

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	November 20, 2017
	<b>Agenda Item No.</b>	<b>34</b>
	<b>Roll Call No.</b>	<b><u>17-1964</u></b>
	<b>Communication No.</b>	<b><u>17-784</u></b>
	<b>Submitted by:</b>	<b>Phillip Delafield, Community Development Director</b>

**AGENDA HEADING:**

Approval of Vacant/Abandoned Residential Property Redevelopment Agreement with DSMBLC Holdings, Inc. for purchase of land and duplex for housing assemblage at 1074 26th Street.

**SYNOPSIS:**

The agreement provides funding to the owner of the converted single-family house at 1074 26th Street, DSMBLC Holdings, Inc. to purchase an adjacent portion of land and nonconforming duplex. The site to be purchased is currently a portion of the property addressed as 2600 Cottage Grove Avenue. The action will implement goals of the Drake Neighborhood Plan and eliminate an obsolete pattern of land use and ownership by decreasing density at the southwest corner of 26th Street and Cottage Grove Avenue and providing a yard and parking area for what will become a single-family house. The Board of Adjustment was required to take an action to approve the variance to lot area prior to sale or conveyance because of the nonconforming lot area status of 2600 Cottage Grove Avenue.

**FISCAL IMPACT:**

Amount: \$40,000

Funding Source: 2017-2018 CIP, Miscellaneous Improvements – 14, Vacant/Abandoned Residential Property Redevelopment, MS014, Being: G.O. Bonds issued.

**ADDITIONAL INFORMATION:**

- For the purpose of neighborhood revitalization, the City of Des Moines operates a Vacant/Abandoned Residential Property Redevelopment Program funded through the Capital Improvements Program. The goals of the program are to assist in the acquisition, demolition or rehabilitation of abandoned or blighted properties.
- The southwest corner of 26th Street and Cottage Grove Avenue has an obsolete pattern of land use and ownership.

- The Victorian house at 1074 26th Street was divided into six (6) units sometime in the 1920's and served as an annex to the apartment building (seven {7} units) that was constructed at 2600 Cottage Grove Avenue. At some point, an original carriage house/garage was further divided into a duplex. The number of rental units totaled 15.
- The dysfunctional configuration of the land area eliminates any parking area for 1074 26th and is still virtually inaccessible for a parking use for the apartments at 2600 Kingman Boulevard.
- The City Council approved the acquisition of 1074 26th Street through the tax sale process by Roll Call No. 16-0961 on June 13, 2016, because it was vacant and abandoned and had a blighting effect on the street and Drake Neighborhood.
- On May 8, 2017, by Roll Call No. 17-0817, after a public hearing, the City conveyed the property to DSMBLC Holdings, Inc. subject to a payment of \$8,431.52 and the in-kind consideration of rehabilitation and redevelopment for housing purposes.
- The owner of 1074 26th Street, DSMBLC Holdings, Inc., approached the owner of 2600 Kingman Boulevard about the purchase of the duplex and some additional lot area to the south in order to improve parking for both properties.
- Because 2600 Cottage Grove Avenue is nonconforming for lot area, the Zoning Board of Adjustment required the land be replatted before any change in total land area to either property.
- Because of the extent of the downsizing and rehabilitation costs, the cost of the acquisition of the adjacent makes the property financially infeasible given current market conditions.
- Des Moines City staff and Neighborhood Finance Corporation (NFC) staff met at the site to review the project and the financing.
- City staff is recommending that \$40,000 be provided to acquire the site and remove the two (2) dwelling units from the garage/carriage house.
- The DSMBLC Holdings, Inc. has also restored the house at 1070 26th Street to a single-family home from a multiple family public nuisance. That property is not a part of the funding action.

**PREVIOUS COUNCIL ACTION(S):**

Date: May 8, 2017

Roll Call Number: [17-0817](#)

Action: [On](#) conveyance of City-owned property at 1074 26th Street to DSMBLC Holdings, Inc. ([Council Communication No. 17-390](#)) Moved by Hensley to adopt. Motion Carried 7-0.

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.

(C) 1074 26<sup>th</sup> Street

**BOARD/COMMISSION ACTION(S):**

Board: Zoning Board of Adjustment

Date: October 25, 2017

Resolution Number: Zon2017-000169

Action: The foregoing Decision and Order was adopted by a vote of 7-0, with all board members voting in favor thereof.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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