



Agenda Item:

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## COUNCIL COMMUNICATION City Manager's Office

### GENERAL INFORMATION

Agenda Date: 07/26/04  
04-376

Communication No.:

Agenda Item Type: Resolution  
No.:

Roll Call

Submitted by: Larry Hulse, Community Development Director

### SUBJECT –

Assignment of Tax Certificates currently held by the City of Des Moines to agencies/companies agreeing to obtain ownership, rehabilitate to code, and sell properties to an owner-occupant.

### SYNOPSIS—

This action approves assignment of Tax Sale Certificates to the following: 1800 7<sup>th</sup> Street to Community Housing Development Corporation (Carol Bower, Executive Director, 601 Forest Avenue, Des Moines, IA 50314), 1543 9<sup>th</sup> Street and 409 Franklin to Just Right Homes, Inc. (Pam Burress-Garison, President, 803 Hickman Road, Des Moines, IA 50314), and 814 29<sup>th</sup> Street and 922 24<sup>th</sup> Street to S&G Real Estate Investments, Inc. (Paul D. Gengler, President, 14274 Wildwood Drive, Clive, IA 50325).

### FISCAL IMPACT—

City monies advanced for acquisition costs will be repaid as terms of the attached agreements.

### RECOMMENDATION—

Approve

**BACKGROUND—**

At its June 7, 2004 meeting by Roll Calls 04-1175 thru 04-1181, Council directed staff to submit an affidavit for assignment of five properties from the Polk County Treasurer’s office. The request for assignment was contingent on a for profit or nonprofit developer submitting a plan to finance, rehabilitate and sell such property to an owner-occupant. Council may request assignment of tax certificates for residentially assessed properties considered abandoned and in danger of becoming a public nuisance under State Code 446.19A.

On June 9, 2004 staff sent out a letter to interested individuals and agencies outlining submittal requirements necessary for the city to request the tax assignment. Neighborhood organizations were also active in soliciting individuals involved in rehabilitation to submit a proposal.

The named Agency/Corporations submitted acceptable rehabilitation plans and financial statements for the following properties:

<b>Address</b>	<b>Corporation</b>	<b>Principals</b>
1543 9 <sup>th</sup> Street	Just Right Homes, Inc.	Linda Gorz and Pam Burress-Garrison
409 Franklin	Just Right Homes, Inc.	Linda Gorz and Pam Burress-Garrison
1800 7 <sup>th</sup> Street	Community Housing Development Corporation (CHDC)	Carol Bower
814 29 <sup>th</sup> Street	S & G Real Estate Investments	Paul Gengler and Matthew Smith
922 24 <sup>th</sup> Street	S & G Real Estate Investments	Paul Gengler and Matthew Smith

Accordingly, staff delivered an affidavit to the Polk County Treasurer prior to the Polk County Tax Auction requesting that the tax certificates be assigned to the City of Des Moines. The Polk County Treasurer is forwarding the City the tax certificates for each property.

The attached agreements define the conditions for assignment of the certificates:

1. Tax Certificate Assignee agrees to reimburse the City of Des Moines for any tax certificate acquisition costs;
2. Tax Certificate Assignee agrees to convert the tax sale certificates to a tax deed as allowed by law; and
3. Tax Certificate Assignee agrees to rehabilitate the property for use and sale to an owner-occupant by deed sale.

Each of these properties has various city charges for clean-ups and board-ups. Upon successful acquisition and rehabilitation, the Tax Certificate Assignee may return to Council to ask that the fees be forgiven before sale to an owner-occupant. Council may or may not agree to such a waiver depending upon the circumstances of the property.