

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	August 26, 2013
	Agenda Item No.	8
	Roll Call No.	<u>13-1311</u>
	Communication No.	<u>13-445</u>
	Submitted by:	Phillip Delafield, Community Development Director and Jeb E. Brewer, P.E., City Engineer

AGENDA HEADING:

Acceptance of real estate documents from the Des Moines Independent Community School District for property located at 1349 Washington Avenue and set hearing for conveyance of said property to Neighborhood Finance Corporation Properties, LLC (NFC) for \$18,000.

SYNOPSIS:

Recommend approval of acceptance of real estate from the Des Moines Independent Community School District for property located at 1349 Washington Avenue and set hearing for conveyance of said property to NFC Properties, LLC (Holly Olson, Executive Director, 1912 6th Avenue, Des Moines, IA 50314) for \$18,000. The School District is the owner of property located at 1349 Washington Avenue including a residential, single-family dwelling that has been partially rehabilitated using student labor and licensed trades under the School Districts Home Remodeling Program, which is partially funded with Community Development Block Grant (CDBG) funds.

FISCAL IMPACT:

Amount: \$18,000 (Revenue)

Funding Source: 2010-DMPS-Home Remodeling Project, CDB03510, 527700

ADDITIONAL INFORMATION:

The School District is the owner of property located at 1349 Washington Avenue including a residential, single-family dwelling that has been partially rehabilitated under the School Districts Home Remodeling Program. On June 28, 2010, by Roll Call No. 10-1074, the City Council approved CDBG funds for rehabilitation of 1349 Washington. Rehabilitation of the property was not able to be completed within the timeframe required under CDBG program guidelines due to lead paint training requirements and the limited time frame available to work on the house within the calendar school year. The property remains vacant, which creates potential for vandalism, unlawful occupancy, and continued maintenance burdens.

The School District has negotiated terms with the City Neighborhood Conservation Services Division whereby the property will be conveyed at no cost by the School District to the City so that the City

may then convey the property to a selected developer and administer redevelopment of the property through a development agreement.

City staff distributed a Request for Proposal (RFP) to developers certified with the City's Neighborhood Conservation Services programs. The RFP notified developers of City requirements including restrictive covenants to ensure the following: 1) Lead Paint Clearances are achieved; 2) the property 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. NFC was the only respondent and has offered the City \$18,000 for the purchase of the real Property, subject to restrictive said covenants.

The School Board held a public hearing on August 6, 2013 approving transfer of the property to the City of Des Moines.

The City of Des Moines and School District previously pursued similar actions with the property located at 1323 E. 25th Court, which was successfully rehabilitated and sold to a low income homeowner. The acceptance of the property from the School District and subsequent conveyance to NFC is in the best interest of the City, the School District, and the public in general.



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.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Hold public hearing and approve development agreement.

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