

CDBG-DR and CDBG-MIT Grantee-Led Sessions

1: Planning and Implementing Buyouts: Pre- and Post- Disaster

Tuesday, March 30, 2021

Jennifer Carpenter: All right. Thank you. And thanks everyone. Good afternoon. I just wanted to come on and welcome everyone to the sessions and thank you for joining us for these grantee-led sessions. Obviously, we had hoped to meet in person for the problem-solving clinic this year and sad we can't do that. But what we have tried to do is kind of recreate what happens at those problem-solving clinics and really give you an opportunity to hear from your peers.

Almost every year that we have a clinic, the evaluations afterwards really show that you guys value that peer-to-peer networking opportunity. And so, this is what we try to do in this first virtual training series for the year. You can keep a lookout for additional virtual sessions. We're going to keep going and really try to recreate all components of the clinic. We're just starting with these grantee-led sessions. So, a special thank you to all of our grantees who volunteered to join us and lead the session and the topics that we have today and over the next two days.

We literally could not have done it if we hadn't had these grantees volunteering to share their experience and to talk about best practices for how they run these programs or their experience with putting together an action plan and how that worked for them. And so, we really hope you all will get a lot of value out of hearing from your peers on these things and again, a special thank you for everyone volunteering their time to be a part of this series. So, thanks again.

And one last announcement I'll make. Tomorrow at this session at one o'clock, we are hoping to be joined by our new Deputy Assistant Secretary Kevin Bush if his schedule allows, so, he'll be joining for a virtual welcome and to meet all the grantees in this new virtual environment that we have. So, please join us for that at the top of the hour at one o'clock for tomorrow's session to meet Kevin as well. So, thank you and I will turn it over to Scott.

Scott Ledford: Thanks, Jen. Hi everybody. My name is Scott Ledford and I'm pleased to be joined today by my colleague, Olivia Healey as well. We are very excited to have you here for the first in this series of CDBG-DR and mid sessions that are being led by your peers and which provide an opportunity for you to engage with them about best practices, what's working, maybe even what's not working. A quick reminder that there are eight more sessions after this one and they are intentionally scheduled to provide a 30-minute break for you between the sessions.

For each of these sessions, the speakers will present their content through its conclusion. Then we will begin the Q&A portion of the session. There are some questions that several of you sent in advance through the questionnaire that was sent out to registrants. So, we'll go through those first. Then a quick reminder that you can also still submit questions during today's presentation through the Q&A box that our host identified as located on the right side of the screen.

You can submit your questions any time throughout the session and we'll raise as many of them as we can to the presenter within the available time.

Now, it's my pleasure to formally introduce today's presenter. As the Chief Policy and Research Officer for the Governor's Office of Storm Recovery, Jane plays an integral role in helping to successfully implement five key programs: housing recovery, small business, infrastructure, community reconstruction and rebuild by design, as well as providing the primary leadership to the agency as part of the executive team. Established in 2013, GOSR coordinates statewide

recovery efforts for superstorm Sandy, Hurricane, Irene and tropical storm Lee and invest \$4.5 billion made available through HUD's DR Program to better prepare New York for future extreme weather events.

Ms. Brogan oversees the policy research and strategic analysis and the organizational systems and performance departments, which formulate and evaluate the implications of policy, conduct research, compile and analyze data and build and maintain systems. Additionally, she advises on the proper utilization of the state's allocation of CDBG-DR funding, working to ensure that programs comply with all applicable policy and federal requirements. And without further ado, I'm going to hand it over to Jane.

Jane Brogan: Thank you. Hi everyone. I am so, glad to be talking to everyone today and I echo what else said. I look forward to the days that we can do this in person. As Scott said, I am Jane Brogan and I work for the New York State Governor's Office of Storm Recovery or GOSR for short. That's much easier to say so, I'll probably be referencing it as GOSR going forward.

So, I'm going to talk about how New York State planned for and implemented buyouts after superstorm Sandy as well as lessons that we've learned along the way. Climate change, rising seas and increased extreme weather events highlight the need of using buyouts as a recovery and adaptation strategy, and I'm excited to talk about our experiences and hope that they can help guide and inform your current and future programs.

So, in the weeks and months following Sandy, we quickly recognized that we could not pursue a one-size-fits-all approach to recovery. In contrast to our repair and reconstruction options, the buyout program acknowledges the fact that we use the wisest or most practical solution and that some neighborhoods are simply no longer safe for residential occupancy. Our buyout program works hand-in-hand with our acquisition program.

The acquisition program purchases storm damaged properties and then auctions them off for more resilient redevelopment. This program operates in areas [inaudible] less risk of flooding and it is integral in retaining housing stock in communities where often we are taking hundreds of homes off the tax rolls. But it still offers an option to homeowners who are interested [inaudible] and want to move.

To date, we have purchased over [inaudible] homes totaling over \$480 million through both the buyout and acquisition programs. For the buyout program alone, we've purchased over 700 properties for more than \$270 million. Our buyout program is a voluntary program and is offered in areas where properties and residents are regularly at risk. Properties in defined buyout areas and I'll get into how the areas were determined on the next slide, or in the floodway were eligible for the program.

Vacant land within these targeted areas was also eligible. Offers started at 100 percent of the properties pre-storm fair market value less any duplication of benefits plus incentives up to 15 percent. Our incentives are outlined in our action plan and we had to justify them as being necessary and reasonable and applied consistently across all of our applicants.

There is a five percent replacement dwelling incentive if an applicant purchases a replacement dwelling within the same [inaudible] and a 10 percent incentive that's basically a participation incentive in order to get maximum [inaudible] in the program. The structures are then demolished and the land is reseeded and graded with native plant species. A restrictive covenant is recorded to prohibit any future development with the ultimate result being that the land is permanently maintained as open space.

GOSR will not be the long-term land steward of the properties and I'll get into a discussion on disposition planning and strategies a little later.

It's important to have a process to define the geography of your buyout areas. It will make [inaudible] and help provide support to explain why other areas aren't being offered buyouts. To determine which areas would be eligible for the buyout program, GOSR worked with New York State Department of State. DOS has a risk assessment tool which identifies categories of risk based on hazard, exposure and vulnerability.

For GOSR's buyout program, areas that were identified as extreme or high-risk areas were considered. We then used additional criteria that included if there was a history of flooding or damage caused by extreme weather events, if local and county officials were interested and understood the benefits and if the majority of the property owners voiced an interest in a buyout.

One of our most successful buyout areas is Oakwood Beach in Staten Island. We have purchased 307 parcels, totaling 25 and a half acres of land. You can see from these maps at this community faced lots of risks and buyout were an ideal option. The first map on this slide shows the Oakwood Beach buyout area with the parcels bought out overlaid on DOS's risk area map. The second map shows the Sandy inundation area for that same location.

Even before Sandy, residents had experienced severe and repetitive flooding. They were no strangers to the idea of a government-led buyout and after Sandy, the community was quick to express interest in a buyout program. And as you can see from the last map, by turning the Oakwood Beach buyout area to natural green space creates a continuation of an existing natural barrier along the shoreline.

Since GOSR is temporary, we are not suitable long-term land stewards for our buyout properties. Recognizing this fact, we have been in discussions with state and city agencies, nonprofits and other organizations to think about the long-term future of these parcels. One of our lessons learned is to start discussion of ownership and options for disposition at the same time you're designing the program. It can take time to find a land steward and come up with suitable end uses.

Examples of some of the end uses of our buyout properties include building green infrastructure such as rainwater catchment systems and bio swales, expansions and municipal parks and increased access for the public and providing properties to neighbors through a lot next door program, which is a good strategy for scattered sites.

I think we all know the benefits of buyouts and recognizing the ever-increasing need to offer them. So, I'm going to focus on some of the challenges to keep in mind as you design and implement your programs.

The first is incentivizing participation. Homeowners are attached to their homes and most likely could face hardship finding comparable housing within their purchasing power. It's also important for people to recognize the impacts of climate change and sea level rise, especially if it's been years since a devastating storm. Program aim [inaudible] a buyout and that [inaudible] moving out of a high risk area. You should also think about what financial incentives can be provided in order to get some participation.

Next is ownership and title issues. Ownership and title issues can be a factor that limits participation. It's important to be aware of this and figure out which applicants may have issues and spend time on a plan to resolve them if possible. This could also be an area where partnering with a non-profit group may be beneficial.

And appraisals and procurements. I want to highlight this because this is an area that the OIG has audited a few times and as much as I love talking about the OIG, Jen did recommend this and it does make sense to talk a little more about it. For GOSR's audit on appraisals, the OIG reviewed how the fair market value was determined. The OIG's observations were that our appraisals weren't supported or they were inaccurate and that GOSR's independent appraisers didn't follow requirements and methodologies.

We strongly disagreed and believe that our appraisals are done correctly and these items aren't issues. But it's definitely something to be aware of as the OIG has brought this up a couple of times. Appraisals are complicated especially after a storm and GOSR used an expert who relied on the uniform standards of professional appraisal practice to do the appraisals. Also, the OIG's appraiser that they used during the audit didn't have any experience in New York State.

I believe the key takeaway of this is that you need to be aware that appraisals are an OIG hot topic and make sure that your appraisers document everything needed for someone to recreate their work, such as their calculations and methodologies.

Another observation from the OIG audit related to procurement of our appraisals. If you use an existing contract, which can often be done in the early days of recovery, assess that the procurement meets the federal standards consistent with what you'll be using the contract for, and try to do a new procurement for the work that would limit any of the issues that New York state is currently facing with the OIG.

Tenants and URA. Renters can lose everything in a disaster or tend not to receive as much support when it comes to recovery and they don't have as much say when it comes to buyout programs. Discussions with renters about their options and URA resources should start early. Renters may change between the start of a buyout program to the final purchase and renters who have since moved away may be eligible for URA. It's important to get as much information as possible from the applicant on the rental history of a property so, you can comply with all the URA requirements.

Non-award related costs. Buyouts are expensive and buyouts that are most effective [inaudible] buy in and that can be costly. There are also not award related costs that you should consider and budget for such as long-term O & M until final disposition, demolition of structures, insurance, taxes and fees and then as I just mentioned, URA.

Tax space implications is another big issue that we have heard during the planning and development of our buyout areas. Buyouts can face opposition from municipalities because they primarily depend on these property tax revenues. Programs should work with all stakeholders, including local governments, business associations and community groups to discuss the advantages of a buyout and identify areas that would most benefit.

It needs to be recognized also and discussed that at some point the market is going to realize the issue of sea level rise and property values and taxes could decrease greatly at that point. In addition, many applicants [inaudible] that same community as municipalities are aware of that, they may be more receptive to welcoming the idea of buyouts and can start planning for the development of resilient housing for people to move to. Relocation with the same community can also [inaudible] through national incentives.

And then a few other things to consider as you're developing and implementing a program. Communication strategy and timing. Buyout programs can be a lengthy process. If you're thinking of doing a buyout program, especially in response to a disaster, ideally, you'll have some time to develop options for homeowners. In your first communication with homeowners, discuss that a buyout may be available to them, engage if they would be interested. Getting this information will help both you and them understand timeline and eligibility.

And as I mentioned, the buyout process can be long and often confusing. So, ensure that you have the resources allocated to communicate with everyone in the community.

We've noticed that buyout programs keeping applications open longer can be very beneficial especially for buyout programs to encourage participation. A lot of neighbors who originally weren't interested in buyouts were seeing that their neighbors were participating and the homes were being demolished and then they wanted to enter a buyout program. And so, that is a way to encourage maximum participation for a buyout program in a buyout area.

And then as you're developing your program, think about how other programs may interact with your buyout program and complement a buyout program. For instance, for repairs and optional relocation assistance, it's best to try to coordinate these programs to limit transfers between programs as well as reduce spending.

For example, at GOSR, we provided repair funds to some homeowners who eventually decided to join our buyout program and that was sometimes created a complicated duplication of benefit on an award calculation and then some of the homeowners actually did use our repair money to repair their home and then entered a buyout program. So, it is a way to kind of limit costs as well by not offering awards in two different kinds of programs.

FEMA HMGP is another area where it can complement buyout programs which can be used as a global match to FEMA HMGP. You will need to work with FEMA to submit an application and ensure that the program is FEMA eligible and we did this with our buyout programs. And the biggest difference that we encountered is that the covenant language required for FEMA is a little more stringent. So, we made sure that we used that language for the properties that we were using to qualify for global match.

Affordable housing developments. If the need is identified, coordinate affordable housing options that can be available for buyout applicants. And another complement to buyout programs is workforce development options. We created a workforce development program for our demolitions. And that's a good complement of a type of program that you can go hand-in-hand with buyout properties.

National objective considerations. There are a couple of ways to document the LMI National objective for buyouts. You can use LMB which uses the seller's household income or LMA which maps the area of benefit. But the goal of a buyout is getting people out of the highest risk, you may not be able to prioritize LMI households. There are also equity considerations of moving only LMI households out of a community.

Given all this, for GOSR's programs, we identified our buyout areas based on risk and understood that this could affect our LMI numbers. So, just something to consider as you're going in in terms of maybe developing and prioritizing other programs outside of buyouts to really focus on LMI households and communities too.

And then where do people move? Ideally, there is a coordinated process that looks at buyout areas as well as the receiving areas. It's just as important to ensure there is affordable, resilient housing [inaudible] support for people to relocate to. This is hard to do immediately after a disaster and in the middle of a large-scale recovery effort. Pre-disaster planning will give communities more time to identify and develop options.

It's good to understand where people are interested in moving and a buyout can assess housing needs. Many want to stay in the same community close to work, school and friends. In GOSR's buyout program, 66 percent of applicants relocated in the same community and 77 percent relocated within New York State.

And a lot of this planning and implementation takes time. I recommend that we all start identifying risk areas and relocation options around our states as soon as possible so, that we can be ready with a well-rounded program when funding is available.

So, this slide pretty much just sums up everything I said as the key big takeaways. Communication early and often and involvement of all stakeholders is very important. Buyouts can be expensive but they're incredibly beneficial and a tool used for adaptation and to get people out of harm's way. So, you should just be aware of that and allocate the funds that are needed.

And start planning a design early for all phases required for buyouts at the same time. The actual buyout -- identification or development of housing for homeowners and renters are part of the buyout and decision strategies.

I'm glad I talked fast because -- and that is it. So, I'm glad I talk fast because I know that there is a lot of great questions and I wanted to make sure that there's plenty of time for the questions and discussions. So, I am ready to get into them.

Scott Ledford: Great. Well, thanks.

Jane Brogan: Thank you.

Scott Ledford: And yeah, you had perfect timing. So, just a real quick reminder to folks there is the Q&A box. We'd love to see some more questions coming in. We very much wanted to leave a lot of time for this kind of dialogue. So, we do have some questions that were submitted in advance as I mentioned. So, we'll go ahead and start with those while you're putting more questions into the Q&A box.

So, for first question, we actually have John Zakian who submitted a question through the questionnaire and has volunteered to show up on camera and asked his question himself.

John Zakian: Thank you. This is coming from a slightly different direction than what Jane has been talking about it but it's the same underlying principles. I'm the grant administrator in Minot, North Dakota. We have a very aggressive involuntary acquisition program, meaning that when necessary, we go to court and use eminent domain to acquire these properties. We are acquiring more than 400 individual parcels running along a river that was the subject of half of the city of Minot being flooded in 2011.

There is projected a more than billion dollar system of flood control projects which is why we're buying this property, anywhere from levees to actual flood walls to flood storage areas. [inaudible] the only questions I had is what strategy is most effective in carrying out an involuntary buyout program that matches the acquisition timeline with the construction timeline for the projects for which acquisitions are needed to avoid the problem of land banking?

Again, a little background. The city of Minot is required to purchase the properties. However, it is a state regional entity that's actually undertaking the flood control projects in conjunction with FEMA, the Army Corps of Engineers and several state agencies. And sometimes we're finding that what we are originally told was a timeline for construction is getting delayed and we're becoming concerned about an issue of land banking.

And then a subset question to that is what are successful strategies in successfully negotiating purchase prices to avoid eminent domain and what is reasonable time frame for seeking amicable agreements on a purchase price prior to deciding to go to court?

Jane Brogan: Thanks John. So, [inaudible] has examples of this. All of our buyout properties were considered voluntary and the program was developed as a buyout program rather than

developing what that end use is and then identifying which properties needed to be bought out based on that end use. So, we didn't have to [inaudible] and the URA implications were only for the renters in our program.

Now, I will say that we do have some of our infrastructure projects that are outside of our buyout program where we had to face some similar situations regarding acquisition of property both permanent and temporary in order to construct the infrastructure and we are facing, especially due to COVID some similar issues as it relates to the timing of the infrastructure and construction.

I think the important thing when it comes to trying to avoid any URA or eminent domain issues is again having those early discussions and those early negotiations. I think that it is something to be said if [inaudible] the same award that you could through a volunteer program. So, take that into consideration and maybe have like some subsequent award or subsequent process in order to get people to participate in the program. Sorry. I mean we don't really have the involuntary side of this as a program and really looked [inaudible] so I don't have as much experience to answer part of the question. There's a lot of questions.

Olivia Healey: There's a lot of questions coming in. I think we have another one that we received before from our questionnaire that we wanted to get addressed on the phone today. And it's relating to park projects and what are the eligible costs that need to be considered? Specifically, if you're going to reconstruct a park and add a detention within the park property and then provide any amenity improvements such as a soccer field or a trail, are these costs reimbursable?

Jane Brogan: This is definitely something to consider as you're putting together a budget for your buyout program. Again, they can be really expensive just on the front end of offering awards to homeowners. For GOSR, our disposition energy is that whoever is the long-term land steward, they would take on the requirement, the costs and the maintenance of those properties and some of them are -- like we have one, I think this question indicated, like soccer fields. We did disposition some other properties to a soccer league and they took on the cost of those improvements.

Now, they could be eligible, right? Like I mean in the typical HUD regulations, any type of end use structure that would be eligible under the regulations could be reimbursable. But for budgetary reasons, at GOSR, we didn't do that and I do have to say that also was part of the harder part of finding long-term land stewards because we didn't have money allocated that we could give them. So, they had to have the money in order to be able to make these improvements.

Scott Ledford: Great. So, we do have a couple more questions that came in from the questionnaire. So, we'll hit those and really appreciate everybody sending all your questions in on the Q&A. So, we'll be jumping to those very shortly. So, the next question that came in from the questionnaire was will the buyout of multiple rental properties create an affordable housing problem? Are we required to use grant funding to restore accessibility to fair housing?

Jane Brogan: Again, I think this kind of gets into [inaudible] question. At GOSR, our grant we weren't required to restore affordable housing. I will say that where our buyout properties are, they were mostly single-family housing units and they weren't considered affordable housing. It is incredibly important though that if a buyout program is going to be taking off affordable housing properties, it is very important to ensure that you have a program that either finds the applicants and the renters' affordable housing options that are resilient or you work to develop them somewhere.

We did not run into that problem. We did do an assessment of who our applicants were, but we didn't run into the problem where we needed to create affordable housing for people to move into.

Olivia Healey: Thanks, Jane. Some additional questions kind of came into our Q&A about this but just kind of building on the incentives' discussion. The background information to kind of ground our question here is many of the homes that were completely flooded in the disaster in Oklahoma, the fair market value for these homes are about \$30,000 and most of the people left there are on disability and cannot afford a new mortgage payment. Most places around the town are in high elevation or priced significantly higher.

What are some options for buyouts that are sustainable and actually beneficial to LMI so they can afford to live elsewhere? And this is definitely important to kind of discuss about because most areas that are affected are well below the base flood elevation. And that's why the land is so cheap and the surrounding communities will always be more expensive so fair market value will not allow the residents to purchase another home in a nearby town.

Jane Brogan: This is the reason why the [inaudible] incentives is so important and if you compare FEMA buyouts that has a cap on the kind of the incentive that you can provide with HUD buyouts, you'll see definitely increased participation through a HUD-funded buyout program. You have to get kind of creative in how you structure and justify your incentive structure.

You incentive ability is open-ended as long as it's necessary and reasonable and applied consistently. We developed it through creating those percentages, the five percent and the 10 percent and it was a little bit backing into looking at what the market is and what the applicants needed in order to purchase a new home and have a mortgage on a new home. And so, if you talk to some other grantees I know Louisiana has structured their incentives a little bit differently, but the ultimate reason to the way that we've all kind of structured and identified our incentives is to ensure that the applicants can find suitable safe new housing.

And it's a great tool in order to be able to do that. I don't think buyouts, especially a voluntary buyout program would be successful in getting maximum participation without the ability to use incentives and don't undershoot the incentives as well. Like if you think that what you need in order to get people to participate is X number of dollars or X percentage and you think that's high, really work with your team and work with HUD to come up with a way to justify that because the idea behind this buyout is to get people out of harm's way. And if this is the only

way to do it then I'm sure that there is data out there, especially when you're dealing with the market to justify those incentives.

Scott Ledford: Great. Thanks. So, we're moving on to the Q&A box now. And again thanks to everybody for all of your submissions in here. I'm going to ask an incentives one first because we're kind of on that topic. You probably hit on this, but maybe we can do it really directly. Where did the money for the incentives come from?

Jane Brogan: At GOSR, our incentives were paid through our DR grant. So, at GOSR, all of our funds are through our CDBG grant. We have three separate grants, two different appropriations, one for DR and we allocated money to our buyout program.

Our buyout program has a very high allocation because of this and we also only did four buyout areas because of this. We identified the highest risk areas, looked at what our resources were and that's how we identified the buyout areas that were eligible and then created our budget of what was needed.

Olivia Healey: Great. We have a question that came in about how did you handle the mobile home owners that want to be bought out?

Jane Brogan: Mobile homes can be very unique across different grantees. So, I'll say this. Across different states before -- I'll caveat this before I get into this. But manufactured homes can be considered real or personal property depending on your state and that has different requirements of kind of purchasing and ownership related to manufactured homes. So, before you get into a buyout program that includes manufactured homes, just be sure that you understand the real or personal property requirements and how they are defined.

We have a kind of buyout program. We try to do a buyout program of manufactured homes in New York State. What made it incredibly difficult is that the manufactured home owners don't own their land. So, we were negotiating with the manufacture park owner for their land. They were not in New York state. They were not responsive. It was very hard to reach them and it was very hard to negotiate with them.

Ideally, we would have loved to have done this as a buyout because it was in a piece of land that was incredibly high risk and had repetitive flooding and we would have loved to put a covenant on that land so that there could be no further development, but we were not successful there. We could not bring them to the table and when we did, they wanted way too much money. They were very unreasonable for us to purchase that land.

So, instead what we did, we still recognized that these manufactured homeowners were still at very high risk. We offered opportunities to get them out of that area, which included home ownership assistance, rental assistance and relocation assistance. We kind of offered them a suite of packages to get the existing owners out and into a safer area. We worked or we told the county that there were a lot of these issues when it came to the landowner and hopefully the county will enforce some zoning requirements so that the risk level has been decreased but there was nothing

that we could unfortunately legally do with the land and that manufactured home land owner could still put people back on that land.

But at least we got the people out who wanted to get out and who were impacted by the named storms. [inaudible] that's what stops a land owner from just renting to another mobile home owner. And that was the devastating piece of this issue that we were not able to bring the landowner to the table to negotiate this. We were not successful in that and the county was a little apprehensive in enforcing some of the zoning requirements.

So, the manufactured homes were also piled on top of each other. The plots were very small and they didn't comply with zoning requirements. So, that's also why we couldn't do any on-site work like elevation or other sort [inaudible] and so, it was devastating and it probably will keep continuing to happen again but it really is now up to that county to enforce some of the zoning requirements that were put in place to protect against repetitive flooding.

Scott Ledford: Great. And you're following the Q&A box as well.

Jane Brogan: They're coming in quickly though.

Scott Ledford: They are coming in quickly, right. Yeah. Yeah. It's great. So, I'll just jump to one real quick. Has GOSR paired buyouts with any affordable housing development?

Jane Brogan: We have not. And that gets me to my point of pre-disaster planning. GOSR didn't exist until after New York State got our CDBG grant. New York State didn't really have a storm like Sandy until Sandy hit either. So, we were developing all of these programs after a storm and in response to the storm with our main focus really being on single-family repair program, getting people back into their homes. So, we didn't have the luxury of time to really plan the bigger picture.

So, one of the biggest recommendations is to start that planning now and both for having affordable housing development and the disposition to plan would benefit from starting right now rather than buying everyone out and then looking at the property be like, oh, what do we do with it now or these people really need some place to move to.

Pre-disaster planning especially for buyout areas, you can identify risk areas now so that when you have the money you can be ready to go.

Olivia Healey: Great. Had an interesting question come in. What does the first conversation with local officials look like and how do you broach those subjects?

Jane Brogan: It was different for each elected official. It depends on which county we were having the conversation with. The Oakwood Beach properties are in Staten Island and the Oakwood Beach Community had been [inaudible] with their elected officials about buyouts since the 1980s because there was repetitive flooding. Those were very easy conversations to have. The elected officials understood what a buyout program was, what it meant to their communities and why it was important.

So, for those communities, we were able to go in and especially if you're leading with your residents already reached out with interest and it's a big group and this is why those conversations are a lot easier. Now in some of our other counties, I will say that we don't do buyouts in a couple of counties because the elected officials didn't want to participate.

In Sandy, like in 2013, there wasn't a lot of data or science out there that you could use to show the benefits of a buyout program. It was really in reaction. We were really having these conversations in reaction to the one storm. And I think one of the great things now like at GOSR, we have all this data. We're starting to really understand and use the data from our programs to show the success and what it means in relation to future storms and climate change. So, I think those first conversations really are, one here is the data. Here is what it can look like for future flooding, especially if someone [inaudible].

And two, if anyone has reached out to [inaudible] or has expressed an interest, lead with that also.

Scott Ledford: Great. So, a little bit of a follow-up on that one with a different twist. How do you start the conversation with homeowners before a disaster? Is the approach, hey you all are living in a risk area or is it more, you know, we need to think about what your risk may be in a storm?

Jane Brogan: I think it's a little bit of both. It's going to be a little bit of both. In New York State, our buyout properties and the biggest risks are from the repetitive flooding or sea level rise, but we're not losing land as much as some other states are losing land. So, our buyout properties, we have kind of the luxury of time and planning and categories and risk in those areas. And I think that given everything that's been happening in terms of storms, not even rise to the federal level, but homeowners are pretty savvy and they're pretty aware of what their risks are. I don't think that it would be as big of a shock that if you came to them and said, this is our risk. We're trying to map buyout areas. What is your interest? I don't think it would be that big of a shock.

I do think it's really important to just be very frank and open about them. If you are willing to do a voluntary buyout program, stress that, that you're not government coming in to take away their homes. I think that's one of the most important things to say as you're engaging with homeowners so that they can feel a little more comfortable that they're safe in their home and they have a decision that's part of it this. And then also find out what their interest level is. Find out where they would be interested in moving to, if want to stay in the same community, if they want to move to Florida and retire so that you can assess like what is also needed for that receiving city.

And then find out if there are any ownership or title issues too because if you can get all that worked out or planned upfront and then you get the money, all those things are kind of already taken care of, but I think the first thing in is we are assessing a voluntary program and then talk about the risk and what it really means.

Like if they have a 30-year mortgage, what their flood risks look like. If there is recent spring rain storms that weren't like at the federal level, but they still flooded, really talk them through that and what that means for the next 30 years or 10 years depending on what their mortgage looks like and why buyouts are an option and some of the things that you are doing to plan with them.

Don't think that you're going to just leave them on their own, but that you'll work with them to maybe find them other affordable housing and resilient housing in the same community and here are the other programs that the state or the city is working on to be complementary for the buyout programs.

Olivia Healey: We have some follow-up to the mobile home questions that we could hit or we could transition to some national objective ones. What's your preference, Jane?

Jane Brogan: Oh, I don't have a preference. If anyone -- I left my email at the end of this also so, if anyone wants to reach out to me, I'm happy to answer all of these questions [inaudible] too.

Olivia Healey: Let's go back to the mobile home just to close that discussion and then we can open up and finalize the national objective ones. To follow up with the mobile home landowners, did GOSR reach out to the locally elected county officials to discuss the issues or did you --

Jane Brogan: We did.

Olivia Healey: Okay.

Jane Brogan: We did. There's a big tax base. There's tax incentives. There's a lot involved in those conversations and maybe why it's gotten this far and these manufactured home parks look like what they are. It's a business also and that kind of is a layer on top of kind of these negotiations, but we spent a lot of time talking to the county about what we were planning, what we were and what we are leaving and what the issues were.

Olivia Healey: And then just the last one that's kind of that we have in our box right now about it is can you just discuss the type of relocation assistance you offered to mobile home owners that did not own the land on which the mobile home was located?

Jane Brogan: Sure. Let me try to remember. I forget all the options. So, I think we did it through an optional relocation plan. And we created an optional relocation plan and we mapped out what their, I can't remember. It's in our action plan. If someone wants to reach out to me, I can read our action plan or I might remember it. We just closed this program. So, it's been a couple of years since we did it but we selected a couple of months. We kind of structured it like we would with URA. And provided that as an option to homeowners.

And if anyone's interested too and reach out to me, I can also put numbers too. I think the majority of the people who participated did take kind of the optional relocation assistance versus the home ownership assistance, but I would need to do a little more research to remember but if anyone reaches out to me I can get that all for you.

Scott Ledford: Great. Thank you. So, we've had a few questions come in that are roughly related to environmental review. So, I'll just kick off with one of them. Can you speak to any challenges you had on the environmental reviews?

Jane Brogan: We actually didn't have any challenges on our environmental review other than timing. So, I think I saw a couple of questions. So, I'll try to address them in this answer also. So, we did a tiered review. We did our acquisition and our buyout program together and in terms of like end use, as much as we're talking about disposition strategies and what could you do, having a buyout program, you are very limited in the types of end uses that you can have and the types of structures that you can give [inaudible] who are actually eligible.

But we kind of just looked at that as our end use when we were doing our environmental reviews for these properties. Demo was included in them also because GOSR was demoing them. And so, the biggest thing was really timing because we weren't just doing the environmental review on the purchase of the property, but we were also looking at that disposition and going through all the processes needed for the full picture of the buyout.

So, it took some time and I think that's just the biggest thing especially when we had such a large population. We had 1200 applicants so, such a large population that we were doing this on also but really no issues came up. We didn't have anyone who wasn't eligible because of environmental review or anything else like that. It's just the timing to be considered.

I would definitely recommend tiering it, doing tier review also. And we contract, I just saw, we have an environmental team. We have a few environmental lawyers that are employed at GOSR but the majority of all of our environmental work and environmental reviews was done through contracts for any of our programs.

Scott Ledford: Well, I think you answered all of them. You saw them also.

Olivia Healey: Okay. Transitioning to the national objective questions that we've gotten. We've been told by the State that the urgent need is not applicable to our buyout program and we are concerned that most of our properties are not going to be LMA or LMH eligible. In other words, we're going to rely on urgent need. Assuming your waterfront property owners are not LMI like ours, did you find a way to meet the national objective without using urgent need?

Jane Brogan: So, that's a tough one. I don't know who sent that in, but it sounds like [inaudible] recipient to a grantee. So, and the grantee trying to be cognizant of their overall benefit requirement is requiring some projects to either be fully LMI and not utilizing the urgent need national objective. GOSR's a direct grantee so, we did decide that our buyout program is going to be a program where we probably take a hit when it comes to the LMI numbers because we really went from these are the riskiest areas rather than trying to prioritize if they were LMI or not.

We could not have done our buyout program if we couldn't have utilized the urgent need national objective. The majority of our properties are identified as urgent need, so, we could not have done it. I think that there is, I mean it's tough because you do have the overall benefit

requirements associated with it. There are some equity considerations also that if you only buy out low-income communities that are in a pocket of not low-income communities that changes kind of the fabric of the area also. So, there are a lot of considerations when it comes to LMI and equity when it comes to how do you do the buyout programs.

And is there an issue if you focus only on LMI, or is it great if you only focus on LMI too because those could be at the highest risk areas also. But urgent need, we utilized that quite a bit. We couldn't get creative to try to figure out how to make all of it LMI.

Scott Ledford: Great. To take slightly a different twist now, can you talk a little more about the lot next door program?

Jane Brogan: Sure. So, our lot next door program was developed as a disposition strategy. Once we saw that we were getting some scattered sites again, because it's a voluntary program, this was mainly in our Long Island properties or buyout areas that not everyone was participating and as big of a group as say like Oakwood Beach.

So, we had to come up with some disposition strategies. The lot next door program was not known to applicants or the community prior to starting our buyout program. So, we started the buyout program with hopes of getting maximum participation and it wasn't like oh if you don't participate, you're able to get the lot next door and have a bigger yard. So, hopefully there was no incentive for anyone not to participate in the buyout programs. They knew the lot next door program was there.

It was developed as a disposition strategy a few years down the line from our buyout program. So, again recognizing that we had some scattered sites and there wasn't one big comprehensive disposition strategy that we could have for these, we created the lot next door program where we offered neighbors to these lots the ability to purchase these lots. I can't remember the exact value that we put it on or not, or we gave it to them. Again, email me and I can give you more information on this to refresh my memory. And they took over the deed and again though, all of these properties have that restrictive covenant on it. So, it really is that they're expanding their yard as open space, but it was really an effective tool in terms of disposition for scattered sites.

And yes, [inaudible] purchase the property. We had a process for offering it to adjoining neighbors of the lots also. Not one person had priority, but we had discussions with everyone who had land of adjoining lots in terms of options of purchasing the sites.

Scott Ledford: Great. Thanks. I'm watching the clock a little bit here. We've got just a few minutes left. I know we have a couple more slides to get through. So, why don't I just pose this last question for you particularly, since you've been running this type of program for a while now. Have you experienced or documented any tangible mitigation benefits that you can point to for the buyout areas? Have you shared that information with the public? Has it increased participation in other buyout programs?

Jane Brogan: So, this is the exciting thing that I was saying [inaudible] we now are starting to get an analyze and understand the data from our applicants and we're just starting to do that. But

given that Sandy was a little further out, I think that the data that we're analyzing and researching right now can be extremely beneficial, hopefully in the very near future.

So, I can say kind of what we're looking at too, and then I'll keep everyone informed of how it's going, but one of the things is how do we define the success of a buyout program? The number of participants that get out of the high risk areas? That was the ultimate goal and then we originally went into a research project wanting to assess how the buyout area is [inaudible] planned communities and we worked with FEMA trying to work and understand that there has this -- and fast tool for about a year and unfortunately there [inaudible] and fast tool for about a year.

And unfortunately, what we came to the conclusion with along with FEMA is that that tool doesn't take into account land use changes. So, we have to think of other options to look at how the buyout area can better protect the inland community. And I think the ultimate goal of our buyout program is to get people out of harm's way and we achieved that by everyone who participated.

So, that research project has turned into something different, which I think could also be a really interesting planning and communication tool is that we use [inaudible] to show the damage savings for all of our elevated properties. So, the properties that were elevated [inaudible] repair and reconstruction program and our acquisition program and we are able to use the tool to show the damage savings from the elevations for a 100 year storm compared to Sandy and it's a lot of savings.

We have also now layered on sea level rise, and I think that type of tool can be a really beneficial tool in identifying buyout areas and conveying risks to homeowners because once you layer on sea level rise, especially homeowners who may have already taken a proactive approach to resilient construction, like they're elevated and they're like, we're fine. But showing them something like this was really shocking.

I mean I've been in this world for quite a long time and this was really shocking to me to even see this. Some people are still at really high risk, especially when you do layer on sea level rise, and they will probably be extremely flooded and probably substantially damaged within their mortgage timeline. So, that's coming up, Jen, I hope to preview it to HUD very soon. So, we're getting close to [inaudible]

Scott Ledford: Oh no. Olivia, have you also lost Jane?

Olivia Healey: Yeah. Jane, if you can hear us, maybe [inaudible] for the end of your good answer.

Scott Ledford: Okay. Well, we have hit our time on this anyway, so, obviously a huge thanks to Jane and if she can come back on and have a closing comment, that would be great. Otherwise, she's being very generous and offering her email. So, if folks have additional questions, she's obviously happy to take those on. John, could you go ahead and advance the slides?

So, there's just a little slide of resources here for you. You can see the GOSR website there and again for everybody, these slides will be available after these sessions are posted to the HUD exchange as will all of the slides for all of these sessions.

Go ahead John. And there you have Jane's contact information and a thank you from all of us. Wonderful session, great questions.

Olivia Healey: So, we're going to formally end our session here now, and you guys can go get a drink, check your emails, and then we hope you join us for session two. Thanks. Bye.

(END)