

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

01-301

SYNOPSIS -

AGENDA:

JUNE 4, 2001

To authorize the City Manager to request Polk County to assign the tax sale certificate for the property located at 1443 - 10th Street to the City of Des Moines. The City will assign the property to a non-profit housing organization for rehabilitation to owner-occupied low- or moderate-income housing.

SUBJECT:

REQUEST TO POLK
COUNTY TO
ASSIGN TAX
CERTIFICATE TO
THE CITY OF DES
MOINES FOR
PROPERTY AT 1443 -
10TH STREET

FISCAL IMPACT -

Payment of 1999, 2000, and 2001 real estate taxes and fines to certificate holder in the amount of \$3820.48.

The City will be reimbursed the cost of real estate taxes from the nonprofit at the time of assignment. Renovation costs will be provided to the nonprofit through the City's federal HOME funds. Proceeds from the sale of the house will be used to lessen the subsidy needed.

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

RECOMMENDATION-

Approval.

SUBMITTED BY:

JIM GRANT
COMMUNITY
DEVELOPMENT
DIRECTOR

BACKGROUND-

Polk County annually holds a tax certificate auction for properties delinquent on taxes. Investors frequently purchase these certificates because of the high interest paid on the certificate but have minimal interest in the structure. In 1999, the State Legislature changed the law governing the sale of tax certificates to allow counties and cities to withhold abandoned properties from tax sale and take ownership in order to rehabilitate the structure. There are several conditions governing the withdrawal of a property from the tax sale including that the property must be residentially assessed, must be considered abandoned, and must be a public nuisance or in danger of becoming a

public nuisance. The property may not have had a tax certificate sold in 1998 or before. Preference must be given to rehabilitation for low- and moderate-income housing.

A vacant structure at 1443 - 10th Street fits the criteria for assignment of tax certificate and has been inspected by a nonprofit for renovation potential. The property was sold for tax certificate in 1999 and has been declared a public nuisance. Acquisition of the tax certificate according to Iowa Code 446.19A is a good solution to begin the renovation process.

Community Housing Development Corporation, a nonprofit housing agency, has expressed interest in rehabilitating the structure and selling it to a low- to moderate-income family. Staff will work with the agency on rehabilitation costs and come back to the Council for assignment to the agency for renovation. Upon assignment, the nonprofit will reimburse the City its acquisition costs.

The current title owner to the property is Eppard Investment, Inc. Eppard Investment can redeem the property by reimbursing the City during the redemption period. The property will remain a public nuisance. Mr. Eppard owns other public nuisance structures in the River Bend and King-Irving Neighborhoods.
