

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 11, 2012
	Agenda Item No. 34 Roll Call No. <u>12-0895</u> Communication No. <u>12-301</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Resolution authorizing the City Manager to request tax sale certificates from the Polk County Treasurer's office for the public nuisance at 650 18th Street and assign to developer for rehabilitation.

SYNOPSIS:

Under Iowa Code 446.19A, the City of Des Moines can request previous tax sale certificates for public nuisance properties. The property at 650 18th Street has been declared a public nuisance and is in violation of City codes. Robert and Michele McCammon, 821 16th Street, have asked the City to request the 2010 and 2011 tax sale certificates and assign both certificates to them. Mr. McCammon is an experienced developer and has provided a check for the \$21,380 owed. Mr. McCammon will then proceed through the notice process for taking tax deed. The owner of the property, Guy and Sandra Roberts, can pay the tax sale certificates at any time and the City's action is moot.

FISCAL IMPACT:

Amount: \$21,380.00, in back taxes

Funding Source: Robert and Michelle McCammon

ADDITIONAL INFORMATION:

Polk County issues tax sale certificates for delinquent tax properties at a tax auction every June. Iowa Code 446.19A permit cities to acquire tax sale certificates for abandoned structures and vacant lots assessed as residential property without paying the taxes due, and allows the City to utilize an expedited redemption period, all for the purpose of encouraging the development of housing. The City can also request previous tax sale certificates but must reimburse the tax sale holder costs plus interest. To obtain the tax certificate pursuant to State Code 446.19A, the City Council must send an affidavit to the Polk County Treasurer that the properties meet the following conditions:

1. The property is a residentially assessed vacant lot or structure, and
2. If the tax sale certificate involves an existing structure, it will be rehabilitated for housing. The City cannot tear down the property and rebuild for another purpose, and
3. The structure or lot is considered abandoned, and
4. The structure is a public nuisance or is in danger of becoming a public nuisance.

The City of Des Moines has utilized this process in recent years with some success. It has enabled the acquisition of some properties with clouded titles and has enabled affordable housing providers to acquire buildable lots at a cost substantially below market value.

The property at 650 18th Street is owned by Guy and Sandra K. Roberts with a mailing address of 692 17th Street, Des Moines, Iowa 50314. The property was declared a public nuisance by City Council on July 27, 2009 by Roll Call 09-1399.

A Court order was entered into on March 25th 2010, requiring that Guy and Sandra Roberts would secure all appropriate permits and complete all exterior renovation of the structure located at 650 18th Street. The work was not completed and Guy and Sandra Roberts are in violation of the agreement.

A building permit for roof repair was issued on 6/21/10 and expired 6/21/11. There was no final inspection of the work. There are no current building permits on the property.

There is currently a 2010 tax sale certificate on the property totaling \$8,983.00 and a 2011 tax sale certificate totaling \$12,380.00. Robert and Michele McCammon have provided the money for the certificates, which will be paid to the Polk County Treasurer. The Treasurer will assign the tax sale certificates to the City of Des Moines which will then assign the certificates to Mr. and Mrs. McCammon.

The McCammon's have signed an agreement, on file with in the City Clerk's office, with the City of Des Moines to hire an attorney to work through the tax sale certificate process and to renovate the structure for sale to an owner-occupant. All costs and expenses of the Council, including but not limited to the costs of title certificates, mailing and publication, shall be the sole responsibility of the McCammons. The McCammons are aware there may be legal costs and expenses regardless of whether they are able to take ownership through the tax sale certificate process.

Mr. and Mrs. McCammon have been involved in the rehabilitation of several houses in the Sherman Hill Neighborhood. Most recently they successfully moved and renovated a house from the Drake Neighborhood to 19th Street for rehabilitation.

The McCammon's will work with Midwest Heritage Bank on financing the rehabilitation and will utilize state historic tax credits. It's estimated the rehabilitation will cost over \$200,000 because of the condition of the building.

PREVIOUS COUNCIL ACTION(S):

Date: July 27, 2009

Roll Call Number: [09-1399](#)

Action: APPROVING: The Legal Department to proceed with court action seeking authority to abate the public nuisance at the following locations: [650](#) 18th Street, main structure, Titleholders: Guy L. Roberts a/k/a Guy Roberts and Sandra K. Roberts. Moved by Vlassis to adopt. Motion Carried 6-1. Absent: Coleman

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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