

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	December 5, 2016
	Agenda Item No.	23
	Roll Call No.	<u>16-2064</u>
	Communication No.	<u>16-692</u>
	Submitted by:	Phillip Delafield, Community Development Director

AGENDA HEADING:

Set Hearing for Conveyance of City-Owned Properties Located at 2620 Cornell Street and 1334 E. 13th Street to Home Opportunities Made Easy, Inc (Home, Inc.).

SYNOPSIS:

- This action schedules a Date of Public Hearing for the sale of two (2) vacant lots to Home, Inc. for redevelopment for affordable housing. (Pam Carmichael, Executive Director, 1111 9th Street, Des Moines, IA 50314).
- On September 28, 2015 by Roll Call 15-1619, the City Legal Department was authorized and directed to begin the acquisition of the vacant lots at 2620 Cornell and 1334 E. 13th Street with the intention to resell the lots for the purpose of redeveloping housing.

FISCAL IMPACT:

Amount:

- Approximate cost of \$10,000 for 2620 Cornell in special assessments; approximate cost of \$6,000 in special assessments for 1334 E. 13th Street.
- Fair Market Value of \$6,000 of 2620 Cornell; Fair Market Value of \$6,000 for 1334 E. 13th Street.

Funding Source: Nuisance Abatement Costs (BHNAC), CDBO1914; Storm Water Utility Fee PW247413; Sanitary Sewer Rental Fee, PW247411

ADDITIONAL INFORMATION:

- Each of the properties have been a detriment to other properties on their respective streets and neighborhood for several years. If the properties can be redeveloped it will help with neighborhood revitalization and build new tax base.
- Both properties were the site of public nuisance houses which were demolished by the City of Des Moines.
- These lots were originally called to the City’s attention as suitable for redevelopment by Habitat for Humanity and Home, Inc. in 2014 and 2015. Each lot had too much in delinquent taxes and special assessments for anyone to develop economically. The non-profits asked the

City to acquire the properties so that delinquent taxes could be released by the Polk County Board of Supervisors.

- Per Roll Call 15-1619 on September 28, 2015, the City Legal Department was directed to begin the acquisition process by notifying anyone with an interest in the property of the City's intention to take tax deed and then filing an affidavit of notice with the Polk County Treasurer's Office.
- The 90-day notification period has expired and the City must take deed by January of 2017. After taking ownership, City staff will ensure delinquent special assessments and taxes have been abated prior to transferring ownership to Home, Inc. This abatement requires action by the Polk County Board of Supervisors as well as the Des Moines Water Works. The City will also release any outstanding special assessments per Roll Call 15-1619 on September 28, 2015.
- HOME, Inc. has submitted a Developer Initiated proposal for the lots. Staff accepted the proposal rather than distributing a Request for Proposal because the non-profits were to originally acquire the properties through the tax sale certificate process until it was determined the lots were economically infeasible to develop without releasing all outstanding taxes and special assessments.
- Home, Inc. intends to develop each of the properties in 2017 or 2018 using City Home Investment Partnership Program (HOME) funds that were preliminarily committed to its development program by Roll Call 16-1828 on October 24, 2016.
- Home, Inc. intends to either: 1) Sell one (1) or both of the properties to an owner-occupant at the completion of construction, or 2) Work with a household through a lease-purchase agreement until such household has adequate resources to obtain a private mortgage, probably within five (5) to seven (7) years.

PREVIOUS COUNCIL ACTION(S):

Date: September 28, 2015

Roll Call Number: [15-1619](#)

Action: [Amending](#) Agreements for assignment of four (4) tax sale certificates to nonprofit entities, approval of City acquisition of properties through tax deed, and authorization to request release of property taxes, special assessments, and all City liens and special assessments in order to encourage housing redevelopment. ([Council Communication No. 15-513](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: October 24, 2016

Roll Call Number: [16-1828](#)

Action: [Allocation](#) of Home Investment Partnership Program (HOME) Funds to Home Opportunities Made Easy, Incorporated (HOME, Inc.) for development of affordable housing using Community

Housing Development Organization (CHDO) Set-Aside Funds. ([Council Communication No. 16-605](#)) Moved by Coleman to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Hold public hearing on the conveyance of the property on December 19, 2016.

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