



Council Communication

Office of the City Manager

Date	May 19, 2008
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Agenda Item No.	24
Roll Call No.	<u>08-</u>
Communication No.	<u>08-248</u>
Department:	Larry Hulse, Community Development Director

AGENDA HEADING:

Resolution Approving Assignment of Tax Sale Certificates.

SYNOPSIS:

Recommend approval to assign three vacant lot tax sale certificates and waivers of judgment for the development of affordable housing if the tax deeds are successfully obtained. Recommended assignments are as follows:

Home Opportunities Made Easy, Inc (HOME, Inc.) - Pam Carmichael, Executive Director, 1111 9th Street, Suite 210, Des Moines, IA 50312

- 453 East Hillside (\$1,745 in judgments to be waived)

Community Housing Development Corporation (CHDC) - Karen Jeske, Executive Director, 601 Forest Avenue, Des Moines, IA 50312

- 1433 5th Street (\$10,224.50 in judgments to be waived)
- 1519 9th Street

FISCAL IMPACT:

Amount: \$11,969.50 (waivers of judgments, including demolition costs, for 1433 5th Street and 453 East Hillside.

Funding Source: FY 2007-08 Operating Budget, Community Development Block Grant, ENG-Demolition, SP 020, CDBG2005019, pg. 103.

ADDITIONAL INFORMATION:

During the 2005 Iowa General Assembly legislative session, Iowa Code §446.19A was amended to permit cities to acquire tax sale certificates for vacant lots assessed as residential property for the purpose of encouraging development of housing. On May 9, 2005, by Roll Call No. 05-1137, the City Council approved a process to obtain vacant lot tax sale certificates from the Polk County Treasurer.

On June 4, 2007, by Roll Call No. 07-1057, the City requested the tax sale certificates for nineteen vacant lots. Three of those are still viable and it is requested that those three vacant lot tax sale certificates be assigned to a non-profit developer for the development of affordable housing. The cost to

acquire the tax deed for these lots will be less than if the assignee were to attempt to purchase these lots on the open market, which will help to make the houses more affordable.

1433 5th Street has a judgment against it for demolition in the amount of \$10,224.50. 453 East Hillside has several smaller judgments against it for a total of \$1,745.00. The waiver of these judgments will further facilitate the provision of affordable housing.

There is no guarantee that the tax sale certificates will not be redeemed prior to the assignee being able to take the tax deed to the parcel. Both CHDC and HOME, Inc. are aware of this risk.

PREVIOUS COUNCIL ACTION(S):

Date: June 4, 2007

Roll Call Number: 07-1057

Action: On vacant lots from Polk County Treasurer at annual auction. (Council Communication No. 07332) Moved by Vlassis to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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