

**October 30, 2015 Flood Event
Staff Recommendations: Buy-outs**

1) Should the appraisal and offer be made on pre-flood or post flood (as-is) value of the home?

- The Federal Emergency Management Agency (FEMA) and the U.S. Army Corps of Engineers (USACE) require pre-flood appraisals for structures in federally funded buy-out areas. Following the October 2013 flood, pre-flood values were used for the emergency buyouts for approximately eight months following the event, then reverted to as-is condition.

Staff Recommendation: Appraise at pre-flood condition (as of 10/29/15).

Cost Impact: No impact.

2) Should structural insurance claims be subtracted from the fair market value price of the home?

- FEMA and USACE require subtraction of insurance benefits (not including any receipted repairs that were completed to the home) for federally funded buy-outs. Following the October 2013 flood, insurance claims collected by owners were deducted from the pre-flood value and any receipted repairs to the property were added back in to the offer amount.

Staff Recommendation: Subtract structural insurance claims from pre-flood value to remain fair and consistent among neighborhoods with multiple funding sources.

Cost Impact: Funding surplus of approximately \$6 million.

3) Should the occupancy requirement for relocation benefits be modified due to extenuating circumstance?

- a. **Owner Occupied:** Current federal laws require that in order to be eligible for relocation benefits an owner must occupy the home. FEMA and USACE agree that for a reasonable time following an emergency event, denying relocation benefits to those owner-occupants who would have otherwise been in occupancy of the home had the flood event not occurred should be made eligible for relocation benefits.

Staff Recommendation: Consider owners who occupied the home as of October 29, 2015 eligible for relocation benefits, unless at the time the offer is made, the home is currently occupied by a tenant or under new ownership.

- b. **Tenant Occupied:** Following the October 2013 flood event, those tenants that were in occupancy of the property on the day of the flood were made eligible for relocation benefits for approximately eight months after the event. After that time, only those tenants that were in occupancy of the home at the time the buyout offer was made to the landlords were made eligible for relocation benefits. Instances may occur that if all tenants are made eligible for relocation benefits and vacate the property, a landlord may move a new tenant into the home. Therefore, a subsequent tenant would be made eligible for relocation benefits from the acquisition of the home from the landlord.

Staff Recommendation: Consider tenants who occupied the home as of October 29, 2015 eligible for relocation benefits, unless at the time the offer is made to the owner, the home is currently occupied by a new tenant.

Cost Impact: No impact.