

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	November 7, 2011
	<b>Agenda Item No.</b> <b>Roll Call No.</b> <b>Communication No.</b> <b>Submitted by:</b>	<b>18</b> <b><u>11-1863</u></b> <b><u>11-691</u></b> <b>Jeb E. Brewer, P.E., City Engineer and Phillip Delafield, Community Development Director</b>

**AGENDA HEADING:**

Acceptance of real estate documents from the Des Moines Independent Community School District for property located at 1323 East 25th Court and setting hearing for conveyance of said property to Derrick Huffey for \$6,000.

**SYNOPSIS:**

Recommend approval and acceptance of real estate documents from the Des Moines Independent School District for property located at 1323 East 25th Court and setting hearing for conveyance of said property to Derrick Huffey, 5025 Windsor Circle, Pleasant Hill, IA 50327 for \$6,000. This action is required by Iowa law prior to making a final determination on the proposed sale by resolution.

**FISCAL IMPACT:**

Amount: \$6,000

Funding Source: Special Revenue Funds Community Development Block Grants – SP020 CDD049900 2010 035 NCS Homebuyer.

**ADDITIONAL INFORMATION:**

The acceptance and subsequent, proposed conveyance of this property is triggered by past funding contracts between the City of Des Moines and the Des Moines Independent Community School District (DMPS) in which the City provided Community Development Block Grant (CDBG) funds for materials to DMPS for the School District’s HOME Remodeling Program. In 2010, DMPS combined the East High and Central Campus Home Remodeling Classes leaving the rehabilitation of 1323 East 25th Court incomplete.

It has been determined that central campus students would not be able to work on the at 1323 East 25th Court until the house currently being rehabilitated at 1349 Washington Avenue is complete, which is not anticipated until the end of the 2012-2013 school year. The timeframe creates problems for the City in fulfilling grant requirements with the Department of Housing and Urban Development (HUD) and leaves the property vacant, creating potential vandalism or unlawful occupancy issues along with continued maintenance burdens for DMPS.

The use of CDBG program funds require the house be fully rehabilitated and sold to a low moderate

income family. City and DMPS staff determined the best course of action was for the DMPS to sell the property to the City; City send an Request for Proposal (RFP) for rehabilitation; City sell and enter into a development agreement with the contractor in order to be able to monitor the rehabilitation and conveyance of said property and remain in compliance with CDBG regulations in an expeditious manner.

City staff distributed an RFP to developers certified with the City's Neighborhood Stabilization Program (NSP) on September 23, 2011. The RFP will place restrictive covenants on the property to ensure that 1.) Lead Paint Clearances are achieved; 2.) The house meets CDBG adopted guidelines for rehabilitation and a certificate of occupancy is issued; and 3.) The house is sold and occupied by a low or moderate income homebuyer (Maximum income of \$58,550 for a family of four persons).

Two proposals were received with the proposal submitted by Derrick Huffey scoring the highest under City selection criteria. Mr. Huffey has agreed to purchase the property in the amount of \$6,000 and complete the rehabilitation within ten weeks of taking ownership. Mr. Huffey has worked with the City staff previously on the NSP and has adequate resources to fund the rehabilitation.

The DMPS has remaining costs for the property since closing the Home Remodeling Program. City staff is recommending that any proceeds remaining after paying city costs are allocated to the school district for eligible costs.

The acceptance and subsequent conveyance of this property is in the best interest of the City, DMPS and general public.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: June 28, 2010

Roll Call Number: 10-1074

Action: [Approving](#) a CDBG loan with the Des Moines Independent Community School District for up to \$94,908 for rehabilitation of two houses through the Des Moines Public Schools Home Remodeling Program. ([Council Communication No. 10-379](#)) **Moved by Coleman to adopt. Motion Carried 7-0.**

Date: July 13, 2009

Roll Call Number: 09-1282

Action: [Reprogramming](#) of prior years Community Development Block Grant (CDBG) funding and additional funds received for 2009 HUD Consolidated Plan Programs. ([Council Communication No. 09-443](#)) **Moved by Hensley to adopt. Motion Carried 7-0.**

#### **BOARD/COMMISSION ACTION(S):**

Board: Des Moines Public School Board

Date: September 6, 2011

Action: Set Date of Public Hearing and Hold Hearing for Transfer of 1323 E. 25th Court to City of Des Moines

Board: Neighborhood Revitalization Board

Date: May 5, 2010

Resolution Number: NA

Action: Approval of CDBG loan for two Des Moines Public Schools Houses

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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