



Disaster Recovery Voluntary Buyout Program Guidelines

For 2017 Community Development Block Grant- Disaster Recovery

COMMUNITY SERVICES DEPARTMENT
CITY OF BEAUMONT, TX P.O. BOX 3827801 MAIN STREET, BEAUMONT, TX 77701

Table of Contents

Introduction	4
Maximum Assistance Amount	5
Definitions	6
National Objective	12
Low- and Moderate-Income	12
Urgent Need	13
Program Administration	14
Application Processing Overview	14
Property Requirements	22
Structure Type	24
Property Type	24
Flood Claims	25
Environmental Review	25
Appraisal	27
Case Management	27
Deed Restriction or Restrictive Covenant	27
Owner Requirements	28
Citizenship	28
Ownership	29
Identity Verification/Credit Check	30
Second Homes	31
Occupancy	31
Special Circumstances Related to Occupancy	32
Death of Eligible Owner	32
Income	32
Amount of Assistance	32
Incentives	33
Offer	34
Eligible Use of Funds	34
Unmet Needs Analysis	34
Duplication of Benefits	35
Recapture Duplication of Benefits	36
Sources of Duplication of Benefits	36
FEMA Individual Assistance (FEMA IA)	36
FEMA National Flood Insurance Program (NFIP)	36
Increased Cost of Compliance (ICC)	37
Private Insurance	37
The Small Business Administration (SBA)	37
Other Sources of Duplication of Benefits	37
Adjustments and Offset to the Amount of Assistance	37
No receipts provided	38
Partial receipts provided	38
All receipts provided	38
Legal Fees	39
Buyout Award Determination	39

Buyout Applicants Who Owned the Property Prior to the Disaster	39
Buyout Applicants Who Purchased the Property After the Date of Disaster	39
Buyout Applicants with Negative Equity on Mortgage	40
Buyout Applicants with Reverse Mortgage	40
Buyout Applicants in Foreclosure	41
Contract for Deed/Land Leases/Mobile Homes	41
Certification Requirements Prior to Receiving Assistance	41
Offer to Purchase	41
Documenting Eligibility and Acceptance of Offer	42
City of Beaumont will document the owner and property eligibility in the applicant file and will retain detailed copies of all award determinations as well as the applicant acceptance of the offered buyout and incentive amounts	42
Applicant Closing	42
Property Before Closing	42
Document Execution at Closing	42
Subrogation Agreement	43
Assignment Relation to Funds Received Under Program	43
Cooperation and Further Documentation	43
Authorization for Program to Contact Third Parties	44
Property After Closing	44
Appeals	44
Grievance Policy/Procedure	44
Complaints	45
Responsibilities	45
Documentation	45
Affirmative Marketing/Fair Housing	46
Coordinated Housing Strategy	47
Compliance and Monitoring	48
Audit Requirements.....	48
Conflict of Interest	48
Section 3	48
Applicant Data	49
Record Retention.....	49
Closeout	49
Anti- Fraud and Compliance Policies	49
Contact	50
Notes	51
Public Comment	52

Disaster Recovery Voluntary Buyout Program Guidelines City of Beaumont, TX

Introduction

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

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

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

FEMA data indicates that over 13,698 individuals filed for FEMA Individual Assistance (FEMA-IA), of which 643 fell under a rental property category. The total loss of housing equated to \$45,930,426.72 in FEMA verified loss.

In response to the needs of homeowners, the City of Beaumont applied for \$1,898,364.04 and received federal funding through the South East Texas Regional Planning Commission (SETRPC) Method of Distribution via the State Grantee, The Texas General Land Office (GLO). The GLO's Community Development and Revitalization (GLO-CDR) division oversees the administration of Community Development Block Grant Disaster Recovery (CDBG-DR) funds provided by the U.S. Department of Housing and Urban Development (HUD) following a disaster. These funds remain the most flexible recovery source available and can support communities with protection, mitigation, and resiliency.

The City of Beaumont Disaster Recovery Voluntary Buyout Program is a program to assist owners whose homes were damaged by Hurricane Harvey to relocate outside the threat of flooding. Buyout programs support hazard mitigation, floodplain management goals, and resiliency by relocating homeowners from the floodplain, thus eliminating vulnerability to future flooding situations, into more resilient, sanitary and less flood prone housing. After homes are purchased, the structures are demolished or relocated. The City of Beaumont may not redevelop property acquired through the DR-4332 Local 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 the U.S. Department of Housing and Urban Development (HUD) and accepted by the GLO-CDR. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the buyout 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.

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 multiple floods (including those damaged by Hurricane Harvey) and use for public space, green space, and/or flood control measures.
2. Assist homeowners to move to an area with a reduced risk of flooding¹.
3. Return properties in the floodplain to natural and beneficial function, aiding in the storage of floodwaters
4. Eliminate future flood damages and health and safety risks for owners and rescuers.
5. Reduce repetitive subsidized flood insurance payments and federal disaster assistance.

The program will focus on providing assistance to owners of properties that are located in the floodplain or cases of repetitive loss due to flooding.

Maximum Assistance Amount

City of Beaumont will use funds from the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant Disaster Recovery (CDBG-DR) funding for the buyout of approximately 13 properties, of which no less than 70 percent will be owned by low- and moderate income (LMI) households². The maximum amount of CDBG-DR funding available for any single buyout will be capped at the FHA Mortgage Limit for City of Beaumont, provided in Table 1 below. However, it is expected that the average amount of buyout assistance including incentives, project delivery and other eligible project costs will be approximately \$115,000 per buyout. Using CDBG-DR funds, the program provides property owners up to the pre-disaster fair market value of their home and may also include an incentive payment to encourage relocation to an area of reduced flood risk.

Table 1: Jefferson County FHA Mortgage Limit³

	One Family	Two Family	Three Family	Four Family
City of Beaumont	\$314,827	\$403,125	\$487,250	\$605,525

Definitions

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

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

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

Case Management- Working with individual survivors and their families to understand the program’s housing options, resulting in clear and transparent determination of eligibility. Case Managers must 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.

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

Damage Assessment- An inspection of the unit to document damage from the event. The assessment by a certified or licensed inspector (HQS, MPS, 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). Damage assessments may also include final cost of repair estimates.

Davis-Bacon Act of 1931 (40 USC Part 3141 et seq.) and Related Acts – All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this chapter shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the

Secretary of Labor in accordance with the Davis-Bacon Act, as amended. This applies to the rehabilitation of residential property only if such property contains not less than 8 units. 5

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

Disaster Risk Reduction Area – A geographic area outside of a floodplain and/or floodway that a grantee or subrecipient can target for pre-storm FMV buyouts. To create a Disaster Risk Reduction Area (“DRRA”), the purchasing agency must prove (1) The hazard was caused or exacerbated by the Presidentially declared disaster for which the grantee received its CDBG-DR allocation; (2) The hazard must be a predictable environmental threat to the safety and well-being of program beneficiaries, as evidenced by the best available data and science; and (3) The Disaster Risk Reduction Area must be clearly delineated so that HUD and the public may easily determine which properties are located within the Disaster Risk Reduction Area. See Federal Register Vol. 80 No. 222.

Duplication of Benefits (DOB) – 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. 6

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

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

Environmental Review- All substantially qualified applicants (e.g. applicants who apply for the repair and replacement of their damaged unit must have received damage from the event, own their home and lived in the home as their primary residence) must undergo an environmental review process. This process ensures that the activities comply with National Environmental Policy Act (NEPA) and other applicable state and federal laws.

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

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

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

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

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

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

Flood Disaster Protection Act of 1973 and Sec. 582(a) of the National Flood Insurance Reform Act of 1994 – Compliance with the legal requirements of Section 582(a) mandates that HUD 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.

Green Building Standards – All rehabilitated (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: (i) ENERGY STAR (Certified Homes or Multi-family High-Rise), (ii) Enterprise Green Communities, (iii) LEED (New Construction, Homes, Midrise, Existing Buildings Operations and Maintenance, or Neighborhood Development), (iv) ICC–700 National Green Building Standard.

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.

Homebuyer Assistance Activity – The utilization of CDBG-DR Disaster Recovery funding for up to 100% of the required down payment, reasonable closing costs, principal write-down assistance, subsidization of interest rates, and private mortgage insurance to facilitate the purchase of a new or existing home.

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

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

Housing and Urban Development Act of 1968, Section 3 – Requires the Subrecipient to ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing Federal, State, and Local laws and regulations, to low and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32. 7

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

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

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

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

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

Manufactured Housing Unit (MHU) – A structure, transportable in one or more sections which, in the traveling mode is eight body-feet or more in width, or forty body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent

chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

Minimum Property Standards (MPS) – The Minimum Property Standards (MPS) establish certain minimum standards for buildings constructed under HUD housing programs. This includes new single-family homes, multi-family housing and health care type facilities as outlined in HUD’s 1994 Edition Handbook (4910.1).

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.

Multi Family Rental – Eight or more rental units in the property.

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

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

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

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

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.

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

Program Income- Net income derived from the sale of program assets that exceeds \$35,000 in a single fiscal year, received by the Subrecipient and directly generated from the use of housing CDBG-DR funds. **Second Home** – If a second home is not rented out at any time during the year, it is a second home regardless of if it is used by the household or not. If a home is rented out part of the year and the owner uses the home more than 14 days or more than 10 percent of the number of days during the year that the home is rented, then it is a second home. If a home is

rented out for part or all of the year and the owner does not use the home long enough then it is rental property and not a second home.

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

Single Family Rental – Seven or less rental units under common ownership. Units may be on contiguous or scattered lots. Scattered site rentals (rental properties not on an undivided lot or on contiguous lots or parcels) may exceed seven units without wage requirements.

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.

Sub-recipient – Cities, Counties, Indian Tribes, local governmental agencies (including COGs), private non-profits (including faith-based organizations), or a for-profit entity authorized under 24 CFR 570.201(o). The definition of Subrecipient does not include procured contractors providing supplies, equipment, construction, or services and may be further restricted by Program Rules or other guidance including applications.

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

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

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

Commented [BR1]: This is not required for the new home

Urgent Need National Objective – An urgent need that exists because existing conditions pose serious and immediate threat to health/welfare of community, the existing conditions are recent or recently became urgent and the Subrecipient cannot finance the activities on its own because

other funding sources are not available. Subrecipients must document how each program and/or activity funded under this category responds to a disaster related impact.

National Objective

For the Hurricane Harvey disaster, all program activities must meet one of the three National Objectives required under the authorizing statute of the CDBG program. The CDBG-DR Buyout Program will principally provide assistance to those households meeting the LMI objective. When the Property owner does not meet the definition of the LMI Objective, eligibility for assistance will be provided through the Urgent Need Objective.

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

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

- Minimum of three current and consecutive months of check stubs (if the household member is paid monthly)
- Minimum of four current and consecutive check stubs (if the household member is paid weekly, bi-weekly or bi-monthly)
- Pension statement showing current monthly or yearly gross amount
- Social Security statement or IRS Form 1099
- Unemployment statement
- Certification of Zero Income Form
- Completed Household Income Worksheet and Certification

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

Low- and Moderate-Income

Table 2. Buyout National Objective

Disaster	Activity Types	LMI Buyout	LMI Housing Incentive
2017 Hurricane Harvey	Acquisition-buyout of residential property	X	
	Clearance and Demolition	X	
	Relocation Payment and Assistance		X

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

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

2020 HUD Income Limits:

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

A committee will be formed comprised of City staff and consultants for the purpose of eligibility determinations and case management. Attention will be placed on uniform and consistent documentation materials and criteria used to make determinations. The household income level for each program applicant will be determined during an in-person or remotely conducted intake meeting with the property owner(s). The City of Beaumont will collect household income documentation and will verify the household income using the HUD CDBG-DR income certification calculator found at <https://www.hudexchange.info/incomecalculator/>.

Urgent Need

One critical component of a buyout program is taking measures to limit the checkerboard effect that buyout programs can sometimes have on a neighborhood. To help limit the checkerboarding effect, the City of Beaumont 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 but

will expand the owner eligibility to include owners with incomes up to 120 percent of area median income and may include owners with incomes of greater than 120 percent if such owner maintained required flood insurance within the 100-year flood plain.

Program Administration

Application Processing Overview

The City of Beaumont Buyout Program is available to applicants identified through the Planning Division/Floodplain Administrator. The City will provide timely notification to applicants on their application status.

Timeline

Date	Action
May 25, 2020	Program Guidelines Posted for Public Comment
June 25, 2020	Program Guideline Public Comment Period Closed
June 26, 2020	Open of application intake
July 30, 2020	Close of application intake
August 1, 2020	Proposed Date for Initiation of Offers
September 1, 2020	Proposed date of Offer Acceptance Deadline
February 28, 2021	Proposed Date of Closing Deadline
March 28, 2021	Proposed Date for Demolition Deadline
February 28, 2021	Proposed Date for Housing Incentive Deadlines
June 30, 2021	Proposed End Date to Close Out All Activities

Commented [SN2]: Fill this chart out with proposed dates not to exceed the end date of the contract between the GLO and City of Beaumont

Commented [BR3]: Moved date to open application intake to after date of public comment closed.

Additionally, the City will further define in its operating procedures the methods for communication (i.e., website, telephone, case managers, letters, etc.), ensuring the accessibility and privacy of individualized information for all applicants, indicating the frequency of applicant status updates, and identifying which personnel or unit is responsible for informing applicants of the status of recovery applications. Below is a summary outline of the buyout program process from pre-application through closing:

1. Waiting List
 - a. The City of Beaumont adds households to the waiting list, if needed, that have expressed an interest in volunteering to be bought out.
2. Pre-Application Review
 - a. The pre-application review is used to review preliminary data collected on the applicant and the applicant's property, contact the applicant to discuss the application process, provide information regarding the assistance available, inform the applicant of the documentation/verification requirements, and discuss next steps.
 - b. Determine residency within Floodplain according to program guidelines.
3. Application
 - a. Used to collect required information, certifications, authorizations, and supporting documentation/verifications used to determine program eligibility
 - b. Determine whether home is owner-occupied

-
4. Evaluation & Eligibility Determination
 - a. Verification and calculation of household income, review citizenship status, ownership status, clear title and current on property taxes, determine property location/eligibility, etc.
 - b. National Objective- LMI and UN status
 5. Environmental
 - a. The City of Beaumont will perform the required 24 CFR Part 58 environmental requirements associated with the property which is being submitted by the applicant.
 6. Appraisal
 - a. Property is appraised to determine pre-disaster fair market value
 7. Complete program documents with case manager/assess need for relocation advisory services
 - a. Owners and non-owner occupants complete the application and provide required documentation to determine their eligibility for the program.
 - b. Discuss relocation options and need for assistance in identifying comparable relocation opportunities. Assign relocation advisory services as needed/requested.
 8. Offer to Purchase to Applicant
 - a. Once an owner and their property has been determined eligible, they will receive an offer to purchase that takes into consideration the pre-disaster fair market value and any duplication of benefits
 - b. Owner or displaced occupants receive information regarding available resources to help with move
 9. Commitment
 10. Submission to Commissioners Court for funding approval
 - a. All properties that will receive buyout funds must be reviewed and approved by the Commissioners Court
 11. Approval letter sent to Applicant
 12. Funding secured
 13. The City will provide the applicant a vacate notice, utility disconnection requirements, what will happen to abandon items, and other resources to help the applicant move.
 14. Lender schedules closing
 15. City approves closing documents
 16. Closing occurs/title transfers to City of Beaumont Flood Control District
 17. Demolition
 18. Compliance & Monitoring

Uniform Relocation Assistant and Real Property Acquisition Policies Act (URA) Requirements Pursuant to HUD and other federal guidelines, the City is required to comply with 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 City of Beaumont buyout program will acquire properties from owners who agree to voluntarily participate in the program. The City of Beaumont buyout program will not include rental properties.

The Federal Register Notice governing these funds has waived the following regulations:

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

Tenant Intake Meeting- As soon as feasible, the City shall contact each person who is affected by the project to discuss his/her needs, preferences and concerns. Whenever feasible, contact shall be face-to-face. 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 (see Paragraph 1-4 J.), HUD policy requires that such persons be provided with a Notice of Non-displacement (see Paragraph 1-4 AA.) to advise them of the City's determination and their right to appeal. A tenant will be defined as "non-displaced" only if they received a Move-In notice outlining the property owner's participation in the buyout program before they signed the lease. Even if there was no intention to displace the person, if they were not given timely information essential to making an informed judgment about a move, it is assumed that the person's move was an involuntary move caused by the project.

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

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

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

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

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

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

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

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

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

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

- (i) The average monthly cost for rent and utilities at the displacement dwelling for a reasonable period prior to displacement, as determined by the Agency (for an owner-occupant, use the fair market rent for the displacement dwelling. For a tenant who paid little or no rent for the displacement dwelling, use the fair market rent, unless its use would result in a hardship because of the person's income or other circumstances);
- (ii) Thirty (30) percent of the displaced person's average monthly gross household income if the amount is classified as "low income" by the U.S. Department of Housing

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

Down Payment Assistance. An eligible displaced person who purchases a replacement dwelling is entitled to a down payment assistance payment in the amount the person would receive under paragraph

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

Whenever the payment is made in installments, the full amount of the approved payment shall be disbursed in regular installments, whether or not there is any later change in the person's income or rent, or in the condition or location of the person's housing.

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

Determination to provide replacement housing of last resort. Whenever a program or project cannot proceed on a timely basis because comparable replacement dwellings are not available within the monetary limits for owners or tenants, as specified in § 24.401 or § 24.402, as appropriate,

the Agency shall provide additional or alternative assistance under the provisions of this subpart. Any decision to provide last resort housing assistance will be adequately justified either:

- (1) On a case-by-case basis, for good cause, which means that appropriate consideration has been given to:
 - (i) The availability of comparable replacement housing in the program or project area;
 - (ii) The resources available to provide comparable replacement housing; and
 - (iii) The individual circumstances of the displaced person, or

(2) By a determination that:

- (i) There is little, if any, comparable replacement housing available to displaced persons within an entire program or project area; and, therefore, last resort housing assistance is necessary for the area as a whole;
- (ii) A program or project cannot be advanced to completion in a timely manner without last resort housing assistance; and
- (iii) The method selected for providing last resort housing assistance is cost effective, considering all elements, which contribute to total program or project costs.

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

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

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

(d) Time for filing.

- (1) All claims for a relocation payment shall be filed with the City no later than 18 months after:
 - (i) For tenants, the date of displacement.
 - (ii) For owners, the date of displacement or the date of the final payment for the buyout of the real property, whichever is later.
- (2) The City shall waive this time period for good cause.

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

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

Moves from a mobile home. A displaced person's actual, reasonable and necessary moving expenses for moving personal property from a mobile home may be determined based on the cost of one, or a combination of the following methods: (self-moves based on the lower of two

bids or estimates are not eligible for reimbursement under this section. Eligible expenses for moves from a mobile home include those expenses described in paragraphs (g)(1) through (g)(7) of this section. In addition to the items

in paragraph (a) of this section, the owner-occupant of a mobile home that is moved as personal property and used as the person's replacement dwelling, is also eligible for the moving expenses described in paragraphs (g)(8) through (g)(10) of this section.)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

-
- (1) If the City acquires the mobile home as real estate and/or acquires the owned site, the purchase cost used to compute the price differential payment is the actual amount paid to the owner as just compensation for the buyout of the mobile home, and/or site, if owned by the displaced mobile homeowner.
 - (2) If the City does not purchase the mobile home as real estate but the owner is determined to be displaced from the mobile home and eligible for a replacement housing payment based on paragraph (a)(1)(iii) of this section, the eligible price differential payment for the purchase of a comparable replacement mobile home, is the lesser of the displaced mobile homeowner's net cost to purchase a replacement mobile home (*i.e.*, purchase price of the replacement mobile home less trade-in or sale proceeds of the displacement mobile home); or, the cost of the City's selected comparable mobile home less the City's estimate of the salvage or trade-in value for the mobile home from which the person is displaced.
 - (3) If a comparable replacement mobile home site is not available, the price differential payment shall be computed on the basis of the reasonable cost of a conventional comparable replacement dwelling.

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

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

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

Property Requirements

Homeowners who own a property in a floodplain may be eligible to receive buyout assistance and will be prioritized to receive assistance. For the property to qualify for the buyout program the property must meet the following requirements:

1. Located in City of Beaumont jurisdiction
2. The property must be in a mapped floodplain and/or subject to repetitive flooding caused by out-of-bank bayou flooding.
3. Have been damaged by Hurricane Harvey

- The City is obligated to only offer CDBG-DR housing assistance to properties to 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:

c. 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.

- To comply with this federal requirement, the City will verify that each property purchased under the buyout program was damaged by Hurricane Harvey. Any one of the following sources of information will be considered sufficient evidence that a property sustained direct impact by Hurricane Harvey:
 - Photographs of property damage
 - FEMA assistance
 - Homeowners insurance claims
 - Flood insurance claims
 - Adjuster reports
 - SBA documentation
- In some cases, property owners may apply for a buyout when they feel that they've been indirectly impacted by Hurricane Harvey. This might include situations where Harvey critically damaged infrastructure that is necessary for land access to a home. In these cases, the City will review buyout requests on a case-by-case basis and ensure that the threshold for indirect storm damage was met. If the City approves an application based on indirect storm damage, it will include a memo in the applicant file providing justification for the eligibility determination.

4. Must be an eligible property type, The City of Beaumont buyout program will include single family, owner occupied homes.
5. The property's source of flooding is from a bayou, creek, or smaller tributary that feeds into the City of Beaumont.
6. A home buyout must be the most beneficial solution to the property's flooding problem (as opposed to a structural solution, such as a channel conveyance improvement or storm water detention basin).
7. The property is strategically located for potential or future flood damage reduction projects and/or floodplain preservation.

Commented [SN4]: Please elaborate on what property types are eligible

Additionally, a property may be eligible for buy-out assistance if an applicant originally applied for rehabilitation or reconstruction assistance, but the site could not be environmentally cleared,

and conditions could not be mitigated to HUD standards for housing rehabilitation or reconstruction assistance due to the following conditions:

1. Any house in the floodway that cannot be moved or rebuilt within the property boundaries outside the floodway, or
2. Any house seeking reconstruction assistance with a noise-impact that cannot be mitigated to HUD acceptable levels, or
3. Any house that is not a clear site for hazardous toxins per Texas Commission on Environment Quality (TCEQ) without compliant mitigation possible, or
4. Any house seeking reconstruction assistance outside HUD's Acceptable Safe Distance guidelines from a flammable or explosive hazard.

If a property applied for rehabilitation or reconstruction assistance but could not be environmentally cleared due to the above criteria, the property will still need to meet the property requirements #1, 2, 3, and 4.

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

Structure Type

Eligible properties must be a residential dwelling structure or vacant lot in which a structure stood during Hurricane Harvey.⁸ A dwelling structure is defined as a residential space that is a place of permanent habitation for a person or family that contains a living room, kitchen area, sleeping area, and bathroom(s).

1. Eligible Structure Types
 - a. Single-unit dwelling structure
 - b. Multi-unit dwelling-structure
 - c. Stick built
 - d. Modular
 - e. Manufactured
 - f. Dwelling structure on leased land
 - g. Duplex, Tri-plex, Four-plex
 - h. Condo, Town-home
 - i. Multi-family unit
 - j. Manufactured home on leased land

The buyout program will acquire only properties from owners who agree to voluntarily participate in the program. There are no none-owner occupants participating in the City of Beaumont buyout program.

Property Type

Property is the land and improvements listed on the title or appraisal district record as published on Jefferson Central Appraisal District's website at JCAD.org on which the owner-occupant unit is located.

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

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

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.

Flood Claims

To verify property flood damage from the applicable disasters, flood claims will be verified by the National Flood Insurance Program (NFIP). Any assistance identified through the NFIP verification will be considered for potential Duplication of Benefits.

Environmental Review

CDBG-DR buyout assistance is contingent on compliance with the National Environmental Policy Act (NEPA) and related environmental and historic preservation legislation and executive orders. Accordingly, environmental review activities are carried out for site contamination and demolition control and documented prior to commitment of funds. Properties located where federal assistance is not permitted are ineligible for assistance. The environmental review should document compliance with 24 CFR Part 58 and all related laws and authorities. Properties with adverse environmental conditions will not be permitted to proceed under housing activities unless the adverse conditions are corrected. No work can start on a site until the environmental evaluation is complete.

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

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

Appraisal

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

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

The properties will be purchased at a pre-storm fair market appraised value of the home, less any identified duplication of benefits and mortgage or other liens. The pre-storm FMV is established by forensic appraisal. The appraisal report must itemize the value of the land and the value of any improvements on the property. Once produced, the appraisal is reviewed and certified by a second disinterested licensed appraiser. All appraisals used in this program are certified before use or dissemination.

Case Management

Homeowners are likely to need support throughout the process. Homeowners 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. As a GLO subrecipient, we will work to cultivate partnerships with local and community liaisons such as banks, counseling agencies, legal services, title companies, etc.

City of Beaumont Case Managers will work to assist homeowners from inception to close out under the City of Beaumont Buyout Program. A single point of contact will be assigned to each homeowner to ensure that homeowners 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.

Deed Restriction or Restrictive Covenant

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

1. Any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices.
2. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the acquisition or relocation program other than:
 - a. a public facility that is open on all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area);
 - b. a rest room; or

-
- c. a flood control structure, provided that structure does not reduce valley storage, increase erosive velocities, or increase flood heights on the opposite bank, upstream, or downstream and that the local floodplain manager approves, in writing, before the commencement of the construction of the structure.
 3. After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the acquisition or relocation program, no subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the owner of the buyout property (including subsequent owners) to any Federal entity in perpetuity. The entity acquiring the property may lease it to adjacent property owners or other parties for compatible uses in return for a maintenance agreement. Although Federal policy encourages leasing rather than selling such property, the property may also be sold.

Owner Requirements

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

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

1. The homeowner must be a United States Citizen or an Eligible Immigrant
2. Homeowner must have clear title to the property
3. Must be current on property taxes
4. Must be current on child support payments
5. Must agree to move to an area with reduced risk of flood¹²
6. Or the buyout is a result of environmental review restrictions in which the environmental review deems the property not eligible for other rehabilitation or reconstruction assistance.

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

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

Citizenship

The homeowner must be a United States citizen, or an eligible immigrant as verified by a signed declaration and one of the following:

1. U.S. Citizen
 - a. A United States Passport
 - b. Birth Certificate
 - i. In the absence of a birth certificate, an elderly applicant may substitute a Social Security Benefits Determination document for the birth certificate.
 - c. Certificate of Naturalization

-
2. Eligible Immigrant
 - a. Form I-551 Alien registration receipt card
 - b. Form I-94 Arrival Departure Record annotated with one of the following:
 - i. Admitted as a Refugee Pursuant to Section 207
 - ii. Section 208
 - iii. Section 243 (h) or “Deportation” stayed by Attorney General
 - iv. Paroled Pursuant to Section 221 (s)(5) of the USCIS
 - c. Form I-94 Arrival-Departure Record with no annotation accompanied by:
 - i. A final court decision granting asylum (only if no appeal is taken)
 - ii. A letter from an USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from an USCIS district director granting asylum (application filed before 10/1/90)
 - iii. A court decision granting withholding of deportation
 - iv. A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90)
 - v. A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified.

Ownership

All owners of properties proposed for buyout must voluntarily agree to sell the property to the City. Ownership will be verified by a full title search to ensure a clear title on the property. Any property owner with a recorded interest in the property who refuses to agree to sell the property has the power to veto the transaction and prevent the Buyout.

- If any Owner of a Property is deceased, whether before or after the Storm event, the Executor (or Administrator) of the Estate of [decedent name] must join in the sale of the Property to the City.
- Probate Court consideration and approval is required before the City buys real property from any probate estate.
- Property owned with other individuals: property owners who owned and occupied a structure at the time of the storm that is located on land that they owned along with other individuals (e.g., owned together with their family) must be treated as a property owner on owned land and are eligible.
- Purchase contracts: Contract for deed is not eligible unless the property owner converts his/her contract to full ownership prior to receiving funding assistance from the program.
- Rent or Lease-to-own is not eligible unless the property owner converts their contract to full ownership prior to receiving funding assistance from the program.
- Conditional Sale Contracts are not eligible unless the property owner converts their contract to full ownership prior to receiving funding assistance from the program.

-
- The following legal documents are proof that a Property owner was purchasing a home on a contract as identified above:
 - Notarized contract dated and executed prior to the incident date for review by the Program’s legal/escrow provider
 - Notarized and executed contract that was filed prior to the incident date in the conveyance records of the City
 - Proof that a contract has been completed and title conveyed to the purchaser is provided by one of the following:
 - Presentation to the Case Manager of a notarized, executed conveyance document from the seller to the contract purchaser
 - Evidence of recordation of the title in the name of the Property owner in the conveyance records of the City.

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. All title issues must be resolved prior to closing. The title company must provide title insurance on the property. Additionally, the City of Beaumont will provide owners with referrals and recommendations on title clearance assistance, such as local 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.

Identity Verification/Credit Check

Owners identity will be verified via a credit check; however, an applicant’s credit score is not taken into consideration in determining program eligibility. The credit report is reviewed to verify:

1. applicant’s identity
2. that there are no judgments or liens on the property (example – tax lien)
3. applicants must be current on property taxes or be awarded a tax deferral as allowed under Section 33.06 of the Texas Tax Code.

CDBG-DR funds may not be used to pay delinquent taxes or child support back payments.

Property Owners who have applied to the Program must pay all property taxes due as identified by the title search at closing and payable on the storm-damaged property until the day of closing on the sale of their property to the City through the Program. If there are property taxes the title search did not identify by closing, the Program, as owners of the property, will pay the property taxes prior to final disposition. The City may provide reimbursement to Property Owners for the property taxes paid for the period of time after ownership of the property was transferred to the City (i.e., from the day of closing until the end date of the effective payment period). The pro rata reimbursement amount is calculated prior to the closing and the funds are provided to the Property Owner(s) as part of their net proceeds at the time of closing. Only payments made

towards the principal of the property taxes due are subject to reimbursement from the City; any interest or fees incurred from late or delinquent payments are not eligible for reimbursement.

All household members over the age of 18 must be current on payments for child support. If the household member is not current on child support, that individual will be required to enter into a payment plan that 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 that they are current on their payment plan must be supplied.

Second Homes

To help accomplish the overall goals of the buyout program, the City of Beaumont wishes to provide buyout assistance to as many volunteers as possible within the Buyout Interest Area. However, owners that volunteer for buyout on homes that qualify 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.

	Second Home Definition	Buyout of Second Homes Allowable?	Housing Incentives Allowable?
2017 PL 115-31 (82 FR 61320) 83 FR 5844	IRS Publication 936	No	No
2017 PL 115-123 (83 FR 5844)	A second home is defined under this notice as a home that is not the primary residence of the owner, a tenant, or any occupant at the time of the storm or at the time of application for assistance.	Yes	No

Occupancy

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

1. Property tax records demonstrating homestead exemption for the property;

-
2. Copy of electric, gas, or water bill. The bill must confirm that service was provided in the month of or the month prior to the storm;
 3. Letter from electric, gas, or water company. The letter must confirm that service was provided in the month of or the month prior to the storm;
 4. Other qualified documents may be presented to the city for consideration of proof of occupancy.

Special Circumstances Related to Occupancy

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

Death of Eligible Owner

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

Income

The buyout program requires that each applicant household provide their household income for purpose of determining their eligibility to receive assistance. Income amounts will be verified through the Income Policies and Procedures. 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. (See Income Policies and Procedures). Household income must not exceed the low-income limit (80 percent of area median income) for the area for LMI households and 120-percent for Urgent Need households. Income limits are established by HUD and updated annually.

Amount of Assistance

City of Beaumont has been allocated funding from the U.S. Department of Housing and Urban Development (HUD) via the Texas General Land Office (GLO) for disaster recovery projects related to the 2017 federally declared disaster events. Based on the availability of funds, there may be multiple rounds for the Disaster Recovery Buy-Out Program to assist additional

properties as preliminary City of Beaumont estimates identified the need for approximately 100 properties that may be eligible for a buyout program.

Table 4. City of Beaumont Buyout Funding 2019

Year	Amount	Estimated Number of Buyouts
2019- 1st Allocation	\$1,897,484.00	13
<i>TOTAL</i>	<i>\$1,897,484.00</i>	<i>13</i>

The maximum assistant amount of CDBG-DR buyout funds will be capped at the FHA Mortgage Limits for City of Beaumont (see Table 2. Buyout National Objective for FHA Mortgage Limits). It is anticipated that the average assistance amount per household will be approximately \$115,000. Eligible costs included in the buyout maximum assistance amount are:

- buyout purchase price¹³,
- clearance and demolition¹⁴,
- moving expenses,
- settlement costs,
- a replacement housing incentive payment of up to \$31,000: up to \$26,000 for housing incentive and up to \$5,000 for moving and relocation costs

Incentives

The City of Beaumont will provide eligible participants with housing incentives to relocate to areas with a reduced risk of flooding. The purpose of these incentives is to allow owners the ability to relocate to an area with reduced risk of flooding while not being made worse off financially or in terms of housing quality by participating in the program. While housing incentives are allowable, they must be justified and reasonable. Federal regulations prohibit the buyout program from providing compensation payment. This relocation benefit is dependent upon relocation to another property which is either outside of SHFA and Floodway or constructed at a height of 1 ft ABFE in a 100- year flood plan, or 3 ft ABFE in a 500-year flood plain. The replacement property must also meet DSS/HQS housing standards. In order to access Incentive Benefits, eligible participants must apply for and provide all required documentation, including proof of a new home purchase outside of a SHFA within 75 calendar days from the closing of the buyout property.

Commented [BR5]: Please indicate a time in which a person can receive this benefit such as (60) days upon evidence of the new home outside of a SHFA. This timeline should be within the contract period with the GLO.

Replacement Housing Incentive

The replacement housing incentive is necessary due to increased housing costs following the three years of repetitive flooding and the devastation caused by Hurricane Harvey and will be provided to households purchasing a more expensive home in City of Beaumont, up to the amount by which the new home price exceeds the buy-out home not to exceed \$31,000, including potentially eligible \$5,000 moving and relocation expenses reimbursement.

Commented [BR6]: Please indicate a time in which a person can receive this benefit such as (60) days upon evidence of the new home. This timeline should be within the contract period with the GLO

Moving Costs and Relocation

If the buyout is a voluntary acquisition of an owner-occupied residence, owners are not entitled to assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). However, moving expenses may be provided if funds are available under the

maximum award after buy-out and demolition costs are covered. For voluntary, owner-occupied buyouts moving expenses will be covered as a stipend of a maximum of \$5,000.

The City of Beaumont buyout program will not offer any Buyout Incentive or Moving and Relocation Expense reimbursement to purchase a rental home that is occupied by a tenant at the time of the purchase.

Offer

Once the applicant has been determined eligible for buyout assistance, City of Beaumont will provide the applicant with a buyout offer in accordance with the appraised value (pre-disaster fair market value). The offer for Buyout will not be impacted by any incentive costs or costs associated with demolition.

Eligible Use of Funds

1. Appraised Property Buy Out Costs
2. Settlement Costs
 - a. Appraisal Cost
 - b. Appraisal Review
 - c. Title Search
 - d. City of Beaumont Document Signing
 - e. Credit Check
 - f. Environmental Impact Assessment Costs
 - g. Inspection Costs
 - h. Deed Conversion Fees
 - i. Recording Fees
 - j. Other Associated Closing Costs outline in the HUD 1
3. Demolition Costs including the actual demolition of the existing structures on the property, clearing the proper, and proper disposal of resulting debris
4. Moving expenses – to cover the cost of moving associated with participation in the buyout program: maximum of \$5,000 and included in the \$31,000 Incentive total.
5. Replacement Housing Incentive – to cover the difference in purchase price of the buyout home and a more expensive replacement home in City of Beaumont, up to \$31,000 minus \$5,000 for moving and relocation costs.
6. Down Payment Assistance- provided as gap financing to cover up to 100 percent of down payment and closing costs for a replacement home
7. Relocation Advisory Services – additional case management and real estate services to assistance vulnerable households locate eligible housing in lower risks areas.

Unmet Needs Analysis

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

concentrated attention, and any target areas to be served the disabled, "special needs," vulnerable populations, and target areas to be served.

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

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

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

Duplication of Benefits

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

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

To ensure that City of Beaumont does not provide a duplication of benefits, the City will adhere to the following general process:

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

Each homeowner's application will be reviewed to determine if previous funding was appropriately used on the home. The homeowner must have an unmet need to move forward in the program. City of Beaumont 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).

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

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

Recapture Duplication of Benefits

If a duplication of benefits is identified, City of Beaumont will recapture funds to the extent they are in excess of the need and duplicate other assistance received by the beneficiary for the same purpose.

Sources of Duplication of Benefits

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

FEMA Individual Assistance (FEMA IA)

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

FEMA National Flood Insurance Program (NFIP)

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

The payment to applicants under NFIP policies will be determined and verified by City of Beaumont through the FEMA database and cross referenced with Texas GLO data. If City of Beaumont is unable to verify the NFIP insurance proceeds through the NFIP database, City of Beaumont will use documentation supplied by the applicant. If an applicant is able to provide documentation demonstrating that the insurance proceeds amount provided by the FEMA database includes items not covered in the home evaluation or not paid to cover structural loss, City of Beaumont will use the documentation provided by the applicant to adjust the insurance

payout. The documentation provided by the applicant must come from the insurance company which issued the payments.

Increased Cost of Compliance (ICC)

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

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

Private Insurance

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

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

The Small Business Administration (SBA)

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

Other Sources of Duplication of Benefits

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

Adjustments and Offset to the Amount of Assistance

Adjustments and offsets are deducted from the award amount.

No receipts provided

If the household is unable to provide receipts to show work completed for assistance amounts received for housing repair and/or replacement, the full amount of housing repair and/or replacement assistance previously received must be deducted from the amount of funding for which the household would otherwise be eligible.

Partial receipts provided

If partial receipts are provided by the household documenting that only a portion of the housing repair and/or replacement assistance previously received was used as intended, the amount received not supported by receipts must be deducted from the amount of funding for which the household would otherwise be eligible.

All receipts provided

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

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

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

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

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

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

1. The offsetting amount would be the amount of documented expenses that exceed the amount received for Rental Assistance.

-
2. Self-certifications of the amount spent on or the value of rental resources obtained is insufficient to off-set potential DOB.

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

If an applicant was a victim of contractor fraud, the amount paid to the contractor may not be counted as a duplication of benefit. The applicant would have had to file a police report before the date of the application submitted. If an applicant's mortgage company placed a force payment on insurance proceeds, the insurance amount may not count as a duplication of benefits.

The applicant would have to provide the document proving that that the mortgage company did not release the insurance proceeds.

Legal Fees

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

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

Buyout Award Determination

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

Buyout Applicants Who Owned the Property Prior to the Disaster

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

Buyout Applicants Who Purchased the Property After the Date of Disaster

Post flood owners receive an offer to purchase the property based on pre-flood fair market value as the basis of their buyout with the following limitations and duplication of benefit review:

1. Individuals and entities that purchased a flood impacted home after the date of disaster located in the designated area will be limited to the price the owner paid for the property, not to exceed the pre-flood fair market value. If repairs had

-
- been made to the property, eligible repair receipts are added to the post flood price of the acquisition.
2. Banks that have been deeded the property on a post flood basis will be limited to the amount of the mortgage balance (amount to pay-off the mortgage). This is the amount that the bank would have received had the owner participated on the buyout.
 3. Properties that are in foreclosure where the pre-flood owner receives any remaining proceeds of the sale of the property after sale expenses, taxes and liens, receive an award based on the pre-flood fair market value of the property.
 4. Contract sellers are limited to the amount of the contract balance. This is the amount that the contract seller would have received had the contract buyer participated in the buyout, provided the contract balance is less than the pre-flood fair market value. If the contract balance is more than the pre-flood fair market value, the contract seller will be limited to the pre-flood fair market value.
 5. Trusts, probates and living wills receive an offer based the pre-flood fair market as if the pre-flood owner is participating and subject to a duplication of benefits review. This is the same amount that the trust/probate would have received had the creation of the trust/probate been after the owner themselves signed all the documents necessary to participate in the buyout.
 6. If a non-profit has received the property by donation on a post flood basis, they are limited to the value it was appraised at, at the time of donation.
 7. If the property has been acquired by a bankruptcy trustee, the bankruptcy trustee provides the valuation documentation that was used to value the property at the time of the bankruptcy. The award amount is limited to the maximum of the pre-flood fair market value. Or alternatively, if the property is being held in trust with the homeowner remaining the current deed holder, documentation must be provided to demonstrate that the property is still deeded to homeowner but held in trust. If documentation is provided, the file receives an award based on the pre-flood fair market value of the property.

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.

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 Beaumont 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 Beaumont 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 Beaumont 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 Beaumont reserves the right to review each application on a case-by-case basis to determine the appropriate assistance amount.

Certification Requirements Prior to Receiving Assistance

All applicants must agree to the following to receive assistance:

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

Offer to Purchase

Once an applicant has been determined eligible and an assistance amount has been calculated, the applicant will receive an offer to purchase. An applicant must sign a voluntary participation or non-participation agreement within 14 days of buy-out offer. If applicant does not agree to the offer, they may counter-offer by providing their own pre-storm appraisal prepared by a licensed appraiser, at their own expense. The city will review the counter-offer and make a decision regarding the appraisal amount that is to be used. Applicant supplied appraisals will only be considered if the two appraisal values are within 15% of one another.

If applicant appeals, the city will have ten (10) business days to review the counter-offer from the date of receipt of the alternate appraisal and make a decision regarding the appraisal amount that will be used. Applicant will be notified by mail of the final decision.

Documenting Eligibility and Acceptance of Offer

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

Applicant Closing

Property Before Closing

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

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

- Upon Homeowner acceptance of offer, the City of Beaumont:
- sends information to Title Company, requests title commitment, and invoice
- receives invoice, title commitment, and preliminary settlement statement from Title Company
- prepares set-up award statement including estimated closing and demolition costs provided by CDBG-DR funds.
- prepares setup file for GLO. Setup file to include award statement with cost of acquisition, necessary soft costs, incentives and demolition (if applicable) costs. Setup file to include:
 - Set-up form (16.20)
 - Award Statement
 - Release of Funds (ROF)
 - Sales Agreement-
 - Title Commitment
 - Itemized Budget – includes closing costs based upon estimated closing date
 - reviews setup and submits setup file to GLO who reviews and approves, or reviews and denies setup.
 - schedules closing.

Document Execution at Closing

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

1. Agreement for Sale
2. Subrogation Agreement
3. At closing seller signs agreement to have all utilities disconnected within 7 days.

Subrogation Agreement

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

Assignment Relation to Funds Received Under Program

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

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

Cooperation and Further Documentation

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

Authorization for Program to Contact Third Parties

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

Property After Closing

Following closing, the City of Beaumont maintains copies of closing documents, including the recorded deed and title policy in the Planning Division. An agenda item is submitted to City Council to authorize responsibility for long-term property maintenance.

The City of Beaumont is responsible for the maintenance and/or demolition of the residential structure and any outbuildings and proper disposition of the debris, in accordance with state and federal environmental laws, rules and regulations. The city will take ownership of the property and is responsible for ensuring the property title is deed restricted remaining public open space in perpetuity. A covenant will be placed on the property being acquired to maintain it as open space. Additionally, City of Beaumont will execute an interlocal agreement detailing the property maintenance requirements.

The City of Beaumont maintains all buyout properties via its infrastructure division that has a maintenance department. The City of Beaumont Maintenance Department provides mowing, tree trimming, weed eating, and debris removal services. The City of Beaumont works in partnership with the Precinct constables and evaluates the need for security patrol.

The City of Beaumont will include the maintenance of buyout properties as part of its annual internal monitoring. The City of Beaumont will provide the maintenance schedule which will compare against the list of buyout properties to ensure all properties are on the schedule as well as perform site visits to ensure all properties are being maintained to standards.

Appeals

Grievance Policy/Procedure

The City of Beaumont is responsible for responding to complaints and appeals in a timely and professional manner. A grievance and appeals procedure will be afforded to applicants to provide a quick and efficient system for resolution of concerns or disputes that applicants may have with the procedures followed and services provided by the City of Beaumont. The appeals procedure will include both an informal and a written grievance process which may include but not be limited to informal hearings, third-party review and director approval. City of Beaumont will keep a record of each complaint or appeal that it receives to include all communications and their resolutions.

Applicants who wish to appeal any part of the City's buyout program decision, shall submit an email to Adina.Josey@BeaumontTexas.gov and ctaffaro@ardurra.com. Residents may also register their appeal by phone by contacting Craig Taffaro at (504) 401-3654. Initial appeals must contain the:

Applicant Name
Proposed Address for Buyout
Applicant email and phone #
Specific reason for appeal (what specifically is there disagreement over)
Proposed resolution

Following initial appeals, if applicants still wish to contest the program decision, a second appeal may be made to the Texas GLO through the assigned Grant Manager, Terri Spencer at terri.spencer.glo@recovery.texas.gov or (409) 373-6199. Second level appeals should include all information of the first appeal plus any additional information that is not agreed with.

Complaints alleging violation of fair housing laws will be directed to the U.S. Department of Housing and Urban Development for immediate review (see Grievance and Appeals policy). Complaints regarding fraud, waste, or abuse of government funds will be forwarded to the HUD OIG Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov).

Complaints

When a complaint or appeal is received, a representative will respond to the complainant or appellant within fifteen (15) business days where practicable. For expediency, the City of Beaumont shall utilize telephone communication as the primary method of contact; however, the date that an email was sent or the date that a phone message was received will be used as the date of filing.

Commented [BR7]:

Responsibilities

The City of Beaumont will identify staff within their program tasked with handling all homeowner inquiries. These staff will be responsible for (1) determining whether or not complaints and appeals relate to the business or authority of City of Beaumont, (2) ensuring that a response to all complaints and appeals are within the appropriate time frame (a response must be provided within 15 working days of the receipt of the complaint), and (3) ushering all complaints and appeals through to a resolution.

The City of Beaumont has a Grievance and Appeals policy that addresses handling incoming complaints, including a complaint escalation process in order to ensure that complaints are handled at the earliest stage in the process.

Documentation

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

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

Affirmative Marketing/Fair Housing

The City of Beaumont is committed to affirmatively furthering Fair Housing. The goal of the affirmatively furthering Fair Housing 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. The City of Beaumont shall ensure that no person shall on the ground of race, color, national origin, religion, sex, sexual orientation, age, familial status, or disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or be denied access to the CDBG Disaster Recovery Program.

One condition placed on the City during a GLO AFFH review of the intended Buyout program was:

The City of Beaumont should maintain a free-standing participant log with all applicants with the amount of the award in each area (acquisition, 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, either on its own or through a Program Manager 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, 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 floodways and floodplains or provide certification that every property owner in the service area 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.

Marketing will occur and referrals will be accepted through the City of Beaumont and in coordination with local non-profit and community-based organizations. The City of Beaumont will take additional measures to affirmatively market the CDBG Disaster Recovery Program, as follows:

1. The City of Beaumont will make the program accessible to persons who are considered members of a protected class under the Fair Housing Act by holding informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), provide sign language assistance when requested, and provide special assistance for those who are visually impaired when requested.
2. The City of Beaumont will make all efforts to communicate, both orally and in writing, in appropriate languages to affected residents.

-
3. The City of Beaumont will provide reasonable accommodations as needed to make the program accessible to people with disabilities.
 4. The City of Beaumont will retain documentation of all marketing measures used, including copies of all advertisements and announcements that will be available for public viewing upon request.
 5. The City of Beaumont will use the Fair Housing logo in advertising, post Fair Housing posters and related information, and, in general, inform the public of its rights and obligations under Fair Housing regulations.
 6. Door-to-door canvassing and special outreach efforts to hard-to-reach populations (e.g., seniors, and persons with severe disabilities who either do not have information about the resources available or are unable to apply for resources).
 7. Advertise with the local media outlets, including newspapers and broadcast media, that provide unique access for persons who are considered members of a protected class under the Fair Housing Act.
 8. Flyers in utility and tax bills advertising the Program.
 9. Reach out to public or non-profit organizations and hold/attend community meetings.
 10. Other forms of outreach tailored to reaching the eligible population, including door-to-door outreach, and on the weekends, if necessary.
 11. Case managers will help navigate and inform survivors who may qualify for acquisition and buyout of their damaged unit to remove them from flood hazards, environmental hazards, and other unsafe conditions while meeting AFFH obligations.
 12. Documentation of all marketing measures used, including copies of all advertisements and announcements, will be retained and made available to the public upon request.
 13. Subrecipients and the state will be required to use the Fair Housing logo in Program advertising, post Fair Housing posters and related information and, in general, inform the public of its rights under Fair Housing regulations law.
 14. The City will coordinate with HUD-certified housing counseling organizations to ensure that information and services are made available to both renters and homeowners. Additional information for each grantee is available here: <https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?weblistaction=summary>

The City of Beaumont will engage community members in the targeted buyout areas as well as those in potentially impacted, adjacent communities to gather stakeholder input, disseminate important program information, and to answer questions. See Community Engagement and Marketing Plan for further details.

Coordinated Housing Strategy

The City of Beaumont's Buyout Program will strive to coordinate with partners across the city to mitigate the reduction of housing lost as result of buyouts with complimentary housing production including but not limited to the new construction and rehabilitation of replacement housing in areas of the City that provide access to work, school and social services, as well as

proximity to transit. The goals established in other City of Beaumont Disaster Recovery programs will seek to provide an equal or greater amount of new or rehabilitated housing units to offset the number of homes removed from the city's housing stock as a result of the buyout program.

Compliance and Monitoring

The City of Beaumont will establish a monitoring/oversight program to ensure that buyout assistance is being provided to eligible owners, for eligible properties, and receiving the proper assistance amounts. The city will also ensure that all properties are being added to the maintenance schedule and that all properties are being maintained to standard.

Audit Requirements

If the City of Beaumont receives 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.

Conflict of Interest

No employee, agent, or officer, who exercises decision-making responsibility with respect to CDBG-DR funds and activities, is allowed to obtain a financial interest in or benefit from CDBG- DR activities, or have a financial interest in any contract, subcontract, or agreement regarding those activities or in the proceeds of the activities. The buyout program will establish safeguards to prohibit employees, officers, and agents from using their position for a purpose that is, or gives the appearance of being, motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties. The City of Beaumont may require disclosure of any potential conflict of interest to the governing body of the locality, to the recipient's legal counsel, and as otherwise may be appropriate.

Section 3

The City of Beaumont will adhere to all Section 3 requirements and will perform regular monitoring of any required contractors and interlocal partners and their contractors. Section 3 of the Housing and Urban Development Act of 1968 [12 U.S.C. 1701u and 24 CFR Part 135] represents HUD's policy for providing preference for new employment, training, and contracting opportunities created from the usage of covered HUD funds to low- and very low-income residents of the community where certain funds are spent (regardless of race or gender), and the businesses that substantially employ these persons. In order to comply with Section 3, the buyout program will do the following whenever necessary;

1. Implementing procedures to notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance;
2. Notifying potential contractors working on Section 3 covered projects of their responsibilities;
3. Incorporating the Section 3 Clause into all covered solicitations and contracts [see 24 CFR Part 135.38];
4. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns;

-
5. Assisting and actively cooperating with the Department in making contractors and subcontractors comply;
 6. Refraining from entering into contracts with contractors that are in violation of Section 3 regulations;
 7. Documenting actions taken to comply with Section 3; and
 8. Submitting Section 3 Quarterly and Annual Summary Reports (form HUD-60002) in accordance with 24 CFR Part 135.90.

Applicant Data

All applicant data is secured in the City's management information system for a specified period of time in accordance with the current Record Keeping and Retention Period (see Record Retention Policy below).

Recordkeeping, including scanning, uploading to the City's management information system, and filing of pertinent program documentation retention policies are to provide both a physical and an electronic record of activities so that documentation is accessible for audit purposes.

In order to protect non-public personal information, data security measures are in place. For example, hardware and software data security protocols such as the requirement for signed non-disclosure agreements prior to receipt of access credentials for the City's management information system. The City also requires that hard copy files containing non-public personal information are kept in locked file cabinets to ensure their physical security.

Record Retention

The buyout program will adhere to the record stricter of retention policies of either The City of Beaumont, the State of Texas, or HUD for the use of CDBG-DR funds as required by the grant. All official records on programs and individual activities shall be maintained for at least 3 (three) years beyond the closing of the grant between the GLO and HUD. A notice to the City from GLO/HUD of the closing date will be sent to the City. Applicant records may be maintained electronically.

Closeout

The City of Beaumont will ensure records are complete, that all affordability requirements are adhered to and that the city has performed all subrogation monitoring processes. The city will create project and an end-to-end (ETE) grant closeout checklists that will be maintained with the project file to ensure that all of the applicable program requirements are met. This task will be completed for each applicant file regardless of if the applicant received any funds or completed a real estate transaction. The City will comply with all GLO file closeout procedures, including (but not limited to) the "left side/right side" file organization format.

Anti- Fraud and Compliance Policies

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

Contact

Website: www.BeaumontTexas.gov

Email: Adina.Josey@BeaumontTexas.gov

Phone Number: 409-880-3764

The provisions of the guidebook may be amended or exceptions granted from time to time, as determined and approved in writing by the Director of the City of Beaumont Community Services Department, by order of the City of Beaumont Commissioners Court, and/or in accordance with the requirements dictated by the Texas General Land Office, or the U.S. Department of Housing and Urban Development.

Notes

1 Area with reduced risk of flooding means moving outside the 100-year flood plain or within the 100-year flood plain in a structure with flood mitigation measures above the current standard (2 feet above the 500-year flood plain).

2 Based on current funding allocations and subject to specific funding restrictions which include 100 percent of funding to serve LMI for first Harvey Allocation (PL115-31). Please see Table 4 for a breakout of estimated number of units to be acquired by allocation.

3 2018 FHA Mortgage Limits for Jefferson County from <https://entp.hud.gov/idapp/html/hicost1.cfm> Mortgage maximums as of Tuesday January 01, 2019

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

5 Federal Register/Vol. 82, No. 247/Wednesday, December 27, 2017/Notices (Hurricane Harvey)

6 <https://www.hudexchange.info>

7 City of Beaumont does intend to acquire vacant and abandoned rental property as well as vacant and abandoned lots within the Buyout Interest Areas but does not wish to limit buyouts to only those properties so that it may maximize the effectiveness of the buyout program.

8 Purchase price set at pre-storm fair market value due to significant decrease in home values in the Buyout Interest Areas due to damage caused by the disasters.

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

Public Comments

To be completed after the comment period closes