


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	23-375	Meeting:	August 7, 2023
	Agenda Item:	36	Roll Call:	23-1093
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Approval of Judgment Lien and Special Assessments Release Policy and Program.

SYNOPSIS:

Neighborhood Services Department has developed a policy and criteria for the release of judgement liens and special assessments associated with public nuisance action and to aid in demolition of public nuisance properties acquired by nonprofit development partners. The policy is focused on supporting redevelopment and seeks consent to move forward with implementation.

FISCAL IMPACT:

Amount: This request may both increase partial payments received and decrease the likelihood of total repayment with amounts varying per property.

Funding Source: ND414000/527670/LT201/LT20100001

ADDITIONAL INFORMATION:

- The City receives complaints of dangerous and unsafe structures, inspects, and seeks remediation through public nuisance action. When not addressed by the property owner, the Neighborhood Services Department follows a process to seek court authorization through a judgement to abate the public nuisance. When a City demolition occurs under this process, the costs of the demolition and other fees associated with the nuisance action are placed as a lien on the property subject to the nuisance case. In addition, a lien is placed on other property held by the property owner within Polk County. When the owner attempts to sell the property, the judgement and associated lien encumber the title.
- Neighborhood Services received requests to release liens and judgements to enable redevelopment. The time of the request is an opportunity for the City to receive full or partial payment, which is rarely received on demolition liens for primary structures. In addition, this is an opportunity for the City to ensure that new ownership will shepherd the property out of a blighted status and into productive use by review of plans, capacity, and financing for the redevelopment effort.
- Neighborhood Services and nonprofit partners have identified multiple times where the nonprofit partner had opportunity to acquire a public nuisance property and had the capacity for

redevelopment, however the costs of the demolition to abate the nuisance was a barrier to the project.

- The process of City demolition, lien placement and lien removal is long and does not guarantee redevelopment of the site. The City could, within the parameters of this policy and program, agree to work with nonprofit partners securing public nuisance properties, abate nuisance structures and ensure the properties have a path for redevelopment after demolition.
- Not included within this proposal are full satisfaction payments of liens that would release the judgement and lien, requests from the property owner who was the owner at the time of the nuisance action, nor partial payments that would not release either the lien or the judgment. Those are handled in coordination with the City Litigation Department and the Neighborhood Inspections Division.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Neighborhood Services will bring development agreements, loan agreements and other requests that meet the City fiscal guidelines. For requests for full releases of judgments, Neighborhood Services will bring roll call action to review the request.

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