



**TO:** Mayor Chuck Barney  
Members of the City Council

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

**DATE:** January 22, 2018

**SUBJECT:** AUCTION OF FLOOD BUYOUT ACQUIRED STRUCTURES

**I. RECOMMENDED ACTION**

Authorize auction of attached listed property structures by address with execution of sale to the highest responsible bidder

**II. DEPARTMENT CONTACT PERSONS**

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

**III. DESCRIPTION**

A. Background

*As city acquires properties for the flood mitigation projects, it has periodically presented to the City Council approval requests to auction structures on such property deemed sound and able to be moved. A new aggressive set of policies and procedures has been implemented to make more effective and timely determinations on acquired properties with structures as to whether such structures should be demolished or auctioned. Program goals are to minimize city liability exposure as well as making properties visually presentable until needed for the flood control projects by removing structures and landscaping the properties.*

B. Proposed Project

*As properties are acquired, a team comprised of a CDM Smith specialist, inspector from City Engineer, Public Works representative, and CDBG Technical Support Specialist inspect the structures to make a determination if sufficiently sound to be sold and moved versus in a condition that warrants demolition. A consensus is sought on all properties. Once a sufficient number of structures are identified to warrant cost effective auction, a list will be presented to the City Council. Properties currently being identified for demolition are being compiled for a Demolition Bid to be issued in March, 2018 upon approval of the City Council of the bid. Properties acquired through buyout until final disposition are being secured through Public Works with costs covered by CDBG-DR or CDBG-NDR. Properties auctioned are required to be relocated outside flood inundation are and all moving expenses are incurred by the purchaser.*

*A new initiative was attempted earlier this month to auction previously approved homes with a minimum bid requirement of 30% of assessed value. No bids were received. The garages and sheds were successfully auctioned for a total of \$9,000 with no minimum bid because of the same size of these structures. We will undertake a rebid adding these properties if approved by the City Council setting a minimum bid requirement but lower than 30%.*

**IV. IMPACT:**

A. Strategic Impact:

*Structures able to be moved create the ability to preserve existing housing stock. Also, structures which can be moved reduce costs incurred through demolition from the CDBGDR and CDBG-NDR funds.*

B. Service/Delivery Impact:

*Coordinated procedure to expedite determinations of auction versus demolition of structures including the involvement of appropriate city staff shrinks the liability exposure by the city once it has acquired property and structures, assures that efficient and effective determinations are made on a timely basis with the involvement of city staff, and creates potential for additional funds to be deployed for the disaster recovery activities.*

C. Fiscal Impact:

*Added funds for disaster recovery activities under CDBG and CDBG-NDR approved Action Plans through Program Income generated by the auction sales.*

**V. ALTERNATIVES**

*N/A*

**VI. TIME CONSTRAINTS**

*All CDBG-NDR projects must be done and funds spent by September 30, 2022.*

**VII. LIST OF ATTACHMENTS**

*Structures by street address to be auctioned.*