



TO: Mayor Chuck Barney
Members of the City Council

FROM: John R. Zakian, DR Grant Program Manager & Chief Resilience Officer

DATE: April 17, 2018

SUBJECT: **Approval of Flood Mitigation Buyout Structures for Auction Sale**

I. RECOMMENDED ACTION

Approval of List of houses, garages, and sheds in accompanying list for Auction Sale

II. DEPARTMENT CONTACT PERSONS

John R. Zakian, DR Grant Program Manager & Chief Resilience Officer, 423-4528

III. DESCRIPTION

A. Background

Upon acquisition of property with structures as part of the buyout program for flood mitigation measures a team of city staff and CDM Smith assess the structures for soundness and earmark each for either demolition or auction. All proceeds from sales of structures are treated as Program Income under HUD rules and immediately used for eligible CDBG-DR and CDBG-NDR activities with a primary focus on additional needed acquisitions.

B. Proposed Project

The most current review of recently acquired structures have resulted in a recommendation to auction three houses, two garages, four sheds and a metal warehouse.

IV. IMPACT:

A. Strategic Impact:

Sales of structures with commensurate with moving outside the flood inundation area by the purchasers results both in additional income to be used for future purchases as well as savings from not having to demolish. For 2017 and the first quarter of 2018, this has resulted in a net benefit of \$600,000 with \$251,000 in sales proceeds and estimated savings of \$349,000 from not having to incur demolition costs.

B. Service/Delivery Impact:

Auction sales proceeds give the ability to carry out needed additional acquisitions and demolitions to support flood mitigation projects.

C. Fiscal Impact:

None

V. ALTERNATIVES

N/A

VI. TIME CONSTRAINTS

VII. LIST OF ATTACHMENTS

- i. List of structures to be auctioned