

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: October 25, 2010
	Agenda Item No. 15 Roll Call No. [_____] Communication No. <u>10-639</u> Submitted by: Phil M. Delafield, Director, Community Development Department and Jeb E. Brewer, P.E., City Engineer

AGENDA HEADING:

Approval for closing on properties approved for voluntary acquisition in the Four Mile flood plain area under the Community Development Block Grant (CDBG) Flood Buyout Project.

SYNOPSIS:

Recommend closing on properties approved for voluntary acquisition in the Four Mile flood plain area as part of the Community Development Block Grant (CDBG) Flood Buyout Project. 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 the Iowa Department of Economic Development (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.

On September 13, 2010, the City Council approved and authorized the execution of contract amendment to Contract No. 08-DHRB-221, providing approval for voluntary acquisition of two mobile home parks in the amount of \$6,290,429 that were included in the City’s original grant application and increasing the grant award amount to \$7,105,889.

The City has presented voluntary offers to purchase to the owners of the properties in this buyout program and has received signed purchase agreements from two owners of single-family homes. Negotiations are also underway with the owners of the two mobile home parks, and voluntary agreements are expected to be reached in the near future. This action is required in order to accept all necessary real estate documents for all properties included in this project, as approved by the City’s Legal Department, and to close on the transactions. Acquired properties will be cleared of all structures, which will allow the land to return to its natural state and restore its floodplain functions.

FISCAL IMPACT:

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

Funding Source: 100% by Iowa Department of Economic Development (IDED) using Community Development Block Grant (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, twelve 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 have been acquired.

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 FEMA 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 Iowa Department of Economic Development 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.

On September 13, 2010, the City Council approved and authorized the execution of contract amendment to Contract No. 08-DHRB-221, increasing the award amount to \$7,105,889. The increase in funding under this contract amendment will allow the City to voluntarily acquire the two mobile home communities, which have a total of 87 mobile home units and a commercial retail business. If the owners of the two mobile home communities agree to sell the properties to the City, the mobile home occupants and commercial business tenant will be offered relocation assistance under the Uniform Relocation Act (URA). Acquired properties would be cleared of all structures, which will allow the land to return to its natural state and restore its floodplain functions.

PREVIOUS COUNCIL ACTION(S):

Date: September 13, 2010

Roll Call Number: [10-1513](#)

Action: [Authorizing](#) execution of contract amendment for a Community Development Block Grant with Iowa Department of Economic Development for property acquisition and demolition of structures in Four Mile Flood Plain area. Sponsor: Council Member Mahaffey. ([Council Communication No. 10-564](#)) Moved by Griess to adopt. Motion Carried 7-0.

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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