


COUNCIL COMMUNICATION

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|  CITY OF DES MOINES OFFICE OF THE CITY MANAGER | Number: | 23-034 | Meeting: | January 23, 2023 |
| | Agenda Item: | 19 | Roll Call: | 23-0107 |
| | Submitted by: | Chris Johansen, Neighborhood Services Department Director | | |

AGENDA HEADING:

Resolution authorizing release of special assessments and partial release of judgement liens for certain properties acquired through the tax sale certificate process.

SYNOPSIS:

The City has requested and been issued the tax sale deeds of 801 Shaw Street, 409 E Granger Avenue, and 2811 Payne Avenue and has an agreement with Neighborhood Finance Corporation (NFC) to redevelop all parcels for housing. Prior to the hearing to convey, NFC is asking that the City release the judgements and special assessments against the properties. Releasing the judgements and special assessments will clear the title and allow NFC to build new single-family homes.

FISCAL IMPACT:

Amount: This request is to partially release \$23,631.18 and associated interest in judgement liens and \$25,779.33 in special assessments and costs due spread across the three (3) properties within a development agreement. The \$23,631.18 is associated with the demolition of a structure.

Funding Source: Operating Budget, Finance Department, Local Option Sales and Services Tax (LOSST), Neighborhood Improvements Expenditures, Blitz on Blight, p. 82.

ADDITIONAL INFORMATION:

- The City has two (2) groups of properties - two (2) properties in a first batch and five (5) properties in a second batch - being acquired through the tax sale that staff are working to secure, convey and redevelop with NFC. This first set of properties was conveyed at the January 9, 2023 hearing.
- The three (3) properties within this roll call have unpaid assessments, judgements, and taxes encumbering the properties and preventing redevelopment. The special assessments and judgement liens against the properties were all issued against the previous owners. Those owners have been unresponsive to addressing the issues, paying the fines or taxes or throughout the tax sale process. The listed special assessments are not removed through the tax sale process as they were issued after the taxes were sold and certificate issued.

- These properties are all currently vacant lots and have been for multiple years. 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, reduce nuisance lots within neighborhoods and continue to increase the housing stock.
- City staff and NFC are also in communication with Polk County and Des Moines Water Works to abate their special assessments and back taxes on the properties.

PREVIOUS COUNCIL ACTION(S):

Date: June 3, 2019

Roll Call Number: [19-0892](#)

Action: Items regarding 2019 Polk County Tax Sales: ([Council Communication No. 19-253](#)):

- (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. Moved by Coleman to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

In accordance with the development agreement, the City will continue to work with NFC on the redevelopment process including setting the date of and holding public hearings on each of the properties.

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