


COUNCIL COMMUNICATION

	Number:	21-253	Meeting:	June 14, 2021
	Agenda Item:	41	Roll Call:	[_____]
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Resolutions authorizing items regarding the 2021 Polk County tax sale.

SYNOPSIS:

- Approval to request removal of four (4) vacant properties and 10 vacant lots from the upcoming Polk County Treasurer’s tax sale auction on June 22, 2021.
- Acquisition of properties through the annual tax sale is one (1) of several tools that the City has successfully used to build and/or renovate housing. The City may take tax deed itself or assign to another entity to take tax deed.

FISCAL IMPACT:

Amount: Approximately \$750 per property for title certificate, notification and publication.

Funding Source: Community Development Budget Page 57, Special Revenue, Non-grant CD046000/482450.

ADDITIONAL INFORMATION:

- Iowa Code Section 446. 19A permits cities to acquire tax sale certificates for vacant lots and vacant and abandoned structures assessed as residential property at the annual tax sale without paying the taxes due, and allows the city to utilize an expedited redemption period all for the purpose of encouraging the development of housing.
- Iowa Code Section 446.19A also permits cities to obtain the assignment of outstanding tax sale certificates for vacant and abandoned residential properties by paying the certificate holder the amount that is due to redeem the certificate. Staff is sometimes able to negotiate directly with the tax sale certificate holder for a better price, but if not, the City must pay the total cost of the certificate then due including any accrued interest.
- The City can assign the tax sale certificate to another agency or can take tax deed to the property itself as long as it furthers the redevelopment of housing.
- Iowa Code 446.18 and 446.31 permits cities to bid and be assigned properties in the “Public Bidder Sale”.
- Annually, the Polk County Treasurer’s Offices provides City staff with information on vacant lots and structures with outstanding taxes and/or special assessments that will be offered in the June tax sale auction.

- The roll call on this agenda related to the tax sale auction includes resolutions for properties included in the 2021 tax certificate sale that will be assigned to Greater Des Moines Habitat for Humanity (GDMHH) and InvestDSM.

Properties in the 2021 tax sale:

- The following properties are all in the 2021 tax sale auction as of June 4, 2021. That means no property owner or previous tax sale certificate buyer has paid the 2021 taxes and special assessments due.

322 E Jackson Avenue	Vacant Structure
323 E Jackson Avenue	Vacant Structure
410 E Livingston Avenue	Vacant Structure
429 E Dunham Avenue	Vacant Structure
1029 E 7th Street	Vacant lot
1107 18th Street	Vacant lot
1111 E 9th Street	Vacant lot
1116 14th Place	Vacant lot
1126 11th Street	Vacant lot
1149 21st Street	Vacant lot
1540 13th Street	Vacant lot
1621 Jefferson Avenue	Vacant lot
3230 E Clinton Avenue	Vacant lot
5403 SW 8th Street	Vacant lot

- The property owner and/or the previous tax sale certificate holder has the right to pay the subsequent taxes and if that happens the property is removed from the tax sale auction.
- If the taxes are paid by a tax sale certificate holder prior to the 2021 tax auction on June 22, 2021, the City can request the county assign the tax sale certificate from the entity for the price of the certificates plus interest. Staff will evaluate the purchase based on the cost of the certificate and the impact of the property on revitalization.
- If the property owner redeems the tax sale certificate, the City is reimbursed its costs and its actions are moot.

- GDMHH (Lance Henning, Executive Director, 2200 E. Euclid Avenue, Des Moines, Iowa 50317), has identified the following properties that the organization would like to pursue through the tax sale process for rehabilitation or redevelopment of housing. They have requested the assignment of the tax sale certificates to GDMHH for redemption.

1029 E 7th Street	Vacant lot
1107 18th Street	Vacant lot
1111 E 9th Street	Vacant lot
1116 14th Place	Vacant lot
1126 11th Street	Vacant lot
1149 21st Street	Vacant lot
1540 13th Street	Vacant lot
1621 Jefferson Avenue	Vacant lot
3230 E Clinton Avenue	Vacant lot
5403 SW 8th Street	Vacant lot

- InvestDSM (Amber Lynch, Executive Director, 525 Southwest 5th Street, Suite F, Des Moines Iowa 50309), has identified following properties that the organization would like to pursue through the tax sale process for rehabilitation or redevelopment of housing. They have requested the assignment of the tax sale certificates to InvestDSM for redemption.

322 E Jackson Avenue	Vacant Structure
323 E Jackson Avenue	Vacant Structure
410 E Livingston Avenue	Vacant Structure
429 E Dunham Avenue	Vacant Structure

- GDMHH and InvestDSM will reimburse the County Treasurer at such time as the properties are assigned from the City to GDMHH and InvestDSM. It is anticipated that several of these properties will have special assessments against them, and both GDMHH and InvestDSM may request Council action to waive a portion of these assessments prior to redevelopment. Council has generally waived City levied fees in the past for non-profit developers building affordable housing.
- GDMHH and InvestDSM will enter into an agreement with the City for the redemption process, which may include design and occupancy requirements.

PREVIOUS COUNCIL ACTION(S):

Date: June 3, 2019

Roll Call Number: [19-0891](#), [19-0892](#), and [19-0893](#)

Action: Items regarding Tax Sale Certificates:

- (A) [Request](#) to Polk County Treasurer and approving agreements with NFC Properties, LLC and Greater Des Moines Habitat for Humanity, Inc. for assignment of tax sale certificates for various properties for development and rehabilitation of housing. ([Council Communication No. 19-253](#)) Moved by Coleman to adopt. Motion Carried 7-0.

- (B) [Request](#) to Polk County Treasurer and approving agreement with NFC Properties, LLC for assignment of tax sale certificates for various properties, authorization to request release of property taxes and special assessments, and release of all City liens and special assessments to encourage housing redevelopment. ([Council Communication No. 19-253](#)) Moved by Coleman to adopt. Motion Carried 7-0.
- (C) [Request](#) to Polk County Treasurer for tax sale certificates and acquisition of properties through tax sale process and authorization to request release of property taxes, special assessments, and all City liens and special assessments in order to encourage housing redevelopment. ([Council Communication No. 19-253](#)) Moved by Coleman to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

If successful in taking ownership of any of the properties, the City will work with developers/non-profits on a redevelopment process including setting the date of and holding public hearings on each of the properties.

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