

## FEMA funded Property Acquisition projects – FAQ at the pre-funding stage

*The amounts of funding which will be available for property acquisition projects is not fully known at this point in time. Communities will be contacted as soon as the amounts are known and application periods are defined.*

*HSEMD expects to have more information from FEMA no later than the end of July, 2025.*

**What acquisition projects achieve.** The goal of an acquisition project is to permanently remove at risk structures from the likely path of flooding. Acquisition is the only 100% effective mitigation method. Mitigation acquisition projects acquire the property and demolish existing structures converting the property to open space. Ownership of the property is transferred to the community, the City or County, and becomes deed restricted in perpetuity. These property acquisitions must be strictly voluntary.

**How is the value of the property determined?** Property appraisals define the pre-flood, fair market value (FMV) of the land and structures. Property owners are paid for both land and all structures.. The appraisals are part of the project application and cannot be supplied by the property owners. Property can be either residential; commercial; owner-occupied; renter-occupied or a vacant lot.

**What is the timeframe for a typical acquisition project?** It may take several months for a project to be awarded by FEMA after it is submitted for approval. A typical project requires 36 months after it is awarded by FEMA. Large-scale or complex projects will require more time. More detail on timeframes will be coming as funding amounts become known.

**Who applies for the grant project?** Cities and County apply for the funding by submitting an application to the State. Iowa-Homeland Security and Emergency Management (HSEMD) is the Iowa Agency that works with Cities and Counties to develop the applications for property acquisition projects. Federal law designates that the State will serve as the Grantee for HMGP funds awarded by FEMA. The State will redistribute those funds through sub-grants to local applicants (Cities and Counties) in support of FEMA-approved project applications.

**Can a project include other benefits for property owners?** Each property may receive either replacement housing benefit, moving allowance, and the Uniform Relocation (URA) assistance depending on eligibility. Each property may receive either replacement housing benefit or URA assistance, but generally not both, based on occupancy status. The benefits are case specific and have eligibility and documentation requirements. Typically, a project could include:

- Up to \$31,000 replacement housing differential to purchase a comparable house outside a special flood hazard area;
- Up to \$7,200 relocation assistance for displaced residential tenants; and
- Moving allowance for tenant-occupied residences (\$850 is the standard amount budgeted)

**Are acquisition projects only for property owners with no insurance?** No. However, federal law does not permit duplication of benefits. Property owners have to report any amounts either received, or available, from other sources including homeowner or rental insurance. These amounts are deducted from the purchase price of the property unless the owner shows receipts showing the money was used to repair the home.

**What other items can be deducted from purchase price of the property?** At the real estate closing, any liens, mortgages, and property taxes, are deducted from the amount paid to the seller just like a typical property sale. However, the recording fees, legal fees to prepare the deed of transfer, the cost of the title review, and title insurance are paid through the property acquisition project, not the property owner/seller.

**When can communities start the process?**

We are in the pre-funding stage. Local communities can prepare by:

1. Collecting addresses of potential buyout properties from property owners;
2. Collecting the contact information for each property owner so they can reach out quickly when information is available; and
3. Ensuring that the community has an approved Multi-Hazard Mitigation Plan and is in compliance/good standing with the National Flood Insurance Program (NFIP).

The State can work on identifying the funding and program options for acquisition projects after reviewing the property addresses. Without the address information, the local communities and State cannot identify which programs can fund the acquisitions.

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**Acquisition funding sources** More information will be coming on each program.

1. The **Hazard Mitigation Grant Program (HMGP)**, funded by FEMA, is authorized under Sections 322 and 404 of the Stafford Act and becomes available only after a Presidential disaster declaration. The amount of grant funding available is based on a percentage of the federal share of the disaster costs spent in public and individual assistance. Generally, FEMA will fund up to 75% of a mitigation project's total cost. In the State of Iowa, the State will provide a portion (10%) of the remaining non-federal cost share while the local community must be prepared to pay at least 15% of the mitigation project's total cost.
2. The **Flood Mitigation Assistance Swift Current (FMA Swift Current)**, funded by FEMA, to reduce or eliminate the risk of repetitive flood damage to buildings and structures insured under the National Flood Insurance Program (NFIP), and within NFIP-participating communities. Property acquisitions under this program have to have to been insured through the National Flood Insurance Program (NFIP) and had claims in the past.