



NEWTON COUNTY

2016

Newton County Buyout Program

**Community Development and
Revitalization**

2016 Newton County Buyout Program

Introduction

The General Land Office (GLO), Newton County, and Long-Term Recovery

Newton County, Texas was inundated with historic flash and river flooding in 2015 and 2016. As a result, several Presidential Disasters were declared including DR-4266 which was issued on March 19, 2016.

The first event, now called the “Memorial Day Floods,” occurred overnight on May 23rd and early May 24th. May 2015 has been documented by the National Weather Service as the wettest month in Texas History, with well above-normal rainfall during the first two to the three weeks of the month. A persistent area of low pressure over the western United States brought multiple rain events throughout the month of May that saturated soil throughout south-central Texas. By the time Memorial Day weekend arrived, much of the region was at least 2-4 inches (100-300%) above normal. These wet antecedent conditions meant that any new rain, and especially heavy rain, would become rapid run-off directly into rivers, streams, and flash flood prone areas.

The second flood event followed just six months later in October 2015, referred to as the “All Saints Day flood.” A number of factors came together to produce rainfall in excess of ten inches, causing the Sabine River to once again swell beyond its banks.

Finally, less than a year after the Memorial Day floods and less than five months after All Saints Day flood, the Sabine River crested at its highest level in over 130 years due to rainfall in the basin totaling over eighteen inches during a five day period in March, 2016. With the weather system lingering over the area, the previous high water record set in 1884 was surpassed by over a foot. More than 400 homes were flooded and mandatory evacuations were required.

In response to the needs of homeowners, Newton County applied and received federal funding passed down through the Texas General Land Office. The GLO’s Community Development and Revitalization (GLO-CDR) division oversees the administration of Community Development Block Grant Disaster Recovery (CDBG-DR) funds provided by the U.S. Department of Housing and Urban Development (HUD) following a disaster. These funds remain the most flexible recovery source available and can support communities with protection and resiliency.

The purpose of the 2016 Newton County Buyout Guidelines is to aid in the long-term recovery efforts by encouraging families that had homes damaged due to the March 2016 floods to permanently relocate to areas outside of the floodplain, floodway, or Disaster Risk Reduction area. This Program will be administered by Newton County.

Overview

The 2016 Buyout Program is designed to assist homeowners that are currently located in the floodplain and floodway to relocate to an area that is less prone to flooding and disaster.

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

Goals

HUD has authorized the use of buyout programs to:

- (1) Reduce the risk to homeowners from the effects of subsequent disasters.
- (2) Assist in the recovery of low to moderate income households.
- (3) Protect taxpayer resources that might otherwise be needed after disaster in the same area (80 FR 72102).

Buyout programs support hazard mitigation, floodplain management goals, and resiliency by removing homeowners from the floodplain, thus eliminating vulnerability to future flooding situations.

Newton County has established that in order to be eligible for a buyout the home or property must be located in either a floodplain or floodway. A Disaster Risk Reduction Area may be established at a later to time to aid homeowners located in disaster prone areas that are not in a designated floodplain or floodway if funding allows.

Having a home located in a floodplain or floodway is a predictable environmental threat to the safety and well-being of program beneficiaries as evidenced by the best available data and science.

Property May NOT Be Redeveloped

Newton County may not redevelop property acquired through the 2016 Buyout Program. Property will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management practices, or other purposes allowed by HUD and accepted by the GLO. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the acquisition or relocation program other than:

- a public facility that is open at all sides and functionally related to a designated open space (e.g. a park, campground, or outdoor recreation area)
- a rest room
- 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.

Voluntary Buyout Program

National Objective

Housing activities under the 2016 Newton County Buyout Program must meet one of the following National Objectives:

LMI - Benefit Low- to Moderate- Income persons;

- **LMHI** –Low to Moderate Housing Incentive- assisted with a housing incentive tied to the voluntary buyout of housing owned by the qualifying LMI household for the purpose of moving outside of the affected floodplain or to a lower-risk area.

Urgent Need - Meet a need having a particular urgency.

- No more than 30% of 2016 funds can be used to meet this National Objective.
- At least 70% of 2016 funds must be used by homeowners meeting the Low-to-Moderate Income person criteria.

Voluntary

Homes and adjacent vacant lots purchased by Newton County under the 2016 Buyout Program will be voluntary. There will be no threat or use of eminent domain and the program will meet requirements set forth in 49 CFR 24.101(b). However, Newton County will require that the homeowner relocate to an area outside of a floodplain or floodway

The goal of the 2016 Newton County Buyout Program is not to merely pay homeowners to leave their existing homes. The program is designed to help homeowners relocate to another home in a lower risk area.

Homeowners located in a floodplain or floodway may be assisted:

- If homeowner accepts the purchase price offered by Newton County to relocate outside of the floodplain or floodway to a low-risk area.
- If Homeowner has been previously assisted due to flooding, homeowner must have maintained flood insurance.

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

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

- Newton County will inform the owner in writing of what it believes to be the market value of the property.

Buyout Program Process:

1. Homeowner will complete an application to determine eligibility. Part of this process includes:
 - Title Search to be completed by title company.
 - If there are any issues with presenting clear title the homeowner will be given an opportunity to clear these issues at his/her own expense. The homeowner may seek assistance from the title company that completed the search or from legal aid of their choice.
 - Survey may be required by title company before closing.
2. Newton County will procure a professional appraiser to complete a real estate analysis based on comparative properties. The final buyout offer will be based on the Sales Comparison Approach using the pre-disaster Fair Market Value as determined by the professional appraiser.
3. The homeowner will have the right to determine the value of the property by hiring an appraiser to conduct their own assessment if they do not agree with the amount offered. If accepted, Newton County will update the offer and submit the offer to the owner.
4. The participating homeowner must remove all personal property from the residence prior to the day of closing.
5. Closing documents – Homeowner must sign the agreement for sale document and a limited subrogation agreement document. If the homeowner receives duplicative funds in the future, (eg. Insurance payments that are currently in litigation) they will be required to pay back funds.
6. If the homeowner qualifies for a Relocation Incentive and/or Down Payment Assistance, the funds are provided once confirmation of relocation is received (closing statement of new home or property) by Newton County. Additionally, a Three (3) Year Promissory Note will be required to be executed at closing. While it is advisable that the homeowner already have a new property lined up to purchase before closing with the County on Buyout Property, it is not required. However, the homeowner must acquire property at the new location within 60 days of the buyout closing.
7. Newton County will ensure that the property title acquired by the County is deed restricted and remains public, open space in perpetuity, as necessary for a buyout program as described above.

Disposal of Storm Damaged Property

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

- The land will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, floodplain or wetlands management practices. There are options for disposing of the property including:
- Newton County can lease the property to adjacent property owners or other parties in return for a maintenance agreement;
- Newton County can convert the land to green space; or
- Newton County can opt to sell the acquired property at a fair market value; however, the proceeds will be classified as Program Income and must be returned to the state. Additionally, if the County acquired the property as part of a buyout Newton 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. Newton County must send funds to:

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

In the accompanying check, Newton County will need to include the funding event (2016 Floods) , Contract Number, Activity Number(s), identify it as program income, and reason for return.

Property Eligibility Requirements for Buyout

- Must be located in the floodway or floodplain. A Disaster Risk Reduction Area may be established at a later to time to aid homeowners located in disaster prone areas that are not in a designated floodplain or floodway if funding allows.
- Property Types
 - Single Family Home (must be primary residence)
 - Vacant Lots - Lots must be associated with a qualifying home. Inclusion of vacant lots may prove essential to meeting the objectives of the 2016 Buyout Program by preventing further residential development in the designated area
- Maximum Buyout Caps
 - Up to \$250,000 per home
 - Up to \$3000 per acre on eligible contiguous property

Newton County Buyout Program Housing Assistance Caps

Type of Assistance	Relocate Outside Floodplain/ Within Newton County	Relocate Outside Floodplain/ Outside Newton County
Purchase of Damaged Home	<p style="text-align: center;">Pre-Disaster Fair Market Value</p> <ul style="list-style-type: none"> • Up to 250,000/home. • Up to \$3000/acre for eligible contiguous property. 	<p style="text-align: center;">Pre-Disaster Fair Market Value</p> <ul style="list-style-type: none"> • Up to \$250,000/home • Up to \$3000/acre for eligible contiguous property.
Down Payment Assistance		
Down Payment Assistance	Up to 100% of the required Down Payment Maximum \$25,000	Up to 100% of the required Down Payment Maximum \$20,000
Relocation Incentives		
Purchase of a vacant lot w/ intent to build new home	Up to \$15,000	Up to \$12,000
Construction of a new home on a vacant lot that is already owned	Up to \$15,000	Up to \$12,000
Purchase an existing home	Up to \$10,000	Up to \$7,000

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

Additional Allowable Expenditures

The following expenditures are allowable under the Buyout Program:

- The closing costs associated with processing the transaction, recording fees, transfer taxes, documentary stamps, evidence of title, boundary surveys, legal descriptions of the real property and similar expenses incidental to convey the real property to Newton County.
- Penalty costs and other charges for prepayment of any preexisting recorded mortgage.

- The pro rata portion of any prepaid real property taxes which are allocable to the period after Newton County obtains title to the property or effective possession of it, whichever is earlier.
- Costs for obtaining clear title to the property are NOT allowed.

Additional Recovery Relief

In addition to buying a homeowner's primary residence that is prone to disaster, Newton County will offer additional relief to aid in recovery. A buyout program that merely pays homeowners to leave their existing homes is not sufficient. Additional funds have been set aside to assist homeowners with obtaining homes in areas less likely to flood. However, it is not a compensation program. This program is designed to help homeowners to recover rather than enrich. These funds will be available as either Down Payment Assistance and/or Relocation Incentives. If the homeowner accepts either of these types of assistance, a three-year affordability requirement will be executed. The homeowner must live in the newly acquired home for a period of three years and maintain homeowner insurance. Since the replacement home can't be located in the floodplain, floodway, or Disaster Recovery Area, flood insurance will not be required, but regular homeowner insurance must be maintained. Homeowners may qualify for these funds no matter where they choose to relocate. However, homeowners that choose to reside within the jurisdiction of Newton County will be provided higher limits on the amount of funding available. To qualify for assistance, purchased homes must be considered safe, decent, sanitary housing.

Down Payment Assistance

This type of assistance is available to homeowners that need to finance a replacement home. A homeowner may receive up to 100% of the required down payment. In this situation, the homeowner would need to qualify for financing with an independent lending institution by meeting its required credit scores and income qualifications. As an example, a homeowner may qualify for a \$100,000 mortgage that requires a 20% (\$20,000) down payment. The Down Payment Assistance Program is need based. If needed, the homeowner could receive up to \$20,000 for assistance. This type of assistance is available to homeowners that earn up to 120% of the Area Median Family Income (AMFI). Homeowners that relocate within the County may receive up to 100% of the required down payment with a maximum of \$25,000. Homeowners that relocate outside the County may receive up to 100% of the required down payment with a maximum of \$20,000.

Eligible properties for down payment assistance include:

- Single family houses
- Condominium
- Cooperative Unit
- Modular home/Manufactures home
- Vacant Land

Relocation Incentives

Relocation Incentives would be other funding needed to purchase a replacement lot or home. These expenditures would include items such as inspections, appraisals, surveys, insurance,

closing costs, etc. The following requirements must be met to qualify for the Relocation Incentive:

- Homeowner purchased or will use a pre-owned lot located outside of the floodplain, floodway, or Disaster Reduction Area (if designated) for construction of a new home. A construction date must be provided.
- Homeowner purchased an existing home located outside of the floodplain or floodway.
- Purchased homes must be considered decent, safe, and sanitary.
- The funding must be used within an established timeframe (e.g. sixty (60) days).
- Relocation funding must not exceed:
 - Within Newton County
 - \$15,000 – For purchase of a vacant lot with the intent to construct a home (construction date provided).
 - \$15,000 – to construct a new home on a lot that was already owned.
 - \$10,000 – For purchase of an existing home.
 - Outside Newton County
 - \$12,000 – For purchase of a vacant lot with the intent to construct a home (construction date provided).
 - \$12,000 – to construct a new home on a vacant lot that is already owned.
 - \$7,000 – For purchase of an existing home.

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

General Housing Program Requirements

National Objective

Housing activities under the 2016 Newton County Buyout Program must meet one of the following National Objectives:

LMI - Benefit Low- to Moderate- Income persons;

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Urgent Need - Meet a need having a particular urgency.

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- At least 70% of 2016 funds must be used by homeowners meeting the Low-to-Moderate Income person criteria.

Needs Assessment

In administering the CDBG-DR funds, HUD regulations requires that Newton County conduct a Needs Assessment to evaluate three core aspects of recovery – housing (interim and permanent, owner, rental, single-family and multi-family, affordable and market rate), infrastructure, and the economy (e.g., estimated job losses or tax revenue loss due to the disaster). By understanding where its critical needs lie, the County will be able to more effectively allocate the resources to the appropriate areas. Newton County's CDBG-DR Needs Assessment will include an analysis of HUD/FEMA demographic disaster victim data as recommended by GLO for the proportions of funding awarded that must be set aside to benefit each LMI subcategory. The Needs Assessment will determine the activities to be offered, the demographics to receive concentrated attention, and any target areas to be served. The GLO will assist Newton County with the analysis and provide applicable raw data needed to develop their needs assessment. To assist in its allocation of these funds, Newton County has completed a Draft Unmet Needs Assessment. The Draft Unmet Needs Assessment is a separate document that is available for review and comment at the Newton County Courthouse, and online at the Newton County website.

Applicants applying for disaster assistance are processed by Newton County and must meet certain eligibility standards to qualify for assistance. Eligibility standards are further discussed in the activity-specific housing guidelines. The Needs Assessment will set goals within the income brackets similar to the damaged units within Newton County's impacted area. Deviations from goals are subject to GLO approval.

- 0% - 30% AMFI
- 31% - 50% AMFI

- 51% - 80% AMFI

The final Unmet Needs Assessment also assists in prioritizing funds by type and location based on concentration of damage and community needs, with a particular focus on low and moderate-income areas, households with special needs and displaced populations. The **Draft Unmet Needs Assessment** has not yet factored in all appropriate resiliency measures worthy of consideration in order to avoid future repetitive losses at this time. The County recognizes that there will be updates to this data and therefore cautions that this is an estimate of need, not a statement of fact. Information regarding NFIP payout amounts, FEMA Public Assistance payment amounts, unidentified disaster impacted projects, and more will be continually expanding. Thus the Needs Assessment will need to be reviewed periodically and amended to incorporate additional funding sources and presently unknown needs that will be discovered as projects move forward.

Environmental

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

Proof of Event Damage

For buyout activities, the homeowner must demonstrate that the damage or destruction to the home occurred by the event. The homeowner must have occupied the damaged home as their principal residence in March 2016 in accordance with the Federal Register and FEMA notices issued for the DR-4266 Disaster Declarations for the flooding events. All verification methods are subject to Newton County approval and must be consistent to demonstrate occupancy at the time of the storm.

Method of Verification

Disaster damage can be documented by the following source documentation:

- FEMA, SBA or Insurance award letters

Alternate Method of Verification

- If the above-referenced documentation is not available and/or if a homeowner was denied assistance by FEMA, assistance through the 2016 Buyout Program may still be available. Homeowners are not solely ineligible based on a denial by FEMA. Time stamped photos provided by homeowners, neighborhood level media reports, or documentation done by disaster relief organizations may be utilized to determine that the damage was caused by the event. As a last resort, a Damage Assessment complete with photos of the damage and a written assessment of the damage by each photo taken must be performed and conducted by a certified or licensed inspector (MPS, TREC, or similar license). This inspection must be completed in accordance with GLO's Damage Assessment Guidelines and must be supplied by Newton County as the GLO subrecipient that certifies the damage occurred as a result of the event.

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

Timeliness of Homeowner Application Status

Newton County will ensure timely communication of application status to homeowners who have applied for disaster recovery assistance. Timeliness includes—multiple methods of communication, such as Newton County and Traylor & Associates websites, phone, email, letters, site visits, and case managers to provide homeowners for recovery assistance with timely information regarding the status of their application for recovery assistance at all phases. Newton County will ensure the accessibility and privacy of individualized information for all homeowners, frequency of homeowner status updates and personnel responsible for informing homeowners of the status of recovery applications. Questions regarding status of an application may be directed to:

Christel Kiker
Administrative Assistant
Gary Traylor & Associates
P.O Box 7035
Tyler, TX 75711
903-581-0500 X235

Affirmatively Furthering Fair Housing (AFFH) Review

All projects must undergo an AFFH review by the GLO prior to any commitment of funds. Such review will include assessment of a proposed project's area demography, socio economic characteristics, housing configuration and need, 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.

Records Retention

Compliance will be maintained in accordance with the reporting requirements under the GLO's CDBG-DR Program. This includes providing all information and reports as required under the GLO's contract with the Newton County, demographic data and other information acquired from the homeowners, and project documentation from awarded homeowners. This information must be retained at the County for 5 years after GLO closes the 2016 flood grant with HUD.

Section 3

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

Homeowner Data

The GLO will establish procedures for Newton 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:

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

Procurement Requirements

Newton County will 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's 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
- The basis for the cost or price.

During the procurement process, Newton County will clearly identify any items included in the bid/purchase that are not included in the CDBG-DR contract. Newton County may utilize HUD's CDBG-DR and Procurement guidance⁶.

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

Additionally, Newton County may request that the GLO review draft solicitations or responses prior to award for compliance.

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

Conflict of Interest

The conflict of interest regulations contained in the contract between Newton County and the GLO prohibit local elected officials, Newton 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 is able to consider granting an exception to the conflict of interest provision should it be determined by the GLO that Newton 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. Newton 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.

Complaint/Appeal Process

General Policy

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

Responsibilities

Newton County has tasked an independent consultant, Gary Traylor & Associates, Inc. to handle all homeowner inquiries regarding 2016 Buyouts. Traylor & Associates will:

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

Newton County has developed an internal procedure for handling incoming complaints, including a complaint escalation process in order to ensure that complaints are handled at the

earliest stage in the process.

For inquiries regarding the 2016 Buyout Program, please contact:

Christel Kiker
Administrative Assistant
Traylor & Associates
P.O. Box 7035
Tyler, TX 75711
903-581-0500 X235
christel@grtraylor.com

Documentation

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

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

Audit Requirements

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

Changes, Waivers, and/or Conflicts

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

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

Homeowner Eligibility Requirements

Case Management

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

Newton County Case Managers will work to assist homeowners from inception to close out under the 2016 Newton County Buyout Program. A single point of contact will be assigned to each homeowner to ensure that homeowners have the immediate contact information to be successful in their long-term recovery efforts. As applications are being accepted and reviewed for determinations of eligibility to participate in the Program, each homeowner will be counseled and made aware of their application status.

Application Intake and Counseling

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

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

Case Managers or Interpreters must be able to communicate with the homeowners in their primary language and should be assigned to the clients as appropriate. Additionally, they must ensure effective communications with persons with disabilities pursuant to 24 CFR 8.6 and other fair housing and civil rights requirements (such as the effective communication requirements under the Americans with Disabilities Act). Case Managers will be trained to be well versed in all aspects of the 2016 Buyout Program.

Assisted Homeowner Priority and Eligibility Requirements

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

- Priority 1:** Low-to-moderate income 30 percent and below
- Priority 2:** Low-to-moderate income 50 percent and below
- Priority 3:** Low-to-moderate income 80 percent and below
- Priority 4:** Non Low-to-moderate income

Income Eligibility

Income levels will be established for all homeowners. Although low income homeowners will be given priority, it is not necessary to be low income to qualify for this program. At least 70 percent of expended program funds must be used to support activities benefitting low- and moderate income persons. Property owners with income over 80% AMFI will be placed on a waiting list until low-to-moderate income property owners have been served, so that total expenditures can be determined. HUD publishes these AMFI levels annually, and eligibility will be based on the most recently published HUD income limits. This program will verify income received by all household members using the Internal Revenue Service (IRS) Form 1040 series method. Documents used in verifying household income must be current as of the date the application is signed.

Newton County 2018 Income Limits								
Family Size	1	2	3	4	5	6	7	8
Priority #1 Very Low (30%)	\$12,140	\$16,460	\$20,780	\$25,100	\$29,420	\$32,800	\$35,050	\$37,300
Priority #2 Low (50%)	\$19,800	\$22,600	\$25,450	\$28,250	\$30,550	\$32,800	\$35,050	\$37,300
Priority #3 Moderate (80%)	\$31,650	\$36,200	\$40,700	\$45,200	\$48,850	\$52,450	\$56,050	\$59,700
Priority #4 Non-Low								

Income sources include but are not limited to the following:

- Tax Return
- Wages
- Benefits (Social Security, Pension or Retirement, Annuity)
- Self Employed/Business Income
- Rental Income
- Unemployment
- Alimony/Spousal Support/Maintenance

- Other potentially taxable income
- Lump sum or on time potentially taxable receipts (capital gains, lottery winnings etc.)

Method of Verification

IRS Criteria and Definition

Taxable income is the gross income of an individual or corporation, less any allowable tax deductions. Your taxable income is the amount of your income that is subject to income tax, as defined in the Internal Revenue Code Section 63. Jan 23, 2012.

Determining Household Composition

All persons living in the household are part of the household unless they are specifically excluded.

Included persons:

- Head of household, spouse, or co-head of household
- Dependents
- A dependent is never the head, spouse, or co-head. A dependent is a family member who is under 18 years of age, disabled or a full-time student.
- Prison inmates, if scheduled to be released within 12 months
- Children in joint custody, if in home at least 50% of the time or more
- Military personnel, but only if head, spouse, or co-head. Combat/Hazard pay should not be counted as income
- Temporarily absent family members. Gross income and income from assets of temporarily absent family member must be counted in household income, regardless of the amount of income the absent member contributes to the household.
- If a homeowner is separated from their spouse, the homeowner's application will be used as proof that the estranged spouse is permanently absent from the household.

Excluded persons:

- Live-in aides
- Children of live-in aides
- Foster Children
- Foster Adults

Proof of Ownership

The homeowner must be an individual who owns the home to be demolished or the adjacent vacant lot(s) that are to be purchased by Newton County. Ownership can be documented as follows:

- A valid deed of trust or warranty deed that is recorded in Newton County
- Statement of Ownership and Location (for Mobile Home Units)

Lien's on MHU properties – If a homeowner owns a mobile home and there is a lien on the property, your Newton County case manager will work with the property owner to ensure that the lien is transferred properly (if one is in place with the mortgage company). The MHU needs to be “perfected” and made a real property showing that is fixed to the lot. The wheels and axel need to be removed, and a statement of location needs to be in place from TDHCA. Once this is done, the lender can transfer the lien from the mobile home to the new property.

Principle Residency

The home to be demolished must have been the homeowner's principal residence during the time of the event. Principal residency for homeowners can be demonstrated through property tax homestead exemptions. If a homestead exemption was not in place at the time of the disaster, an Affidavit of Principal Residency may be utilized as an alternative method of verification of principal residency. The affidavit must be supported by documentation such as asset verification (income tax returns, credit check, etc.) or utility bills specific to the property address and name of the homeowner, which were active as of the date of the event. Vacation homes and rental properties are not eligible for assistance under the Buyout Program. The Affidavit of Principal Residency Form may be found on the GLO's www.texasrebuilds.org website.

Property Taxes

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

- The homeowner qualified for and received a tax deferral as allowed under Section 33.06 of the Texas Property Tax Code;
- The homeowner qualified for and received a tax exemption pursuant to Section 11.182 of the Texas Property Tax Code; or
- The homeowner entered into a payment plan with the applicable taxing authority.
- Support documentation verifying the tax deferral or tax exemption must be provided by the homeowner. Any homeowner that enters into a payment plan must supply a signed copy of the payment plan from the applicable taxing entity along with documentation that they are current on their payment plan.

Duplication of Benefit (DOB) Review

Each homeowner's application will be reviewed to determine if previous funding was appropriately used on the home. The homeowner must have an unmet need to move forward in the program. Newton County will determine the homeowner's unmet needs first prior to calculating the homeowner's DOB. Homeowner must provide insurance, FEMA, SBA, and any other type of funding documentation for funds that were received. Additionally, the County/Grant Administrator will verify that the submitted data is accurate to the best of their abilities (e.g. validate against FEMA data).

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

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

Child Support

All homeowners and other members of their household must be current on payments for child support. If any member of the household is not current on child support, that member will be required to enter into a payment plan which will be obtained from the Office of Attorney General (OAG). A copy of the payment plan signed by all applicable parties along with documentation demonstrating they are current on their payment plan must be supplied. Each homeowner will be asked to sign an affidavit regarding child support.

Damage assessment

All homes must be assessed to verify that it was damaged from the event. A damage assessment report along with pictures will be required for each application. Please refer to the GLO's Damage Assessment Guidelines.

Environmental Review

An environmental review must be performed on the property prior to federal funds being committed by Newton 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 should document compliance with 24 CFR Part 58 and all related laws, authorities and executive orders. The CDBG-DR Program will not reconstruct or rehabilitate homes that have been determined to be in the floodway.

Flood Insurance Verification/Requirements

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

Project Closeout/Affordability Monitoring Requirements

Approved projects will require affordability note monitoring **if** the homeowner receives housing Incentive through the 2016 Buyout Program. For activities that include housing Incentives, Newton County will set a budget to accommodate the necessary work to perform the monitoring requirements under the Unsecured Forgivable Promissory Note for three (3) years. To ensure compliance with the requirements of the 13.09 executed with the homeowner, Newton County will perform an annual check to confirm all promissory note commitments are in place through the term of the 13.09. Insurance notice of default will be documented and followed up on as they are received by the County. Newton County will use the GLO Monitoring Process.

Closing Activities

Once all eligibility requirements have been met and final approval has been received from GLO, the title company will schedule a meeting between the homeowner and a representative from Newton County to sign closing paperwork on the buyout property. The Case Manager from Gary R. Traylor & Associates will also be present to help with any questions that the County or homeowner may have. Homeowners will be required to sign all closing documents provided by the title company and a list of homeowner responsibilities will be provided (such as maintaining insurance on replacement property and staying current on taxes). If the homeowner chooses to accept relocation assistance, a separate closing may need to be scheduled for the purchase of the replacement property.

Homeowner Eligibility Requirements Summary

- Income Eligibility
- Proof of Ownership
- Principle Residency
- Property Taxes
- Duplication of Benefits
- Child Support
- Damage Assessment
- Environmental Review
- Flood Insurance Verification
- Project Closeout/Monitoring

Affirmative Marketing Outreach Plan

Newton County is committed to affirmatively furthering fair housing through established affirmative marketing policies. Affirmative marketing efforts for the disaster funding will include the following:

PROGRAM MARKETING

The availability of the Program funds shall be publicized via:

- Press releases in the local newspapers, including but not limited to the Newton County News.
- Public Service Announcements, which are developed and distributed to local broadcast media, including local radio Stations
- Informational pamphlets, public notices, and outreach targeting special need groups distributed by public or non-profit organizations, including City Hall, Local Leaders, Senior Citizens Centers, Local Churches.
- Informational pamphlets, public notices, and outreach, distributed by business groups including retail outlets, convenience stores, laundromats, car washes, grocery stores.
- Door to door canvassing including placing flyers on doors of homeowners that live in the floodplain or floodway.
- Newton County is strongly committed to providing information and applications in English and Spanish.

AFFIRMATIVE MARKETING PLAN

In addition to marketing through widely available media outlets, Newton County will take additional measures to affirmatively market the Texas GLO CDD program services as follows:

- Newton County will contact and market to the following local organizations that provide unique access for persons that are considered members of a protected class under the Fair Housing Act:
 - Department of Human Services
 - Minority Churches
 - Senior Citizen Centers
 - Social Service Agencies.
- Newton County will advertise with the following media outlets that provide unique access for persons that are considered members of a protected class under the Fair Housing Act including:
 - Local radio or TV stations that provide unique access to members of a protected class.

Newton County will also take the following measures to make the program accessible to persons that are considered members of a protected class under the Fair Housing Act:

- Will provide presentations to any organization in the area representing protected a class, where applicable.

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

Whenever possible, Newton County will use the Fair Housing logo in advertising, post Fair housing information, posters, and other related information and, in general, inform the public of their rights and obligations under Fair Housing regulations.

Newton County will accept applications as follows:

In person:

Newton County Courthouse-110 Court Street, Newton, TX 75966
Monday - Friday, 8:00 am – 4:30 pm

Via mail:

Newton County Courthouse P.O. Box 1380 Newton, TX 75966

Special arrangements can be made for persons with special needs, language interpretation or for persons needing alternate times and locations by calling [REDACTED] at 409-379-5691.

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

Glossary

Acquisition – The utilization of CDBG-DR funds to acquire real property. Acquisition only is typically not considered a complete activity in the Program and must be combined with another eligible use (i.e. relocation assistance). The purchase price must be consistent with applicable uniform cost principals, and the pre-disaster Fair Market Value (FMV) may not be used.

Affirmatively Furthering Fair Housing Data and Mapping Tool – (AFFH-T) A tool made publicly for use by program participants to access HUD-provided data to conduct the fair housing analysis required as part of the Assessment of Fair Housing.

Affirmative Fair Housing Marketing Plan – A document used to help identify homeowners and offer them equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability¹.

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

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

Case Management- Working with individual homeowners and their families to understand the program's housing options, resulting in clear and transparent determination of eligibility. Case Managers must take into account all special circumstances of the homeowner's needs to decrease their barriers to participate in the program where possible. Staff should meet at designated locations and supply information in a standard format.

Damage Assessment- An inspection of the unit to document damage from the event. The assessment by a certified or licensed inspector (MPS, TREC, or similar license) is required to specifically and clearly document storm related property damage via photographic evidence and detailed narratives (see the GLO's Damage Assessment Guidelines). Damage assessments may also include final cost of repair estimates.

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

Disaster Risk Reduction Area- Area that has been designated by Newton County to be particularly prone to disaster although not located in a floodplain, floodway, or FEMA Designated High Risk Area.

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

Environmental Review- Any time federal funds are used for assistance, property 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.

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

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

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

Housing and Urban Development Act of 1968, Section 3 – Requires Newton County to ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing Federal, State, and Local laws and regulations, to low and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR 135.32. ⁴

Home- A homeowner-occupied housing damaged or destroyed by an event.

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

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

family income, as determined by HUD, adjusted for family size.

LMHI National Objective – Low to Moderate Housing Incentive (LMHI) benefits LMI households by providing a housing incentive award that assists the homeowner with relocating to a less disaster prone area. The incentive is usually tied to a voluntary buyout property that is owned or occupied by a qualifying LMI household.

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

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

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 Newton County, as well as how the Program will be marketed, how Fair Housing Objectives will be achieved, and how funding will be prioritized as determined through a Needs Assessment.

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

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

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

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

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

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

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

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

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

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24) (Uniform Act referred to URA)– Applies to all acquisitions of real property or displacements of persons resulting from Federal or federally-assisted program or projects. URA’s objective is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects. For the purposes of these guidelines, URA mostly applies to residential displacements in involuntary (49 CFR Subpart B) acquisition.

Unsecured Forgivable Promissory Note – Is an agreement between the assisted beneficiary and Newton County/GLO that requires applicants to comply for several terms during a set affordability period. At the end of the affordability period the terms are forgiven after they are met by the homeowner.

Urgent Need National Objective – An urgent need that exists because existing conditions pose serious and immediate threat to health/welfare of community, the existing conditions are recent or recently became urgent and the county cannot finance the activities on its own because other funding sources are not available. Newton County must document how each program and/or activity funded under this category responds to a disaster related impact.