

# **Souris River Joint Water Resources Board**

## **Rural StARR Program (Structure Acquisition, Relocation, or Ring Dike)**

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## **PROGRAM OVERVIEW**

### **INTRODUCTION**

In June 2011, rural residents of the Mouse River valley in North Dakota suffered substantial real estate damage due to flood waters. This flood damage created severe hardships for many rural residents throughout the basin. The Souris River Joint Board (SRJB) is attempting to obtain funding from various sources for the purchase and demolition, relocation, or ring diking of structures in certain areas of the basin on a voluntary basis.

This document was created to explain how the SRJB will administer this voluntary program and how the program will operate.

## **VOLUNTARY STRUCTURE DEMOLITION, RELOCATION OR RING DIKE PROGRAM**

This voluntary program is based upon structure demolition, relocation or constructing ring dikes on a voluntary basis. If the structure owner rejects an offer made by the SRJB, the SRJB will discontinue its effort for that structure owner under this program. This program does not involve the use of eminent domain powers.

### **Participation in the Program:**

The SRJB will make offers to owners of flood-damaged structures on a purely voluntary basis (willingness from SRJB – willingness from structure owner). To make initial contact with eligible structure owners that might be interested in participating in the program, the SRJB will develop a press release to notify media of the program and send letters to everyone within the rural reaches of the Mouse River basin using available property records. The SRJB will use other means of distributing information about the program including public meetings and web page utilization.

Owners choosing to participate in the program are not eligible for relocation assistance benefits under NORTH DAKOTA CENTURY CODE Chapter 54-01.1 or the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

Participation in this program is entirely voluntary. The SRJB will not require any owner to sell or relocate a structure as part of this program, nor will it require any owner to construct a ring dike. The SRJB will not use its power of eminent domain to obtain land for this program. The SRJB and its assigns, however, reserve their right to exercise their eminent domain authority at a later date, if necessary for future projects.

Structure owners may choose to demolish, relocate, or ring dike only certain structures on the property. The owner will agree to not make a “substantial improvement” as defined in 44 CFR 59.1 to any structures remaining.

The structure owner shall have the right to rescind any offer and acceptance at any time prior to executing an agreement. Any rescission of offer and acceptance shall be placed in writing and delivered to the SRJB’s authorized agent.

Likewise, the SRJB shall have the right to rescind any offer and acceptance at any time prior to executing the agreement. Any rescission of offer and acceptance by the SRJB will be placed in writing and delivered to the structure owner.

### **Structure Eligibility:**

In order to be eligible for participation under this program, the structure must meet all of the following criteria:

1. The structure must be in the 2011 flood plain, mapped in Appendix F-1 of the Mouse River Enhanced Flood Protection Plan Rural Flood Risk Reduction Alternatives Evaluation (Barr Engineering Company, May 2013).
2. The structure must have been constructed prior to the 2011 flood.
3. The structure must have been regularly used since June 2008.
4. The structure must be one or more of the following types:
  - a. House
  - b. Shop, garage, or barn
  - c. Grain bin or grainery
  - d. Corrals (fences are not eligible) will be considered on a case-by-case basis
5. Because the construction of a ring dike will not remove the requirement of a structure owner to purchase and maintain flood insurance, insurable structures must be located outside of the regulatory (100-year) flood plain to be eligible for ring dikes. Insurable structures within the regulatory flood plain are eligible for demolition or relocation.
6. The owner of the structure must own the property upon which the structure resides and must own the property upon which the structure will be relocated to.
7. In instances where a structure owner voluntarily removed, relocated or protected their structure following the 2011 flood but prior to the implementation of this program, the SRJB will consider requests for assistance on a case by case basis.

## **PURCHASE AND DEMOLITION OF STRUCTURES:**

### **Offer to Purchase and Demolish:**

The SRJB's offer will be based upon the market value of the structure(s) for this program. The market value will be the higher value of the pre-flood market value or current market value of the structure(s) for this program. The SRJB will determine the market value of the structure(s) by multiplying the tax assessed value of the structure(s) by 1.10 or through the use of a certified appraiser. If appraisals are requested by the owner, the cost of the appraisal will be split 50% / 50% between the SRJB and the property owner. The SRJB may accept certified appraisals that the property owners have already had completed, from 2010 or newer, as a method of determining market value. The appraisal shall meet all StARR requirements and needs to be reviewed and approved by the StARR administrator on a case-by-case basis. The offer will be made following determination of market value. The amount available to the structure owner under this voluntary program will be 95% of the market value, with the remaining 5% constituting the structure owner's share of the costs. The structure owner may discontinue negotiations at any time prior to the execution of an agreement.

### **What is to be Demolished:**

#### *In General*

The SRJB will purchase and demolish structures on a voluntary basis, subject to funding availability. The SRJB's purchase and demolition of structures under this program will involve demolition of structures only, with the seller retaining ownership of the land and mineral rights.

In some instances, the structure owner may also wish to dispose of the property associated with the structures. The SRJB will consider the property owner's request to sell on a case-by-case basis, as the SRJB's intent is to not acquire properties under this program.

In some instances, the SRJB may consider offering the structures for resale to the general public, to be moved off the property. In those instances the structure would be moved, then regular site demolition activities would occur.

The program will proceed on a first-come, first-served basis, as funding may not be sufficient to purchase and demolish all eligible structures.

### **Demolition Program Activities:**

The SRJB will be undertaking a number of activities related to eligible structures. These activities include:

1. Identifying the structure owners who want to be considered for this program.

After the structure owner indicates an interest in participating in the demolition program, the SRJB will:

1. Determine the market value of the structure(s) to be considered under this program.
2. Make offer to structure owner.
3. Upon agreement for the purchase and demolition of the structure, order title information.
4. Work with such State and Federal agencies, including FEMA, to obtain information about any assistance received from those agencies and their programs for each structure being considered.
5. Determine whether environmental investigation or testing is warranted for structures being considered. Such investigation and testing may include a Phase I or Phase II Environmental Report to identify any contaminants or other environmental concerns. Decisions regarding environmental investigation or testing will be made in coordination with State and Federal agencies.
7. Prepare legal documents.
8. Pay the structure owner the agreed purchase price.
9. Execute the necessary remediation and demolition.

### **Timing of Offers:**

As soon as funding for this program is available, the SRJB will begin the process to make offers to structure owners. Promptness of response and readiness by the structure owner will determine priority and time frame for execution.

## **Offer Form:**

Major elements of the SRJB's offer are:

1. Purchase Price. The market value of the structure(s), less the 5% structure owner's share.
2. Deduction from Purchase Price. As applicable, insurance proceeds, loans, repair grants, compensation in compliance with a court order or other assistance available to help address damages to the structure that represent a duplication of payment for the real estate, property taxes and special assessments pro-rated to the date of closing, and other payments required to clear special assessments, liens, mortgages, fines, judgments, etc., will be paid prior to closing or deducted at the time of closing. The SRJB will receive individual determinations by NDDDES and/or FEMA of any required deductions. Deductions will not be taken for the amounts the structure owner can verify with receipts that were expended on repairs or cleanup (no credit shall be allowed for the structure owner's own labor for repair work.)

## **Conditions:**

The following conditions apply to the purchase and demolition of structures under this program:

1. Demolition Date. A mutually agreed upon date by the SRJB and structure owner to demolish the structure.
2. No-Build Easement. The structure owner must provide a no-build easement to the SRJB that prevents future structures from being constructed within the 2011 flood plain on the parcel (as defined by the appropriate County Recorder's Office) that the structure is sited upon. In addition to recording a no-build easement against the property, owner will not undertake building or construction activity within the 2011 flood plain on any other property they own or acquire.
3. Participation in Prior Rural Flood Control Program. If the structure owner received assistance from either the Souris River Joint Board, the US Army Corps of Engineers, or a local water resources district to remove or relocate structures out of the flood plain as part of a prior rural flood risk reduction program AND if the structure owner rebuilt or relocated the same or different structure(s) to the flood plain, the structure(s) are not eligible under this program. Structure owners will be required to sign an affidavit stating that they did not receive previous compensation for the structure(s) in



question. For the purposes of this program, the transfer of title of the property or structure to a family member does not constitute a separation of prior compensation or participation. The SRJB will consider requests for deviation from this condition on a case by case basis.

4. Abstract. The structure owner is responsible for the cost of providing an updated abstract or evidence of title acceptable to the SRJB.
5. Offer Expiration Date. The SRJB will allow thirty (30) days from the date the offer is made for the seller to decide whether to accept the SRJB's offer. The SRJB may permit an extension of the expiration date. It is the intention of the SRJB to make as many offers as quickly as possible. Structure owners are not obligated to accept the SRJB's offer. In the event that an offer is not accepted in a timely manner, the structure owner may resubmit their intention to participate in the program to the SRJB. Negotiations regarding the purchase and demolition of the structure will begin again, depending upon availability of funding.
6. Termination of Negotiations. Negotiations regarding the purchase and demolition of the structure may be terminated by the structure owner or the SRJB at any time prior to executing a purchase agreement.
7. Inspection. Upon indicating an interest to participate in the program, the structure owner will grant access to the SRJB to inspect the subject structure(s). The SRJB retains the right to inspect the property or structure until such time as the structure owner terminates negotiations with the SRJB. The SRJB will give a minimum notice of 48 hours to the structure owner prior to inspection.
8. Environmental. The SRJB shall take steps to insure that a structure with past or present commercial or industrial use, or one that is adjacent to such structure, or a structure that is suspected of having hazardous contaminants present at the site, is not contaminated at the time of demolition. The structure owner will be required to provide information identifying what, if any, hazardous materials have been deposited or stored within the structure. If the SRJB, State and/or FEMA determine that a Phase I Environmental Site Assessment is necessary, the SRJB, State or FEMA may conduct a Phase I Environmental Site Assessment prior to the demolition of the structure. If abatement of hazardous contaminants is warranted, the hazardous materials must be removed at the structure owner's expense. Cleanup costs associated with obtaining clean site certification, and any costs associated with hazardous materials, are not eligible project costs and will be borne by the structure owner. The structure owner must indemnify the SRJB, State and FEMA for any liability

arising from previous contamination of the structure.

9. Removal of Personal Property. The structure owner agrees to remove, at its expense, prior to demolition, all personal property which the structure owner chooses to remove. Any personal property remaining on the premises following the closing shall be considered to be abandoned property of which the structure owner authorizes its removal and disposal.
10. No Salvage. Except as otherwise authorized by the SRJB, no salvage of any structure, or part thereof, will be allowed. The SRJB's acquisition of the structure is intended to reflect the pre-flood condition except for any flood related damage. The SRJB will consider salvage by the structure owner on a case-by-case basis. In the event salvage is authorized, the value of the salvaged items will be deducted from the purchase price.
11. Duplication of Benefits. All National Flood Insurance Program (NFIP) payments and FEMA minimal repair payments (for real property only) must be deducted from the payment. Other insurance, SBA loans, repair grants, compensation in compliance with a court order or other assessments paid to help address damages to the structure must also be deducted from the acquisition payment. At NDDDES' or FEMA's direction, other assistance considered a duplication of benefits may also be deducted from the payment.
12. Subject to SRJB Approval. The offer is subject to SRJB approval of the form of offer and the specific offer terms for each structure.
13. First-Come, First-Served. Final obligation of the program funds shall occur at the time of offer and acceptance, on a "first-come, first-served" basis.
14. Encumbrances. Deed restrictions shall be placed on all property upon which structures are acquired by the SRJB. Said restrictions will include stipulations that no future structures may be built within the 2011 flood plain. The deed restrictions will automatically renew when statutory limits are reached.
15. The following costs associated with the demolition of structures are allowable within this program:
  1. Fees for necessary title review and opinion, property inspection, and survey (if necessary);
  2. Fees associated with title transfer, contract review, and other costs associated with conducting the settlement, including recordation of the deed and deed restrictions;

3. Demolition and disposal of the structure;
6. Removal of septic tanks (if not removed, floors and walls must be cracked or crumbled so the tank will not hold water, and be filled with sand or other clean fill);
7. Permitted disposal of fuel tanks;
8. Removal of all structure foundation and basement walls to at least 1 foot below the finish grade of the site;
9. Filling of basements with compacted clean fill (basement floors must have a minimum 1-foot-diameter hole in the floor to allow for drainage);
10. Termination of all abandoned utilities at least 2 feet below the finish grade of the site;
11. Capping of all wells and/or removal of associated components; and
12. Grading, leveling, and site stabilization.

## **RELOCATION OF STRUCTURES:**

### **Relocation Assistance:**

The SRJB's offer will be based upon the market value of the structure(s) for this program, as described in the Purchase and Demolition of Structures section above. The amount available to the structure owner under this voluntary program will be 95% of the actual relocation costs, with the remaining 5% constituting the structure owner's share of the costs. The relocation assistance provided by the SRJB will not exceed 95% of the market value of the structure(s) to be relocated. The structure owner may discontinue negotiations at any time prior to the execution of an agreement.

### **What is to be Relocated:**

#### *In General*

The SRJB will offer structure relocation assistance on a voluntary basis, subject to funding availability. The program will proceed on a first-come, first-served basis, as funding may not be sufficient to relocate all eligible structures.

### **Relocation Program Activities:**

The SRJB will be undertaking a number of activities related to eligible structures. These activities include:

1. Identifying the structure owners who want to be considered for this program.

After the structure owner indicates an interest in participating in the relocation program, the SRJB will:

1. Determine the market value of the structure(s) to be considered under this program.
2. Make offer to structure owner.
3. Upon agreement for the relocation of the structure, order title information.
4. Work with such State and Federal agencies, including FEMA, to obtain information about any assistance received from those agencies and their programs for each structure being considered.
5. Determine whether environmental investigation or testing is warranted for structures to being considered. Such investigation and testing may include a Phase I or Phase II

Environmental Report to identify any contaminants or other environmental concerns. Decisions regarding environmental investigation or testing will be made in coordination with State and Federal agencies.

6. Prepare legal documents.
7. Reimburse the structure owner for 95% of the actual costs incurred to relocate the structure(s). The structure owner will be responsible for procuring moving and contracting services as appropriate for the type of relocation being considered. The structure owner will assume full responsibility and liability for the activities associated with the relocation. The structure owner must submit the estimated costs to the SRJB's representative for approval prior to proceeding with the actual work.

### **Timing of Offers:**

As soon as funding for this program is available, the SRJB will begin the process to make offers to structure owners. Promptness of response and readiness by the structure owner will determine priority and time frame for execution.

### **Offer Form:**

Major elements of the SRJB's offer are:

1. Relocation Assistance Maximum Amount. The market value of the structure(s), less the 5% structure owner's share, or 95% of the actual cost, whatever is less.
2. Deduction from Relocation Assistance. As applicable, insurance proceeds, loans, repair grants, compensation in compliance with a court order or other assistance paid to help address damages to the structure that represent a duplication of payment for the real estate, property taxes and special assessments pro rated to the date of relocation, and other payments required to clear special assessments, liens, mortgages, fines, judgments, etc., will be paid prior to relocation or deducted from the relocation assistance provided to the owner. The SRJB will receive individual determinations by NDDDES and/or FEMA of any required deductions. Deductions will not be taken for the amounts the homeowner can verify with receipts that were expended on repairs or cleanup (no credit shall be allowed for the structure owner's own labor for repair work.)

## **Conditions:**

The following conditions apply to the relocation of structures under this program:

1. Completion Date. A mutually agreed upon date by the SRJB and the owner upon which the structure will be relocated.
2. No-Build Easement. The structure owner must provide a no-build easement to the SRJB that prevents future structures from being constructed within the 2011 flood plain on the parcel (as defined by the appropriate County Recorder's Office) that the structure was sited upon. In addition to recording a no-build easement against the property, owner will not undertake building or construction activity within the 2011 flood plain on any other property they own or acquire.
3. Participation in Prior Rural Flood Control Program. If the structure owner received assistance from either the Souris River Joint Board, the US Army Corps of Engineers, or a local water resources district to remove or relocate structures out of the flood plain as part of a prior rural flood risk reduction program AND if the structure owner rebuilt or relocated the same or different structure(s) to the flood plain, the structure(s) are not eligible under this program. Structure owners will be required to sign an affidavit stating that they did not receive previous compensation for the structure(s) in question. For the purposes of this program, the transfer of title of the property or structure to a family member does not constitute a separation of prior compensation or participation. The SRJB will consider requests for deviation from this condition on a case by case basis.
4. Abstract. The structure owner is responsible for the cost of providing an updated abstract or evidence of title acceptable to the SRJB.
5. Offer Expiration Date. The SRJB will allow thirty (30) days from the date the assistance offer is made for the structure owner to decide whether to accept the SRJB's offer. The SRJB may permit an extension of the expiration date. It is the intention of the SRJB to make as many offers as quickly as possible. Structure owners are not obligated to accept the SRJB's offer. In the event that an offer is not accepted in a timely manner, the structure owner may resubmit their intention to participate in the program to the SRJB. Negotiations regarding the relocation of the structure will begin again, depending upon availability of funding.

6. Termination of Negotiations. Negotiations regarding the relocation of the structure may be terminated by the structure owner or the SRJB at any time prior to executing a relocation agreement.
7. Inspection. Upon indicating an interest to participate in the program, the structure owner will grant access to the SRJB to inspect the subject structure(s). The SRJB retains the right to inspect the property or structure until such time as the structure owner terminates negotiations with the SRJB. The SRJB will give a minimum notice of 48 hours to the structure owner prior to inspection.
8. Environmental. The SRJB shall take steps to insure that a structure with past or present commercial or industrial use, or one that is adjacent to such structure, or a structure that is suspected of having hazardous contaminants present at the site, is not contaminated at the time of relocation. The structure owner will be required to provide information identifying what, if any, hazardous materials have been deposited or stored within the structure. If the SRJB, State and/or FEMA determine that a Phase I Environmental Site Assessment is necessary, the SRJB, State or FEMA may conduct a Phase I Environmental Site Assessment prior to the acquisition of the structure. If abatement of hazardous contaminants is warranted, the hazardous materials must be removed at the structure owner's expense. Cleanup costs associated with obtaining clean site certification, and any costs associated with hazardous materials, are not eligible project costs and will be borne by the structure owner. The structure owner must indemnify the SRJB, State and FEMA for any liability arising from previous contamination of the structure.
9. Duplication of Benefits. All National Flood Insurance Program (NFIP) payments and FEMA minimal repair payments (for real property only) must be deducted from the relocation payment. Other insurance, SBA loans, repair grants, compensation in compliance with a court order or other assessments available to help address damages to the structure must also be deducted from the acquisition payment. At NDDES' or FEMA's direction, other assistance may also be deducted from the relocation payment.
10. Subject to SRJB Approval. The offer is subject to SRJB approval of the form of offer and the specific offer terms for each structure.
11. First-Come, First-Served. Final obligation of the relocation funds shall occur at the time of offer and acceptance, on a "first-come, first-served" basis.
12. Encumbrances. Deed restrictions shall be placed on all property upon which structures are relocated from and to, and will include stipulations that no future

structures may be built within the 2011 flood plain. The deed restrictions will automatically renew when statutory limits are reached.

13. Relocation Area. Under this program, relocated structures must be moved to property not located within the 2011 flood plain. In addition, the property that the structure will be relocated to shall be provided by the structure owner at its sole expense.
14. Cost Eligibility.

The following costs associated with the relocation of structures are allowable within this program:

1. Fees for necessary title review and opinion, , property inspection, and survey (if necessary);
2. Fees associated with title transfer, contract review, and other costs associated with conducting the settlement, including recordation of the deed and deed restrictions;
3. Jacking and moving of a structure to a new site;
4. The reasonable cost of disassembling, moving, and reassembling any attached appurtenances, such as porches, decks, skirting and awnings;
5. Necessary individual site preparations including foundation, water, sewer, and utility hookups;
6. Removal of septic tanks (if not removed, floors and walls must be cracked or crumbled so the tank will not hold water, and be filled with sand or other clean fill);
7. Permitted disposal or relocation of fuel tanks;
8. Removal of all structure foundation and basement walls to at least 1 foot below the finish grade of the site;
9. Filling of basements with compacted clean fill (basement floors must have a minimum 1-foot-diameter hole in the floor to allow for drainage);
10. Termination of all abandoned utilities at least 2 feet below the finish grade of the site;
11. Capping of all wells and/or removal of associated components; and
12. Grading, leveling, and site stabilization.



The following costs associated with the relocation of structures are not allowable within this program:

1. Compensation for property upon which the structure is to be relocated;
2. The cleanup or remediation of contaminated properties, except for permitted disposal of incidental demolition, household hazardous wastes, and fuel tanks; and
3. Aesthetic improvements, landscaping, or utility development.

This program requires that all contracted items related to the relocation of the structure be equal to what was in place at the former site. For example, a structure with a full basement prior to relocation will be eligible to receive assistance for those costs associated with the construction of a full (unfinished) basement at the relocation site. A home with a slab on grade foundation prior to relocation would not be eligible for assistance with the cost associated with the construction of a full basement at the relocation site. Finished basements are not eligible program costs, but mechanical items (furnaces, hot water heaters, electrical panels, etc.) that are installed in the basement are eligible.

## **RING DIKING OF STRUCTURES:**

### **Ring Dike Assistance:**

The SRJB's offer will be based upon the market value of the structure(s) for this program, as described in the Purchase and Demolition of Structures section above. The amount available to the structure owner under this voluntary program will be 95% of the ring dike costs, with the remaining 5% constituting the structure owner's share of the costs. The ring dike assistance provided by the SRJB will not exceed 95% of the market value of the structure(s) to be protected. The structure owner may discontinue negotiations at any time prior to the execution of an agreement.

### **What is to be Ring Diked:**

#### *In General*

The SRJB will assist with the cost of constructing ring dikes around structures on a voluntary basis, subject to funding availability. Assistance will occur on a first-come, first-served basis as funding may not be sufficient for improvements on all eligible properties.

The construction of ring dikes will reduce the risk of flooding for structures that are located within the 2011 flood plain, however, the ring dikes will not qualify as public levees and will not be recognized by any agency for purposes of determining requirements for flood insurance.

### **Ring Dike Design Criteria:**

The criteria for the design of ring dikes shall follow the current criteria established within the North Dakota State Water Commission's Cost Share Policy, with the following revisions:

1. The maximum assistance available to the structure owner is 95% of the market value of the structure.
2. The height is to be constructed to 2 feet above the 2011 flood.
3. Upstream water surface profile impacts related to the construction of the ring dike must be limited to one foot for the flood of record.
4. The construction of the ring dike must comply with federal, state and local flood plain regulations.

After a structure owner indicates an interest in participating in the ring dike program, the SRJB will:

1. Determine the market value of the structure(s) to be considered under this program.
2. Present the owner with the market value of the structure.
3. Work with the structure owner to identify ring dike alignment options that meet the owner's objectives and comply with the program's requirements.
4. Upon agreement for ring dike assistance relating to the structure, order title information.
5. Work with such State and Federal agencies, including FEMA, to obtain information about any assistance received from those agencies and their programs for each structure being protected by a ring dike.

**Timing of Offers:**

As soon as funding for this program is available, the SRJB will begin the process to offer assistance to those structure owners interested in the ring dike program.

**Offer Form:**

Major elements of the SRJB's offer of assistance are:

1. Ring Dike Assistance Maximum Amount. 95% of the market value of the structure(s) to be protected, or 95% of the actual costs, whatever is less.
2. Deduction from Ring Dike Assistance. As applicable, insurance proceeds, loans, repair grants, compensation in compliance with a court order or other assistance paid to help address damages to the structure that represent a duplication of payment for the real estate, property taxes and special assessments pro rated to the date of relocation, and other payments required to clear special assessments, liens, mortgages, fines, judgments, etc., will be paid prior to construction of the ring dike or deducted from the assistance provided to the structure owner. The SRJB will receive individual determinations by NDDDES and / or FEMA of any required deductions. Deductions will not be taken for the amounts the homeowner can verify with receipts that were expended on repairs or cleanup (no credit shall be allowed for the homeowners own labor for repair work.)

## **Conditions:**

The following conditions apply to the construction of ring dikes under this program:

1. Completion Date. A mutually agreed upon date by the SRJB and the owner upon which the ring dike will be constructed.
2. No-Build Easement. The structure owner must provide a no-build easement to the SRJB that prevents future structures from being constructed within the 2011 flood plain on the parcel (as defined by the appropriate County Recorder's Office) that the structure was sited upon. In addition to recording a no-build easement against the property, owner will not undertake building or construction activity within the 2011 flood plain on any other property they own or acquire.
3. Participation in Prior Rural Flood Control Program. If the structure owner received assistance from either the Souris River Joint Board, the US Army Corps of Engineers, or a local water resources district to remove or relocate structures out of the flood plain as part of a prior rural flood risk reduction program AND if the structure owner rebuilt or relocated the same or different structure(s) to the flood plain, the structure(s) are not eligible under this program. Structure owners will be required to sign an affidavit stating that they did not receive previous compensation for the structure(s) in question. For the purposes of this program, the transfer of title of the property or structure to a family member does not constitute a separation of prior compensation or participation. The SRJB will consider requests for deviation from this condition on a case by case basis.
4. Abstract. The structure owner is responsible for the cost of providing an updated abstract or evidence of title acceptable to the SRJB.
5. Offer Expiration Date. The SRJB will allow thirty (30) days from the date the assistance offer is made for the structure owner to decide whether to accept the SRJB's offer. The SRJB may permit an extension of the expiration date. It is the intention of the SRJB to make as many offers as quickly as possible. Structure owners are not obligated to accept the SRJB's offer. In the event that an offer is not accepted in a timely manner, the structure owner may resubmit their intention to participate in the program to the SRJB.
6. Termination of Negotiations. Negotiations regarding the construction of a ring dike may be terminated by the structure owner or the SRJB at any time prior to executing an agreement.

7. Inspection. Upon indicating an interest to participate in the program, the structure owner will grant access to the SRJB to inspect the subject structure(s). The SRJB retains the right to inspect the property or structure until such time as the structure owner terminates negotiations with the SRJB. The SRJB will give a minimum notice of 48 hours to the structure owner prior to inspection.
8. Environmental. If the SRJB, State and/or FEMA determine that a Phase I Environmental Site Assessment is necessary, the SRJB, State or FEMA may conduct a Phase I Environmental Site Assessment prior to the construction of the ring dike. If abatement of hazardous contaminants is warranted, the hazardous materials must be removed at the structure owner's expense. Cleanup costs associated with obtaining clean site certification, and any costs associated with hazardous materials, are not eligible project costs and will be borne by the structure owner. The structure owner must indemnify the SRJB, State and FEMA for any liability arising from previous contamination of the structure or site.
9. Duplication of Benefits. All National Flood Insurance Program (NFIP) payments and FEMA minimal repair payments (for real property only) must be deducted from the ring dike assistance amount. Other insurance, SBA loans, repair grants, compensation in compliance with a court order or other assessments paid to help address damages to the structure must also be deducted from the acquisition payment. At NDDES' or FEMA's direction, other assistance may also be deducted from the ring dike assistance.
10. Subject to SRJB Approval. The offer is subject to SRJB approval of the form of offer and the specific offer terms for each structure.
11. First-Come, First-Served. Final obligation of the ring dike funds shall occur at the time of offer and acceptance, on a "first-come, first-served" basis.
12. Encumbrances. Deed restrictions shall be placed on all property upon which ring dikes are constructed to include stipulations that no future structures may be built within the 2011 flood plain. The deed restrictions will automatically renew when statutory limits are reached.

14. Cost Eligibility.

The following costs associated with the relocation of structures are allowable within this program:

1. Fees for necessary title review and opinion, , property inspection, and survey (if necessary);
2. Fees associated with title transfer, contract review, and other costs associated with conducting the settlement, including recordation of the deed and deed restrictions;
3. Design and construction of the ring dike system.

The following costs associated with the construction of ring dikes are not allowable within this program:

1. The cleanup or remediation of contaminated properties; and
2. Aesthetic improvements, landscaping, or utility development.

## ACQUISITION, RELOCATION AND RING DIKE STAFF

Ackerman-Estvold has been designated to assist the SRJB in the administration of this program. Additional staff may be designated or contracted with as needed. The staff is available to answer questions.

The SRJB may obtain additional services to be performed on a contract basis to assist in this program. The services that may be contracted for include:

- Title searches, certificate, and/or abstracts
- “Mortgage” surveys
- Title Opinions
- Title Insurance
- An escrow agent for closing and/or related services
- Environmental investigation and testing, if required
- Engineering services,
- Other services as needed

## RELOCATION BENEFITS

### Homeowner Benefits:

The SRJB is offering this program on a strictly voluntary acquisition basis. Accordingly, many of the notices and processes normally required by NORTH DAKOTA CENTURY CODE Chapter 54-01.1 and/or the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act) do not apply to this program. **Owners choosing to participate in this voluntary program are not eligible for relocation assistance benefits under NORTH DAKOTA CENTURY CODE Chapter 54-01.1 or the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.**

### Tenant Benefits:

The SRJB may provide relocation assistance to tenants and tenant-owned businesses operating in flood-damaged structures if they are required to relocate when an offer to purchase is accepted for the flood-damaged structure they were renting.

**Eligibility:**

To be eligible for the tenant residential relocation benefits, the tenant must:

1. Have been a legal resident occupant of the structure for which the SRJB has approved acceptance of the purchase offer for the flood damaged structure and the tenant can prove evidence of the tenancy for a minimum of 90 days prior to the initiation of negotiations for acquisition of such structure.
2. Purchase or rent a decent, safe, and sanitary replacement housing unit that is not location in an Area "A" on the NFIP Flood Hazard map.

If, in addition to the tenant being a legal residential occupant of the structure on February 1, 2011, the tenant also owned a business operated exclusively from this structure and this business was legally operating (had the appropriate governmental permits, was in conformance with zoning regulations, etc.) and filed business income tax returns, the tenant-owned business may also be eligible for business relocation assistance.

**Determination of Benefits:**

The program staff will determine benefits in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and/or NORTH DAKOTA CENTURY CODE Chapter 54-01.1, as appropriate.

**Replacement Housing Requirements:**

All tenants receiving the replacement housing benefits must relocate to housing units that are decent, safe, and sanitary and not located in an Area "A" on the county flood hazard maps. The "decent, safe, and sanitary" standard is similar to HUD Housing Quality Standards. The SRJB will also accept a current rental occupancy certificate for rental units and a certificate of occupancy for newly-constructed houses in lieu of a "decent, safe, and sanitary" inspection.

The decent, safe, and sanitary inspection is not a certification or guarantee of the housing unit's condition or of its major systems (such as heating, plumbing, and electrical). It is necessary to satisfy the requirements of the SRJB's program funding sources.

Except as may otherwise be provided herein, relocation benefits are not being provided to owner-occupants or investor-owners under this voluntary acquisition program.



**Appeals:**

Appeals of the relocation benefits for tenants and tenant-owned businesses will be handled in accordance with the Uniform Relocation Act (URA).

**TERM OF PROGRAM**

This voluntary structure demolition, relocation or ring dike program is intended to begin on May 1, 2016 and terminate on December 31, 2017. Any structure owner seeking to participate in the program must have an executed agreement with the SRJB prior to February 28, 2017. However, the dates of the program are subject to availability of funding.