



PROGRAM INCENTIVES | GUIDANCE DOCUMENT

INTRODUCTION

The Strategic Buyout Program (SBP) is a voluntary program that purchases properties prone to repeated flooding from hurricanes and other disasters. All properties purchased by the program are cleared of any structures and returned to green space to improve community resilience. In addition to the Initial Offer Package, program participants may be eligible to receive up to two additional financial incentives, which can help them obtain newer, safer, and more permanent replacement housing outside the 100-year floodplain and the program’s Buyout Zones.

GENERAL ELIGIBILITY FOR ALL INCENTIVES

In order to be eligible for any of the incentives, participants must meet the general eligibility as shown below. There are also additional eligibility requirements and funding limits for each incentive.

TERM	ELIGIBILITY REQUIREMENT
SBP Participation	You must meet all the eligibility criteria for the Strategic Buyout Program and participate in it by selling your property.
Primary Residence	You must have owned and occupied the property as your primary residence at the time of either Hurricane Matthew (October 8, 2016) or Hurricane Florence (September 14, 2018). In addition, you must provide proof of primary residency for the new dwelling when requesting the incentive.
Income	Some incentives are only available to participants at certain income levels. These levels are highlighted in each incentive’s section below.
Replacement Property	<p>The replacement property must be a new primary residence in an “area of reduced risk,” meaning that it must:</p> <ul style="list-style-type: none"> • Be located outside of any Buyout Zones, and • Be located in an area that is outside certain FEMA- designated floodways or zones. <p>In addition to being in an area of reduced risk, replacement properties must either be in North Carolina, or in the same county as the damaged property, depending on the incentive. These requirements vary by incentive and are noted specifically in the sections below.</p>

INCENTIVE-SPECIFIC REQUIREMENTS

Risk Reduction Incentive

This incentive helps participants move to an area of reduced flood risk. To receive the maximum incentive amount, a participant's new home must be located in the same county as their buyout property. To qualify for this incentive, participants must submit a valid and current one-year lease, proof of home purchase, or commitment to purchase proving they have established a new primary residence.

Eligible participants will receive their incentive payment at or after their buyout closing.

REQUIREMENT	INCENTIVE AMOUNT
New home located in same county as buyout property.	One-time payment of \$20,000
New home located outside the buyout property county but within the State of North Carolina.	One-time payment of \$10,000

Affordable Housing Incentives

In addition to the risk reduction incentive, participants may be eligible for one of three affordable housing incentives. Participants must move to an area of reduced risk within the same county as the damaged property to be eligible for ALL Affordable Housing Incentives. As part of the Affordable Housing Incentive, NCORR offers a Fast Track Affordable Housing Incentive of \$50,000 (which may be adjusted annually based on market conditions and other factors) to assist eligible LMI homeowners in achieving housing stability quickly. The Fast Track Housing Incentive is not available to non-LMI homeowners. In addition, the Fast Track Housing Incentive will be considered a duplication of benefits (DOB) and will reduce any amounts owed under the Affordable Homeownership and Matching Down Payment Incentives. If an applicant receives the Fast Track Affordable Housing Incentive, the applicant is not eligible for the Affordable Rental Incentive.

AFFORDABLE RENTAL INCENTIVE

This incentive is available to eligible households who choose to rent after the buyout of their storm-impacted property and did not request and receive a *Fast Track Affordable Housing Incentive*. The incentive amount a participant may receive is based on the size of their rented apartment or the number of bedrooms they need (subject to program occupancy guidelines) and the U.S. Department of Housing and Urban Development's (HUD) Fair Market Rents (FMRs), whichever is smaller. To be eligible, participants must have a total household income at or below 80 percent of the Area Median Income (AMI), and their rented apartment must be located in the same county as their buyout property. To receive this incentive, participants must submit a valid and current one-year lease proving they have established a new primary residence.

Eligible participants will receive a single incentive payment at or after their buyout closing.

REQUIREMENT	POTENTIAL INCENTIVE AMOUNT
New rented home is located in same county as the buyout property.	Maximum of \$19,000
For example, in 2023 in Columbus County, the affordable rental incentive amount awarded for an efficiency is \$4,889, whereas the amount awarded for a four-bedroom rental unit is \$10,088.	

AFFORDABLE HOMEOWNERSHIP INCENTIVE

This incentive assists participants who buy a home in an area of reduced risk located in the same county as their buyout property. The incentive amount is based on an individual analysis of the participant’s need, subject to a county cap. The county caps are listed below. To be eligible, participants must have a total household income at or below 80 percent of the Area Median Income (AMI). To receive this incentive, participants must submit proof that they have or are in the process of establishing a new primary residence, such as an executed Offer to Purchase contract or a mortgage commitment. If an applicant has already received a Fast Track Affordable Housing incentive, it will be considered a duplication of benefits (DOB) and subtracted from the total affordable homeownership incentive amount.

If a participant is eligible, this incentive will be paid directly to their mortgage lender.

Note: To ensure housing affordability and determine the incentive amount, the program or its partners will perform an assessment of the applicant’s need for the incentive. That analysis will review the household’s finances and help determine how much the participant can afford to spend on the home.

REQUIREMENT	POTENTIAL INCENTIVE AMOUNT
New home is located in the same county as the buyout property.	For example, the maximum incentives available by the following counties are: <ul style="list-style-type: none"> • Columbus County: \$130,000 • Cumberland County: \$200,000 • Edgecombe County: \$115,000 • Jones County: \$130,000 • Robeson County: \$115,000 • Pender County: \$240,000 • Wayne County: \$200,000

MATCHING DOWN PAYMENT INCENTIVE

Through this incentive, the Program matches the down payment amount (up to \$50,000) that is paid by participants when they buy a home with reduced risk of flooding and is located in the same county as their buyout property. To be eligible, participants must have a total household income at or below 120 percent Area Median Income (AMI). To receive this incentive, participants must submit proof, such as an executed Offer to Purchase contract or a mortgage commitment, proving that they have or are in the process of establishing a new primary residence. An applicant that is between 80 – 120% AMI will not be eligible for the Fast Track Affordable Housing Incentive. LMI applicants that receive a Fast Track Incentive are eligible for the Matching Down Payment Incentive, but the portion received as Fast Track Affordable Housing Incentive will be considered a DOB and subtracted from the total Matching Down Payment Incentive amount.

Once the Program receives evidence of a down payment, the matching incentive amount will be paid directly to the participant's mortgage lender.

REQUIREMENT	POTENTIAL INCENTIVE AMOUNT
New home is located in the same county as the buyout property.	Maximum of \$50,000

STRATEGIC BUYOUT PROGRAM

INCENTIVES OVERVIEW

INCENTIVE TYPE	MAXIMUM AMOUNT	ELIGIBLE INCOME LEVEL ****	PURPOSE	GENERAL STIPULATIONS***
Risk Reduction*	\$10,000 or \$20,000	All	To move to an area with less risk of flooding	<ul style="list-style-type: none"> • Must move to areas of reduced flood risk. • \$10,000 for in-state move or \$20,000 for in-county moves
Affordable Rental	Up to \$19,000**	LMI, 0-80 percent AMI	To move somewhere with affordable rent in the same county as the property Buyout for at least one year	<ul style="list-style-type: none"> • Based on average Fair Market Rents (determined by HUD) on a county and unit size basis • Primary residence documentation must be submitted (i.e. one-year executed lease or rental terms agreement) • If Fast Track Affordable Housing Incentive is received, applicant is ineligible for Affordable Rental Incentive.
Affordable Homeownership*	Based on county caps listed above, which accounts for median and average costs in county groups**	LMI, 0-80 percent AMI	To move to a home in an area of reduced flood risk and located in the same county as the property Buyout	<ul style="list-style-type: none"> • Incentives for primary residence purchase within the same county based on need • Provides up to sales price or mortgage amount; program or partners will perform assessment of need for the incentive. • If Fast Track Affordable Housing Incentive is received, it is a DOB.

<p>Matching Down Payment</p>	<p>Up to \$50,000, based on a 1:1 match of the down payment amount</p>	<p>Less than 120 percent AMI</p>	<p>To provide financial benefits when buying a home</p>	<ul style="list-style-type: none"> • Provided based on sales price or mortgage amount • If Fast Track Affordable Housing Incentive is received, it is a DOB.
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- * May be available retroactively for participants meeting eligibility criteria
- ** County caps will be updated at least annually based on average and median real estate value and sales data
- *** Exceptions may be considered based on need
- **** Based on annual adjusted gross household income