



FAQ—Property Owners

Flood Mitigation Buyout Summary

How does the buyout work?

FEMA works with state and local communities to identify areas where FEMA buyouts would be most beneficial. FEMA does not buy homes directly from homeowners. **Acquisitions are voluntary.** The State and a local sponsor (MSD) administer the program.

Structures will be razed upon purchase by MSD and the property deed-restricted from structural development as required by FEMA. Some properties may be utilized for temporary stormwater storage, green infrastructure—such as rain gardens, stream buffer restoration zones or park-like areas.

Is participation necessary?

This is a **voluntary program** to remove homes repeatedly flooded by surface water located within the approved project areas. No project area owners will be forced to sell their property to MSD, nor will MSD use its power of eminent domain to condemn property in these grant areas.

What can property owners expect in the next few months, if they choose to participate?

- Property appraisal
- Title search
- Purchase agreement signing
- Closing

After the property has been appraised:

- MSD will provide the property owner with a written statement of the current, fair market value of the property, per the appraisal.
- The property owner has 30-days to respond to the purchase offer.
- MSD will set an appointment for signing the purchase agreement upon acceptance of the offer.
- MSD will order a title search.
- After a clear title is determined, a closing date will be set. This is usually 45-90 days from date of signing the purchase agreement.
- MSD will take ownership of the property at closing.
- Property should be vacated by the closing date.
- Existing buildings will be tested for lead and asbestos, and demolished within 90 days of closing.
- The land will be cleared of all debris for site restoration.
- The property becomes deed restricted from future development except for open space use, such as recreational, flood storage, rain gardens, etc.

What if I have a tenant?

The tenants must occupy the structure for a minimum of 90 days immediately preceding the initiation of negotiation for acquisition of the property to qualify for rental increase payments and or relocation assistance, per The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act).

- If a tenant occupies property, a minimum of 90 days is given for their relocation.
- MSD will contact tenants for an appointment following the purchase agreement with the property owner.
- Tenant may qualify for relocation funds, as deemed appropriate per federal regulations.

How will the value of my property be determined?

A licensed appraiser contracted by MSD determines fair market value. MSD will offer the property owner the fair market value of the home, or the current PVA value, whichever is higher.

Is there an appeals process?

Yes, the property owner has the right to submit their own appraisal performed at their expense. MSD will have the appraisal reviewed by an unbiased third party. Upon review of the second appraisal, MSD will notify the

property owner of acceptance or rejection of the appraisal.

If the second appraisal is accepted, MSD will modify the estimated fair-market value of the property, revise the Letter of Intent and other applicable documents, and mail them to the property owner. The property owner may then execute the revised Letter of Intent and return it to MSD.

If the second appraisal is rejected, the property owner may choose to execute the original Letter of Intent (if not expired) and return it to MSD or may terminate negotiations by notifying MSD in writing. If the original Letter of Intent has expired, contact MSD for a new Letter of Intent. If negotiations are terminated, MSD will discontinue pursuing acquisition of the property.

What costs will MSD pay?

MSD will pay costs associated with real estate transactions, including the appraisal, title search, lot survey (if necessary) and closing costs.

What costs will the property owner pay?

The property owner will be responsible for any outstanding balances, such as mortgages, taxes, liens, etc., against the property. Property owners will also be responsible for moving costs and other costs associated with renting or buying a new property. Grant funding does not cover relocation costs for property owners.