*NOTE: This guideform may only be used if all of the requirements of 49 CFR 24.101(b)(1)(i)-(iv) are met.*

## Voluntary Offer Letter to Homeowner

**(Transfer to Subrecipient letterhead)**

Date:

Re: CDBG-DR Buyout/ Acquisition Program Offer to Purchase

Dear (*Property Owner as listed on deed*):

As a property owner at (*property street & city address*) you are eligible to participate in the (insert entity running the program)’s Buyout /Acquisition Program.

It is necessary that you understand this is a completely voluntary program. You are not required to participate in the proposed buyout. However, should you desire to participate, it is required that the purchase value of your property be agreed upon. The appraisal performed on your property establishes the Choose an item. value of the of the property’s value, equaling a total fair market value of $(*Total Appraised Value*).

Attached to this letter is the Just Compensation Determination Statement with more information on the basis for determination of the offer amount.

Because you received financial assistance from other sources, a Duplication of Benefits (DOB) in the amount of $(*Total DOB amount*) has been identified. The Fair Market Value of the Property (a) $ , minus the DOB (b) $ equals (d) $ . (This paragraph may not apply)

Therefore, the final offer for your property is (d) $ .

In addition to the fair market offer presented to you for the valuation of your home, you are eligible for additional housing incentive awards that may be presented to you in addition to your offer. See the Offer Letter Incentives Attachment to select any incentives you may be interested in receiving. (Note: delete this paragraph if not offering incentives)

If you agree with this valuation and are interested in participating in the voluntary buy-out program, please sign and date this letter on the line indicated below. It is imperative that you return this letter to (Name of Designated Agent & Subgrantee) at (Subgrantee address) within two (2) weeks from the above date.

Please understand the value indicated is your gross amount due. All costs related to your closing will be deducted from your gross amount due, and at settlement, you will receive a net check. Your costs may include, but shall not be limited to, outstanding mortgages, pro-rated real estate & school taxes, any judgments, pro-rated utility costs, etc.

A closing statement will be provided to you at settlement itemizing each of your costs and expenses.

Sincerely,

 Subrecipient’s Agent:

 Title:

I/We have read the foregoing and affirm that we voluntarily accept the appraised value as fair market value for my/our home.

 Date (Homeowner 1 Name)

 (Homeowner 1 Signature)

 Date (Homeowner 2 Name)

 (Homeowner 2 Signature)

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***Just Compensation Determination Statement***

***Note:*** *This Statement should be modified as conditions require and must accompany the Offer Letter.*

Subrecipient: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contract No.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_proposes to purchase a portion of your property at

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (Subrecipient)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ . See exhibit A for the lot description.

 (Address)

The Following buildings, structures, and other improvements are included as part of the offer of just compensation:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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As follows: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_has established just compensation for this property as

**$\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

 (Subrecipient)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ hereby offers the just compensation amount of

**$\_**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (Subrecipient)

for the purchase of your property. The amount offered is the full amount that\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (Subrecipient)

believes to be just compensation for the subject property or interest therein is not less than the market value of the described property. The basis for determining the value is shown below.

**Just Compensation:** **$**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (an amount representing just compensation for the real property to be acquired or the amount considered to be the market value of the portion to be acquired as part of the whole property plus, if applicable, an amount representing damages and benefits to the remaining portion of the property.)

**Basis for Determination:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 (Insert methodology and formula used in calculating value.)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Name of elected official Signature Date

***Exhibit A***

***Lot Description and Metes and Bounds***

***Instructions****: Include as an Exhibit to the Just Compensation Determination Statement the Lot Description as defined in the legal description in the local file. Also include the metes and bounds and any and all maps to demonstrate the property description and boundaries.*

**OFFER LETTER INCENTIVES (Non-URA Recipients)**

**(*Transfer to Subrecipient letterhead)***

**(Delete this attachment if not offering incentives)**

***Note:*** *This Statement should be modified as conditions require and may accompany the Offer Letter. Update all highlighted fields in accordance with the approved housing guidelines. If not offering incentives also delete the corresponding paragraph in the offer letter on page 1.*

Date:

Re: CDBG-DR Buyout/ Acquisition Program Offer to Purchase

Dear \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(Property Owner as listed on deed):

In addition to the offer presented to you for the valuation of your home, you are eligible for additional housing incentive awards that may be presented to you in addition to your offer.

The additional incentives that you are eligible for are the following: *(Delete the following incentives that are not applicable to your program/applicant and update the eligible amounts in accordance with the amounts listed in your approved housing guidelines)*

1. **Relocation Assistance:**

You are eligible for reimbursement of relocation costs of $10,000 for an existing home, or $35,000 for a lot or newly constructed home, and $5,000 in temporary housing and temporary relocation costs. The amount of assistance will depend on the reasonable and justified need of the applicant for relocation costs.

Eligible Relocation costs include:

1. Transportation of the displaced person and personal property. Transportation costs for a distance beyond 50 miles are not eligible, unless the Agency determines that relocation beyond 50 miles is justified;
2. Packing, crating, unpacking, and uncrating of the personal property;
3. Disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property. For businesses, farms or nonprofit organizations this includes machinery, equipment, substitute personal property, and connections to utilities available within the building; it also includes modifications to the personal property, including those mandated by Federal, State or local law, code or ordinance, necessary to adapt it to the replacement structure, the replacement site, or the utilities at the replacement site, and modifications necessary to adapt the utilities at the replacement site to the personal property;
4. Storage of the personal property for a period not to exceed l2 months, unless the Agency determines that a longer period is necessary;
5. Insurance for the replacement value of the property in connection with the move and necessary storage;
6. The replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available;
7. Other moving-related expenses that are not listed as ineligible under § 24.301(h), as the Agency determines to be reasonable and necessary;
8. The reasonable cost of disassembling, moving, and reassembling any appurtenances attached to a mobile home, such as porches, decks, skirting, and awnings, which were not acquired, anchoring of the unit, and utility “hookup” charges;
9. The reasonable cost of repairs and/or modifications so that a mobile home can be moved and/or made decent, safe, and sanitary; and
10. The cost of a nonrefundable mobile home park entrance fee, to the extent it does not exceed the fee at a comparable mobile home park, if the person is displaced from a mobile home park or the Agency determines that payment of the fee is necessary to effect relocation.

You will be required to furnish quotes, receipts, or contracts to calculate your final award for relocation incentives.

1. **Down Payment Assistance:**

You are eligible to receive up to 100% of the required minimum down payment, at an amount not to exceed $35,000. The amount of assistance will depend on the reasonable and justified need of the applicant and the price of the replacement home.

The following items must be met to be eligible for the down payment assistance:

1. Purchased a lot or are using a pre-owned lot located outside of a floodplain or to a lower-risk area within the subrecipient’s jurisdiction for construction of a new home (a construction date must be provided), or the applicant purchased a newly constructed or existing home located outside of floodplain or a lower-risk area in the subrecipient’s jurisdiction. The applicant will be required to complete a HUD 24 CFR 58.6 checklist on the new home or lot.
2. Purchased homes must be considered decent, safe, and sanitary, and will be required to pass the HUD HQS inspection. Any costs associated with bringing your new residence up to the required standards is the responsibility of the homeowner.
3. The funding must be used within (*Provide established timeframe).*
4. Household income must be at or below 120% Area Median Income.
5. **Buyout Incentives**

You are eligible for up to $35,000 in additional assistance as a buyout incentive. The purpose of the incentive is to encourage maximum participation by property owners and remove as many properties as possible from high-risk areas. Incentive payments should assist the household with necessary funds to buy an existing home or construct a home on a newly purchased lot, as applicable.

The following items must be met to be eligible for the down payment assistance:

1. Purchased a lot or are using a pre-owned lot located outside of a floodplain or to a lower-risk area within the subrecipient’s jurisdiction for construction of a new home (a construction date must be provided), or the applicant purchased a newly constructed or existing home located outside of floodplain or a lower-risk area in the subrecipient’s jurisdiction. The applicant will be required to complete a HUD 24 CFR 58.6 checklist on the new home or lot.
2. The funding must be used within (*Provide established timeframe).*
3. The applicant must provide documentation demonstrating the need for additional buyout incentive.

This is a voluntary program. You are not required to elect to accept incentives in order to accept your buyout offer. If you would like to participate in the incentive awards, please select the incentives that you would like to apply for (Initial as many as apply.)

\_\_\_\_\_ Relocation Assistance

\_\_\_\_\_ Down Payment Assistance

\_\_\_\_\_ Buyout Incentives

\_\_\_\_\_ I do not wish to participate in the incentive program

I/We have read the foregoing and affirm that we elect to participate in the incentive program for the incentives initialed above. I/We understand the aforementioned requirements for the incentives and will work with *(Subrecipient)* to furnish the required documentation.

 Date

(Homeowner 1 Name)

(Homeowner 1 Signature)

 Date

 (Homeowner 2 Name)

Homeowner 2 Signature)

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