



FEMA

Frequently Asked Questions

Federal Insurance and Mitigation Administration

Property Acquisitions for Open Space

Each year, flooding causes millions of dollars' worth of property damage. This creates a heavy burden for many, especially the property owners whose homes are flooded and damaged. After the flood, many property owners struggle with the difficult decision of whether to return to the flood-prone area to repair and rebuild. For some, participating in an acquisition or buyout project may be the answer.

What is the acquisition / buyout program?

FEMA's acquisition/buyout mitigation activity helps communities purchase flood-prone properties, remove the buildings, and maintain the land as open space. Acquisitions are funded by the Federal Emergency Management Agency (FEMA) Hazard Mitigation Assistance (HMA) program, and the funds are managed by each state. For a property owner, whose house is located in high flood risk area and suffered substantial damages, having their flooded home purchased and demolished, or moved out of the flood-prone area provides the best solution.

Will I be forced to sell my property or home?

No, participation in FEMA's acquisition programs is strictly voluntary and property owners are not required to participate. FEMA has two types of acquisitions: (1) property acquisition and structure demolition, and (2) property acquisition and structure relocation. Property acquisition and structure demolition allows the community to purchase the structure and the land, while property acquisition and structure relocation allows the community to purchase only the land and assist the property owner with relocating the structure to an area outside the flood zone. Property owners are paid fair market value for their property.



This once residential area was included in a FEMA buyout after flooding destroyed many homes in 1993 (Crystal City, MO). The 2001 inundation of the same area shown in this photo attests to the losses avoided.

Who decides whether my home will be demolished or relocated?

The property owner makes the decision whether to have their home demolished or relocated. If a property owner wishes to relocate their home, the following conditions must be met:

- The structure must be sound and feasible to move, and
- The house must be relocated outside of any flood-prone area (also called the Special Flood Hazard Area).

Who can apply for FEMA-funded acquisitions?

If an individual home or business owner wants to participate in a buyout project and meets the HMA program requirements, they need to contact their local government. The local government can sponsor a buyout project and submit an application to the state and FEMA on the individual's behalf.

How does the application process work?

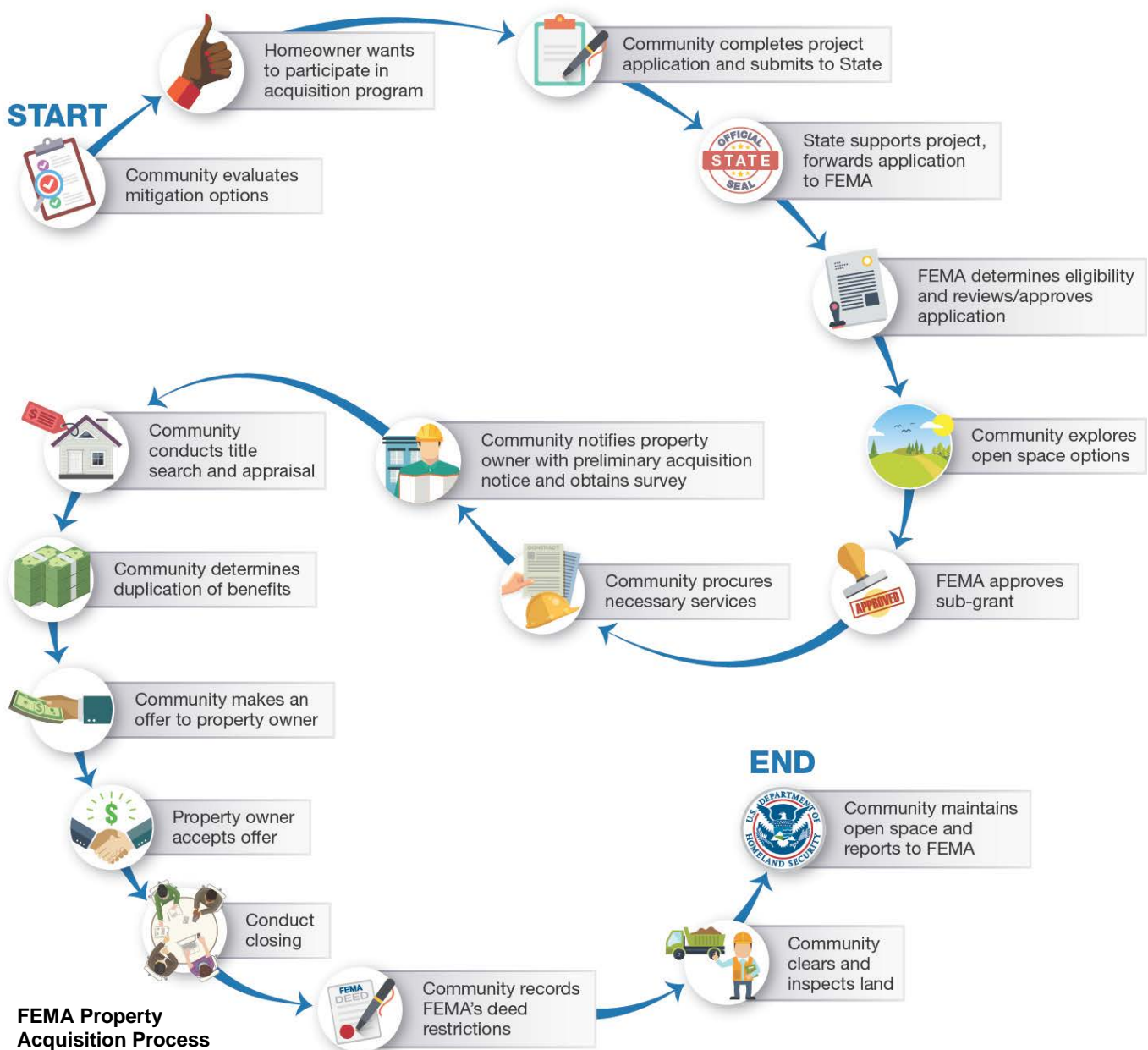
The application process begins with individuals or communities meeting with the local floodplain or housing manager to start an application. The application requires input and information from the community and all interested property owners.

The community sends the application to the State Hazard Mitigation Officer (SHMO), who will review it for eligibility, prioritize it among other eligible applications

received, and submit the prioritized applications to FEMA for approval.

FEMA then reviews applications to ensure they meet HMA program requirements, are cost-effective and feasible, and address environmental/historic/cultural resource issues. Once approved, FEMA awards mitigation grant funds to the state, which disburses those funds to communities.

Once the funding is received, the community will purchase the property, remove or demolish the structure, and deed restrict the land as open space.



How long will it take until my home is purchased?

It may take several months or even years to apply for and complete an acquisition project. From start to finish, acquisition projects require a lot of coordination between the property owner, community, and state.

What costs are included when I get paid as part of a buyout?

The costs that are covered as part of a property acquisition and structure demolition or relocation depend on the scope of the project (either acquisition demolition or relocation). Property owners may be reimbursed for:

- Fair market value of the real property(land and structures) either at the time of sale or immediately before the most recent flood
- Fees for necessary appraisals, title searches, title insurance, property inspections, and surveys
- Fees associated with the title transfer, contract review, and other costs associated with conducting the real estate settlement, including recording the deed and deed restrictions
- Demolition, site restoration, and site stabilization of the acquired site
- If the structure is being relocated, the reasonable cost of disassembling, moving, and reassembling any porches, decks, skirting, ramps, awnings, or other items.
- Asbestos abatement

Who pays for the project?

Generally, FEMA pays up to 75 percent for hazard mitigation projects. The remaining 25 percent is the responsibility of the homeowner, unless the subapplicant has identified an alternative payment method. The state, territory, or federally-recognized tribe may have a different cost-sharing strategy.

For example, if your mitigation project cost is \$200,000, FEMA will pay 75 percent (\$150,000) of the cost. The homeowner is responsible for the remaining 25 percent (or \$50,000).

Homeowners may receive funding assistance through:

- Increased Cost of Compliance payments
- Insurance payments
- U.S. Small Business Administration disaster loans

- State, territory, federally-recognized tribe, and/or local government
- Donated resources

How is the value of my property determined?

The most common approach to estimate fair market value of the real property (land and structures or land only) is for the community to hire an appraiser when the community receives an official grant award, and the homeowner agrees to sell the property. The appraisal must be conducted in accordance with the *Uniform Standards of Professional Appraisal Practice*. The community must coordinate with the state to determine the assumptions that will be used in the appraisal (i.e., current or pre-event market value), and the assumptions must be applied consistently throughout the project area for all properties to be acquired.

When determining the value for a large number of structures, the community may conduct 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.



This home is the first house to be demolished as part of the New Jersey Blue Acres Acquisition program after Hurricane Sandy devastated the state.

How can I find out if FEMA funds are available for acquisitions in my community or state?

Property owners should contact their local community officials or their [SHMO](#) to find out what FEMA mitigation opportunities are available in their state.

Are FEMA acquisition funds only available after a major flooding disaster?

FEMA has three HMA grant programs to support states, tribal governments, and local communities in implementing acquisition projects. All three HMA programs share the purpose of protecting communities from natural disasters, but they have different periods of funding availability.

Before a disaster – The Pre-Disaster Mitigation program is a competitive national program that annually provides funds to States and communities, including tribal governments, to manage risk by implementing hazard mitigation planning and mitigation projects before a disaster.

After a disaster – The Hazard Mitigation Grant Program provides funds to states, tribes, and local communities after a Presidential disaster declaration to protect public or private property through various mitigation measures based on state/tribal priorities.

Every year – The Flood Mitigation Assistance program is another competitive national program that annually provides funds to states and local communities for projects that reduce or eliminate the long-term risk of flood damage to buildings, homes, and other structures that are insured under FEMA's National Flood Insurance Program.

Additional information on the three programs can be found at www.fema.gov/hazard-mitigation-assistance.

What happens to my property after an acquisition and demolition?

The property shall be dedicated and maintained in perpetuity as open space for the conservation of natural floodplain functions. However, the following land uses are allowed:

- Parks for outdoor recreational activities
- Wetlands management

- Nature reserves, cultivation, grazing, and camping (except where adequate warning time is not available to allow evacuation)
- Unimproved, unpaved parking lots
- Buffer zones
- Other uses FEMA determines compatible

Useful Links and Resources

FEMA's Hazard Mitigation Assistance Guidance and Addendum:

<https://www.fema.gov/hazard-mitigation-assistance-program-guidance>

State Hazard Mitigation Officers:

<https://www.fema.gov/state-hazard-mitigation-officers>

FEMA Hazard Mitigation Assistance (HMA) Brochures:

<http://www.fema.gov/media-library/assets/documents/107704>

Homeowner's Guide to the Hazard Mitigation Grant Program:

https://www.fema.gov/media-library-data/1478272128411-2eca27a89d418bb73e817edfb702cc15/HMA_HO_Brochure_508.pdf

Statement of Voluntary Participation for Acquisition of Property for Purpose of Open Space:

<https://www.fema.gov/media-library/assets/documents/13708>