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SILVERLEAF

BUYOUT AND RESILIENT HOUSING INCENTIVE PROGRAM

GUIDANCE DOCUMENT

BUYOUT • RESILIENT HOUSING INCENTIVE



Restore LA supports Fair Housing/Equal Employment Opportunity/ADA Accessibility



NOVEMBER 2018

INTRODUCTION

The Restore Louisiana Homeowner Assistance Program provides applicants impacted by the Great Floods of 2016 an opportunity to return to habitable housing with four different possible solutions. Under Solution 4, depending on the circumstances of a particular property and community, applicants may be eligible for one or more of the following types of awards and assistance:

BUYOUT

RESILIENT HOUSING INCENTIVE

Solution 4 focuses on high risk area properties that:

- **Have suffered severe repetitive losses; or**
- **Are located in a floodway**

SOLUTION 4 PROVIDES ASSISTANCE TO HELP FAMILIES MOVE AWAY FROM HIGH RISK AREAS TO LOWER RISK AREAS. APPLICANTS PARTICIPATING IN SOLUTION 4 ARE NOT ELIGIBLE FOR REPAIRS UNDER SOLUTIONS 1 AND 2 OR REIMBURSEMENT OF COSTS INCURRED ON A DAMAGED HOME UNDER SOLUTION 3.

SOLUTION 4: BUYOUT

The Solution 4 Buyout program is a voluntary program and is available for applicants whose primary residences are located in high risk areas or high risk communities that are either ineligible for federal repair assistance (e.g. floodways) or where applicants have experienced severe repetitive losses, as defined by FEMA. High Risk Communities are those communities that are actively participating in an organized retreat from an area prone to repetitive flooding. High Risk Areas are where properties are either ineligible for federal repair assistance (e.g. floodways) or where applicants are at severe flood risk in their current location.

SOLUTION 4: RESILIENT HOUSING INCENTIVE

Applicants may also be eligible for a Resilient Housing Incentive as part of the Solution 4 program, but to do so, must relocate to homes within Louisiana that are either outside the Special Flood Hazard Area or are elevated at least 2 feet above base flood elevation. The required base flood elevation level is defined as the level determined by the program using FEMA's best available data or the height required by the local jurisdiction, whichever is greater.



ELIGIBLE PARTICIPANTS

1. Impacted by March 2016 or August 2016 flood events
2. Property occupied by an owner as primary residence at the time of the flood event
3. FEMA-verified major or severe damage
4. Current owner of the property
5. Must have previously completed an Natural Resources Conservation Service (NRCS) program application within the prescribed application period
6. Located within one of the 51 disaster-declared parishes
7. Damaged property must be located within a federally determined floodway or be considered a FEMA-defined severe repetitive loss property
8. Owner-occupants of site-built homes and manufactured housing who do not own the land on which their residence is situated are eligible to apply for assistance as owner-occupants

IF YOUR PROPERTY IS NOT OWNER-OCCUPIED

Within eligible High Risk Communities, the program serves as a partner or as the sole funder for a buyout program, where the buyout of the entire or portion of a community will result in the conversion of high risk properties to open space. Property owners eligible under this category include owners of rental and other properties and owners of vacant or unimproved lots.

- You are eligible if you are the property owner as of November 14, 2018 and still own the property
- Property owners who sold their properties prior to or after applying to the program are not eligible for assistance
- If you own a vacant lot, you are eligible for an incentive payment calculated as the lesser of 20% of NRCS appraised value or \$5,000
- If you own a rental property, you are eligible for an incentive award of 20% of the NRCS award or appraised value, capped at \$20,000

TYPES OF ASSISTANCE

	A BUYOUT OPTION	B BUYOUT AND HOUSING INCENTIVE
SUMMARY	<ul style="list-style-type: none"> - Provides funding based on the fair market value of damaged property as determined by the Restore program - Applicant is not required to demonstrate proof of relocation to the final place of residence 	<ul style="list-style-type: none"> - Adds incentive when value of damaged home is less than comparable home outside of the floodway - The Resilient Housing Incentive is provided over and above the NRCS buyout amount. No owner contribution is required - Applicant will not receive incentive assistance until they have identified and committed to an eligible lower risk home. In the event an applicant chooses to acquire a lower risk property, incentive assistance will be provided and coordinated with the applicant at the time of closing on an eligible new residence, within program deadlines
ELIGIBILITY	<ul style="list-style-type: none"> - Must be owner/occupant of single-family residential property at the time of the flood event - Must be impacted by March 2016 or August 2016 flood events - FEMA-verified major or severe damage - Located within one of the 51 disaster-declared parishes - Current owner of the property with clear title - Must have legal authority to sell damaged property to include consent of all property owners 	<ul style="list-style-type: none"> - Must relocate to areas within Louisiana and outside the Special Flood Hazard Area or be at an elevation of at least 2 feet above base flood elevation <ul style="list-style-type: none"> - Applicants who received federal assistance in the past which required them to maintain flood insurance on their damaged structure, but failed to maintain flood insurance, are not eligible to move to a home within the Special Flood Hazard Area. They may only move to a home outside the Special Flood Hazard Area - Incentives are not eligible for new construction of stick-built homes, but can be used for acquisition, installation and elevation of a manufactured housing unit (MHU)
AWARD BENEFITS	<ul style="list-style-type: none"> - Award is structured as a grant and is awarded at the time of buyout of damaged property 	<ul style="list-style-type: none"> - Award is structured as a grant with compliance for relocation to eligible property reviewed at grant execution - If you own a vacant lot, the incentive payment calculated as the lesser of 20% of NRCS appraised value or \$5,000
PROGRAM CAP	<ul style="list-style-type: none"> - Limited to the lesser of: <ul style="list-style-type: none"> - the current appraised value of the damaged home, or - the program cap of \$200,000 	<ul style="list-style-type: none"> - Total of buyout and housing incentive limited to the lesser of: <ul style="list-style-type: none"> - the program calculated award for home replacement, or - the program cap of \$200,000

OTHER NOTES

Optional Relocation and Moving Assistance is available to Low to Moderate Income (LMI) families, as defined by the U.S. Department of Housing and Urban Development, to help defray costs of moving to a new home based on the number of rooms per household, and determined by a fixed schedule, created by the Federal Highway Administration:

https://www.fhwa.dot.gov/real_estate/uniform_act/relocation/moving_cost_schedule.cfm

TYPES OF PROPERTY ACQUISITION

ELIGIBLE PROPERTIES

- Homes that were the primary residence of the applicant at the time of the qualifying storm event
- Single and multi-family residences (both owner-occupied and rentals)
- Vacant lots

Second homes are not eligible for buyout or incentive assistance

FEE SIMPLE TITLE

- Property will be purchased by the state's designee, the Louisiana Land Trust.
- After closing, structures on the property will be demolished and the property will be subsequently donated to a new property owner (likely the local municipality, parish or other conservation land trust) subject to federal, state and local open space requirements associated with owning and maintaining the property.
- Applicants may not enter into a purchase agreement or acquire property prior to receiving the program's environmental clearance and notice to proceed. Noncompliance with this requirement will result in the applicant's ineligibility for any buyout or housing incentive assistance related to the respective property.

AWARD CALCULATIONS

DUPLICATION OF BENEFITS (DOB)

If an applicant received or was approved for federal or other assistance related to the buyout of or relocation from the damaged property, such as other federal or local buyout programs, Small Business Administration Relocation loans, or other assistance awarded for the same purpose(s), those funds will be evaluated as a duplication of benefits against the final award for which an applicant is eligible. Funds from the Natural Resources Conservation Service for buyout purposes and a loan from the Small Business Administration for relocation assistance are the two most common examples of duplication of benefits with Solution 4 assistance.

BUYOUT AWARD

Assistance for the buyout of an eligible damaged property is based on the current fair market value of the property minus any duplication of benefits, subject to the program cap of \$200,000. The program will employ a Louisiana licensed appraiser to conduct a Fannie Mae 1004 appraisal on the damaged property to determine its current fair market value.

HOUSING INCENTIVE AWARD

Eligible applicants may receive assistance for a housing incentive, which is the amount of assistance that is greater than the current fair market value of the damaged home.

Some examples of the calculations for the buyout and housing incentive awards are included on the next page.

AWARD CALCULATIONS (CONTINUED)

BUYOUT & HOUSING INCENTIVE AWARD SAMPLE CALCULATION - EXAMPLE 1 PROGRAM BUYOUT

BUYOUT			INCENTIVE		
Appraised Value of Damaged Property	+	\$100,000	Livable Square Footage of Damaged Property		1500 sq. ft.
Less Duplication of Benefits Calculation (i.e. SBA Relocation Loan)	-	\$50,000	Program Price Per Square Foot in Damaged Property Parish **	X	\$100 / sq. ft.
Unmet Need Amount	=	\$50,000	Program Calculation of House Replacement Cost	=	\$150,000
RESTORE LA BUYOUT AWARD AMOUNT *	=	\$50,000	Less Restore LA Buyout Award Amount	-	\$50,000 *
			Less Duplication of Benefits Calculation	-	\$50,000
			Less NRCS Buyout (if applicable)	-	\$0
			RESTORE LA INCENTIVE AWARD AMOUNT *	=	\$50,000 *
TOTAL RESTORE LA AWARD AMOUNT			\$50,000 + \$50,000		
				=	\$100,000

* COMBINED RESTORE LA BUYOUT AND HOUSING INCENTIVE CANNOT EXCEED \$200,000
 ** VARIES FROM PARISH TO PARISH. PLEASE REFER TO PROGRAM MANUAL FOR SPECIFICS

BUYOUT & HOUSING INCENTIVE AWARD SAMPLE CALCULATION - EXAMPLE 2 NRCS BUYOUT

BUYOUT			INCENTIVE		
Appraised Value of Damaged Property	+	N/A	Livable Square Footage of Damaged Property		1500 sq. ft.
Less Duplication of Benefits Calculation (i.e. SBA Relocation Loan)	-	N/A	Program Price Per Square Foot in Damaged Property Parish **	X	\$100 / sq. ft.
Unmet Need Amount	=	N/A	Program Calculation of House Replacement Cost	=	\$150,000
RESTORE LA BUYOUT AWARD AMOUNT *	=	\$0	Less Restore LA Buyout Award Amount	-	\$0 *
			Less Duplication of Benefits Calculation	-	\$0
			Less NRCS Buyout (if applicable)	-	\$50,000
			RESTORE LA INCENTIVE AWARD AMOUNT *	=	\$100,000 *
TOTAL RESTORE LA AWARD AMOUNT			\$0 + \$100,000		
				=	\$100,000

* COMBINED RESTORE LA BUYOUT AND HOUSING INCENTIVE CANNOT EXCEED \$200,000
 ** VARIES FROM PARISH TO PARISH. PLEASE REFER TO PROGRAM MANUAL FOR SPECIFICS

RELOCATION OPTIONS FOR HOUSING INCENTIVE

APPLICANTS ELIGIBLE FOR HOUSING INCENTIVE ASSISTANCE MAY CHOOSE FROM THE FOLLOWING, ALL WITHIN THE REQUIRED PROGRAM DEADLINE(S), GEOGRAPHIC LIMITATIONS, AND SUBJECT TO OTHER PROGRAM REQUIREMENTS AND LIMITATIONS:

- Purchase a built home on the open market in Louisiana
- Acquire land in Louisiana and purchase a new mobile home and install the new mobile home in a manner that meets HUD's Manufactured Housing Installation Standards and program elevation requirements, as well as all other applicable program limitations

The program will coordinate the buyout of the damaged property with the timing of the acquisition of the new property. However, in the event an applicant is unable to coordinate the timing of the buyout with the acquisition of a new home, applicants may receive incentive assistance after the buyout of the damaged property, provided they close on a new, eligible residence within the required deadline(s).

	A	B
	TO MOVE TO BUILT HOME	TO MOVE TO MANUFACTURED HOUSING UNIT (MHU)
TIMELINES	<ul style="list-style-type: none"> - Must provide all documentation within six months from the date of buyout in order to receive housing incentive assistance 	<ul style="list-style-type: none"> - Must identify land within three months from the date of buyout - Applicants will have three months from notice to proceed (issued after grant closing) to provide all required documentation to the program
DOCUMENTS TO SUBMIT	<ul style="list-style-type: none"> - If using program funds to buy a home, must submit the Closing Disclosure Form - If home is already purchased, must submit an Act of Cash Sale and a Proof of Homestead Exemption 	<ul style="list-style-type: none"> - The program will complete an environmental review prior to providing a notice to proceed to acquire the land. The applicant may enter into a purchase agreement that includes a provision that the purchase agreement is subject to environmental review - Applicant cannot acquire new property until receiving the notice to proceed - Funding can cover the cost for transport, set-up, and site work necessary to install the unit - If using program funds to buy MHU, must submit a signed purchase agreement from MHU dealer, and either a ground lease or a closing disclosure form for the purchase of land - If MHU is already purchased, must submit a notarized bill of sale, and either an Act of Cash Sale for land, or a ground lease

- For properties located inside the Special Flood Hazard Area, applicants must provide proof of current flood insurance for the lesser of the value of the home (project cost) or the maximum insurable policy prior to receiving incentive assistance AND must provide elevation certificate.
- For homeowners electing to move to a rental property, nursing home or other non-homeowner permanent residential situation outside the Special Flood Hazard Area, a copy of the lease, residence agreement or other applicable binding agreement must be provided in order to be reviewed for potential eligibility for Housing Incentive Assistance.
- **Failure to meet program deadlines may result in program ineligibility. Extensions may be granted by the program if applicants are able to demonstrate clear effort and intent to meet the program deadlines, or if there are reasonable delays caused by the program's environmental review process. Exceptions will be granted by the Louisiana Office of Community Development at its sole discretion.**