



City of Austin New Flood Buyout Program & Relocation Policy

May 19, 2015

Introduction

- ▶ Council direction to create voluntary buyout policy

- ▶ Goals:
 - Fair
 - Legally sound
 - Easily understandable

- ▶ Presentation:
 - Legal framework
 - Prioritization
 - Policy Structure

State Law Legal Framework

- ▶ Voluntary: No eminent domain or threat of eminent domain
- ▶ Legal requirements for cities
 - General authority of home-rule city
 - Public purpose
 - Pay relocation expenses – eminent domain, code enforcement, rehabilitation, and demolition programs (Texas Property Code §21.046)



Texas Property Code

- ▶ Demolition Programs
- ▶ Benefits must include:
 - Moving expenses
 - Rental supplements
 - Relocation payments
 - Replacement housing assistance
- ▶ Flexibility for amount of relocation benefits
- ▶ Maximum = amount authorized under the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act (Uniform Relocation Act or URA)

Uniform Relocation Act

- ▶ Federal law
- ▶ Mandatory only with use of federal funds
- ▶ Purpose = Fair, uniform, and equitable treatment to all affected persons
- ▶ Establishes guidelines for:
 - Notice
 - Purchase Price
 - Appraisals
 - Relocation Benefits

Recent Buyouts

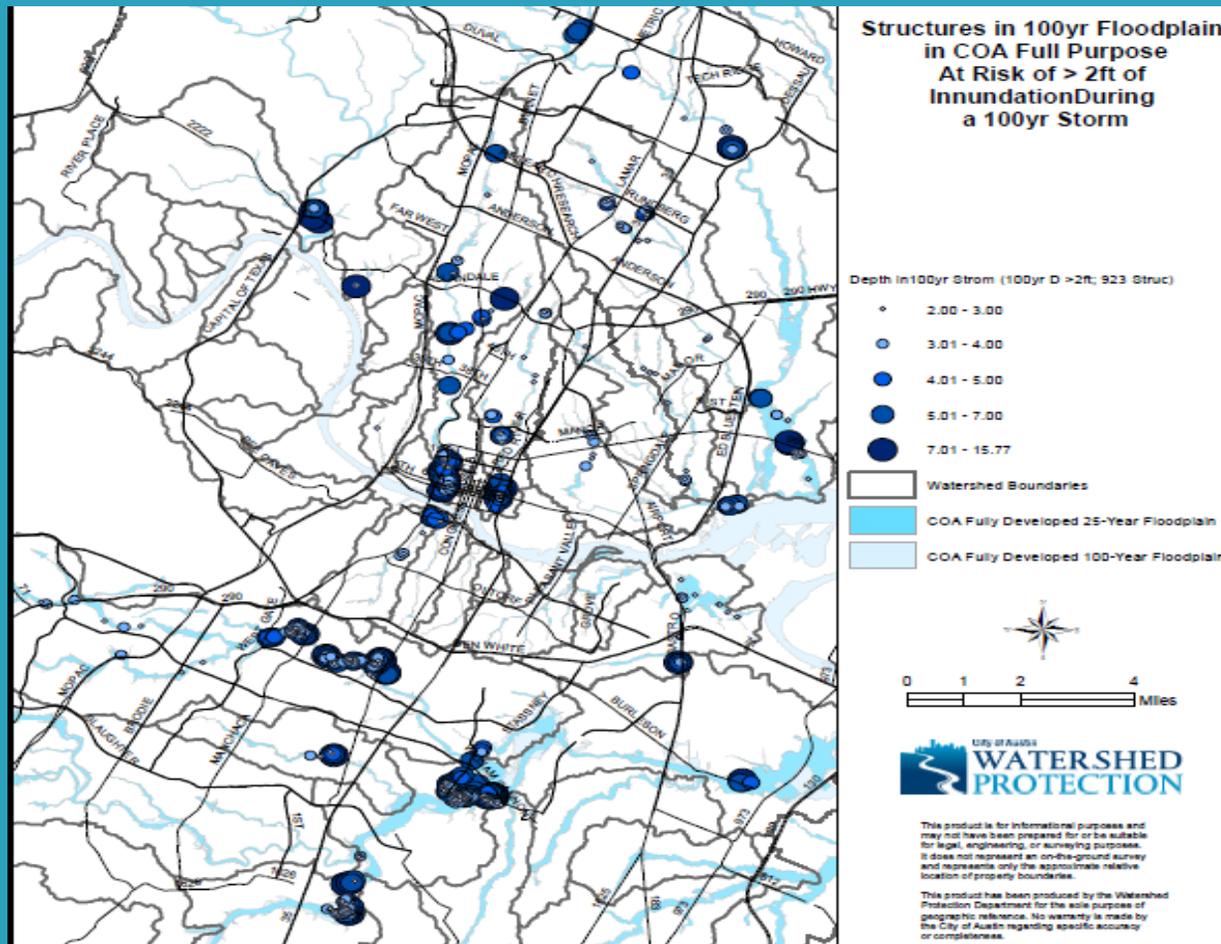
- ▶ **Onion Creek (25-year floodplain/Corps area)**
 - Threat of eminent domain
 - Federal funding (Army Corps of Engineers)
 - Full relocation under the Uniform Relocation Act

- ▶ **Onion Creek (25-year floodplain/Non-Corps area)**
 - Threat of eminent domain
 - City funding
 - Full relocation under the Uniform Relocation Act

- ▶ **Onion Creek (100-year floodplain)**
 - Voluntary
 - City funding
 - Full relocation under the Uniform Relocation Act

Flood Risk is a Citywide Issue

- Over 5,700 structures in City's 100-year floodplains
- More than 1,000 structures with over two feet of flood risk from creek flooding for a 100-year flood
- Many more at risk of local flooding



Funding

- ▶ Structures at risk from flooding in the Williamson Creek 25-year flood event
 - \$18 million in certificates of obligation made available by Council

- ▶ No current funding for other areas:
 - WPD applies for available FEMA, TWDB, or other grant funding
 - May use capital improvement program (CIP) funds
 - Council may authorize additional funds



Goal and Eligibility

Goal: To cost-effectively reduce or eliminate flood risk to people

Eligibility:

- ▶ Structures must have identified 100-year flood risk
- ▶ No better cost-effective engineered solution available other than buyout(s)



Risk Ranking Index

- ▶ Compare benefit against cost

- ▶ Primary parameters:
 - Risk
 - Flood depth & frequency
 - Number of people at risk of injury or death
 - Cost
 - Travis Central Appraisal District (TCAD) property value



Prioritization

1. Structures with substantial flood damage (>50% of structure value), to be ranked as top priority
2. Structures (citywide) with an identified 100-year flood risk ranked using Risk Ranking Index
 - Prioritization based on pre-flood data
 - Structures with verifiable flood damage not yet repaired (1–50% of structure value), to be re-prioritized based on post-flood data



Acquisition Process

- ▶ Initial interview
- ▶ Appraisal
 - Independent third-party appraisal
 - Market value based on current condition
- ▶ Appraisal review
- ▶ Offer to buy
- ▶ Purchase and sale agreement
- ▶ Due diligence
 - Title search
 - Clearance of title defects
- ▶ Closing
- ▶ Moving/Relocation

Offers to Buy

- ▶ Two potential buyout situations:
 - Owner of the house lives in the house (Owner-occupant)
 - Owner of the house rents the house (Landlord/Tenant)



Offers to Owner-Occupants

- ▶ If owner-occupant will buy a new home:
 - Relocation advisory services
 - Appraised value of current home
 - Closing costs on City acquisition and new home acquisition
 - Moving expenses
 - Replacement Housing Payment (up to \$31,000)
 - *Housing of Last Resort*
 - *Mortgage Differential Payment*
- ▶ If owner-occupant will rent:
 - Relocation advisory services
 - Appraised value of current home
 - Closing costs on City acquisition
 - Moving expenses
 - Rental assistance (up to \$7,500)

Offers to Landlords and Tenants

▶ Landlord receives:

- Relocation advisory services
- Appraised value of current home
- Moving expenses – landlord furnished home
- Reestablishment of business payment (up to \$25,000)
- Replacement property search fees (up to \$2,500)
- *Housing of Last Resort*

▶ Tenant receives:

- Relocation advisory services
- Moving expenses – tenant furnished home
- Rental assistance payment (up to \$7,500) (may be applied to down payment on home purchase)

Housing of Last Resort

- ▶ Little (if any) comparable replacement housing available for maximum replacement housing payment or rental assistance amounts
- ▶ Program cannot advance timely without additional assistance
- ▶ Allows the City to exceed the maximum amount



Eligibility Requirements for Relocation Benefits

- ▶ Lawfully present in the U.S.
- ▶ Did not receive a valid eviction notice prior to negotiations
- ▶ Did not occupy the home for purpose of obtaining benefits



Buyout Timing

- ▶ Typical purchase timeline
- ▶ Factors extending timeline
- ▶ Staggering of buyouts
 - ensures successful relocation
 - maintains citywide housing availability
- ▶ Current housing availability for relocation



Questions

