

VOLUNTARY BUYOUT AND ELEVATION PROGRAM  
GALVESTON COUNTY, TEXAS

PROPERTY OWNER HANDBOOK

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## Purpose of the Handbook

This handbook has been developed to assist voluntary buyout and elevation participants in understanding the buyout process and the various procedures that must be followed in the voluntary purchase and sale of property under the County's buyout program.

**It should be understood that buyouts and elevations are VOLUNTARY processes. With regards to buyouts, either party may withdraw up until the point of settlement.**

The County may decide not to purchase or the owner may decide not to sell their property at any time during the process until an agreement is signed.

Under the buyout regulations, the County may not take the owner's property by eminent domain or any other process designed to forcibly seize a property.

## Eligibility for Buyout and Elevations

It is important to understand that the Federal Emergency Management Agency (FEMA) does not buy or elevate houses. Acquisitions and elevations are eligible projects under FEMA's, Hazard Mitigation Grant Program (HMGP). Individuals may not apply directly to the state, but the community may sponsor an application on their behalf.

Buyouts and elevations, while 75 percent funded by FEMA, are administered by state and local communities. The state and local communities work together to identify areas where buyouts and elevations make the most sense. Buyouts and elevations are an important way to reduce the risk of future disasters. Money is limited and in most cases, the amount of money set aside for mitigation cannot meet all of the mitigation needs following a disaster. States prioritize mitigation programs with input from the communities.

The process follows the steps outlined below:

- The County floodplain manager prepares a listing of properties located in the designated floodway and/or floodplain areas that have been determined substantially damaged or can otherwise be proven to be cost effective to acquire or elevate with FEMA funds.
- Homeowners agree to voluntarily be included in an application.
- The County prepares and submits applications to the State of Texas and requests funding from the State and FEMA for the purchase or elevation of flood damaged properties.
- FEMA and the State of Texas approve the purchase of certain properties contained on the submitted applications. The main requirement for approval is that the acquisition is either of a substantially damaged property or is proven to be cost beneficial. All elevations must be cost beneficial, even if substantially damaged. In addition, elevations must be structurally sound and technically feasible.

## Buyout Process and Timeframe

Here is how the buyout process will proceed:

1. The owner will meet the County's authorized representative for an introductory meeting. This meeting will include a review of this handbook.
2. The buyout of approved properties begins with the owner signing a "***Property Appraisal Permission and Release***" form. This form authorizes the County to appraise the property and to make an offer to purchase.
3. The County will hire a State Certified Independent Appraiser to perform a current, full pre-flood value market appraisal of the property. The owner will be contacted to arrange a meeting with the appraiser. Seventy-five percent of the cost will be covered by the grant and 25 percent by the homeowner. This step may take approximately four weeks.
4. Upon receipt and review of the appraisal, the County's authorized representative will prepare a "***Contract for Sale***" and arrange to meet with the owner to present the contract. This step may take approximately four weeks.
5. If the contract is acceptable to the owner, the owner will sign the contract agreeing to sell their property.
6. The signed contract will be sent to a title company and funding will be requested for purchase.
7. Closing will take place upon receipt of title work and funding. Seventy-five percent of settlement related expenses will be covered by the grant and 25 percent by the homeowner. This step may take approximately 90 to 120 days.
8. The property must be vacant at time of closing.
9. The County will have the buildings demolished after closing.

## Property Value

FEMA and the State of Texas require that the community base the payment for the property on the "Pre-Flood Fair Market Value" of the property to be purchased under a "Voluntary Buyout Project". Fair market value is an estimate of the amount of money that a property could sell for on the open market. The "Market Value" estimate used by the Appraisal District for tax purposes is not used in determining the "Current Fair Market Value".

Here are the steps that will be taken to assess your property's value:

1. The County's authorized representative will order an appraisal of the property to be performed by a State Certified Real Estate Appraiser. The appraiser will estimate the value of the property to include the land and all buildings and improvements located on the property. Seventy-five percent of the cost will be covered by the grant and 25 percent by the homeowner.
2. The owner of the property will receive a call from the appraiser to schedule an appointment for the appraiser to visit the property.
3. The owner should be present at the time of the inspection and should provide information to the appraiser describing the condition of the property immediately prior to the flood(s).

4. The appraiser will prepare an appraisal report that meets State and FEMA requirements and will submit that report to the County's authorized representative for use in preparing a proposed Contract for Sale for the property.
5. The property owner will be given a copy of the appraisal when the owner meets with the County's authorized representative and receives the proposed Contract for Sale of their property.
6. The property owner may appeal the appraiser's estimate of value by obtaining another appraisal. This must be done by a State Certified Real Estate Appraiser at the property owner's expense.

## Elevations

When a house is properly elevated, the living area will be above all but the most severe floods, such as the 500-year flood. Several elevation techniques are available. In general, they involve: (1) lifting the house and building a new, or extending the existing, foundation below it or (2) leaving the house in place and either building an elevated floor within the house or adding a new upper story.

As mentioned previously, all elevations funded under FEMA's HMGP must meet FEMA benefit cost requirements. That is to say, avoided damages (benefits) must exceed the cost of elevation.

Property must be structurally capable of being elevated.

Homes built in compliance with the County's flood ordinance will not prove cost beneficial to elevate. Typically, a home is not cost beneficial to elevate unless its' first floor elevation is below the 10-year storm event water surface elevation.

Elevations are funded at 75 percent by FEMA and the remaining 25 percent is the responsibility of the homeowner.

The contract vehicle and process for hiring and oversight of the elevation contractors has not yet been finalized. Elevations must be completed in accordance specific FEMA requirements.

For detailed discussions of the requirements and processes of elevating a structure with FEMA funds, refer to FEMA Publication 347 – "Above the Flood: Elevating your Flood Prone House" or visit the following website: <http://www.fema.gov/library/viewRecord.do?id=1424>

**Contacts Directory**

**Appraiser.....TBD**

**COUNTY PRIMARY POINT OF CONTACTS**

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_

**OTHER IMPORTANT CONTACTS**

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Name: \_\_\_\_\_

Phone Number: \_\_\_\_\_

## Schedule and Planning

Activity	Date Scheduled	Task(s)	Date Completed	Comments
Introductory Meeting				
Meeting w/ Consultant				
Contacted by Appraiser				
Appraisal Visit				
Offer Presentation				
Contract Signed				
Closing Date Set				
Move Out				

# Privacy Act Statement

I/We, the undersigned, hereby grant my/our permission for the Federal Emergency Management Agency (FEMA) and the State of Texas to publish through public notice the information listed below pertaining to my real property, which is being considered for post-disaster action by:

**Galveston County, TX**

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Community

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Property Address

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Subdivision

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This information will be used to notify the public that FEMA and the State of Texas are considering mitigation action regarding the above property.

Further, I/we hereby grant FEMA and the State of Texas permission to disclose flood insurance coverage and claim information to officials of Galveston County for the purpose of aiding in their planning and decision making regarding any further mitigation or assistance actions affecting my property under the Stafford Act, Section 404, as amended and the National Flood Insurance Program (NFIP).

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Owner's Name

Signature

Owner's Current Mailing Address: \_\_\_\_\_

Owner's Current Phone Number(s): \_\_\_\_\_

Owner's E-mail Address: \_\_\_\_\_

# Property Appraisal Permission and Release

I/We, the undersigned, hereby grant my/our permission for the local jurisdiction, through the Federal Emergency Management Agency (FEMA) and the State of Texas, to authorize the appraisal of the real property described below to determine the pre-disaster fair market value. Determination of the degree of damage and eligibility for various forms of assistance will be based on the determined value.

**Galveston County, TX**

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Community

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Property Address

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Subdivision

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This information will be used by FEMA and the State of Texas in considering forms of assistance under Section 404 (PL 93-288 as amended by PL 100-707) the Stafford Act).

Further, I/we hereby grant FEMA and the State of Texas permission to identify and disclose any federal or state administered disaster assistance and grants, which may impact the value and potential compensation for my/our property to Galveston County for the purpose of aiding in their planning and decision making regarding project applications and administration of measures covered under the Stafford Act, Section 404, as amended.

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Owner's Name

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Signature

Owner's Current Mailing Address: \_\_\_\_\_

Owner's Current Phone Number(s): \_\_\_\_\_

Owner's E-mail Address: \_\_\_\_\_

## Statement of Voluntary Participation

THIS STATEMENT made this \_\_\_\_\_ day of \_\_\_\_\_, 2009 by \_\_\_\_\_, hereinafter referred to as “property owner,” acknowledges the following:

1. Property owner affirms that he/she/they is/are the owner/owners of property located at \_\_\_\_\_, hereinafter referred to as “property.”
2. The owner acknowledges that if they accept the County’s voluntary offer to sell, they will be responsible for the required 25 percent local match.
3. Galveston County (“County”) has notified property owner that the County may wish to purchase property, and, if property owner agrees to sell, property owner must permanently relocate from property.
4. The County has notified property owner that property owner is not required to sell property and the County will not use its power of eminent domain for the purpose of this acquisition project to acquire property if property owner chooses not to sell.
5. The County has notified property owner that if property owner agrees to sell property to County, such a transaction is voluntary. Consequently, property owner is not entitled to relocation benefits provided by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, which are available to property owners who must sell their properties involuntarily.
6. The County affirms that it has provided the notifications and explained the information described in the preceding paragraphs, and property identified above is not a 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.

\_\_\_\_\_  
Property Owner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Property Owner Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
County Authorized Agent Signature

\_\_\_\_\_  
Date