



TO: Mayor Chuck Barney
Members of the City Council

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

DATE: February 16, 2018

SUBJECT: NEIGHBOR NEXT DOOR LOT SALE

I. RECOMMENDED ACTION

Authorize offer for sale for \$2,400 to contiguous property owners cleared properties listed on attached resolution

II. DEPARTMENT CONTACT PERSONS

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

III. DESCRIPTION

A. Background

Chapter 40-11-04 of the Century Code sets forth that when a property to be disposed is estimated by the governing body of the municipality to be of a value less than two thousand five hundred dollars then the property may be sold at private sale upon the proper resolution of the governing body. The city through various non-federal funding sources has acquired properties which were flood impacted in the flood inundation zone but not in the flood mitigation buyout areas. These properties have been cleared and are now vacant properties for which when funding was secured it was contemplated that there would be no use connected to the flood control projects including flood walls, levees, or flood retention areas. For many of these properties the city envisioned several years ago partnering with non-profit entities such as a Land Trust to convey the properties to them for the construction of single family homes for low/moderate income homeowners. Because of the evolving designs for the flood control projects, some of these acquired properties now fall within or bump up against the boundaries of the flood mitigation measures. The reality for the remaining lots is that these lots are within the FEMA 100-year flood zone which means if homes are constructed, there will be the requirement to carry flood insurance and, depending on sources of funding for construction, will be required to be elevated. Such requirements result in these lots being questionably feasible for construction of single family homes at price points affordable for low/moderate income homeowners. In consultation with the City Assessor, were these lots to be offered to neighbors with a covenant to the deed barring construction and requiring it to be maintained in some form of acceptable green space then the True and Full Value for assessment of these lots drops to below \$2,500. Sale of these lots to contiguous neighbors will remove these parcels from city liability and maintenance responsibility and, since these parcels are in the FEMA 100- year flood plain, preserving them as parcels without structures contributes to mitigation measures. Lots not sold through this effort will be explored for optional use, or if necessary retained for the flood mitigation measures. Properties that were acquired by the various state and local sources but which have been subsequently identified as being within or abutting the flood mitigation measures are:

- 619 Forest Road
- 704 2nd Avenue NE
- 510 1st Avenue NW
- 111 15th Street SE
- 1521 3rd Avenue SE
- 1728 Burdick Expressway E

A map accompanies this memorandum which provides an overview of the scattered locations of these lots to have a clear perspective on the range and scope of this initiative.

B. Proposed Project

With City Council’s approval of the resolution with the identified parcels, offers will be sent to the property owners of record with property which border the parcels. Prior to offers being sent to these properties, there will be additional conferring with Public Works and Engineering to ascertain if additional lots should be held back in case needed for the flood mitigation measures. Any such lots identified by Public Works and/or Engineering will also be held back. If all contiguous property owners seek to accept the purchase offer, then the plan will be to equally divide the parcel and split the sale price of \$2,400. It will be made clear in the offer letter that there will be a covenant attached to the deed permanently to assure no structures can be built.

IV. IMPACT:

A. Strategic Impact:

This initiative will remove uncertainty within these neighborhoods as well as with the contiguous property owners as to the future use of these parcels. It also offers an opportunity to assure the stability and maintenance of these properties in a manner promoting sustainable neighborhoods.

B. Service/Delivery Impact:

Sale of these properties will result in the city no longer having responsibility for maintenance.

C. Fiscal Impact:

Sale of these properties ends city liability connected with current liability. Depending on the source of funds used to acquire the properties, revenue generate from sales may have to revert to the funding source or may be able to be retained by the city for its use.

V. ALTERNATIVES

N/A

VI. TIME CONSTRAINTS

NA

VII. LIST OF ATTACHMENTS

- i. Resolution with list of properties to be offered for sale.
- ii. Overlay map showing properties’ locations