

RESOLUTION NO. 20220111.6

A RESOLUTION OF THE CITY OF PANAMA CITY, FLORIDA, ADOPTING THE VOLUNTARY HOME BUYOUT POLICIES AND PROCEDURES MANUAL, REPEALING ALL RESOLUTIONS IN CONFLICT HERewith, AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Voluntary Home Buyout Policies and Procedures Manual establishes rules for acquisition of properties affected by Hurricane Michael located in high risk flood zones;

WHEREAS, the Voluntary Home Buyout Program is essential to help the community economically and help relocate residents whose properties continue to flood in weather events.

NOW, THEREFORE BE IT RESOLVED by the City of Panama City Commission, as follows:

Section 1. The City of Panama City adopts the Voluntary Home Buyout Policies and Procedures Manual attached hereto as Exhibit "A".

Section 2. All other resolutions and policies or sections of resolutions and policies of the City of Panama City in conflict with the provisions of this Resolution are hereby repealed to the extent of such conflict.

Section 3. If any section, paragraph, sentence, or clause hereof or any provision of this Resolution is declared to be invalid or unconstitutional, the remaining provisions of this Resolution shall be unaffected thereby and shall remain in full force and effect.

Section 4. This Resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED this the 11TH day of January, 2022.

CITY OF PANAMA CITY COMMISSION
City of Panama City, Florida, A Municipal Corporation

By: _____
Greg Brudnicki, Mayor

ATTEST:

Jan Smith, City Clerk - Treasurer

Exhibit "A"



**CITY OF PANAMA CITY
VOLUNTARY HOME BUYOUT
POLICIES AND PROCEDURES
MANUAL**

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Version History

#1	12/23/21	Version 1.0 of Program Guidelines for DEO submission
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Version Policy

Version history is tracked in the table above, with notes regarding version changes. The dates of each publication are also tracked in this table. The first version of this document is 1.0.

Substantive changes within this document that reflect a policy change will result in the issuance of a new version 2.0, an increase in the primary version number. Future policy changes will result in additional revision and issuance of a new primary version number.

Non-substantive changes within this document such as minor wording and editing, or clarification of existing policy, that do not affect the interpretation or applicability of the policy will be included in minor version updates denoted by a sequential number increase after the primary version number.

Definitions

Affirmative Fair Housing Marketing Plan - A document used to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability

Adjusted Gross Income (AGI)-AGI is an individual's total gross income minus specific deductions.

Area Median Family Income (AMFI) - Calculated limits based on HUD-estimated median family income with adjustments based on family size.

Buyout - A type of acquisition with the purchase of an eligible property with the intent to reduce risk from future flooding or to reduce risk from the hazard that led to the property's designation within a Disaster Risk Reduction Area. The property acquired will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreation, or floodplain and wetlands management.

CDBG-DR- means Community Development Block Grant-Disaster Recovery Program which was approved through Federal Register Vol. 83, No. 28, Friday, February 9, 2018, Notices.

Case Management - Working with individuals and their families to understand the VHBP's housing options, resulting in clear and transparent determination of eligibility. Case Managers must take into account all special circumstances of the survivor's needs to decrease their barriers to participate in the VHBP where possible. Staff should meet at designated locations and supply information in a standard format.

Damage Assessment - An inspection of the unit to document damage from the event. The assessment by a certified or licensed inspector (MPS, TREC, or similar license) is required to specifically and clearly document storm related property damage via photographic evidence and detailed narratives (see the DEO's Damage Assessment Guidelines). Damage assessments may also include final cost of repair estimates. If FEMA, SBA, or Insurance Award Letters are not available and an inspection report is inconclusive as to the cause of the damage, alternative evidence may be provided, such as neighborhood-level media reports, documentation of damage by disaster response/relief organizations, or photographs of damage caused by Hurricane Michael.

Demolition - The clearance and proper disposal of dilapidated buildings and improvements.

Designated Area - means the land determined by the subrecipient that is eligible for the Voluntary Home Buyout Program.

Duplication of Benefits - The Robert T. Stafford Disaster Assistance and Emergency Relief Act (Stafford Act) prohibits any person, business concern, or other entity from receiving financial assistance from CDBG-DR Disaster Recovery funding with respect to any part of a loss resulting from a major disaster as to which he/she has already received financial assistance under any other program or from insurance or any other source.

Eligible Property - means a residential owner-occupied property, of 4 or fewer units, which is located in the City, suffered impacts from the storm event and meets any property eligibility requirements under DEO.

Environmental Review- All projects and programs undertaken with CDBG-DR funds must undergo an environmental review process. This process ensures that the activities comply with National Environmental Policy Act (NEPA) and other applicable state and federal laws.

Family - A household composed of two or more related persons. The term family also includes one or more eligible persons living with another person or persons who are determined to be important to their care or well-being and the surviving member or members of any family described in this definition who were living in a unit assisted under the Housing Opportunities for Persons with AIDS (HOPWA) program at the time of his or her death.

FEMA-Designated High-Risk Area - Areas designated by FEMA as vulnerable to significant wind and/or storm surge damage and areas located in 100-year flood zones. These areas will be identified during the environmental review process for each participating jurisdiction.

Flood Disaster Protection Act of 1973 and Sec. 582(a) of the National Flood Insurance Reform Act of 1994 - Compliance with the legal requirements of Section 582(a) mandates that HUD flood disaster assistance that is made available in an Special Flood Hazard Areas (SFHAs) may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement or restoration for flood damage to any personal, residential, or commercial property if: (1) the person had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and (2) that person failed to obtain and maintain flood insurance as required under applicable Federal law on such property.

Housing Incentives - Incentive payments are generally offered in addition to other programs or funding (such as insurance), to encourage households to relocate in a suitable housing development or an area promoted by the community's comprehensive recovery plan. The housing incentive may be offered for the purpose of improving the residential structure that upon completion will be occupied by a low to moderate income household. An incentive may be offered for a buyout payment to households that volunteer to relocate outside of floodplain or to a lower-risk area. A

buyout incentive is not available for properties that served as second homes at the time of the disaster or following the disaster.

Household - A household is defined as all persons occupying the same housing unit, regardless of their relationship to each other. The occupants could consist of a single family, two (2) or more families living together, or any other group of related or unrelated persons who share living arrangements. For housing activities, the test of meeting the low- to moderate-income (LMI) objective is based on the LMI of households.

Housing Quality Standards (HQS) - The HQS establishes certain minimum standards for buildings constructed under HUD housing programs. This includes new single-family homes and multifamily housing as outlined in 24 CFR 982.401.

Housing and Urban Development Act of 1968, Section 3 - Requires the Subrecipient to ensure that training, employment, and other economic opportunities generated by HUD financial assistance shall be directed to the greatest extent feasible and consistent with existing Federal, State, and Local laws and regulations, to low and very low-income persons. Recipients of Section 3-covered funding ensure compliance and the compliance of their contractors/subcontractors with the Section 3 requirements, as outlined in 24 CFR Part 75

Housing Unit - A residential structure intended for occupancy.

Ineligible receipts - receipts for repairs that are completed on detached buildings such as garages or sheds, and personal items such as food and clothing, gasoline, tools, and equipment.

Low- to Moderate-Income (LMI) National Objective - Activities which benefit households whose total annual gross income does not exceed 80% of Area Median Income (AMI), adjusted for family size. Income eligibility will be determined and verified in accordance with DEO's Adjusted Gross Income Methodology. The most current income limits, published annually by HUD, shall be used by the Subrecipient to verify the income eligibility of each household applying for assistance at the time assistance is provided.

Low- and Moderate-Income (LMI) - means an income is less than 80% of the local area median income.

Low- and Moderate-Income Household (LMH) - a household with an income that is less than 80% of the local area median income (AMI).

LMB National Objective – Low- and Moderate-Income Buyout (LMB) is used for a buyout award to

acquire housing owned by a qualifying LMI household, where the award amount (including optional relocation assistance) is greater than the pre-disaster fair market value of that property.

LMHI National Objective - Low Moderate Housing Incentive (LMHI) benefits LMI households that are used for a housing incentive award and tied to a voluntary buyout or other voluntary acquisition of housing owned or occupied by a qualifying LMI household.

Manufactured Housing Unit (MHU) - A structure, transportable in one or more sections which, in the traveling mode is eight body-feet or more in width, or forty body-feet or more in length, or when erected on site, is at least 320 square feet, and which is built on a permanent chassis and is designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

Needs Assessment - An assessment that determines the type of housing programs that will be offered equitably and based upon an objective assessment of unmet needs in the affected community's population.

Negative Equity Mortgage - also known as "under water" or "upside down" mortgages when homeowners owe more on their mortgages than their homes are worth.

Post- event fair market value - the land and dwelling value for parcels, as determined by each subrecipient, after the disaster

Pre-event fair market value - the land and dwelling value for parcels, as determined by each subrecipient, prior to the disaster.

Program Design - The selection and development of programs and activities based on a Needs Assessment. The VHBP Design must include the type of housing activities that will be offered by the Subrecipient, as well as how the VHBP will be marketed, how Fair Housing Objectives will be achieved, and how funding will be prioritized as determined through a Needs Assessment.

Program Income - Net income derived from the sale of program assets that exceeds \$35,000 in a single fiscal year, received by the Subrecipient and directly generated from the use of housing CDBG-DR funds.

Single Family Home - A single-unit family residence detached or attached to other housing structures.

Subrecipient - Cities, Counties, Indian Tribes, local governmental agencies (including COGs), private non-profits (including faith-based organizations), or a for-profit entity authorized under 24 CFR 570.201(o). The definition of Subrecipient does not include procured contractors providing supplies, equipment, construction, or services and may be further restricted by Program Rules or other guidance including applications.

Subrogation Agreement - Means an agreement executed by the beneficiary agreeing to repay any duplicative assistance if they later receive other disaster assistance for the same purpose.

Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970, as amended (Title 49 CFR Part 24) (Uniform Act referred to URA) - Applies to all acquisitions of real property or displacements of persons resulting from Federal or federally- assisted program or projects. URA's objective is to provide uniform, fair, and equitable treatment of persons whose real property is acquired or who are displaced in connection with federally funded projects. For the purposes of these guidelines, URA mostly applies to residential displacements in involuntary (49 CFR Subpart B) acquisition or multi-family damaged/occupied activities that require the relocation of the tenants. A displaced person is eligible to receive a rental assistance payment that is calculated to cover a period of 42 months.

Unsecured Forgivable Promissory Note - Is an agreement between the assisted beneficiary and Subrecipient/DEO that requires applicants to comply for several terms during a set affordability period. At the end of the affordability period, the terms are forgiven after they are met by the homeowner.

Introduction

Hurricane Michael was the strongest hurricane to make landfall in the Panhandle, and the first Category 5 hurricane to make landfall in the continental U.S. since 1992. The coastal city of Panama City (“the City”) experienced sustained winds in excess of 160MPH along with heavy rains resulting in significant citywide damage.

The purpose of the Voluntary Home Buyout Program (VHBP) is to acquire property from low- to moderate-income households (LMH) in high-risk flood areas to reduce the impact of future disasters. The buyout areas are located throughout the city in low-lying and flood prone locations. After homes are purchased, the structures will be demolished, and the land will be managed as natural green space, recreation, or stormwater management. The VHBP serves multiple objectives and provides a resiliency option versus rebuilding within the highest risk areas. Buyouts help prevent repetitive loss and extreme risk to human health and safety. The objectives of the VHBP are:

1. Acquire properties that were impacted by Hurricane Michael and convert the property to public space, green space, and/or flood control measures in perpetuity
2. Provide mitigation to the City against future flood damages, effects of sea level rise, and health and safety risks for owners and rescuers.
3. Reduce the impact of future disasters

The City of Panama City received Community Development Block Grant - Disaster Recovery funds through the Florida Department of Economic Opportunity (DEO) to fund the VHBP. These funds were secured through a subrecipient agreement between the City of Panama City and DEO whereby the City agrees to comply with all tenants and conditions of the subrecipient agreement, and the State of Florida Voluntary Home Buyout Program Guidelines, Disaster Recovery Action Plan, Action Plan Amendments, and Federal, State and local laws. This document serves as program guidelines for the City’s CDBG-DR VHBP as of December 23, 2021. The provisions of this document may be amended over time as needed, in accordance with the requirements of the sub-recipient agreement.

National Objective

The primary National Objective of the VHBP is the Low-Moderate-Income Area Benefit (LMA) National Objective. According to DEO’s Hurricane Michael VHB Program Guidelines (“DEO’s Program Guidelines”), to meet the LMA National Objective, the properties acquired through the VHBP must be used in a way that benefits all the residents in an area where at least 51 percent of the residents are low- and moderate-income persons. The properties acquired through the City’s VHBP will be converted to perpetual green space that is open to future green infrastructure development.

The City will also make a reasonable effort to meet the Low- and Moderate-Income Housing (LMH) National Objective. As stated in DEO’s Program Guidelines, to meet the LMH National Objective, assisted households must be LMI and occupy replacement housing. Occupying replacement housing means that CDBG-DR funds will be provided for an eligible activity that benefits the LMH by supporting their move from high-risk areas. The City’s VHBP will strive to meet the LMH National Objective by combining the acquisition of properties with housing relocation assistance. However, meeting this National Objective is subject to determining the household income of all Program participants. When undertaking buyout activities and to demonstrate that a buyout meets the LMH National Objective, the applicant’s household income must meet LMI criteria. This is

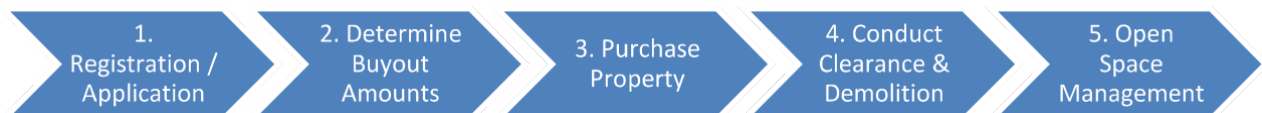
accomplished if the applicant's total household income is estimated to be less than 80% of Area Median Income (AMI) based on household size. This will be evaluated and confirmed through applicant income verification conducted by the VHBP Case Manager.

Voluntary Home Buyout Program - Program Administration Application Processing Overview

The City is utilizing CDBG-DR funds for the provision of the VHBP. The City's VHBP is available to Hurricane Michael-impacted homeowners who apply for program assistance no later than March 31, 2022. The original budget for each property was determined by completing a comparative market analysis based on recent sales in the area in the year preceding Hurricane Michael. DEO reviewed and accepted the City's CDBG-DR VHBP Application and awarded \$5,000,000. The City entered a contract with DEO on October 28, 2021, to administer and oversee the VHBP.

The VHBP consists of five general phases beginning with application/registration intake and review and proceeds through the long-term open space management of the properties. VHBP staff will review all application/registration material to verify program eligibility. Once the City of Panama City approves an individual property owner's application for buyout assistance, The City of Panama City will verify with DEO that the property is not receiving or has not received Rebuild Florida housing repair or replacement assistance. A property owner cannot be eligible for buyout assistance if the property owner has received CDBG-DR funding to repair the property.

Below is a summary outline of the VHBP process from registration to open space management:



Step 1. Registration / Application

1. Registration

The City conducts outreach to local residents in order to gauge interest and participation in the VHBP. Preliminary information will be collected during this process to begin assembling and organizing a list of potential applicants.

2. Pre-Application Review

The pre-application review is used to review preliminary data collected on the applicant and the applicant's property through the initial outreach and registration processes. Submit property addresses to DEO for verification that applicants did not receive assistance from the Rebuild Florida Housing Repair and Replacement Program.

3. Application Intake

Contact the applicant to discuss the application process, provide information regarding

the assistance available, inform the applicant of the documentation/verification requirements, and discuss next steps.

4. Application Processing

A review will be conducted to verify that there are no issues requiring further investigation and inquiry based on materials provided by the applicant and internal review of the property and site location. If site issues are identified during application processing, a site visit maybe required. Application processing will include, but not be limited to:

- Property ownership verification;
- Primary residency verification;
- Determination whether home is owner-occupied;
- Determination whether home was occupied by applicant prior to Hurricane Michael;
- Obtain hold harmless and right of entry forms; and
- Verification of household size

5. Prioritize Project Sites

Prioritize applicants based upon Federal, State, and Local Prioritization criteria as detailed on pg. 35 of this document.

6. Eligibility Determination

This will include verification and calculation of household income, verification of ownership status, clear title, current on property taxes, determination of property location/eligibility, determination of LMI status, etc. Specific eligibility determination steps are detailed on pages 49-55.

7. Duplication of Benefits

The Panama City VHBP will offer participants Fair Market Value (FMV) as determined by a licensed Florida Appraiser. For property valuations based on post-disaster FMV, no DOB will be taken from the offer. A program that provides post-disaster FMV to buyout applicants only provides the actual value of the property; thus, the seller is not considered a beneficiary of CDBG-DR assistance; therefore, this activity does not fall under the Stafford Act.

The City will submit VHBP property addresses to DEO to determine if any were participants in the Housing Repair and Replacement Program. Properties that have received rehab or repairs through the Housing Repair Program will not be eligible for assistance under the Voluntary Home Buyout Program. However, on a case-by-case basis, housing units that have been demolished through the Voluntary Home Buyout Program may be eligible for new construction/replacement, in an area other than the buyout zone, through the Housing Repair and Replacement Program at DEO's discretion.

8. DEO Approval

Submit application per property to DEO for approval.

9. City Commissioners Review Approval

Applicants verified and approved by program staff for participation in the VHBP will be submitted to City Commission for review and approval.

10. Applicant Support

Complete program documents with case manager/assess need for relocation advisory

services. Assign relocation advisory services as needed/requested.

Step 2. Determine Buyout Values

1. Historic Preservation Review and Environmental Review

CDBG-DR buyout assistance is contingent on compliance with the National Environmental Policy Act (NEPA) and related environmental and historic preservation legislation and executive orders found at 24 CFR Part 58. Accordingly, environmental review activities are carried out in conformity with CDBG-DR requirements and documented prior to commitment of funds.

2. Property Appraisal and Value Calculation

The City will utilize an independent appraiser to conduct property appraisals. Properties will be valued to determine fair market value for the land and the structure.

3. Housing Replacement Assistance

The VHBP allows a Housing Replacement Allowance of \$10,000 for non LMI properties and \$25,000 Housing Replacement Assistance for income eligible properties. Housing replacement assistance will be limited to owner-occupied properties. Owners of vacant land and rental properties are not eligible for the housing replacement assistance. Tenants of rental properties participating in the VHBP may be eligible to receive relocation assistance under the Uniform Relocation Act.

4. Award

Once an owner and their property has been determined eligible, they will receive an offer to purchase. The offer will take into consideration the fair market value and any duplication of benefits. Owner or displaced occupants will receive information regarding available resources to aid in relocation.

5. Commitment

Submission to the Board of City Commissioners for funding approval. All properties that will receive buyout funds must be reviewed and approved by the City Commissioners.

Step 3: Purchase the Property

1. City approves closing documents including contract, restrictive covenant, legal notices for demolition, title search, title insurance.
2. Closing occurs/title transfers to the City.

Step 4. Conduct Clearance and Demolition

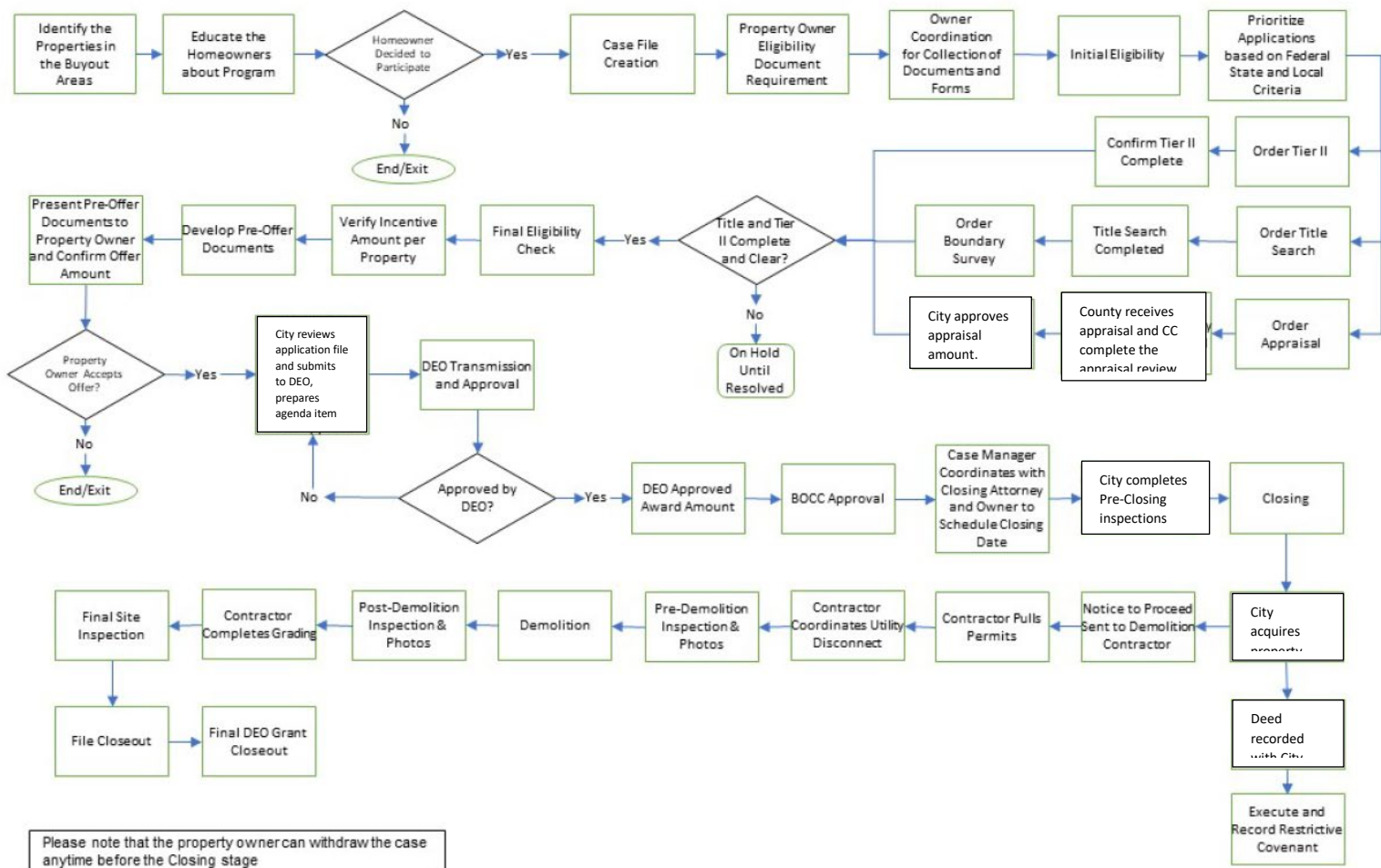
1. Deliver Legal Notice, if required
2. The City will assign the awarded contractor the project for demolition.
3. The Contractor will obtain any necessary permits to conduct the demolition.
4. Pre-demolition photographs will be taken of the property.
5. Inspection of the property by City staff prior to demolition
6. Demolition

Step 5. Open Space Management

1. Land Management

Properties will be managed and maintained by the City. The City intends to maintain the properties as open space but may consider other allowable uses as other planning or funding opportunities present themselves.

City of Panama City- Voluntary Buyout Workflow Diagram 1.0 12/23/2021



Financial Management and Quality Assurance

The City will maintain and administer a financial management system that complies with all applicable HUD-CDBG-DR and State of Florida rules. The City will maintain and administer a quality assurance and quality control system that complies with all applicable HUD-CDBG-DR and State of Florida rules.

Allowable Costs

All costs will be reviewed by the Disaster Recovery Project Manager. All internal costs will be submitted to the Disaster Recovery Project Manager for review, validation, and resolution of any discrepancies. The Disaster Recovery Project Manager will also verify that costs are applicable, eligible, and reasonable for CDBG-DR VHBP. Any internal costs being submitted by the Disaster Recovery Project Manager must include a description indicating the purpose of the costs. Additionally, all contractor invoicing must be reviewed and approved by the Disaster Recovery Project Manager for applicability, eligibility and reasonableness before being forwarded for processing. Once approved, the Disaster Recovery Project Manager will send a check request to the City's Finance Department for payment.

It is the responsibility of the Disaster Recovery Project Manager to maintain effective control and accountability for all funds, property, and other assets. The Disaster Recovery Project Manager will safeguard all assets and assure that they are used solely for authorized purposes. Any concerns or clarification regarding any costs will be addressed and resolved by the Disaster Recovery Project Manager before being submitted for processing. formal processing by finance (with department head approval). This includes any costs incurred from other City departments, who may have incurred costs as part of regular administration and implementation of CDBG-DR VHBP.

Invoice Payments

Upon receipt of an invoice, the invoice is reviewed for accuracy and verified with receipt of deliverables, if applicable, by the Disaster Recovery Project Manager. Any needed corrections from the vendor will be communicated electronically by the Disaster Recovery Project Manager to the vendor. If no revisions are needed the invoice and a check request is forwarded to the City's Finance Department for payment.

Program Income Reporting & Tracking

The City does not anticipate generating program income. However, should program income be generated, the City will track the receipts within the City's financial records in a separate revenue account and report the receipts to DEO as required per the subrecipient agreement. All program income received prior to grant closeout shall be utilized for additional eligible CDBG-DR activities. Any program income remaining after the CDBG-DR VHBP closeout will be returned to DEO.

Timely Expenditure of Funds

Per the Subrecipient Agreement provided by DEO, all CDBG-DR funds must be expended within the Period of the Subrecipient Agreement. Therefore, all funds must be fully expended within 36 months of execution, by both parties, of the Subrecipient Agreement which will be October of 2024, unless extended. However, we understand that DEO will periodically review the City's progress in drawing down funding through SERA. The City will review in-house expenditures and beneficiary expenditures to ensure that funds are spent on eligible costs and in a timely manner. Project funds and schedules will be monitored by the City's Project Management Office, Finance Department, and the City's planning and management

consultant(s), and subject to an auditing process through the City's independent audit function.

The City will hold all contractors accountable through the establishment of tasks and other critical milestones. Contractors will be required to provide update reports concerning expenditure of funds and project progress to the City upon request. Frequency of reporting will be established on a per project and per contractor basis given the potential varied nature of activities and the different scope for each contractor. It is expected that the City may require contractors to provide monthly reports; however, due to the varying nature of each project, specific projects may be asked to provide those project updates more frequently.

The City expects, at this time, that it will directly administer the CDBG-DR VHBP and will use contractor augmentation to execute implementation. When contracting with vendors, the City will establish certain tasks that must be achieved prior to the release of funding. As a part of their contractual obligations to the City, contractors may be required to present the City with a plan on how they will implement procedures to achieve the determined tasks, which will be set forth in task orders. Each contract with contractors contains provisions for termination of any contract if the contractor is found to be negligent in any aspect of the contract services. In addition to ensuring that contractors are meeting project timelines, these tasks and task orders will allow the City to project expenditures for each individual project task.

Contractor Payments

In order to ensure contracts and bills are paid in a timely manner, payments pursuant to a contract will be made in accordance with the Local Govt. Prompt Payment Act, F.S. 218.70-218.80. invoice(s) shall be for services rendered for the period of the first day of the month through the last day of the month. Contractor shall submit separate invoices, on each task order after each delivery. Invoices shall indicate the task order number and shall be itemized. A copy of the bill of lading, and the freight weigh bill when applicable, should be attached to the invoice. Suppliers should keep the Planning and Environmental Resources Department advised of any changes in their remittance addresses.

The City has the option to withhold five percent (5%) retainage per first three (3) payment requests until all work is completed in accordance with executed contracts and work approved by the City. Any retainage will be paid at the project's conclusion and proper approvals. Retainage will be released when the awarded contract has been fulfilled to its fullest and approved by the City.

Tracking Payments

The City will maintain a payment tracker for each project being conducted under the CDBG-DR VHBP. This payment tracker will include indicators to show, at minimum, invoice submission status and date, approved change orders, total payments per project by dollar amount, and total eligible funds per project. This will be updated as soon as any changes to the status of payments, change orders, or invoice submissions occur.

Slow Performing Projects

Projects which appear to be slow-performing will be evaluated and addressed consistent with the City's CDBG-DR VHBP Policies and Procedures. Projects which appear to be stalled will be:

- a) provided technical assistance to remediate their slow progress state
- b) terminated if the project appears to be stalled at startup and the policies and procedures and project contract allows for re-award to other eligible recipients or,
- c) the project scope will be reduced, and funding reduced as necessary and recaptured

fundswill be re-obligated to other eligible projects and recipients.

The City of Panama City Case Manager

Applicants may need support throughout the process. Applying to the VHBP may be complicated by the loss of documents or temporary residence outside the area. The City, through its Case Manager(s) hired through competitive RFP, will establish and maintain partnerships with local and community liaisons such as banks, counseling agencies, legal services, title companies, etc. to assist applicants with their recovery needs.

Case Managers will work in collaboration with other agencies to assist owners and displaced persons from inception to close-out of their recovery needs. Each applicant will be assigned a Case Manager as a single point of contact to work with throughout the eligibility process. The Case Manager will also work to ensure that the applicant has the information needed to be successful in their long-term recovery efforts. As applications are being accepted and reviewed for determinations of eligibility to participate in the VHBP, each applicant will be counseled and made aware of their application status.

Procurement

Procurement is the acquisition of goods and services to be used by The City of Panama City to carry out program activities utilizing CDBG-DR funds. The procurement process includes the decision to purchase as well as the process to complete the purchase. Goods and services procured to carry out the City's VHBP CDBG-DR activities are to be conducted by the City of Panama City Finance Department or other Departments as appropriate and provided for by the City of Panama City purchasing policies. As a subrecipient of DEO, The City of Panama City is required to comply with requirements of 2 CFR §200.318 through 200.327 when procuring all property and services using CDBG-DR funds. In addition, the City will comply with all state and local procurement regulations as mandated by the State of Florida and in compliance with the City's current Purchasing Policy. These rules are in place to ensure that federal dollars are spent fairly and encourage open competition for the best level of service and price.

In compliance with the City's subrecipient agreement with DEO, when the City uses a competitive solicitation as a means of solicitation, a copy of the advertisement, including proof of publication, will be submitted to DEO. DEO must approve the procurement otherwise the City will be constrained on the use of CDBG-DR for activities related to that procurement as described in the City's sub-recipient agreement with DEO. Before signature of any contracts "a copy of the proposed contract template and any proposed amendments, extensions, revisions or other changes thereto, must be forwarded to DEO for prior written approval" for any contracts for work under CDBG- DR. The City of Panama City will also inform DEO when the contractor or any of the sub-contractors are considered a minority vendor as defined in Section 288.703, F.S. The proposed contract and information regarding minority vendors will be submitted to DEO for review before the contract is submitted to the contractor for final approval and signature. The City will comply with all of the conflict-of-interest provisions provided in DEO's procurement policies and procedures. The City will comply with the conflict-of-interest provisions in 24 CFR 570.489(h) in any instances not governed by DEOs policies and procedures for procurement conflict of interest items.

The City adheres to Part III- Code of Ethics for Public Officers and Employees Chapter 112, Florida Statutes and maintains a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. Conflict of Interest provisions listed at 24 CFR Part 85.36 (3) and all other applicable federal regulations will be incorporated.

Any questions regarding the applicability of law or determination as to whether laws

conflict must be referred to the City of Panama City's Attorney Office.

Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, no contractors are permitted to help develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals. Some of the situations considered to be restrictive of competition include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business
- Requiring unnecessary experience and excessive bonding
- Noncompetitive pricing practices between firms or between affiliated companies
- Noncompetitive contracts to consultants that are on retainer contracts
- Organizational conflicts of interest
- Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- Any arbitrary action in the procurement process.

Procurements must be conducted in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Cost Reasonableness

The City conducts cost reasonableness evaluations as part of its standard procurement process. All procurement for CDBG-DR funded activities will include evaluating bids and proposals for cost reasonableness and conducting cost of price analysis.

Contracting with Small, Minority, Women Owned Business

In order to comply with 2 CFR 200.321 the City utilizes DemandStar which solicits a variety of contractors including Small, Minority and Women Owned Businesses. Businesses who appear to provide services which may be solicited as part of CDBG-DR activities, who are not included on DemandStar, will be included and solicited for bids when appropriate activities requiring solicitation occur. Where practical and cost reasonable projects will be bid in smaller tasks to help support participation by smaller firms.

Section 3

Section 3 is part of the Housing and Urban Development Act of 1968, as amended. It states that, to the greatest extent feasible, employment and other economic opportunities should be directed to low- and very low-income persons and business concerns that provide economic opportunities to low- and very low-income persons. The City will adhere to all Section 3 requirements and will perform regular monitoring of any required contractors and subcontractors. As part of its Qualitative Efforts, the City has elected to institute a preference which stipulates that contract awards shall be given to the bidder using the highest number of qualified Section 3 subcontractors and/or workers if the bid is reasonable and no more than ten percent (10%) higher than the lowest responsive bid from any qualified source. To ensure compliance with Section 3 requirements, City efforts include, but are not limited to:

- Ensuring contractor and subcontractor awareness of and compliance with Section 3 benchmarks and responsibilities;
- Facilitating the training and employment of Section 3 workers;
- Refraining from entering into contracts with contractors that are in violation of Section 3;
- Documenting Qualitative Efforts to ensure Section 3 compliance when numerical benchmarks are not met; and
- Submitting all required Section 3 reports in accordance with the reporting schedule identified by DEO.

Section 3 Registered Businesses

The City is committed to ensuring that designated Section 3-eligible business concerns derive economic benefit from HUD-assisted projects built in their communities. Subrecipients, contractors, subcontractors are likewise expected to demonstrate that Section 3 certified business concerns are included in the contracting goals and are economic beneficiaries of business and procurement policies and practices. Section 3 eligible business concerns must be given priority in contracting for appropriate work.

The City will check the HUD Section 3 Business Registry online at:

<https://portalapps.hud.gov/Sec3BusReg/BRegisyt/What>

to identify any specific businesses in 50 miles of the City Administration Building. Businesses providing services being sought by the City using CDBG-DR funds will be notified of opportunities.

The City will make attempts to provide contracting opportunities (both construction and non-construction) available to Section 3-qualifying DBEs. The City will also strongly encourage contractors and subcontractors to make contracting opportunities available to Section 3-qualifying DBEs.

Anti-Fraud and Compliance Policies

The City of Panama City is committed to preventing fraud and maintaining an environment in which internal controls can be established and improved. The City of Panama City will investigate all allegations of misconduct, fraud, waste or abuse regarding eligibility and the disbursement of CDBG-DR award amounts to applicants. Information has been posted on the City of Panama City website. With the assistance of our grant management contractor, processes will be developed to ensure applicant information is verified and systems are in place to detect and prevent fraud, waste, or abuse. All suspected cases of fraud, waste or abuse shall undergo an initial investigation, and any substantiated cases will be referred to the HUD OIG Fraud Hotline (1-800-347-3735, hotline@hud.oig.gov).

The City of Panama City's internal controls are set up for responsible management of CDBG-DR funds and support the prevention of fraud, waste and abuse. The City's official Policy Against Fraud and Dishonest Acts can be found on page 13 of the City of Panama City [Employee Handbook](#). Additional information regarding anti-fraud and regulatory compliance can be found in the Internal Control section of this document.

Vendors

City staff will verify the accuracy of information provided by its vendors. Prior to contract execution, the City's procedures include, but are not limited to,

1. Reviewing debarment lists
2. Searching known databases for information
3. Conducting internet research, and obtaining information available from State and Federal agencies, such as substantiated investigative findings and audit reports

Inter-Department Coordination

Effective coordination between City departments and personnel enables all programs, vendors administering City programs, and departments to comply with applicable local, state, and federal regulations, prevent and minimize fraud, waste and abuse, and effectively fulfill the goals set forth by the City.

The Disaster Recovery Office, in conjunction with Purchasing and the Project Management Office, will perform the following tasks:

Gauge the overall progress and effectiveness of project implementation

1. Identify issues that may compromise program integrity, fund, and service delivery
2. Work with program and operational staff to implement corrective action and resolutions
3. Oversee the implementation of the City's recapture process
4. Provide information and input on how City programs and practices can be improved and enhanced to improve performance, efficiency, and curtail waste, fraud, and abuse
5. Serve as a layer of oversight to mitigate any potential risks, proactively detect and investigate potential fraud, and identify areas in which to strengthen program capacity and the quality-of-service delivery

Conflict of Interest

Conflict of interest situations will be closely monitored, as these situations, if not properly addressed, may result in:

1. Loss of HUD funding
2. Voiding any contract funded or supported by HUD
3. Disgorging of any financial gain or benefit received
4. Abstaining from participating in a decision-making capacity
5. Termination, resignation, or loss of position

6. Imposition of civil and/or criminal activities

It shall be a breach of ethics for any City employee to participate directly or indirectly in procurement when the employee knows that the employee or any member of the employee's immediate family has a financial interest pertaining to the procurement, a business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement, or any other person, business or organization with which the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

The conflict-of-interest regulations contained in the subrecipient agreement between the City of Panama City and DEO requires that the City comply with conflict-of-interest provisions in DEO's procurement policies and procedures. The City of Panama City prohibits local elected officials, City employees, and consultants who exercise functions with respect to CDBG-DR activities or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, from receiving any benefit from the activity either for themselves or for those with whom they have family or business ties, during their tenure or for one year thereafter.

For purposes of this section, "family" is defined to include parents (including mother-in-law and father-in-law), grandparents, siblings (including sister-in-law and brother-in-law), and children of an official covered under the CDBG-DR conflict of interest regulations at 24 CFR Sec.570.489(h).

DEO is able to consider granting an exception to the conflict-of-interest provision should it be determined by the DEO that the City has adequately and publicly addressed all of the concerns generated by the conflict of interest and that an exception would serve to further the purposes of Title I of the Housing and Community Development Act of 1974 and the effective and efficient administration of the VHBP. The City of Panama City will not enter into a conflict of interest until justification has been received and approved by the DEO in accordance with applicable procurement laws.

Internal Monitoring

The Project Management Office is responsible for the internal auditing of the City's federally funded disaster recovery projects. The City has contracted with an independent accounting firm to assist the PMO with accounting and auditing services. The PMO Accounting Department conducts independent, objective reviews and evaluation of all relevant activities under the PMO and coordinates the single audit with the other departments and the City's external auditors. The City of Panama City has a monitoring process which includes several layers of approvals before funds are expended, allowing the City, in essence, to monitor the use of funds on an individual basis. This process includes multi-level review of the use of funds. These reviews occur throughout the organization, from the front-line contractor(s) up through the PMO, the Division Directors, the Purchasing Department and ultimately the City Manager and City Commission. At every level of the process, there is an evaluation made to determine that the use of funds is legitimate and in keeping with the requirements of the governing policies, procedures, rules, regulations, ordinances, and laws. If any other determination is reached, the use of funds is delayed until further information is obtained. If the additional information does not result in a positive determination, the use of funds for that purpose will not be allowed. Because the City will be directly overseeing the delivery of all CDBG-DR activities, monitoring will be an on-going effort. The Grant Administrator will personally monitor all contractors including direct review and approval of all contractor invoices. The Grant Administrator will conduct periodic on-site monitoring and a City Building Inspector will conduct inspections for each property involved in the CDBG-DR projects. In addition, the Grant Administrator will directly oversee quality control related to client application, file

management, contractor relations with homeowners as well as the public reporting requirements described below.

The Intent of the Internal Monitoring Policies and Procedures are to:

1. Gauge the overall progress and effectiveness of program implementation.
2. Identify and resolve compliance issues that may compromise program integrity, funding, and service delivery.
3. Identify areas that would benefit from technical assistance.
4. Differentiate the types of monitoring techniques that will be used during the monitoring review process.
5. Explain the current monitoring structure model.
6. Identify the role of the PMO Accounting Department along with their essential assigned responsibilities.

Internal Controls

The City of Panama City has existing policies and procedures meeting financial management requirements including applicable regulations and requirements, financial accountability and records, authorized signatures for payments and checks, requests for payments, bank accounts and checks, escrow accounts, administrative costs, property management, and audit requirements.

The organizational structure encompasses risk management measures that establish clear lines of authority and approval, segregation of duties, separation of key processes and authorization and secure access to financial resources.

In summary, The City of Panama City's internal controls are set up for responsible management of CDBG--DR funds and support the prevention of fraud, waste, and abuse to ensure:

- No person involved in the CDBG-DR decision-making obtains financial benefit.
- No single-point sign-off of significant transactions.
- Separate recordkeeping for mitigation funds versus general accounting operations.
- Reconciliation of accounts performed by employees not responsible for handling payroll preparation and issuance of paychecks.
- Hiring procedures match required financial skill sets to position descriptions.
- Policies and procedures are in place to maintain effective control and accountability for all cash, real and personal property and other assets.
- Policies and procedures are in place for controlled access to assets and sensitive documents.
- Reasonable measures are in place to safeguard protected personally identifiable information (PII).

Internal Auditor

The PMO Accounting Department (internal auditor) will provide both programmatic and financial oversight of CDBG-DR activities in order to comply with Federal Register Vol. 84, No. 169, V.A.1.a.

The role of the PMO Accounting Department is to conduct internal monitoring/audits of

City administered disaster recovery programs as directed. The auditor will also be responsible for the review and evaluation of internal controls related to the City's CDBG-DR projects and coordination of external audits or monitoring by state and federal agencies. In addition, the internal auditor will be responsible for managing CDBG-DR Quality Assurance/Quality Control programmatic processes and coordinating the City's efforts to detect fraud, waste, and abuse in the CDBG-DR projects.

The internal auditor plays an important role in looking for errors and instances of malfeasance for procurements and program delivery as part of the City's administration of its CDBG-DR funds. The internal auditor verifies that the City has in place procedures to perform price and cost analysis of proposed expenditures of grant funds and that analyses are performed, when required.

The internal auditor evaluates documentation maintained by the City, regarding price and cost analysis, and verifies inclusion of evidence that all costs are allowable, allocable, and reasonable.

All audits will be conducted in accordance with 2 CFR 200 Subpart F and will conform to the scope described in 2 CFR 200.514. The internal auditor will submit any requested auditing reports to DEO upon their request.

As necessary, the Grant Administrator along with its partners, develops an appropriate corrective action plan to strengthen the controls that mitigate, and address concerns or findings noted in the internal auditor's report. Documentation is required to ensure that corrective action has taken place prior to closing out concerns or findings.

The City follows the 'Disciplinary Action' and 'Policy Against Fraud and Dishonest Acts' sections of the City of Panama Administrative Personnel Policies. Instances of fraud, waste, and abuse will be referred to the HUD OIG Fraud Hotline (phone: 1-800-347-3735 or email: hotline@hudoig.gov).

Record Management

The City of Panama City shall maintain accurate files and records on each applicant and shall retain all pertinent documentation for the grant. Compliance will be maintained in accordance with the reporting requirements under the CDBG-DR regulations and in conformity with the DEO subrecipient agreement. These files will record and maintain documentation for the following items:

- Application intake
- Eligibility review and determination
- Environmental review
- Procurement
- Invoicing and payment
- Change orders
- Local regulatory compliance (permitting, legal review, etc.)
- Program income
- Close out

Each file will be organized chronologically with a project checklist included at the front of each file. This will allow for ease of status review and to help ensure the timely progress of projects.

All files will be maintained in a secured office or on secure servers with limited access only to program staff and administrators. Case management staff will provide daily maintenance and follow-up on individual cases. Formal monitoring is described in the Monitoring section of this document.

General program administration documents will be developed and maintained by the Grant Administrator and kept in a secured location or on secure servers. These files will maintain documentation for the following items:

- Environmental review
- Procurement
- Invoicing and payment
- Change orders
- Local regulatory compliance (permitting, legal review, etc.)
- Program income
- Close out

The Grant Administrator will provide oversight and maintenance over these records and will review the progress and records of any active projects as well as those that have yet to begin to ensure they are progressing in a timely manner. Information maintained in project records will provide necessary data to complete reports and will be utilized during audits and monitoring to provide information needed as part of these activities. Information included in files may be supplemented with financial reports in order to provide concise details regarding specific project financial records. Once the VHBP has fully expended all funds and the VHBP is closed, records will be maintained by the City Clerk for security. All records will be maintained for a minimum of six years after DEO issues the final closeout for this award.

Remedies and Sanctions

If a contract awardee fails to make a good faith effort to avoid an improper conflict of interest situation or is responsible for the improper conflict situation, the City may (1) suspend payments for HUD related activities, (2) terminate the contract, (3) require reimbursement by the recipient to the City or to HUD of any amounts already disbursed, and/or (4) bar future HUD funded related work.

A number of penalties may be imposed or, remedies, cures, waivers, and exceptions may be pursued, in the event an actual conflict of interest exists. Early disclosure of an actual conflict of interest or potential conflict of interest is critical and may influence the penalty imposed and/or remedy sought. The ultimate disposition depends largely on the nature, extent and severity of the conflict. The evaluation of an actual conflict of interest is fact sensitive and each case requires examination on the merits.

Guidance

If a conflict of interest is identified or suspected, covered person(s) shall immediately provide written notification to the Grant Manager and the City of Panama City Disaster Recovery Office. At minimum the written notification shall include documentation of the following:

1. Disclosure of the identity of the covered person(s) involved,
2. When and how it was discovered,
3. The nature of the conflict of interest

4. The financial interest or benefit derived or to be derived from the City of Panama City HUD sponsored program or funding.

The covered person(s) shall cooperate fully with the City staff and promptly provide any additional information requested by the City of Panama City to evaluate the conflict of interest. Corrective or punitive actions will be conducted in accordance with the City's Code of Conduct policies and at the discretion of the Disaster Recovery Project Manager, City Manager and Human Resource departmental staff.

The City of Panama City will evaluate the circumstances of the conflict of interest and notify DEO of its findings, and if applicable, a request that DEO grant an exception to the conflict-of-interest regulations.

Appeals & Complaints

The City of Panama City will institute a complaint and appeals process to address citizen concerns and applicant grievances. The purpose of these procedures is to set forth guidelines for processing complaints and appeals to address grievances or concerns by participants in the City's VHBP. The VHBP will accept informal verbal complaints and/or formal written complaints regarding the activities undertaken by the VHBP. Complaints will be reviewed in a progressive order and evaluated by program staff and elevated to the appropriate City staff for consideration if necessary. Appeals will also be reviewed in a progressive order and evaluated by City staff for consideration, with a progressive elevation of appeals to the Board of City Commission making the ultimate decision on the limited appeal items.

Complaint Process

The City will review and consider VHBP verbal and written complaints related to the administration of the VHBP. There are two types of complaints which can be submitted to the City for consideration which are described below.

Informal Complaints - Complaints which are submitted to a City representative by phone; by an in-person discussion; or through an informal letter (not a Formal Complaint Form).

Formal Written Complaints - Complaints which are submitted via a completed Formal Complaint Form. The Formal Complaint Form must be submitted to the Voluntary Home Buyout Program through email or mail. If other accommodations are required to deliver a Formal Complaint form such as utilizing a drop off location, please call 850-872-3004.

Written complaints should be sent via email or mail to:

The City of Panama City Voluntary Home Buyout Program

501 Harrison Ave

Panama City, FL 32401

Email: jaldridge@pcgov.org

Case Manager/Technical Staff Complaint Review

After receiving an informal complaint, every effort will be made to address grievances at the VHBP staff level. The case manager and technical support staff will review all concerns, suggestions, requests, and will address the issue. The case manager will provide a written or email response within 10 business days of receipt of an informal complaint by issuing a Staff Decision Memorandum. If a complainant disagrees with a Case Manager's Staff Decision Memorandum regarding the informal complaint, they can submit a Formal Complaint Form for further review and consideration by the case manager. The Case Manager will provide a written response, mailed certified return receipt, within 10 business days of receipt of the Formal Written Complaint by issuing a new Staff Decision Memorandum regarding the formal complaint.

If a complainant still disagrees with a Case Manager's Staff Decision Memorandum regarding the formal complaint, they can then elevate the decision to the Grant Manager through submittal of a separate/new Formal Complaint Form with a copy of the Staff Decision Memorandum(s) via email or postal delivery. The Grant Manager will provide a written response, mailed certified return receipt, within 10 business days of receipt of the Formal Compliant Form by issuing a Grant Manager Decision Memorandum. Decisions rendered by the Grant Manager for complaints that are not subject to appeal as described below are final. Any formal written complaints that are subject to appeal as described below can be escalated to an appeal and the complainant will be required to complete and submit a written Appeal Form.

Should, after a reasonable period, a party believe that his/her comment or complaint has not been properly addressed or considered, then the aggrieved may appeal his/her case to the City. Local officials shall make every effort to provide written responses to citizen proposals or complaints within fifteen (15) working days of the receipt of such comments or complaints where practicable. The aim of the City will be to always attempt to resolve complaints in a manner that is both sensitive to the complainant's concerns and achieves a fair result. Should the City be unable to sufficiently resolve an objection or complaint, it may be forwarded by the aggrieved party to DEO.

Citizens may, at any time, contact DEO and/or HUD directly to register comments, objections or complaints concerning the City's VHBP. Citizens are encouraged, however, to attempt to resolve any complaints at the local level as outlined above prior to contacting DEO or HUD.

All comments or complaints submitted to the DEO or the HUD shall be addressed in writing to:

The Florida Department of Economic Opportunity
Rebuild Florida Program
107 E. Madison Street
Tallahassee, Florida 32399

Or:

U.S. Department of Housing and Urban Development
Community Planning and Development Division
Atlanta Regional Office
Five Points Plaza Building
40 Marietta Street
Atlanta, GA 30303-2806

Appeals Process

Citizens and applicants who are dissatisfied with the following items may formally appeal those decisions and follow the appeals process outlined below:

- A program eligibility determination; and/or
- A program assistance award calculation; and/or
- A program decision concerning housing unit damage and the resulting program outcome

An appeal is a request for reevaluation and reconsideration of a previous finding or decision made as part of the VHBP or made in response to a previously submitted complaint.

All decisions made by City staff, representatives or elected officials must be in accordance with all applicable federal, state, and local laws and regulations.

If a complainant disagrees with a Formal Complaint Decision Memorandum by the Grant Manager, for one of the three Appealable decisions, they can appeal the decision to the Grant Manager through submittal of a separate/new Appeal Form with a copy of the Formal Complain Decision Memorandum(s) via postal delivery. The appeals process may include the following levels of review:

Level 1: Grant Manager

Level 2: Department Director

Level 3: The City of Panama City Board of City Commissioners

Level 1: Grant Manager

Working with the Case Manager and technical staff, the Grant Manager will review the Appeal, Decision Memorandum(s) from the complaint process, and Appeal Form and will address the appeal issue unless it must be escalated to the Department Director. The Grant Manager will provide a written response within 10 business days of receipt of the complaint in a Grant Manager Decision

Memorandum via mail certified return receipt. If a complainant disagrees with the Grant Manager's decision, they can appeal to the Department Director for review through submittal of a separate/new Appeal Form with a copy of the Decision Memorandum(s) and complaint form(s) via email or postal delivery.

Level 2: Department Director

The Department Director will receive and review all appeals forwarded by the Grant Manager. The Department Director will address the citizen and applicant complaints and/or provide them with a request for additional information or a written decision within fifteen (15) business days. The Department Director will document any appeal review meeting(s), decision(s) and rationale in a Department Director Decision Memorandum to be kept on file. Once the Department Director decision has been rendered, the Grant Manager will communicate the decision in a written response via mail certified return receipt to the applicant and inform them of their right to appeal to the Board of City Commissioners. The Appeal Request, Decision Memoranda(s) and complaint form(s) will be processed for CC review by the Department Director if determined to be a legal appeal by the City Attorney's office.

Level 3: City Commissioners (CC)

After review by The City of Panama City Attorney's Office to confirm that the relief sought under the appeal is permissible and consistent with all applicable federal, state and local laws and regulations, if it is determined by the City of Panama City Attorney's Office, in writing, that granting the appeal would violate any applicable federal, state, or local laws and regulations, the CC will not have discretion to rule on the appeal and therefore the appeal will not be forwarded to the CC for consideration at a public hearing. For those appeals that would not violate any applicable laws and regulations, the CC will receive and review the appeals forwarded by the Department Director and the Legal Department. The City will document each decision made by the CC regarding an appeal associated with the City of Panama City VHBP. A copy of the decision will be maintained among program files for review and reference, and it will be mailed, certified return receipt to the applicant. Once

the CC has rendered a decision, the Grant Manager will communicate the decision in a response to each applicant and inform them of their right to appeal the CC decision to the Florida Department of Economic Opportunity (DEO). The CC decision will also be forwarded to DEO for their file.

Complaints regarding Fraud, Waste of Abuse of Government Funds and Complaints regarding Fair Housing Laws

Complaints regarding fraud, waste or abuse of government funds should be forwarded to the U.S. Department of Housing and Urban Development Office of Inspector General Fraud Hotline (phone: 1-800-347-3735, email: hotline@hudoig.gov).

Complaints alleging violation of fair housing laws should be directed to U.S. HUD for review by mail:

U.S. HUD Community Planning and Development
Division Atlanta Regional Office
Five Points Plaza
Building 40 Marietta
Street
Atlanta, GA 30303-2806

Anyone who feels he or she has been discriminated against may file a complaint of housing discrimination 1-800-669-9777 (toll free), 1-800-927-9275 (TTY), or www.hud.gov/fairhousing

Compliance Monitoring

The City of Panama City will establish a monitoring/oversight program to ensure that buyout assistance is being provided to eligible owners, for eligible properties, and in the proper assistance amounts. On a monthly basis, the Grant Manager, in coordination with the City's technical consultant, will conduct compliance monitoring reviews of the CDBG-DR VHBP, project, and activity files.. Monitoring activities will be conducted to identify:

- Case management error
- PPI violation
- Drawdown or fund redistribution error at the VHBP manager level
- Procurement error
- Program implementation error

Corrective actions will be taken immediately to address any identified errors. Issues and findings will be recorded as will the corrective actions addressing the identified issue. The Grant Manager will maintain documentation of issues and findings identified during monitoring and audits, as well as, record any issues found by staff or the City's consultant during program implementation and management. The corrective actions must address the issues in as expeditious manner as possible. The corrective actions will not only serve to rectify the identified issues or findings but will also provide any reparations, staff adjustments, staff training, rebidding, public notification, P&P revisions, and financial corrections as is necessary and applicable.

Issues and findings identified which arise due to financial recordation or processing error will be managed by the Purchasing Department in coordination with the PMO Accounting Department. Any issues and findings involving the Purchasing Department will be recorded and corrective action will be undertaken which address the issues in as expeditious manner as possible. The corrective actions will not only serve to rectify the identified issues or findings but will also provide any staff adjustment, staff training, policy and procedure revisions or other

activities as necessary to ensure the issues are not repeated. Corrective actions will ensure that all impacts are fully addressed, and any regulatory or procedural violations are thoroughly addressed in a permanent fashion.

DEO Monitoring

The City will maintain constant communication with DEO regarding management and implementation of CDBG-DR funds. The City will submit to monitoring of its activities by DEOs as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the City of Panama City Subrecipient Agreement. The City will make program staff available during DEO monitoring and will provide DEO with access to all program files and documents.

Performance Reviews and Audits

The City will make available to the DEO and HUD all records requested for performance reviews and audits for at least five years beyond the closing of the grant. The City shall have a single or program specific audit conducted annually in accordance with the applicable federal requirements.

Record Retention

All official records on programs and individual activities shall be maintained for at least six years beyond the closing of the grant between the DEO and HUD. Applicant records will be maintained electronically in the DEO's system of record.

The City will retain sufficient records for a period of six years after DEO issues the final closeout for this award.

DEO Reporting

The City will provide all DEO required reporting in compliance with the subrecipient agreement. All reporting will be completed by the Grant Administrator or their representative. In order to comply with the subrecipient agreement, the City will undertake the following reporting activities:

- The City will make every effort to submit reports in a timely manner
- The City will submit a monthly report on forms provide by DEO no later than 10 calendar days after the end of each month.
- The City will submit quarterly reports to DEO on DEO provided forms no later than the tenth day of every April, July, October, and January.
- The City will submit HUD form 2516 to DEO's SERA reporting system no later than April 15 and October 15 of each year.
- Audits will be conducted in accordance with 2 C.F.R. part 200 and submitted to DEO no later than nine months from the end of the Subrecipients fiscal year when audit thresholds are reached. If an audit threshold is not met, then an Audit Certification Memo will be provided to DEO no later than nine months from the end of the Subrecipients fiscal year.
- An Audit Compliance Certification form will be emailed to audit@deo.myflorida.com within sixty (60) calendar days of the end of each fiscal year.
- HUD summary form HUD-60002 must be completed and submitted through DEO's SERA reporting system by July 31 annually.
- The City will provide copies of all performance and payment bonds and Notices to

Proceed for contractor work as part of its reporting responsibilities with DEO.

Affirmative Marketing/Fair Housing

The City of Panama City, in accordance with the Fair Housing Code, shall ensure that no person shall on the ground of race, color, national origin, religion, sex, sexual orientation, age, familial status, or disability be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or be denied access to the CDBG-DR projects and programs. Marketing will occur and referrals will be accepted through the City of Panama City Disaster Recovery Office and the City of Panama City Community Development Department. The City will also coordinate with Bay County and other local non-profit and community-based organizations. The City of Panama City will take additional measures to affirmatively market the CDBG-DR projects, as follows:

- The City will make the VHBP accessible to persons who are considered members of a protected class under the Fair Housing Act by holding informational meetings in buildings that are compliant with the Americans with Disabilities Act (ADA), provide sign language assistance when requested, and provide special assistance for those who are visually impaired when requested.
- The City will make all efforts to communicate, both orally and in writing, in appropriate languages to affected residents.
- The City will provide reasonable accommodations as needed to make the VHBP accessible to people with disabilities.
- The City will retain documentation of all marketing measures used, including copies of all advertisements and announcements that will be available for public viewing upon request.
- The City will engage community members in the targeted buyout areas as well as those in potentially impacted, adjacent communities to gather stakeholder input, disseminate important program information, and to answer questions.
- The City will use postings at City offices, posting on the City's website, social media, and other appropriate media to ensure that residents of the targeted and most vulnerable areas are reached.

Voluntary Home Buyout Program Implementation

The VHBP assists single family homeowners who suffered damage to their residential property from Hurricane Michael to dispose of their property and move out of high hazard areas prone to flooding. In order for a single-family property to potentially qualify as a buyout, the property must be located in a floodway, floodplain, or high-risk flood area. Attached single family homes may be eligible if both units voluntarily participate. The City will offer the fair-market value of the properties to be acquired. Properties which are in an area acquired by the City will be cleared with all structures being removed from the site. The site will have all utilities terminated and capped at the road and will be properly graded to allow for drainage. Properties acquired by the City will be maintained as green space with uses limited to floodplain/wetlands management and/or passive recreational purposes in perpetuity.

National Objective

Voluntary Buyout is being implemented to meet the following National Objective:

- Low- to Moderate-Income (LMI) Area Benefit: The activity benefits an area that consists of at least 51% low- to moderate-income households. The LMI area benefit is identified and calculated using HUD LMISD based on 2011-2015 ACS 5-Year Estimates.
- Low-Moderate Income Housing (LMH): The households to be assisted must be LMI and occupy the replacement housing. Occupying replacement housing means that CDBG-DR funds will be provided for an eligible activity that benefits the LMH by supporting their move from high-risk areas.

The primary National Objective met by the City's VHBP is the LMA National Objective as the project service area exceeds 51% LMI and the bought-out properties will be converted to perpetual green space that benefits service area residents. The City will make a reasonable effort to meet the LMH National Objective as all participating households will be screened for income to determine if they are at or below 80% of the Area Median Income (AMI) for Panama City. Additionally, participating households are eligible for a Replacement Housing Incentive Payment of \$25,000 for LMI applicants and \$10,000 for non-LMI applicants.

The applicant's National Objective will be determined at the time of application intake and verified through the application verification process. Once determined, the National Objective will be the same for all activities associated with the buyout of the applicant's parcel (acquisition, clearance and demo, relocation assistance).

Property Requirements

Homeowners who own a property in the City of Panama City may be eligible to receive buyout assistance and will be prioritized to receive assistance. For the property to qualify for the VHBP the property must meet the following requirements:

1. Located in the jurisdiction of the City of Panama City;
2. Have been damaged by Hurricane Michael in 2018; and
3. Meets the National Objective

Income Eligibility

The adjusted gross household income will be determined and verified in accordance with HUD approved Adjusted Gross Income methodology utilizing the IRS 1040 "long form". IRS 1040 forms will be collected for all household members as applicable. Dependents and their potential income will be recorded as such and as indicated on IRS 1040 forms. Adjusted gross incomes as indicated on the IRS 1040 forms will be recorded for all household members and combined to calculate a total household income. The Case Manager will conduct the eligibility review and complete the Income Verification Form for each application. The Income Verification Form is a worksheet designed to collect all adjusted gross income data for all household members to calculate Total Household Income. This Total Household Income must meet the income eligibility criteria set by HUD for LMI qualified households to qualify under the LMI priority. The City will use the IRS Form 1040 Adjusted Gross Income (AGI) method of income calculation for purposes of identifying and confirming household income unless the applicant did not file a Federal Income tax form for the most recent year. Self-employed applicants will be required to

submit the most recent two years of Federal income tax forms. If the applicant did not file an income tax return, then the AGI Worksheet method will be used to determine Low-Mod Housing. Income limits are established by HUD and updated annually. In verifying income, the VHBP uses source documentation as evidence of annual income including review of documents and third-party verification. Applicants are required to provide their most recent IRS Form 1040 also referred to as the "long form." The 1040EZ or "short form" is not an acceptable form of income verification and determination of applicant eligibility. The income calculation process must conform to HUD's guidance in determining income and allowances for CDBG-DR funding allocations. Under the Annual Gross Income methodology of income calculation, the City will rely on the IRS 1040 adjusted gross income calculation to determine household member income. Income for all household members must be accounted for through the provision of IRS 1040 documentation. If the applicant, or a member of the household, did not file an income tax return, then the AGI Worksheet method will be used to determine income for that individual and any potential dependents. The VHBP will do a "snapshot" of the household's current financial circumstances to project future income, using an assumption that today's circumstances will continue for the next 12 months, unless there is verifiable evidence to the contrary. Adjusted Gross Income and total household income calculations will be performed in accordance with the "Technical Guide for Determining Income and Allowances for the HOME Program". This is a self-study guide that provides an explanation as to the Adjusted Gross Income calculation methodology.

The Applicant's income is certified at the end of the income review process, and re-certified on an as-needed basis in accordance with the *Income Eligibility Policies and Procedures*.

Eligibility Criteria for Voluntary Home Buyout Program

Federal Eligibility Requirements

This is a Voluntary Home Buyout Program. In order to comply with the requirements, set forth in 49 CFR 24.101(b)(1), all acquisitions will meet the following:

- No specific site or property needs to be acquired
- The property to be acquired is not part of an intended, planned, or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits.
- The City will not acquire the property if negotiations fail to result in an amicable agreement, and the owner is so informed in writing.
- The City will inform the owner in writing of what it believes to be the market value of the property.

National Objective

All CDBG-DR funded projects must meet one of two National Objectives as described in Section 1.

VHBP Scoring

The City will rate home buyout applications based upon a combination of state and local prioritization criteria. The scoring method will be as follows:

Scoring Criteria

City Commissioners authorized Voluntary HomeBuyout Local Program Prioritization Criteria for selection of properties interested in the Voluntary Home Buyout Program Utilizing Community Development Block Grant- Disaster Recovery Funding.

Section 1. To be eligible for consideration by the City for voluntary home buyout, the applicant must be:

1. The owner of the property. (A tenant in a rental property is not eligible.)
2. The owner must be willing to relinquish all development rights to the property.

Section 2. The City's point allocation criteria is as follows:

1. 1 point for owner occupied homes.
2. 1 point for low-income households as determined by HUD
3. 2 points for very low-income households as determined by HUD
4. 3 points for extremely low-income homes as determined by HUD
5. 2 points for a home that is located in a City defined area of high need
6. 1 point for each occupant that is either disabled, over the age of 62, or has special needs.
7. 1 point for homes that have 2 or more adjacent properties participating in the VHBP.

Structure Type

Eligible properties must be a residential dwelling structure or vacant lot. A dwelling structure is defined as a residential space that is a place of permanent habitation for a person or family that contains a living room, kitchen area, sleeping area, and bathroom(s).

Eligible Structure Types

- Single family property (detached and attached 1-4 units)
- Modular home/Manufactured home
- Vacant land

The VHBP will acquire properties from owners who agree to voluntarily participate in the VHBP. However, several of the structure types listed above may include occupants that are not the owner and who will be required to move from the unit involuntarily. Since these occupants may be displaced, The City will follow the URA requirements, as amended by the applicable Federal Register Notices for each disaster allocation.

Property Type

Property is the land and improvements listed on the title or property appraiser records as published on the Bay County Property Appraiser's Database at www.baypa.net on which the owner-occupant unit is located.

The following types of ownership are ineligible for assistance under this the VHBP:

1. Applicants who lost ownership of their home due to foreclosure, properties with outstanding suits, judgments and liens that would jeopardize ownership may be ineligible for assistance.
2. Properties located where federal assistance is not permitted are ineligible for assistance.
3. Properties must be in compliance with Environmental Code 24 CFR Part 58.

Owner Requirements

In addition to the requirements for each property to be eligible for assistance, owners of the properties must also meet certain requirements in order to be eligible to receive buyout assistance.

In order to qualify, all of the following must pertain to the homeowner/applicant:

- Homeowner must have clear title to the property
- Homeowner must be current on property taxes, on an approved payment plan or be awarded a tax deferral.
- Homeowner must agree to move to an area with reduced risk of flood.
- The buyout may be a result of environmental review restrictions in which the environmental review deems the property not eligible for other rehabilitation or reconstruction assistance.
- NFIP Check - The City will review all applications to determine if prior assistance was received. Participants in the VHBP will be required to certify to all eligibility criteria and must sign an acknowledgement agreeing to the following false claims statement:

"Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001, and 31 U.S.C. 3729."

Proof of Ownership

The VHBP verifies ownership and primary residency through the provision of a deed to the property and/or tax records provided by associated municipality. Ownership and primary residency must be maintained until project is complete. Ownership can be documented as follows:

- Provide a copy of a valid deed of trust or warranty deed that is recorded in the City tax records which cites the applicant's name. For MHUs, a Statement of Ownership and Location (SOL) may be provided.
- For the purposes of federally funded disaster recovery programs, ownership may be proven in the following manner:
 - Applicants may prove ownership by providing alternative documentation and completing a notarized affidavit that certifies that one of the following circumstances applies:
 - there is nobody else who has the right to claim ownership
 - anyone who has a right to claim ownership has agreed to participate in the VHBP; or
 - anyone who has a right to claim ownership could not be located (after reasonable attempts to contact).
 - The alternative documentation that can be provided instead of a copy of the deed includes (in order of preference):
 - tax receipts
 - home insurance
 - utility bills
 - other documentation deemed to be acceptable by the VHBP
 - The above-referenced alternatives are not optional and must be provided to prove ownership.

Proof of residency can be provided through a homestead exemption. In the absence of a homestead exemption, the following hierarchy will be used to establish occupancy. Applicants will provide an Affidavit of Ownership and Affidavit of Principal Residency plus one of the following:

- Copy of water, electric, gas, credit card, or cable bill. The bill must confirm that service is

- active and in the owner's name.
- Copy of FEMA letter showing payment received for home repairs or contents or insurance document showing content coverage.
- Letter from electric, gas, cable, or other utility service provider confirming that service is active and in the owner's name.
- Other qualified documents may be presented for consideration as proof of occupancy is subject to approval by HUD and will be reviewed on a case-by-case basis.

Identity Verification

Owners' identity will be verified via a credible method including but not limited to current tax records, or by a credit check. An applicant's credit score is not taken into consideration in determining VHBP eligibility. If a credit report is reviewed, it is used to verify:

1. applicant's identity and
2. that there are no judgments or liens on the property

Applicants must be current on property taxes, on an approved payment plan or be awarded a tax deferral.

CDBG-DR funds may not be used to pay delinquent taxes or child support payments.

Second Homes

To help accomplish the overall goals of the VHBP, the City wishes to provide buyout assistance to as many volunteers as possible within the Buyout Area. However, owners who volunteer for buyout on homes that qualified as their second home at the time of the disaster, or following the disaster, are often not eligible to participate in the VHBP and are not eligible for residential incentives. A second home may or may not be held out for rent or for resale. The applicant does not have to reside in the home during the year to be a second home. Preference for benefits under the VHBP will be for primary residences, but clarification will be determined by the City when the VHBP is underway.

Occupancy

To confirm owner occupancy, the VHBP looks for a homestead exemption in the property tax records in the applicant's name. This will be verified through the Bay County Property Appraiser's Office. If the property tax records have established a homestead exemption, the property is considered occupied by the applicant. In the absence of confirmation of a homestead exemption from records provided by the City, the following hierarchy will be used to establish occupancy:

- Property tax records demonstrating homestead exemption for the property.
- Copy of electric, gas, or water bill in the applicant or co-applicant's name.

- Letter from electric, gas, water, trash, sewage, cable, or landline phone company. The letter must confirm that the service address matches the name and address on the VHBP application.
- Voter registration records submitted together with valid driver's license (unexpired as of date of application) must match the name and address on the VHBP application.
- Title search results that yield proof of homestead exemption.

Death of Eligible Owner

If the homeowner passes away before closing the transaction occurs, the heir to the property may be eligible to proceed with the sale of the property once succession has been established. The heir must meet all eligibility requirements.

If an eligible owner dies and leaves their damaged property to a business entity, the application is ineligible for assistance.

Disaster Damage Documentation

Disaster damage will be documented as follows:

- FEMA, Small Business Administration (SBA) or Insurance Award Letters
- If the above-referenced documentation is not available, an inspection report/Damage Assessment (complete with photos of the damage and a written assessment of the damage with each photo taken) conducted by a certified or licensed inspector (HQS, TREC, or similar license) must be supplied that certifies the damage occurred as a result of Hurricane Michael.
- If FEMA, SBA, or Insurance Award Letters are not available and an inspection report is inconclusive as to the cause of the damage, alternative evidence may be provided, such as neighborhood-level media reports or documentation of damage by disaster response/relief organizations.

If an applicant was denied assistance by FEMA, assistance through the CDBG-DR Program may still be available. Applicants are not solely ineligible based on a denial by FEMA.

Award Determination

Amount of Assistance

The City has been allocated funding from the U.S. Department of Housing and Urban Development (HUD) via the Florida Department of Economic Opportunity (DEO) for disaster recovery projects related to the 2018 federally declared disaster event (Hurricane Michael). The City will use the approximately \$5 million in Community Development Block Grant Disaster Recovery (CDBG-DR) funds for the acquisition, clearance, and demolition of eligible properties, in addition to a replacement housing incentive for eligible owners who used the bought-out property as a primary residence. Based on the availability of funds, there may be multiple rounds for the Disaster Recovery Buyout Program to assist additional properties as preliminary funds are exhausted.

Each applicant's home must be assessed to verify that it was damaged from the event

The maximum assistance amount of CDBG-DR buyout funds will be capped at the FHA Mortgage Limits for Panama City. Eligible costs included in the buyout maximum assistance

amount are:

- buyout purchase price
- clearance and demolition (performed by the City),
- settlement costs,
- a replacement housing incentive payment

Eligible Expense	Eligible Expense Cap
Buyout Purchase amount	FMV
Settlement Costs	Based on actual costs
Clearance and Demolition	Based on actual costs
Replacement Housing Incentive Payment	\$25,000 for LMI, \$10,000 for non-LMI

Appraisal

As required under DEO Program Guidelines:

The appraisal methodology shall be used in the VHBP, and appraisals must be conducted by the City procured independent appraiser in accordance with the Uniform Standards of Professional Appraisal Practice. The appraiser must comply with relevant State laws and requirements and shall have the appropriate certification, qualifications, and competencies based on the type of property being appraised. When determining the value of many structures, the subrecipient may choose to perform appraisals to establish a statistical sampling of property values and develop an adjustment factor to apply to tax assessed values so that they reasonably reflect each property's market value. DEO will monitor each subrecipient's appraisal practices.

All properties will be appraised by a State licensed appraiser and in conformity 49 CFR 24.103-Criteria for Appraisal and 49 CFR 24.104-Review of Appraisals.

1. If appraisal exceeds the established maximum purchase limit as set by the City, the applicant may receive up to the City's established limit. Such cases will be evaluated on a case-by case basis and final determination made by the City.
2. If appraisal is below the City's established maximum purchase limit, applicant will be offered the fair market value.

The properties will be purchased at fair market appraised value of the home, less any identified duplication of benefits and mortgage or other liens.

Incentives

The City will provide eligible participants with housing incentives to relocate to areas with a reduced risk of flooding. The purpose of the incentives is to allow owners the ability to relocate to an area with reduced risk of flooding while not being made worse off financially or in terms of housing quality by participating in the VHBP. While housing incentives are allowable, they must be justified and reasonable. Federal regulations prohibit the VHBP from providing compensation payment. LMI qualified applicants are eligible to receive \$25,000 in incentive funds and non-LMI qualified applicants are eligible to receive \$10,000 to help obtain housing in an area or lower hazard risk. Housing relocation assistance is limited to owner-occupied properties. Owners of vacant land or rental property are not eligible for these incentives. Tenants of rental properties

participating in the VHBP may be eligible to receive relocation assistance under the Uniform Relocation Act.

Title and Legal Services

The City of Panama City will conduct a title search for each property it plans to acquire. The purpose of the title search is to ensure that the owner is the sole and actual title holder to the property, identify other persons with a property interest, and to ensure that the title is clear. In addition, there may not be incompatible easements or other encumbrances to the property that would make it either ineligible for acquisition or noncompliant with open space land use restrictions.

Other requirements include:

- A title insurance policy, demonstrating a clear (fee) title conveyance, must be obtained for each approved property that will be acquired
- Site inspection for each property verifying the property has no physical encumbrances, which may require a site survey to clearly establish property boundaries.
- Title to the property must transfer by a warranty deed in all jurisdictions that recognize warranty deeds.
- All incompatible easements or encumbrances must be extinguished.
- The subrecipient shall take possession at settlement.
- The subrecipient must record the deed at the same time as and along with the VHBP programmatic deed restrictions.
- The deed transferring title to the property and the VHBP programmatic deed restrictions will be recorded according to State law and within 14 days after settlement.

Offer to Purchase

Once an applicant has been determined eligible and an assistance amount has been calculated, the applicant will receive an offer to purchase. An applicant must sign a voluntary participation or non-- participation agreement within 14 days of buy-out offer. If applicant does not agree to the offer, they may counter-offer by providing their own appraisal prepared by a licensed appraiser. The City will review the counteroffer and make a decision regarding the appraisal amount that is to be used.

If applicant appeals, the City will have ten (10) days to review the counteroffer and make a decision regarding the appraisal amount that will be used. Applicant will be notified by mail and/or electronic mail of the final decision.

Documenting Eligibility and Acceptance of Offer

The City of Panama City will document the owner and property eligibility in the applicant file and will retain detailed copies of all award determinations as well as the applicant acceptance of the offered buyout and incentive amounts.

Demolition

The VHBP will procure a contractor to demolish existing structures on properties acquired by the City. Properties will be secured prior to demolition. After demolition, properties will be

secured and maintained by the City.

The Grant Manager oversees demolition of structures on properties acquired through the Voluntary Home Buyout Program, The Grant Manager will work with the contractor procured to perform the demolition and removal tasks to ensure compliance with all Federal, State, and local regulations.

Restrictive Covenant

Properties acquired through the VHBP must have a restrictive covenant running with the property and require that the buyout property be dedicated and maintained for compatible uses in perpetuity. Compatible uses include:

1. Any property acquired, accepted, or from which a structure will be removed pursuant to the project will be dedicated and maintained in perpetuity for a use that is compatible with open space, recreational, or floodplain and wetlands management.
2. No new structure will be erected on property acquired, accepted, or from which a structure was removed under the acquisition or relocation program other than allowable uses under HUD.
3. After receipt of the assistance, with respect to any property acquired, accepted, or from which a structure was removed under the acquisition or relocation program, no subsequent application for additional disaster assistance for any purpose or to repair damage or make improvements of any sort will be made by the owner of the buyout property (including subsequent owners) to any Federal entity in perpetuity. The entity acquiring the property may lease it to adjacent property owners or other parties for compatible uses in return for a maintenance agreement. Although Federal policy encourages leasing rather than selling such property, the property may also be sold.

Property Disposition

Properties may be disposed to local governments or nonprofit entities, subject to covenants protecting their use as open space in perpetuity. Any entity assuming ownership of the property must submit a plan for operations and maintenance of the property consistent with the VHBP's purposes. The City may entertain the option to dispose of or lease in perpetuity, acquired properties to neighboring property owners for no cost. Properties disposed of or leased in such a manner will be required to be deed restricted prohibiting construction of any structures on the parcel.

Property Acquired through Voluntary Buyout

The intent is to engage in CDBG-eligible activities that best serve the future goals of the community. Properties purchased through the Buyout component are dedicated in perpetuity for uses compatible with open space, recreation, or floodplain/wetlands management practices. Preservation of open space includes, but is not limited to, maintaining greenspace, wetlands restoration, flood mitigation and/or water quality projects, pocket parks, bike paths, and other recreational amenities.

Application Intake

Applicants will be required to complete a program application to be submitted to the VHBP case manager in a manner that is prescribed. Reasonable accommodation will be available as

needed for submission of applications. Case Management consultation with the applicants will be conducted in the order in which the applications are received. The consultations will include the submission of the application and all supporting documentation to verify eligibility criteria. Applications will be advanced as they are

completed which may result in registrants being advanced out of the first come first served order due to a lag in the application completion process.

All applicants must sign the VHBP's Consent and Release, Fraud Acknowledgement, and other program-related documents as needed, in accordance with each applicant's particular situation. All owner-occupants should be listed on the VHBP application. All owner-occupants must sign all program forms.

All owner-occupants and non-occupant owners should be listed on the VHBP application. All owner-occupants must sign all program forms. Owners who are not occupants must agree to and sign off on any form required for the City to acquire the property. The VHBP is not liable for any disputearising between owner-occupants and non-occupant owners.

Once a person has completed an application, he or she will then be an active applicant to the VHBP. From that point forward, applicant(s) must abide by all VHBP policies and procedures outlined in this manual.

Recovery Center Management

VHBP staff will be responsible for coordinating the assignment of applicants under the supervision of the Grant Manager. To the extent feasible, the VHBP case manager will work with the applicant from application initiation through completion and referral to the City for eligibility determination. The case manager will access a language line or interpreter's services to provide consultation to applicants in their preferred language.

The Grant Manager will provide direct supervision to the VHBP staff as appropriate. The Grant Manager will also work with City staff in performing spot file reviews to confirm understanding of the process and requirements. The Grant Manager is also responsible for securing additional training and "refresher" training based on the findings of the QA/QC process.

In person office hours will be available, however, due to COVID-19 restrictions, intake and eligibility activities may occur remotely, to the extent possible. Communication will occur via telephone, text, email, and mail. Paperwork can be emailed, mailed, or sent via text to the VHBP case manager.

Environmental Review

CDBG-DR buyout assistance is contingent on compliance with the National Environmental Policy Act (NEPA) and related environmental, historic preservation legislation and executive orders. Accordingly, environmental review activities are carried out for site contamination, demolition control, and documented prior to commitment of funds. The City must complete an environmental review on the property prior to an award both of the acquired and allocated properties. Additionally, the new property must meet the minimum Department of Social Services Standards (DSS), as determined by the Housing Quality Standards (HOS) under HUD guidelines or an inspection equivalent if Program funding is used to purchase the new dwelling.

Duplication of Benefits

The Panama City VHBP will offer participants Fair Market Value (FMV) as determined by a licensed Florida Appraiser. For property valuations based on post-disaster FMV, no DOB will be taken from the offer. A program that provides post-disaster FMV to buyout applicants only provides the actual value of the property; thus, the seller is not considered a beneficiary of CDBG-DR assistance; therefore, this activity does not fall under the Stafford Act.

The City will submit VHBP property addresses to DEO to determine if any were participants in the Housing Repair and Replacement Program. Properties that have received rehab or repairs through the Housing Repair Program will not be eligible for assistance under the Voluntary Home Buyout Program. However, on a case-by-case basis, housing units that have been demolished through the Voluntary Home Buyout Program may be eligible for new construction/replacement, in an area other than the buyout zone, through the Housing Repair and Replacement Program at DEO's discretion.

Recapture Duplication of Benefits

If a duplication of benefits is identified, The City of Panama City will recapture CDBG-DR funds to the extent they are in excess of the need and duplicate other assistance received by the beneficiary for the same purpose.

Adjustments and Offset to the Amount of Assistance

Adjustments and offsets are deducted from the award amount.

Buyout Award Determination

The City will provide eligible participants with fair market value, less any duplication of benefits or settlement costs, and if eligible, a Replacement Housing Incentive.

Buyout Applicants with Negative Equity on Mortgage

The VHBP may assist people who owe more on their mortgage than their house is worth, also known as negative equity mortgage or being underwater on their mortgage, but assistance amounts are capped at the maximum total buyout assistance amount per household. Assistance will only be provided if the assistance will allow the household to move from the damaged home to an area of reduced flood risk. The City of Panama City reserves the right to review each applicant with negative equity on their mortgage on a case-by-case basis.

Buyout Applicants with Reverse Mortgage

The VHBP may assist people who have a reverse mortgage, but assistance amounts are capped at the maximum total buyout assistance amount per household. Assistance will only be provided if the assistance will allow the household to pay off the reverse mortgage and move from the damaged home to an area of reduced flood risk. The City of Panama City reserves the right to review each applicant on a case-by-case basis.

Buyout Applicants in Foreclosure

Applicants in foreclosure may be provided buyout assistance, however the assistance amounts are capped at the maximum total buyout assistance amount per household. Assistance will only be provided if the assistance will allow the household to pay off the mortgage and move from the damaged home to an area of reduced flood risk. The City of Panama City reserves the right to review each applicant on a case-by-case basis.

Contract for Deed/Land Leases/Mobile Homes

Properties where there is a different owner of the land than the owner of the dwelling unit(s), such as in Contracts for Deed, long-term land leases, and often with mobile homes, may be assisted through the VHBP only if the property owner converts the contract to full ownership. The City of Panama City reserves the right to review each application on a case-by-case basis.

Certification Requirements Prior to Receiving Assistance

All applicants must agree to the following to receive assistance:

- Sign an Authorization for the Release of Information so that information provided can be shared and/or verified with state, federal and other third-party agencies. (The applicant, co-applicant, and other adult household members are required to sign the release unless one of the eligible applicants has provided power of attorney to another to represent him/her.)
- Sign a Certification of Completeness attesting to the accuracy and completeness of all information provided to the VHBP under penalty of law.
- Agree to verification of their ownership status and assistance received.
- Power of attorney: Applicant(s) may grant power of attorney to someone who can apply on their behalf, as applicable.
- All signed documents will include the following statement: 'Warning: Any person who knowingly makes a false claim or statement to HUD may be subject to civil or criminal penalties under 18 U.S.C. 287, 1001 and 31 U.S.C. 3729.'

Participant must remove all personal property from the residence prior to the day of closing. Any personal property remaining after closing will be included in the demolition.

Once the purchase offer has been made, the Seller is notified of available resources to help applicant move.

Upon Homeowner acceptance of offer:

- CC review and approval;
- The City sends information to Title Company, requests title commitment, and invoice;
- The City receives invoice, title commitment, and preliminary settlement statement from Title Company;
- The City prepares set-up award statement including estimated closing and demolition costs;
- The City prepares setup file for DEO. Setup file to include award statement with cost of acquisition, necessary soft costs, incentives, and demolition (if applicable) costs. Setup file to include:
 - o Set-up form
 - o Award Statement
 - o Release of Funds
 - o Sales Agreement
 - o Title Commitment

- o Itemized Budget - includes closing costs based upon estimated closing date
- o The City submits setup file to DEO.
- o DEO reviews and approves or reviews and denies setup.
- o If approved, the City schedules closing.

Document Execution at Closing

The following documents will be signed by the applicant at the time of agreement:

1. Agreement for Sale
2. Subrogation Agreement
3. Promissory Note (if housing incentives are provided in addition to FMV)
4. Agreement to have all utilities disconnected within 10 days.

Subrogation Agreement

Subrogation is the process by which duplicative assistance paid to the Property Owner after receiving an award is remitted to the VHBP to rectify a duplication of benefit. All applicable claims (including insurance payments, unpaid claims, lawsuits, and settlements) paid to applicants not included in the original benefit determination calculation and/or received after their closing appointment, must be subrogated to the VHBP to prevent a duplication of benefits.

Assignment Relation to Funds Received Under the VHBP

In consideration of the Property Owner's award of funds and the commitment by the City to evaluate the Property Owner's application for the award of funds under the VHBP, the Property Owner assigns to the VHBP all future rights to reimbursement and all payments received under any insurance policy, including but not limited to any type of casualty or property damage insurance (the Policies); any reimbursement or relief program related to or administered by FEMA or the SBA for physical damage to the property (not including proceeds received to cover contents); any other assistance from non-profit organizations, faith based organizations, or disaster relief entities, and other governmental entities, that was the basis of the calculation of the Property Owner's award to the extent of the proceeds paid under the VHBP.

The proceeds or payments from the above-described duplicative assistance are referred to herein as "Proceeds." The rights the Property Owner assigns to the VHBP are specific to the Property with respect to which the Proceeds were paid. The Proceeds paid, as described in the Property Owner's application with the VHBP, arise out of physical damage to the Property originally caused by the federally declared disaster, but also includes Proceeds received for damage to the Property caused by any subsequent event that occurred (until the time of purchase of the Property using Program funds). The Policies include, but are not limited to, policies characterized as damage, flood, or any other type of casualty or property damage insurance coverage held by the Property Owner, which provides coverage for physical damage to the Property. Once the VHBP has recovered an amount equal to the award proceeds, the City reassigns any rights assigned to the City of Panama City pursuant to this Agreement to the Property Owner.

Cooperation and Further Documentation

The Property Owner agrees to assist and cooperate with the City should the City elect to pursue any of the claims the Property Owner has against the insurers for reimbursement under any such Policies. The Property Owner's assistance and cooperation includes allowing suit to be brought in the Property Owner's name(s), giving depositions, providing documents, producing records and other evidence, testifying at trial and any other form of assistance and cooperation reasonably requested by the City. The Property Owner further agrees to assist and cooperate in the attainment and collection of any proceeds that the Property Owner would be entitled to under any applicable FEMA or SBA Programs. The Property Owner agrees to take necessary actions and to execute additional documents at the City's request to assign Property Owner's insurance policies to the City of Panama City, to the extent of the funds granted to the Property Owner under the VHBP and/or the disaster relief funds from FEMA or SBA.

Authorization for Program to Contact Third Parties

The Property Owner explicitly allows the VHBP to request of any company with which the Property Owner held Policies or FEMA or SBA, any non-public or confidential information needed by the VHBP to monitor/enforce its interest in the rights assigned to it under the Consent and Release Agreement, and to give the Property Owner's consent to such company to release said information to the VHBP.

Closeout

The City will work to ensure records are complete, that all affordability requirements are adhered to, and that the City has performed all subrogation-monitoring processes. The City will create project and grant closeout checklists that will be maintained with the project file.

Property Maintenance After Closing

Following closing, the recorded deed is maintained by the Clerk of Court and Comptroller and the related program file. The City will add the property to its list of properties to be maintained. The City is responsible for the maintenance and/or demolition of the residential structure and any outbuildings and proper disposition of the debris, in accordance with state and federal environmental laws, rules and regulations. A covenant will be placed on the property being acquired to maintain it as open space. The City will provide mowing, tree trimming, weed eating, and debris removal services with City staff or through contractors as necessary.

Program Contact

Email: jaldridge@pcgov.org

Phone Number: (850) 872-3004

The City of Panama City has the right to change, modify, waive, or revoke all or any part of these guidelines. The DEO will provide the option for a waiver only after the waiver request has been posted on sub-recipient's website for a public comment period of at least 7 days. The waiver request must demonstrate why the housing guidelines are not practicable for the sub-recipient. If these Guidelines conflict with local, state, or federal law, the more stringent requirement will prevail, provided that the requirement does not violate local, state, or federal law.