

|  |                          |  |
|--|--------------------------|--|
|  <p style="text-align: center;"><b>Council<br/>Communication</b><br/>Office of the City Manager</p> | <b>Date:</b>             | December 19, 2016  |
|  | <b>Agenda Item No.</b>   | <b>56</b>  |
|  | <b>Roll Call No.</b>     | <b><u>16-2195</u></b>  |
|  | <b>Communication No.</b> | <b><u>16-701</u></b>   |
|  | <b>Submitted by:</b>     | <b>Phillip Delafield,<br/>Community<br/>Development Director;<br/>Pamela S. Cooksey,<br/>P.E., City Engineer</b> |

**AGENDA HEADING:**

Hold 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.) for \$6,000 each.

**SYNOPSIS:**

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.

On December 5, 2016 by Roll Call No. 16-2063 and 16-2064 the Des Moines City Council set dates 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).

**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 No. 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 No.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.
- City Staff is working with Home, Inc. on ways in which to provide garages or garage pads on upcoming development projects including this site.



**PREVIOUS COUNCIL ACTION(S):**

Date: December 5, 2016

Roll Call Number: [16-2064](#)

Action: [On](#) conveyance of 2620 Cornell Street to Home Opportunities Made Easy, Inc., \$6,000, (12-19-16). ([Council Communication No. 16-692](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: December 5, 2016

Roll Call Number: [16-2063](#)

Action: [On](#) conveyance of City-owned property at 1334 E. 13<sup>th</sup> Street to Home Opportunities Made Easy, Inc., \$6,000, (12-19-16). Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Administration Building, 400 E. Court Avenue Ste.116. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).