

COUNCIL COMMUNICATION

	Number:	19-280	Meeting:	June 24, 2019
	Agenda Item:	28	Roll Call:	19-1002
	Submitted by:	Chris Johansen, Community Development Director		

AGENDA HEADING:

Resolution authorizing partial release of judgment lien against property at 1828 11th Street.

SYNOPSIS:

Greater Des Moines Habitat for Humanity (Habitat) is requesting the City of Des Moines release a judgment against a vacant property at 1828 11th Street. The property accrued more than \$28,000 in costs from the City due public nuisance issues. The nuisance has been abated, and title has been transferred to Habitat. Releasing the judgment against the property will clear the title and allow Habitat to build a new single-family home to sell to an income-qualified home buyer. A judgment against the previous owner, John P. Buckley, remains in place.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- The City of Des Moines has a judgment lien for \$28,825.54 against 1828 11th Street for costs related to nuisance abatement, enforcement, and legal processes. The property, previously owned by John P. Buckley, was demolished. It was then transferred via the tax certificate and deed process to a new owner, Rachel Owen. Ms. Owen then donated the property to Greater Des Moines Habitat for Humanity on June 11, 2019.
- Greater Des Moines Habitat for Humanity has requested the City of Des Moines release the judgment against the property to clear the title. A judgment against the previous owner, John P. Buckley, would not be released.
- Habitat intends to build a new single-family home on the property. Once construction is complete, the house will be sold to low-income homebuyer earning between 30% and 60% of the area median income. For example, a family of four (4) earning between approximately \$25,000 and \$50,000 a year would be income-eligible. When evaluating a homebuyer, other factors include their contribution to sweat equity, other long-term debt, and participation in homebuyer and financial education classes. The homebuyers purchase the homes through a below-market-rate mortgage, and monthly house payments, including taxes and insurance, are below 30% of their monthly income.

- While the City currently does not have a policy in place for releasing special assessments, liens, and judgments for private properties, it is in the City's best interest to release the liens encumbering this property because the new home will add to the tax base and provide another affordable homeownership unit to the housing stock.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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