



**TO:** Mayor Shaun Simpa  
Members of the City Council

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

**DATE:** July 24, 2018

**SUBJECT: STRUCTURE AUCTION AUTHORIZATION**

**I. RECOMMENDED ACTION**

Authorize Auction of Structures Acquired in Flood Mitigation Buyout Program

**II. DEPARTMENT CONTACT PERSONS**

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

**III. DESCRIPTION**

A. Background

To maximize opportunity for program income to be used in the continued acquisition of properties needed for flood mitigation projects and to contribute to reducing need for local share from city revenues, the city has enacted a policy of auction structures on acquired properties to be moved outside the flood inundation area. The process followed includes an assessment led by a team of city staff that determines which structures are sufficiently stable to be able to be moved and relocated. Ones deemed not sufficient are then assessed for possibility of salvage auction and/or demolition. Structures which are successfully auctioned and relocated also represent a savings from the cost of demolition. To date, more than \$400,000 has been generated from structure auction sales and an estimated savings of \$500,000 resulting from not having to demolish these structures. This impact results in the ability to stretch available CDBG-DR funds further than was originally forecasted.

B. Proposed Project

New structures identified for auction include 5 homes, 4 garages, and 1 shed. Upon approval of the auction of these properties, they will be listed for auction with homes having a minimum bid price.

**IV. IMPACT:**

A. Strategic Impact:

This initiative seeks to maximize opportunity to generate revenue which can be reinvested in activities supporting flood mitigation projects.

B. Service/Delivery Impact:

Auction of structures reduces costs associated with required demolition of structures for flood control projects allowing NDR funds to be stretched further in their use.

C. Fiscal Impact:

Funds generated from auction sales are considered program income under HUD rules and must be reprogrammed into the NDR activities.

**V. ALTERNATIVES**

N/A

**VI. TIME CONSTRAINTS**

*NA*

**VII. LIST OF ATTACHMENTS**

- i. List of Structures to be auctioned.