

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: April 17, 2017
	Agenda Item No. 52 Roll Call No. [] Communication No. <u>17-353</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Hold Public Hearing for Conveyance of City owned Property located at 708 Buchanan to Home Opportunities Made Easy, Incorporated (Home, Inc.) for redevelopment for housing.

SYNOPSIS:

- On April 3, 2017, by Roll Call No. 17-0582, the City Council set a date of public hearing to convey the vacant and abandoned lot located at 708 Buchanan Street to Home, Inc. for redevelopment of single-family housing.
- 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. submitted a developer initiated proposal to build a single-family housing on the 45 foot lot on March 24, 2017. Pam Carmichael, Executive Director, 1111 9th Street Des Moines, IA 50309.

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 PW 247411

ADDITIONAL INFORMATION:

- The property was the site of a public nuisance house, which the City of Des Moines demolished in February of 2016.
- The property was originally called to the City’s attention as suitable for redevelopment by Home, Inc. in 2015. The lot had substantial delinquent taxes and special assessments making it financially infeasible to develop. The non-profit asked the City to acquire the property so that delinquent taxes could be released by the Polk County Board of Supervisors.

- 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 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, publishing in the paper and posting notice, 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 per Roll Call No. 15-1618 on September 28, 2015.
- The Home, Inc.’s proposal is compatible with the neighborhood. The agency intends to develop the property in 2017 or 2018 using 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):

Date: April 3, 2017

Roll Call Number: [17-0582](#)

Action: [On](#) conveyance of City-owned property at 708 Buchanan Street to Home Opportunities Made Easy, Inc. (HOME, Inc.), (4-17-17). ([Council Communication No. 17-316](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Board of Health

Date: September 22, 2014

Resolution 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: NONE

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