



# CDBG- Disaster Recovery

## Voluntary Residential Acquisition Program (VRA)

Version 1.0; Issued December 20, 2023



## Version Control

Version Number	Date	Summary of Changes	Approved By

# Table of Contents

1	INTRODUCTION .....	6
2	PROGRAM OVERVIEW .....	6
2.1	Purpose and Objective .....	6
2.2	National Objective.....	7
2.3	Tieback.....	7
2.4	LMI Overall Benefit.....	7
2.5	Award Caps .....	7
2.6	End of Use of Real Property Acquired.....	8
2.7	End-Use Restrictions .....	8
2.8	Change of Use .....	8
3	PROGRAM ELIGIBILITY .....	8
3.1	Applicant Eligibility.....	8
3.2	Eligible Costs .....	9
3.2.1	Eligible Costs at Closing.....	9
3.3	Ineligible Costs .....	9
3.4	Eligible Location .....	9
3.5	Eligible Property Types for Assistance .....	9
3.6	Ineligible Structures .....	10
4	INTAKE APPLICATION .....	10
4.1	Application Procedure.....	10
4.2	Application Prioritization.....	11
5	PROGRAM OUTREACH.....	12
6	APPLICATION ELIGIBILITY REQUIREMENTS .....	12

<b>6.1</b>	<b>Applicant Eligibility.....</b>	<b>12</b>
<b>6.2</b>	<b>Verification of Eligibility .....</b>	<b>12</b>
<b>6.3</b>	<b>Household Demographic Information .....</b>	<b>14</b>
<b>6.4</b>	<b>Eligible Property Types .....</b>	<b>15</b>
6.4.1	Primary Residences.....	15
<b>6.5</b>	<b>Ineligibility Determinations and Notifications .....</b>	<b>15</b>
<b>6.6</b>	<b>Applicant Closings (Real Estate Settlement).....</b>	<b>15</b>
<b>7</b>	<b>PROPERTY OWNERSHIP .....</b>	<b>16</b>
<b>7.1</b>	<b>Proof of Ownership .....</b>	<b>16</b>
<b>7.2</b>	<b>Title Clearance Activities .....</b>	<b>16</b>
<b>7.3</b>	<b>Property Taxes.....</b>	<b>16</b>
<b>7.4</b>	<b>Foreclosures and Short Sales .....</b>	<b>16</b>
<b>7.5</b>	<b>Open Insurance Claims and Pending Litigation .....</b>	<b>16</b>
<b>7.6</b>	<b>Flood Insurance Requirement Review (FEMA Non-Compliance).....</b>	<b>17</b>
<b>8</b>	<b>ENVIRONMENTAL REVIEW .....</b>	<b>17</b>
<b>8.1</b>	<b>Environmental Clearance Requirements.....</b>	<b>17</b>
<b>8.2</b>	<b>Environmental Review Process.....</b>	<b>17</b>
<b>8.3</b>	<b>Asbestos and Lead-Based Paint Risk Assessment .....</b>	<b>18</b>
<b>9</b>	<b>PROPERTY VALUATION PROCESS .....</b>	<b>18</b>
<b>10</b>	<b>AWARDS AND CLOSINGS .....</b>	<b>18</b>
<b>10.1</b>	<b>Award Calculation and Incentives.....</b>	<b>18</b>
<b>10.2</b>	<b>Safe Housing Incentives.....</b>	<b>19</b>
<b>11</b>	<b>DUPLICATION OF BENEFITS (DOB) .....</b>	<b>20</b>
<b>11.1</b>	<b>DOB Overview.....</b>	<b>20</b>
<b>11.2</b>	<b>Uniform Offer Calculation Methodology .....</b>	<b>20</b>

12	UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT (URA)	21
13	FRAUD, WASTE, AND ABUSE.....	21
13.1	Reporting Fraud .....	21
14	GENERAL PROGRAM POLICIES.....	22
14.1	Section 3 .....	22
14.2	Access for Persons with Disabilities and Limited English Proficiency .....	24
14.3	Voluntary Withdrawal .....	24
14.4	Complaints .....	25
14.5	Appeals .....	25
14.6	Exceptions to Program Policies.....	26
14.7	Confidentiality and the Protection of Personally Identifiable Information.....	26
15	FILE MANAGEMENT AND CLOSEOUT .....	26
16	DEFINITIONS.....	28

# 1 Introduction

This policy provides guidance on Lee County's Voluntary Residential Acquisition (VRA) Program for applicants and other interested parties who are looking to understand the program's requirements and procedures. These program guidelines were developed in compliance with HUD standards as well as any other applicable federal and state requirements. Please note, these guidelines are intended to address the VRA Program and do not provide guidance on Lee County's other programs and services.

In March 2023, the U.S. Department of Housing and Urban Development allocated \$1,107,881,000 in Community Development Block Grant – Disaster Recovery (CDBG-DR) funding to Lee County to address the remaining unmet disaster recovery needs in areas of Lee County impacted by Hurricane Ian in 2022. Information regarding Lee County's CDBG-DR allocation and requirements from HUD are included in Federal Register Vol. 88 No. 96 (88 FR 32046).

Hurricane Ian destroyed more than 9,900 residential structures and left more than 13,000 with major damage. The unmet needs assessment indicates that many of the destroyed and significantly damaged homes were in special flood hazard areas, and some in repetitive loss areas. To provide homeowners with hurricane damaged homes in special flood hazard areas an opportunity to relocate to safer areas in Lee County and outside of the floodplain, Lee County has allocated \$56,552,930 to allow for a Voluntary Residential Acquisition Program and is based on the County's Unmet Needs Assessment located in the Action Plan.

The optimal outcome of the Voluntary Residential Acquisition Program is to relocate homeowners in repetitive loss areas to safer areas in Lee County and outside of the floodplain. Damaged properties acquired by Lee County will be demolished and vacant lots will be maintained as open "green" space, passive recreation or floodplain or wetland management in perpetuity, or for other eligible activities, as permitted by 74 U.S.C §5305(a)(1).

## 2 Program Overview

### 2.1 Purpose and Objective

The purpose of the program is to undertake voluntary acquisition of residential properties, with a focus on properties that meet the repetitive loss criteria - an NFIP insured structure that has had at least two (2) paid flood losses of more than \$1,000 each loss in any 10-year period since 1978 and relocate those homeowners to safer areas in Lee County and outside of the floodplain. Acquisition is oftentimes the only alternative in many flood-prone areas of the County where this is no permanent infrastructure solution to the flooding. The damaged properties will be demolished, and vacant lots will be maintained as open "green" space, recreational, or floodplain or wetland management, or for another public benefit with the goal of reducing damage to housing units and impacts to low- and moderate-income households in the event of future hazards. Homeowners who reside in those properties as their primary residence will be provided a safe housing incentive to assist those property owners with acquiring a new primary residence in Lee County and outside of the floodplain. This will result in long-term recovery for these households.

## 2.2 National Objective

All activities funded by the Voluntary Residential Acquisition Program must meet the national objectives outlined in the Action Plan:

- Low- and Moderate-Income Housing (LMH)
- Urgent Need (UN)

The urgent need national objective may be used to address the widespread damage to the housing stock due to Hurricane Ian and will only be used for eligible households with incomes exceeding 80% AMI, but no more than 140% AMI.

The urgent need national objective will only be used after Lee County has allocated 70% of all CDBG-DR funds for projects benefiting low- and moderate-income households, or in the case of a HUD-approved waiver.

## 2.3 Tieback

Applicants must demonstrate that the damage or destruction to the property was a direct result of the applicable disaster, Hurricane Ian. When possible, the Program will verify damage(s) electronically using third party datasets. Disaster damage may be documented through the following methods:

- FEMA claim letter;
- SBA loan documentation;
- Insurance award letters;
- Insurance settlement and/or evidence of litigation

If the above-referenced documentation is not available, an inspection report (complete with photographs of the damage and a written assessment of the damage) from a damage assessment conducted by a qualified Program Damage Assessor that certifies that the damage occurred due to the qualifying disaster may be used.

If an applicant was denied assistance by FEMA, SBA, or other federal program, assistance through the CDBG-DR Program may still be available. Applicants will not be refused housing assistance solely due to the denial of assistance by other federal programs.

## 2.4 LMI Overall Benefit

Priority will be given to low- and moderate-income households whose income does not exceed 80% Area Median Income (AMI). Funding awards may be made available to households above 80% AMI, not to exceed 140% AMI, only after the County has allocated 70 percent of program funding for low- and moderate- income (LMI) households, unless a waiver has been approved by HUD that determines otherwise.

## 2.5 Award Caps

The maximum award for the acquisition of a repetitive loss property is \$450,000.

The max award amount excludes any project delivery costs including safe housing incentives, and the cost to transition the site to a use that is compatible with open “green” space, recreational, or floodplain or wetland management, or for another public benefit with the goal of reducing damage to housing units and impacts to low- and moderate-income households in the event of future hazards.

## 2.6 End of Use of Real Property Acquired

Funds allocated for this project will be used to acquire repetitive loss properties. A repetitive loss property is defined as an NFIP-insured structure that has had at least two paid flood losses of more than \$1,000 per loss in any 10-year period since 1978. The sale of residential housing units to the County is completely voluntary and initiated by the property owner. Once a property has been acquired through an acquisition, the land can only be used as open “green” space, recreational, or floodplain or wetland management, or for another public benefit with the goal of reducing damage to housing units and impacts to low- and moderate-income households in the event of future hazards, in perpetuity. Acquisitions and safe housing incentives will be prioritized to include sites that were damaged by Hurricane Ian and are repetitive loss properties.

## 2.7 End-Use Restrictions

The County memorializes the covenants made in connection with the property in the CDBG-DR Program. For properties purchased through the Program, a Declaration of Covenants and Restrictions is incorporated with the deed for each parcel and recorded in the real property records office that serves the City where the property is found. Copies of the recorded Declaration of Covenants and Restrictions are saved in the Program’s system of record. All restrictive covenants are recorded prior to, or at the time of, disposition. The County’s Office of Strategic Resources and Government Affairs will be responsible for monitoring the end-use of acquired property properties.

## 2.8 Change of Use

In accordance with 24 CFR 570.489(j), the County, or other unit of general local government, may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition was made, unless the County or other unit of general local government provides the affected citizens with reasonable notice of and opportunity to comment on any proposed change, and either:

- The new use of the property qualifies as meeting one of the national objectives and is not a building of general conduct of government; or
- The County, or other unit of general local government, determines, after consult with the affected citizens, that it appropriate to change the use of the property to a use that does not qualify (refer to Section 2.6 for eligible forms of use), it may retain or dispose of the property for the changed use if the County’s CDBG-DR program is reimbursed. The reimbursement shall be in the amount of the current fair market value of the property, less any portion attributable to expenditures of non-CDBG-DR funds for acquisition of, or improvements to the property, except that if the change in use occurs after grant closeout but within 5 years of such closeout.

# 3 Program Eligibility

## 3.1 Applicant Eligibility

Applicant eligibility for the program is based on meeting the following criteria:

- Must be a U.S. Citizen or Permanent Resident Alien.
- Must have owned a repetitive loss property as his/her primary residence at the time of the disaster and still own the damaged home.
- Must have a combined total household income that does not exceed 140% AMI.



## 3.2 Eligible Costs

Eligible activities for the Voluntary Residential Acquisition program are as follows:

- Purchase of repetitive loss properties;
- Assistance paid to a homeowner as a housing incentive for the purpose of incentivizing the homeowner to sell the home to Lee County or other unit of general local government (e.g., in conjunction with an acquisition) and relocate to a safer area outside of the floodplain; and
- Costs associated with the transition of an acquired property from a residence to a use that is compatible with open “green” space, recreational, or floodplain or wetland management, or for another public benefit with the goal of reducing damage to housing units and impacts to low- and moderate-income households in the event of future hazards.
- Demolition and site work, including environmental reviews and any necessary remediation, grading, clearance, costs associated with the disposal of debris, and security are also paid for under this program.

### 3.2.1 Eligible Costs at Closing

All customary costs associated with the purchase of private property, including appraisal, legal, survey, title study search, title preparation and insurance, are paid for by the County, using CDBG-DR funding. The program will not provide closing costs for the subsequent property unless an incentive is requested, needed, and approved.

## 3.3 Ineligible Costs

Ineligible activities for the Voluntary Residential Acquisition Program are defined in 24 CFR 570.207, and include, but are not limited to:

- Buildings or portions thereof used for conduct of government;
- General government expenses;
- Political activities;
- Purchase of equipment (except as provided for in 24 CFR 570.201(c));
- Operating and maintenance expenses; and
- Income payments

## 3.4 Eligible Location

The program will only acquire and provide incentives for properties within Lee County, Florida that meet the repetitive loss criteria.

## 3.5 Eligible Property Types for Assistance

Properties that are eligible to be acquired as part of the program must be owner-occupied, single-family National Flood Insurance Program (NFIP) – Insured structures that have had at least 2 paid flood losses of more than \$1,000 in any 10-year period since 1978. For the purposes of this program, owner-occupied is defined as a residence that serves as the primary residence of the homeowner, for which he/she has homestead exemption. Single-family properties are defined as a structure containing only one (1) unit, and meet one of the following property types:

- Stick-built/CMU properties.
- Mobile home units or manufactured housing units (MHUs) that are affixed to land owned by the applicant.

- Vacant land that is contiguous to an eligible property with a structure and is under the same ownership as that property is eligible to be purchased in the same real estate transaction as the property with the structure.
- Vacant land where a structure once stood at the time of Hurricane Ian are eligible for acquisition and do not need to be contiguous to an eligible Property. Applicants will be required to provide the Program documentation to prove that a structure previously existed on the land.

### 3.6 Ineligible Structures

Structures ineligible for the program include:

- Cooperatives, condominiums and other residential properties governed by a homeowners' association and/or subject to Restrictive Covenants if such covenants or bylaws prevent future use of properties consistent with open-space, recreational, natural floodplain or other permissible development standards, unless the owner can obtain a release from restrictive covenants, bylaws, or other restrictions, the property is divisible (potentially such as an end unit in a townhouse development), or an entire property/building participates in the program.
- Multi-unit structures, such as duplexes, triplexes, or quads
- Mobile home units or manufactured housing units that are located in mobile home parks or affixed on land that is not owned by the applicant.
- Dwellings not intended as permanent housing solutions, such as:
  - Recreational Vehicles (RVs)
  - Trailers
  - Fifth Wheels
  - Campers
  - Sheds
  - Outbuildings
  - Houseboats
- Any property deemed FEMA non-compliant (refer to Section 7.6)

## 4 Intake Application

### 4.1 Application Procedure

The program will only acquire properties considered as the primary residence of the homeowner. Second homes, rental or investment properties are not eligible for purchase. Eligible homeowners who are interested in assistance may apply for the VRA Program via the following methods:

- Complete an application online at [leeflcares.com](http://leeflcares.com)
- Visit any Intake Center at the addresses below. All intake centers are open from 9AM to 6PM, Monday through Friday<sup>1</sup>.

**Fort Myers**

**Sanibel**

---

<sup>1</sup> Please note that County-recognized holidays may impact these hours.

**Fort Myers Beach**

**Pine Island**

**Cape Coral**

**Bonita Springs**

**Estero**

- Download the “Lee Cares” mobile app from the Google Play Store or the Apple App Store and follow the instructions provided, or
- Call (239) 382-5453 to be connected to a Case Manager

Applicants will be required to complete a VRA Program intake application and provide supporting documents required for eligibility review, income verification, and duplication of benefits review. All documentation submitted by the applicant must be valid at the time of submission. The application process will require each applicant to authorize the Program to obtain 3rd-party data by signing a consent/release form. Case Managers will collect documents needed to determine eligibility and which program benefits the applicant may be eligible to receive<sup>2</sup>.

Case Managers will be available at the VRA Program intake centers, by phone, and via email to assist the applicant through the intake process and to answer questions as needed. Each applicant will be assigned a dedicated Case Manager. Each Case Manager has a direct email and phone line at which he/she can be reached. Applicants are provided direct contact information for the Case Manager assigned to the application. Alternatively, the applicant may contact a program representative by using the general contact information outlined below.

Multiple standard methods of communication will be provided to ensure applicants receive timely, accurate information regarding their applications and the program. Methods of communication with the Program include, but are not limited to:

- Voluntary Residential Acquisition (VRA) Program website: [www.leeflcares.com](http://www.leeflcares.com)
- Email: [leecares@leegov.com](mailto:leecares@leegov.com)
- Telephone at **(239) 382-5453**; and
- Mail correspondence to the following address:

#### 4.2 Application Prioritization

In order to assist the most vulnerable households in Lee County, FL, the VRA Program will prioritize the review of applicants based on household income. Applications will be awarded according to the following phases:

Phase	Criteria
<b>Phase I</b>	<ul style="list-style-type: none"> <li>• Households with income below 80% AMI</li> </ul>
<b>Phase II</b>	<ul style="list-style-type: none"> <li>• Households with income between 80% and 120% AMI</li> </ul>

<sup>2</sup> A complete list of required documentation can be found in the Eligibility Requirements section of this manual.

<b>Phase III</b>	<ul style="list-style-type: none"><li>• Households with income between 120% and 140% AMI</li></ul>
------------------	--

## 5 Program Outreach

Lee County developed its CDBG-DR Action Plan and programs in consultation with disaster-affected citizens, stakeholders, local governments, public housing authorities, and other affected parties to ensure its disaster recovery plan is comprehensive and inclusive.

Outreach for the VRAP program will include direct and widespread marketing techniques with the intent of reaching the most vulnerable and underserved populations. The Program will ensure the public has physical, online, and mobile access to program information and applications. Outreach will include diverse marketing practices to reach potential applicants who do not have vehicle access, live in remote areas, and who have other barriers to applying for the program.

The Program will ensure equal access and opportunity for individuals with disabilities and persons with Limited English Proficiency by providing appropriate accommodations and translations, in accordance with Federal and State ADA requirements. All outreach activities will be compliant with Lee County Board of County Commissioners policies in support of the Section 504 and Americans with Disabilities Act, the Civil Rights Act Section VI, Lee County Language Access Plan, and HUD provisions of 24 CFR 8.6 for effective communication with applicants, beneficiaries, and members of the public.

## 6 Application Eligibility Requirements

### 6.1 Applicant Eligibility

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

- U.S. Citizens:
  - Government-issued photo identification (Federal or state issued),
  - Driver's License
  - A valid U.S. Passport,
  - A valid Birth Certificate,
  - Proof of FEMA assistance,
  - FL issued driver's license.
- Permanent Resident Alien:
  - Must provide declaration of lawful presence in the United States and have photographic identification such as a passport, Certificate of Naturalization or Permanent Resident Card.

### 6.2 Verification of Eligibility

All applications will be thoroughly reviewed during the intake and eligibility process to ensure applicants are eligible for the Program prior to receiving assistance. Eligibility determinations will be made based on documentation submitted by the applicant and verification of information by third-party sources, including federal databases. These decisions will be made based on applicable statutes, Codes of Federal Regulation, state and local codes and ordinances, local guidelines, and Program Guidelines.

The following items will be verified for each applicant to determine eligibility prior to the issuance of an offer to purchase:

<b>Eligibility Criterion</b>	<b>Documents Required</b>
Property Location in Lee County	Verified by the Program using storm-impacted property address and GIS mapping, if needed
Eligible Structure Type	<p>Verified by the Program via a Property Inspection; OR</p> <p>If it is impossible to verify structure type via a program property inspection, such as in cases where the storm-impacted property has been demolished, the applicant may be required to provide proof of storm damage, which may include:</p> <ul style="list-style-type: none"> <li>• Pre-storm information on structure type from the property appraiser's office;</li> <li>• Date-stamped, color photos of the storm-impacted property address; or</li> </ul> <p>Other document considered on a case-by-case basis</p>
Property Meets Repetitive Loss Criteria	Verified by the Program via the NFIP Repetitive Loss Property List
Proof of Storm Impact (Tie Back)	<ul style="list-style-type: none"> <li>• FEMA claim letter;</li> <li>• SBA loan documentation;</li> <li>• Insurance award letters;</li> <li>• Insurance settlement and/or evidence of litigation</li> </ul>
Verification of FEMA Compliant Status	Verified by the Program via FEMA database/records
Verification of Current Property Tax Bill or Current Payment Plan	<ul style="list-style-type: none"> <li>• Proof from the tax assessor of property taxes paid in full at the time of application; or</li> <li>• Proof of a payment plan in good standing at the time of application</li> </ul>
Household Income	Income documents provided by the applicant for all adult household members
Property Ownership at Time of Hurricane Ian	<p>One (1) of the following:</p> <ul style="list-style-type: none"> <li>• Deed</li> <li>• Mortgage statement</li> <li>• Title (for mobile homes only)</li> <li>• Probated will</li> <li>• Court order or judgement granting ownership of the property</li> </ul>

	Other documents may be considered on a case-by case basis
Occupancy Status of Property at Time of Hurricane Ian	<p>Homestead exemption at the storm-impacted property address in 2022, which was the year of the qualifying storm</p> <p>OR 2 of the following:</p> <ul style="list-style-type: none"> <li>• FEMA IA award letter for storm-impacted property address for damages caused by Hurricane Ian;</li> <li>• SBA Disaster Home Loan award letter for storm-impacted property address for damages caused by Hurricane Ian;</li> <li>• Driver’s license or state-issued ID card showing the storm-impacted property address; issued prior to the date of the hurricane and expiring after;</li> <li>• Utility bills addressed to applicant at storm-impacted property address showing that services were provided in the month preceding or month of the disaster (must indicate household utility usage during pre-hurricanes time period);</li> <li>• Credit card bill or bank statement sent to the applicant at the storm-impacted property address in the month preceding or the month of the disaster;</li> <li>• Insurance documentation indicating primary residence in 2022, such as a homeowner’s endorsement;</li> <li>• Employer’s statements, including pay stubs and similar employment documents (must be dated in the month preceding or month of the disaster)</li> </ul> <p>Other documents may be considered on a case-by-case basis</p>
Mortgage in good Standing	Most recent mortgage statement, at time of application, showing no arrearages

Applicants who are deemed eligible will be sent a Preliminary Eligibility Determination Notification informing them of the eligibility decision. The correspondence will include a notice informing the applicant of the preliminary eligibility determination, an explanation of funding sources and restrictions, and a description of required next steps.

### 6.3 Household Demographic Information

Household demographic information will be obtained at the time of the intake meeting and will be included as part of the applicant file. This information will be collected for reporting purposes only and will have no bearing on applicant prioritization, applicant eligibility, home purchase prices, or incentive payments in the program.

## 6.4 Eligible Property Types

### 6.4.1 Primary Residences

Properties that are considered the primary residence of the homeowner at the time of the disaster and remain occupied by the homeowner at the time of application are eligible for acquisition. Additionally, owner-occupants are eligible for safe housing incentives to assist in the purchase of a property in Lee County and outside of the floodplain that will be occupied as his/her primary residency (see Section 10.2). Grantees can verify a primary residence using a variety of documentation including, but not limited to:

- Voter Registration Cards
- Tax Returns
- Homestead Exemptions
- Driver's Licenses
- Rental Agreements

## 6.5 Ineligibility Determinations and Notifications

If at any point during the eligibility determination process or throughout any other phase of the Program process, it is found that the applicant is determined to be ineligible for assistance by the Program, the applicant will be notified via Notification of Ineligibility. This ineligibility notification will outline the eligibility determination made, the next steps, if applicable, and instructions on how to submit an Appeal request or an Administrative Review request. The ineligibility notice will notify the applicant of the reason for ineligibility and outline the process to challenge the decision. See Section 14.6 - Appeals.

All determinations made by the Program will be notified in writing. If an applicant believes that any determination was made without being written, the applicant may request that such decision be made in writing and duly substantiated.

## 6.6 Applicant Closings (Real Estate Settlement)

The County and the property owner will agree to the terms of the real estate transaction when the Purchase and Sales Agreement (PSA) is executed. The PSA will not be customized for each individual applicant — an agreement template will be designed by the Program and approved for use by the County's Attorney. The agreement will stipulate the terms of the real estate closing. It will provide directions for the seller in terms of the anticipated vacancy date, the on-or-about closing date, the seller's responsibility for disconnecting utilities, the requirement for the property to be transferred lien and debt free to the County and will outline what happens to any abandoned items on the property. The applicant will agree to these terms in writing and will be responsible for complying with the terms of the agreement. The agreement will also include language regarding seller failures to comply with the terms.

In many cases, the County anticipates that owner-occupants will move on their closing date or shortly before their closing date. At the time of closing, the seller will surrender occupancy to the property and will no longer have access to any structures there. It is the County's policy to avoid undue procedural obstacles that delay, inconvenience, or impair completing transactions under the Program. The County, for this reason, accommodates reasonable seller requests when doing so does not expose the program to delay, liability, extra costs, or risk of loss. The seller must submit this request in writing at least 5 business days prior to the scheduled closing date.

## 7 Property Ownership

### 7.1 Proof of Ownership

Proof of ownership can be established with the following documents:

- Deed;
- Mortgage statement;
- Title (for mobile homes only);
- Probated will;
- Court order or judgment granting ownership of the property;
- Property Quest by Core Logic; or
- Other documents may be considered on a case-by case basis

### 7.2 Title Clearance Activities

Applicants with ownership interest in a property who cannot supply the acceptable ownership documents as outlined in this guideline due to heirship or probate issues may be afforded additional time to clear title defects related to probate and/or heirship and provide the program with an acceptable document to demonstrate ownership. If an applicant cannot sufficiently resolve ownership issues within **6 months of application submission**, the case will be deemed ineligible for failure to sufficiently prove ownership of the storm-impacted property. Exceptions may be made for circumstances beyond the control of the applicant, however, all exceptions are subject to grant funding availability.

### 7.3 Property Taxes

Property Owners who have applied to the Program must pay all property taxes due as identified by the title search at closing and payable on the storm-damaged property until the day of closing on the sale of their property to the County through the Program. Only payments made towards the principal of the property taxes due are subject to reimbursement from the County; any interest or fees incurred from late or delinquent payments are not eligible for reimbursement.

### 7.4 Foreclosures and Short Sales

Property owners who lost ownership of their homes due to foreclosure are ineligible for assistance, as they are no longer the owners of record.

The program will undertake all efforts to assist property owners with obtaining a short sale if the property owner desires an outcome involving a short sale. However, short sale approvals are subject to lender review, and cannot be guaranteed as an outcome in all cases. Property owners should inform their assigned Case Manager if they think a short sale will be required to convey title.

### 7.5 Open Insurance Claims and Pending Litigation

Applicants participating in the Program are not eligible to receive an offer if they are involved in litigation or any other process that will change their duplicative benefits. Applicants will sign a subrogation agreement indicating that they will repay any funds they received deemed to be duplicative after their Program real estate closing. In an effort to avoid this and the costs involved in the subrogation process, the County will not purchase any homes that are subject to an ongoing insurance settlement case or legal action.



## 7.6 Flood Insurance Requirement Review (FEMA Non-Compliance)

HUD's housing assistance guidelines state that an individual is ineligible for CDBG-DR housing assistance if they have received prior disaster recovery monies conditioned upon their obtaining flood insurance and the owner subsequently failed to do so. The Program refers to these owners as "FEMA non-compliant." FEMA non-compliant applicants are not eligible to receive funds above the post storm/current FMV. They are also not eligible for incentives. If these owners are considered displaced persons through the URA, they are eligible to receive benefits through the URA beyond the current FMV.

## 8 Environmental Review

An environmental review process is required for all HUD-assisted projects to ensure that the proposed undertaking does not negatively impact the property or surrounding social, cultural, and physical environment and possible historic fabric. The specific purpose of the environmental review process for the VRAP Program is to ensure that with respect to the property being purchased there are no environmental hazards present, there is no adverse impact on the community social and cultural fabric, and that the property does not have potential historic value. Every project must be in compliance with the National Environmental Policy Act (NEPA), and other related Federal and state environmental laws. For more information, refer to <https://www.epa.gov/nepa>. An environmental review must be completed for all project activities prior to obligating Program funds. The HUD rules and regulations that govern the environmental review process can be found at 24 CFR Part 58. The provisions of the National Environmental Policy Act (NEPA) and the Council on Environmental Quality (CEQ) regulations in 40 CFR Parts 1500 through 1508 also apply. Other federal and state laws and regulations (some of which are enforced by State agencies) also apply depending upon the type of project and the level of review required.

### 8.1 Environmental Clearance Requirements

Specific instructions concerning environmental requirements are made available to all recipients, subrecipients or contractors. CDBG-DR funding is contingent on compliance with the National Environmental Policy Act (NEPA) and related environmental and historic preservation legislation and executive orders. Accordingly, environmental review activities are carried out for site contamination and demolition control, and documented prior to commitment of funds.

### 8.2 Environmental Review Process

Properties located where federal assistance is not permitted are ineligible for assistance. Properties must be in compliance with Environmental Code 24 CFR Part 58. Specific instructions concerning environmental requirements will be made available to all recipients, sub-recipients, or Contractors. CDBG disaster grant funding from HUD is contingent on compliance with the National Environmental Policy Act (NEPA) and related environmental and historic preservation legislation and executive orders. Accordingly, environmental review activities will be carried out for site contamination and demolition control and documented prior to commitment of funds. HUD's Environmental Review Procedures allow grantees to assume environmental review responsibilities.

The County maintains a list of properties that meet the repetitive loss criteria. Environmental reviews for scattered site acquisition projects that do have specific properties identified prior to release of funding will complete a Tier II site-specific review. The Tier II site specific reviews

will be initiated once it has been determined that the subject property and applicant are found eligible. The review must be completed with an authorization to use grant funds prior to the County issuing a written Initial Offer for a property.

### 8.3 Asbestos and Lead-Based Paint Risk Assessment

All properties that were built prior to 1978 where the County extends an offer to purchase, will be subject to a lead-based paint risk assessment. Lead hazard assessments are on-site investigations to determine the existence, nature, severity, and location of lead-based paint hazards accompanied by a report explaining the results and options for reducing lead-based paint hazards, see 40 C.F.R. § 745.227(d)(11) for report guidelines. All lead hazard assessments for the Program will be performed by Risk Assessors or Lead-Based Paint Inspectors certified by the U.S. Environmental Protection Agency (EPA).

If hazards are determined to be present, properties will be demolished using lead-safe practices, as required by regulations.

Federal asbestos regulations for testing and identification of asbestos apply to “facilities” as defined by those regulations. Single-Family housing does not meet this definition and is therefore exempt from the testing and identification requirements.

## 9 Property Valuation Process

The County requires appraisals for all properties participating in the Program. The seller will be required to hire an independent appraiser, licensed in the state of Florida, to perform the appraisal and establish the current Fair Market Value (FMV) of the storm-damaged property, which will be used to establish the purchase price. The cost of appraisals vary, but the Program will reimburse the homeowner at closing for these cost. If the cost of the appraisal proves to be financially burdensome to the homeowner, the homeowner may request the Program to pay for the appraisal up-front. All requests must be submitted in writing. The appraisal report must itemize the value of the land and the value of any improvements to the property. Once produced, the appraisal is reviewed and certified by a second disinterested licensed appraiser. All appraisals used in this program must be certified before use or submission to the Program.

## 10 Awards and Closings

### 10.1 Award Calculation and Incentives

The Voluntary Residential Acquisition Program (VRAP) has established a uniform award calculation and a uniform Safe Housing Incentive structure. To ensure the equitable treatment of property owners, no individualized negotiations with applicants may occur. Storm-damaged properties will be acquired for no less than the current post-storm FMV as determined by the program sponsored appraisal or an acceptable 3rd party appraisal allowed as part of the appeals process minus any determined DOB amounts.

If the storm-damaged property does not have any mortgage liens, the Program will acquire the storm-damaged property and provide the applicant a credit equal to the current post-storm FMV value. In that scenario, the principal balance of the grant agreement will be reduced by an amount equal to the credit given for acquisition of the storm-damaged property, which will also be reflected in the closing disclosure for the purchase of the subsequent primary

residence or may be used to ensure the long-term affordability of any other alternative permanent housing solution.

If the storm-damaged property has any mortgage liens whose amount **do not exceed** its current post-storm FMV, the Program will pay off the balance of the mortgage and any remaining proceeds from the sale will be provided to the applicant as a credit to be applied in the subsequent purchase of the new primary residence or may be used to ensure the long-term affordability of any other alternative permanent housing solution. In that scenario, the principal balance of the grant agreement will be reduced by the amount equal to the credit given for the acquisition of the storm-damaged property **and** the mortgage payoff amount.

If the storm-damaged property has any mortgage liens whose amount **does** exceed its current post-storm FMV, the property is not eligible for acquisition as the lien amount(s) exceed the award amount.

Any credit amount resulting from the acquisition of the storm-damaged property will be reflected as such in the closing for the new primary residence. The Program will hold real estate closings with the applicant that may include: 1) title transfer of the storm-damaged property to Lee County or other municipality; and 2) purchase of the replacement property that the applicant will reside in as their primary residence. The real estate closings may occur at different times, but the program will make every attempt to hold closings simultaneously. Any replacement property selected must either be vacant, or not be occupied by any persons other than the owner or members of the owner's household at the time the property owner or their agent is first contacted by the applicant or their agent. Properties which do not meet this requirement are not eligible to be acquired as replacement property with the Safe Housing Incentive.

## 10.2 Safe Housing Incentives

Lee County will determine the amount of safe housing incentive provided to homeowners based on need. The goal of the VRA Program is to encourage homeowners to purchase a new primary residence in Lee County and outside of the floodplain upon sale of their storm-damaged property, however, alternative permanent housing solutions, such as leasing, assisted living facilities, and other allowable long-term options will be considered on a case-by-case basis, so long as those alternative housing options are also in Lee County and outside of the floodplain. Safe housing incentives may be given (if needed) to ensure the projected housing payment at the homeowner's new primary residence will be no more than 35 percent of the household's gross monthly income. In no case will the safe housing incentive given for this purpose exceed \$75,000. Any incentives provided for the purchase of a new primary residence will be subject to an affordability period of five (5) years. A 5-year, zero interest second mortgage will be placed on the property being purchased through the program for recapture purposes. The second mortgage will be self-amortizing and will reduce at a rate of 20 percent per year after the home purchase as part of the requirement that homebuyers agree to occupy the property as their primary residence, maintain a homestead exemption, and maintain required insurance coverage during the 5 years after home purchase.

Annual monitoring of properties will occur during the five-year period of the second mortgage term following the home purchase.

If the requirements for maintaining primary residence of the purchased home are met, the Program will provide the applicant(s) with a satisfaction of mortgage document. Under these circumstances only, the applicant(s) will not be required to pay back any portion of the second mortgage.

If the applicant(s) do not meet the requirements during the 5-year term, the prorated balance of the second mortgage will be due in full. Cases in which this may apply include the sale, transfer, lease, refinance of first mortgage, and owner-occupancy changes. Future requests for subordination will be considered on a case-by-case basis and will be reviewed by an exceptions panel.

Program exceptions, such as the allowability of alternative permanent housing solutions, and the amount of the safe housing incentive that will be provided for those housing solutions will be considered on a case-by-case basis and determined at the time of exception. The program will take into consideration all costs associated with relocating to the alternative housing solution, such as moving expense, the current fair market rents (FMR) for the comparable replacement units, as well as determining need to ensure long-term affordability based on the applicant's income in comparison to the rent amount for the new permanent housing solution.

The County will establish policies and procedures for applicants to apply for an exception. All exceptions are subject to grant fund availability.

## 11 Duplication of Benefits (DOB)

### 11.1 DOB Overview

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act), as amended, 42 U.S.C. § 5121 et seq., prohibits any person, business concern, or other entity from receiving Federal funds for any part of such loss as to which they have received financial assistance under any other program, from private insurance, charitable assistance, or any other source. The Program must consider disaster recovery aid received by applicants from any other federal, state, local, or other source and determine if any assistance is duplicative. Any assistance determined to be duplicative must be deducted from the Program's calculation of the Applicant's total need before awarding assistance. The DOB review performed by the Program or an authorized representative assures that federal resources are neither duplicated nor wasted when applied to the provision of homeownership assistance.

A Duplication of Benefit occurs when:

- A beneficiary receives assistance; and
- The assistance is from multiple sources; and
- The assistance amount exceeds the need for a particular recovery purpose.

The Duplication of Benefit Policy, available on [leefcares.com](http://leefcares.com) outlines the process by which the County will verify that all applications for assistance from the projects funded by the County (both housing and non-housing), as well as all projects implemented by contractors and subrecipients, will be reviewed for possible duplication of benefits. The procedures described in the policy are also applicable to all grantees and subrecipients and must be incorporated in the design and administration of projects undertaken by subrecipients.

### 11.2 Uniform Offer Calculation Methodology

Once the DOB process is complete, a formal Verification of Disaster Benefits Received form is completed and reviewed, then forwarded to the Case Manager. Funds received from other sources which are determined a DOB are deducted from the structure's current FMV unless the Property Owner can demonstrate, through receipts, that the funds received have already been expended on eligible costs. It is the responsibility of the owner to maintain receipts. Inspectors will not be procured to estimate the cost of post-disaster improvements. The

resulting value cannot exceed the applicable program cap. DOBs cannot be used to decrease an award to lower than the property's land value.

## 12 Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA)

Pursuant to HUD and other federal guidelines, the County is required to comply with Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). HUD describes the objective of the URA as follows:

(1) to provide uniform, fair and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects; (2) to ensure relocation assistance is provided to displaced persons to lessen the emotional and financial impact of displacement; (3) to ensure that no individual or family is displaced unless decent, safe and sanitary housing is available within the displaced person's financial means; (4) to help improve the housing conditions of displaced persons living in substandard housing; and (5) to encourage and expedite acquisition by agreement and without coercion.

The VRA Program will not displace any homeowners, as the program is voluntary in nature and tenant-occupied properties are not eligible for acquisition under the program. The County has developed a Residential Anti-Displacement and Relocation Assistance Plan (RARAP) which will be followed to ensure the equitable treatment of homeowners participating in the program. The County's CDBG-DR Standard Operating Procedure (SOP) Uniform Relocation Act (URA) and RARAP can be found online at <https://cdbg-dr-leegis.hub.arcgis.com/pages/policies-and-procedures>.

## 13 Fraud, Waste, and Abuse

Lee County, as grantee, is committed to the responsible management of CDBG-DR funds by being a good advocate of the resources while maintaining a comprehensive policy for preventing, detecting, reporting, and rectifying fraud, waste, abuse, or mismanagement.

Pursuant to 87 FR 6364, Lee County implements adequate measures to create awareness and prevent fraud, waste, abuse, or mismanagement among other irregularities in all programs administered with CDBG-DR funds as well as encourages any individual who is aware or suspects any kind of conduct or activity that may be considered an act of fraud, waste, abuse, or mismanagement, regarding the CDBG-DR Program, to report such acts to the CDBG-DR Internal Audit Office, directly to the Office of Inspector General (OIG) at HUD, or any local or federal law enforcement agency.

### 13.1 Reporting Fraud

Any allegations of fraud, waste, abuse, or mismanagement related to CDBG-DR funds or resources must be reported to the CDBG-DR Internal Audit Office, directly to the OIG at HUD, or any local or federal law enforcement agency.

Any person, including any employee of the CDBG-DR Program, who suspects, witnesses, or discovers any fraud, waste, abuse, or mismanagement, relating to the CDBG-DR Program,

should report it immediately to the Lee County Clerk of Court and Comptroller Inspector General Hotline by any of the following means:

Reporting Fraud, Waste and Abuse	
Phone	239-337-7799
Email	<a href="mailto:Info_InspectorGeneral@leeclerk.org">Info_InspectorGeneral@leeclerk.org</a>
Internet	<a href="https://www.leeclerk.org/departments/inspector-general/internal-audit-investigation/inspector-general-hotline">https://www.leeclerk.org/departments/inspector-general/internal-audit-investigation/inspector-general-hotline</a>

Allegations of fraud, waste or abuse can also be reported directly to the OIG by any of the following means:

Reporting Fraud, Waste and Abuse	
HUD OIG Hotline	1-800-347-3735 (Toll-Free) 787-766-5868 (Spanish)
Mail	HUD Office of Inspector General (OIG) Hotline 451 7th Street SW Washington, D.C. 20410
Email	<a href="mailto:HOTLINE@hudoig.gov">HOTLINE@hudoig.gov</a>
Internet	<a href="https://www.hudoig.gov/hotline">https://www.hudoig.gov/hotline</a>

## 14 General Program Policies

### 14.1 Section 3

Lee County will comply with the requirements of Section 3 of the Housing and Urban Development Act (HUD) of 1968 pursuant to 24 CFR 570.607 (b). This legislative directive provides preference to low-income residents, and businesses that substantially employ said persons, for new employment, training, and contracting opportunities resulting from HUD-funded projects. As such it is the intent of the County to give, to the greatest extent feasible, (consistent with existing Federal, State, and local laws and regulations), employment, contracting and other economic opportunities arising in connection with a proposed project to low-income persons, Section 3 residents and business concerns in the local community, and that contracts be awarded to eligible business concerns which employ and/or are owned in substantial part by such low-income persons residing in Lee County.

Efforts to ensure that compliance is achieved include: 1) requiring that all VENDOR post information at job sites in affected areas regarding employment opportunities and preference

in hiring Section 3 employees and 2) advertising projects identifying contracting opportunities and the preference to utilize Section 3 businesses.

Contractors are required to indicate whether the Firm and/or any proposed sub-Vendors are Section 3 businesses. Lee County encourages the utilization and participation of Section 3 Businesses in procurements, and evaluation proceedings will be conducted within the established guidelines regarding equal employment opportunity and nondiscriminatory action based upon the grounds of race, color, sex or national origin. Interested certified Section 3 firms are encouraged to respond.

Contractors selected by Lee County to preform work under CDBG-DR will make every effort to provide opportunities to low and very-low-income persons by providing resources and information to notify Section 3 individuals and businesses of opportunities in the community. Lee County's Section 3 Plan outlines how Lee County and its subrecipients, contractors, and subcontractors will comply with HUD's Section 3 requirements in implementing all of Lee County's HUD funded programs. Lee County will, to the greatest extent feasible, ensure that employment and other economic opportunities are directed to low- and very low-income persons (Section 3 workers and Targeted Section 3 workers) and to eligible businesses (Section 3 Businesses) and requires the same of its contractors.

Contractors and subcontractors should make best efforts to provide employment and training opportunities to Section 3 workers within Lee County in the priority order listed below:

1. Section 3 workers residing within the service area or the neighborhood of the project; and
2. Participants in YouthBuild programs.

Contractors and subcontractors must make their best efforts to award contracts and subcontracts to business concerns that provide economic opportunities to Section 3 workers in the following order or priority:

1. Business concerns that provide economic opportunities to Section 3 workers residing within the metropolitan area (or non-metropolitan county) where assistance is available, in the following order of priority (where feasible):
  - a. Section 3 business concerns that provide economic opportunities to Section 3 workers residing within the service area or the neighborhood of the project; and
  - b. YouthBuild programs.

Contractors and subcontractors will be required to certify that they will and have made best efforts to follow the prioritization requirements prior to beginning work and after work is completed.

To assist contractors with meeting or exceeding the Section 3 goals, Lee County will do the following:

1. Maintain a local Section 3 worker/Targeted Section 3 worker database and provide the contractor with a list of interested and qualified Section 3 workers and Targeted Section 3 workers and contact information. (<https://www.hacfm.org/doing-business/section-3/>)
2. Share the County's Section 3 Plan with contractors and subcontractors and explain policies and procedures.
3. Encourage contractors wishing to submit a bid/offer/proposal to attend a pre-bid/proposal meeting.

4. Require contractor to sign the Section 3 Plan.
5. Review Section 3 benchmarks and prioritization of effort with contractors and subcontractors to ensure that the goals are understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to meet Section 3 benchmark goals by utilizing existing qualified workforce and by considering qualified eligible Section 3 workers and Targeted Section 3 workers (per the prioritization of effort outlined in Section 3) before any other person, when hiring additional employees is needed to complete proposed work to be performed with HUD Funded Projects.
6. At the time of bid, require the contractor to present a list, of the number of total labor hours, Section 3 worker labor hours, and Targeted Section 3 worker labor hours expected to be generated from the initial contract and a list of projected number of available positions, to include job descriptions and wage rates.
7. Inform contractors about the HUD Section 3 Opportunity Portal <https://hudapps.hud.gov/OpportunityPortal/>
8. Require contractors to notify Section 3 Coordinator of their interests regarding employment of Section 3 workers prior to hiring.
9. Encourage local businesses to register on the HUD Business Registry and direct contractors to the HUD Section 3 Business Registry <https://www.hud.gov/section3businessregistry>
10. Leverage Lee County 's communication outlets (social media, website, etc.) to effectively communicate employment and contracting opportunities that arise.
11. Require contractors to submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contact award.

Lee County will report Section 3 accomplishments in the Disaster Recovery Grant Reporting (DRGR) system.

#### 14.2 Access for Persons with Disabilities and Limited English Proficiency

Lee County will ensure that the VRAP complies with all federal and State requirements for accommodating participation and information access among property owners and tenants who are limited English proficiency persons as required by HUD, including providing the eligibility criteria and application materials in appropriate languages, the translation of vital documents, providing information on websites, and communicating with individuals in appropriate languages. Non-English language services will be available, as needed, throughout the buyout process for any non-English-speaking persons requesting assistance. Additionally, VRAP staff will 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).

#### 14.3 Voluntary Withdrawal

An Applicant may request to withdraw from the Program at any time before construction start. While voluntary withdrawal after execution of a Homeowner Grant Agreement is discouraged, as construction activities may have begun, any request to withdraw after a Homeowner Grant Agreement has been signed will be evaluated on a case-by-case basis.

Applicants may indicate a desire to withdraw to any VRAP representative. It is preferred, but not required, that an applicant who wishes to withdraw submit his/her withdrawal request in



writing. After an applicant request to withdraw, he or she will be sent a Voluntary Withdrawal Notice. The Voluntary Withdrawal Notice informs the applicant that VRAP has received his/her request to withdraw, and that the applicant has fourteen (14) days from the date of the letter to rescind the withdrawal request. If the applicant does not rescind the voluntary withdrawal request within the fourteen (14) day period, the applicant's case will be closed as withdrawn.

#### 14.4 Complaints

Applicants may submit a complaint to the Program any time. In accordance with guidance outlined in 87 FR 6364, VRAP will provide a timely written response to every written citizen complaint. Complaints will be addressed within fifteen (15) working days of receipt when practicable. If a complaint cannot be addressed within fifteen (15) working days, VRAP will notify the complainant of the need for additional time and an estimated resolution/response timeframe.

Persons who wish to submit formal written complaints related to VRAP may do so through any of the following avenues:

- Via Email: [leecares@leegov.com](mailto:leecares@leegov.com)
- In Writing: Lee County Office of Strategic Resources and Government Affairs, P.O. Box 398, Fort Myers, FL 3301

Although formal complaints must be submitted in writing, complaints may also be received verbally and by other means necessary, as applicable, when it is determined that the citizen's particular circumstances do not allow the complainant to submit a written complaint. These alternate methods include, but are not limited to:

- Via telephone: **(239) 382-5453**
- In person at any VRAP Intake Service center(s): **address(es)**

#### 14.5 Appeals

Applicants who wish to contest a Program determination may request an initial appeal directly with the Program by submitting a written request via electronic or postal mail within thirty (30) calendar days from the date of the determination being contested. Applicants may request an appeal to contest:

- Eligibility determination;
- Duplication of Benefits Gap determination;
- Award Type Determination; or
- Recapture Amount.

Persons who wish to request an initial appeal related to VRAP may do so through any of the following avenues:

- Via the web portal at [www.leeflcares.com](http://www.leeflcares.com)
- Via Email: [leecares@leegov.com](mailto:leecares@leegov.com)
- In Writing: Lee County Office of Strategic Resources and Government Affairs, P.O. Box 398, Fort Myers, FL 3301

The VRAP Appeals Coordinator will conduct an initial review using the request and supporting information submitted by the applicant and make a determination. When practicable, the determination will be made within fifteen (15) business days. Applicants will be notified in writing of the determination made on their initial appeal via an Initial Appeal Determination Notification.

Program requirements established by Lee County and approved by HUD as dictated by law may not be waived or abrogated.

Applicants who choose to file a request for appeal are encouraged to provide individual facts or circumstances, as well as supporting documents to justify their petition. In adjudication of the appeal, the Program will only review facts and information already included in an Applicant's file, unless the Applicant submits new documentation. The Program has the discretion to accept or reject new documentation based upon its relevance to the appeal.

#### 14.6 Exceptions to Program Policies

The VRAP Guidelines set forth the policy governing the program and approved VRAP Standard Operating Procedures set forth the procedures by which policy will be enacted. The Guidelines and the SOPs are intended to guide program activities and enforce compliance with applicable federal regulations. While Program Guidelines and SOPs govern the program, neither should be considered exhaustive instructions for every potential scenario that may be encountered by the program. At times, exceptions to program policies and/or procedures may be warranted. All exceptions requests are reviewed and adjudicated on a case-by-case basis as need arises, at the sole discretion of the Office of Strategic Resources and Government Affairs (SRGA). Exceptions may be granted to program policy or process. However, exceptions to federal regulations, laws, or statutes shall not be authorized.

#### 14.7 Confidentiality and the Protection of Personally Identifiable Information

All records and documents referenced in these policies are confidential. They will not be made available as public information unless required by applicable law. Only authorized staff of Lee County or HUD shall have access to them to carry out their duties and are subject to applicable law. Upon the written request of an affected person, the County shall give the person or the person's designated representative the opportunity to inspect and copy, during normal business hours, all records pertinent to his/her case, except materials that are classified as confidential by the County. Lee County may impose reasonable conditions on the person's right to inspect these records, consistent with applicable laws. Personally identifiable information (PII) includes, but is not limited to, name(s), address(es), social security number(s), FEMA registration number(s), financial account number(s), citizenship, or immigration status, and any other personally identifying symbol(s) or data. PII is protected from unauthorized and unlawful disclosure under the Federal Privacy Act, 5 United States Code (U.S.C.) § 552a. All VRAP staff involved in the administrative processes that allow the program to acquire flood-prone or storm-damaged residential property can or do come into contact with PII. VRAP staff have agreed to protect and maintain the confidentiality of all PII. See Lee County Data Privacy Policy for additional information.

## 15 File Management and Closeout

Lee County shall establish and maintain such records as may be necessary to facilitate review and audit by HUD of the County's administration of CDBG-DR funds under §570.493. The content of records maintained by Lee County shall be as jointly agreed upon by HUD and the County and sufficient to enable HUD to make the determinations described at §570.493.

VRAP staff will establish a file for each property to be acquired and include copies of all notices and proof of receipt, along with other acquisition documents. A checklist should be kept in

each acquisition file to help track the process. Items to include in acquisition files include (if applicable):

- Property impacts tied back to the disaster
- Duplication of Benefits review
- Subrogation Agreement for any future assistance for same purpose
- Applicant eligibility documentation (e.g., documentation of ownership and occupancy for residential property owners; household income; consent forms; power of attorney forms; personal identification documentation; and any other documentation required to verify eligibility for the program.)
- Signed Waiver Donation Form (if voluntary donation)
- Appraisal and Review Appraisal Report
- Map and photos for all improved properties
- Evidence and date of personal contacts with property owner
- Evidence that the property owner was invited to accompany the appraiser
- Evidence that the appraisal was reviewed by council and just compensation established
- Written Offer to Purchase and Summary Statement of the Basis for the Offer of Just Compensation
- Evidence that the items sent to property owners were mailed certified or registered mail, return receipt requested Written acceptance or rejection of offer to purchase
- Written evidence of negotiation (if applicable)
- Copy of cancelled checks
- Summary Statement of Settlement Costs
- Copy of the executed and recorded deed

Following completion of acquisition activities, the County will complete an end-to-end file checklist to ensure the file meets all of the applicable program requirements. This task will be completed for each applicant file regardless of if the applicant received any funds or completed a real estate transaction. All program files must be retained for at least five years after full CDBG-DR closeout.

## 16 Definitions

**Acquisition:** The process of Lee County gaining ownership or control by purchase of real property (real estate) at post disaster fair market value (FMV) of the land and structures for any public purpose, subject to the limitations set forth in 24 C.F.R. § 570.201(a).

**Area Median Income (AMI):** The median (middle point) household income for an area adjusted for household size as published and annually updated by the United States Department of Housing and Urban Development (HUD).

**Applicant:** An individual or household/family who submits an application for the acquisition of his/her storm-damaged primary residence.

**Appraisal:** The product of a systematic approach to determine an accurate estimate of a home's market value using comparable recent sales in the home's immediate area or neighborhood, conducted by an appraiser who is licensed through the State of Florida.

**Appraised Value:** An estimate of the price a property would bring in an arm's length transaction between an unaffiliated and knowledgeable buyer and seller.

**CDBG-DR:** Community Development Block Grant-Disaster Recovery.

**Closing Costs:** Reasonable and customary costs necessary to complete the closing of a mortgage loan to acquire real property. Typical mortgage closing costs include mortgage lender fees, property appraisal and inspection fees, discount points, flood determination fees, loan origination charges, attorney fees, taxes, title insurance, mortgage insurance or fees for government-backed loans, such as FHA, VA, or USDA loans, and registration and filing fees. It is expected that closing costs will not exceed five percent (5%) of the sale price of the home. Closing costs do not include payoff of borrower debt.

**Closing Documents:** All documents necessary to complete the legal sale of real property in the State of Florida and affect a security interest for any mortgage lender participating in the transaction.

**Disability:** A physical or mental impairment that substantially limits one or more of the major life activities of such for an individual.

**Demolish:** The clearance and proper disposal of buildings and improvements.

**Duplication of Benefits:** A duplication of benefits (DOB) occurs when a person, household, business, or other entity receives disaster assistance from multiple sources for the same recovery purpose, and the total assistance received for that purpose is more than the total need.

**Environmental Review:** All qualified projects must undergo an environmental review process. This process ensures that the activities comply with the National Environmental Policy Act (NEPA) and other applicable state and federal laws. For HUD purposes, applicable requirements are found at 24 CFR 58.

**Fair Market Value (FMV):** The price a property will sell for as determined by the current open marketplace given prudent, knowledgeable and willing buyers and sellers.

**Federal Register:** The official journal of the Federal government of the United States that contains government agency rules, proposed rules, and public notices. It is published daily,

except on Federal holidays. A Federal Register Notice (FRN) is issued for each CDBG-DR funded disaster. The FRN outlines the rules that apply to each allocation of disaster funding.

**Federal Emergency Management Agency (FEMA)** - The Federal Emergency Management Agency (FEMA) is an agency of the United States Department of Homeland Security. It was created by Presidential Order on 1 April 1979. The primary purpose of FEMA is to coordinate the response to a disaster that has occurred in the United States and that overwhelms the resources of local and state authorities.

**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.

**Floodway:** A "Regulatory Floodway" means the channel of a river or other watercourse and the adjacent land areas that must be reserved in order to discharge the base flood without cumulatively increasing the water surface elevation more than a designated height. Communities must regulate development in these floodways to ensure that there are no increases in upstream flood elevations. For streams and other watercourses where FEMA has provided Base Flood Elevations (BFEs), but no floodway has been designated, the community must review floodplain development on a case-by-case basis to ensure that increases in water surface elevations do not occur or identify the need to adopt a floodway if adequate information is available.

**Greenspace:** Naturally vegetated open area of land or water within or adjoining an urban area not subject to development.

**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.

**Household Income:** The anticipated gross amount of income from all sources for all adult household members during the upcoming twelve (12) month period in accordance with the definition of annual (gross) income at 24 CFR Part 5.

**HUD:** United States Department of Housing and Urban Development.

**IRS 1040/Adjusted Gross Income ("AGI") Calculation Method:** Citizens of the United States and resident aliens, except those with gross incomes that fall below a certain level, are required to file an income tax return with the Department of the Treasury's Internal Revenue Service (IRS) each year. The tax return is officially referred to as IRS Form 1040. The Adjusted Gross Income (AGI) is listed on the IRS Form 1040 and is the dollar amount used to determine an applicant's income eligibility for participation in the CDBG-DR Programs.

**Lead Hazard Assessment:** An on-site inspection to determine the existence, nature, severity, and location of lead-based paint and lead-based paint hazards.

**Low to Moderate Income (LMI):** Low to moderate income households are those having incomes not more than eighty percent (80%) of Area Median Income, adjusted for household size, as established by HUD on an annual basis.

**Low- to Moderate-Income (LMI) National Objective:** Activities that 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 HUD Guidance.

**Low- to Moderate-Income Housing National Objective:** Activities that provide or improve permanent, residential structures that will be occupied by LMI households upon completion.

**Most Impacted and Distressed (MID) Areas:** Areas of most impact as determined by HUD or the state using the best available data sources to calculate the amount of disaster damage. Lee County is the only MID represented by the Home Purchase Assistance (HPA) program and the Lee County 2022 Action Plan.

**National Environmental Policy Act (NEPA):** Environmental law requiring federal agencies to determine the environmental effects of their proposed actions prior to making decisions.

**National Flood Insurance Program (NFIP):** The National Flood Insurance Program (NFIP) is managed by the Federal Emergency Management Agency and is delivered to the public by a network of approximately 60 insurance companies and the NFIP Direct. The NFIP provides flood insurance to property owners, renters, and businesses.

**Personally Identifiable Information (PII):** Information that can be used to identify an individual, either alone or when combined with other personal or identifying information. Examples include name, address, social security number, or telephone number.

**Primary Residence:** A dwelling where a person maintains or will maintain residence for the majority of the calendar year. A person may have only one (1) primary residence at a time.

**Repetitive Loss:** National Flood Insurance Program (NFIP) – Insured structures that have had at least 2 paid flood losses of more than \$1,000 in any 10-year period since 1978.

**Residential Anti-Displacement and Relocation Assistance Plan (RARAP):** The RARAP is intended on providing guidance on complying with the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970 (URA).

**SBA:** Small Business Administration; the SBA provided loans to help homeowners and businesses recover from declared disaster.

**Single Family Residence:** Residential structures containing one (1) dwelling unit or one (1) dwelling unit within a multi-unit structure.

**Special Flood Hazard Area (SFHA):** An area identified by the United States Federal Emergency Management Agency (FEMA) as an area with a special flood or mudflow, and/or flood related erosion hazard, as shown on a flood hazard boundary map or flood insurance rate map.

**Tieback:** All CDBG-DR funded activities must address a direct or indirect impact from the disaster in a county covered by a Presidential disaster declaration

**U.S. Environmental Protection Agency (EPA):** The EPA enforces environmental regulations meant to protect people and the environment from significant health risks.

**Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA):** A federal law that established minimum standards for federally funded programs and projects that require the acquisition of real property or displacement of individuals.

**Unmet Needs Assessment:** a process for identifying and prioritizing critical unmet needs for long-term community recovery

