

Meeting Agendas/Info

CITY COUNCIL COMMUNICATION:	ITEM _____
01-452	OFFICE OF THE CITY MANAGER CITY OF DES MOINES, IOWA
AGENDA: AUGUST 20, 2001	SYNOPSIS - Conveyance of City property at 2600 Dean to the Community Housing Development Corporation (CHDC) for rehabilitation and resale to an owner-occupant for \$1.
SUBJECT: CONVEYANCE OF CITY PROPERTY AT 2600 DEAN AVENUE	FISCAL IMPACT - The City will receive \$1 from the sale of the property and will contribute \$42,283 from the Capital View South Affordable Housing Program for the rehabilitation of the house.
TYPE: <u>RESOLUTION</u> ORDINANCE RECEIVE/FILE	RECOMMENDATION - Approval.
SUBMITTED BY: DON TRIPP PARKS AND RECREATION DIRECTOR JIM GRANT COMMUNITY DEVELOPMENT DIRECTOR	BACKGROUND - The City purchased and demolished the site of the former El Paso Bar in the fall of 2000. In October 2000, Anderson Erickson Dairy donated a house located at 2291 State to be moved to 2600 Dean Avenue. The City cleared the site, constructed a new foundation, and moved the house to its present location. Initially, the Engineering Department, with assistance from the Community Development Department, was going to manage the rehabilitation of the property for eventual sale to a low-income owner-occupant. Upon further examination it was decided that a more efficient, cost-effective, and time conscious approach would be to have one of the City's qualified non-profit organizations complete the rehabilitation and handle the transfer of the house to an end buyer. In June 2001, a letter was sent to all non-profit agencies having experience with housing rehabilitation inviting them to view the property and to prepare a proposal for the completion of the

rehabilitation and eventual sale of the property. These proposals were due on July 9, 2001 to the Neighborhood Conservation Services Division of the Community Development Department. It was decided the City would provide a gap subsidy to cover the difference between the acquisition and rehabilitation costs of the property and the final sales price.

The City received one proposal from the CHDC (Carol Bower, Executive Director) to rehabilitate the property and sell it upon completion. The rehabilitation of 2600 Dean will cost \$93,793. The finished property has appraised for \$51,500, and CHDC will sell the property for that amount. The gap subsidy required for the project (the difference between the rehabilitation costs and the resale amount) is \$42,283.

Upon approval, the City will transfer the title of the property to CHDC, and CHDC will begin rehabilitation work as soon as all title work has been completed.
