

 <div style="text-align: center;"> <h1 style="margin: 0;">Council Communication</h1> <p style="margin: 0;">Office of the City Manager</p> </div>	<b>Date:</b> July 10, 2017
	<b>Agenda Item No.</b> 37 <b>Roll Call No.</b> <u>17-1182</u> <b>Communication No.</b> <u>17-529</u> <b>Submitted by:</b> Phillip Delafield, Community Development Director

## AGENDA HEADING:

Adoption of a point of sales contract inspection program.

## SYNOPSIS:

In order to continue to stabilize the housing stock in the City of Des Moines it is crucial to create a point of sale contract inspection program that ensures necessary repairs are made to homes to ensure continued maintenance of the structure, habitability of the structure and the safety of occupants.

## FISCAL IMPACT:

Amount: \$275,147 in FY17

Funding Source: 2017-2018 Operating Budget page 49, fund is G001

## ADDITIONAL INFORMATION:

On May 8, 2017 the City Council passed first reading and asked staff to meet with real estate investors to discuss amendments to address their concerns. Staff members held a meeting and suggested amendments to the ordinance. The new proposal includes:

- A new set of inspection standards for contract sale inspections
  - Foundation in good repair
  - Windows and screens in good repair
  - Siding and roof in good repair and impervious to water
  - Electrical, plumbing, mechanical systems be in safe working order (repaired with permits)
  - Structural components of the building be in good repair
- Allow renovation agreements to extend time for repairs
- A fine of \$500 for failure to comply
- Housing Appeals Board can extend time or approve further enforcement
- Use City inspectors for inspections and enforcement

On June 12, 2017 the City Council passed the second reading and asked staff to meet with real estate investors and stake holders to address their concerns with ordinance as passed in the second reading. Staff members held a meeting and suggest the following be the core components of the ordinance:

- A new set of inspection standards for contract sale inspections
  - Foundation in good repair
  - Windows and screens in good repair
  - Siding and roof in good repair and impervious to water (replaced with one { 1 } layer of shingles if repairs required)
  - Electrical, plumbing, mechanical systems be in safe working order (repaired with permits)
  - Structural components of the building be in good repair
- Allow private inspections for the initial inspection
  - The reports will be reviewed by the City
  - Use City inspectors for follow up inspections and enforcement
- Allow renovation agreements to extend time for repairs
  - Allow repair escrow accounts as part of the renovation agreements
- A fine of up to \$5,000 for failure to comply
- Housing Appeals Board can impose a fine, extend time for repairs, approve further enforcement and reduce the fine upon compliance
- Exempt interior inspections of owner occupied structure using contracts to refinance

**PREVIOUS COUNCIL ACTION(S):**

Date: June 12, 2017

Roll Call Number: [17-1006](#)

Action: [Amending](#) Chapter 60 of the Municipal Code regarding real estate contract sales inspections, as amended. ([Council Communication No. 17-465](#)) Moved by Hensley that this ordinance be considered and given second vote for passage; refer to the City Manager to schedule a Work Session on this topic prior to final consideration of the ordinance. Motion Carried 7-0.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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