



CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Presentation Date: January 12, 2010 Time: 1:30 p.m. Length: 15 Minutes

Presentation Title: Acquisition and Demolition of Flood Mitigation Projects on S. Creek Road

Department: Emergency Management

Presenters: Jay Wilson, Lane Miller, Dana Robinson

POLICY QUESTION

Will the Board permit County staff to acquire flood damaged properties prior to demolition and site clearing?

ISSUES & BACKGROUND

Background

During the August 4, 2009 Study Session, the Board approved County staff to proceed with steps to use Federal Emergency Management Agency (FEMA) disaster assistance to acquire flooded properties on South Creek Road with cleared properties to be maintained by the County as open space. The Board requested that all demolitions and site clearing must occur before the County takes ownership.

Primary Issue

The FEMA Hazard Mitigation Grant Program (HMGP) has a 75% federal share of the project costs that is meant to be a reimbursement for the property owner to complete necessary work before transferring ownership. But as is often the case, flooded property owners face financial hardships and cannot afford to pay for the necessary demolition and site clearing work up front and therefore must rely on the FEMA federal share to cover all required work through the use of an escrow holding account.

In situations like these, Oregon Emergency Management (OEM), which administers the HMGP, recommends local governments use an escrow holding account to complete the closing transactions before demolition and site clearing as the most straightforward and transparent legal and financial process.

County Staff concurs with OEM's recommendation and DTD has on-call demolition contractors with existing short contracts which will facilitate a more streamlined process if demolition and site clearing are conducted following purchase.

QUESTION(S) PRESENTED FOR CONSIDERATION

1. Shall the Board permit Staff to use an escrow holding account to complete closing agreements with property owners prior to demolition and site clearing?

OPTIONS AVAILABLE

1. County and owners establish an escrow holding account for FEMA 75% federal share and complete closing agreements with property owners prior to demolition and site clearing. After all demolition, site clearing and escrow expenses are deducted from the federal share of the grant, property owners are paid the remaining balance.
2. Property owners negotiate contracts for demolition and site clearing themselves and either pay costs up front or draw down from the escrow account to cover contract expenses prior to closing.
3. County manages demolition and site clearing prior to purchase and must negotiate permissions with property owners to trespass for abatement inspections and all contractor work.

RECOMMENDATIONS

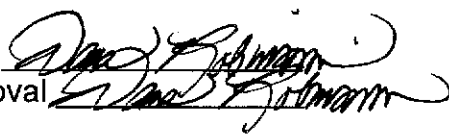
Staff recommends that the Board permit Staff to use an escrow holding account to complete closing agreements with property owners prior to demolition and site clearing.

SUBMITTED BY:

Division Director/Head Approval

Department Director/Head Approval

County Administrator Approval _____



For information on this issue, please contact Jay Wilson@ 503-723-4848