

# ISLE DE JEAN CHARLES RESETTLEMENT

## WHAT WILL BE REQUIRED TO PARTICIPATE?



### PRIMARY OBJECTIVES FOR ON-ISLAND PROPERTIES

- PREVENT DEMOLITION OF THE ON-ISLAND PROPERTY
- PROVIDE CONTINUED OWNERSHIP AND USE OF ON-ISLAND PROPERTIES FOR RECREATIONAL, CULTURAL AND HISTORICAL PURPOSES (I.E., AS CAMPS)
- PREVENT ON-ISLAND PROPERTY (OF PROGRAM PARTICIPANTS) FROM BEING USED FOR RESIDENTIAL PURPOSES, BECOMING SECOND HOMES OR BEING FURTHER DEVELOPED

### PROGRAM 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 to allow property owners 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 approach allows existing structures to remain intact while ensuring the properties are not used for residential purposes or future redevelopment. This is an innovative solution and a significant departure from traditional HUD-funded relocation programs, which require vacated land to become permanent open space.



# ON-ISLAND PROPERTY REQUIREMENTS

To participate in the Resettlement, individuals with an ownership interest in an on-island property must agree to certain terms contained within a deed restriction (servitude) or mortgage to be placed on their on-island property. This legal commitment will allow program participants continued use of the on-island property for non-residential purposes. Program participants who own 100 percent of the on-island property may choose to have a deed restriction recorded on the property and program participants who do not own 100 percent of the property will be required to enter into a no-fee mortgage. Those who enter into a mortgage and remain in compliance with the defined terms will not be required to make any payments in connection with this mortgage.

## THE ON-ISLAND MORTGAGE WILL CONTAIN THE FOLLOWING TERMS:

- The mortgage amount will be 25 percent of the appraised value of the new property obtained through the program.
- The mortgage will remain in effect for 40 years or until such time that the property becomes open water.

## THE ON-ISLAND DEED RESTRICTION OR MORTGAGE WILL REQUIRE THE PARTICIPANT TO AGREE TO THE FOLLOWING RESTRICTIONS:

- On-island property will only be used for ceremonial, cultural, historical and recreational purposes (i.e., as a camp).  
*“Recreational use” means use of property for fishing, camping, hiking, sightseeing, boating or other outdoor recreational purposes. Recreational use shall include use of property as a personal, non-commercial “camp” or as a “fishing camp” as those terms are defined in the building codes and ordinances for Terrebonne Parish, Louisiana.*
- Participants will not rent or lease on-island property.
- Participants will not convey, dispose of, sell or otherwise transfer on-island property to any person or entity.
- Participants will not make or permit any major repairs, renovations or improvements to the property.

If a participating owner defaults on the island mortgage or fails to comply with the terms agreed to within the mortgage and does not remedy the default within the allowable period, the state or its designee will pursue foreclosure of the on-island property and consider this a default of the new home mortgage. If the state or its designee becomes owner of an on-island property through this process, it will demolish any remaining structures and record a permanent deed restriction, limiting the property to open space forever. The property will not be sold to any entity for development purposes.

All program participants, including former and current island residents who do not have an ownership interest in on-island property, must enter into a personal grant agreement that limits their current or future use of any island property that he or she may later obtain an ownership interest in to non-residential purposes only.

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

# NEW PROPERTY REQUIREMENTS

## NEW COMMUNITY

To participate in the Resettlement, individuals with an ownership interest in an on-island property must agree to certain terms. Individuals who choose to participate in the program by moving into the newly developed IDJC community (Option A) will sign a grant agreement, and a mortgage to secure the grant agreement will be placed on the new home.

### THE MORTGAGE WILL CONTAIN THE FOLLOWING TERMS:

- The mortgage will be valued at 75 percent of the appraised value of the new community property if the participant owns an on-island property **OR** 100 percent of the appraised value of the new community property if the participant does not own an on-island property, or if they own their on-island property and execute a deed restriction tied to the use of it.
- The mortgage will carry 0 percent interest.
- The mortgage will be forgiven at a rate of 20 percent (1/5) per year until the obligation is met.
- The participant is required to occupy the home as his or her primary residence for at least five years.
- Homeowner(s) must move into and make these homes their primary residences within 60 days of closing.
- Homeowner(s) must keep property taxes current and maintain both homeowners and flood insurance on the new homes as part of the mortgage requirements.
- 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 5-year occupancy period, the balance of the unforgiven portion of the mortgage will be due and payable at time of closing.

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

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## AN EXISTING HOME IN LOUISIANA

Individuals who choose to purchase a qualifying home in Louisiana, outside of the currently recognized 100-year floodplain, but apart from the newly developed IDJC community (Option D), will sign a grant agreement and a mortgage securing the grant agreement will be placed on the home.

### THE MORTGAGE WILL CONTAIN THE FOLLOWING TERMS:

- The mortgage will be valued equal to 75 percent of the appraised value of the property if the participant owns an on-island property **OR** 100 percent of the appraised value of the new property if the participant does not own an on-island property, or if they own their on-island property and execute a deed restriction tied to the use of it.
- The mortgage will carry 0 percent interest.
- Homeowner(s) will not be required to make any payments if they comply with program requirements.
- The mortgage will be forgiven at a rate of 20 percent (1/5) per year until the obligation is met.
- The participant is required to occupy the home as his or her primary residence for at least five years.
- Homeowner(s) must move into and make these homes 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 homes as part of the mortgage requirements.

If the replacement home is transferred via cash sale prior to conclusion of the 5-year occupancy period, the balance of the unforgiven portion of the mortgage will be due and payable at time of closing.

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

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### CONTACT



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