

Program Guidelines

Buyout Implementation Tool #1

Description: As part of the *Disaster Recovery Buyout Program Design and Implementation Toolkit*, the Program Guidelines can be used as a sample set of State policies and procedures to adopt and adapt for their own purposes. In particular, this set of guidelines outlines a state-funded buyout program post-flood in which an impact-designated city or county may apply. The guidelines demonstrate a program electing to use only pre-flood fair market value in their award calculations, as well as including a ‘bonus’ award to incentivize individuals to purchase a new home in their city or county.

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.

Important Note for Grantees

These resources are generally applicable as guidance to grantee years covered under the Consolidated Notice and for prior disasters (i.e., disasters occurring in 2019 or earlier).



Because grant requirements have changed over time since resources in the CDBG-DR Toolkit were originally developed, **grantees should consult Federal Register Notice requirements specific to their disaster year.**

For More Information

This resource is part of the [Disaster Recovery Buyout Program Design and Implementation 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.

PROGRAM GUIDELINES

Purpose

The purpose of the State of {insert grantee's name} Community Development Block Grant (CDBG) voluntary property acquisition program (aka buyout) is to assist property owners relocate their homes and businesses outside the threat of flooding. To administer this program, city and county governments that are within the declared disaster areas and have documented proof of an impact that occurred as a result of the Presidential declared disaster, may apply to the State. Awards to the communities will be based on (1) the overall level of damage in the proposed buyout area, as determined by condemnation, flood levels and/or status as beyond reasonable repair for each property, and (2) the extent to which the proposed buyout program supports overall flood mitigation plans for the area and community.

Cities or counties participating in this program must purchase properties at the pre-flood fair market value of the land and structure.¹ Properties located in the designated area must be deed-restricted to remain green space in perpetuity.²

In addition to the pre-flood fair market value of the property, eligible owners may also receive a replacement housing award of up to \${insert amount}. All awards are subject to the Robert T. Stafford Act, requiring that all funds used for disaster-related purpose must be deducted as a duplication of benefit.

Definitions

- *“CDBG”* means the Community Development Block Grant
- *“100 year flood plain”* means the geographical area defined by FEMA as having a one percent chance of being inundated by a flooding event in any given year.
- *“500 year flood plain”* means the geographical area defined by FEMA as having a 0.2 percent change of being inundated by a flooding event in any given year.
- *“pre flood fair market value”* means the land and dwelling value for parcels, as determined by each subrecipient, prior to the disaster
- *“Eligible receipts”* means proof of payment for items that are strictly for rebuilding the disaster affected structure. Receipts must consist of permanent fixtures only such as wood panels, drywall, paint, carpet, etc.
- *“Ineligible receipts”* means repairs that are completed on detached buildings such as garages or sheds. Personal items such as food and clothing, gasoline, tools and equipment are ineligible receipts as well.
- *“Eligible Property”* means a property that is located in designated areas, or is located outside of the designated area and is substantially damaged/a health and safety risk.
- *“Designated Area”* means the land determined by the State that is eligible for the Buyout program.³

¹ Note to CDBG-DR Grantee: Grantees have the choice of whether to use pre-flood or post-flood fair market values. The State for whom this guideline was modeled after choose to allow only pre-flood fair market value. On one hand, the pre-flood fair market value may provide the necessary incentives for owners to participate in the buyout program. On the other hand, to achieve its goals, the buyout program may need more funding when choosing the pre-flood fair market value as market conditions typically yield lower value during subsequent years post-disaster.

² Note to CDBG-DR Grantees: Review latest appropriation and HUD guidance to verify deed-restriction requirement.

- “Low-Moderate Income” means a household whose income is less than 80% of the local area median income.
- “Subrecipient” means a city or a county that has applied for and been awarded with a CDBG buyout contract.

National Objectives

The Buyout program will meet one of three National Objectives⁴:

- Urgent Need (direct benefit) – if the activity addresses the serious threat to community welfare following the disaster and the household assisted is above 80% AMI.
- L/M Income Housing (direct benefit) if the household to be assisted is L/M and is occupying replacement housing.
- L/M Income Area Benefit – if the final use of the land is available for the use of an L/M Income area

Direct Benefit

Most Buyout contracts contain an activity type where properties satisfy either a direct benefit under the national objectives of Urgent Need or L/M Income Housing.⁵

As part of the application process the applicant provides documentation of household income. Grantee staff verifies income and whether the applicant meets L/M Income Housing or Urgent Need. The applicant’s national objective is the same for all activities *associated* with the applicant’s parcel (acquisition, clearance and demo, relocation assistance).

Buyout files contain documentation that the assisted L/M household is occupying replacement housing, if the participant receives the replacement housing award. Documentation may be found in the administrators’ intake documents such as “contact report” that lists the current address or the Ownership and Benefit Affidavit which lists both the buyout address and current property address.

Activity Types in DRGR	National Objective: Urgent Need Direct	National Objective: L/M Income Housing Direct
Acquisition-buyout of nonresidential property	X	
Acquisition-buyout of residential property	X	X
Clearance and Demolition	X	X
Relocation Payment and Assistance	X	X

³ Note to CDBG-DR Grantee: A grantee may wish to post maps, including parcel map, to assist participants in determining their eligibility.

⁴ Note to CDBG-DR Grantee: A grantee may wish to modify this list of National Objectives for a buyout program based on their overall requirements outlined in the appropriation, Notice or subsequent waivers.

⁵ Properties will be separated, as required by the Disaster Recovery Grantee Reporting (DRGR) system, by National Objective and Direct/Area Benefit. If one jurisdiction is required to meet L/M income for both Direct and Area Benefit and Urgent Need, then that community will have at a minimum three activities for ‘DRGR Acquisition-buyout of residential property.’

L/M Income Area Benefit

A subrecipient may utilize the national objective of L/M Income Area in addition to a direct benefit. A subrecipient may purchase commercial real estate and the final use of the commercial property will be available as green space to benefit a residential L/M Income area.⁶

- **L/M Income Area** (b/c the area will be maintained as green space and the residential service area which will benefit from the green space is LMI. Activity Type: Acquisition of nonresidential property.
- **L/M Income Housing Direct** – (If any other applicants are L/M and located outside of the residential service area). Activity Type: Acquisition of residential property.

Activity Types in DRGR	National Objective: L/M Income Area
Acquisition-buyout of nonresidential property	X
Acquisition-buyout of residential property	X
Clearance and Demolition	X
Relocation Payment and Assistance	X

Application and Administration of the Buyout

A city or county must apply for the CDBG property acquisition program to be offered in their community. At the time of application, properties are identified by the subrecipient that would qualify for the program. A budget is determined based on the pre-flood fair market values of all homes identified eligible for the program. If awarded, the city or county contracts with the Disaster Recovery Grantee to administer and oversee their jurisdiction in which the program applies. The subrecipient receives applications for the buyout program directly from the property owner. Approved applicants at the local level are then submitted to the Disaster Recovery Grantee for verification of the acquisition award and benefits received by the property owner. The Disaster Recovery Grantee can add (by way of requested amendment) approved projects and budgets to the contract between the Disaster Recovery Grantee and the subrecipient. A subrecipient may subcontract with a Council of Government (COG) or third party administrator to administer the program for them.

Environmental Requirements for CDBG funding

It is required that all approved applicants for the Buyout property acquisition program follow all CDBG environmental regulations prior to receiving a release of funds. Additional information on CDBG environmental regulations can be found in the 24 CFR Part 58.

Eligibility Requirements of Proposed Buyout Property/Owner

To be considered an eligible property for the buyout, the buyout property must satisfy one or more of the three following requirements:⁷

⁶ Note to CDBG-DR Grantee: This may trigger URA and tenants would be eligible for relocation benefits: further detail needed based on a grantee's specific Buyout program.

⁷ Note to CDBG-DR Grantee: These are just one set of example requirements for an eligible property. Of note, this grantee chose to include properties outside of the designated areas. Depending on the objectives of a Buyout program and funding awards, a grantee may elect to prioritize properties within the designated areas and, then,

- The property is located in the designated areas, or
- The property is located outside of the designated, and satisfies one of the following requirements:
 - The property is substantially damaged (51% or more of the pre-flood fair market value of the structure is damaged), or
 - The property is considered a healthy/safety risk.

Eligible property types are:

- Single and multi-family residences (both owner occupied and rentals),
- Vacant lots⁸,
- Commercial properties, and
- Certain types of non-profit organizations.

Acquisition Award determination

The methodology used to determine the fair market value of a property is a decision that is made at the local level. Cities and counties provide documentation within their application to support that methodology.

Buyout applicants who owned the property prior to the disaster

Owners receive an offer to purchase the property based on the pre-disaster fair market value of the property minus any duplication of benefits documented.

Buyout applicants who purchased the property after the date of disaster

Post flood owners receive an offer to purchase the property based on pre-flood fair market value⁹ as the basis of their buyout with the following limitations and duplication of benefit review:

- Individuals and entities that purchased a flood impacted home after the date of disaster located in the designated area will be limited to the price the owner paid for the property, not to exceed the pre-flood fair market value. If repairs had been made to the property, eligible repair receipts are added to the post flood price of the acquisition.
- Banks that have been deeded the property on a post flood basis will be limited to the amount of the mortgage balance (amount to pay-off the mortgage). This is the amount that the bank would have received had the owner participated on the buyout.
- Properties that are in foreclosure where the pre-flood owner receives any remaining proceeds of the sale of the property after sale expenses, taxes and liens, receive an award based on the pre-flood fair market value of the property.
- Contract sellers are limited to the amount of the contract balance. This is the amount that the contract seller would have received had the contract buyer participated in the buyout, provided

after a period of time if funding is available, open the program to additional properties that pose health/safety risk or are substantially damaged.

⁸ The inclusion of vacant lots, including those that never had a structure, may prove essential to meeting the objectives of the Buyout program by preventing further residential or commercial development in the designated area.

⁹ Note to CDBG-DR Grantee: Grantees have the choice of whether to use pre-flood or post-flood fair market values. The State for whom this guideline was modeled after choose to allow only pre-flood fair market value.

the contract balance is less than the pre-flood fair market value. If the contract balance is more than the pre-flood fair market value, the contract seller will be limited to the pre-flood fair market value.

- Trusts, probates and living wills receive an offer based the pre-flood fair market as if the pre-flood owner is participating and subject to a duplication of benefits review. This is the same amount that the trust/probate would have received had the creation of the trust/probate been after the owner themselves signed all the documents necessary to participate in the buyout.
- If a non-profit has received the property by donation on a post flood basis, they are limited to the value it was appraised at, at the time of donation.
- If the property has been acquired by a bankruptcy trustee, the bankruptcy trustee provides the valuation documentation that was used to value the property at the time of the bankruptcy. The award amount is limited to the maximum of the pre-flood fair market value. Or alternatively, if the property is being held in trust with the homeowner remaining the current deed holder, documentation must be provided to demonstrate that the property is still deeded to homeowner, but held in trust. If documentation is provided, the file receives an award based on the pre-flood fair market value of the property.

Duplication of Benefits Process

The program is required to conduct a duplication of benefits (DOB) check for each eligible property (as provided by the Robert T. Stafford Act) prior to providing the funding necessary to acquire the property.

Sources of duplication of benefits compensation include sources of funding assistance provided for structural damage and loss related to the disaster. The following sources are deducted from the award amount for the property:

- FEMA payments for structural damage
- USDA loans and/or SBA loans
- National Flood Insurance Program (NFIP) Insurance Payments
- Private insurance: All private insurance settlement amounts for loss to structures are considered in the award calculation. Private insurance payments for contents or other expenses are not considered.

Tax adjustments resulting from filings related to losses to the rental property are not considered duplication of benefits and do not affect awards.

Stafford Act Policy

Section 414 of the Robert T. Stafford Act, 42 USC 5181 provides that “Notwithstanding any other provision of law, no person otherwise eligible for any kind of replacement housing payment under the [Uniform Act] shall be denied such eligibility as a result of his being unable, because of a major disaster as determined by the President, to meet the occupancy requirements set by such [Uniform Act]”.

49 CFR 24.403(d) reflects this 414 requirement. That section provides that “No person shall be denied eligibility for a replacement housing payment solely because the person is unable to meet the occupancy requirements set forth in these regulations for a reason beyond this or her control, including: (1) A disaster, an emergency, or an imminent threat to the public health or welfare, as determined by the President.”

Also, *Section 24.2(a)(15)(iv) Initiation of negotiations (Tenants.)* states, If a tenant is not readily accessible, as a result of a disaster or emergency, the Agency must make a good faith effort to provide these notifications and document its efforts in writing.

The Section 414 references only replacement housing payments, therefore non-residential occupants are not eligible under this provision. To comply with Section 414 provisions, subrecipients must identify which properties proposed for acquisition were tenant-occupied as of the date of the disaster prior to making a written purchase offer.

Subrecipients should document reasonable efforts to locate such tenants for rental properties under contract/negotiation where title has not already been transferred to the city/county. The city/county may proceed with closings however property files must clearly document efforts to locate tenants for these properties. Any person who makes a claim for relocation assistance under Section 414 must receive reasonable consideration of the merits of their eligibility.

For acquisitions, where Section 414 of the Stafford Act applies to activities subject to the URA, subrecipients will take reasonable steps to identify current occupants of proposed sites as well as those who were in occupancy as of the date of the disaster. Per HUD Handbook 1378, efforts to locate former occupants may include notice in a local newspaper, posting notice in project locations, checking post office records and various other means reasonably available to the subrecipient.

Replacement housing award determination:

Because of the voluntary nature of acquisition, property owners are not eligible for assistance under the Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act. However, displaced tenants (occupants present at the date of the disaster and/or “initiation of negotiations”) are entitled to assistance under the URA. Proper steps must be followed to comply with URA.

Purpose of Replacement housing¹⁰

All homeowners participating in the buyout are eligible for up to the maximum Replacement Housing Assistance allowed by the Stafford Act. This amount is \$25,000.¹¹ We will include this Replacement Housing Allowance in our DOB evaluation as we provide assistance to communities to implement critical property acquisition programs and assistance to people to purchase (or have purchased) replacement housing.

This policy ensures that all income qualified buyout participants are eligible for up to \$25,000 in Replacement Housing Allowance plus the pre-flood fair market value (FMV) of their buyout home. Those who are not income qualified will be eligible for up to \$10,000 in Replacement Housing Allowance as long as their flood-damaged home is located in the designated area. This result holds true if the property owner participates in the FEMA or CDBG buyout, their pre-disaster mortgage, or how much

¹⁰ Note to CDBG-DR Grantee: If electing to include a replacement housing assistance, enter in this section the documented rationale for these additional costs. Most likely, the grantee perceives a gap between the median price of homes sold in the community and the average pre-flood fair market values of the designated area, for either all or a segment of its population. For example, the State of Iowa provided the following justification: “In 2008, the median price of a home sold in Iowa was \$130,000. The average price of a home included in property acquisition programs as a result of the disaster is \$89,000 leaving people who need to move with an average cost of replacement housing of just over \$40,000. For this reason, all homeowners participating in the buyout are eligible for up to the maximum Replacement Housing Assistance allowed by the Stafford Act.

¹¹ Please contact HUD and FEMA representative to clarify this amount is accurate. Citation: 70 FR 627. Note that the maximum assistance specific here is \$22,500. This amount was raised to \$25,000 by the Post-Katrina Emergency Management Reform Act as stated on page 12 of the Congressional Research Service report titled “FEMA Disaster Housing: From Sheltering to Permanent Housing” which can be found at http://assets.opencrs.com/rpts/R40810_20090916.pdf.

assistance they have received from FEMA, insurance or other duplicating benefits with only two exceptions:

1. Those who are not income qualified and received replacement housing before the buyout will be allowed to keep up to \$25,000 in Replacement Housing Assistance.
2. In a few cases, counting replacement housing as a duplication of benefit against the buyout award will prevent an applicant from participating in the buyout. The \$25,000 Replacement Housing Allowance ensures that this group of applicants is small. To help this small group participate in the Buyout, the State may need to include an "Unmet Needs" fund to cover the difference.

To qualify for a replacement housing award, all of the following requirements must be met:

- The buyout home must be located in the designated area or house a low-moderate income family,
- The homeowner must purchase a replacement home that is more expensive than the buyout home,
- The replacement home must be located within the jurisdiction of the Disaster Recovery Grantee, and
- The replacement home must be considered decent, safe, and sanitary.

If income qualified, the replacement housing award would be, at a maximum, \$25,000. However, the replacement home purchased must be \$25,000 more expensive than the buyout home in order to receive the full award. If the replacement home is less than \$25,000 more expensive but is more than the pre-flood fair market value of the buyout home, the applicant's replacement housing award will be capped at the difference. If the applicant is not income qualified, the maximum amount of replacement housing the applicant can receive is \$10,000. Pre-disaster owners of vacant lots, commercial and rental properties are not eligible to receive a replacement housing award as they did not occupy the structure at the time of the disaster. In addition, post flood owners are not eligible to receive a replacement housing award, as they were not required to relocate as a result of the natural disaster. Homes proposed or purchased on contract are not eligible for a replacement housing award.

If a rental home is purchased through the buyout program and contains tenants that will be required to relocate, they are considered displaced persons who are eligible for relocation benefits under the Uniform Relocation Act (URA).

As a displaced tenant under the URA, a tenant can receive two types of replacement housing assistance: a moving allowance, and a replacement housing allowance. The moving allowance can be an actual reasonable moving and related expenses reimbursement, or a fixed payment for moving expenses determined by a schedule published by the Federal Highway Administration. The replacement housing allowance can take two forms. If the displaced tenant chooses to continue to rent a dwelling, the award amount they are eligible for is 42 months times the difference in rent/utilities of their new home and their buyout dwelling (including lot rent, if a mobile home unit). Rental assistance is capped at \$5,250 for 90-day tenant occupants, except in situations where housing of last resort applies. Rental assistance is capped at \$22,500 for 180-day tenant occupants, except in situations where housing of last resort applies. Another option is for the displaced tenant to purchase a new home and receive a lump sum down payment form of assistance. If the displaced tenant elects to receive lump sum down payment assistance, their award cannot exceed what they would have been eligible for had they continued to rent a unit.

HUD Handbook 1378 contains additional guidance on mobile home relocation under the URA:

“1) Replacement Housing Payment is based on Dwelling and Site. Both the mobile home and mobile home site must be considered when computing a replacement housing payment. (A displaced mobile home occupant may have owned the displacement mobile home and rented the site, or rented the displacement mobile home and owned the site, or owned both the mobile home and the site, or rented both the mobile home and the site.) Also, a displaced mobile home occupant may elect to purchase a replacement mobile home and rent a replacement site, rent a replacement mobile home and purchase a replacement site, purchase both a replacement mobile home and replacement site, or rent both a replacement mobile home and site. In such cases, the total replacement housing payment shall consist of a payment for a dwelling and a payment for a site, each computed under the applicable requirements in 49 CFR 24.401 and 49 CFR 24.402.”

When the maximum replacement housing assistance under the URA is calculated, differential payment for the dwelling and site are both included. If a mobile home owner-occupant then chooses to purchase a stick-built home rather than a mobile home, they are eligible to receive the same amount of replacement housing assistance as if they were to purchase a mobile home and lot. The State will allow the rental assistance payment for the site differential cost to be considered when computing the total replacement housing assistance due in this situation.

Guidance on property use/disposition:

Qualifying an acquisition activity under one of the CDBG national objectives depends entirely on the use of the acquired real property following its acquisition. A preliminary determination of compliance may be based on the planned use. The final determination must be based on the actual use of the property, excluding any short-term, temporary use. Where the acquisition is for the purpose of clearance that will eliminate specific conditions of blight or physical decay, the clearance activity may be considered the actual use of the property. However, any subsequent use or disposition of the cleared property must be treated as a “change of use,” under 24 CFR 570.489(j), as applicable.

If property is to be acquired for a general purpose, such as housing or economic development, and the actual specific project is not yet identified, the grant recipient must document the general use it intends for the property and the national objective it expects to meet. The subrecipient must also make a written commitment to use the property only for a specific project under that general use that will meet the specified national objective.

- The identified “use of the property” is the expected CDBG identity of that property. The subrecipient has 5 years after the grant close out to fulfill the expected CDBG identity of that property. Within that time period, the subrecipient may change the use of the property if:
 - A) The subrecipient gives reasonable notice to affected citizens and allows them an opportunity to comment, and the new use meets one of the national objectives
 - Or
 - B) If the new use will not meet one of the National Objectives, the subrecipient must reimburse the Disaster Recovery Grantee’s CDBG program of the fair market value of the property.
- If the subrecipient does not fulfill the CDBG identity within the 5 years after the grant close out, the subrecipient must reimburse the State CDBG program. This is fully outlined in 24 CFR 570.489(j).

Logistics of disposition of properties after a buyout

1. The property must be disposed of at fair market value and by competitive process. The subrecipient can establish fair market value of the property by having the property appraised, or by selling the

property at a public auction. (See below for details) Once the sale proceeds have been returned to the State, the CDBG identity has been removed.

- The subrecipient may have the property appraised to determine fair market value. Once appraised, the opportunity to purchase the home (for no less than fair market value) must be publicly advertised. The subrecipient must accept the highest offer.
- The subrecipient may sell the property at public auction. The highest bidder determines the fair market value of the property.

NOTE: All proceeds from the sale of a property must be returned to the Disaster Recovery Grantee, even if the property is sold for more than the appraised value.

2. Donate the property to a 501(c) (3) non-profit organization that is purposed in its charter to supply housing to low-moderate income households. The property maintains the CDBG identity.

- The non-profit organization must provide documentation to support that:
 - It is purposed in its charter to supply housing to low-moderate income individuals, and
 - It qualifies under the purview of Section 105(a)(15) of the Housing and Community Development Act of 1974, and
 - The project it will undertake is eligible under Section 105(a)(15).
 - Neighborhood Revitalization
 - Activities undertaken under this provision must be of sufficient size and scope to have an impact on the decline of a designated geographic location within the jurisdiction of the community (but not the entire jurisdiction of an entitlement community unless it has a population of 25,000 or less.) The activities to be considered for this purpose are not limited to those funded with CDBG assistance.
 - Community Economic Development
 - This type of project must include activities that increase economic opportunity principally for low-moderate income persons, or that are expected to create or retain businesses or permanent jobs within the community. Housing activities may be included within this project type if they can clearly link the need for affordable housing accessible to existing or planned jobs, or otherwise address the Consolidated Plan's definition of "expanded economic opportunity" at 24 CFR Part 91.1(a)(1)(iii).

24 CFR 91.1 - Purpose:

(a) Overall goals. (1) The overall goal of the community planning and development programs covered by this part is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for low- and moderate-income persons. The primary means towards this end is to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

(iii) Expanded economic opportunities includes job creation and retention; establishment, stabilization and expansion of small businesses (including microbusinesses); the provision of public services concerned with employment; the provision of jobs involved in carrying out activities under programs covered by this plan

to low-income persons living in areas affected by those programs and activities; availability of mortgage financing for low-income persons at reasonable rates using nondiscriminatory lending practices; access to capital and credit for development activities that promote the long-term economic and social viability of the community; and empowerment and self-sufficiency opportunities for low-income persons to reduce generational poverty in federally assisted and public housing.

- To satisfy the L/M Income Housing national objective, the non-profit organization must document that the new housing is occupied by low-moderate income persons at affordable rents pursuant to 24 CFR 570.482(b)(3).
 - If the subrecipient donates the property to a non-profit organization that is purposed to supply low-moderate income housing, the property is rehabilitated with non-CDBG funds, and occupied by low-moderate income persons, the rental/sale proceeds is not considered program income and may be kept by the non-profit organization to further supply low-moderate income housing. The property maintains the CDBG identity.
 - If the subrecipient donates the property to a non-profit organization that is purposed to supply low-moderate income housing and the non-profit then sells/rents the property to a non-income qualified household, the proceeds are considered program income and must be returned to the Disaster Recovery Grantee's CDBG program. The CDBG identity has then been removed.
3. Rehabilitate the property utilizing funds other than CDBG Disaster funds and sell the property as low-income housing. Because the property has a CDBG identity, the rehabilitation must meet all the federal standards for housing. The property maintains the CDBG identity.
 4. The lot may be sold to a developer/homeowner to be used for redevelopment through the CDBG Single Family New Construction program. The lot must be located in the 500 year flood plain.
 - The property maintains the CDBG identity. Sale proceeds are not considered program income.