



Travis County Commissioners Court Agenda Request

Meeting Date: February 18, 2014

Prepared By: Melinda Mallia, Environmental Program Manager

Phone #: (512) 854-4460

Division Director/Manager: Jon White, Natural Resources Environmental Quality Division Director

A handwritten signature in black ink, appearing to read "Steven M. 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) Discuss funding plan for property buyouts in connection with the Halloween floods;
- B) Discuss policy for commercial buyouts; and
- C) Other related issues.

BACKGROUND/SUMMARY OF REQUEST:

Travis County received 69 applications for buyout by February 6, 2014 as a result of the Halloween floods. It is expected that more flood victims will apply after their options to repair, rebuild, or seek buyout have been thoroughly weighed and understood.

The attached spreadsheet summarizes the potential cost of buyout for all applicants and tracts within the US Army Corps of Engineers (USACE) project. Appraisals have been completed for 65 properties and 4 are pending. The total estimated cost to fund buyouts, including all new applications, is estimated at \$13,806,312.

Timber Creek:

Travis County received 29 applications for buyout from residents of Timber Creek. There are nine properties all of which received major damage and are located in existing project areas. Eight are new buyouts. TNR proposes to use the current budget of \$2,285,937, to purchase properties that received major damage during the Halloween flood and USACE buyouts. For Timber Creek applicants affected by floods, federal grant funds will be sought through the Hazard Mitigation Grant Program (HMGP). There are no required additional funds for Timber Creek at this time.

Onion Creek and Other Areas (Residential):

All projects in this category are new post-flood projects. The County has received 31 residential buyout applications and 9 commercial applications. The current approved budget for buyouts in these areas is \$2,082,926. To purchase all residential properties with major damage, an additional \$1,186,224 is needed.

The cost to buy residential properties with minor damage would require \$1,975,078 and affected properties \$1,584,319. Many of these properties are eligible for grant funding through the Federal Emergency Management Agency (FEMA) Hazard Mitigation Assistance programs. Funding for minor and affected properties in these areas are good candidates for federal grant funding through the HMGP. If approved funds for a 25% match and relocation assistance would be required in the FY15 budget.

Commercial Buyouts:

The County had never purchased commercial properties for flood-related buyouts or received requests for commercial buyout before the Halloween flood. A review of similar buyout programs in Texas and in the nation shows that commercial buyouts are less common, but are sometimes used to reduce risk, eliminate all structures in floodprone areas, return floodprone areas to natural conditions, protect water quality, or consolidate buyout lands for long-term management.

Commercial buyouts are eligible for FEMA grant funding, but are ranked as a lower priority. Grant funds for commercial buyouts that meet FEMA's benefit/cost requirements are likely to be approved eventually, but approval will likely take longer than higher-priority residential properties.

If commercial buyouts are approved, a policy for relocation assistance will also be required. FEMA grants are voluntary programs and as such do not provide relocation costs for residential or commercial properties. In mandatory buyout programs such as the USACE program, relocation payments must be made in accordance with the Uniform Relocation Act and is capped at \$20,000. If the Commissioners Court elects to proceed with commercial buyouts and relocation assistance is offered, TNR recommends using a flat rate for each property, to minimize administrative expenses. A known rate will also help land owners as they search for replacement properties.

STAFF RECOMMENDATIONS:

1. TNR requests \$1,186,224 to proceed with buyouts of properties with major damage in Onion Creek and Other Areas.
2. Submit a grant application for FEMA/HMGP funds to purchase:
 - A. Affected residential properties in Timber Creek;

- B. Minor-damaged residential properties in Onion Creek and other areas; and
- C. Affected residential properties in Onion Creek and other areas.

3. If commercial property buyouts are approved:

A. TNR recommends submitting a separate, commercial grant application for HMGP funds for those properties that are proven cost beneficial, using FEMA Benefit Cost Analysis.

B. TNR has no experience allocating relocation funds for commercial properties. However after discussion with our buyout consultant, we believe that a median flat-rate amount of \$10,000 per property would be appropriate. If a property owner makes a compelling argument for more than the flat-rate, TNR would bring this to the Court for consideration on a case by case basis.

ISSUES AND OPPORTUNITIES:

The primary source of grant funding for Halloween flood buyouts will be the Hazard Mitigation Grant Program, passed through the Texas Department of Emergency Management from FEMA. These funds become available when a Presidential Disaster Declaration is declared and are the most likely source of federal funding for buyouts. If HMGP runs out before the need is met, the County can request FEMA Hazard Mitigation Assistance through the Pre-Disaster Mitigation or Flood Mitigation Assistance programs.

FISCAL IMPACT AND SOURCE OF FUNDING:

The current buyout budget of \$4.4 million includes \$2,018,492 from the 2011 Bond Program and \$267,445 from the 2005 Bond Program for Timber Creek. The \$1,782,926 is available for Onion Creek and other areas from the 2005 Bond Program, \$300,000 (for flood control purposes) is available from 2008 Certificates of Obligation, and \$31,250 is available from the general funds.

The commercial buyout budget includes an estimated cost of \$12,000 per property for a Phase I Environmental Site Assessment.

EXHIBITS/ATTACHMENTS:

Summary of Potential Costs Related to Flood Buyouts, based upon buyout Applications received through February 6, 2014.

REQUIRED AUTHORIZATIONS:

Cynthia McDonald	Financial Manager	TNR	(512) 854-4239
Steven M. Manilla	County Executive	TNR	(512) 854-9429
Jon White	Natural Resources Enviromental Quality Division Director	TNR	(512) 854-7212

Thomas Weber	Environmental Program Manager	TNR	(512) 854-4629
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CC:

Thomas Nuckols	County District Attorney Division Director	County Attorney's Office	(512) 854-7315
Stacey Scheffel	Permit Program Manager	TNR	(512) 854-7565
Travis Gatlin	Assistant Budget Director	PBO	(512) 854-9065
Alan Miller	Budget Analyst Senior	PBO	(512) 854-9726

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0801 - NREQ- Flood buyouts

Summary of Potential Costs Related to Flood Buyouts

Based on Applications Received for the Halloween Flood as of Feb 6, 2014

Unbudgeted Need May Change Based on Potential Grant Awards

	# of Properties	Potential Costs Based on Appraised Values	Current Budget*	YTD Program Expenses and Obligations as of Feb 6, 2013	Additional Potential Expenditures within Available Budget	Potential Unbudgeted FY 14 Expenditures (Funding TBD)	Potential Unbudgeted Expenditures for FY 15 + (Funding TBD)	Potential Total Shortfall for All Applications (Funding TBD)
Timber Creek								
Major Damage	17	\$ 1,316,050	\$ 1,316,050	\$ -	\$ 1,316,050	\$ -	\$ -	\$ -
Reserved for USACE Buyouts		609,387	609,387	-	609,387	-	-	-
Affected By Flood	12	1,202,300	-	-	-	-	1,202,300	1,202,300
Previously Obligated Properties/Project Costs		360,500	360,500	360,500	-	-	-	-
Total	29	\$ 3,488,237	\$ 2,285,937	\$ 360,500	\$ 1,925,437	\$ -	\$ 1,202,300	\$ 1,202,300
Onion Creek & Other Areas								
Major Damage	13	\$ 3,243,150	\$ 2,056,926	\$ -	\$ 2,056,926	\$ 1,186,224	\$ -	\$ 1,186,224
Properties over 50% damaged not currently participating (\$TBD)		-	-	-	-	-	-	-
Minor Damage	9	1,975,078	-	-	-	-	1,975,078	1,975,078
Affected by Flood	9	1,584,720	-	-	-	-	1,584,720	1,584,720
Other Program Expenses		26,000	26,000	26,000	-	-	-	-
Total	31	\$ 6,828,948	\$ 2,082,926	\$ 26,000	\$ 2,056,926	\$ 1,186,224	\$ 3,559,798	\$ 4,746,022
Commercial Properties**								
Major Damage	6	\$ 2,174,952	\$ -	\$ -	\$ -	\$ -	\$ 2,174,952	\$ 2,174,952
Properties over 50% damaged not currently participating (\$TBD)		-	-	-	-	-	-	-
Minor Damage	1	584,000	-	-	-	-	584,000	584,000
Affected By Flood	2	698,925	-	-	-	-	698,925	698,925
Total	9	\$ 3,457,877	\$ -	\$ -	\$ -	\$ -	\$ 3,457,877	\$ 3,457,877
General Fund Misc Expenses		31,250	31,250	-	31,250			-
Total	69	13,806,312	4,400,113	386,500	4,013,613	1,186,224	8,219,975	9,406,199

* Budget of \$4.4 million includes \$2,018,492 from 2011 Bond Program and \$267,445 from 2005 Bond Program for Timbercreek, \$1,782,926 shown for Onion Creek and other areas from 2005 Bond Program can be used for park purposes, \$300,000 shown for Onion Creek and other areas can from 2008 COs can be used for flood control purposes, and \$31,250 of General Fund resources to be used expenses not eligible for bond or COs funds. The full costs of relocations will not be known until the consultant receives NTP and works with sellers directly. ** Commercial Property estimate includes the costs of an environmental assessment.