



## City of Moorhead Flood Prone Home Acquisition Status Update November 3, 2009

### Acquisition Categories and Status Update

- **Category 1 (homes eligible for acquisition using Federal Hazard Mitigation Grant Program funds).** The application to finance acquisition of the Category 1 homes has passed all state reviews and is awaiting FEMA final approval and contract. Contingent offers have been made to owners of these properties so that closing may occur as soon as a funding agreement is secured. The City contacts the state at least weekly to check the status of the application and remind officials that the funding for these properties must be made available as soon as possible.
- **Category 2 (homes eligible for 2009 acquisition with DNR funds based upon substantial damage, strategic clustering for future flood mitigation, or in locations that are difficult to protect with temporary measures.)** Appointments are being scheduled for 12 Category 2 properties that remain to be appraised. Twenty-three offers have been accepted to date.
- **Category 3 (homes eligible for 2010 acquisition with DNR funds based upon the likelihood the property will be needed for future flood protection.)** Category 3 property acquisitions will be evaluated and justified using objective criteria including, but not limited to, the need for the acquisition to construct the metro-wide project, the residual flood risk to each property if the metro-wide flood risk reduction project is constructed, and the schedule for constructing the metro-wide project, which we recognize is still years from being a reality. We anticipate that the U.S. Army Corps of Engineers will have identified the preferred alternative for the metro-wide flood risk reduction project before the state accepts requests for 2010 legislative appropriations. City staff representatives are communicating with legislators, DNR officials, and the U. S. Army Corps of Engineers and, as more information becomes available, we will pass it along to homeowners.
- **Uncategorized Properties:** There are several other property owners that have expressed interest in acquisition following the initial discussions with DNR. These properties will be evaluated using the same objective criteria as described for the Category 3 properties. Acquisitions within this group will be dependent on the amount of funding secured in 2010, the number of Category 3 properties qualifying for acquisition, the actual number of Category 3 properties acquired,

and the number of properties in this group qualifying for acquisition. Requests for additional funding for property acquisition within this group will be considered as we learn more about the U.S. Army Corps of Engineers metro-wide flood risk reduction project.

### **Additional Repair/Improvements to Homes that may be acquired**

Some homeowners in Category 3 and uncategorized properties are wondering whether to fully repair their homes, make future improvements, and/or construct additional individual flood protection structures. Unfortunately, there is limited information at the present time to answer these questions. Please do note the following:

- Damaged homes that have not been repaired will be appraised as to their pre-flood condition and any flood recovery insurance or grant funds received but not reinvested in the property would be deducted from the sales proceeds.
- If you have repaired your home or made other investments since the flood, the market value of the improvements would be recognized within the appraisal; however, please note that generally, the market value of improvements may be less than the cost of the improvements.

### **Home Removal and Site Restoration**

Neighbors of properties on the buyout list have inquired about removal and site restoration of homes. Some acquired homes may be leased back to their former owners and occupied during the winter months. Vacant homes will be secured. The City will conduct environmental reviews on the properties during the winter months followed by moving/razing of homes; however, full site restoration may not be complete until weight restrictions are lifted from roadways in the spring. The City is working on guidelines for moving homes and/or salvaging home components to the extent feasible. The Police and Fire Departments have also inquired about training opportunities that may be possible in the homes before they are removed. Please note that neighbors would be notified before training would take place. Neighbors may also be interested in leasing nearby flood acquisition lots for yard or garden space in exchange for property maintenance. Those interested may contact Lisa Vatnsdal to talk about this option. We've already received some volunteers—thank you!

### **New Construction Incentive**

We want to keep you as Moorhead residents! Buyout participants looking for your next homes: please remember that the City does have a good assortment of building lots and an extraordinary new construction incentive in place that provides a two year abatement of general property taxes newly constructed homes built in 2009 or 2010—this has a maximum value of almost \$5,000. This program is not limited to homeowners who received flood damage, but it certainly would be an advantage as you purchase your new home.

### **Contact Information**

Engineering Division 218-299-5390 (Flood mitigation issues)  
Lisa Vatnsdal 218-299-5372 (Acquisition)