

BUYOUT CANDIDATES

SMC considers the following criteria for eligibility, however, final project selection rests with state and federal agencies:

- The home has been subjected to significant flood damage above the first floor of the home, with priority given to homes meeting the FEMA definition of repetitive loss or severe repetitive loss properties.
- Priority is given if the home is in the floodway.
- The home has been substantially damaged. Substantially damaged homes in the floodway pose a risk to both residents and responding agencies. If they can be rebuilt, they must be rebuilt to meet current flood hazard development regulations. In some cases, these homes cannot be rebuilt.
- The homeowner is 1) willing to participate in the program, 2) willing to accept the fair market value of the property, as established by a qualified appraiser.
- The buyout must meet FEMA's Benefit Cost criteria for a return on investment and fit within the local government's budget for flood reduction projects.

FEMA uses a cost analysis formula to rate the structure for a possible buyout. SMC's buyout program follows FEMA's guidelines. There is no guarantee that a buyout will occur.

STEPS IN THE BUYOUT PROCESS

MONTHS

0-2

1.) An application for assistance is prepared by SMC with input from the community and homeowners with destroyed or severely damaged properties. SMC will have knowledge of the State's priorities and all other special restrictions.

3-6

2.) The State receives and reviews the application and submits those deemed appropriate to FEMA for approval. FEMA will review the applications to ensure that they follow the rules, are environmentally sound, and are a cost-effective use of funds.

7-9

3.) Upon FEMA approval, the project implementation process begins.

10-17

4.) Property appraisal, title search, lot, and environmental survey are completed. Once the homeowner accepts the buyout offer, the average time to close is 45 days.

The process can be lengthy. Property acquisition is not an overnight solution. Applying for funds, waiting for approval, transferring funds, conducting appraisals, closing, etc. takes time, especially if the project involves many properties.

WHY PARTICIPATE IN A BUYOUT?

When a property experiences repeated flooding, costs for the property owner, community, and the state increase.

Flooding may impact the stability of a home, damage or destroy personal property, impact property values, and lead to injuries or loss of life.

While the waters eventually recede, the damage caused by floods is long-lasting.



Water-laden walls and floors may set the stage for the development of hard-to-eradicate mold that can present health risks for vulnerable residents.



Repeated flooding may leave homes uninhabitable and/or unlikely to attract a buyer.

Local, state, and federal government agencies have acted to intervene in this cycle of decline by offering the voluntary buyout program to property owners that have been subjected to repeated flooding.