

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> May 8, 2017
	<b>Agenda Item No.</b> 32 <b>Roll Call No.</b> <u>17-766</u> <b>Communication No.</b> <u>17-392</u> <b>Submitted by:</b> Phillip Delafield, <b>Community Development Director</b>

**AGENDA HEADING:**

Set hearing for conveyance of property located at 1321 Fremont Street to Community Housing Initiatives, Inc. (CHI) for redevelopment of 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).
- CHI (Doug LaBounty, President, 300 E. Court Avenue, Des Moines, IA 50309) has been an active partner in renovating properties and planning for the future of the East Bank Neighborhoods. The organization has dedicated staff and extensive development experience in Des Moines and across the state.
- CHI will maintain the vacant lot until a housing development opportunity is identified.

**FISCAL IMPACT:**

Amount: Approximately \$50,000 in taxes and special assessments owed.

Funding Source: Nuisance Abatement Costs (BHNAC), CDBO1914; Storm Water Utility Fee PW 247413; Sanitary Sewer Rental Fee PW 247411

**ADDITIONAL INFORMATION:**

- The City of Des Moines will take ownership of the property before the Public Hearing is held on May 22, 2017.
- The property was the site of a house declared a public nuisance in 2007 and demolished in 2011.
- The City and neighborhood are actively planning for improvements within the neighborhood. This lot is located within a node identified in Plan DSM, the City’s Comprehensive Plan, which may be suited to a larger scale housing development.
- CHI has purchased, through its own financing, a vacant and abandoned house located at 1325 Fremont, which is adjacent to 1321 Fremont, which it intends to demolish.

- CHI is willing to own, hold and maintain the property until future development is identified.
- The property at 1321 Fremont has to be sold at its Fair Market Value (FMV) of \$6,000.
- The City can provide a 20-year mortgage at 0% interest for the vacant lot. Documented costs of maintenance, code compliance, insurance, and legal costs and services will be deducted from the mortgage at the time the property is sold and/or redeveloped.
- The tax deed requires the City approve any sale of the lot and/or redevelopment proposal. Any redevelopment must include residential but does not need to be owner-occupied under the terms of the deed restrictions.

**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): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Hold date of public hearing on May 22, 2017.

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