



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 06/06/05
05-314

Communication No.:

Agenda Item Type: Resolution
No.:

Roll Call

Submitted by: Larry Hulse, Community Development Director

SUBJECT—

Resolution requesting Tax Sale Certificates for 14 vacant lots from the June 20, 2005 Tax Certificate Sale to be held by Polk County Treasurer's Office.

SYNOPSIS—

Resolutions requesting and assigning the Tax Sale Certificate for public nuisance properties at 1245 9th Street, 1210 York Street, and 1727 E. 24th Street to S & G Real Estate Investments, Inc. (14274 Wildwood Drive, Clive, Iowa, Paul Gengler, President) and 1023 27th Street to Des Moines Independent Community School District.

An authorization for the City Manager to send an affidavit to the Polk County Treasurer requesting assignment of tax sale certificates for vacant lots and public nuisance structures. Upon receipt of the tax certificates, the Manager is authorized to:

1. Assign the tax sale certificates for the public nuisance structures to the Des Moines Independent School District and developers.
2. Direct the school district and developer to meet with the affected neighborhood organization and inform the neighborhood of their plans.
3. Conduct a solicitation for offers to build on vacant lots.

FISCAL IMPACT—

CDBG (Community Development Block Grant) funds from the owner-occupied rehabilitation 2005 fund code will be used for any upfront acquisition costs. The developer acquiring the tax sale certificate will reimburse those funds.

RECOMMENDATION—

Approval

BACKGROUND—

At its December 6, 2004 meeting, by Roll Call No. 04-2627, the City approved a process for the Community Development Director to work with neighborhoods to solicit proposals for purchase and renovation of tax delinquent/public nuisance properties. In advance of the Tax Sale Certificate Auction to be held June 20, 2005, Community Development staff met with neighborhood groups in April and asked them to identify properties that were both a public nuisance and also tax delinquent that the neighborhood would like to see renovated for single-family owner-occupied housing. A list of 8 public nuisance structures was compiled, and a solicitation of offers was mailed to twenty developers/rehabilitators. The City's solicitation required that the property be sold to an owner-occupant as a single-family house.

City staff received proposals for four properties. Staff recommendation is that Council accepts the proposals and directs the developers to meet with the affected neighborhood organizations and inform the neighborhoods of their plans. Because of the short time period involved in asking for proposals, those submitting proposals have not yet met with all the neighborhood groups. S & G Real Estate Investments, Inc. is meeting with the Riverbend and Fairmont Park Neighborhood Associations on June 6, 2005. Staff is still waiting for a response to confirm when S&G is meeting with Capitol Park Neighborhood Association. The school district will be scheduled on the next Drake Neighborhood Association meeting agenda.

1245 9th Street, River Bend Neighborhood

The Community Development Department received one proposal for this property:

1. S & G Real Estate Investments, Inc.

Staff recommends Council approve the proposal submitted by S & G Real Estate, Inc. S & G is currently working with the Community Development Department on three tax delinquent/public nuisance properties that are progressing well. The proposal submitted covers the work required to be completed, and S & G has an adequate line of credit to complete the work. S & G has done an excellent job on historic restoration of properties, and staff believes that their work will be complementary to the West Ninth Street Historic District.

1210 York Street, Capitol Park Neighborhood

The Community Development Department received one proposal for this property:

1. S & G Real Estate Investments, Inc.

Staff recommends Council approve the proposal submitted by S & G Real Estate, Inc. The proposal submitted covers the work required to be completed, and S & G has an adequate line of credit to complete the work. The proposal includes the reconstruction of the front porch, which will add to the street appearance.

1727 E. 24th Street, Fairmont Park Neighborhood

The Community Development Department received one proposal for this property:

1. S & G Real Estate Investments, Inc., 14274 Wildwood Drive, Clive Iowa, Paul Gengler
President

Staff recommends Council approve the proposal submitted by S & G Real Estate, Inc. The proposal submitted covers the work required to be completed and S & G has an adequate line of credit to complete the work.

1023 27th Street, Drake Neighborhood

The Community Development Department received a proposal:

1. Des Moines Independent Community School District. New Horizon Program

Staff recommends Council approve the proposal submitted by Des Moines Independent Community School District. The New Horizons program is looking for houses that can be renovated by Central Campus students learning construction skills. This house is currently a duplex, but it would be converted back to a single-family house. The school system has adequate funding for renovation, but because of the nature of the program, the renovation would probably take two years.

Vacant lots

At its May 9, 2004 meeting by Roll Call 05-1137, the City Council approved a process to request buildable vacant lots included in the 2005 Tax Certificate sale and solicit offers for redevelopment. Of the 14 vacant lots to be requested, 11 are in the King-Irving and Mondamin Neighborhoods. Several nonprofit and for profit developers have been working to find lots and build houses in this neighborhood assisted by the City's New Construction Program. The acquisition of these lots through tax sale is consistent with the King-Irving Neighborhood Plan. The other lots to be requested are vacant because public nuisance structures have been demolished on the site. Staff has spoken with the neighborhood organizations concerning acquisition of these vacant lots, and they are supportive of City's action to request the Tax Sale Certificate.

- 1249 10th St King-Irving Neighborhood
- 1503 10th St King-Irving Neighborhood
- 1507 10th St King-Irving Neighborhood
- 1537 10th St. King-Irving Neighborhood
- 1536 11th St. King-Irving Neighborhood
- 1543 11th St. King-Irving Neighborhood
- 1631 12th St. King-Irving Neighborhood

1300 18 th St.	King-Irving Neighborhood
1317 Clark	Mondamin Neighborhood
1330 Clark	King-Irving Neighborhood
1315 Harrison	King-Irving Neighborhood
651 27 th St.	Woodland Heights Neighborhood
605 Leach	No Neighborhood Association
2602 Logan	Fairground Neighborhood

After receiving the certificate, the city will solicit offers for new construction proposals on the vacant lots. Assignment of the certificate to a for-profit or nonprofit developer requires Council action and will be based on proposals submitted. Each of the vacant lots requested is a lot of record, and a single-family house can be built upon it. Many of the 14 properties may be redeemed by owners because of the small amount of taxes owed on a vacant lot.

The City will not take ownership of the parcels or public nuisance structures itself. During the redemption process, the City or its assignee does not have any rights be on the property. The City cannot clean up or do lawn maintenance on the properties except through the regular channels of complaints. Lawn maintenance will still be referred to the Polk County weed commissioner and will be assessed against the property.