

COUNCIL ACTION FORM

SUBJECT: FLOOD BUY-OUT PROGRAM

BACKGROUND:

As part of the Flood Mitigation Overview report presented to City Council at their September 21st and 28th meetings, staff provided information about applying for buy-out funds through the Iowa Homeland Security & Emergency Management Division under their Hazard Mitigation Grant Program (HMGP) in response to the July and August 2010 wind and flooding events in which Ames/Story County became eligible for disaster assistance funding.

To date the following actions have occurred:

1. Submittal of a "Notice of Interest" (NOI) to the State listing properties which were identified as part of a potential acquisition project. This list formed the basis of the total amount of funds that may be allocated to Ames. However, given the limited amount of funding available to all cities, it was anticipated that we would receive less than the \$15 million that was reflected on our initial NOI.
2. City staff conducted two public meetings for property owners in order to explain and answer questions regarding the buy-out program guidelines and processes, and to ascertain which property owners may be interested in participating in the program.
3. Currently \$500,000 of the 2010-11 CDBG allocation has been reserved toward the amount needed as local match for buy-outs, with the possibility of utilizing an additional \$145,000 of available balance from this year, for a total of \$645,000.
4. City staff was notified by the State that separate funding may be available to assist property owners who are not interested in a buy-out, but who desire assistance in having their properties demolished. A request for potential properties for a demolition determination was submitted to the State.
5. At the March 22, 2011, City Council meeting, the City Council directed staff to move forward in preparing an application to the State for flood buy-out funds to "residentially-zoned properties" along South 5th, South 4th, and on South Russell.

During this entire preliminary application process, staff has been working closely with the State to provide them with any and all information on properties that may be of consideration for buy-out so that the State could initiate the Benefit Cost Analysis (BCA) review.

In communications with the State this past week, staff was notified that the City would be receiving notification that none of the residentially-zoned properties reflected in our preliminary application scored high enough in the Benefit Cost Analysis to qualify for further review by the State or submittal to FEMA (see attached letter). The letter also asked that the City notify the State if we make a decision to withdraw from the project at this time.

Another possibility is for the City to continue the process and make a formal application, although according to Homeland Security officials “the property data sheet must be reorganized to include eligible properties, or additional documentation of historic losses must be provided for properties of interest.” Since the proposed properties don’t meet the required benefit/cost threshold and we have no further documentation regarding past losses, pursuing buy-out funding for these properties seems futile.

Because one of the reasons for the low scoring in the benefit/cost analysis was due to insufficient records of current and past flood damages, the Council may want to discuss amending our Flood Plain ordinance. Under this change, a repetitive loss provision could be established, thereby providing a motivation for past damage records to be maintained.

ALTERNATIVES:

1. The City Council can direct staff to submit a letter to the State to withdraw pursuing Hazard Mitigation Grant Program funding for the identified residentially zoned properties in connection with the 2010 flooding event at this time.
2. The City Council can direct staff to research if there are other eligible properties that may qualify for funding under the Hazard Mitigation Grant Program in connection with the 2010 flooding event.

MANAGER’S RECOMMENDED ACTION:

Based on the response received from the Iowa Department of Homeland Security, the residentially-zoned properties designated by the Council for flood buyouts do not qualify for federal funding. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, directing staff to submit a letter to the State to withdraw pursuit of Hazard Mitigation Grant Program funding in connection with the 2010 flooding event.



STATE OF IOWA

TERRY E. BRANSTAD
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LT. GOVERNOR

DEPARTMENT OF PUBLIC DEFENSE
IOWA HOMELAND SECURITY AND
EMERGENCY MANAGEMENT DIVISION
J. DEREK HILL, HOMELAND SECURITY
ADVISOR AND EMERGENCY MANAGEMENT
ADMINISTRATOR

5/19/2011

Ms. Vanessa Baker-Latimer
City of Ames Housing Coordinator
515 Clark Ave.
Ames, IA 50010

SUBJECT: City of Ames Property Acquisition Project Status

Dear Ms. Baker-Latimer,

Iowa Homeland Security and Emergency Management has completed a benefit-cost analysis on the 13 properties that the City of Ames has expressed interest in acquiring under the Hazard Mitigation Grant Program, as required for program eligibility. Based on data provided by the City, unfortunately none of the properties produced a benefit/cost ratio (BCR) of greater than 1.0, which is necessary to submit a grant application to IHSEMD and FEMA. Please see the results as follows:

- 1204 S. 4th St. – BCR = .21
- 201 S. 5th St. – BCR = .22
- 203 S. 5th St. – BCR = .31
- 205 S. 5th St. – BCR = .31
- 207 S. 5th St. – BCR = .22
- 209 S. 5th St. – BCR = .25
- 211 S. 5th St. – BCR = .20
- 217 S. 5th St. – BCR = .28
- 219 S. 5th St. – BCR = .21
- 225 S. 5th St. – BCR = .24
- 227 S. 5th St. – BCR = .30
- 305 S. Russell – historic damage data not provided, required for BCA
- 313 S. Russell – BCR = .13

In conclusion, the preliminary application as submitted does not qualify for review by IHSEMD due to the results of the benefit cost analysis. If the City intends to proceed with the project, the property data sheet must be reorganized to include eligible properties, or additional documentation of historic losses must be provided for the properties of interest. Please notify IHSEMD if the decision is made to withdraw the project.

Sincerely,

Dusty Pogones
Disaster Project Specialist Lead - Property Acquisition

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