



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 09/27/04
04-480

Communication No.:

Agenda Item Type: Resolution
No.:

Roll Call

Submitted by: Larry Hulse, Community Development Director

SUBJECT—

Resolution approving assignment of the 2003 tax sale certificate for 830 25th Street to S & G Real Estate Investments, Inc.

SYNOPSIS—

By Roll Call No. 04-1919 at its September 13, 2004 meeting, City Council approved requesting the tax certificate for 830 25th Street from the Polk County Treasurer and assigning the certificate to Conlin Properties, Inc. (James C. Conlin, President). Conlin Properties has declined to accept the assignment so Council action is needed to reassign the tax certificate. This action will authorize the City Manager to assign the tax certificate for 830 25th Street to S&G Real Estate Investments, Inc. (14274 Wildwood Drive, Clive, IA, President, Paul Gengler) for rehabilitation according to the plan submitted and resale to a low-income owner-occupant by deed sale. S & G Real Estate Investments, Inc. is a for-profit Iowa company that had also submitted a proposal to rehabilitate the property.

FISCAL IMPACT—

Community Development Block Grant (CDBG) funds from the owner-occupied rehabilitation 2004 fund code will be used for any upfront acquisition costs. The company acquiring the tax certificate will reimburse those funds.

RECOMMENDATION—

Approval

BACKGROUND—

At its September 13, 2004, meeting, the City Council discussed the tax sale status of two properties in the Woodland Heights Neighborhood and criteria for assigning tax certificates for the properties. At Council direction, staff had sent out a request for proposal to nine companies for plans to renovate properties at 830 25th Street and 736 27th Street. Three proposals were received for 736 27th Street and two proposals for 830 27th Street. Council approved assignment of the tax certificate for 830 25th Street to Conlin Properties (Roll Call No. 04-1919). At the Council meeting, James C. Conlin represented that he needed to be assigned the tax certificates for both properties to achieve an economy of scale for rehabilitation. Subsequent to the Council meeting, Mr. Conlin sent an e-mail to staff affirming that he would not accept the tax certificate for 830 25th Street but looked forward to working with the city in the future.

On September 20, 2004, Community Development staff met with representatives from the Woodland Heights Neighborhood to discuss criteria for acquiring and assigning tax certificates in general and the tax certificate for 830 25th Street in particular. Both staff and neighborhood residents believe that the proposal submitted by S & G Real Estate Investments on September 2, 2004 for 830 25th Street meets the criteria of the Request for Proposal. Staff and residents further agree that the tax certificate should be assigned to S & G Real Estate for rehabilitation according to the plans submitted and resale to a low-income owner-occupant by deed sale.

The Woodland Heights Neighborhood Association would like the City to work with them on the acquisition of several more properties within their neighborhood boundaries. Specific criteria were discussed for rating proposals such as time frame, financing, rehabilitation/restoration plans, and experience. Lastly, neighbors and staff discussed the importance of restoration experience and knowledge as important criteria in assigning tax certificates in neighborhoods that are using historic preservation as a revitalization tool.

To make the process more equitable for all neighborhoods and more manageable for staff, it was discussed that proposals for tax certificates be batched and submitted to the County only every six months. Prior to the Polk County Tax Auction in June, City staff would want to work with all neighborhoods on public nuisance properties that are abandoned and delinquent in taxes. The City may also want to submit a request to the Polk County Treasurer in late fall/early winter for properties missed at the regular auction date and send our request for proposals at that time.

Community development staff also met with the River Bend Neighborhood on September 13, 2004, to discuss the tax sale process and opportunities in the River Bend Neighborhood. From past conversations, staff knows that the Capitol East, Capitol Park, and Martin Luther King Neighborhoods are also interested in the tax sale process. Lastly, acquisition and rehabilitation can be an important tool for neighborhood revitalization in the King-Irving Neighborhood.

In summary, the City may request assignment of the tax certificates of properties under State Code 446.19(A) in order to rehabilitate the structures for housing under the following conditions:

1. The property is residentially assessed.

2.

3. The existing residential structure can and will be rehabilitated for housing. The City cannot tear down the property and rebuild for housing or another purpose or request vacant land.
4. The structure is considered abandoned and deteriorating, or the property is a public nuisance or is in danger of becoming a public nuisance.
5. Certificates issued prior to 2004 must be for low and moderate-income housing.

Section 446.19(A) also provides that a city may assign the tax sale certificate to another entity.