

City of Friendswood
CDBG-DR Hurricane Harvey
Acquisition Guidelines

September 11, 2020

Table of Contents

SECTION 1: GENERAL	4
1.1 Background	5
1.2 Voluntary Acquisition Program	4
1.3 End Use Redevelopment of Acquired Properties	5
1.4 National Objective	6
1.5 Definitions	7
SECTION 2: ELIGIBILITY AND APPLICATION	13
2.1 Eligibility Test	13
2.2 Proof of Event Damage	15
2.3 Case Management	16
2.4 Eligibility Review and Complaint/Appeals Process	16
2.5 False Claims Disclaimer	17
SECTION 3: ACQUISITION OFFER, INCENTIVES, CLOSING	18
3.1 Current Fair Market Value (CFMV)	19
3.2 Duplication of Benefits	19
3.3 Housing Incentives	19
3.4 Environmental Requirements	21
3.5 Offer and Closing Process	21
3.6 Residential Anti-Displacement and Relocation Assistance Plan (RARAP) Statement	22
SECTION 4: ADMINISTRATION	24
4.1 Affirmative Marketing & Fair Housing Plan	25
4.2 Public Outreach & Targeted Communities Plan	25
4.3 Communication Strategies for Persons with Special Needs	26

4.4 Timeliness of Application Notice & Status 26

4.5 Record Keeping 27

4.6 Conflict of Interest 27

4.7 Audit Requirements 28

4.8 Closeout Procedures 28

4.9 Citizen Comments..... 28

APPENDIX A: RESIDENTIAL ANTI-DISPLACEMENT AND RELOCATION ASSISTANCE PLAN (RARAP) 29

APPENDIX B: EXAMPLE INTAKE BENEFICIARY APPLICATION 36

CDBG-DR Hurricane Harvey
Voluntary Acquisition Guidelines
City of Friendswood, Texas

SECTION 1: GENERAL

SECTION 1: GENERAL

1.1 Background

Hurricane Harvey, which made landfall on August 25, 2017, caused extensive flooding within Galveston County with over 50 inches of rain falling. According to the City of Friendswood damage assessment, approximately two thousand eight hundred households in Friendswood were flooded.

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

Based on FEMA Individual Assistance (FEMA-IA) data a total of twenty-eight (28) households applied for FEMA-IA assistance, of the households a total FEMA Verified Loss (FVL) equated to a total of \$60,786.97. The Houston Galveston Area Council (HGAC) developed a Method of Distribution (MOD) to disburse more than \$240 million to the HGAC area. As a result of this MOD, the City of Friendswood was allocated \$2,762,650 for buyout and acquisition projects.

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

1.2 Voluntary Acquisition Program

Voluntary acquisition programs support hazard mitigation, floodplain management goals, and resiliency by removing homeowners from the floodplain to minimize the possibility of future flooding to their homes and having them move to higher ground.

As a voluntary acquisition project, neither the Property Owner, nor the City is compelled nor required to participate. If negotiations fail to produce an amicable agreement, the jurisdictions right to Eminent Domain, will not be used to acquire the property. The City reserves the right to refrain from continuing action on any individual property file. Similarly, program participants have the right to discontinue participation. The program will offer Post-Storm Fair Market Value to participants.

1.3 End Use Redevelopment of Acquired Properties

The City of Friendswood's ultimate goal will be to utilize the acquired properties in a manner consistent with HUD National Objectives.

Following acquisition from an eligible property owner, the structure will be demolished with the goal of using the vacant parcel for flood control within the watershed. If a flood control project cannot be undertaken, due to project funding or parcel availability, the vacant parcel will be used as a public park / green space.

1.4 National Objective

All program activities must meet one of the three National Objectives required under the authorizing statute of the Community Development Block Grant – Disaster Recovery (CDBG-DR) program. The CDBG-DR Acquisition 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.

This Voluntary Acquisition Program is structured to serve the Urgent Need Objective. Per the Federal Register Notice (FRN) governing these funds, a program that provides post-disaster FMV (Fair Market Value) to buyout applicants merely provides the actual value of the property; thus, the seller is not considered a beneficiary of CDBG–DR assistance.

2020 HUD Income Limits:

A household is considered LMI if they make less than 80% of the area median income. Income eligibility will be determined using the Low (80%) Income Limit from the 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.

The LMI threshold for an individual household will vary based on number of household members, as shown in the following guidance table provided by HUD.

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
Houston-The Woodlands-Sugar Land, TX HUD Metro FMR Area	\$78,800	Very Low (50%) Income Limits (\$) Explanation	27,600	31,550	35,500	39,400	42,600	45,750	48,900	52,050
		Extremely Low Income Limits (\$)* Explanation	16,600	18,950	21,720	26,200	30,680	35,160	39,640	44,120
		Low (80%) Income Limits (\$) Explanation	44,150	50,450	56,750	63,050	68,100	73,150	78,200	83,250

Source: <https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn>

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 a serious and immediate threat to the health or welfare of the 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.

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. HUD 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.

1.5 Definitions

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

Affirmatively Furthering Fair Housing (AFFH): 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.

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.

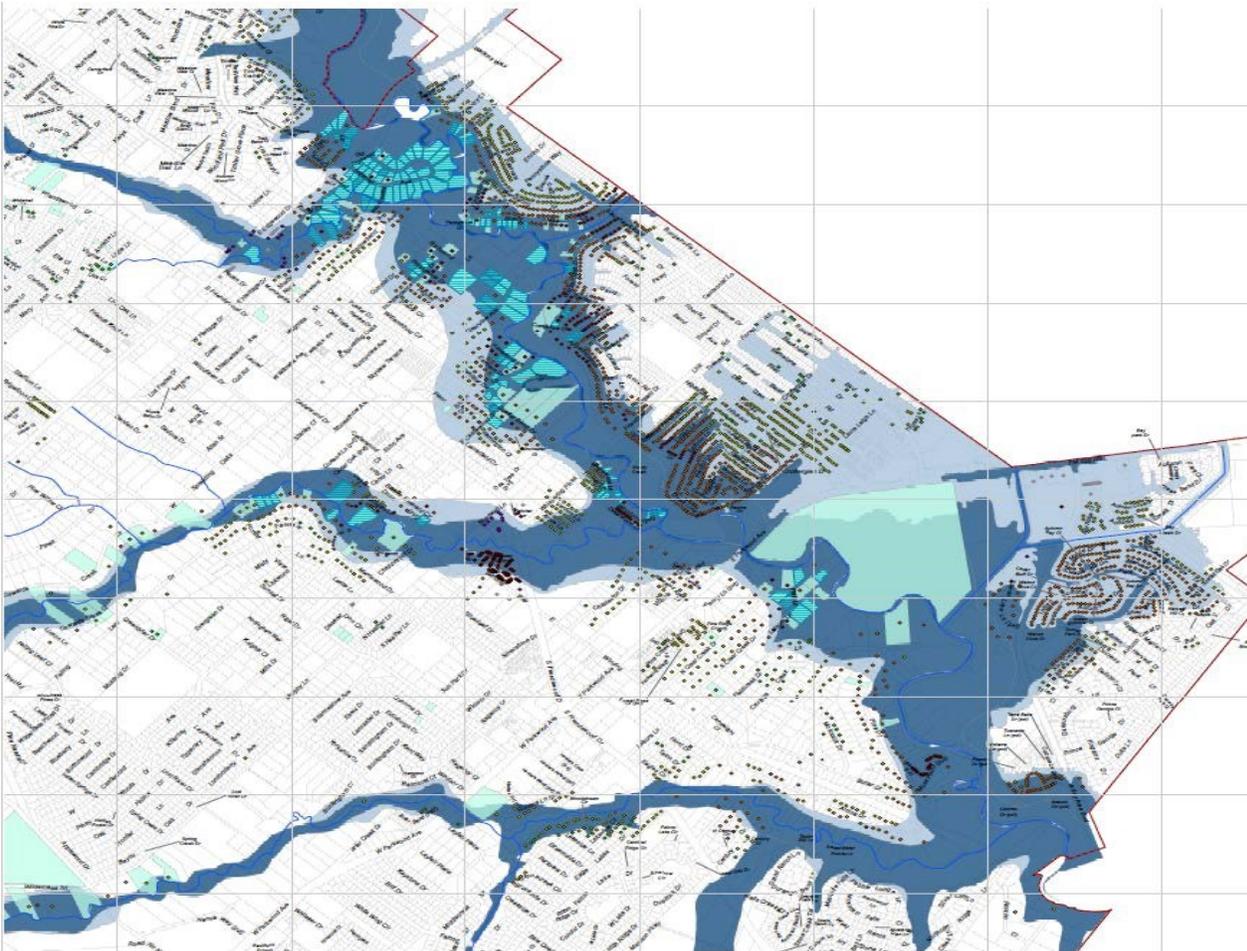
Current Fair Market Value (CFMV): As-is value of property at time of appraisal. Also referred to as post-disaster value. Includes structure(s), land parcel, rights and easements. Appraisal methodology will use comparable sales approach and highest best use assumption to determine CFMV.

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

Decent Safe Sanitary Housing (DSSH-MT) Minimum Threshold: The minimum threshold for DSSH is hereby defined as \$120,000.

Disabilities: Disabilities are defined as “a physical or mental impairment which substantially limits one or more major life activities; a record of such impairment; or being regarded as having such an impairment.”

Disaster Risk Reduction Area (DRRA): The DRRA is defined as all areas within City boundaries. The DRRA is delineated to meet the following definitions prescribed by the GLO: (1) the hazard must have been caused or exacerbated by the Presidentially-declared disaster area; (2) the hazard must be a predictable environmental threat to the safety and well-being of inhabitants as evidenced by the best available data and science; and (3) the DRRA must be clearly delineated so that HUD and the public may easily determine which properties are located within the designated area. The designated DRRA is all areas within the flood way or 100 year floodplains within the City of Friendswood.



Source: Map by City of Friendswood

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

Elderly 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.

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

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

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

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

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

Federal Register Notice (FRN): The federal document, published by HUD, which governs the rule and requirement of the grant.

Floodplain: FEMA designates floodplains as geographic zones subject to varying levels of flood risk. Each zone reflects the severity or type of potential flooding in the area. The "100-year floodplain" is the geographical area defined by FEMA as having a one percent chance of being inundated by a flooding event in any given year. The "500-year floodplain" is the geographical area defined by FEMA as having a 0.2 percent change of being inundated by a flooding event in any given year.

Housing Incentives: Housing incentives is an overarching term comprising two subcategories: Down Payment Assistance and Optional Relocation Assistance. The purpose of such housing incentives is to encourage maximum participation by property owners and to facilitate the relocation of those applicants to Decent Safe Sanitary Housing (DSSH) options in safer, more disaster-resilient areas.

Household Relative Income Percentage (HRIP): Adjusted gross income for an entire household in relation to area median income, expressed as a percentage value (%). Varies based on household size.

Special Needs Adjusted - Household Relative Income Percentage (SNA-HRIP): Household Relative Income Percentage (HRIP) adjusted for a given household's applicable special needs categories. Expressed as a percentage value (%).

Proof of Event Damage: In order to be eligible for acquisition, the applicant homeowner must demonstrate that their home was damaged by Hurricane Harvey. Acceptable forms of Proof of Event Damage are as follows:

- 1) FEMA award letters, Small Business Administration (SBA) award letters, or
- 2) Insurance Claim Award letters,
- 3) Inspection report/Damage Assessment conducted by a certified, licensed, or experienced inspector (HQS, TREC license, or similar experience) satisfactory and are compliant with GLO's Damage Assessment Guidelines, or
- 4) Must be identified on the City of Friendswood damage assessment which was conducted immediately following Hurricane Harvey.

Low-Moderate Income Households: A household is considered LMI if they make less than 80% of the area median income. Income prioritization will be determined using area median household income 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.

Manufactured Homes: Manufactured homes are pre-constructed to a federal HUD building code completely in a factory on a permanent, fixed steel chassis. Manufactured homes typically have skirting or siding around the bottom of them to hide where the wheels were removed. Special residential zoning restrictions limit their placement in the City.

Modular Homes: Modular homes are pre-built in sections at a factory, then transported to the building site, placed on a permanent foundation, and finished on location. Modular homes must conform to all local, state, and regional building codes and require a post-construction building inspection.

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.

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

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 Act (URA): A federal law that establishes minimum standards for federally funded programs and projects that require the acquisition of real property (real estate) or displace persons from their homes, businesses, or farms.

Unsecured Forgivable Promissory Note: If the applicant qualifies for disaster recovery assistance and has been awarded funding, there are conditions placed on the applicant receiving the assistance. The conditions are outlined in an Unsecured Forgivable Promissory Note (the Note) between the assisted beneficiary and the City that requires applicants to comply with several terms during a set affordability period. Once the homeowner complies with all the terms of the Note and the affordability period ends, the terms are forgiven.

U.S. Department of Housing and Urban Development (HUD): The Department of Housing and Urban Development (HUD) is a U.S. government agency created in 1965 to support the housing market and homeownership. HUD does this by improving affordable homeownership opportunities, increasing safe and affordable rental options, reducing chronic homelessness, fighting housing discrimination by ensuring equal opportunity in the rental and purchase markets and supporting vulnerable populations.

CDBG-DR Hurricane Harvey
Voluntary Acquisition Guidelines
City of Friendswood, Texas

SECTION 2: ELIGIBILITY AND APPLICATION

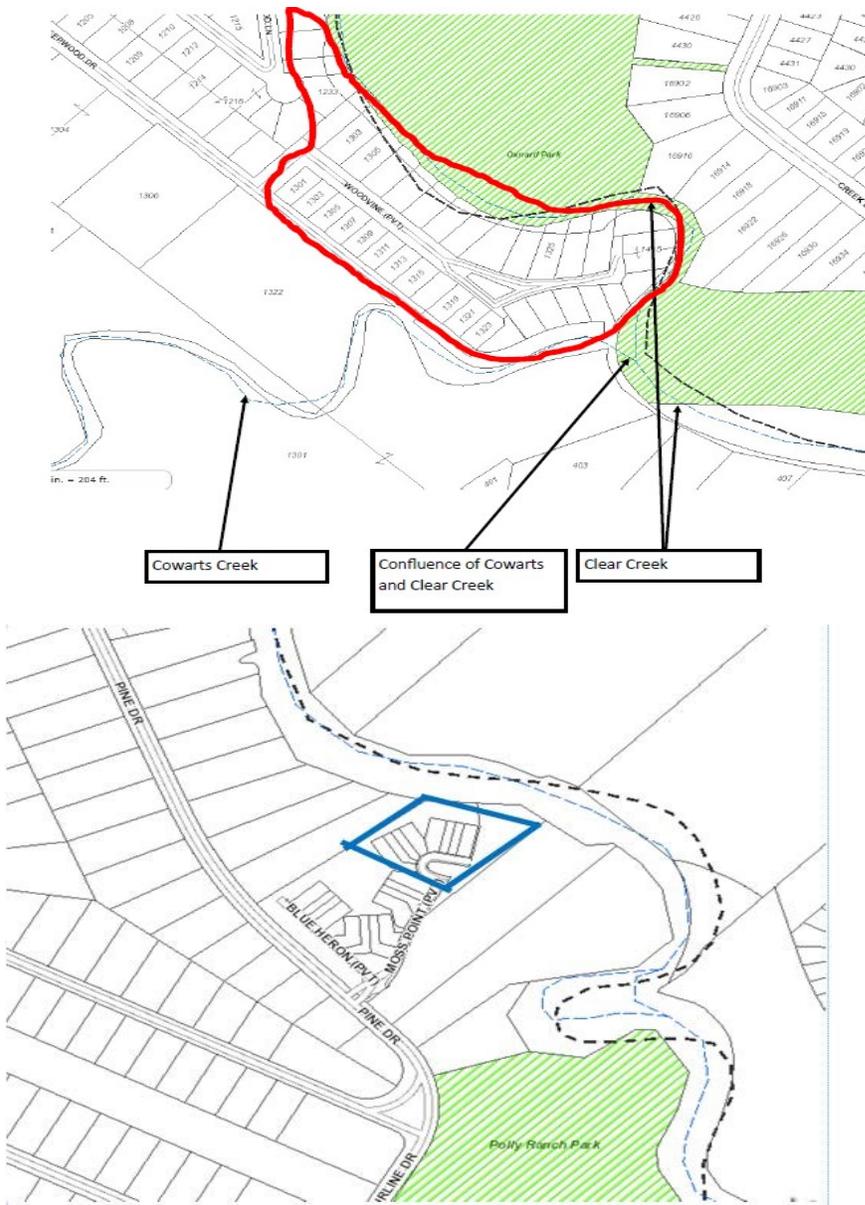
SECTION 2: ELIGIBILITY AND APPLICATION

2.1 Eligibility Test

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

Prerequisite #1: Structure must be inside the Frenchman's Creek – Friendswood Designated service areas, or the Deepwood / Woodvine designated service areas.

Disaster Risk Reduction Area (DRRA): – CDBG-DR Acquisition Project



Sources: City of Friendswood.
Note: This map shows the Deepwood / Woodvine service areas within the City of Friendswood.

Sources: City of Friendswood.
Note: This map shows the Frenchman's Creek service area within the City of Friendswood.

Prerequisite #2: Owner Occupied or Rental Single Family Dwelling, or Condominiums must have evidence of being directly or indirectly affected by Hurricane Harvey. For situations in which only indirect damage can be identified, these scenarios will be reviewed on a case-by-case basis.

Prerequisite #3: Property owner must have submitted a completed Intake Application and Eligibility Release Form, both signed by all members of the household 18 years of age or older, and all associated documentation required on the Intake Application Checklist (see Appendix C: Intake Package) by the 60- day application deadline.

Prerequisite #4: Property owner must provide documented proof of impact from Hurricane Harvey (insurance cost-adjustor report, FEMA documentation, SBA documentation, NFIP documentation, official independent damage assessment, etc.).

Prerequisite #5: Applicant must furnish evidence that property taxes are either current, have an approved payment plan, or qualify for an exemption under current laws. Applicant must prove that property taxes have been paid or that one of the following alternatives has been met:

- The property owner qualified for and received a tax deferral as allowed under Section 33.6 of the Texas Property Tax Code; or
- The applicant entered into a payment plan with the applicable taxing authority.

Support documentation verifying the tax deferral or tax exemption must be provided by the applicant. Any applicant that enters into a payment plan must supply a signed copy of the payment plan from the applicable taxing entity along with documentation that they are current on their payment plan.

Prerequisite #6: Property owner and City must mutually agree to voluntarily participate. Any property owner who chooses not to participate is fully entitled to that decision.

Prerequisite #7: If any owner of a property is deceased, whether before or after the storm event, the executor (or administrator) of the estate must join in the sale of the property to the City.

Prerequisite #8: Probate Court consideration and approval is required before the Program buys real property from any probate estate.

Prerequisite #9: In regards to 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.

Prerequisite #10: In regards to purchase contracts, the 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.

Prerequisite #11: 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.

Prerequisite #12: Conditional Sale Contracts are not eligible unless the property owner converts their contract to full ownership prior to receiving funding assistance from the program.

Prerequisite #13: 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.

Prerequisite #14: 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.

Prerequisite #15: Title clearance is a necessary component of any traditional real estate transaction.

Prerequisite #16: Preliminary title research will be conducted by checking the legal owner of record according to the Galveston County Appraisal District prior to the appraisal process. The Program will only purchase properties that have clear title as determined by its procured title company. It is the responsibility of the property owner to assist the title company with obtaining clear title. In some cases, the Program predicts that applicants will have to obtain legal assistance from private attorneys or pro-bono legal aid organizations. The cost of these legal services is at the expense of the property owner(s). If an applicant is unable to clear title within a reasonable amount of time, the acquisition program may determine that they are ineligible for assistance. In these cases, the Program will establish the closing deadline at least 90 days in advance and inform the property owner with a documented phone call and certified mailing.

Prerequisite #17: the unit must be a single-family residence.

Prerequisite #18: All applicants and co-applicants must be current on payments for child support. If the applicant or co-applicant is not current on child support, that 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.

Prerequisite #19: All properties must be reviewed for environmental factor and comply with NEPA requirements.

2.2 Proof of Event Damage

The Program is obligated to only offer CDBG-DR housing assistance to properties affected by Hurricane Harvey. HUD requires that all projects funded by this allocation be related to direct or indirect storm impact. To comply with the federal requirement, the Program will verify that each property purchased under the 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,
- City of Friendswood damage assessment data,
- FEMA assistance,
- Homeowners insurance claims,
- Flood insurance claims,
- Adjuster reports,

- SBA documentation, or
- Written report of damage by certified inspector.

2.3 Case Management

Case managers cannot make eligibility decisions or determine benefits for applicants. However, case managers can assist the overall process for all stakeholders. Each program participant will be assigned a Case Manager who will remain their point-of-contact throughout the acquisition program. Applicants will only be reassigned Case Managers if there are changes to staff, or if necessary, because of language barriers or homeowner disabilities. Every case management assignment decision will be made with the property owner's best interest in mind and the property owner's input and preferences will be heavily considered.

In order to provide fair and equal access to potential benefits, Case Managers cannot complete Intake Beneficiary Applications on behalf of applicants. Case Managers cannot research and obtain supporting documents on behalf of applicants in order to complete their files. Case Managers will however provide information on how to complete applications and where and how supporting documentation can be obtained. Furthermore, Case Managers will work with other community volunteers or volunteer groups who may provide direct assistance to applicants.

Case Managers will ensure documents are properly completed and details verified. Case Managers will also assure that each program participant completes every required step in the process. Additionally, Case Managers will create a documentary record that proves every required step is properly completed.

2.4 Eligibility Review and Complaint/Appeals Process

A committee comprised of Galveston County and City of Friendswood staff will be formed for the purpose of eligibility determinations and case management oversight. Uniform documentation materials and consistent criteria will be used by the committee to make determinations.

Property owners may appeal eligibility determination or the Current Fair Market Value (CFMV) appraisal of their property. If they choose to appeal their appraisal, a second appraisal can be conducted on the condition that it's conducted under uniform regulations and instructions from the Program, it is paid for by the homeowner, and conducted in accordance with USPAP standards by an independent, objective, licensed, certified appraiser with no connections, nor affiliations with interested parties.

Assuming uniform conditions and instructions are satisfied, if the new appraisal report results in a value increase of less than 15%, the average of the two values will form the basis for the offer. If the new appraisal report shows a value less than the original appraisal report, the original value is used and the offer remains unchanged. If the new appraisal report shows a value increase greater than 15%, the Program may order a third appraisal at the program's expense.

The value of the middle appraisal (the median value) will be used for the purposes of generating the offer amount.

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

Complaints should be addressed to:

City of Friendswood Fire Marshal's Office
Attention: CDBG-DR Acquisition
910 South Friendswood Dr Friendswood,
Texas 77546

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 Program will utilize telephone communication as the primary method of contact. However, email and postmarked letters will be used as necessary. The following procedures as well as contact information will be provided in the homeowner's application packet.

2.5 False Claims Disclaimer

False claims by applicant/homeowners are strictly prohibited. Application, qualification, and voluntary authorization documents signed by homeowner/applicant will carry the following warning disclaimer: *"Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729."*

CDBG-DR Hurricane Harvey
Voluntary Acquisition Guidelines
Galveston County, Texas

**SECTION 3: ACQUISITION OFFER, INCENTIVES,
CLOSING**

SECTION 3: ACQUISITION OFFER, INCENTIVES, CLOSING

3.1 Current Fair Market Value (CFMV)

The initial basis for acquisition funds to seller is the Current Fair Market Value (CFMV), also known as “Post-Storm Value”, of their property. Appraisal methodology for this CDBG-DR acquisition project will be current fair market value of parcel (structure, land/lot, fee simple, highest best use assumption, comparable sales approach). The results of the CFMV appraisal will constitute the base offer.

The Program recognizes that some property owners will not agree with the contracted appraiser’s valuation of their home. Property valuations contain many variables and two appraisers may reach differing conclusions regarding the fair market value of the same property. As a result, the Program has developed the following process available to property owners for them to formally contest and appeal the determined fair market value of their properties. Property owners may not change the value of their properties in any method outside of the following process:

1. Property owner informs the Program in writing that they intend to appeal.
2. Property owner hires their own appraiser to conduct an appraisal of the home. The appraiser must be licensed/certified to conduct real estate appraisals.
3. The property owner provides the new appraisal report to the Program.
4. If the new appraisal report results in a value increase of less than 15%, the average of the two values will form the basis for the offer.
5. If the new appraisal report shows a value less than the original appraisal report, the original value can be used and the original offer remains unchanged.
6. If the new appraisal report shows a value increase of greater than 15%, the Program may order a third appraisal at the program’s expense. The value of the middle appraisal (the median value) will be used for the purposes of generating the offer amount.

3.2 Duplication of Benefits

Due to the CDBG-DR acquisition program framework, which utilizes Current Fair Market Value (CFMV) appraisal methodology, Duplication of Benefits (DOB) in all foreseeable cases will not be applicable, but will be vetted as received by the applicant. In most cases, DOB would be triggered when an applicant is participating in an HMGP Buyout Program, or received SBA Relocation Assistance. However, since DOB as defined by federal agencies is strictly prohibited, if DOB were to occur during this program, property owners would be required to pay back all funds to the respective government agency. For this reason, all participants will be required to sign a subrogation agreement.

3.3 Housing Incentives

In addition to the purchase price, the Program may provide relocation assistance or housing incentives if the owner’s need for additional assistance is documented. The purpose of such housing incentives is to encourage maximum participation and facilitate relocation to Decent Safe Sanitary Housing (DSSH) in safer, more disaster-resilient areas.

A Needs Assessment Methodology will be utilized for each qualified applicant file to determine the minimum necessary funding in order to obtain DSSH. The Needs Assessment Methodology will

calculate the difference between the Current Fair Market Value (CFMV) of the property and the DSSH Minimum Threshold of \$120,000.

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

Project Type	Acquisition/ Buyout
Base Unit	Fair Market Value (Post-Disaster)
Moving Expenses	Up to \$5,000
Relocation Assistance	\$10,000

Down Payment Assistance (DPA): The difference or shortfall between CFMV and DSSH Minimum Threshold may be made up through a Down Payment Assistance (DPA) incentive up to \$10,000. Down Payment Assistance (DPA) not to exceed \$10,000 will only be available if the owner’s need for additional assistance is documented. Formula is $(\$120,000 \text{ minus CFMV} = \text{DPA} (< \$10,000))$.

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

- a. Purchased a lot or are using a pre-owned lot located outside of a floodplain or to a lower-risk area for construction of a new home (a construction date and plans must be provided), or the applicant purchased a newly constructed or existing home located outside of floodplain or a lower-risk area.
- b. Purchased homes must be considered decent, safe, and sanitary (DSSH).
- c. Down Payment Assistance funding must be used in conjunction with a portion of net proceeds from the acquired property for a down payment on replacement home; as outlined in Section 3.5.
- d. The Down Payment Assistance funds will be placed into an escrow account and must be used within 60 days.
- e. The amount of assistance is equal to \$10,000 or the difference or shortfall between CFMV and DSSH Minimum Threshold of \$120,000, whichever is a smaller amount.
- f. Eligible properties must fit in the following categories:
 - i. Single family property (detached and attached 1-4 units)
 - ii. Modular home/manufactured home (allowed where zoning permits) iii.
 - iii. Vacant land

Optional Relocation Assistance: All applicants are also eligible for the Relocation Assistance incentive, which is comprised of \$10,000 of Relocation Assistance and \$5,000 of Temporary Relocation Assistance. This incentive is not included in nor a part of the \$10,000 Down Payment Assistance, nor is it factored into calculation of the difference between CFMV and DSSH Minimum Threshold of \$120,000. Property owners with a property appraised at a CFMV less than the DSSH Minimum Threshold can qualify for the Relocation Assistance incentive of \$10,000 and additional Down Payment Assistance of up to \$10,000. Property owners with a property appraised at a CFMV greater than the DSSH Minimum Threshold will receive only the CFMV and Relocation Assistance of \$10,000.

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

Non-Primary Homes: A property is considered a non-primary home if it is rented out at any time during the year, regardless of whether it is used by the household or not.

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

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

3.4 Environmental Requirements

The City of Friendswood will perform, or contract, the required 24 CFR Part 58 environmental requirements associated with the property which is being submitted by the applicant. All sites will undergo a thorough tiered environmental evaluation with the general environmental assessment occurring first and a site-specific environmental evaluation to follow once the individual properties have been identified. The site-specific evaluation will approximately coincide with the timing of the initial appraisal. The environmental evaluation will be reviewed and approved by the CDR-GLO before an offer can be extended to the homeowner. In addition, 24 CFR Part 58 environmental requirements will be initiated upon each change of use activity.

Lead-based paint and asbestos inspections will be conducted. No negative impacts to endangered species will occur as a result of this project and the US Fish and Wildlife Service (USFWS) will be consulted as to all project activities. US Department of Agriculture (USDA)-designated Prime Farmland will not be negatively impacted. Archaeological sites and historic structures will not be disturbed, and the State Historic Preservation Office (SHPO) will be consulted for verification.

No hazardous materials will be disturbed and released into the environment over the course of this project. No wetlands will be negatively impacted and all necessary environmental permits will be obtained for project operations. All relevant environmental laws and regulations will be followed.

3.5 Offer and Closing Process

Following the completion of the Current Fair Market Value (CFMV) appraisal and the calculation of additional housing assistance incentives the homeowner qualifies for an offer to acquire property will be extended to the homeowner. If owner accepts, a sales agreement will be executed and documents sent to the title company for deed research, issuance of title insurance policy, parcel boundary survey, and closing document preparation.

Once closing date is set or negotiated, property owner will be given notice to vacate, instruction on utilities disconnection, and referrals for assistance with moving, etc. Advance payment of relocation assistance may be available for qualified applicants.

Closing will occur on the acquired property, and program participants will be required to use a proportion of their net proceeds on the down payment of a replacement property in order to be eligible for Down Payment Assistance (DPA). If the program participant's net proceeds from the sale of their home are less than \$4,000, they will be required to use at least 10% of those net proceeds on the down payment. If the program participant's net proceeds from the sale of their home are between \$4,000 and \$20,000, they will be required to use at least 60% of those net proceeds on the down payment. If the program participant's net proceeds from the sale of their home are more than \$20,000, they will be required to use at least 80% of those net proceeds on the down payment.

Down payment assistance funds shall sit in escrow and shall be distributed to the proper agency upon relocation. The down payment funds will not be requested until the applicant has supplied the necessary documentation to the City verifying the purchase of a home (such as a purchase agreement), the City has completed a Housing Quality Standards (HQS) inspection of the new home, and the required 58.6 NEPA checklist has been completed.

After closing on the property acquired by the City, the title company will send the Down Payment Assistance (DPA) funds to an escrow account at the title company that will handle the purchase of the program participant's replacement home. The program participant will then combine the Down Payment Assistance (DPA) funds and the required proportion of the net proceeds from the acquisition of their home to close on the replacement home. The period between closing on the property acquired by the City and closing on the replacement home must be no longer than 30 days.

Once closing is complete, demolition on the property acquired by the Program will begin. The entire structure, including discarded or abandoned items, will be removed from the property and disposed of at an approved disposal site within 45 days of closing date.

All customary costs associated with the purchase of private property, including appraisal, legal, survey, title preparation and insurance, are paid for by the Program, using CDBG-DR funding. Demolition and site work, including environmental remediation, grading, and security, will also be paid for under this Program.

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

This project is a voluntary acquisition program so there will be no involuntary displacement of property owners. [Appendix A](#) details further guidance for compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, if non-primary homes are to be purchased and tenants qualify as "Displaced Persons". Additional support can be provided by Lone Star Legal Aid of Texas, along with other potentially available resources.

Displaced Persons

: (49 CFR § 24.2 (a) (9)) A displaced person is any person who moves from real property, or moves his/her personal property from real property as a direct result of an acquisition by a federal agency or with federal financial assistance. There are several exceptions to this definition.

Non-Displaced Persons include owner-occupants with voluntary rehabilitation, unauthorized persons not lawfully present in the U.S., persons with no legal right to occupy the property, and persons who were evicted for good cause.

In accordance with the Housing and Community Development Act of 1974, as amended, (HCDA), and US Department of Housing and Urban Development (HUD) regulations at 24 CFR 42.325 and 570.440 (1), use of Community Development Block Grant Disaster Recovery (CDBG-DR) funds will minimize adverse impacts on persons of low and moderate-income persons. The purpose of the Residential Anti-displacement and Relocation Assistance Plan (RARAP) in Appendix A is to provide guidance on complying with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), (Pub. L 91-645, 42 U.S.C. 4601 et seq) and section 104(d) of the HCD Act (42 U.S.C. 5304(d))(Section 104(d)). The implementing regulations for the URA are at 49 CFR part 24. The regulations for section 104(d) are at 24 CFR part 42, subpart C.

CDBG-DR Hurricane Harvey
Voluntary Acquisition Guidelines
Galveston County, Texas

SECTION 4: ADMINISTRATION

SECTION 4: ADMINISTRATION

4.1 Affirmative Marketing & Fair Housing Plan

The City of Friendswood is committed to affirmatively furthering Fair Housing. The Program has selected areas impacted by the storm that have been designated as target acquisition areas, also known as the DRRA. The total allocation available to the Program may be insufficient to purchase homes from every interested property owner in the target areas. The Program shall ensure that no person shall on the ground of race, color, national origin, religion, sex, sexual orientation, age, familial status, or disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or be denied access to the CDBG Disaster Recovery Program.

The Program will 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 will 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 is intended to 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 Program will analyze the list to ensure that the applicants involved, where possible in the acquisition target area, are in conformance, at a minimum, to the overall population demographics of the Program. In the event that there are not sufficient racial and/or ethnic minorities on the application list or participating in the program, the Program will provide additional outreach within the target areas or provide certification that every property owner in the target 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 Program and added as an exhibit to the certification.

4.2 Public Outreach & Targeted Communities Plan

All public notifications will include announcements in the jurisdiction's newspaper of record, on the City of Friendswood website, on City social media platforms, and postings on public facilities. Efforts may be taken to affirmatively market the CDBG-DR Program as follows:

- Advertising with the local newspapers;
- Outreach to public or non-profit organizations and hold/attend community meetings;
- Hosting additional workshops as needed for community leaders and civic organizations on the purpose of the program and how the community can participate;
- Conducting one-on-one and small group trainings as needed with community leaders and civic organizations regarding program procedures; and
- Other forms of outreach tailored to reaching the eligible population, including mailings or door-to-door outreach.

Measures will be taken to make the program accessible to persons who are considered members of a protected class under the Fair Housing Act by holding informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), providing sign language assistance when requested, and providing special assistance for those who are visually impaired when requested.

4.3 Communication Strategies for Persons with Special Needs

When requested, program administrators will provide bilingual materials to non-native English-speaking audiences and sign language assistance for those who are hearing-impaired. Print materials will align with the CDR-GLO’s guidelines for communications with persons with special needs in accordance with Title VI of the Civil Rights Act of 1964, including persons with disabilities (24 CFR 8.6), Limited English Proficiency (LEP), and other fair housing and civil rights requirements such as the effective communication requirements under the Americans with Disabilities Act. The State of Texas Emergency Assistance Registry (STEAR) will be reviewed for targeted outreach and special assistance needs.

4.4 Timeliness of Application Notice & Status

In accordance with procedures and methods outlined in Section 4.2 (Public Outreach & Targeted Communities), announcements will be posted and circulated that applications are being accepted beginning November 15, 2020 and that the deadline for applications is February 15, 2021. After the application intake period, all submitted applications will be reviewed for completeness and eligibility.

Property owners found to be ineligible due to incomplete materials, back taxes or child support owed, or other disqualifying factors will be notified.

Program Schedule:

Date	Action
October 1, 2020	Program Guidelines Posted for Public Comment
November 7, 2020	Program Guideline Public Comment Period Closed
November 15, 2020	Open of application intake
February 15, 2021	Close of application intake
March 30, 2021	Proposed Date for Initiation of Offers
April 30, 2021	Proposed Date of Offer Acceptance Deadline
May 28, 2021	Proposed Date of Closing Deadline
June 30, 2021	Proposed Date for Housing Incentive Deadlines
July 30, 2021	Proposed Date for Demolition Deadline
July 17, 2022	Proposed Date to Complete All End Uses
July 17, 2022	Proposed Date to Close Out All Activities

4.5 Record Keeping

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

- 1) Record-keeping; records will be maintained and on file electronically for a minimum of 3 years beyond the closing of the grant between the County and the GLO/HUD. All projects, program activity files, and applicant information received will be maintained within an acceptable GLO's system of record.
- 2) Applicant data; applicant data will be maintained in a private file bound by federal Privacy Act rules and standards regarding disclosure of personal and sensitive information, as well as entered into the TIGR system. Generated monthly reports will be submitted to the GLO for review. Applicant data kept on file will include but is not limited to: household income at the time of assistance, the household income as a percentage of area median income, the race/ethnicity/gender of the head of the household, the household's familial status, and any disabilities, veterans or other special needs categories that apply, in the household.
- 3) Section 3 reporting; the project will comply with all Section 3 requirements including but not limited to affirmative placement of qualified individuals from low-to-moderate income households and County residents seeking job placements. A Section 3 Plan will be created and continue to be updated throughout the program process. In order to comply with Section 3, the acquisition program will do the following whenever necessary:
 - Implementing procedures to notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance;
 - Notifying potential contractors working on Section 3 covered projects of their responsibilities;
 - Incorporating the Section 3 Clause into all covered solicitations and contracts [see 24 CFR Part 135.38];
 - Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns;
 - Assisting and cooperating with HUD Policy in making contractors and subcontractors comply;
 - Refraining from entering into contracts with contractors that are in violation of Section 3 regulations;
 - Documenting actions taken to comply with Section 3; and
 - Submitting Section 3 Quarterly and Annual Summary Reports (form HUD-60002).

4.6 Conflict of Interest

Conflicts of Interest are defined as local elected officials, County employees, contractors, and consultants who exercise functions with respect to CDBG-DR activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities receiving any benefit from the activity, either for themselves or for those with whom they have family

or business ties, during their tenure or for one year thereafter. Conflicts of interest are strictly prohibited in this program. Conflict of Interest Questionnaires (CIQs) and A503 forms will be completed and maintained on file for all parties with existing or potential conflicts of interest.

4.7 Audit Requirements

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

4.8 Closeout Procedures

Following completion of project scope of work, invoice payments and reimbursements, closeout procedures will begin. The first step will be an internal audit, records inventory, and review of project financials. All data, records, and accounts will be reviewed and reconciled. The next step will be the packaging and summation of projects, including records structure for external audit and digital back-ups. The next step will be to request GLO closeout procedures, including the delivery of any requested records, files or documents. Once all data requests are satisfied and final closeout is authorized by the GLO, the grant award contract will be closed by executing parties.

4.9 Citizen Comments

Citizen comments and complaints should be directed to:

City of Friendswood Fire Marshal's Office
Attention: CDBG-DR Acquisition
910 South Friendswood Drive Friendswood,
Texas 77546

The project manager will handle all homeowner inquiries and complaints, and a timely written response will be provided to every citizen comment. The response will be provided within 15 working days of the receipt of the comment.

Complaints regarding fraud, waste, or abuse of government funds will be forwarded to the HUD OIG Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov).

Documentation for each complaint will be maintained. Each file will include contact information for the complainant, the initial complaint, the property address, any communications to and from complainant, results of the investigation, together with any notes, letters, or other investigative documentation, the date the complaint or appeal was closed, and any other action taken.

CDBG-DR Hurricane Harvey
Voluntary Acquisition Guidelines
Galveston County, Texas

**APPENDIX A: RESIDENTIAL ANTI-
DISPLACEMENT AND RELOCATION
ASSISTANCE PLAN (RARAP)**

This project is a voluntary acquisition program so there will be no involuntary displacement of property owners.

Displaced Persons: (49 CFR § 24.2 (a) (9)) A displaced person is any person who moves from real property, or moves his/her personal property from real property as a direct result of an acquisition by a federal agency or with federal financial assistance. There are several exceptions to this definition. Non-Displaced Persons include owner-occupants with voluntary rehabilitation (presumed to be the vast majority, if not all, of participants in this program), occupants who receive a Notice of Non-Displacement, occupants who are able to return after temporary relocation, unauthorized persons not lawfully present in the U.S., persons with no legal right to occupy the property, and persons who were evicted for good cause.

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 acquisitions as scheduled to be displaced for purposes of issuing a GIN. All occupants, therefore, will be provided with a GIN.

Tenant Intake Meeting: As soon as feasible, the Program 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 acquisition 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 acquisition 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 acquisition for reasons related to tenant eligibility, that property owner will receive a phone call and a letter from the Program stating that the property is ineligible for participation in the acquisition program because of tenant ineligibility for HUD assistance.

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

Notice of Non-displacement: If a person does not qualify as a displaced person, HUD policy requires that such persons be provided with a Notice of Non-displacement to advise them of the Program’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 acquisition 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 acquisition program and eventually signs a contract of sale with the Program, the tenants will then be given a Notice of Relocation Eligibility and 90 Day Notice to vacate. In order to have these documents ready to send immediately after contract signing, the case management team will have identified three comparable replacement dwellings that are currently for rent and completed and internally approved HUD Form 40061 before contract signing.

Notice of Relocation Eligibility (NOE): (49 CFR 24.203(b)) The NOE will be issued promptly after the initiation of negotiations (contract of sale between County and 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 acquisition described in 49 CFR 24.101(b)(1) or (2), the delivery of possession is specified in the purchase contract, or (d) the person is an unlawful occupant.

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

1. For purposes of establishing the payment limit, comparable replacement dwellings shall, to the extent feasible, be selected within the County.
2. Form HUD-40061, Selection of Most Representative Comparable Replacement Dwelling for Purposes of Computing a Replacement Housing Payment, will be used. The form is optional; however, if the form is not used, other reasonable documentation will be maintained. NOTE: when selecting the most representative comparable replacement dwelling for a person with disabilities, reasonable accommodation is to be determined on a case-by-case basis.
3. The Program 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 Program 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 Program's files. 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 Program 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 of 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.

Displaced Tenant Down Payment Assistance (DTDPA): An eligible displaced person who purchases a replacement dwelling is entitled to a DTDPA payment in the amount the person would receive, if the person rented a comparable replacement dwelling. 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. 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 will be disbursed in three (3) installments, except lump sum payments made to cover (1) moving expenses, (2) down payment for purchase of qualified 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 Program 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 Program shall issue the payment, subject to such safeguards as are appropriate to ensure that the objective of the payment is accomplished.

- (1) All claims for a relocation payment shall be filed with the Program 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 acquisition of the real property, whichever is later.

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

Notice of denial of claim: If the Program 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.

Moves from a home: A displaced person's actual, reasonable and necessary moving expenses for moving personal property from a 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 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 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.

CDBG-DR Hurricane Harvey
Voluntary Acquisition Guidelines
Galveston County, Texas

**APPENDIX B: EXAMPLE INTAKE BENEFICIARY
APPLICATION**



**Texas General Land Office Community
 Development and Revitalization
 Buyout or Acquisition Program
 Intake Beneficiary Application**

Event:
Date Received:
Subrecipient:
Contract #:

All Blanks Must be Completed or Indicated with "N/A"

1. APPLICANT INFORMATION:

Applicant Name (must be property owner):	
Street Address:	
City/State/Zip:	County:
Email Address:	Home Phone:
	Cell Phone:
Name and Contact Information, including phone number, of the relative who lives in closest proximity:	

2. CO-APPLICANT INFORMATION: (If applicable)

Applicant Name:	
Street Address:	
City/State/Zip:	County:
Email Address:	Home Phone:
	Cell Phone:
Name and contact information including, including phone number, of relative who lives in closest proximity:	

Name and contact information for individual completing this application, if this is different from applicant information (e.g. attorney or other designated party)

Name:	
Street Address:	
City/State/Zip:	County:
Email Address:	Home Phone:
	Cell Phone:

3. ELIGIBILITY INFORMATION: Please answer the following questions:

Which disaster event(s) affected you and/or your residence?	
Were you the owner of the residence on the date of the disaster event?	

Intake Beneficiary Application

If applicable, is your property currently owned by a(n): Estate <input type="checkbox"/> Partnership <input type="checkbox"/> Corporation <input type="checkbox"/>	
Was the damaged property the homeowner's primary residence on the date of the disaster event?	
Was the damaged property covered under homeowners' insurance at the time of the disaster event?	
Did you register with FEMA for repair assistance for structural damage to your home?	
Have you ever received any other assistance for the repair or rehabilitation of your home?	
If yes, please explain.	

Intake Beneficiary Application

of 6

4. HOUSEHOLD COMPOSITION AND CHARACTERISTICS: List all current members of the household and any additional household members anticipated within the next 12 months.

Member Name	Marital Status Head of Household Only	Relationship to Head of Household	Date of Birth	Gender
Head of Household				
Total Number of Household Members:				

5. INCOME INFORMATION (COPY OF PREVIOUS YEAR TAX RETURN): To determine if you are eligible for funding for a specific housing program, all listed occupants 18 years and over must provide a copy of their previous tax return. *Subrecipients will refer to the GLO's IRS FORM 1040/Adjusted Gross Income (AGI) Method Calculation Policy to determine a beneficiary's household income.*

6. DIRECT BENEFIT DATA BY HOUSEHOLDS (DEMOGRAPHIC AND SPECIAL NEEDS INFORMATION):

Ethnicity Codes:
A – Hispanic: A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. Terms such as “Latino” or “Spanish Origin” apply to this category.
B – Not Hispanic

Race Codes:
A – White F – American Indian/Alaska Native/White E – Native Hawaiian/Other Pacific Islander I – American Indian/Alaska
B – Black/African American G – Asian/White Native/Black-African American
C – Asian H – Black/African American/White J – Other Multi-Racial
D – American Indian/Alaskan Native K – Unknown

Special Needs Codes:
A – Elderly D – Homeless G – Veteran C – Colonia Resident F – Public Housing Resident
B – Personwith Disabilities* E – Migrant Farm Worker H – Wounded Warrior

***Disability Definition:** A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment; or being regarded as having such an impairment.

	Ethnicity Code	Race Code	Special Needs Code(s)
1(Head)			
2			
3			
4			

Intake Beneficiary Application

5			
6			

7. DAMAGED RESIDENCE INFORMATION: Please indicate the type of structure for the property:				
Single Family Home <input type="checkbox"/>	Modular Home <input type="checkbox"/>	Townhome <input type="checkbox"/>	Manufactured Housing Unit <input type="checkbox"/>	Other:
Address:				
City, State, Zip, Municipality:				
Name of Neighborhood/Area where your home is located:				
Date you acquired title to the property:				
Please Provide the following property information which may be available from your recent property tax bill(s):				
Legal Description:	Assessed Value:	Farmland Assessed? (Yes or No)	Annual Property Taxes Amount:	Number of Acres Per Lot (or Lot Size):
	\$		\$	
	\$		\$	
	\$		\$	
Total Acres:				

Please answer Yes, No or N/A to the following questions:	
Is anyone living at the damaged residence?	
Is the property in the floodplain or floodway?	
If you are seeking assistance for a manufactured housing unit, do you own the land?	
Does the manufactured housing unit have a valid Statement of Ownership and Location (SOL) filed with the Texas Department of Housing and Community Affairs?	
Are there any other names on the deed for the damaged property?	
Have you had property foreclosed upon or are you in the process of foreclosure?	
Does the damaged property have a mortgage or any liens?	
Are there any leases, rental agreements, easements or deed restrictions affecting the property? If yes, explain.	
Have any commercial activities ever taken place on this property? If yes, explain.	
Is the property currently listed for sale? If yes, what is the current asking price. <i>Note: While the asking price is a key element in the evaluation of this property, it is non-binding, and is not a commitment of the part of the Subrecipient to pay this amount should this property be selected for the Buyout or Acquisition program.</i>	
Please tell us about your property, including any unique or special environmental features, known historical associations, and any bodies of water on the property or bordering the property.	

Are you current or in good standing with a payment plan on your property taxes?			
If you are required to pay child support, are you current on your payments or in good standing with a payment plan?			
8. HOUSING ASSISTANCE RECEIVED PREVIOUSLY:			
Have you applied for any storm-related assistance for damage to your home from any source (local, state, federal, private)? If yes, proceed with this section. If you have not applied for other storm-related assistance, include "N/A" in the "Source" column.			
Source	Amount	Date Received	Account Number
1. FEMA: Federal Emergency Management Agency			
2. SBA: Small Business Administration			

Insurance Claims: Please provide information on insurance coverage carried and payments received.				
Insurance company's name	N/A	Amount	Date Received	Policy Number
National Flood Insurance Program (Flood insurance carrier)	N/A	Amount	Date Received	Policy Number
4. Other Funds (Include Funding Source):				
Have you received assistance from any federal program to repair your home PRIOR to this event? (Yes or NO)				
List the names of the programs and type of assistance received for the damaged home (e.g., HOME, CDBG, GLO/FEMA etc.):				

9. APPLICANT CERTIFICATION:

I/We understand the information provided above is collected to determine if I/we are eligible to receive assistance under the Community Development Block Grant Disaster Recovery (CDBG-DR) Program.

I/We hereby certify that all the information provided herein is true and correct.

I/We understand that providing false statements or information is grounds for termination of housing assistance and is punishable under federal law.

Applicant’s Authorization:

I authorize the entity to which I am applying for assistance to obtain information about me and my household that is pertinent to determining my eligibility for participation in the CDBG-DR Program. I acknowledge that:

- (1) A photocopy of this form is as valid as the original; AND**
- (2) I have the right to review information received using this form; AND**
- (3) I have the right to a copy of information provided to the entity and to request correction of any information I believe to be inaccurate; AND**
- (4) All adult household members will sign this form and cooperate with the eligibility verification process.**
- (5) I understand that my documents may become electronically permanent.**

By signing this application, the applicant(s) authorizes the state or any of its duly authorized representatives to verify the information contained herein, including this section. 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.

Signature of Applicant:	Date:
Signature of Co-Applicant:	Date:

10. ELIGIBILITY RELEASE:

Subrecipient:	Contract Number:
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Name:

Address:

Instructions to Applicant: Your signature on this *Eligibility Release*, and the signatures of each member of your household who is 18 years of age or older authorizes the above-named Subrecipient to obtain information from a third -party regarding your eligibility and continued participation in the:

Community Development Block Grant Disaster Recovery (CDBG-DR) Program

Privacy Act Notice Statement: The Texas General Land Office (GLO) or Subrecipient named above require the collection of the information listed in this form to determine an applicant’s eligibility for the CDBG-DR Program. This information will be used to establish the level of benefits for which the applicant is eligible to receive and to verify the accuracy of the information furnished. Information received from an applicant as a result of verifying an applicant’s eligibility may be released to the appropriate federal, state, and local agencies or, when relevant, to civil, criminal, or regulatory investigators, and to prosecutors. Failure to provide any information may result in delay or rejection of your eligibility approval.

Each adult member of the household must sign this Eligibility Release prior to the receipt of benefits to establish continued eligibility.

Note: THIS GENERAL CONSENT MAY NOT BE USED TO REQUEST A COPY OF A TAX RETURN. If a copy of a tax return is needed, IRS Form 4506, “Request for a Copy of Tax Form” must be prepared and signed separately.

Information Covered: Inquiries may be made to third parties regarding the items initialed below by the applicant.		
Description	Verification Required	Initials of Applicants
Disaster Assistance (FEMA, SBA, Insurance, etc.)	X	
Income (all sources)	X	
Occupancy Preference (Special Needs)(if applicable)	X	
Child Support Verification	X	
Other (list): Dependent Information:	X	
Full-time Student		
Disabled Household Member	X	
Minor Children		
<i>By signing this application, the applicant(s) authorizes the state or any of its duly authorized representatives to verify the information contained herein, including this section. 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.</i>		
Signature of Applicant:		DATE:
Signature of Co-Applicant:		DATE:

PLEASE PROVIDE ALL APPLICABLE DOCUMENTS LISTED BELOW TO ENSURE THAT YOUR APPLICATION WILL BE PROCESSED IN AN EXPEDITED MANNER.

- Completed Buyout and Acquisition Intake Application.
- Properly executed Eligibility Release Form.
- FEMA Award/Denial Letter.
- Small Business Administration (SBA) Award/Denial Letter.
- Private insurance letter (If you did not have private insurance, an Affidavit of no Insurance will be required).
- Letter or announcement from an “Other” award received for the repair or replacement of your damaged home, e.g., non-profit, donation grant, etc.
- Copy of the applicant’s driver’s license (or a state-issued photo ID).
- Warranty Deed for the damaged home or a Statement of Ownership and Location (SOL) for MHU in applicant’s name.
- Latest Financial Institution Bank statement or lien information.
- IRS Income Tax Documents for all individuals that live at the property and that are 18 years and over

Intake Beneficiary Application

- Property tax records including latest payment of property taxes or payment plan documentation from the applicable county appraisal office.
- Child support documentation (If applicable).
- Copy of the applicant's Lender or Mortgage statement and contact information.
- Photos of the property including structures or items such as barns, fence, etc., if available.
- Property Survey, if available.

Public Comments