



Council Communication

Office of the City Manager

Date

November 23, 2009

Agenda Item No. 34

Roll Call No. 09-

Communication No. 09-837

Submitted by: Larry Hulse, Director

Community Development Department and Jeb
E. Brewer, P.E. City Engineer

AGENDA HEADING:

Approving and authorizing the execution of a Community Development Block Grant (CDBG) with the Iowa Department of Economic Development (IDED) for property acquisition and demolition of structures in the Four Mile flood plain area.

SYNOPSIS:

Recommend approval and authorization to execute CDBG with the IDED. IDED notified the City of Des Moines that IDED has awarded the City a CDBG Contract (Number 08-DRHB-221) in the amount not to exceed \$815,460 for property acquisition and demolition of properties in the Four Mile flood plain area.

Before IDED will send the Contract for execution by the City, IDED is requiring the City to execute and return IDED's Notice of Award letter for the grant, whereby the City accepts the award described, acknowledges that receipt of the award is contingent upon satisfaction of all conditions of the CDBG program and execution of the contract, and agrees to be bound by the program and contract requirements.

FISCAL IMPACT:

Amount: \$815,460 estimated for acquisition, closing, relocation and demolition costs

Funding Source: 100% by Iowa Department of Economic Development using Community Development Block Grant funds.

ADDITIONAL INFORMATION:

After the floods of 2008, City staff initially identified three properties that sustained flood damage in the Four Mile Area, and those properties were enrolled in the City funded buyout program. As time passed, 12 additional property owners were identified in the Four Mile flood plain area that had sustained damages, but had not contacted the City regarding their needs. These 12 additional properties were eligible under the Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program (HMGP), and all but one of them has been acquired. The final property is expected to be acquired in December 2009.

The purpose of the CDBG Property Acquisition Program is to acquire additional properties that are located in the floodway or the regulatory flood plain and are located such that they may be at risk for future flooding, but were not eligible for HMGP funding. Staff believes a buy-out program would

prevent future losses due to frequent flooding in the area. Acquired properties would be cleared of all structures, which will allow the land to return to its natural state and restore its floodplain functions.

On April 29, 2009, the City of Des Moines received an invitation to submit a Notice of Interest (NOI) to the IDEED in order to be eligible for consideration to apply for CDBG Structural Acquisition funds. On May 18, 2009, the City of Des Moines submitted the NOI to the IDEED in order to become eligible for consideration to apply for CDBG funds. On July 2, 2009, the City of Des Moines received a formal invitation to complete and submit a CDBG Structural Acquisition Grant Project application. On July 31, 2009, the City of Des Moines submitted the CDBG Structural Acquisition Grant Project application.

Recently, IDEED notified the City of Des Moines that IDEED has awarded the City CDBG for Contract Number 08-DRHB-221, as detailed above. Staff recommends the following actions be taken by the City Council regarding these proposed CDBG grants:

1. Accept the Notice of Award of Contract Number 08-DRHB-221 as described, acknowledge that receipt of the award is contingent upon satisfaction of all conditions of the CDBG program and execution of the Contract, and agree to be bound by the program and Contract requirements.
2. Authorize the Mayor and City Clerk to execute and attest, respectively, said Award Notices for and on behalf of the City of Des Moines, Iowa.
3. Authorize the Mayor and City Clerk to execute and attest, respectively, said Contract Number 08-DRHB-221, and any other related documents, for and on behalf of the City of Des Moines, Iowa, upon receipt from IDEED, subject to review and approval of the form of the contract or document by the Engineering and Legal Departments.
4. Authorize the Community Development and Engineering Departments and City Clerk to publish any notices associated with, or required by, said Contract Number 08-DRHB-221, including but not limited to, notices required for environmental and historical clearances.
5. Authorize the Mayor to sign and submit a written request for extension of the project completion dates to IDEED, as needed, designate the Mayor as the certifying officer for purposes of 24 CFR 58.71 and authorize the Mayor to execute the "Request for Release of Funds and Certification" which apply to contract 08-DRHB-221.
6. Authorize the Mayor Pro Tem and the Chief Deputy City Clerk to execute and attest said documents, respectively, in the event that the Mayor or City Clerk are not available.

This grant award approved by IDEED includes voluntary acquisition of 19 parcels of property as listed on Supporting Document No. 1 to the Award Notice, which consists of residential single-family dwellings and residential vacant lots located within the 100-year flood plain. IDEED continues to review the City's original application for funding, which included several other properties located in the Four Mile flood plain and any additional grants awarded for those properties will be submitted to City Council at a future date for approval and acceptance.

PREVIOUS COUNCIL ACTION(S):

Date: July 13, 2009

Roll Call Number: 09-1281

Action: Authorization to submit a grant application to the Iowa Department of Economic Development in order to fund a voluntary structural acquisition project for purchase of eligible properties in the Four Mile Area. (Council Communication No. 09-449) Moved by Vlassis to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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