

COUNCIL COMMUNICATION

	Number:	20-305	Meeting:	July 13, 2020
	Agenda Item:	32	Roll Call:	[_____]
	Submitted by:	Chris Johansen, Community Development Director		

AGENDA HEADING:

Approval of Amendment of Blighted Property Rehabilitation (BPR) Program Agreement between City of Des Moines and Rally Cap Properties, LLC for rehabilitation of property located at 693 19th Street to allow extension of the Agreement to April 30, 2021.

SYNOPSIS:

The City of Des Moines has an Agreement with Rally Cap Properties, LLC under the BPR Program to provide gap funding of \$66,000 for the rehabilitation of property located at 693 19th Street, Des Moines. This resolution will amend the Agreement to allow an extension of six (6) additional months, until April 30, 2021, to complete the rehabilitation of the property at 693 19th Street.

FISCAL IMPACT:

Amount: \$66,000

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

ADDITIONAL INFORMATION:

- On January 8, 2018, the City Council approved the BPR Program, designed to provide financial assistance to investors, non-profit organizations and other qualified developers for acquisition, demolition and/or rehabilitation of vacant, abandoned and/or blighted residential properties in the City of Des Moines. The Program is administered by the Community Development Department.
- A financial assistance award under the BPR Program is administered by the City Manager and Community Development Director in conformance with all City ordinances and adopted practices. The City Manager is authorized to award contracts in amounts up to and including \$50,000 per project, and the project contracts more than \$50,000 are submitted to City Council for consideration and approval.
- On April 8, 2019, by Roll Call No. 19-0558, the City Council approved the BPR Program Agreement between the City of Des Moines and Rally Cap Properties, LLC for funding in an amount not to exceed \$66,000 to facilitate rehabilitation of property located at 691 19th Street, Des Moines.

- The Agreement under the BPR Program provides funding to address the financial gap in the owner's rehabilitation expenses and after repair value to downsize the building to a single-family residence. The rehabilitation aims to maintain the historical integrity of design and materials in compliance with the Secretary of Interior's Standards.
- Rally Cap Properties, LLC has since performed substantial work on the property, including replacement of roof, installation of skylights and general repair work. A personal injury and construction lending restrictions due to the pandemic have slowed the project. Rally Cap Properties, LLC has requested an amendment of the BPR Program Agreement extending the agreement to April 30, 2021 to allow completion of the project.
- The BPR Agreement allows extension of an additional time not to exceed six (6) months by written contract amendment.
- The Community Development Department has reviewed the request and supports the extension of agreement until April 30, 2021.

PREVIOUS COUNCIL ACTION(S):

Date: April 8, 2019

Roll Call Number: [19-0558](#)

Action: [On](#) approval of BPR Program Agreement with Rally Cap Properties, LLC for rehabilitation of property located at 693 19th Street. ([Council Communication No. 19-148](#)). Moved by Coleman to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Historic Preservation Commission

Date: February 15, 2017

Resolution Number: 20-2017-5.23

Action: The foregoing Certificate of Appropriateness was approved by a vote of 8-0, with all Commission members voting in favor thereof.

Date: May 24, 2017

Resolution Number: ZON2017-00071

Action: The foregoing Decision and Order was adopted by a vote of 6-0, with all board members voting in favor thereof.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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