

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: April 3, 2017
	Agenda Item No. 17 Roll Call No. <u>17-0582</u> Communication No. <u>17-316</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Set Hearing for Conveyance of Property located at 708 Buchanan to Home Opportunities Made Easy, Incorporated (HOME, Inc.) for redevelopment for housing.

SYNOPSIS:

- On September 28, 2015 by Roll Call No. 15-1618, the City Council authorized:
 - Submitting an affidavit to the Polk County Board of Supervisors requesting that the tax sale certificate for the property held by Polk County Public Works be assigned to the City of Des Moines for redevelopment of housing.
 - Directing staff to take City ownership and to work with interested parties and neighborhood organizations to find a developer through a developer-initiated proposal or through a Request for Proposal (RFP).
- HOME, Inc. has submitted a developer initiated proposal to build a single-family house on the 45-foot lot.

FISCAL IMPACT:

Amount: Approximately \$13,000 in taxes owed 2011-2016 plus special assessments of approximately \$6,000. Fair Market Value of \$6,000 to be paid to City for 708 Buchanan.

Funding Source: Nuisance Abatement Costs (BHNAC), CDBO1914; Storm Water Utility Fee PW 247413; Sanitary Sewer Rental Fee PW247411.

ADDITIONAL INFORMATION:

- The property was site of a public nuisance house, which was demolished by a private party in February of 2016.
- The vacant house at 708 Buchanan was a detriment to other properties on this street and to this neighborhood for several years. If the property can be redeveloped, it will help with neighborhood revitalization and build new tax base.
- Home, Inc originally called the property to the City’s attention as suitable for redevelopment in 2015. The lot had too much in delinquent taxes and special assessments for anyone to develop economically. The non-profit asked the City to acquire the property so that Polk County Board of Supervisors could release the delinquent taxes.

- On August 8, 2016, the City and County entered into an agreement with Polk County for the “Assignment of the Certificate of Purchase at Tax Sale” to promote housing for the property at 708 Buchanan.
- Subsequently, the City Legal Department began 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. 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 15-1618 on September 28, 2015.
- HOME, Inc. has submitted a Developer Initiated proposal for the lots. Staff accepted the proposal rather than distributing a RFP because the non-profit was to originally acquire the property through the tax sale certificate process until it was determined the property was economically infeasible to develop without releasing all outstanding taxes and special assessments. Home, Inc. has built other single-family homes in Capitol Park and the neighborhood and neighbors have been pleased with the product.
- Home, Inc. intends to develop the property 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:
 - Develop and sell the property to an owner-occupant at the completion of construction, or
 - 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: [15-1618](#)

Action: [Request](#) to Polk County Supervisors to assign tax sale certificates of purchase to the City, authorization for execution of Polk County Agreements, approval of City acquisition of properties 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. 15-518](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Board of Health

Date: September 22, 2014

Roll Call Number: [14-1526](#)

Action: Approving the Legal Department to proceed with court action seeking authority to abate the public nuisances at the following locations:

- (D) [708](#) Buchanan Street, main structure, Titleholder: Meridian Holdings, LLC. Moved by Gatto to adopt. Motion Carried 7-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Hold public hearing on conveyance of property on April 17, 2017.

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