

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	May 22, 2017
	Agenda Item No.	53
	Roll Call No.	<u>17-0899</u>
	Communication No.	<u>17-434</u>
	Submitted by:	Phillip Delafield, Community Development Director

AGENDA HEADING:

Hold Hearing for conveyance of City-owned property located at 1321 Fremont Street to Community Housing Initiatives, Incorporated (CHI) and approving Acquisition Agreement.

SYNOPSIS:

- On May 8, 2017 by Roll Call No. 17-0766, the City Council set the date of Public Hearing to convey the vacant lot at 1321 Fremont Street to CHI for redevelopment of housing.
- 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 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:

- On September 28, 2015 by Roll Call No. 15-1618, the City Council authorized City staff to:
 - Submit 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.
 - Obtain City ownership and work with interested parties and neighborhood organizations to find a re-developer for the site.
- The City of Des Moines is the titleholder of the vacant lot at 1321 Fremont Street taken through tax deed, which must be sold at the Fair Market Value (FMV) of \$6,000.
- The City and Capital Park Neighborhood are actively planning for improvements within the neighborhood. This lot is located with a node identified in Plan DSM, the City’s Comprehensive Plan, which may be suited to a larger scale housing development.
- CHI has been very involved in planning for preservation and future redevelopment of housing in Capitol Park, and through its own financing CHI purchased a vacant house adjacent to 1321 Fremont Street and will demolish it.

- The City can provide a 20-year mortgage at 0% interest for the FMV of \$6,000, for the City owned vacant lot at 1321 Fremont Street. Documented costs of maintenance, code compliance, insurance and legal costs and services may be deducted from the mortgage at the time the property is sold and/or redeveloped.
- Following acquisition of the property, CHI will maintain and hold the vacant lot and facilitate future development proposals restricted to housing purposes.
- Prior to redevelopment or sale of the Property, Buyer shall contact the Community Development Director of the City of Des Moines for review of the development proposal to ensure that it is consistent with the restrictions stated in the Deed.

PREVIOUS COUNCIL ACTION(S):

Date: May 8, 2017

Roll Call Number: [17-0766](#)

Action: [On](#) conveyance of City-owned property at 1321 Fremont Street to Community Housing Initiatives, Inc. in conjunction with redevelopment of the property, \$6,000, (5-22-17). ([Council Communication No. 17-392](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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