

# Sales Program Summary

October 19, 2021

Collated by State of Oregon, Regional Solutions

## Definitions:

THU = Temporary Housing Unit (manufactured home)

Trailer = Travel Trailer

Sales Program: FEMA program under which THUs or trailers are offered for sale to Direct Housing Mission occupants.

Donation Program: The donation program will only begin when sales to eligible occupants has concluded, units available for will be prioritized to Other Federal Agencies, State, Territory, Tribe, and Local Government Agencies through GSA (General Services Administration). Voluntary Agencies that meet certain criteria may also be prioritized.

## Sales Program Steps:

1. Request for interest mailed to occupant (*30-day deadline to respond*)
2. For occupants who express interest, an initial sales price at the Adjusted Fair Market Value (AFMV) offer made (*30 days to accept, deny, or petition for sales price adjustment*)
  - a. If Occupant requests Sales Price Adjustment additional documentation is needed such as: income/assets, receipts demonstrating use of FEMA grant funding (if applicable), written declarative statement if sufficient, etc.
  - b. FEMA calculates an Adjusted Sales Price offer to occupant (*15 days to accept or decline*)
3. If offer is accepted (initial or adjusted) FEMA will contact the occupant to schedule a closing meeting (*5-7 days from the accepted offer*)
  - a. Explanation of required document for closing
  - b. Available times for THU inspection
  - c. Schedule tentative closing date
  - d. Verify name and address for forms and title to be sent (standard form 97 SF-97)
4. Occupant and FEMA complete closing process (*within 30 days of accepted sales offer*)
  - a. Acknowledgement of sale
  - b. Conditions of sale
  - c. Proof of location & ability to move unit within 30-days
  - d. Copies of permits, inspections, insurance requirements, etc.
  - e. State comptroller or tax assessor notified of ownership transfer
  - f. If applicable; commercial park owner is notified by FEMA that ownership has transferred

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Sales Program FAQs:

## **1. What are the snow load and energy efficiency specs on these units?**

- a. *The roof load limit is listed on every manufactured home. The THU's have a 40 pounds per square foot load limit.<sup>1</sup> The THU's do not have a specific energy efficiency rating, but are reasonably energy efficient and intended for use with both heating and air conditioning (of course, the actual efficiency depends on how the unit is operated). There are no ratings or requirements for ratings for roof load or energy efficiency for Travel Trailers.*

## **2. How will FEMA connect this purchase program into our local housing navigation center? Prospective buyers may need state resources; they also need to be aware of all the housing alternatives that may be available to them.**

- a. *The sales program is a direct relationship between FEMA and the occupant and does not align with any local housing program.*
- b. *FEMA will be giving survivors a resource provided by Oregon Emergency Management, including the local housing navigation services provided by ACCESS through the Center for Community Resilience.*

## **3. Have the park owners committed to continue to lease to FEMA if the Direct Housing Mission is extended?**

- a. *No. Park owners are not required to continue with the FEMA Direct Housing Program if the mission is extended.*
- b. *The private park owners would work with FEMA directly on contract decisions and contract negotiations if the housing mission is extended.*
- c. *The State will request an extension in early December with a response turnaround time expected by early January 2022.*

## **4. How would the sales/purchase process be changed by a (possible) extension of the FEMA mission?**

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<sup>1</sup> This is adequate for the Rogue Valley floor and surrounding foothills. See: [http://snowload.seao.org/mapserver.phtml?dg=Counties,Cities,W\\_roads,rivers,lakes,Hillshade,snowload,stations&me=-122.98,44.846,-121.556,45.705&language=en&config=default](http://snowload.seao.org/mapserver.phtml?dg=Counties,Cities,W_roads,rivers,lakes,Hillshade,snowload,stations&me=-122.98,44.846,-121.556,45.705&language=en&config=default)

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- a. *All negotiated sales of units will proceed on their own time-line. Purchases will close and owners will take possession (and all responsibility for the unit, including insurance, pad rent, etc.) at the time of purchase, as outlined in the purchasing agreements and conditions of sale.*

## **5. What flexibility does FEMA have to negotiate price?**

- a. *The initial offer price is based on an estimate of fair market value but can be adjusted based on the occupant's financial ability. However, the purchase price cannot be any less than 25% of the market value.*

## **6. Will buyers be expected to start paying rent to the manufactured home park while other residents are still in the FEMA housing mission?**

- a. *Yes, after the sale is complete, occupants will be responsible for paying any costs related to the unit (including pad rent) even though other occupants may still be housed at no cost under the FEMA housing mission.*

## **7. Does this mean that residents could potentially avoid paying rent for another 6-12 months by not buying a trailer (assuming that the direct housing mission is extended)?**

- a. *FEMA will collect rent on all units in the Direct housing program at the end of the 18-month period of performance (March 15<sup>th</sup>, 2022). Rents would be set based on HUD estimates of fair market rate (but occupants can appeal the rental amount if they cannot afford the payment; the minimum rent will not go below \$50/month).*
- b. *The State of Oregon is exploring additional options to make sure that occupants who need additional assistance receive those supports. The State will also be requesting FEMA consider not charging rent if the Direct Housing Mission is established.*

## **8. Alternatively, can the monthly pad rent for a purchased trailer be absorbed by FEMA until the end of the housing mission?**

- a. *No, occupants who purchase a THU or trailer under the sales program are responsible for all related costs, including any pad rental fee, at the time the sale is closed. If they plan to leave the trailer where it currently is, they will need to secure a pad rental agreement with the private mobile home park owner. After the sale is complete, the occupant will no longer be eligible for FEMA Direct Temporary Housing Assistance for DR-4562-OR.*

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## **9. How will park owners be involved in the FEMA Sales purchase process?**

- a. *Park owners are not involved in the purchase process.*
- b. *Occupants must provide complete agreements prior to purchasing the units acknowledging conditions of the sale including but not limited to: where to keep/move the trailer, pad lease arrangements, lease term, monthly rent, utilities, amenities, etc.*

## Donations Program

### **10. Could a prospective purchaser be eligible to receive a donated unit?**

- a. *The donation program will only begin when sales to eligible occupants has concluded. Units cannot be donated directly to individual occupants.*
- b. *Donations are handled under GSA property disposal rules, Units are donated in priority order beginning with Other Federal Agencies, State, Territory, Tribe, and Local Government Agencies. Voluntary Agencies that meet certain criteria may be considered.*
- c. *Priority is given to non-profit organizations that have existed for greater than one year and have historically provided disaster assistance*