

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

99-124

SYNOPSIS -

AGENDA:

MARCH 22, 1999

SUBJECT:

PROPOSED ORDINANCE
REQUIRING RECORDING
OF REAL ESTATE
CONTRACTS

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

JAMES GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

This proposed change to Chapter 14 of the Municipal Code of the City of Des Moines, Iowa, will require landlords to record contracts or be subject to rental inspections. Under the current ordinance, if the owner sells real estate on contract they simply present a copy of the valid contract to staff. The real estate is considered owner-occupied and the inspection and enforcement process will stop. Staff has no way to check the ownership status of the real estate with the county and determine if there has been a change of ownership status.

Currently, the contract seller, who may be treating this real estate as a rental, must only proceed with the eviction process in order to gain possession of the dwelling. Since the real estate contract was not recorded, there is no obligation to proceed with the formal, and time consuming process, of a contract forfeiture to gain possession of the real estate.

It is anticipated that requiring owners to record a real estate transaction will deter those owners who wish to use the sale to avoid housing code enforcement action. Staff will have a quick easy way to check the ownership status with the county. Enforcement will be allowed to continue until such time as a valid transfer is recorded and the structure is occupied by a recorded owner.

FISCAL IMPACT -

No Fiscal Impact. The ordinance change will be handled by staff currently in place.

RECOMMENDATION -

Staff recommends the ordinance be enacted and that second and third readings be waived.

BACKGROUND -

Neighborhood groups have raised concerns regarding the contract sale of rental property. The Iowa State Legislature has changed state law to require that contracts be recorded within 180 days. It is the concern of staff and citizens that requiring the contract to be recorded 180 days after execution will not prevent landlords from using real estate contracts to avoid City enforcement.