



# CITY OF IOWA CITY MEMORANDUM

07-16-09  
IP7

DATE: 7/8/2009  
TO: CITY COUNCIL  
FROM: DAVID PURDY, FLOOD RECOVERY SPECIALIST *David Purdy*  
RE: CDBG FLOOD ASSISTANCE – ADDITIONAL ACQUISITION OF FLOOD PLAIN PROPERTY

At its May 18, 2009 Work Session, City Council instructed staff to submit to the State a list of 71 properties in Park View Terrace neighborhood, three properties surrounding the Elks Club, and one property near Southgate Avenue as part of the Notice of Intent (NOI) for the Community Development Block Grant (CDBG) Non-HMGP eligible buy-out properties. The intent is to buy out additional flood-prone properties that do not meet the criteria of the HMGP (FEMA) program. Similar to the HMGP Program, the purchased property would be cleared and remain open space forever.

Iowa City recently received the official application from the Iowa Department of Economic Development regarding Community Development Block Grant (CDBG) funds targeted towards non-HMGP eligible properties. The City has until July 31st to submit its application.

Staff will be contacting Park View Terrace residents in the next few weeks to see who wishes to be included in the final application. While 71 properties were submitted with the NOI, it is anticipated that not all of those homeowners will wish to pursue the buy-out option. We know there will be an issue with homeowners who have already received some financial assistance such as flood insurance, Jumpstart funds, or FEMA assistance. Those funds will probably need to be deducted from the final offer. In addition, several homes have been purchased since the June 2008 flood. Those homes would only receive the current fair market value, not the 112% of assessed value that will be offered to persons that still own their flood damaged property.

The State has indicated that they will be acquiring properties according to a priority system with the first priority being those properties that have been either condemned or pose a health and safety risk. We do not know when properties significantly damaged in the 500-year flood plain and vacant lands in the 100-year flood plain will be acquired. By getting an application submitted, we will be in line for funds when they become available.

Once the Non-HMGP buy-outs have been approved by the state, Iowa City will be submitting another request to the state to increase the number of homes to be built under the multi-family new home construction program. This will help offset the loss in property tax revenue from the acquired properties.

If you have questions, please feel free to contact me at 356-5489.

Copy to:

Dale E. Helling, Interim City Manager  
Marian K. Karr, City Clerk  
Eleanor M. Dilkes, City Attorney  
Jeff Davidson, Director of Planning and Community Development  
Rick Fosse, Director of Public Works  
Steve Long, Community Development Coordinator  
Ron Knoche, City Engineer  
Crystal Smith, Civil Engineer  
Sue Dulek, Ass't. City Attorney