

Buyout/Acquisition

Overview

- If a structure has experienced flood damage multiple times and is in a Special Flood Hazard Area (SFHA), it may be eligible for a FEMA buyout (acquisition).
- The buyout process is not simple and will require coordination between FEMA, DEMA, the local government and the state.
- Process for FEMA buyouts:
 - Homeowners who are interested in a buyout must express interest to their local emergency manager or floodplain administrator.
 - Local officials must apply for grant funding through DEMA to purchase substantially damaged properties.
 - DEMA will determine whether the community will be eligible for a grant buyout.
 - If the state decides to offer buyouts, they apply for FEMA funding.
 - FEMA must ensure that the buyout will follow all regulations, that the process is environmentally sound, and that the buyout is cost effective.
- In the FEMA Hazard Mitigation Grant Program, 75% of the buyout will be paid by FEMA while the remaining 25% will be paid by the state and/or local government.
- Homeowners participating in the program can receive up to the fair market value of the structure before the disaster struck.
- A presidential disaster declaration is not required to buyout a repetitive loss or severe repetitive loss property.
- When selecting a new property, consider erosion vulnerability, location within the floodplain, and potential flood characteristics (flooding frequency, velocity, and duration).



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Key Takeaways

The frequency and intensity of coastal and precipitation flooding events are increasing.

In some cases, the only way to avoid flood damage in areas experiencing frequent, high levels of flooding is to sell the at-risk property and move outside of the Special Flood Hazard Area (SFHA).

Buyouts/acquisitions allow the homeowner to recoup the value of their structure while starting over in another home outside of the SFHA.



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I-ADAPT

Other Adaptation Buyout/Acquisition

Estimated Costs/Benefits

*U.S. dollars (2022), estimates are subject to change

Potential Costs		Potential Benefits		
Item	Estimate	Post-Flood Action without Buyout	Estimate	
Remainder of new home cost after buyout funds are exhausted	Dependent on the size and locality of the new home	Flood damage recovery (professional clean-up, mold removal, replacement/ repair of flood damaged items)	1 inch water ↓ 4 feet water	\$10,800-\$53,500+ ↓ \$53,500-\$203,200+
ESTIMATED TOTAL COST	Cost of new home – Fair market value of the original structure prior to the disaster	ESTIMATED TOTAL SAVINGS	\$10,800-\$203,200+	

Additional Resources

- [FEMA FACT SHEET: Acquisition of Property After a Flood Event](#)
- [FEMA Frequently asked Questions for FEMA-Funded Residential Property Voluntary Flood Buyouts](#)
- [FEMA Hazard Mitigation Assistance Grants](#)
- [UD IPA Grant Assistance Program \(GAP\)](#)

Resources can also be found at <https://de.gov/iadapt>

Potential Funding Sources

- [Hazard Mitigation Grant Program \(HMGP\)](#)
- [Flood Mitigation Assistance Grant \(FMA\)](#)
- [Building Resilient Infrastructure & Communities Grant \(BRIC\)](#)

Expected Maintenance

- Regular maintenance for new home.

Additional Actions

- A homeowner receiving a buyout will have to find a new place to live.
- As the buyout process takes time, it may be necessary to find temporary lodging during the process if the structure is uninhabitable after the disaster.

Who to Contact

- Local emergency manager or floodplain administrator
- Local government
- State government
- [UD IPA Grant Assistance Program](#)
- FEMA

Technical definitions and more information are located on the I-ADAPT website: <https://de.gov/iadapt>.



This information is intended to be used for planning purposes. It is not intended to substitute or take precedence over the guidance of design engineers, contractors, utility companies or regulatory agencies.

For more information, contact DNREC's Division of Climate, Coastal and Energy at DNREC_IADAPT@Delaware.gov

