

# ISLE DE JEAN CHARLES RESETTLEMENT

## WHAT IS REQUIRED TO PARTICIPATE?

### RESETTLEMENT FUNDING REQUIREMENTS

Since the Resettlement is federally funded with Community Development Block Grant funds allocated from the U.S. Department of Housing and Urban Development, it is subject to a set of laws and rules. The state's application argued that high-risk conditions on the island make it unsafe for habitation—a position HUD agreed with in awarding the grant to the state. It is neither necessary nor reasonable to use federal funds to relocate families from high-risk properties, only to allow those families to return to those high-risk properties for residential purposes in the future. Not only would this place them in harm's way, it would also create a potential need for more disaster recovery funding in the future.

That said, the island holds an important sense of place for its current and former residents. As such, it is critical that property owners have continued access to the island for ceremonial, cultural, historical and recreational purposes. Therefore, in order to comply with HUD requirements and respect the desires of the islanders, the state has created an approach that allows owners continued ownership of and access to their island properties. This is an innovative solution and a significant departure from traditional HUD-funded relocation programs, which require vacated land to become permanent open space.

#### WILL I BE REQUIRED TO SIGN A MORTGAGE AGREEMENT FOR MY ISLAND PROPERTY?

No. Based on feedback from Isle de Jean Charles residents, the Office of Community Development has worked with HUD to update participation requirements to better reflect the wishes of community residents. Although Resettlement participants will be required to sign a forgivable mortgage related to their new property, participants WILL NOT be required to sign a mortgage or deed restriction on their island property. Rather, all participants will be required to sign a Homeowner Assistance Agreement that defines use restrictions for island properties. More information can be found within this document and you are encouraged to work with your case manager or a Resettlement representative on any questions or concerns you may have.

#### CONTACT



833.632.2976



IsleDeJeanCharles@la.gov



IsleDeJeanCharles.la.gov

#### OFFICE HOURS & LOCATION

MONDAY – THURSDAY  
8:30 a.m. – 4:30 p.m.

Catholic Charities Building  
1220 Aycock St.  
Houma, LA 70360



LOUISIANA  
Office of  
COMMUNITY  
DEVELOPMENT

Information subject to change. Revised: Nov. 14, 2019

# ISLAND PROPERTY REQUIREMENTS

Individuals who choose to participate in the Resettlement must agree to certain terms related to use of island properties defined in the Homeowner Assistance Agreement. This commitment will allow program participants continued use of the island property for nonresidential purposes.

## BY SIGNING THE HOMEOWNER ASSISTANCE AGREEMENT, RESETTLEMENT PARTICIPANTS WILL AGREE TO:

- Use island property only for recreational, cultural and/or historical purposes, but not for residential purposes.
- Not convey or sell an island property to any person or entity other than OCD or its designee.
- Not use any local, state or federal funds to repair or improve an island property.
- Not use personal funds to make or allow for substantial repairs to an island property.
- Not apply for subsequent disaster assistance for an island property.
- Not rent or lease an island property.
- Not mortgage or grant any security interest or lien on an island property.

# NEW PROPERTY REQUIREMENTS

## NEW COMMUNITY

Individuals who choose to participate in the Resettlement by moving into the new community (Option A) will be required to sign a Homeowner Assistance Agreement and a forgivable mortgage for the home in the new community.

### THE FORGIVABLE MORTGAGE WILL CONTAIN THE FOLLOWING TERMS:

- The forgivable mortgage will be valued at 100 percent of the appraised value of the new community property.
- The forgivable mortgage will carry zero percent interest.
- The forgivable mortgage will be forgiven at a rate of 20 percent (one-fifth) per year until the obligation is met.
- Participant(s) is required to occupy the home as their primary residence for at least five years.
- Homeowner(s) must move into and make this home their primary residence within 60 days of closing.
- Homeowner(s) must keep property taxes current and maintain both homeowners and flood insurance on the new home.
- Homeowner(s) will not be required to make any payments if they comply with program requirements.

If the new home is transferred via cash sale prior to conclusion of the five-year occupancy period, the balance of the unforgiven portion of the forgivable mortgage will be due and payable at time of closing.

The balance of the forgivable mortgage is forgiven in the event of the death(s) of all awarded homeowners.

## BUILT HOME IN LOUISIANA

Individuals who choose to participate in the Resettlement by purchasing a qualifying home in Louisiana with program funding outside of the currently recognized 100-year floodplain and apart from the newly developed community (Option D) will be required to sign a Homeowner Assistance Agreement and a forgivable mortgage for the home.

### THE FORGIVABLE MORTGAGE WILL CONTAIN THE FOLLOWING TERMS:

- The forgivable mortgage value will equal the participant's program grant award.
- The forgivable mortgage will carry zero percent interest.
- The forgivable mortgage will be forgiven at a rate of 20 percent (one-fifth) per year until the obligation is met.
- Participant(s) is required to occupy the home as their primary residence for at least five years.
- Homeowner(s) must move into and make this home their primary residence within 60 days of closing.
- Homeowner(s) must keep property taxes current and maintain both homeowners and flood insurance on the new home as part of the forgivable mortgage requirements.
- Homeowner(s) will not be required to make any payments if they comply with program requirements.

If the replacement home is transferred via cash sale prior to conclusion of the five-year occupancy period, the balance of the unforgiven portion of the forgivable mortgage will be due and payable at time of closing.

The balance of the forgivable mortgage is forgiven in the event of the death(s) of all awarded homeowners.

This is only a summary of the requirements. We encourage you to review the policy manual and legal documents for all details.