



CITY OF IOWA CITY

410 East Washington Street
Iowa City, Iowa 52240-1826
(319) 356-5000
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July 14, 2009

Re: Opportunity for non-HMGP property buy-outs

Dear Property Owner:

The City is applying for Community Development Block Grant (CDBG) funding for the purchase of flood-impacted properties that do not meet the criteria for the HMGP (FEMA) buy-out. The purpose of this letter is to collect the number of property owners interested in the non-HMGP buy-out program. Because the City's flood protection strategy for Parkview Terrace neighborhood is not likely to include large scale projects such as levees and flood walls, the City is trying to buy out as many properties as possible in order to mitigate structural damage in the event of a future flood.

The non-HMGP buy-out process will be similar to the HMGP buy-out process. An offer will be made on each eligible property, and once the property is purchased, the structure will be demolished and permanently converted as public open space. For property owners that have owned their property since the flood, the initial offer will be 112% of pre-flood assessed value minus flood-related benefits received, as determined by the Iowa Department of Economic Development (IDED). However, if the property was purchased after the flood, the offer would be at the current market value.

In order for the City to prepare its application, we need to know if property owners are interested in participating in this buy-out program. Please fill out the attached statement of interest and return it using the enclosed envelope by **Friday, July 24, 2009**.

The State has indicated the non-HMGP buy-out funding will be dispersed according to a priority system with the first priority being those properties that have been either condemned or pose a health and safety risk. By getting an application submitted, we will be in line for funds when they become available. There is no guarantee that the money will become available and it will be several months before we know if the money is available.

Please keep in mind, this is a voluntary program. All interested applicants can choose to back out of the program at anytime prior to closing on the property.

If you have questions or need more information, please feel free to contact me at 319-356-5479 or doug-ongie@iowa-city.org.

Sincerely,

Doug Ongie
Community Development Planner

CC: City Council
Dale E. Helling, Interim City Manager
Jeff Davidson, Director of Planning and Community Development
Rick Fosse, Director of Public Works