


COUNCIL COMMUNICATION

	Number:	21-534	Meeting:	December 6, 2021
	Agenda Item:	40	Roll Call:	21-1830
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Approval of Third 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, 2022.

SYNOPSIS:

The City 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 a third extension of six (6) months, until April 30, 2022, to complete the rehabilitation of the property at 693 19th Street.

FISCAL IMPACT:

Amount: \$66,000 per the previously approved Agreement. This action does not change the fiscal impact.

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, 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. The Program is administered by the Neighborhood Services 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 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.

- On July 13, 2020, by Roll Call No. 20-1116, the City Council approved the amendment to the BPR Program Agreement between the City and Rally Cap Properties, LLC to allow an extension of the agreement to April 30, 2021.
- On April 19, 2021, by Roll Call No. 21-0623, the City Council approved the second amendment to the BPR Program Agreement between the City and Rally Cap Properties, LLC to allow an extension of the agreement to October 31, 2021.
- Rally Cap Properties, LLC has since performed substantial work on the property, including excavation and moving the house four (4) feet south to its former location, foundation work, reconnection of underground utilities and significant structural repairs. Staffing and lending limitations due to the pandemic has slowed the project over the past year. Rally Cap Properties, LLC has requested a third amendment of the BPR Program Agreement extending the agreement to April 30, 2022 to allow completion of the project. The request from Rally Cap Properties, LLC is added as an attachment to Council communication.
- The BPR Agreement allows extension of an additional time not to exceed (six) 6 months by written contract amendment.
- The Neighborhood Services Department has reviewed the request and supports the extension of agreement until April 30, 2022.

PREVIOUS COUNCIL ACTION(S):

Date: April 19, 2021

Roll Call Number: [21-0623](#)

Action: [Amendment](#) of Blighted Property Rehabilitation (BPR) Program Agreement with Rally Cap Properties, LLC for rehabilitation of property located at 693 19th Street to allow extension of the agreement to October 31, 2021. ([Council Communication No. 21-174](#)) Moved by Gatto 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.

Board: Zoning Board of Adjustment

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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