

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> May 22, 2017
	<b>Agenda Item No.</b> 22 <b>Roll Call No.</b> <u>17-0865</u> <b>Communication No.</b> <u>17-436</u> <b>Submitted by:</b> Phillip Delafield, Community Development Director

**AGENDA HEADING:**

Set date of hearing for conveyance of City-owned property located at 1720 7th Street to Hat Trick Renovation, LLC (Hat Trick) for rehabilitation of housing.

**SYNOPSIS:**

- On March 21, 2016 by Roll Call No. 16-0472, the City Council authorized:
  - Submitting an affidavit to and executing contracts with the Polk County Board of Supervisors in order for the City to take assignment of tax sales and ownership of the property.
  - Completing documentation on behalf of the City for the Internal Revenue Service and Iowa Attorney General’s Office to release fines filed against the property.
  - Directing staff to work with interested parties and neighborhood organizations to find a developer through a developer-initiated proposal or through a Request for Proposal (RFP).
- City staff is recommending the property be conveyed to Hat Trick for rehabilitation to single-family housing.
- Hat Trick is owned by Tanya Keith and Doug Jotzke, 1730 7th Street, Des Moines, IA 50314.

**FISCAL IMPACT:**

Amount: Approximately \$37,500 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 has requested the tax deed for the property at 1720 7th Street.
- The rental certificate for the multifamily house located at 1720 7th Street expired on March 3, 2008 and the property has been vacant since December 23, 2000 according to the City’s Tide Mark System.
- City staff distributed a RFP to developers of single-family housing on January 20, 2017 and again on March 14, 2017 in order to select a developer to complete the necessary rehabilitation on the property for single-family housing.

- Although the River Bend Neighborhood Association had requested the property be redeemed through the tax sale process and several developers initially expressed an interest, only one (1) proposal was received in response to the City's second RFP.
- City staff has negotiated longer time periods for renovation with Hat Trick than other tax sale rehabilitation projects based on the extent of rehabilitation and the lower home values in the River Bend Neighborhood. The project may benefit if it is sold after/during the installation of the 6th Avenue Streetscape.
- No City commitment of funding toward the rehabilitation is made at this time.
- Hat Trick is also renovating a property at 1161 22nd Street for single-family housing, which was acquired through the tax sale process in 2015-2016.

**PREVIOUS COUNCIL ACTION(S):**

Date: March 21, 2017

Roll Call Number: [16-0472](#)

Action: [Acquisition](#) of property through tax sale process, release of special assessments and request for release of other liens, 1720 7th Street. ([Council Communication No. 16-140](#)) Moved by Gatto to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Public hearing on May 22, 2017.

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