# APPLICATION FOR BUSINESSES

# Buyout Implementation Tool #2

**Description:** As part of the*Disaster Recovery Buyout Program Design and Implementation Toolkit*, the Application can be used to collect information from potential businesses to qualify for a juridiction’s Buyout program. It is important to have a separate buyout Application for businesses to facilitate the collection of business-specific information, such as percentage of ownership, current state of the business, etc.

**Modification of Source Documents Provided by:** Iowa Economic Development Authority

**Caveat:**  This is an informational tool and/or template that should be adapted to each grantee’s specific program design.

**For More Information**

This resource is part of the [*Disaster Recovery Buyout Program Design and Implementation Toolkit*](https://www.onecpd.info/resource/2854/disaster-recovery-buyout-program-toolkit). View all of the Disaster Recovery Toolkits here: <https://www.onecpd.info/resource/2853/cdbg-dr-toolkits>.

For additional information about disaster recovery programs, please see your HUD representative.

This is not an official HUD document and has not been reviewed by HUD counsel. It is provided for informational purposes only. Any binding agreement should be reviewed by attorneys for the parties to the agreement and must conform to state and local laws.

U.S. Department of Housing and Urban Development

Community Planning and Development, Disaster Recovery and Special Issues Division

APPLICATION FOR BUSINESSES

## **Instructions**

Complete all information requested on this application to the best of your ability. If submitting handwritten form, please use ink and print legibly.

## **Buyout Program**

The CDBG-DR buyout program is a voluntary real property acquisition program. The program is offered only if the jurisdiction chooses to offer the program. The buyout program shall conduct, on a case by case basis, a duplication of benefits check prior to providing the funding necessary to acquire the property. The jurisdiction will make offers to owners of flood-damaged residential property on a willing buyer – willing seller basis. Property owners may terminate negotiations at any time prior to acceptance of offer. The jurisdiction has explicitly stated and will continue to state in enabling Council actions and any offer to purchase that the owner is under no obligation, onus, pressure, or coercive action by the jurisdiction to accept the offer. Further, the jurisdiction will not initiate eminent domain proceedings under this program for the purposes of acquiring title to property for this buyout program.

*Eligible Property Types*

Commercial property owners, including retail, services, small business, etc.

Non-commercial properties include:

* + SFR (both owner occupied and rentals)
  + Vacant lots owners

*Considerations*

Health and Safety

Substantially damaged

Flood plain location (100 or 500 or other)

Deed restriction

*Award Calculation*

Property owners will be offered the fair market value of their property. Simple calculations will include:

Structure + Land – Duplication of Benefits = Total FMV

* The methodology used to determine a property’s value is a decision that is made at the local level. [[1]](#footnote-1)

*Location*

* All properties receiving buyout assistance must be included in the approved map released by the jurisdiction.

**Business Information**

Business Name (Legal Name) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Business Address (Physical Location of Loss) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Business Federal Tax id (EIN)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Type of Business: (i.e. retail, service, manufacturing etc.)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Form of Business (Circle One):

Sole proprietorship, Partnership,

Corporation,

Professional Corporation,

Limited Liability Company,

Nonprofit Entity

State of Incorporation: (i.e. Delaware, Iowa, Minnesota) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Insurance Co. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Policy # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Insurance Agent \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Telephone Number (\_\_\_)\_\_\_\_-\_\_\_\_\_\_

Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Owner Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Telephone Number (\_\_\_)\_\_\_\_-\_\_\_\_\_\_\_

Alternate Telephone Number (\_\_\_)\_\_\_\_-\_\_\_\_\_\_\_

Current Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Percentage of Ownership \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Co-Owner Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Telephone Number (\_\_\_)\_\_\_\_-\_\_\_\_\_\_\_

Alternate Telephone Number (\_\_\_)\_\_\_\_-\_\_\_\_\_\_\_

Current Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Percentage of Ownership \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

If Percentage of Ownership does not equal 100% from the information above, describe the situation: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Relocation Program Questions[[2]](#footnote-2)**

1. Is the business currently open and operating? Yes/No
   1. If yes, is the operating business located in the buyout area? Yes/No
   2. If yes, but the business relocated, where is it currently located? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. If the business is not currently operating, do you wish to re-open the business? Yes/No
   1. If yes, what steps have you begun to re-open the business? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Signature**

I/we certify that all representations, warranties or statements contained in this application and attached documentation are true, accurate, and complete to the best of my/our knowledge and belief for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

(Company name)

Grantee (Business Owner) Signature Date

Co-Grantee (Business Owner) Signature Date

**Business Documentation Requirements**

Please attach all of the following items to this application:

|  |  |
| --- | --- |
| Proof of business ownership | Tax Returns from the past 3 years |
| Proof of # of employees at time of application | Copy of most recent payroll at time of application; Complete Attached Payroll Collection Forms |
| Documentation of pre-flood property value, if available | Value from Assessor’s Office;  Pre-flood appraisal (up to 6 months prior to flooding)[[3]](#footnote-3) |
| Parcel Map | Must clearly identify location of property within the buyout area |
| Proof of property ownership & description of property[[4]](#footnote-4) | Copy of Deed, Loan Documents, and Title |
| Proof of FEMA assistance | Copy of FEMA award letter |
| Proof of SBA assistance | Copy of SBA award letter (conditional or final) |
| Proof of Insurance or other forms of assistance | Copy of Insurance award or other forms of monetary assistance |
| Consent and Release Form | Signed Consent and Release form |
| Duplication of Benefits Affidavit | Insurance and additional sources of funds affidavit |
| Proof business is currently open and operating | One of the following  Most recent copy of sales tax quarterly return  Sales receipt/client billing |

1. Note to CDBG-DR Grantee: Comprehensive articulation of the methodology used to determine a property’s value should be inserted here.ercentage of ownership, current state of the business, etc. its) so business-specific information may be collected,such as [↑](#footnote-ref-1)
2. Note to CDBG-DR Grantee: If you choose to implement a companion program that incentivizes businesses to remain in the jurisdiction and re-establish their business, these questions will provide initial information. [↑](#footnote-ref-2)
3. Note to CDBG-DR Grantee: When using this tool, review HUD recent regulations regarding appraisals and document current best practices. [↑](#footnote-ref-3)
4. Note to CDBG-DR Grantee: Consult CDBG-DR regulation to confirm HUD’s requirement on deed-restricted properties. As of appropriations under PL 112-55, there were few exceptions allowed to the requirement that all properties purchased under a buyout program be deed-restricted. Prior to that, HUD–in many of their previous appropriations–required deed restrictions if CDBG-DR funds were matched with HMGP funds to buyout a parcel in the 100 year floodplain. Regardless of appropriation, if a city or county received the CDBG-DR allocation from the State, consult the State representative. [↑](#footnote-ref-4)