

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: September 13, 2010
	Agenda Item No. Extra Item 1 Roll Call No. <u>10-1513</u> Communication No. <u>10-564</u> Submitted by: Jeb E. Brewer, P.E. City Engineer and Phil Delafield, Director Community Development Department

AGENDA HEADING:

Approving and authorizing execution of a contract amendment for 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 of a contract amendment for a CDBG with the IDED. In November 2009, IDED notified the City of Des Moines that they had 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. This contract amendment authorizes voluntary acquisition of two mobile home parks located at 3320 and 3325 Hubbell Avenue and increases the grant award amount to \$7,105,889.

The purpose of the CDBG Property Acquisition Program is to acquire additional properties that were not eligible for Federal Emergency Management Agency’s (FEMA) Hazard Mitigation Grant Program (HMGP) buyout program, but are still located in the floodway or the regulatory flood plain and are located such that they may be at risk for future flooding. The CDBG buyout program will prevent future losses due to frequent flooding in the area. This CDBG buyout program requires voluntary participation from property owners and requires the City to maintain the properties for green or open space uses.

Notices will be sent to each affected property owner and tenant to advise them of their options under this voluntary buyout program. City staff will then proceed with voluntary negotiations with the property owners. If the owners of the two mobile home communities agree to sell their properties to the City, the mobile home occupants and commercial business tenants will be offered relocation assistance under the Uniform Relocation Act (URA).

FISCAL IMPACT:

Amount: \$7,105,889 estimated for acquisition, closing, relocation and demolition costs.

Funding Source: 100% by IDED using CDBG 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 FEMA's HMGP, and all have been acquired. Acquired properties will 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 IDED 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 IDED 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.

On November 23, 2009, the City Council approved and authorized the execution of a CDBG Contract Number 08-DRHB-221. The grant award approved by IDED included voluntary acquisition of 19 parcels of property, which consists of residential single-family dwellings and residential vacant lots located within the 100-year flood plain, in an amount not to exceed \$815,460.

IDED continued to review the City's original application for funding, which included several other properties located in the Four Mile flood plain, including two mobile home communities located at 3325 Hubbell Avenue and 3520 Hubbell Avenue, which sustained flood damage in August 2010. The increase in funding under this contract amendment will provide funding for voluntary acquisition of the two mobile home communities, which have a total of 85 mobile home units and two commercial businesses.

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.

Date: November 23, 2009

Roll Call Number: 09-2117

Action: [Execution](#) of Community Development Block Grant with Iowa Department of Economic Development for property acquisition and demolition of structures in the Four Mile Flood Plain area, \$815,460. ([Council Communication No. 09-837](#)) Moved by Coleman to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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