy within LMI economic subgroups is required that is consistent with GLO Program Design requirements and it is expected that there will be more eligible applicants than can be served with available funds. City of Vidor is establishing the following priorities for applicant selection:

- Priority 1:** Low-to-moderate income household located in a Buyout Interest Area
- Priority 2:** Non Low-to-moderate income household with Urgent Need - Severe Repetitive Loss in a floodplain
- Priority 3:** Non low-to-moderate income household with Urgent Need - Repetitive Loss in a Buyout Interest Area
- Priority 4:** Vacant property located in a Buyout Interest Area that will reduce “checkerboarding” effect - structure must have been present during the time of the storm
- Priority 5:** Low-to-moderate income household located in a floodplain outside of a Buyout Interest Area
- Priority 6:** Non low-to-moderate income household with Urgent Need - Repetitive Loss in a floodplain

Within each priority level described above, priority will be further given to households in which members are under the age of 18, female heads of household, elderly and disabled households, and/or Veteran populations. Additionally, properties that are a household’s principal residence (or was their principal residence at the time of Hurricane Harvey) will be given priority over second homes.

Although low income homeowners will be given priority, it is not necessary to be low income to qualify for this program. At least 70 percent of expended program funds must be used to support activities benefitting low- and moderate- income persons. The City of Vidor may determine that non-LMI homeowners who experience needs of particular urgency may be also be given priority on a case-by-case basis. All program activities will seek to affirmatively further fair housing (AFFH). In the event the applications do not coincide with AFFH requirements further prioritization may take place.

Income

The Buyout Program requires that each applicant household provide their household income for purpose of determining their eligibility to receive assistance. The Department of Housing and Urban Development’s (HUD) Income Calculator or a similar calculator tool will be used to determine if applicant meets HUD’s low to-moderate income criteria. The program will use the 24 CFR Part 5 definition of annual income. Income limits are established by HUD and updated annually.

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 Definition

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.

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 applicant must be an individual who owned the property at the time of the event to be purchased by City of Vidor. Ownership can be documented as follows:

- a. Provide a copy of a valid deed of trust or warranty deed that is recorded in the county records which cites the applicant's name. For MHUs, a Statement of Ownership and Location (SOL) must be provided.
 - Liens on MHU properties – If an applicant owns a mobile home and there is a lien on the property, your City of Vidor case manager will work 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.
- b. For the purposes of federally funded disaster recovery programs, ownership may be proven in the following manner:
 1. Applicants may prove ownership by providing alternative documentation and completing a notarized affidavit that certifies one of the following circumstances applies:
 - a) There is nobody else who has the right to claim ownership;
 - b) Anyone who has a right to claim ownership has agreed to participate in the program; or
 - c) Anyone who has a right to claim ownership could not be located (after reasonable attempts to contact).
 2. The alternative documentation that can be provided instead of a copy of the deed includes (in order of preference):
 - a) Tax receipts;
 - b) Home insurance;
 - c) Utility bills (must be in the applicant and/or co-applicants name); or
 - d) Other documentation deemed to be acceptable by the GLO.
 3. The documentation must show that the applicant was the person responsible for paying for these items at the time of the disaster. The required affidavit, form, and instructions may be found on the GLO's <http://recovery.texas.gov/> website.
 4. The above-referenced alternatives are not optional, must be incorporated into Program Design, and allowed to prove ownership for all CDBG-DR Programs in the State of Texas.

Principal Residency

The City of Vidor will give priority to prospective buyout properties that were the applicant's principal residence during the time of the event. Principal residency for homeowners can be demonstrated through property tax homestead exemptions. If a homestead exemption was not in place at the time of the disaster, an Affidavit of Principal Residency may be utilized as an alternative method of verification of principal residency. The affidavit must be supported by documentation such as asset verification (income tax returns, credit check, etc.) or utility bills specific to the property address and name of the homeowner,

which were active as of the date of the event. Vacation homes are not eligible for assistance under the Buyout Program. The Affidavit of Principal Residency Form may be found on the GLO's recovery.texas.gov website.

Second Homes

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

A property is considered a second home if it is not rented out at any time during the year, regardless of whether it is used by the household or not. In addition, a property is a second home if it 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. 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.

Properties that are identified as second homes are eligible for an amount not to exceed the current FMV without incentives. Duplication of benefits will still apply and can reduce the offer amount to a value below the current FMV.

Properties that were vacant on a temporary basis at the time of the storm due to reasons relating to a demonstratable hardship (health, job loss, death, divorce, disability, business failure, etc.) are not considered to be second homes, and are eligible for pre-storm FMV plus incentives. Properties that sustained direct and/or indirect impact by Hurricane Harvey and have been vacant since the storm's impact are not considered second homes and are eligible for pre-storm FMV plus incentives.

Property Taxes

Applicants must furnish evidence that property taxes are current, have an approved payment plan, or qualify for an exemption under current laws. Applicants 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; or
- The homeowner entered into 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 into 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 application will be reviewed to determine if previous funding was appropriately used on the home and if funds were received for the same purpose. The homeowner must have an unmet need to move forward in the program. City of Vidor 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 City/Grant Administrator will verify that the submitted data is accurate to the best of their abilities (e.g. validate against FEMA data). The City will also determine if insurance was required under the terms of the applicant's mortgage as part of the application review. Regardless of unmet needs and prior funds received, applicant awards cannot exceed program limits.

The total DOB (difference between assistance already received minus expenditures) will equal the remaining gap. The GLO's DOB Calculation Form will be used to determine the total DOB amount. If the total previously awarded assistance is greater than or equal to the total expenditures, then a positive dollar amount will indicate a DOB. To reconcile the DOB amount owed, the applicant can pay the DOB amount, or the applicant may be offered a reduction in award.

The CDBG-DR funds may not be used to pay for damages covered by any FEMA reimbursement, SBA assistance, insurance claim, or any insurance policy including delayed or future payments anticipated. A DOB review must be completed for each project to determine unmet needs prior to award.

The City policies and procedures to prevent any duplication of benefits when determining an applicant's unmet need are as follows:

- The City representative will conduct an onsite inspection of the applicant's home. The result of the inspection will be a work write-up and cost estimate to elevate (where necessary), repair, or replace the home damaged during the floods.
- During application intake all applicants will be required to fill out an affidavit stating any benefits they have previously received.
- The City will make all reasonable efforts to verify the information provided by the applicant.
- The City will use the GLO approved DOB Calculation Form when determining DOB. 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.
- In the case of recapture (e.g., applicant is currently appealing or suing their insurance company; therefore, recapture of future funds will be completed by the City) the City will reimburse the GLO with any recaptured funds. In addition, the City will require an executed Subrogation Agreement for any pending appeals or lawsuits. 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.

Offer Example 1:

Pre-storm structure value	\$50,000.00	
Pre-storm land value	\$20,000.00	
Pre-Storm FMV	\$70,000.00	
Homeowners Insurance	-\$5,000.00	
Flood Insurance (NFIP)	-\$20,000.00	
FEMA Repair Grant	\$0.00	
Other Govt' Sources	\$0.00	
Other Non-Govt' Sources	\$0.00	
Sum of Duplicating Benefits ("DOBs")	-\$25,000.00	<i>(Cannot exceed pre-storm structure value)</i>
Eligible Receipts for Repair	\$10,000.00	
Eligible Receipts for Temporary Housing	\$3,000.00	
Sum of DOB "Offsets"	\$13,000.00	<i>(Cannot exceed sum of DOBs)</i>
Final Offer (Award Amount)	\$58,000.00	<i>(Pre-Storm FMV minus Sum of DOBs plus Sum of Offsets)</i>

Offer Example 2 (Program Caps):

Pre-storm structure value	\$450,000.00	
Pre-storm land value	\$80,000.00	
Pre-Storm FMV	\$530,000.00	
Homeowners Insurance	-\$30,000.00	
Flood Insurance (NFIP)	-\$90,000.00	
FEMA Repair Grant	\$0.00	
Other Govt' Sources	\$0.00	
Other Non-Govt' Sources	\$0.00	
Sum of Duplicating Benefits ("DOBs")	-\$120,000.00	<i>(Cannot exceed pre-storm structure value)</i>
Eligible Receipts for Repair	\$100,000.00	
Eligible Receipts for Temporary Housing	\$0.00	
Sum of DOB "Offsets"	\$100,000.00	<i>(Cannot exceed sum of DOBs)</i>
Calculated Award	\$510,000.00	
Program Cap for Single-Family Home	\$331,760.00	
Final Offer (Award Amount)	\$331,760.00	<i>(Offer cannot exceed 2020 FHA Limit)</i>

Offer & Incentive Example 3 (Affixed Home):

Pre-storm structure value	\$60,000.00	
Pre-storm land value	\$20,000.00	
Pre-Storm 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	<i>(Cannot exceed pre-storm structure value)</i>
Eligible Receipts for Repair	\$8,000.00	
Eligible Receipts for Temporary Housing	\$0.00	
Sum of DOB "Offsets"	\$5,000.00	<i>(Cannot exceed sum of DOBs)</i>
Final Offer (Award Amount)	\$80,000.00	<i>(Pre-Storm FMV minus Sum of DOBs plus Sum of Offsets)</i>
Optional Moving Assistance	\$5,000.00	<i>(Automatically paid to owner-occupants)</i>
Replacement Property Total Cost	\$95,000.00	
Resettlement Incentive	\$15,000.00	<i>(Cost of Replacement Property minus Final Offer of Buyout Property)</i>
Total Compensation to LMI Applicant	\$100,000.00	<i>(Sum of Buyout, Moving Assistance, and Resettlement Incentive)</i>

Child Support

All applicants and co-applicants must be current on payments for child support. If the applicant or co-applicant is not current on child support, that member will be required to enter into 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 applicant and co-applicant will be asked to sign an affidavit regarding child support.

Damage assessment

Each applicant's home must be assessed to verify that it was damaged from the event. A damage assessment report along with pictures will be required for each application.

Environmental Review

An environmental review must be performed on the property prior to federal funds being committed by City of Vidor (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.

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.

Applicants Unable to Clear Title

Title clearance is a necessary component of any traditional real estate transaction. The City 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 City 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 City will establish the closing deadline at least 90 days in advance and inform the property owner with a documented phone call and certified mailing.

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 City of Vidor to sign closing paperwork on the buyout property. The Case Manager will also be present to help with any questions that the City 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.

AFFIRMATIVE MARKETING OUTREACH PLAN

The Buyout Program is voluntary, meaning that property owners must choose to participate and eminent domain cannot be utilized. As a result, it is incumbent upon the City of Vidor to effectively market the buyout program to ensure homeowners are aware of the program and know how to participate. The City will utilize various marketing and outreach strategies to target property owners, recognizing that certain marketing strategies will reach only a subset of individuals.

Affirmative Marketing Plan

An Affirmative Fair Housing Marketing Plan, based on HUD regulations, will be followed by the City of Vidor. The following resources will be leveraged by the City to affirmatively market its buyout program. The City will take additional measures to affirmatively market program as follows:

- **Newspapers**

Local and regional newspapers provide an important outlet to deliver information about the Buyout Program. Print ads in newspapers will be run in accordance with the phased approach corresponding with key program dates including outreach events and deadlines.

- **Postcards/Direct Mail**

Homeowners and renters identified in targeted areas will receive an initial Voluntary Acquisition Notice and/or General Information Notice from the program with information on how to participate in the program and general contact information including phone number and emails of case managers. Additional letters will be created and sent on an as needed basis: approaching deadlines, application status, etc.

- **In-home Application Support**

For elderly or disabled populations, the program will provide in-home application support. To receive in-home application support, homeowners will schedule an appointment for a case manager to visit them in their home. During the visit, the specialist will assist in completing a program application, gather documentation, answer any questions, and review next steps for the applicant.

- **Outreach to Residents of Abandoned Homes and Displaced Persons**

To identify displaced residents and abandoned homes, program staff will work with appraisal districts and code enforcement authorities to attain batch ownership data to identify properties that have been abandoned and where owners currently reside. Once addresses are identified, staff will search online tax records to verify ownership and principal residency (homestead exemption on property) at the time of the storm to eliminate spending resources on ineligible properties and attain the current mailing address of the owner. Program staff will also work to request listed phones and email addresses from the FEMA IA dataset to contact displaced homeowners. Email and phone communication will be the primary means of contact, particularly for those who have been displaced out of the immediate area.

- **Door-to-Door Canvassing**

Canvassing neighborhoods to inform people of the Buyout Program is a way to get to know residents and provide detailed program information and answers beyond what any ads or press releases can provide. In areas where it is determined to be effective and safe, the Buyout team will send teams of canvassers to affected homes that have not completed the application to provide educational and program promotional materials.

The marketing and affirmative marketing measures used and copies of all advertisement and announcements will be kept by City of Vidor and made available to the GLO and to the public upon request.

APPLICATION SUBMITTAL

City of Vidor will accept applications as follows:

In person:

City of Vidor City Hall - 1395 Main Street, Vidor, TX 77662*

Monday - Friday, 8:00 am – 4:30 pm

Via mail:
City of Vidor City Hall, 1395 Main Street, Vidor, TX 77662

Special arrangements can be made for persons with special needs, language interpretation or for persons needing alternate times and locations by calling Vidor City Hall at 409-769-8853.

*This location is accessible under the American for Disabilities Act Accessibility Guidelines.

PROGRAM CONTACT

Website: <https://www.cityofvidor.com>

Email: info@cityofvidor.com

Phone Number: 409-769-8853

The City of Vidor has the right to change, modify, waive, or revoke all or any part of these guidelines, with the prior written approval of the GLO. If these Guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state, or federal law.

TARGET AREA MAPS - West Circuit Drive and Schoolhouse Ditch (Melrose Street) Area



