

Identifying Buyout Opportunities

Initiative Summary Statement:

Create an elevation and/or buyout program for repetitive loss commercial and residential properties.

Initiative Description:

Objective: The region can increase community resilience by safeguarding lives and reducing the potential financial damage from disaster events while providing additional natural amenity spaces by strategically targeting the buyout of residential and commercial properties that have experienced repetitive loss. Buyout programs often include acquiring, demolishing, and converting the properties into public parks for passive recreation, open space, or flood storage, such as dry or wet detention ponds. Establishing a buyout program would enable loss homeowners to sell their homes at a reasonable price and move to housing in areas with less risk, removing them from vulnerable areas and future impacts. There are multiple elements to consider when implementing a buyout program, so including sectors like Natural Resources, Public Works, Parks and Recreation, Tax, and Finance in addition to Community Development will support a comprehensive and successful long-term outcome. Purposefully developed buyout programs prioritize equitable outcomes for participants and reduce flood risk. For areas where buyout programs may not be suitable, the development of elevation programs is another tool to advance recovery, reduce homeowners' insurance rates and increase long-term economic resilience.

Need: Specific properties in the Lee County region have been impacted by multiple extreme weather incidents, are classified as repetitive loss properties, and were once again severely damaged by Hurricane Ian, setting the community and property owners back economically. Repetitive loss properties lose value over time and are unable to be sold privately, requiring intervention for families, individuals, or businesses to relocate out of harm's way and stay locally. Typically, the loss is so severe that repetitive loss properties become uninsurable (either through lack of coverage options or prohibitively high prices) or beyond reasonable cost to perpetually repair. Property owners, especially homeowners, are left more vulnerable to future damage and with fewer financial resources. Other properties may never have been impacted but are located within an identified hazard zone (e.g., 100-year floodplain), are vulnerable to future disasters, and likely to suffer a loss in value because of their risk exposure.

Data provided by Lee County Community Development indicates that in March 2017 there were 579 repetitive loss properties in the County and its political subdivisions. Fort Myers Beach has the greatest share of such properties. The unincorporated portions of Lee County have the next greatest share. Since 2017, the County has experienced Hurricanes Irma and Ian, which have significantly increased the number of repetitive loss properties as well as actual damage for these property owners.

Regional Approach: Buyout programs are practical examples of how Initiatives can support individual property owners and the broader community goals of economic resilience and environmental sustainability. New greenspaces created in repetitive loss areas can improve environmental health, provide recreational opportunities for residents and tourists alike, and contribute significantly to stormwater management. By acting as natural sponges to absorb excess rainwater, these greenspaces reduce the risk of flooding in other parts of the region and help conserve wildlife habitats. In addition to the mitigation provided to the region against future flood damages by increasing the flood carrying capacity, relocating residents and businesses in repetitive loss areas out of harm's way also critically alleviates health and safety risks for owners and rescuers.

Impact: In addition to safeguarding people and businesses from dangerous situations and repetitive losses, particularly those having suffered repetitive loss, low- and moderate-income, and vulnerable populations from harm's way, buyouts can reduce the burden these properties have on first responders and emergency management during storm events. Census track data provided by Lee County Community Development indicates that high concentrations of vulnerable populations were significantly impacted by flooding, storm surge, and wind damage from Hurricane Ian. Buyouts offer an escape from the cyclic trap of flooding and repairing and rising costs while property value decreases, allowing individuals the opportunity to start anew. This will also reduce repetitive and severe subsidized flood insurance payments and federal disaster assistance. There are many examples of places where a handful of homes have had repeated damage, received federal funding each time and paid for the same house equating to 3 or 4 times the value. The converted properties will contribute to the tourist economy as recreational parks, to mitigation measures such as green space and/or stormwater management in perpetuity.

Key Considerations:

- Buyout programs are completely voluntary and should never be presented as mandatory.
- Acquiring properties in a consecutive location is much more desirable than acquiring them in a scattered plot fashion. This is more ideal for maintaining the land and for potential infrastructure projects.

- The most successful buyout programs try to relocate residents within the same taxing jurisdiction, or at the very least, maintain a sense of connection to their neighbors, services, and institutions that play an important part of their life.
- Consider opportunities of other options for buyouts through land trusts and the private sector.
- Review buyout options for storm damaged mobile home parks and other commercial properties.

Co-Sponsoring Branches:

Housing, Infrastructure, Natural Resources, and Planning & Capacity

Stakeholders:

- County departmental experts for planning, parks, and natural resources. Municipal departmental experts in planning, parks, and natural resources.
- Federal Emergency Management Agency (FEMA)
- Utility providers
- Housing Developers/Contractors
- Natural resource partners

Potential Funding Sources:

- United States Department of Housing and Urban Development:
 - Community Development Block Grant for Disaster Recovery (CDBG-DR)
- Federal Emergency Management Agency (FEMA):
 - Hazard Mitigation Grant Program (HMGP)
 - Building Resilient Infrastructure and Communities (BRIC) program
 - Flood Mitigation Assistance (FMA) program
- United States Army Corps of Engineers
- United States Department of Agriculture
- The Land and Water Conservation Fund Coalition

Resources:

- [Buyouts Lessons Learned Sidors Gerber Chavez TNC Full Report 2021.pdf \(nature.org\)](#)
- [Strategic Buyout Program Overview \(nc.gov\)](#)
- [Disaster Recovery Buyout Program - HUD Exchange](#)