



Council Communication

Office of the City Manager

Date

August 21, 2006

Agenda Item No. 29

Roll Call No. ~~06-~~

Communication No. ~~06-527~~

Submitted by: Larry D. Hulse, Community
Development Director

AGENDA HEADING:

Approving Agreement with Sherry Smith (Lakewood, IA) to Preserve the City's Right to Take a Tax Deed to the Vacant Lot at 1622 Forest Avenue Intended for Redevelopment for Housing.

SYNOPSIS:

Recommend approval of an agreement with Sherry Smith (9445 Woodmayr Road, Lakewood, IA 50211) to preserve the City's right to take tax deed to the vacant lot located at 1622 Forest Avenue. Council previously authorized assignment of the 2005 tax certificate to Community Housing Development Corporation (CHDC), (Carol Bower, Executive Director, 601 Forest Avenue, Des Moines, IA 50312) for the development of affordable housing. If the agreement with Ms. Smith is not approved, she has indicated her intent to redeem the property as the owner of the property, whereby the City of Des Moines would lose its ability to assign the tax certificate to CHDC.

FISCAL IMPACT:

Amount: \$4,000

Funding Source: 2006-07 Operating Budget, Page 313, CDD – King Irving Housing Consortium, SP020, CDD049900, CDBG2006018.

ADDITIONAL INFORMATION:

The City Council has previously approved assignment of the 2005 tax sale certificate for 1622 Forest Avenue to CHDC for the development of affordable housing. In order to preserve the City's ability to assign the tax sale certificate to CHDC for the development of affordable housing, the City has negotiated an agreement with Sherry Smith, the owner of the property, to ensure that Ms. Smith does not exercise her right to redeem the City's 2005 tax sale certificate. In exchange for \$4,000, Ms. Smith has indicated that she will not redeem the City's 2005 tax sale certificate, which will enable the City to assign it to CHDC, which in turn will be able to take tax deed to the property and develop it as affordable housing.

This property is within the Forest Avenue Urban Renewal Area, and is one of the properties targeted for acquisition. Approval of this contract with Ms. Smith will allow the City to utilize the tax deed process to transfer the lot to CHDC, which is much less cumbersome than either purchasing the property directly from her or using the City's Urban Renewal powers to acquire it. Additionally, obtaining the property through the tax sale allows CHDC to obtain clear title to the property, which would not be possible through a deed sale.

PREVIOUS COUNCIL ACTION(S):

Date: August 7, 2006

Roll Call Number: 06-1585

Action: [Assignment](#) of Tax Sale Certificate for 1622 Forest to Community Housing Development Corporation. ([Council Communication No. 06-482](#)) Moved by Vlassis to adopt. Motion Carried 6-1.

Date: March 6, 2006

Roll Call Number: 06-442

Action: [Acceptance](#) of assignment of Tax Sale Certificate from Oak Helm Partners for vacant lot at 1622 Forest Avenue for redevelopment as Affordable Housing. ([Council Communication No. 06-116](#)) Moved by Brooks to adopt. Motion Carried 6-1.

Date: October 24, 2005

Roll Call Number: 05-2584

Action: On items regarding the Forest Avenue Urban Renewal Plan for the area generally bounded by Carpenter Avenue, Jefferson Avenue, 23rd Street and the properties fronting on 10th Street: Resolution closing hearing and approving the proposed Urban Renewal Plan. ([Council Communication No. 05-601](#)) Moved by Vlassis to adopt. Motion Carried 6-1. Nays: Brooks.

BOARD/COMMISSION ACTION(S): NONE

Date:

Roll Call Number:

Action:

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE