

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	October 20, 2014
	<b>Agenda Item No.</b>	<b>46</b>
	<b>Roll Call No.</b>	<b><u>14-1659</u></b>
	<b>Communication No.</b>	<b><u>14-496</u></b>
	<b>Submitted by:</b>	<b>Pamela S. Cooksey, P.E., Interim City Engineer, Phillip Delafield, Community Development Director</b>

**AGENDA HEADING:**

Hold hearing for conveyance of City-owned property located at 1161 22nd Street to Home Opportunities Made Easy, Incorporated (HOME, Inc.) for \$1.

**SYNOPSIS:**

Recommend approval of conveyance of City-owned property located at 1161 22nd Street to HOME Inc., Pam Carmichael, Executive Director, 1111 9th St., Suite 210, Des Moines, IA 50314, for \$1. 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 will help to revitalize the area, increase the tax base, and provide sustainable housing to low-to-moderate-income (LMI) households.

**FISCAL IMPACT:**

Amount: \$6,350.30, including Special assessments for City Nuisance Abatement Costs (BHNAC), City Storm Water Utility Fees and City Sanitary Sewer Rental Fees.

Funding Source: Operating Budget – \$1,843.21, Nuisance Abatement Costs (BHNAC), CDB01914; \$4,115.70 Storm Water Utility Fee, PW247413; \$391.39 Sanitary Sewer Rental Fee, PW247411.

**ADDITIONAL INFORMATION:**

The property was acquired by the City through tax sale deed after sustaining fire damage and being determined a public nuisance. The City submitted the request for tax sale deed to the Polk County Treasurer on or before October 10, 2014 in order to comply with the statutory tax sale process.

Under the tax sale certificate process, past due taxes continue to accrue after a tax sale certificate has been assigned unless said taxes are paid by the owner (MAC Investment Group, LLC), tax sale certificate holder (City of Des Moines), or other party having title interest. The real estate taxes due at this time are \$14,052, which the Polk County Board of Supervisors may consider waiving once the property becomes publicly owned.

In addition to the real estate property taxes, the property also has following special assessments:

City of Des Moines Nuisance Abatement \$1,843.21

City of Des Moines Storm Drainage \$4,115.70

City of Des Moines Sewer Rental \$391.39

Polk County Weed Commission \$249.50

Des Moines Water Works \$498.37

On September 22, 2014, City Council approved acquisition of the property by tax sale deed and directed City staff to release all City assessments and request the Polk County Board of Supervisors and Des Moines Water Works release their respective taxes and special assessments in order to encourage housing redevelopment.

City staff has negotiated with HOME, Inc. to acquire the property for \$1.00 in exchange for HOME, Inc.'s agreement to the following: 1) maintain the property after City takes title by tax sale deed, but before the property is conveyed to HOME, Inc. (while the City requests release of all property taxes, liens, and special assessments); 2) acquire the property in "as is" condition regarding both condition and title; and 3) rehabilitate the existing structure (preliminary cost estimate more than \$500,000) OR demolish the existing structure and redevelop the property (preliminary cost estimate more than \$300,000) for LMI housing. Home, Inc. and City staff will work with the Drake Neighborhood Association to determine the best solution for the Property. HOME, Inc. has submitted a signed offer to purchase, which includes the conditions set forth herein, to the City.



**PREVIOUS COUNCIL ACTION(S):**

Date: October 6, 2014

Roll Call Number: [14-1560](#)

Action: [On](#) conveyance of 1161 22nd Street to Home Opportunities Made Easy, Inc. (HOME, Inc.), (10-20-14). ([Council Communication No. 14-487](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: September 22, 2014

Roll Call Number: [14-1451](#)

Action: [Approving](#) acquisition of 1161 22nd Street through tax deed, authorization to request release of property taxes and special assessments, and release of all City liens and special assessments in order to encourage housing redevelopment. ([Council Communication No. 14-469](#)) Moved by Coleman to adopt. Motion Carried 7-0.

Date: May 6, 2013

Roll Call Number: [13-0744](#)

Action: [On](#) request from Miguel Saucedo to rezone 1161 22nd Street from “R1-60” (One-Family Low-Density Residential) to “R-4” (Multiple-Family Residential) to allow a five-unit multiple-family dwelling. (Plan and Zoning Commission recommends DENIAL) Moved by Hensley to adopt and to DENY the proposed rezoning. Motion Carried 7-0.

Date: June 13, 2011

Roll Call Number: [11-1000](#)

Action: [Removal](#) of requested properties from the Polk County Tax Certificate Sale for future development of housing. ([Council Communication No. 11-369](#)) Moved by Moore to adopt. Motion Carried 7-0.

Date: June 28, 2010

Roll Call Number: [10-1104](#)

Action: [1161](#) 22nd Street, fire-damaged structure, Titleholder: Critelli Properties, LLC; Mortgage Holder: Community Business Lenders, LLC. Moved by Griess to adopt. Motion Carried 7-0.

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

Board: Plan and Zoning Commission

Date: March 7, 2013

Resolution Number: Item 11. Request from Miguel Saucedo (purchaser) to rezone property at 1161 22nd Street. The subject property is owned by MAC Investment Group, LLC.

Action: Part A) Staff recommends that the Commission find the proposed rezoning not in conformance with the Des Moines' 2020 Community Character Plan future land use designation of Low/Medium Density Residential. Part B & C) Staff recommends denial of the requested Land Use Plan amendment and rezoning to "R-4" Multiple-Family Residential District. The proposal is contrary to the goals of the recently adopted Drake Neighborhood Plan. New multiple-family residential development should occur on the major corridors in the neighborhood where the streets are designed to handle higher levels of traffic and where residents would have direct access to mass transit. Multiple-family development should occur on lots that are larger enough to provide adequate off-street parking, open space and buffering from other uses. Ted Irvine moved staff recommendation Part A) to find the proposed rezoning not in conformance with the Des Moines' 2020 Community Character Plan future land use designation of Low/Medium Density Residential; and Part B & C) to deny the requested Land Use Plan amendment and rezoning to "R-4" Multiple-Family Residential District. The proposal is contrary to the goals of the recently adopted Drake Neighborhood Plan. New multiple-family residential development should occur on the major corridors in the neighborhood where the streets are designed to handle higher levels of traffic and where residents would have direct access to mass transit. Multiple-family development should occur on lots that are larger enough to provide adequate off-street parking, open space and buffering from other uses.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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