



Travis County Commissioners Court Agenda Request

Meeting Date: December 10, 2013

Prepared By: Steve Manilla **Phone #:** (512) 854-9429

Division Director/Manager: Steve Manilla

Department Head/Title: Steven M. Manilla, P.E., County Executive-TNR

Sponsoring Court Member: County Judge Samuel T. Biscoe

AGENDA LANGUAGE:

Consider and take appropriate action on the following requests:

- A) Whether to use existing funds to begin appraisals of potential buy-out properties ; and
- B) Whether to revise the policy on relocation expenses pursuant to applicable state law; and
- C) Whether to include commercial properties in buy-out programs

BACKGROUND/SUMMARY OF REQUEST:

A) TNR analysis of the differences between appraised value and the assessed values established by the Travis Central Appraisal District (TCAD) for recent buyout properties in Timber Creek showed that appraised values were an average of 2.3 times higher than TCAD value. Similar data is not available for other Onion Creek neighborhoods. To provide accurate budget estimates for potential buyout projects in new areas, staff recommends authorizing TNR to proceed with appraisals of all properties where owners have requested buyout due to the Halloween Floods.

B) The County's Relocation Assistance Policy was approved in 2000 to provide supplemental funds of up to \$10,000 per property for owners that participate in the Floodplain Buy-Out Program. Assistance is offered to help owners move to a safer location outside the floodplain, by helping with moving expenses, the cost of new utility connections, and purchasing a replacement property outside the floodplain. County policy was followed in all Federal Emergency Management Agency (FEMA) grant buyout projects. When buyouts began as part of a US Army Corps of Engineers project on Onion Creek, the County was required to follow Federal standards, the "Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970," (URA). Current URA standards provide up to \$22,500 per owner. Tenant relocation of \$5,250 is the same under the County and Federal programs.

The County Attorney's Office has advised staff that a 2011 change to Section 21.046 of the Texas Property Code now makes it mandatory rather than discretionary for

the County to, as a cost of acquiring real property, pay moving expenses and rental supplements, make relocation payments, provide financial assistance to acquire replacement housing, and compensate for expenses incidental to the transfer of the property if an individual, a family, the personal property of a business, a farming or ranching operation, or a nonprofit organization is displaced in connection with the acquisition.

Agency responsibilities for voluntary and involuntary acquisitions under URA differ. With an involuntary taking under URA, businesses get a maximum relocation of \$20,000 for moving assistance, loss of tangible personal property, searching expenses for replacement property, and reestablishment expenses. Under voluntary programs, such as FEMA's floodplain buyouts, there is no provision for business relocation assistance. The focus is on residential properties, with assistance provided to primary owners and displaced tenants.

C) Buyouts of non-residential properties, such as businesses or non-profit entities is less common, but has been undertaken by programs similar to Travis County's, such as those conducted by Galveston County, the Harris County Flood Control District, and the City of Pasadena. In all known cases, the agencies purchased properties and affixed structures, but did not purchase the business itself.

To provide accurate budget estimates for the potential purchase of businesses that have requested buyout due to the Halloween Floods, staff requests authorization for TNR to proceed with appraisals of such properties.

STAFF RECOMMENDATIONS:

The December 3 Voting Session included discussion about a variety of flood-related issues. At that time it was decided to vet the issues in court and bring forward a list of action items for Court consideration at the December 10 Voting Session. Staff recommends approval of Items A through C, above, that pertain to buy-outs. Items and staff recommendations pertaining to repairs and debris removal, and the funding thereof, will be presented to the Court at the December 17 Voting Session. Approval of items A thru C will help to expedite the purchase of flood prone properties. Included in this recommendation is raising the County's relocation allowance to match the federal allowance.

ISSUES AND OPPORTUNITIES:

A) Allowing the use of existing funds to start appraisals will help to achieve the goal of acquiring heavily damaged residential structures within six months.

B) As it now stands, several property purchases will be completed using federal processess and several neighboring properties using County processess. Revising

the existing policy to bring County reimbursement limits in line with the federal limit will avoid equity issues and ease negotiations with property owners.

C) The acquisition of commercial properties includes issues that have not been dealt with by the County in past residential buy-outs. Limited research on this matter indicates that it is more complicated and costly. If the Court decides to include commercial property buy-outs Staff recommends the development of guidelines with the County Attorney's office. If approved, staff will work with the County Attorney's Office to develop a policy for the acquisition of commercial properties.

FISCAL IMPACT AND SOURCE OF FUNDING:

TNR has included in its recommendation a request to use existing funds for appraisals, relocation expenses, and property purchases, As indicated in Court on December 3 there is approximately \$2,75M of eligible funds available now. Another \$1.5M becomes available in the spring of 2014. This is a stop gap measure to get these efforts moving forward and it is expected that actual costs to complete all buy-out efforts will be much higher.

PBO indicated at the Dec 3 Voting Session that relocation expenses are to be paid out of the General Fund,

EXHIBITS/ATTACHMENTS:

REQUIRED AUTHORIZATIONS:

Cynthia McDonald	Financial Manager	TNR	(512) 854-4239
Steven M. Manilla	County Executive	TNR	(512) 854-9429
Leslie Browder	County Executive	PBO	(512) 854-9106
Sherri Fleming. Christy Moffett	County Executive, HHS	HHS	

CC:

Jessica Rio	Budget Director	PBO	(512) 854-4455
Travis Gatlin	Assistant Budget Director	PBO	(512) 854-9605
Morgan Cotton	Director, Public Works	TNR	
Stacey Scheffel	Floodplain Administrator	TNR	

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