



## MEMORANDUM

**TO:** Mayor and Council

**FROM:** Lauraine Rizer, Officer  
Office of Real Estate Services

**DATE:** February 27, 2015

**SUBJECT:** Onion Creek Flood Mitigation Buyouts – Recommendation for Council Action (March 5, 2015)

---

On March 5<sup>th</sup>, the Office of Real Estate Services (ORES) will bring to Council an item authorizing the acquisition of approximately 240 properties in the 100-year floodplain of the lower Onion Creek area. Staff recommends the acquisition of these properties under the guidelines of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the “URA” or “Uniform Act”).

Since 1999, ORES has acquired 425 properties within the Onion Creek area as part of the Watershed Protection Department’s (WPD) Onion Creek Flood Mitigation Buyout Program, in partnership with the U.S. Army Corps of Engineers (USACE). 102 of those properties were acquired by the City after the flood events of Halloween 2013.

In response to the floods of Halloween 2013, City Council authorized WPD, ORES, and its consultants to acquire properties outside of the USACE designated area, within the 25-year Onion Creek floodplain. To date, the City has acquired 56 properties in the 25-year floodplain, with another 46 properties under contract. The item on the March 5<sup>th</sup> agenda will expand the Flood Mitigation Buyout Program to include approximately 240 properties at risk of flooding within the 100-year Onion Creek floodplain.

In 1999, ORES began purchasing homes and relocating residents in the Onion Creek area following a policy established under City ordinance. Beginning in 2007, this Flood Mitigation Buyout Program has mirrored and fully complied with the Uniform Act. This includes the City’s recent acquisitions within the 25-year floodplain.

The Uniform Act was passed by Congress in 1970 to establish minimum standards for federally-funded projects that require the acquisition of real property or the displacement of persons from their homes, businesses or farms. The objectives of the Uniform Act include the uniform, fair, and equitable treatment of displaced persons and providing decent, safe and sanitary housing within the displacees’ financial means.

The City's current Program in Onion Creek provides displaced families with relocation advisory services, relocation payments for moving expenses, and replacement housing payments for increased costs of renting or purchasing a comparable replacement home.

Under the Program, tenant occupants may be eligible for a rental assistance payment to supplement the costs of leasing a comparable replacement home, or downpayment assistance to purchase a replacement home. A rental assistance payment is based on the difference (if any) in the cost of monthly rent and utilities between the displacement home and an available comparable decent, safe, and sanitary rental replacement home.

Owner occupants may be eligible for a price differential payment, mortgage interest differential payment or incidental payments to supplement the costs of purchasing a comparable replacement home. A price differential payment is based on the difference (if any) between the acquisition price of the acquired home and the purchase price of an available comparable decent, safe and sanitary replacement home.

**Example of Owner Occupant Price Differential Relocation Payment**

Cost of Available Comparable Home:	\$150,000
Cost to Acquire existing Home:	<u>\$100,000</u>
Price Differential Payment needed:	\$ 50,000

At this time we recommend moving forward with the buyout of these properties in the 100-year floodplain using these same policies that the City has followed with their neighboring properties in the Onion Creek area. This will minimize further delay to the relocation of these residents out of the floodplain area. WPD will continue to review and explore policy options for future voluntary buyout programs.

xc: Marc Ott, City Manager  
Sue Edwards, Assistant City Manager  
Victoria Li, Director, Watershed Protection Department