

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 12, 2017
	Agenda Item No. 37A + B Roll Call No. <u>17-0987 17-0988</u> Communication No. <u>17-459</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Resolutions authorizing items regarding the 2017 Polk County Tax Sale.

SYNOPSIS:

- Approval to request removal of three (3) vacant properties from the upcoming 2017 tax sale auction and to request the “Certificate of Purchase” held by Polk County Public Works for an additional five (5) vacant properties.
- Acquisition of properties through the annual tax sale is one (1) of several tools that the City has successfully used to build and/or renovate housing. The City may take tax deed itself or assign to another entity to take tax deed.

FISCAL IMPACT:

Amount: Approximately \$750.00 per property for title certificate, notification, publication.

Funding Source: Community Development Department Budget Page 57, Special Revenue, Nongrant CD046000/482450

ADDITIONAL INFORMATION:

- Iowa Code Section 446.19A permits cities to acquire tax sale certificates for vacant lots and vacant and abandoned structures assessed as residential property at the annual tax sale without paying the taxes due, and allows the city to utilize an expedited redemption period all for the purpose of encouraging the development of housing.
- Iowa Code Section 446.19A also permits cities to obtain the assignment of outstanding tax sale certificates for vacant and abandoned residential properties by paying the certificate holder the amount that is due to redeem the certificate. Staff is sometimes able to negotiate directly with the tax sale certificate holder to negotiate a better price, but if not, the City must pay the total cost of the certificate then due including any accrued interest.
- The City can assign the tax sale certificate to another agency or can take tax deed to the property itself as long as it furthers the redevelopment of housing.
- Iowa Code Sections 446.18 and 446.31 permit cities to bid and be assigned properties in the “Public Bidder Sale”.
- Annually, the Polk County Treasurer’s Offices provides City staff with information on vacant lots and structures with outstanding taxes and/or special assessments that will be offered in the June tax sale auction.

- Two (2) roll calls are on this agenda related to the tax sale auction. They include resolutions for properties included in the 2017 tax certificate sale and properties with a “Certificate of Purchase” held by Polk County Public Works.

Properties with “Certificates of Purchase” held by Polk County Public Works:

- These properties are upside down in value with the cost of taxes and specials more than the assessed value of the property.
- The City agrees to accept the assignment of the Certificate of Purchase at tax sale and acknowledges that it has three (3) years from the date of assignment to perfect the tax deed pursuant to Iowa Code 446.32 and 446.37.
- The City and County will work together to release delinquent taxes and special assessments on the properties. Any judgments released are limited only to the Property, any personal judgment shall remain in full force and effect against the judgment debtor and other real estate and personal property owned by such judgment debtor.
- The City staff is working with the Water Works on an overall policy for release of Water Works liens.
- City takes tax deed and may issue a Request For Proposal (RFP) for the property or a developer-initiated proposal could be submitted.
- City sets a hold a public hearing before any of these properties can be sold. Properties would be available to both for-profits and non-profits.

1840 Logan	Abandoned House
1029 7 th Street	Vacant Lot
919 E. 9 th Street	Vacant Lot
1509 E. 36 th Court	Vacant Lot
3200 Bowdoin	Vacant Lot

Properties in the 2017 tax sale with previous tax sale certificates:

- The following properties are all in the 2017 tax sale auction as of June 2, 2017. That means no property owner or previous tax sale certificate buyer has paid the 2017 taxes and special assessments due.
- However, each of the properties has tax sale certificates that have been sold in previous years. The tax sale certificate holder has the right to pay the subsequent taxes and if that happens the property is removed from the tax sale auction.
- If the taxes are paid prior to the 2017 tax auction on June 19, the City can request the county assign the tax sale certificate from the entity for the price of the certificates plus interest. Staff will evaluate the purchase based on the cost of the certificate and the impact of the property on revitalization.

2934 Cottage Grove	Vacant Lot
1327 6 th Avenue	Structure for rehabilitation or redevelopment
1107 24 th Street	Structure for rehabilitation

- When in possession of a tax sale certificate, the City agrees to pursue tax deed for each of the properties under 446.19A.
- If the property owner redeems the tax sale certificate, the City is reimbursed its costs and its actions are moot.

PREVIOUS COUNCIL ACTION(S):

Date: June 13, 2016

Roll Call Number: [16-0962](#)

Action: [Request](#) to Polk County Treasurer for assignment of tax sale certificates, 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 for the following: ([Council Communication No. 16-304](#)) Moved by Hensley to adopt. Motion Carried 7-0.

- (A) 1322 Idaho Street
- (B) 1801 7th Street
- (C) 1445 6th Avenue
- (D) 3011 5th Avenue
- (E) 911 25th Street

Date: June 13, 2016

Roll Call Number: [16-0961](#)

Action: [Request](#) to Polk County for tax sale certificates and authorizing assignment or acquisition of properties through tax sale process for the following: ([Council Communication No. 16-304](#)) Moved by Hensley to adopt. Motion Carried 7-0.

- (A) 832 24th Street
- (B) 1070 26th Street
- (C) 1074 26th Street
- (D) 318 E. Holcomb Avenue

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

If successful in taking ownership of any of the properties, the City will work with developers on a redevelopment process including setting the date of and holding public hearings on each of the properties.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Administration Building, 400 E. Court Avenue Ste.116. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.