

Date: April 17, 2017

Agenda Item No. 51

Roll Call No. [_____]

Communication No. 17-352

Submitted by: Phillip Delafield,
Community
Development Director

AGENDA HEADING:

Hold Public Hearing for Conveyance of City owned Property located at 1332 Idaho Street to Home Opportunities Made Easy, Incorporated (Home, Inc.) for redevelopment for housing.

SYNOPSIS:

- On April 3, 2017, by Roll Call No. 17-0581, the City Council set a date of public hearing to convey the vacant and abandoned lot located at 1332 Idaho Street to Home, Inc. for redevelopment of single-family housing.
- On June 13, 2016 by Roll Call No. 16-0962, 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. submitted a developer initiated proposal on March 24, 2017 to demolish the existing structure and build a single-family housing owner-occupied housing on the 75 foot lot. Pam Carmichael, Executive Director, 1111 9th Street Des Moines, IA 50309.

FISCAL IMPACT:

<u>Amount</u>: Approximately \$27,274 in taxes and special assessments plus an additional \$625 in unbilled special assessments.

<u>Funding Source</u>: Nuisance Abatement Costs (BHNAC), CDBO1914; Storm Water utility Fee PW 247413; Sanitary Sewer Rental Fee PW 247411

ADDITIONAL INFORMATION:

- The owner of the house and property at 1322 Idaho Street is deceased and the house has been vacant and in poor condition for several years. It is located in the Martin Luther King Jr. Neighborhood which is a part of the East Bank Initiative for revitalization.
- 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" for the purpose of promoting housing for the property at 1322 Idaho Street.

- Subsequently, the City Legal Department began the acquisition process by notifying anyone with an interest in the property, publishing in the paper, and posting 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 has taken deed. 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 and liens per Roll Call No. 16-0962 on June 13, 2016.
- Home, Inc.'s proposal is compatible with the neighborhood. The agency intends to develop the property in fall of 2017 City HOME Investment Partnership Program (HOME) funds that were preliminarily committed to Home, Inc. by Roll Call No. 16-1828 on October 24, 2016.
- Home, Inc. intends to either: 1) Develop and sell the property 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):

<u>Date</u>: April 3, 2017

Roll Call Number: 17-0581

<u>Action</u>: <u>On</u> conveyance of City-owned property at 1322 Idaho Street to Home Opportunities Made Easy, Inc. (HOME, Inc.), (4-17-17). (<u>Council Communication No. 17-320</u>) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval Community Housing Development Organization (CHDO) proceeds agreement for use of HOME funds in summer of 2017.

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