



2017  
Hurricane Harvey  
Buyout Program

**May 1, 2020**

Montgomery County Office of  
Homeland Security and Emergency Management

# HOUSING GUIDELINES



## *Montgomery County Hurricane Harvey*

### *Key Housing Guideline Points*

*(Refer to full document for program details)*

- The Montgomery County Hurricane Harvey CDBG-DR Buyout Program will be based on pre-disaster Fair Market Value minus any duplication of benefits (funds received that were intended for home repair).
- Incentives are available and the amount of assistance is determined by eligibility, the applicants need to achieve homeownership, and total payout of home (including all associated costs) and incentives is not to exceed a total of \$233,000.
  - Possible available incentives
    - Relocation Assistance
    - Down Payment Assistance
    - Incentive Package
      - Homeowner is over the age of 65
      - Homeowner is a veteran of a foreign war
      - Homeowner is a survivor of multiple flood disasters
      - Homeowner has dependent(s) that can be claimed on IRS taxes
- To be included in the Hurricane Harvey CDBG-DR Buyout Program homeowners must be found eligible. Program Acceptance will be based on program requirements and prioritization criteria. A scoring methodology will ensure the most vulnerable populations are served first.
  - Base eligibility:
    - Applicant must be the homeowner
    - Home must have been impacted by Hurricane Harvey
    - Property Taxes must be paid and in good standing and/or on a current payment plan
    - Applicant and co-applicants must be current on child support payments and/or enter into a payment plan through the Attorney General.
  - Prioritization factors:
    - Income
    - Home Located in Floodway/Floodplain
    - Home repetitively flooded
    - Home Uninsured
    - Home located in a priority neighborhood



# Hurricane Harvey Disaster Recovery Buyout Program Housing Guidelines

*May 1, 2020*

Montgomery County  
Office of Homeland Security and Emergency Management

## Contents

<b>1. Introduction .....</b>	<b>4</b>
<b>A. Montgomery County Background.....</b>	<b>5</b>
<b>B. Program Objectives.....</b>	<b>6</b>
<b>C. Definitions.....</b>	<b>6</b>
<b>2. Most Impacted and Distressed (MID) Counties.....</b>	<b>14</b>
<b>3. Program Design .....</b>	<b>14</b>
<b>A. Program Design Requirements .....</b>	<b>15</b>
<b>4. Program Implementation.....</b>	<b>18</b>
<b>A. Buyout Program Overview.....</b>	<b>18</b>
<b>(1) Buyouts .....</b>	<b>19</b>
a. Voluntary Program.....	20
b. Voluntary Program Requirements .....	20
c. Housing Assistance Caps & Incentives.....	21
d. Relocation Assistance.....	23
e. Down Payment Assistance .....	23
f. Incentive Package.....	24
g. Unmet Needs.....	25
i. Amount of Assistance.....	25
j. Prioritization Strategy.....	25
k. LMI Determination.....	26
<b>5. Outreach .....</b>	<b>27</b>
a. Efforts .....	27
b. Access and Functional Needs.....	27
c. Affirmative Marketing Plan .....	28
<b>6. Eligibility Reviews.....</b>	<b>29</b>
a. Applicant Intake and Case Management.....	29
b. Eligible Property Types .....	30
c. Proof of Ownership.....	31
d. Event Damage.....	31



e. Property Taxes .....	32
f. Child Support.....	32
g. Environmental Review.....	32
h. National Flood Insurance Program (NFIP) Verification .....	33
i. Damage Assessment .....	33
j. Duplication of Benefits (DOB) Review .....	33
<b>7. Reporting Requirements .....</b>	<b>34</b>
a. Section 3.....	34
b. Applicant Data .....	34
c. Records Retention .....	34
d. Procurement Requirements.....	34
e. Inspection Requirements.....	36
<b>8. Site and Development Restrictions .....</b>	<b>36</b>
<b>9. Conflict of Interest .....</b>	<b>36</b>
<b>10. Complaint/Appeal Process.....</b>	<b>37</b>
Appeals.....	36
Complaints.....	36
a. General Policy.....	37
b. Responsibility.....	37
c. Documentation.....	37
<b>11. Audit Requirements.....</b>	<b>38</b>
<b>12. Changes, Waivers, and/or Conflicts .....</b>	<b>38</b>
<b>13. Residential Anti-displacement and Relocation Assistance Plan.....</b>	<b>38</b>
<b>14. Fair Market Value (FMV) Determination.....</b>	<b>39</b>
<b>15. Incentives .....</b>	<b>40</b>
<b>16. Closing Process .....</b>	<b>40</b>
<b>A. Disposal of Storm-Damaged Property .....</b>	<b>40</b>
<b>B. Additional Allowable Expenditures.....</b>	<b>41</b>
<b>C. Program Closeout.....</b>	<b>41</b>

# 1. Introduction

The Texas General Land Office Community Development and Revitalization division (GLO-CDR) oversees the administration of Community Development Block Grant Disaster Recovery (CDBG-DR) funds allocated to Texas by the U.S. Department of Housing and Urban Development (HUD) following a disaster. These funds support communities working to build back stronger and more resilient.

CDBG-DR funds are a special appropriation from Congress associated with a presidentially declared disaster. These GLO Housing Guidelines (the Guidelines) address the Hurricane Harvey and subsequent flooding declared disaster events associated with the following CDBG-DR funds:

*Table 1. Applicable Federal Guidelines*

<b>Federal Register (FR)</b>	<b>Date of Publication</b>	<b>Public Law</b>	<b>Located at:</b>
82 FR 61320, Vol. 82, No. 247	12/27/2017	P.L. 115-31	<a href="https://www.gpo.gov/fdsys/pkg/FR-2017-12-27/pdf/2017-27960.pdf">https://www.gpo.gov/fdsys/pkg/FR-2017-12-27/pdf/2017-27960.pdf</a>
83 FR 5844, Vol. 83, No. 28	02/09/2018	P.L. 115-56	<a href="https://www.gpo.gov/fdsys/pkg/FR-2018-02-09/pdf/2018-02693.pdf">https://www.gpo.gov/fdsys/pkg/FR-2018-02-09/pdf/2018-02693.pdf</a>

## **Recovery projects using CDBG-DR funds must meet one of the following HUD-designated National Objectives to be an eligible housing activity:**

- Benefiting Low- to Moderate-Income Persons (LMI)
  - Low- and Moderate-Income Housing (LMH) provides that any assisted activity that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low- to moderate-income only to the extent such housing will, upon completion, be occupied by such persons;
  - Low to Moderate Buyout (LMB): Benefiting low- to moderate-income persons where the award amount is greater than their pre-disaster fair market value of the property; and
  - Low to Moderate Housing Incentive (LMHI): Benefiting low- to moderate-income persons participating in the voluntary buyout or other voluntary acquisition of housing to move outside of the affected floodplain or to a lower-risk area; or when the housing incentive is for the purpose of providing or improving residential structures that, upon completion, will be occupied by an LMI household.
- Preventing or Eliminating Slum or Blight (SB) through buyout or acquisition with demolition
- Meeting an Urgent Need (UN) by providing housing assistance to applicants making in excess of 80 percent of the area median income (AMI)

The MCOHSEM Housing Guidelines provide a blueprint for implementing and closing a CDBG-DR Buyout Program.

The purpose of these guidelines is to aid in the long-term recovery efforts following Hurricane Harvey; specifically, to assist in moving eligible homeowners who have suffered repetitive flooding out of harm's way through fair market value buyouts. Questions regarding these guidelines or requests for more information should be directed to MCOHSEM.

MCOHSEM will use the support of a consulting firm to administer the local Hurricane Harvey buyout program to serve homeowner assistance needs.

*Table 2. Hurricane Harvey CDBG-DR Housing Program*

<b>Programs and Eligible Activities</b>	<b>National Objective</b>	<b>Program Administrator</b>	<b>Tenure "Start date" is date of HUD's approval of Action Plan</b>
<b>Local Buyout and Acquisition Program:</b> <ul style="list-style-type: none"> <li>• Buyouts</li> <li>• Relocation assistance with buyout activities</li> <li>• Down payment assistance</li> <li>• Demolition with buyout or acquisition activities</li> <li>• Housing incentives</li> <li>• Activities designed to relocate families outside of floodplains</li> </ul>	Low- and moderate-income, elimination of slum/blight, urgent need, low/mod buyout (LMB), and low/mod housing incentive (LMHI)	Montgomery County Office of Homeland Security and Emergency Management	30 days plus 3 years from start date

## **A. Montgomery County Background**

Montgomery County has persevered through eight federally declared flood disasters since 1953; most notably the floods of 1994, back to back flooding in April and May of 2016, and the catastrophic flooding from Hurricane Harvey in 2017.

Consistent and destructive flooding is one of Montgomery County's greatest challenges. Many NFIP insured properties have flooded multiple times. Repetitive Loss Properties (RL) are those that have received at least two insurance payments of \$1,000 or more from the NFIP within the last 10 years. Montgomery County has a total of 1,356 RL properties, and 376 severe repetitive loss properties totaling in \$177,892,291.82 in insurance payouts in the past decade.

Over 5000 homes were impacted during the Hurricane Harvey that left many residents with limited housing options. Many who have flooded three times in 15 months were left with a bleak future as to what home may look like without the option to relocate to a safer area that is less prone to flooding.

Through the Houston-Galveston Area Council's (HGAC) Method of Distribution for Hurricane Harvey funds, Montgomery County received \$12,896,487.00 to implement a housing buyout program. It is the intent of Montgomery County to utilize this funding opportunity to help

our citizens who cannot otherwise afford to move out of harm's way, the opportunity to relocate to an area that is safer for them and their families. With approximately 44,000 property parcels that lay within the floodway and floodplains of Montgomery County, along with the significant population growth that has been seen in the last 10 years, buying out homes which have been repetitively damaged in flood events over the years, including the 2016 storms and floods and Harvey, will allow land to return to a green state and regain its ability to absorb and slow flood waters, thereby helping to mitigate flood damage to remaining structures in the future.

In doing this, we lessen our burden on our nation to continuously provide disaster relief; and lessen the dangers our first responders must endure when they are called upon to rescue those in harm's way.

## **B. Program Objectives**

The primary focus of the housing recovery program is to provide relief for survivors affected by an event while complying with all CDBG-DR requirements and addressing recognized impediments to fair housing choice as required under the Fair Housing Act. Assistance will be provided to survivors under the buyout housing activity (with associated incentives), as allowable by approved Action Plans. All housing activities should consider the following objectives:

- Provide high quality, durable, resilient, mold resistant, energy efficient, decent, safe, and sanitary housing that mitigates impact from future disasters.
- Prioritize households in which members are under the age of 18, female heads of household, elderly and disabled households, and/or Veteran populations while affirmatively furthering fair housing.
- Prioritize neighborhoods that have repeatedly sustained damages from disaster and that are in LMI areas.
- Emphasize housing choices and designs to reduce maintenance and insurance costs, as well as provide the provision of independent living options.

## **C. Definitions**

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

**Adjusted Gross Income (AGI):** AGI is an individual's total gross income minus specific deductions. The CDR-GLO Adjusted Gross Income Methodology may be found at [www.texasrebuilds.org](http://www.texasrebuilds.org).

**Affirmative Fair Housing Marketing Plan (AFHMP):** A document used to help subrecipients offer equal housing opportunities regardless of race, color, national origin,

religion, sex, familial status, or disability<sup>1</sup> (24 CFR Part 200, Subpart M). Implementing Affirmative Fair Housing Marketing Requirements Handbook (8025.1) can be obtained from HUD's website

[https://www.hud.gov/program\\_offices/administration/hudclips/handbooks/fheo/80251](https://www.hud.gov/program_offices/administration/hudclips/handbooks/fheo/80251).

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

[https://www.huduser.gov/portal/affht\\_pt.html](https://www.huduser.gov/portal/affht_pt.html).

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

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

**Area Median Family Income (AMFI):** Calculated annual limits based on HUD-estimated median family income with adjustments based on family size used for demonstrating LMI beneficiaries in the programs.

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

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

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

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

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<sup>1</sup> 24 CFR 200.625

**Damage Assessment:** An inspection of the housing unit to document damage from the event. The assessment by a certified or licensed inspector (HQS, TREC, or similar license) is required to specifically and clearly document storm-related property damage via photographic evidence and detailed narratives (see the GLO's Damage Assessment Guidelines, found at <http://recovery.texas.gov/>). Damage assessments must include final cost of repair estimates according to local code, HUD's Housing Quality Standards, and mold remediation, to bring the home up to code at completion.

**Davis-Bacon Act of 1931 (40 USC Part 3141 et seq.) and Related Acts:** All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under this chapter shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended. This applies to the rehabilitation and reconstruction of residential property only if such property contains not less than 8 units.<sup>2</sup>

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

**Disaster Risk Reduction Area:** Designated area subject to the buyout, pursuant to the following requirements: i. The hazard must have been caused or exacerbated by the Presidentially declared disaster for which the grantee received its CDBG-DR allocation; ii. The hazard must be a predictable environmental threat to the safety and well-being of program beneficiaries, as evidenced by the best available data (e.g. FEMA RL Data) and science; and iii. The Disaster Risk Reduction Area must be clearly delineated so that HUD and the public may easily determine which properties are located within the designated area. The distinction between buyouts and other types of acquisitions is important, because subrecipient may only redevelop an acquired property if the property is not acquired through a buyout program (i.e., the purpose of acquisition was something other than risk reduction). iv. In carrying out acquisition activities, subrecipient must ensure they are in compliance with their long-term redevelopment plans.

**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.

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

**Event:** The Presidentially declared Hurricane Harvey, and subsequent flooding, disaster events.

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<sup>2</sup> <https://www.hudexchange.info/resources/documents/Housing-and-Community-Development-Act-1974.pdf>

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

**Fair Housing:** The County has committed to ensuring that people are eligible for the program that meet the citizen and or Nationals are provided equal opportunity regardless of race, ethnicity, national origin, religion, familial status, disability or gender, as recognized by the State of Texas.

**Fair Housing Marketing Plan:** The County has designated a DRRA for purposes of the Buyout program. The County will make efforts within these areas to ensure that all eligible persons are provided the opportunity to participate.

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

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

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

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

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

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

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

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

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

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

**Household:** A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the LMI National Objective is based on the LMI of the household.

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

**Housing and Urban Development Act of 1968, Section 3:** Requires program administrators ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing federal, state, and local laws and regulations, to low- and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32.<sup>3</sup>

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

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

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<sup>3</sup> <https://www.hudexchange.info>



**Low to Moderate Housing (LMH) National Objective:** Any activity that involves the buyout, acquisition, or rehabilitation of property to provide housing or improve permanent residential structures will upon completion benefit and must be occupied by low- and moderate-income households (42 U.S.C. 5305(c)(3)). Income eligibility will be determined using Area Median Income (AMI), adjusted for family size and verified in accordance with GLO's Adjusted Gross Income Methodology. The most current income limits, published annually by HUD, shall be used by the subrecipient or the state to verify the income eligibility of each household applying for assistance at the time assistance is provided.

**Low to Moderate Housing (LMH) National Objective:** Any activity that involves the buyout, acquisition, or rehabilitation of property to provide housing or improve permanent residential structures will upon completion benefit and must be occupied by low- and moderate-income households (42 U.S.C. 5305(c)(3)). Income eligibility will be determined using Area Median Income (AMI), adjusted for family size and verified in accordance with GLO's Adjusted Gross Income Methodology. The most current income limits, published annually by HUD, shall be used by the subrecipient or the state to verify the income eligibility of each household applying for assistance at the time assistance is provided.

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

**Low to Moderate Income National Objective:** Activities which benefit persons of income that does not exceed 80 percent of the area median income:

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

**Manufactured Housing Unit (MHU):** A structure, transportable in one or more sections which in the traveling mode is 8 body-feet or more in width, or 40 body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

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

**Montgomery County Office of Homeland Security and Emergency Management (MCOHSEM):** The Montgomery County Office of Homeland Security and Emergency Management is the lead local agency for managing the county's Community Development Block Grant - Disaster Recovery grants through the U.S. Department of Housing and Urban Development.

**Needs Assessment:** A needs assessment is a critical component in the allocation of funding across and within National Objectives for CDBG-DR funds. A given needs assessment will recommend the proportions of funding that should be set aside to benefit each LMI and non-LMI economic group. The needs assessment will determine the activities to be offered, the demographics to receive concentrated attention, the disabled, "special needs," vulnerable populations, and target areas to be served. The needs assessment will also include an assessment of the types of public services activities that may be needed to complement the program, such as housing counseling, legal counseling, job training, mental health, and general health services. The needs assessment should set goals within the income brackets similar to the housing damage sustained within the impacted areas. Deviations from goals must be approved by the GLO before the Program may move forward. The GLO will work with subrecipients and COGs to develop regional local needs assessments. Each needs assessment will be posted for a 14-day public comment period and approved by the GLO before implementation.

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

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

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

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

**Program Design:** The selection and development of programs and activities based on a needs assessment. The Program Design must include the type of housing activities that will be offered by the subrecipient or the state; how the program will be marketed; how Fair Housing Objectives will be achieved, as described in the AFHMP; and how funding will be prioritized as determined through a needs assessment.

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

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

**Slum and Blight National Objective:** Activities which help to eliminate slum and blighted conditions. (Use of this National Objective is limited due to its inability to contribute towards the overall requirement for 70 percent LMI to benefit low- to moderate-income beneficiaries.) See 24 CFR 570.208(b).

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

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

**Subrecipient:** Cities, counties, Indian tribes, local governmental agencies (including COGs), private non- profits (including faith-based organizations), or a for-profit entity authorized under 24 CFR 570.201(o). The definition of subrecipient does not include procured vendors, private grant administrators, or contractors providing supplies, equipment, construction, or services and may be further restricted by Program rules or other guidance including applications. See vendor definition for further clarification.

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

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

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

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

**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 subrecipient or the state 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.

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

**Vendor:** The subrecipient- or the state-procured vendors, or private grant administrators, providing supplies or services to administer the Program and to serve homeowner assistance needs. Upon approval, the vendor may implement the Program or act on behalf of the GLO or the subrecipient.

## 2. Most Impacted and Distressed (MID) Counties

*Table 3: Most Impacted Counties*

Regional Classification	percent of Total Funding
<b>Most Impacted Counties and Zip Codes</b>  Aransas, Brazoria, Chambers, Fort Bend, Galveston, Hardin, Harris, Jefferson, Liberty, Montgomery, Nueces, Orange, San Jacinto, San Patricio, Victoria, Wharton Counties; 75956, 75979, 77335, 77414, 77423, 77612, 77632, 77979, 78377, 78934 and 78945  <i>Harris County and all zip code areas that fall within Harris County and Houston will have their programs administered by Harris County or Houston</i>	80 percent
<b>Other Presidentially Declared Counties</b>  Austin, Bastrop, Bee, Burleson, Caldwell, Calhoun, Colorado, Comal, DeWitt, Fayette, Goliad, Gonzales, Grimes, Guadalupe, Jackson, Jasper, Jim Wells, Karnes, Kleberg, Lavaca, Lee, Madison, Matagorda, Milam, Newton, Polk, Refugio, Sabine, San Augustine, Tyler, Walker, Waller, Washington	20 percent

## 3. Program Design

To develop the Program Design for the buyout activity offered through this funding, Montgomery County will use qualified data (HUD/FEMA/SBA, insurance data, or other data as approved by the GLO in advance, to allocate the disaster funding). The unmet needs assessment, which will be required by Montgomery County, will be addressed within the guidelines. The GLO will assist Montgomery County in the development and approval of its needs assessment.

- Qualified data will be used to document the impact of the relevant storm on the LMI subcategories which will aid in the development of a goal for targeting the use of housing funds in the appropriate levels and to the appropriate economic categories.

- The method of data evaluation utilized by Montgomery County (i.e., class distribution categories by income, raw number of homes impacted versus the aggregated dollar amounts impacting communities, etc.) must be made available to the public for a minimum of 30-day comment period on a publicly accessible website. Notice of the posting of the method of review must be provided to the GLO no later than the day the method is posted on a website. If any public comment is made, Montgomery County must address the comment in a public response.

## **A. Program Design Requirements**

### **(1) National Objective**

All housing activities must meet one of the three National Objectives required under the authorizing statute of the CDBG-DR Program:

- LMI — Benefitting Low- to Moderate- Income persons:
  - LMH — Benefitting Low and Moderate-Income Housing (LMH) where any assisted activity that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low- and moderate-income only to the extent such housing will, upon completion, be occupied by such persons;
  - LMB — Benefitting Low to Moderate Income persons where the award amount is greater than their post-disaster fair market value; and
  - LMHI — Low to Moderate Housing Incentive assisted with a housing incentive tied to the voluntary buyout or other voluntary acquisition of housing owned by the qualifying LMI household for the purpose of moving outside of the affected floodplain or to a lower-risk area; or when the housing incentive is for the purpose of providing or improving residential structures that, upon completion will be occupied by an LMI household.
- Slum and Blight — Aid in the prevention or elimination of slums or blight; or
- Urgent Need — Meet a need having a particular urgency.

### **(2) Unmet Needs Analysis**

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

The GLO will assist Montgomery County on the methodology and data analysis and provide applicable raw data needed to develop and assist in development of their regional Needs Assessments.

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

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

- 0 percent - 30 percent AMFI
- 31 percent - 50 percent AMFI
- 51 percent - 80 percent AMFI

### **(3) Environmental Review**

All sites must undergo a complete environmental review prior to any commitment of funds. The environmental review shall document compliance with 24 CFR Part 58 and all related laws and authorities. Properties with adverse environmental conditions will not be permitted to proceed under housing activities unless the adverse conditions are corrected. No work can start on a site until the environmental review is complete.

### **(4) Proof of Event Damage**

For assistance activities, the unit must demonstrate that the damage or destruction to unit occurred by the event. Disaster damage can be documented as follows:

- FEMA, Small Business Administration (SBA) or Insurance Award Letters;
  - If the above-referenced documentation is not available, an inspection report/Damage Assessment (complete with photos of the damage and a written assessment of the damage with each photo taken) conducted by a certified or licensed inspector (HQS, TREC, or similar license) or with similar experience must be supplied by the county or the state that certifies the damage occurred as a result of the event (refer to the GLO's Damage Assessment Guidelines found at [www.texasrebuilds.org](http://www.texasrebuilds.org)); or
  - If FEMA, SBA, or Insurance Award Letters are not available and an inspection report is inconclusive as to the cause of the damage, Montgomery County may provide alternative evidence, such as neighborhood-level media reports or documentation of damage by disaster response/relief organizations. GLO approval is required for this form of proof.

If an applicant was denied assistance by FEMA, assistance through the CDBG-DR Program may still be available. Applicants are not solely ineligible based on a denial by FEMA.

A Damage Assessment must be performed by a certified or licensed inspector (HQS, TREC or similar license) or with similar experience to specifically and clearly document event related damage via photographic evidence and detailed narratives if the survivor did not receive FEMA or SBA funds for the repair or replacement of a home.

If the County cannot identify tie back to the storm, the County will provide the applicant with written communication explaining the process taken to identify tie back and the factors taken into consideration. Any applicant that is denied assistance will be provided a letter via email or standard US mail.

**(5) Timeliness of Application Status**

Montgomery County will ensure timely processing of applications submitted for assistance and will notify applicants of application status. All applicants will be notified that their application has been received within 14 days of receipt by letter sent via email or regular U.S.P.S. mail. Eligibility determinations will be made and applicant will be notified within seven days of the decision date sent via email or regular U.S.P.S. mail and will allow the applicant 30 days to appeal the decision if they disagree, Montgomery County will make every effort to notify applicants timely and in a manner that is effective. Montgomery County will ensure the accessibility and privacy of individualized information for all applicants, frequency of applicant status updates, and personnel or unit responsible for applicant's information on the status of recovery applications.

Applicants who have questions, concerns, or are inquiring about a status update may reach out by mail, phone, and/or email to:

**MCOHSEM Recovery Manager**  
**9472 Airport Rd. Conroe TX. 77303**  
**936.523.3915**  
[Morgan.lumbley@mctx.org](mailto:Morgan.lumbley@mctx.org)

**(6) Affirmatively Furthering Fair Housing Review**

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

Montgomery County is committed to affirmatively furthering Fair Housing. The County identified areas impacted by the storm that have been known to repetitively flood during major rain events. These areas are located within floodways and floodplains and will fall into prioritization methods for eligibility selection (see maps at the end of Guidelines). The funds established within this program may not be able to cover all properties that are eligible for the program.

The goal of the affirmatively furthering Fair Housing is to provide additional opportunities areas where racial and ethnic minorities may benefit from Federal, state and local resources that may not have been historically available.

One condition placed on Montgomery County during a GLO AFFH review of the intended Buyout program is:

Montgomery County should maintain a freestanding 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. Personal Identifiable Information should not be included (social security numbers, driver's license information or mortgage information) as it is not relevant for this review. A log of this nature will expedite the review for GLO monitors or outside parties to ensure the program is in keeping with the goals of the Affirmatively Furthering Fair Housing Final Rule.

## **4. Program Implementation**

### **A. Buyout Program Overview**

Montgomery County has opted into implementing a full Countywide Voluntary Buyout Program within the jurisdiction.

HUD has authorized the use of Buyout to (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).

Buyout programs support hazard mitigation, floodplain management goals, and resiliency by removing homeowners from the floodplain to minimize the possibility of future flooding to the home. After homes are purchased, the structures are demolished or relocated. The local buyout program serves multiple objectives and provides a resiliency option versus rebuilding within a floodplain. Buyouts help prevent repetitive loss and extreme risk to human health and safety.

Buyout services are limited to actual costs for services used to complete a buyout of a home in a floodplain or floodway and the intent is to relocate the homeowner and their family to a low-risk area outside of the floodplain/floodway. Housing Incentives are generally offered in addition to other programs or funding (such as insurance), to encourage households to relocate in a suitable housing development or an area promoted by the community's comprehensive recovery plan and should include higher opportunity areas. Incentive payments are ineligible for households that move to disaster-impacted floodplains.

Montgomery County may use the Low to Moderate Housing Incentive (LMHI) to resettle beneficiaries who were affected. Housing incentives are usually offered to encourage



households to relocate to a suitable housing development or to an area promoted by the community's comprehensive recovery plan and may be in addition to buyout awards. Montgomery County must ensure that the intent of the housing incentive is satisfied at award.

All buyout activities are a type of acquisition of real property (as permitted by section 105(a) (1) of the HCD Act). The intent of the acquired property is to reduce risk from future flooding and return the area to green space.

Montgomery County has determined that pre-disaster fair market value (FMV) is the appropriate valuation method for implementation of the buyout program, which will be uniformly applied for all applicants.

*In most cases, a subrecipient that provides pre-disaster FMV to buyout applicants provides compensation at an amount greater than the post-disaster FMV. When the purchase price exceeds the current FMV, any CDBG-DR funds in excess of FMV are considered assistance to the seller, thus making the seller (homeowner) a beneficiary of CDBG-DR assistance. If the seller receives assistance as part of the purchase price, this may have implications for duplication of benefits calculations or for demonstrating National Objective criteria.*

HUD is waiving Section 104(d), the one-for-one replacement requirement, for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation.

## **(1) Buyouts**

Montgomery County will use buyouts strategically as a means of acquiring contiguous parcels of land for uses compatible with open space, recreational, natural floodplain functions, other ecosystem restoration, or wetlands management practices. As referenced by the federal register, the term buyout refers to properties acquired with the intention of removing homes and structures from areas that are at risk of being impacted by future disasters. Properties can be acquired if located within the DRR, floodplain or floodway, as defined by Montgomery County.

The county is undertaking this voluntary buyout program, offering incentives and using pre-storm appraisals to determine fair market value when making an offer to purchase a property. All properties acquired through this buyout program will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices other purposes allowed by HUD and accepted by the GLO. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the buyout program other than: (1) a public facility that is open at all sides and functionally related to a designated open space (e.g., a park, campground, or outdoor recreation area); (2) a rest room; or (3) a flood control structure, provided that structure does not reduce valley storage, increase erosive velocities, or increase flood heights on the opposite bank, upstream or downstream, and that the local floodplain manager approves, in writing, before the commencement of the construction of the structure. After receipt of the assistance, with

respect to any property acquired, accepted, or from which a structure was removed under the buyout program, no subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by Montgomery County to any federal entity in perpetuity.

#### **a. Voluntary Program**

Montgomery County has elected to participate in the Voluntary Buyout Program and has identified target areas, and additional eligibility requirements. Applicants located in a floodway, floodplain, may be assisted if all eligibility requirements have been met. Applicants who wish to receive incentive payments in addition to the buyout will be eligible for this if relocation is outside of the floodplain and within Montgomery County, e.g., moving costs, down payment assistance, (incentive costs must be for a specific purpose and must be properly defined for award).

Transactions with no threat or use of eminent domain and meet requirements set forth in 49 CFR 24.101(b) (1) as follows:

- No specific site or property needs to be acquired.
- The property to be acquired is not part of an intended, planned, or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits.
- Montgomery County will not acquire the property if negotiations fail to result in an amicable agreement and the owner is so informed in writing.
- Montgomery County will inform the owner in writing of what it believes to be the market value of the property.

#### **b. Voluntary Program Requirements**

- All proposed buyout will undergo Affirmatively Furthering Fair Housing (AFFH) review by the GLO before approval. Such review will include assessments of (1) a proposed project's area demography, (2) socioeconomic characteristics, (3) housing configuration and needs, (4) educational, transportation, and health care opportunities, (5) environmental hazards or concerns, and (6) all other factors material to the AFFH determination.
- Provide an estimate of Fair Market Value. An appraisal (pre-storm) and a current appraisal (post-storm) are used to establish the agency's estimate of market value in accordance with the Uniform Relocation Act (49 CFR 24.103 and 24.104).
- A Duplication of Benefits (DOB) and a National Flood Insurance (NFIP) review must be completed and documented for each applicant.
- A statement of the amount offered as compensation, description, and location of the real property, and a list of buildings, structures, or other improvements must be provided to the applicant. The final settlement (buyout offer) must be properly documented and assistance calculations must show how the county determined the final offer.

- The applicant will have the right to determine the value of the property by hiring an appraiser to conduct their own assessment. If accepted, the county will update the offer and submit it to the owner.
- The owner must remove all personal property from the residence prior to the day of closing.
- Closing documents: The applicant must sign the agreement for sale document and a limited Subrogation Agreement document. If a buyout incentive is part of the final buyout offer, e.g., the family will agree to relocate outside the floodplain or to a lower-risk area, the incentive award is provided once confirmation is received (closing statement of new home) by the county.
- Montgomery County will ensure the property title is deed restricted and remains public open space in perpetuity, as necessary (buyout program) as described above.
- The project must comply with all applicable federal and state requirements.

### c. Housing Assistance Caps and Incentives

Unit Costs must be necessary, reasonable, allowable, and allocable. Refer to 2 CFR Part 200 Subpart E. The following table charts monetary caps for assistance apply to applicants based on project type.

*Table 4: Caps and Incentives*

<b>Project Type</b>	<b>Buyout**</b>
<b>Base Unit</b>	Fair Market Value Pre-Disaster Up to \$200,000 max
<b>Relocation Assistance</b>	Up to \$5,000 for temporary moving and relocation costs \$35,000 for a lot or newly constructed home****
	Up to \$10,000 for an existing home****
<b>Down Payment</b>	Up to 100 percent of the Required Amount
<b>Incentive Package</b>	Qualification of up to 4 additional incentives
<b>Buyout Incentives</b>	Up to \$35,000****

*Montgomery County has set a cap of \$200,000 on buyouts. Incentives of up to \$5,000 for temporary moving and relocation costs, \$35,000 for a lot or newly constructed home, \$10,000 for an existing home, and up to 100 percent of a required down payment amount may be available to homeowners who meet conditional requirements. Total costs for projects, including buyout, soft costs, disposition of the purchased property, and incentives will not exceed \$233,000 per address (current HOME limit). Buyouts will be based on pre-storm appraised value of the unit. Appraisals will be conducted by an independent, contracted appraiser. Per the Stafford Act, disqualified prior assistance will be deducted from the final buyout offer.*

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

Awards made to eligible residents will be based on the above referenced housing assistance caps and will include any funding received for disaster recovery assistance that cannot be offset by eligible receipts and invoices. The table below outlines an example of an award calculation.

Figure 1: Example of Award Calculation

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

#### d. Relocation Assistance

Relocation assistance may be offered at the discretion of the county; however, the assistance may not exceed \$35,000 for purchase of a lot or newly constructed home, or \$10,000 for an existing home.

Temporary relocation assistance may be offered at the discretion of the county; however, the assistance may not exceed \$5,000 or 3 months of expenses per household. It is anticipated that the assistance will be provided when the closing occurs for the new or existing home purchase; furthermore, temporary relocation assistance may not be necessary unless otherwise allowable by the applicable Federal Register and approved by the GLO.

#### e. Down Payment Assistance

This activity is available only under the Voluntary Buyout Programs.

The following items must be met to provide additional funding:

- Purchased a lot or are using a pre-owned lot located outside of a floodplain within the Montgomery County for construction of a new home (a construction date must be provided), or the applicant purchased a newly constructed or existing home located outside of floodplain area in Montgomery County.
- Purchased homes must be considered decent, safe, and sanitary.

- The funding must be used within sixty (60) days of closing on the buyout property.

HUD has waived homeownership assistance for households with up to 120 percent of the area median income. While homeownership assistance may be provided to households with up to 120 percent of the area median income, only those funds used to serve households with up to 80 percent of the area median income may qualify as meeting the low- and moderate-income person benefit National Objective.

The replacement home is usually more expensive than the buyout home because new homes are built to recently adopted building codes and zoning requirements as opposed to older homes.

Applicants may qualify for up to 100 percent (of the required) down payment assistance if found to be a determined need of the applicant. Down payment assistance is not to exceed 20% of the total purchase of the new home.

- Eligible properties for down payment assistance may reside within the jurisdiction of Montgomery County:
  - Single family property (detached and attached 1-4 units)
  - Condominium unit
  - Cooperative unit
  - Modular home/manufactured home
  - Vacant land

#### **f. Incentive Package**

**Homeowners could be eligible for additional incentives based on LMI eligibility. Although a homeowner may meet LMI eligibility, they must still meet the eligibility of the incentive option.**

- Extreme LMI (30 percent) homeowners may be eligible for all incentives
- Very LMI (50 percent) homeowners may be eligible for up to any 3 incentives
- LMI (80 percent) homeowners may be eligible for up to any 2 incentives
- Above 80 percent AMI homeowners may be eligible for any single (1) incentive

#### **Incentive Options:**

- Homeowner is over the age of 65- \$5,000 (per household)
- Homeowner is a veteran of a foreign war- \$5,000 (per household)
- Homeowner is a survivor of multiple flood disasters- \$ 2,500 for each disaster. Total not to exceed \$10,000 (per household)
- Homeowner has dependent(s) that can be claimed on IRS taxes- \$1,000 for each qualifying dependent.

Relocation Assistance and Down payment Assistance are dependent on the applicant proving their new home is outside of the floodway and floodplains and within

Montgomery County. Individuals will be required to supply sufficient supporting documentation for incentive eligibility.

**g. Unmet Needs**

Only applicants with an unmet need related to the CDBG-DR funded event will be eligible. Documentation evidencing impact from the event will be required as part of the unmet needs determination. The unmet needs analysis is addressed within the guidelines and will be required by the county.

**h. Applicant with AGI of up to 120 percent of AMI (For Down Payment Assistance)**

HUD has waived homeownership assistance for households with up to 120 percent of the area median income (AMI). While homeownership assistance may be provided to households with up to 120 percent of the AMI, only those funds used to serve households with up to 80 percent of the AMI may qualify as meeting the low-and moderate-income person benefit National Objective.

**i. Amount of Assistance**

Montgomery County may offer up to 100 percent of the property's pre-storm fair market value and should only include the amount needed by the applicant to achieve homeownership. The amount of assistance would be based on the pre-disaster FMV, plus any program incentives offered; not to exceed a total of \$233,000.

**j. Prioritization Strategy**

Due to the extreme numbers of flooded homes and buyout requests, the county will strategically prioritize by applying a scoring methodology to applications to ensure the most vulnerable populations are served first. Prioritization will be based on the following scoring criteria:

*Figure 2: Priority Scoring Sheet*

Scoring Category	Points	Scoring Category	Points
Floodway	6	At or Below 30 percent AMI	10
Repetively flooded	5	At or Below 50 percent AMI	5
Purchased home prior to Aug. 18, 2014	4	At or Below 80 percent AMI	2
Property Uninsured	3	Above 80 percent AMI	0
Target Area	2		
Floodplain	1		

All applications will be considered; however, scoring takes into account those who live in specific "Priority Neighborhoods" by rewarding points to those addresses. Identified Priority Neighborhoods are: River Oaks, River Plantation, Mosswood, Timber Lakes (west

of Timber Lakes Drive), Timber Ridge, Patton Village, Woodloch, Whispering Oaks, and Magnolia Bend.

Since the Harvey CDBG-DR program will be ran concurrent with the 2016 Storm and Flood CDBG-DR program, the pre-identified 357 LMI homeowners will be priority. Of the 357 pre-identified, 90 of those are within the floodway, 197 are within the floodplain while the remaining 73 lie outside the floodplain.

In the event that voluntary participation is not in line with AFFH regulations, further prioritization may take place to meet AFFH requirements.

#### **k. LMI Determination**

The income limits to be utilized for the CDBG-DR Single Family Homeowner Program are area-specific (by county) income limits established yearly by HUD for the Section 8 Housing Program. The most current income limits, published annually by HUD, shall be used by Montgomery County to verify the income eligibility of each household applying for assistance at the time assistance is provided. Montgomery County must always use the most recent income limits and will be monitored to ensure compliance with the income guidance as provided throughout these Guidelines.

National Objective:

- Beneficiaries of the program must meet the LMB or LMHI National Objective of supporting buyout or housing incentive activities for impacted persons of low- and moderate-income that, upon completion of the housing activity, will be occupied by such person
- Assistance to non-LMI applicants may be provided under urgent need
- Slum and blight may be addressed under the Local Buyout Program.

A household is considered LMI if they make less than 80 percent of the area median income. Income eligibility will be determined using Area Median Income (AMI), 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.

A family of four, based on FY 2020 Income Limits determined by HUD, is considered; Low (80 percent) Income with total household income of less than \$63,050, Very Low (50 percent) Income with a total household income of less than \$39,400, and Extremely Low (30 percent) Income with a total household income of less than \$26,200.



Figure 3: HUD Income Limits for Montgomery County, 2020<sup>4</sup>

FY 2020 Income Limit Area	Median Family Income <a href="#">Explanation</a>	FY 2020 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
<b>Houston-The Woodlands-Sugar Land, TX HUD Metro FMR Area</b>	\$78,800	Very Low (50%) Income Limits (\$) <a href="#">Explanation</a>	27,600	31,550	35,500	<b>39,400</b>	42,600	45,750	48,900	52,050
		Extremely Low Income Limits (\$)* <a href="#">Explanation</a>	16,600	18,950	21,720	<b>26,200</b>	30,680	35,160	39,640	44,120
		Low (80%) Income Limits (\$) <a href="#">Explanation</a>	44,150	50,450	56,750	<b>63,050</b>	68,100	73,150	78,200	83,250

## 5. Outreach

### a. Efforts

Montgomery County will provide for reasonable advance notice of homeowner's opportunity to apply for the CDBG-DR home buyout program. This may be accomplished through one or more of the following methods:

- (1) Publication of notice in a local newspaper;
- (2) Notices prominently posted in public buildings and distributed to local Public Housing Authorities and other interested community groups;
- (3) Posting of notice on Montgomery County Office of Homeland Security and Emergency Management website or Montgomery County Texas homepage;
- (4) Public Hearing;
- (5) Community Meetings;
- (6) Social Media platforms such as Facebook, Twitter, Instagram, and the ReadyMCTX app;

Individual notice to eligible homeowners as applicable using one or more of the following methods:

- (1) Certified mail
- (2) Electronic mail or fax
- (3) First-class (regular) mail
- (4) Personal delivery

### b. Access and Functional Needs

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

<sup>4</sup> <https://www.huduser.gov/portal/datasets/il/il2020/2020summary.odn>

meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), providing sign language assistance when requested, and providing special assistance for those who are visually impaired when requested.

Applications and forms will be offered in English and other languages prevailing in the region in accordance with Title VI of the Civil Rights Act of 1964, including persons with disabilities (24 CFR 8.6), Limited English Proficiency (LEP), and other fair housing and civil rights requirements such as the effective communication requirements under the Americans with Disabilities Act. Every effort will be made to assist such applicants in the application process.

### **c. Affirmative Marketing Plan**

Local jurisdictions administering the Program are committed to affirmatively furthering fair housing through established affirmative marketing policies. Affirmative marketing efforts for the disaster funding will include the following:

- An Affirmative Fair Housing Marketing Plan, based on HUD regulations, is to be followed by Montgomery County. The plan must include items on the GLO's checklist to affirmatively market units financed through the Program. The procedures cover dissemination of information, technical assistance to applicants, project management, reporting requirements, and project review.
- The goal is to ensure that outreach and communication efforts reach eligible survivors from all racial, ethnic, national origin, religious, familial status, the disabled, "special needs," and gender groups. For each project or program, notification to these populations should include:
  - Given the opportunity to sell their primary residence that sustained damages due to the event and/or its after-effects.
- Emphasis should be focused on successful outreach to LMI areas and those communities with minority concentrations that were affected by the disaster. Outreach efforts will include door-to-door canvassing and special outreach efforts to hard-to-reach populations (e.g., seniors, and persons with severe disabilities who either do not have information about the resources available or are unable to apply for resources).
- In addition to marketing through widely available media outlets, efforts may be taken to affirmatively market the CDBG-DR Program as follows:
  - Advertise with the local media outlets, including newspapers and broadcast media, that provide unique access for persons who are considered members of a protected class under the Fair Housing Act;
  - Include flyers in utility and tax bills advertising the Program;
  - Reach out to public or non-profit organizations and hold/attend community meetings; and
  - Other forms of outreach tailored to reaching the eligible population, including door-to-door outreach, and on the weekends, if necessary.
- Case managers will help navigate and inform survivors who may qualify for buyout of their damaged unit to remove them from flood hazards, environmental

hazards, segregated areas, and other unsafe conditions while meeting AFFH obligations.

- Documentation of all marketing measures used, including copies of all advertisements and announcements, will be retained and made available to the public upon request.
- Montgomery County will be required to use the Fair Housing logo in Program advertising, post Fair Housing posters and related information and, in general, inform the public of its rights under Fair Housing regulations law.
- Evaluation of outreach activities and applications received will be necessary to determine if outreach is successful and applications that are being received accurately reflect the socioeconomic and other forms of demographic diversity. Evaluation should be an ongoing process. The GLO will assist Montgomery County by reviewing application intake reports before Montgomery County begins qualifying applicants, and periodically thereafter.
- Montgomery County and the state are also required to coordinate with HUD-certified housing counseling organizations to ensure that information and services are made available to both renters and homeowners. Additional information for each grantee is available here:  
<https://apps.hud.gov/offices/hsg/sfh/hcc/hcs.cfm?weblistaction=summary>

## **6. Eligibility Reviews**

The following are threshold requirements, which must be met for an applicant to be eligible for assistance. Eligibility does not guarantee assistance since a prioritization strategy within LMI economic subgroups will be required (consistent with Program Design Requirements), and it is expected that there will be more eligible applicants than can be served with available funds. For the purpose of this program, Montgomery County is only engaging in buyouts. No other activity has been engaged.

### **a. Applicant Intake and Case Management**

Montgomery County residents, who are interested in participating in the available Harvey CDBG-DR County Wide Buyout, are able to apply. To be sure priorities for the program are being met, along with allotting a fair assessment of homeowners; each application will be issued a Priority Scoring Sheet and scored accordingly. Scoring will be based on income level, location of home in regard to floodway or floodplain, home has suffered repetitive loss, home was purchased BEFORE August 18, 2014, homeowner had NO insurance, and home is located in a "priority neighborhood". All applications will be scored and ranked. For ranking purposes, if there is a tie, the household having the lowest Per Capita Income will have the higher priority.

All documentation submitted by the applicant must include a signed statement verifying that the information provided is true, complete and accurate. Any false, fictitious, or fraudulent information, or the omission of any material, may subject the applicant to

criminal, civil or administrative penalties. Program documents must capture the following statement:

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

Applicants are likely to need support throughout the buyout process. Applicants may have suffered significant losses and emotional hardships. The simple mechanics of applying to the CDBG-DR Program may be complicated by the loss of documents or temporary residence outside the area.

A consulting firm will provide case management support and will work to assist survivors from inception to close-out of their recovery needs associated with the buyout program. A single point of contact will be given for each homeowner to ensure that homeowners have the immediate contact information and needs to be successful in their long-term recovery efforts. Homeowners are also able to reach out to MCOHSEM at any time and speak with the Recovery Manager for any questions or concerns relating to the buyout program. As homeowner applications are being accepted and reviewed for determinations of eligibility to participate in the program, each homeowner should be counseled and made aware of their application status. Consult with the GLO to determine the best feasible option.

Case managers and/or counselors or interpreters must be able to communicate with the applicant in their primary language and should be assigned to the clients as appropriate. Additionally, they must ensure effective communications with persons with disabilities pursuant to 24 CFR 8.6 and other fair housing and civil rights requirements (such as the effective communication requirements under section 504 and the Americans with Disabilities Act). Counselors will be trained to be well-versed in all housing recovery activity requirements.

#### **b. Eligible Property Types**

Eligible property types include owner-occupied single-family residences, to include Manufactured Housing Units (MHU's or mobile homes), as well as vacant lots in which a structure once stood at the time of the event. Utilizing the appropriate strategy to include vacant lots in which a home previously stood, may prove essential to meeting the objectives of the buyout program by preventing further residential development in the designated area.

Other structures will be evaluated on a case-by-case basis.

The home must have been the applicant's principal residence during the time of the event. Principal residency for applicants can be demonstrated through property tax homestead exemptions. If a homestead exemption was in place at the time of the disaster, an Affidavit of Principal Residency may be utilized as an alternative method of verification of principal residency. The affidavit must be supported by documentation such as asset verification (income tax returns, credit check, etc.) or utility bills specific to the property address and name of the applicant, which were active as of the date of

the event. The Affidavit of Principal Residency Form may be found on the GLO's website: [www.texasrebuilds.org](http://www.texasrebuilds.org)

#### **c. Proof of Ownership**

The applicant must be an individual who owns the property to be repaired, rebuilt, or replaced due to damage from the event. For the buyout program, a warranty in the applicant's name is required. Ownership can be documented as follows:

- Provide a copy of a valid deed of trust or warranty deed that is recorded in the county records which cites the applicant's name. Liens on Housing Units: All liens must be addressed and cleared prior to the sale of the home. The county will advise the applicant of any issues in a reasonable amount of time to resolve outstanding issues prior to final sale.
- For MHUs, a Statement of Ownership and Location (SOL) must be provided. The MHU needs to be "perfected" and made a real property showing that is fixed to the lot. The wheels and axel need to be removed, and a statement of location needs to be in place from Texas Department of Housing & Community Affairs, Manufactured Housing Division (TDHCA).<sup>5</sup> All liens must be addressed and cleared prior to the sale of the MHU. The county will advise the applicant of any issues in a reasonable amount of time to resolve outstanding issues prior to final sale.

#### **d. Event Damage**

For assistance activities, the unit must demonstrate that the damage or destruction to unit occurred by the event. Disaster damage can be documented as follows:

- FEMA, Small Business Administration (SBA) or Insurance Award Letters;
  - If the above-referenced documentation is not available, an inspection report/Damage Assessment (complete with photos of the damage and a written assessment of the damage with each photo taken) conducted by a certified or licensed inspector (HQS, TREC, or similar license) must be supplied by the county or the state that certifies the damage occurred as a result of the event (refer to the GLO's Damage Assessment Guidelines found at [www.texasrebuilds.org](http://www.texasrebuilds.org)); or
  - If FEMA, SBA, or Insurance Award Letters are not available and an inspection report is inconclusive as to the cause of the damage, Montgomery County may provide alternative evidence, such as neighborhood-level media reports or documentation of damage by disaster response/relief organizations. GLO approval is required for this form of proof.

If an applicant was denied assistance by FEMA, assistance through the CDBG-DR Program may still be available. Applicants are not solely ineligible based on a denial by FEMA.

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<sup>5</sup> <https://www.tdhca.state.tx.us/mh>

A Damage Assessment must be performed by a certified or licensed inspector (HQS, TREC or similar license) to specifically and clearly document event related damage via photographic evidence and detailed narratives if the survivor did not receive FEMA or SBA funds for the repair or replacement of a home. The Damage Assessment may also include a final cost of repair estimate. Damage to homes will be repaired according to local code and HUD's Housing Quality Standards.

If the County cannot identify tie back to the storm, the County will provide the applicant with written communication explaining the process taken to identify tie back and the factors taken into consideration. Any applicant that is denied assistance will be provided a letter via email or standard US mail.

#### **e. Property Taxes**

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 33.06 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.

#### **f. Child Support<sup>6</sup>**

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.

#### **g. Environmental Review**

An environmental review must be performed on the property prior to federal funds being committed by Montgomery County (24 CFR Parts 50, 58, 574, 582, 583, and 970). No commitment or disbursement of funds will occur prior to the completion of this review. The environmental review shall document compliance with 24 CFR Part 58 and

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<sup>6</sup> Family Codes, Title 5, Section 231.006

all related laws, authorities, and executive orders. The CDBG-DR Program will not reconstruct or rehabilitate homes that have been determined to be in a floodway.

#### **h. National Flood Insurance Program (NFIP) Verification**

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

#### **i. Damage Assessment**

Each applicant's home must be assessed to verify that it was damaged from the event. A damage assessment report along with pictures will be required for each applicant. Please refer to the GLO's Damage Assessment Guidelines located at <http://recovery.texas.gov/>.

#### **j. Duplication of Benefits (DOB) Review**

Each application will be reviewed to determine if previous funding awarded to the applicant was appropriately used on the home and if any funds were received for the same purpose. The applicant must have an unmet need to move forward in the program. Montgomery County must determine the applicant's unmet needs first and then calculate the applicant's DOB. Applicants must provide insurance, FEMA, SBA, and any other type of funding documentation for funds that were received. Additionally, the county must verify that the submitted data is accurate and current at the time of the award, to the best of their abilities (e.g., validate against FEMA data). Montgomery County will also determine if insurance was required under the terms of the applicant's mortgage as part of the application review. Regardless of unmet needs and prior funds received, applicant awards cannot exceed program limits.

The total DOB (difference between assistance already received minus expenditures) will equal the remaining gap. The GLO's DOB Calculation Form will be used to determine the total DOB amount. If the total previously awarded assistance is greater than or equal to the total expenditures, then a positive dollar amount will indicate a DOB. To reconcile the DOB amount owed, the applicant can pay the DOB amount, or the applicant may be offered a reduction in the scope on the repair or replacement of their home's nonessential components (e.g., laminate for tile floors, etc.). Montgomery County will use the approved DOB forms when determining an applicant's final DOB. The DOB Calculation Form may be found on the GLO's website: [www.texasrebuilds.org](http://www.texasrebuilds.org).

Montgomery County will develop policies and procedures to prevent any duplication of benefits when determining an applicant's unmet need. The policies and procedures must

include recapture instructions (e.g., applicant is currently appealing or suing their insurance company; therefore, recapture of future funds will be completed by the county) and monitoring procedures to include priorities and frequency to comply with an executed Subrogation Agreement.

## **7. Reporting Requirements**

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

### **a. Section 3**

Compliance with Section 3 is required by 24 CFR Part 135 and the executed contract between Montgomery County and the GLO. Montgomery County will refer to the GLO's Section 3 Policy.

### **b. Applicant Data**

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

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

### **c. Records Retention**

All official records on programs and individual activities shall be maintained for a 3-year period beyond the closing of a grant between the GLO and HUD. Applicant records may be maintained electronically. All projects, program activity files, and applicant information received must be maintained within the GLO's system of record.

### **d. Procurement Requirements**

Montgomery County shall provide adequate documentation to show that the selection process was carried out in an open, fair, uniform and thorough manner to ensure that federal (2 CFR 200.318-200.326) and state procurement requirements were met.

It is important to note that failure to maintain proper documentation may result in disallowed costs. These records must include, but are not limited to, the following information:



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

During the procurement process, Montgomery County should clearly identify any items included in the bid/purchase that are not included in the CDBG-DR agreement with GLO. Montgomery County may utilize HUD's CDBG-DR and Procurement Guidance.<sup>7</sup>

Montgomery County must procure goods and services using the federal procurement and contract requirements outlined in 2 CFR 200.318-200.326. These procurement requirements must be followed for reimbursement from grant allocations of CDBG-DR funds provided by HUD. Montgomery County is also required to follow state and local procurement law and policies as prescribed by 2 CFR 200.318(a), as well as the additional requirements stated in 2 CFR part 200.

Procurement policies and procedures should be updated to correspond with the procurement and contract requirements of 2 CFR 200.318-200.326 for CDBG-DR funding.

Additionally, the GLO may review draft solicitations or responses prior to award for compliance. Montgomery County should clearly identify during the procurement process any items included in the bid/purchase that are not included in the CDBG-DR contract.

Regardless of the type of procurement used, Montgomery County must execute a contract to document the period of performance, the work to be completed, the agree price, and contractor or provider's required compliance with all applicable federal, state, and local requirements that must be followed. If there is a conflict between federal, state, and local laws and regulations regarding procurement, the more stringent law or regulation will apply.

Additionally, Montgomery County is required to achieve compliance with Section 3 (24 CFR Part 135). It is strongly suggested that HUD's best practices be utilized to help achieve compliance (HUD Model Section 3 Plan), including creating a Section 3 plan. Montgomery County is also required to "take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible." (HUD CFR 200.321.)

#### **e. Inspection Requirements**

The Buyout and Demolition phases will require an inspection for each activity. The program will only pay for one inspection per activity per phase. Any additional inspection costs will be the responsibility of the designated contractor performing work on the home as outlined below.

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<sup>7</sup> <http://www.hudexchange.info/resource/5614/buying-right-cdbg-dr-and-procurement-a-guide-to-recovery/>

Table 5: Inspection Costs

Application Type	Demolition Confirmation	TREC	Monitoring Inspections
Down Payment Assistance		Yes ***	
Buyout and Acquisition	Yes		
Demolition	Yes		

## 8. Site and Development Restrictions

All properties will be returned to green and maintained in perpetuity by the County.

## 9. Conflict of Interest

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

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

The GLO can consider granting an exception to the conflict of interest provision should it be determined by the GLO that Montgomery County has adequately and publicly addressed all of the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and the effective and efficient administration of the program. The county should not enter into a conflict of interest until justification has been received and approved by the GLO in accordance with applicable procurement laws.

## **10. Complaint/Appeal Process**

### **Appeals**

Homeowners may feel the need to appeal decisions that were presented during the buyout program process to include eligibility decisions, property valuations, and/or duplication of benefits. If the homeowner wishes to file an appeal, they must complete and return a Notice of Appeal form (included with original notification of determination) along with any evidence supporting the basis of appeal to the county within 30 days of receiving the original notification of determination.

### **Complaints**

#### **a. General Policy**

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

When a complaint or appeal is received, a representative will respond to the complainant or appellant within three (3) business days where practicable. For expediency, Montgomery County shall utilize telephone communication as the primary method of contact; however, email and postmarked letters will be used as necessary.

#### **b. Responsibilities**

Montgomery County will be tasked with handling all homeowner complaints and appeals. The County will be responsible for (1) determining if complaints and appeals relate to the business or authority of the county, (2) ensuring that a response to all complaints and appeals are within the appropriate time frame (a final response must be provided within 15 working days of the receipt of the final complaint need for additional time), and (3) ushering all complaints and appeals through to a resolution.

Montgomery County will ensure complaints and appeals submitted by applicants are handled in a timely and efficient manner to ensure complaints are handled at the earliest stage in the process.

#### **c. Documentation**

Documentation for each complaint or appeal must be maintained in each applicant file and must include the following:

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

Complaints or Appeals can be sent to:

**MCOHSEM Recovery Manager**  
**9472 Airport Rd. Conroe TX. 77303**  
**936.523.3915**  
**Morgan.lumbley@mctx.org**  
**Fax: 936.523.3900**

## **11. Audit Requirements**

Jurisdictions receiving funds that exceed the thresholds set in 2 CFR 200.501, Audit Requirements, shall have a single or program specific audit conducted in accordance with the applicable federal requirements.

Vendors and contractors employed by the state and Montgomery County will be required to comply with the executed contract.

## **12. Changes, Waivers, and/or Conflicts**

Montgomery County has the right to change, modify, waive, or revoke all or any part of these guidelines, with prior written approval of the GLO.

Waivers to the requirements in these guidelines can only be approved by the GLO and must be provided in writing. The GLO will provide the option for a waiver only after the waiver request has been posted on the county's identified website for a public comment period of at least 7 days. The waiver request must demonstrate why the housing guidelines are not practicable for the county.

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

## **13. Residential Anti-displacement and Relocation Assistance Plan**

Displaced people, regardless of income, can receive benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA" or "Uniform Relocation Act"). URA applies to both temporary (during construction) and permanent displacement (one year or greater).

Section 104(d) requires relocation assistance for lower-income individuals displaced as a result of the demolition or conversion of a lower-income dwelling and requires one-for-one replacement of lower-income units demolished or converted to other uses.

Montgomery County must provide the following benefits to households that they displace:

- Relocation advisory services;
- A minimum of a 90-day notice to vacate;

- Reimbursement for moving expenses; and
- Payments for added cost of renting or purchasing comparable replacement housing.

The relocation assistance requirements at Section 104(d)(2)(A) of the Housing and Community Development Act and 24 CFR 42.350 are waived to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR Part 24, as modified by the notice for activities related to disaster recovery. Without this waiver, disparities exist in relocation assistance associated with activities typically funded by HUD and FEMA (e.g., buyouts and relocation). Both FEMA and CDBG funds are subject to the requirements of the URA; however, CDBG funds are subject to Section 104(d), while FEMA funds are not.

The URA provides that a displaced person is eligible to receive a rental assistance payment that covers a period of 42 months. By contrast, Section 104(d) allows a lower-income displaced person to choose between the URA rental assistance payment and a rental assistance payment calculated over a period of 60 months. This waiver of the Section 104(d) requirements assures uniform and equitable treatment by setting the URA and its implementing regulations as the sole standard for relocation assistance under the federal register notice.

Montgomery County will follow its Residential Anti-displacement and Relocation Assistance Plan (RARAP). The County must minimize the direct and indirect displacement of persons from their homes by: (1) planning construction activities to allow tenants to remain in their units as long as possible, (2) by rehabilitating empty units or buildings first, (3) where feasible, give priority to rehabilitation of housing, as opposed to demolition, to avoid displacement, (4) adopt policies to identify and mitigate displacement resulting from intensive public investment in neighborhoods, (5) adopt tax assessment policies, such as deferred tax payment plans, to reduce impact of increasing property tax assessments on lower income owner-occupants or tenants in revitalizing areas; and/or (6) target only those properties deemed essential to the need or success of the project.

## **14. Fair Market Value (FMV) Determination**

Fair Market Determination will be based on pre-storm appraised value of the unit for the homeowner who occupied the residence at the time of the disaster. Any person(s) who purchased the home after the date of the disaster (August 2017) will only be eligible for the lesser of either the purchase price of the home after August 2017 or the current post-disaster valuation. Appraisals will be conducted by an independent, contracted appraiser. Per the Stafford Act, disqualified prior assistance will be deducted from the final buyout offer.

If the homeowner disagrees with the appraisal, the homeowner can have a second appraisal completed at their own expense. The appraiser selected by the homeowner must be acceptable to the County, must be licensed by the Texas Appraiser Licensing and Certification Board (TALCB), and must make the determination on the same basis

and parameters as the original appraisal. The homeowner's appraisal will be reviewed against the standards used by the community. If accepted, the offer will be updated and resubmitted to the owner. If the offer is not fully accepted, reasonable accommodations will be given based on an average of the two appraisals.

## **Incentives**

Housing incentives are offered to encourage households to relocate to a more suitable environment, including an area promoted by the community's comprehensive recovery plan and may be in addition to buyout awards.

Incentive payments should assist the household with necessary funds to buy an existing home or construct a home on a newly purchased lot, as applicable. A buyout incentive is not available for properties that served as second homes or rental properties. A second home is not the primary residence of the owner, a tenant, or any occupant at the time of the storm or at the time of application for assistance.

Montgomery County may provide relocation assistance outside of buyout activities, as necessary. The County must document how the assistance will be determined and issued to applicants when determining final eligibility assistance costs. Incentive costs must be for a specific purpose and will properly defined in the award.

The vacant land limit incentive is set at \$35,000. Although this is the cap, it is not the floor; the actual lot cost shall not exceed the standard single lot size in the community.

## **15. Closing Process**

### **A. Disposal of Storm-Damaged Property**

Once the applicant has purchased a lot or home as result of a buyout, the applicant's storm-damaged property will be demolished. The County should complete the demolition of the home within 45 days of vacancy. The cost of demolition can be charged to the program.

The land will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, floodplain, or wetlands management practices. There are options for disposing property including:

- The county can lease the property to adjacent property owners or other parties in return for a maintenance agreement;
- The county can convert the land to green space; or
- The county can opt to sell the acquired property at a FMV; however, the proceeds will be classified as program income and must be returned to the state. Additionally, since the county acquired the property as part of a buyout, the county will be required to place a deed restriction or covenant dedicating the property to be maintained for compatible uses in perpetuity as discussed above.

The county must send the funds to:

Attention:

Texas General Land Office  
Agency Cashier  
PO BOX 12873  
Austin, TX 78711-2873

## **B. Additional Allowable Expenditures**

The following expenditures are allowable under the Buyout Program:

- The closing costs associated with processing the transaction;
- Recording fees, transfer taxes, documentary stamps, evidence of title, boundary surveys, legal descriptions of the real property and similar expenses incidental to convey the real property to the county. Costs associated with perfecting the property are not allowed;
- Penalty costs and other charges for prepayment of any pre-existing recorded mortgage; and
- The pro rata portion of any prepaid real property taxes which are allocable to the period after the county obtains the title to the property or effective possession of it, whichever is earlier.

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

## **C. Program Closeout**

Approved projects will require Affordability Note Monitoring. Only homeowners that have received a housing incentive will be required to sign an Affordability Notice.

The County must consider setting a budget to accommodate the necessary work to perform the monitoring requirements for the affordability period. To ensure compliance with the requirements of the executed Note with the homeowner, Montgomery County will perform at a minimum an annual check to confirm all Note commitments are in place through its term. Insurance notices of default should be documented and evaluated as they are received by the county. Montgomery County will use the GLO Monitoring Process, but alternates can be proposed for GLO approval.

*The Montgomery County Housing guidelines provide guidance on how to design, implement, and close the Hurricane Harvey CDBG-DR Housing Program, and should not be construed as comprehensive instructions.*

For questions regarding these guidelines, contact:

Recovery Manager for MCOHSEM

[Morgan.lumbley@mctx.org](mailto:Morgan.lumbley@mctx.org)



# SCORING SHEET

2017  
Hurricane Harvey  
Buyout Program

**May 1, 2020**

Montgomery County Office of  
Homeland Security and Emergency Management

Group Number: \_\_\_\_\_

Date: \_\_\_\_\_

File Number: \_\_\_\_\_

## Priority Scoring Sheet for Harvey

DR-4332

Homeowner: \_\_\_\_\_

HH Size: \_\_\_\_\_

Scoring Category	Points	Scoring Category	Points
Floodway	6	At or Below 30 percent AMI	10
Repetitively flooded	5	At or Below 50 percent AMI	5
Purchased home prior to Aug. 18, 2014	4	At or Below 80 percent AMI	2
Property Uninsured	3	Above 80 percent AMI	0
Target Area	2		
Floodplain	1		

Total: \_\_\_\_\_



Priority Neighborhoods

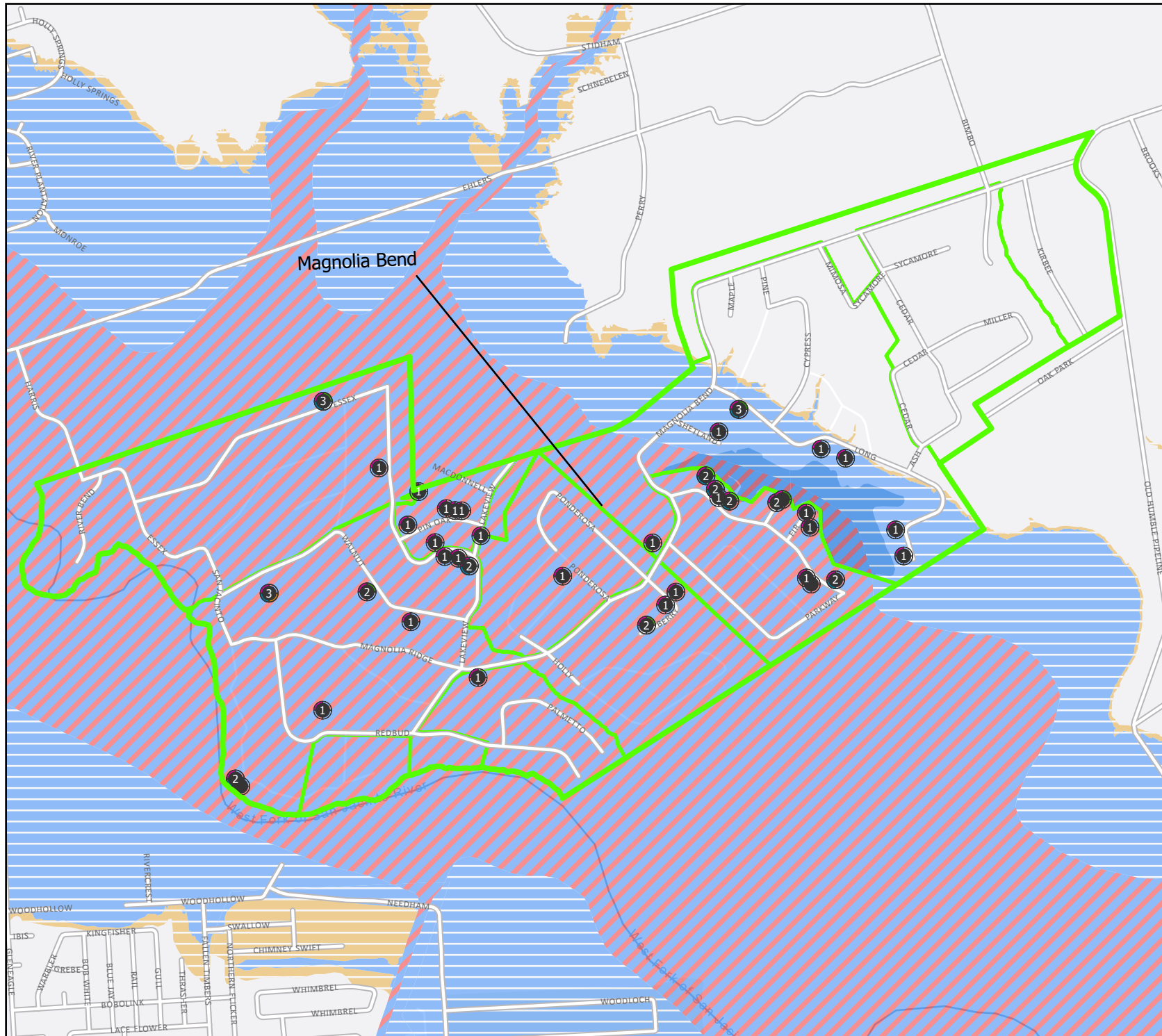
2017  
Hurricane Harvey  
Buyout Program

**May 1, 2020**

Montgomery County Office of  
Homeland Security and Emergency Management

**MAPS**

# Magnolia Bend

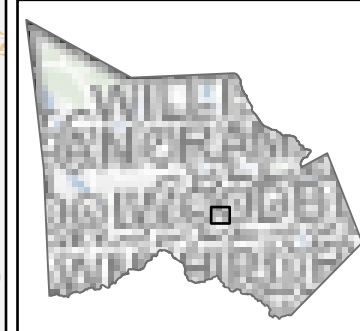


## Legend

- All Locations Flooded
- ⊕ August 2017
- ⊕ May 2016
- ⊕ April 2016
- ⊕ October 1994
- Residential
- ▭ Magnolia Bend
- ▨ Special Floodway
- 100 year / Zone AE
- 100 year / Zone A
- 500 year / Zone X Shaded



## Location Diagram

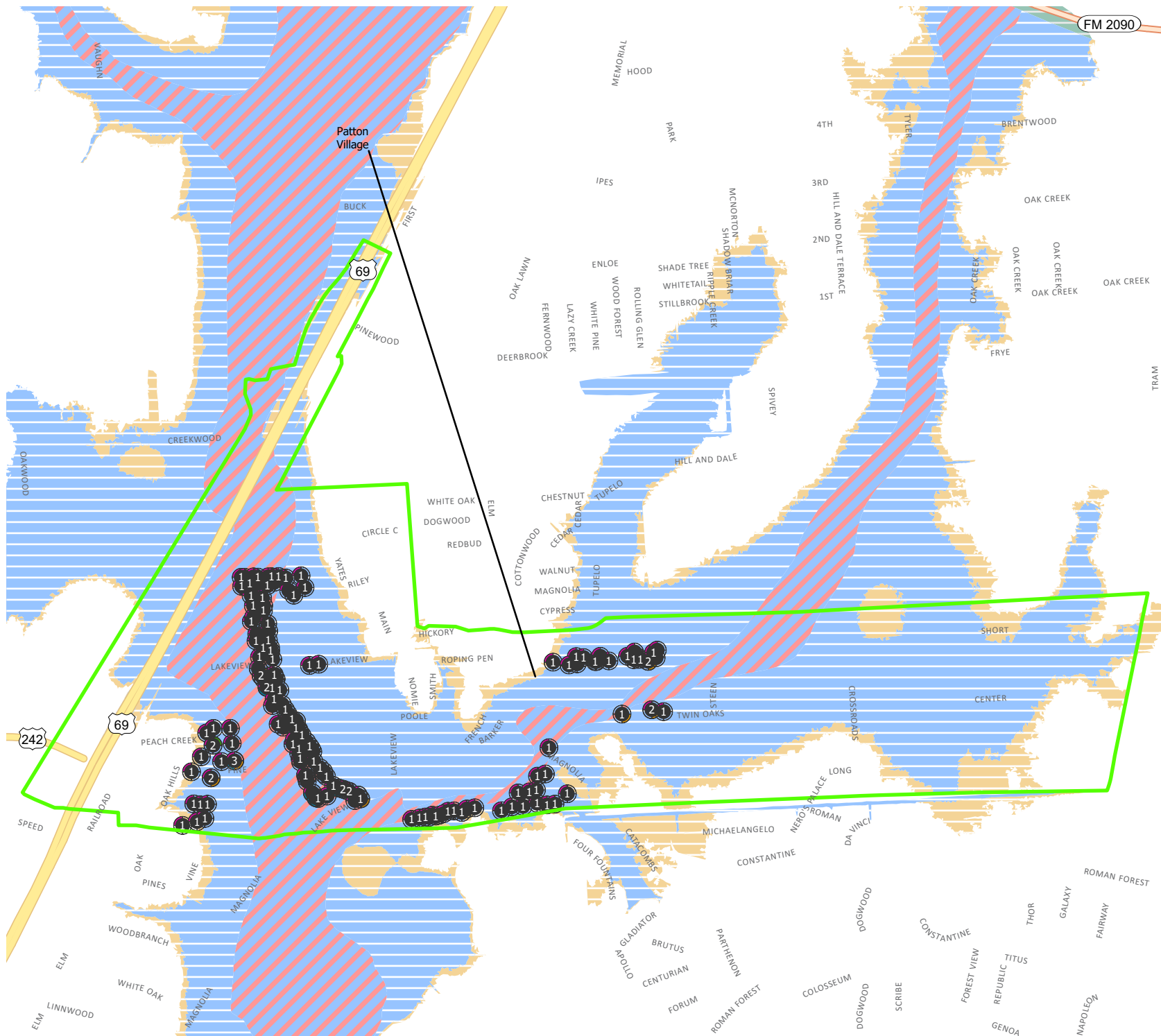


Montgomery County, Texas  
Geographic Information Systems (GIS)  
Maps | Apps | Data  
[gis.mctx.org](http://gis.mctx.org)

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries and other data features represented. This product has been produced by Montgomery County for the sole purpose of geographic reference. No warranty is made by Montgomery County regarding specific accuracy or completeness, and Montgomery County shall not be liable for any damages suffered as a result of the use of this information.

Created Date: 3/22/2019

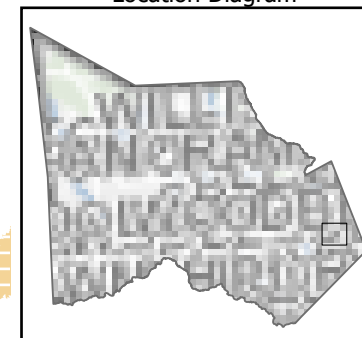
Data Sources:  
Montgomery County GIS  
Roadways Updated February 2019  
Montgomery County Appraisal District  
Subdivision Layer updated March 2019  
Montgomery County Emergency Management  
Flooded Locations Updated August 2017  
Montgomery County Floodplain



## Legend

- Patton Village
- All Locations Flooded
- ⊕ August 2017
- ⊕ May 2016
- ⊕ April 2016
- ⊕ October 1994
- US Highway
- State Highway
- FM Road
- Residential
- Special Floodway
- 100 year / Zone AE
- 100 year / Zone A
- 500 year / Zone X Shaded

## Location Diagram



Montgomery County, Texas  
Geographic Information Systems (GIS)  
Maps | Apps | Data  
gis.mctx.org

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Flooded Locations Updated August 2017  
Montgomery County Floodplain

# RIVER PLANTATION & MOSSWOOD SUBDIVISIONS

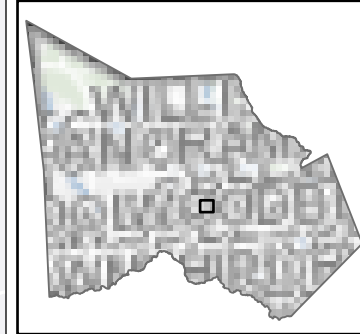
## Legend

### Flood Locations

-  August 2017
-  May 2016
-  April 2016
-  October 1994

-  Interstate
-  Residential
-  Mosswood
-  River Plantation

### Location Diagram

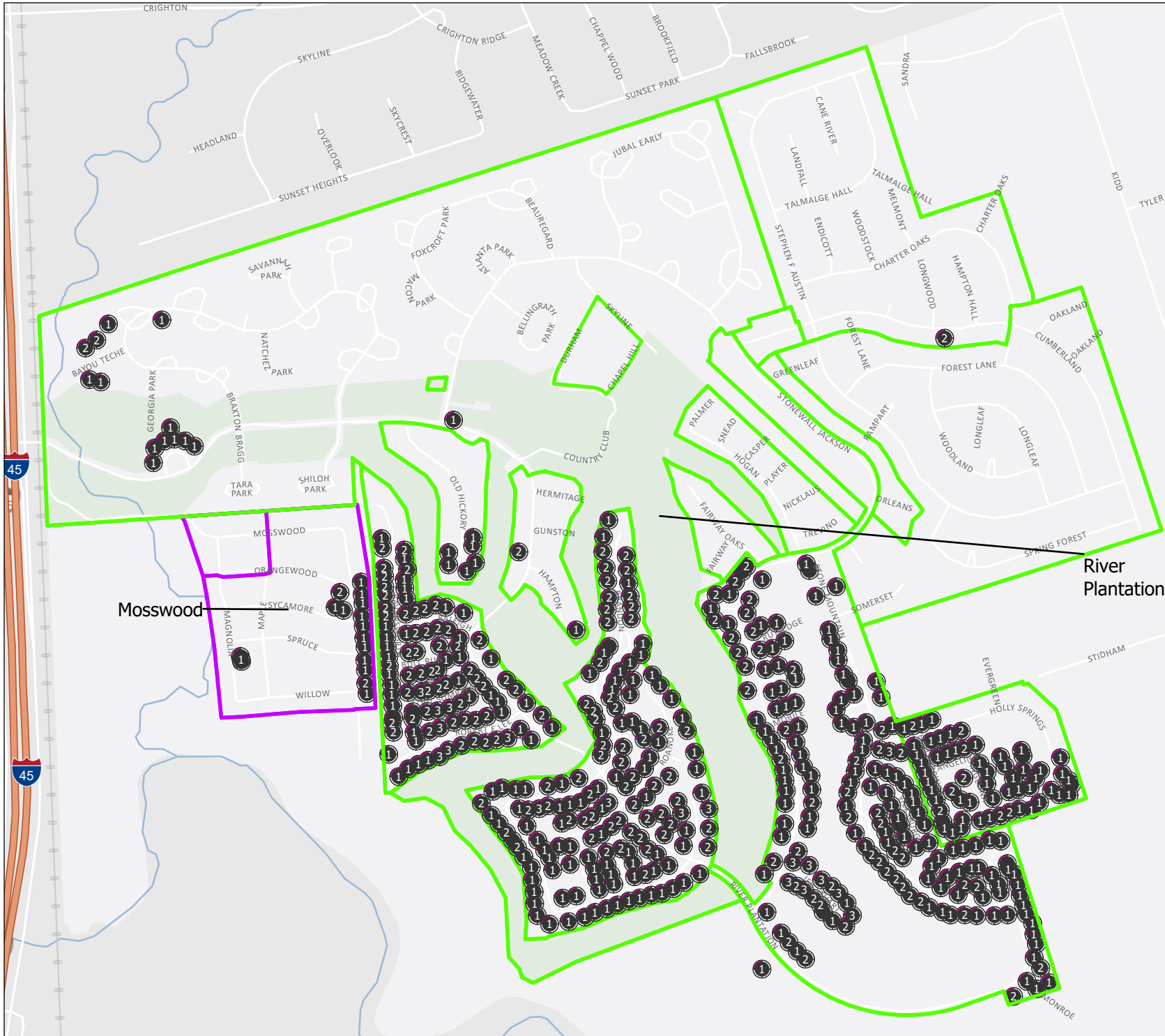


Montgomery County, Texas  
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Maps | Apps | Data  
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Data Sources:  
Montgomery County GIS  
Roadways Updated February 2019  
Montgomery County Appraisal District  
Subdivision Layer updated March 2019  
Montgomery County Emergency Management  
Flooded Locations Updated August 2017  
Montgomery County Floodplain



# Oak Forest/Tall Timbers3

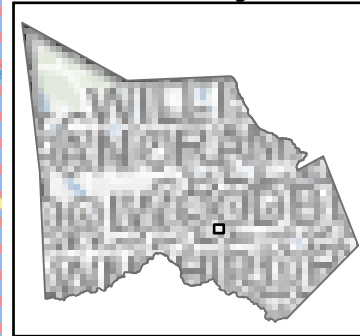


## Legend

- Oak Forest 597
- Tall Timbers 03
- All Locations Flooded
- ⊕ August 2017
- ⊕ May 2016
- ⊕ October 1994
- State Highway
- Residential
- Special Floodway
- 100 year / Zone AE
- 500 year / Zone X Shaded



## Location Diagram



Montgomery County, Texas  
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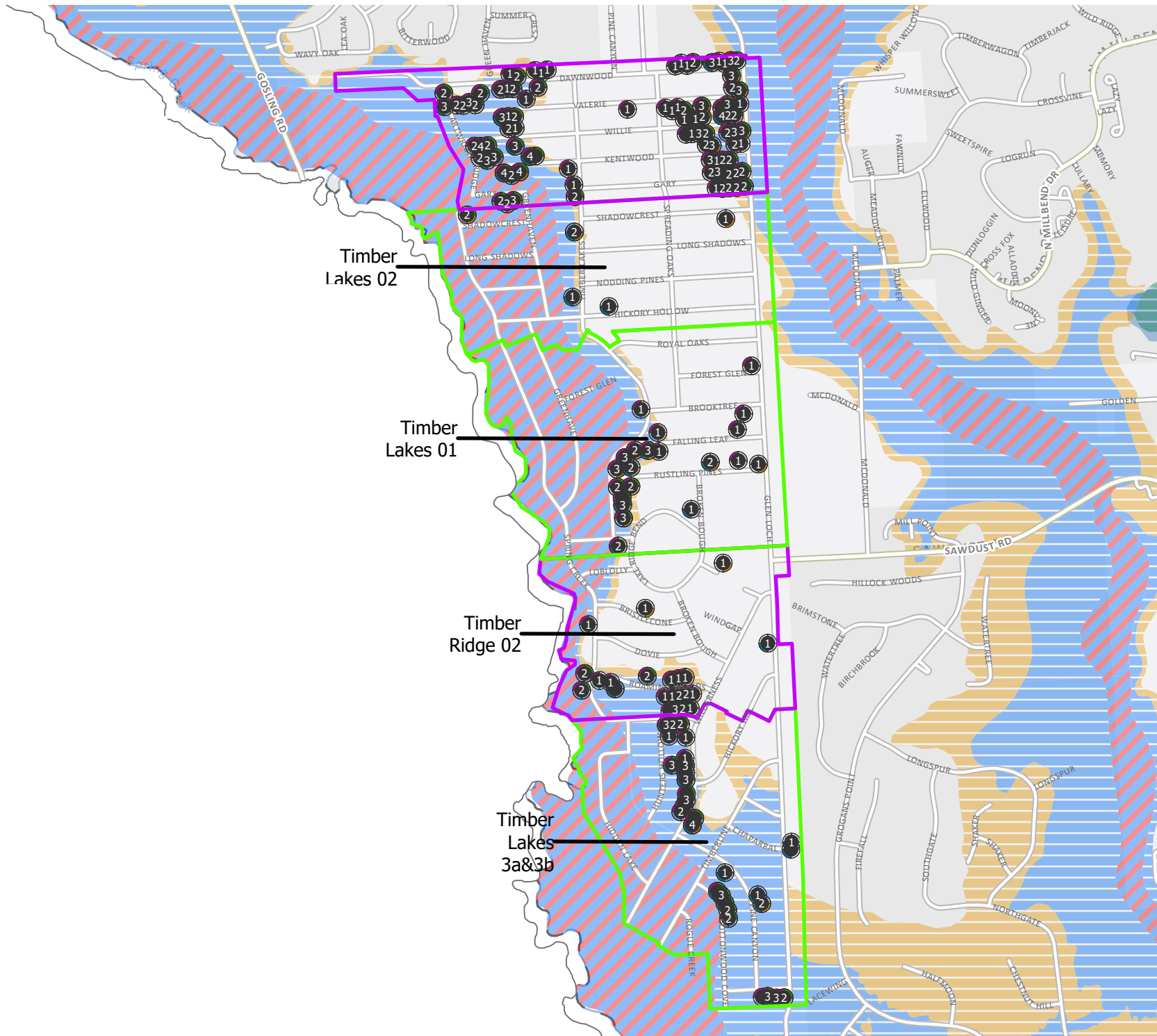
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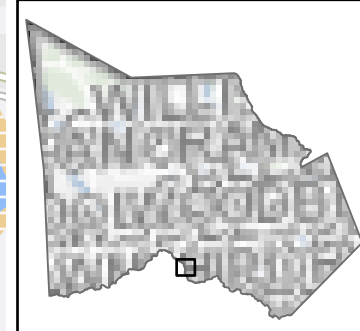
# Timber Lakes/Timber Ridge



## Legend

- Timber Lakes
- Timber Ridge
- All Locations Flooded
- August 2017
- May 2016
- April 2016
- October 1994
- Major Road
- Residential
- Special Floodway
- 100 year / Zone AE
- 100 year / Zone A
- 500 year / Zone X Shaded

## Location Diagram



Montgomery County, Texas  
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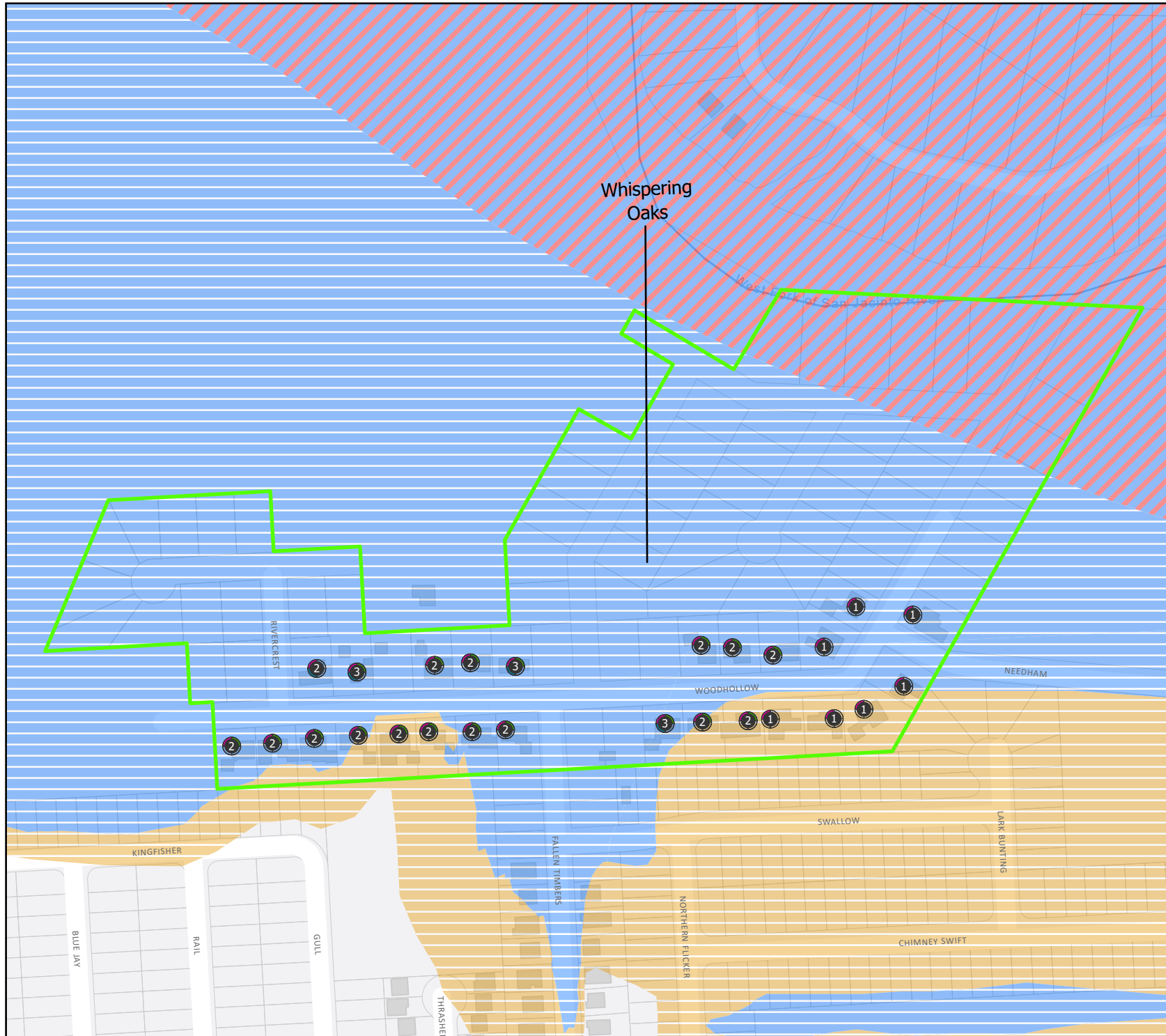
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# Whispering Oaks



- Legend**
- Whispering Oaks
  - All Locations Flooded
  - ⊕ August 2017
  - ⊕ May 2016
  - ⊕ April 2016
  - ⊕ October 1994
  - Residential
  - Special Floodway
  - 100 year / Zone AE
  - 100 year / Zone A
  - 500 year / Zone X Shaded

## Location Diagram



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# Woodloch

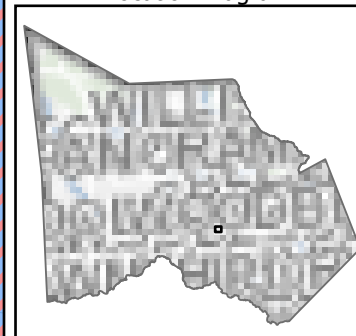
## Legend

- Woodloch
- All Locations Flooded
- ⊕ August 2017
- ⊕ May 2016
- ⊕ April 2016
- ⊕ October 1994
- Residential

## FLD\_ZONE,FLOODWAY

- Special Floodway
- 100 year / Zone AE
- 100 year / Zone A
- 500 year / Zone X Shaded

## Location Diagram



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