



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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Title: Authority to execute real estate documents required by the Federal Emergency Management Agency related to the acquisition of flood-prone properties in the City of Des Plaines (15-IGA-18 and 16-IGA-11)

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10/3/2019	1	Board of Commissioners	Approved	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF OCTOBER 3, 2019

COMMITTEE ON STORMWATER MANAGEMENT

Mr. Brian A. Perkovich, Executive Director

Authority to execute real estate documents required by the Federal Emergency Management Agency related to the acquisition of flood-prone properties in the City of Des Plaines (15-IGA-18 and 16-IGA-11)

Dear Sir:

On September 3, 2015, the Board of Commissioners (“Board”) authorized an Intergovernmental Agreement (“IGA”) with the City of Des Plaines (“City”) for the acquisition of 13 flood-prone properties, with the District’s funding contribution not to exceed \$949,829.00 (15-IGA-18). On November 17, 2016, the Board authorized a second IGA with the City for the acquisition of 47 flood-prone properties, with the District’s funding contribution not to exceed \$3,625,068.00 (16-IGA-11).

Under both IGAs, the City received a commitment from the Illinois Emergency Management Agency (“IEMA”) to receive federal grant funds through a Federal Emergency Management Agency (“FEMA”) program that covers 75% of the acquisition costs. The City and the District fund the remaining 25% of the acquisition costs. These projects were selected pursuant to the Board’s policy, adopted August 7, 2014, to prioritize flood-prone property acquisitions where federal funding is available.

The City has completed the acquisitions under both IGAs (which are voluntary on the part of the homeowner) and the District has made its reimbursements to the City pursuant to the IGAs. However, Regional Counsel for FEMA has recently informed the City that it must take certain corrective actions to demonstrate that the City obtained clear title to the properties consistent with FEMA regulations. In particular, FEMA is requiring the City to remove any title encumbrances that have not been approved by FEMA. If such corrections are not made, the City may be required to reimburse FEMA up to \$14,101,121.11 for non-conformance with the federal grant award.

In order for the City to remain in compliance and to keep its federal funding, FEMA has indicated that the District must release any deed restrictions or easements that it has on the properties. The District has no objections to these FEMA requirements, as FEMA's approved deed restrictions are designed to ensure that these parcels will remain as open space in perpetuity consistent with the District's flood-prone property buyout program. The District's IGAs with the City also set forth that the City is responsible for perpetual public ownership and maintenance as open space of all acquired parcels.

Accordingly, it is requested that the Board of Commissioners grant authority for the Chairman of the Committee on Finance, the Executive Director, and the Clerk to execute the real estate documents required by FEMA to ensure that the City remains in compliance with FEMA requirements for the acquisition of flood-prone properties (15-IGA-18 and 16-IGA-11) as set forth herein, upon approval by the Director of Engineering as to technical matters and by the General Counsel as to form and legality.

Requested, Susan T. Morakalis, General Counsel and Catherine A. O'Connor, Director of Engineering;
STM:CAO:EMA:BJD:nm

Recommended, Brian A. Perkovich, Executive Director

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for October 3, 2019