

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> January 8, 2018
	<b>Agenda Item No.</b> 50 <b>Roll Call No.</b> <u>18-0075</u> <b>Communication No.</b> <u>18-013</u> <b>Submitted by:</b> Phillip Delafield, Community Development Director

**AGENDA HEADING:**

Approval of ‘Blighted Property Rehabilitation (BPR) Program designed to provide financial assistance for acquisition, demolition and/or rehabilitation of vacant, abandoned and/or blighted residential properties in the City of Des Moines.

**SYNOPSIS:**

The BPR Program is designed to provide financial assistance for acquisition, demolition or rehabilitation of vacant, abandoned and/or blighted residential properties in the City of Des Moines. The program, operated by the Community Development Department, will be open for eligible applicants as defined by the program policies. Program participants will be required to sign the City of Des Moines’ contract and will be subject to terms set forth therein. The program will provide gap funding for projects and enable rehabilitation of housing stock, enhancing distressed areas and increasing surrounding property values.

**FISCAL IMPACT:**

Amount: \$100,000 per Fiscal Year (FY)

Funding Source: 2017-2018/2022-23 Capital Improvement Program (CIP), Miscellaneous Improvements – 14, Vacant/Abandoned Residential Property Redevelopment, MS014

**ADDITIONAL INFORMATION:**

- According to 2010 U.S. Census, there are approximately 2,100 vacant residential housing units in the City of Des Moines. The 2012-2016 American Community Survey 5-Year Estimates puts this figure at 3,385 vacant residential housing units, many of which are in danger of becoming blighted and have a negative impact on the quality of City neighborhoods.
- The proposed BPR Program, to be administered by the Community Development Department, is designed to provide financial assistance to investors, non-profit organizations and other qualified developers for projects involving the acquisition, demolition and/or or rehabilitation of vacant, abandoned and/or blighted residential properties in the City of Des Moines.

- Projects considered for participation in the BPR program may include any residential property located within the geographic boundaries of the City of Des Moines that is considered blighted, or blighted due to being vacant or abandoned, as determined by the City's BPR Program review committee.
- To be eligible to apply for BPR Program assistance for one (1) or more project(s), an applicant must either be prequalified to participate or meet the pre-qualification requirements, as reviewed and approved by the BPR Program review committee.
- The BPR Program review committee must determine that the applicant demonstrates relevant housing and redevelopment experience and financial resources, in accordance with the requirements set forth in the BPR Program policy on file in the City Clerk's Office.
- Applications for prequalification or for project(s) from individuals/agencies/entities that have unpaid property taxes, water/sewer charges or assessments, outstanding judgments held by the City of Des Moines, and/or any unaddressed federal, state or local code violations on any property owned in the City of Des Moines will not be accepted.
- Every application for program assistance shall include a completed program application form, and required information described in the BPR Program policy that includes property details, rehabilitation plan, financing requirements, organizational information and a narrative describing the impact of the proposed project in addressing blight, improving neighborhood quality and demonstrating the need for City assistance.
- Each completed application will be assessed in the project's impact in addressing blight/vacancy/abandonment, overall feasibility, design and quality of proposed rehabilitation, requested financial assistance and estimated return on investment.
- A financial assistance award under the BPR Program shall be administered by the City Manager and Community Development Director in conformance with all City ordinances and adopted practices, provided that the City Manager shall be authorized to award contracts not to exceed \$50,000 per project, and the City Council shall award and authorize execution of such contracts in excess of \$50,000.
- The City of Des Moines and any selected BPR Program participant will enter into a contract stating the terms of the BPR program and all terms applicable to the subject project, which may include an on-site evaluation by City staff of proposed activities.
- Any contract executed under the BPR Program shall require the program participant to comply with all applicable laws, ordinances, regulations and codes as required by the City.
- A project receiving financial assistance under the BPR Program shall be completed within 10-12 months of the date of contract execution unless the City provides additional time, up to six (6) additional months.

- If no work on the project has commenced within the contractual timeline, the City may rescind any subsequent payments and/or terminate the contract. Additionally, the program participant shall lose eligibility to be part of the City's prequalified list of applicants or to apply for program assistance for a period of three (3) years from the date of the ineligibility, as determined by the Community Development Department Director.

**PREVIOUS COUNCIL ACTION(S): NONE**

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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