



# CITY OF IOWA CITY MEMORANDUM

05-14-09

IP2

DATE: 5/13/2009  
TO: CITY COUNCIL  
FROM: DAVID PURDY, FLOOD RECOVERY SPECIALIST *D.P.*  
RE: CDBG FLOOD ASSISTANCE - PROPERTY ACQUISITION

In a Memorandum to City Council dated March 23, 2009, Jeff Davidson and Rick Fosse outlined 5 different funding opportunities to assist with flood recovery. At that time, the rules and guidelines for funding opportunity number 4, entitled "Housing Buyouts, Non-FEMA (CDBG)," were not available.

Iowa City recently received a letter from the Iowa Department of Economic Development regarding Community Development Block Grant (CDBG) funds targeted towards non-HMGP eligible properties. The City has until May 19<sup>th</sup> to submit a list of properties it wants to acquire. The list will act as a guide to the state to see how many properties municipalities wish to acquire. Once the statewide information is compiled, an application process will be established so that communities can access available funds. The state currently has \$10 million available for property acquisition. While the final amount for acquisition is not known, it is expected there will be additional funding cycles for these activities in the future.

Staff is requesting direction from Council about whether to apply for CDBG funds to acquire properties that are not eligible for HMGP funding and if so, which properties to target.

The State priorities for the CDBG acquisition program are:

- 1) Damaged structures in a 100 year flood plain that complement an HMGP acquisition area.
- 2) Properties that have been condemned (for health and safety reasons) or are likely to be condemned.
- 3) Properties that pose a health or safety risk.
- 4) Properties that have been very significantly damaged in the 500 year flood plain.
- 5) Properties that have been substantially damaged in the 500 year flood plain.
- 6) Vacant land in the 100 year flood plain.

Iowa City does not have any damaged structures in the 100 year flood plain other than those that are eligible for an HMGP buy-out or to be acquired through the Community Disaster Grant Program. It also does not have properties that are likely to be condemned or pose a health or safety risk.

Iowa City does have several homes in the Parkview Terrace neighborhood that are in the 500 year flood plain and were either very significantly or substantially damaged. However, one possible constraint of the program is that the acquired land might have to become green space. This would prohibit the City, if it decided to pursue that route, from building any type of flood protection measure on the acquired properties in the future.

There are 3 parcels of vacant land in the 100 year flood plain that the City might wish to consider placing on the list. The first is a 2.6 acre piece of land located adjacent to the Iowa River, south of the City-owned pond and west of South Gilbert Street (outlot D of Kennedy Waterfront Addition Part 3). The second is a parcel of land owned by the Elks Club immediately west of the Idyllwild neighborhood. The final piece of land is a strip of land between the lower peninsula and Taft Speedway also owned by the Elks Club.

While the state has established general priorities, we are still waiting for answers on specific guidelines such as whether the acquired land needs to be green space. We hope to have answers to these guideline questions before the May 18<sup>th</sup> council work session and will ask Council for guidance on specific properties at that time.

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