 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> September 9, 2013
	<b>Agenda Item No.</b> 45 <b>Roll Call No.</b> <u>13-1434</u> <b>Communication No.</b> <u>13-449</u> <b>Submitted by:</b> Phillip Delafield, Community Development Director and Jeb E. Brewer, P.E., City Engineer

**AGENDA HEADING:**

Hearing for conveyance of property located at 1349 Washington Avenue to Neighborhood Finance Corporation Properties LLC (NFC) for \$18,000 and approving development agreement.

**SYNOPSIS:**

Recommend approval of conveyance of property located at 1349 Washington Avenue to NFC Properties LLC (Holly Olson, Executive Director, 1912 6<sup>th</sup> Avenue, Des Moines, IA 50314) for \$18,000 and recommend approval of development agreement. This action is required by Iowa law prior to making a final determination on the proposed sale by resolution. There is no current or anticipated public need for this property and the sale of the property is in the best interest of the City.

**FISCAL IMPACT:**

Amount: \$18,000 (Revenue)

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

**ADDITIONAL INFORMATION:**

On June 28, 2010, by Roll Call No. 10-1074, the City Council approved Community Development Block Grant (CDBG) funds for rehabilitation of 1349 Washington Avenue. 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 timeframe 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 Des Moines Independent Community 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.

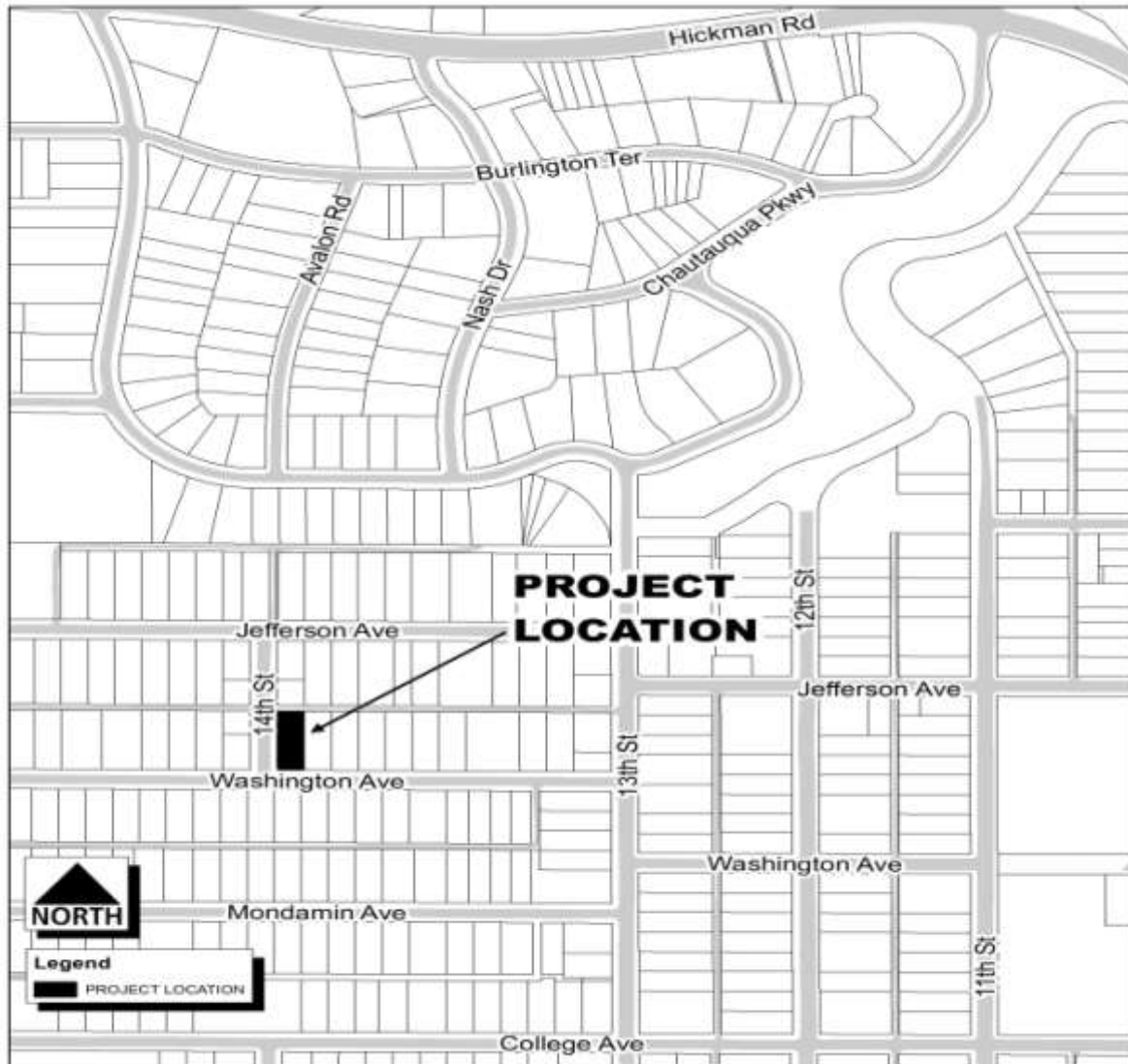
City staff distributed a Request for Proposal (RFP) to developers certified with the City's Neighborhood Conservation Services programs. The RFP notified developers of City requirements including restrictive covenants to ensure the following: 1) Lead Paint Clearances are achieved; 2) the

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 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 Council approved the acceptance of real estate documents from the Des Moines Independent Community School District on August 26, 2013, and further set hearing for conveyance of said property to NFC for \$18,000.

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



**PREVIOUS COUNCIL ACTION(S):**

Date: August 26, 2013

Roll Call Number: [13-1311](#) and [13-1312](#)

Action: [Acceptance](#) of real estate documents from the Des Moines Independent Community School District for 1349 Washington Avenue. ([Council Communication No. 13-445](#)) Moved by Mahaffey to adopt. Motion Carried 7-0.

(A) [Setting](#) date of hearing on conveyance of 1349 Washington Avenue to NFC Properties, LLC, \$18,000. (9-9-13). Moved by Mahaffey to adopt. Motion Carried 7-0.

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: NONE**

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