

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: January 22, 2018
	Agenda Item No. 38 Roll Call No. <u>18-0147</u> Communication No. <u>18-038</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Hold Hearing for Conveyance of City-Owned Property Located at 1637 Huntland Drive to Realty Concepts, LLC for Redevelopment of Housing and Approval of Agreement.

SYNOPSIS:

- On January 8, 2018 by Roll Call 18-0048, the Des Moines City Council set a date of public hearing on conveyance of city-owned property at 1637 Huntland to Realty Concepts, LLC, Adam Metzker, President, 4225 Fleur Drive, #171 Des Moines, Iowa 50321
- Mr. Metzker of Realty Concepts, LLC responded to a city issued Request for Proposal and submitted a complete proposal for the rehabilitation of the house and met with city staff to clarify design elements.
- On May 8, 2017, by Roll Call No. 17-0756, the City Council authorized:
 - Legal staff to begin the process to take ownership of the public nuisance property in accordance with State Code Section 446.19A.
 - Community Development staff to distribute a Request for Proposal (RFP) that required a rehabilitation plan and proof of financial ability for rehabilitation of the house.

FISCAL IMPACT:

Amount: \$14,690.18 revenue to City of Des Moines from Realty Concepts, LLC

Funding Source: Community Development Department Budget, Page 57 of Adopted 2017-2018 Operating Budget. Special Revenue Funds – LIJTC- Low Income Housing Tax credits, Nongrant CD046000

ADDITIONAL INFORMATION:

- On March 9, 2015, by Roll Call No. 15-0463, the City Council determined that the real property at 1637 Huntland Drive was a public nuisance and authorized the Legal Department to proceed with court action seeking authority to abate the public nuisance.
- The estimated cost of the demolition is over \$15,000.
- A strategy for neighborhood revitalization and lessening City expenditures is to pursue a tax sale certificate for public nuisance properties, having the City take title, and then conveying the property to a developer for rehabilitation/redevelopment.

- By Roll Call No. 17-0756, on May 8, 2017, the City Council approved several actions to direct staff to acquire the tax sale deed to the property and find a single-family developer to rehabilitate the structure.
- The City purchased an earlier tax sale certificate for a negotiated price of \$12,889.60 and proceeded to send notice to any entity with an interest, in addition to posting notice in the paper and on-site.
- The City Special assessments and liens against the property will be released against the property but not against any previous title holder.
- The County will release delinquent taxes at the City's request before the property is transferred to Realty Concepts LLC.
- The RFP distributed on November 16, 2017 included requirements that the house must be sold to an owner-occupant and that the house cannot be sold for more than the appraised value.
- The developer expects the budget for the redevelopment to be approximately \$153,000 and the sale to be approximately \$195,000.
- The developer is reimbursing the city for all direct costs associated with the acquisition of the property.
- The developer plans to finish the basement to add living space and construct a garage on the east side of the property.

PREVIOUS COUNCIL ACTION(S):

Date: January 8, 2018

Roll Call Number: [18-0048](#)

Action: [On](#) conveyance of City-owned property at 1637 Huntland Drive to Realty Concepts, LLC for redevelopment of housing, (1-22-18). ([Council Communication No. 18-006](#)) Moved by Gatto to adopt. Motion Carried 7-0.

Date: May 8, 2017

Roll Call Number: [17-0756](#)

Action: [Request](#) to purchase 2015 Tax Sale Certificate from the current certificate holder and to request the Polk County Treasurer to assign the 2017 Tax Sale Certificate to the City of Des Moines for property located at 1637 Huntland Drive. ([Council Communication No. 17-396](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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