

COUNCIL COMMUNICATION

	Number:	26-196	Meeting:	June 8, 2026
	Agenda Item:	36	Roll Call:	26-0683
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Approving request to Polk County Treasurer for assignment of tax sale certificates for various properties for development and/or rehabilitation of housing.

SYNOPSIS:

Approval to request removal of 39 vacant lots and 13 vacant structures from the upcoming Polk County Treasurer's tax sale auction on June 15, 2026. 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 \$500 per property to be processed by the City for title certificate, notification, and publication.

Funding Source: Neighborhood Services Budget Page 141, Special Revenue, Non-grant S060 NS046000

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 446.18, 446.19 and 446.31 permits cities to bid and be assigned properties in the "Public Bidder Sale".
- This roll call approves tax sale participation and receiving tax sale certificate assignments by the City. If the City agrees to accept the assignment of the Certificate of Purchase at tax sale, it has three (3) years from the date of assignment to perfect the tax deed pursuant to Iowa Code 446.31, 446.32, and 446.37.
- Tax sale certificates can be processed to deed in as little as six months from the June 15, 2026, tax sale, but the holder of the certificate has up to three years.
- The roll call on this agenda related to the tax sale auction includes resolutions for properties included in the 2026 tax sale certificates that will be assigned to Greater Des Moines Habitat for Humanity (GDMHH), Neighborhood Finance Corporation (NFC or NFC Properties LLC),

or Invest DSM. Also included are the tax sale certificates that will be assigned to the City of Des Moines, retained through the deed process and then through a formal process given to the partnering rehabilitation or redevelopment nonprofit.

- All the nonprofits will enter into an agreement with the City for the redemption process, which may include design and occupancy requirements. If the nonprofits secure tax sale deeds, they will file restrictive covenants on the properties that commit to a residential use and using design standards that match existing tax abatement standards.
- 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. This year, the County provided a preliminary tax sale list to the City on April 22, 2026.
- The properties included are all in the preliminary tax sale list. That means no property owner or previous tax sale certificate buyer had paid the taxes and special assessments due as of that date. 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 2026 tax sale on June 15, 2026, 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 for its costs, and its actions are moot.
- Within this request are three (3) properties that previously had public nuisance judgments released by Council action to enable the delinquent taxes to be sold at tax sale. 37 East Gray Street is being requested by NFC Properties LLC for assignment. 1196 9th Street and 1331 13th Street were recommended by Neighborhood Services for the City to accept assignment and process that tax sale certificate.
- **Tax Certificate Assignment:** GDMHH, NFC Properties LLC, and Invest DSM have identified the following properties that each organization would like to pursue through the tax sale process for rehabilitation or redevelopment of housing. GDMHH, NFC Properties LLC, and Invest DSM have requested the assignment of the 31 properties for tax sale certificates for redemption. GDMHH, NFC Properties LLC, and Invest DSM will reimburse the County Treasurer at such time as the properties are assigned from the City.

Parcel	Address	Nonprofit	Type	Tax Sale
782306407023	782306407023	GDMHH	Vacant lot	Regular
782416351005	1324 BROAD ST	GDMHH	Vacant lot	Regular
782416479010	782416479010	GDMHH	Vacant lot	Regular
782423302035	4300 SE 16TH ST	GDMHH	Vacant lot	Regular
782424102031	782424102031	GDMHH	Vacant lot	Regular
782502278017	5721 PLEASANT DR	GDMHH	Vacant lot	Regular
792429381019	2316 40TH ST	GDMHH	Vacant lot	Regular
792432328016	1500 GERMANIA DR	GDMHH	Vacant lot	Regular
792433278021	1700 WASHINGTON AVE	GDMHH	Vacant lot	Regular

782417376016	3020 FLEUR DR	GDMHH	Vacant lot	Regular
782417376017	3010 FLEUR DR	GDMHH	Vacant lot	Regular
782405201004	1169 21ST ST	Invest DSM	Vacant Structure	Regular
782406156012	866 40TH PL	Invest DSM	Vacant Structure	Regular
782406182025	800 35TH ST	Invest DSM	Vacant Structure	Regular
792426381018	2313 AMHERST ST	Invest DSM	Vacant Structure	Regular
792427205017	625 EUCLID AVE	Invest DSM	Vacant Structure	Regular
782405377005	607 23RD ST	Invest DSM	Vacant lot	Regular
782406453025	630 31ST ST	Invest DSM	Vacant lot	Regular
782406453026	626 31ST ST	Invest DSM	Vacant lot	Regular
782406453027	622 31ST ST	Invest DSM	Vacant lot	Regular
782406453028	618 31ST ST	Invest DSM	Vacant lot	Regular
782406453029	614 31ST ST	Invest DSM	Vacant lot	Regular
782410382037	782410382037	Invest DSM	Vacant lot	Regular
792435279026	1214 E WASHINGTON AVE	Invest DSM	Vacant lot	Regular
782306406015	143 SE 34TTH ST	NFC	Vacant Structure	Regular
782409483004	1992 COURTLAND DR	NFC	Vacant Structure	Regular
782414351012	1531 E GLENWOOD DR	NFC	Vacant Structure	Regular
792420352037	3820 42 ND ST	NFC	Vacant Structure	Regular
792430152021	3011 57TH ST	NFC	Vacant Structure	Regular
782414351011	782414351011	NFC	Vacant lot	Regular
782415104007	37 E GRAY ST	NFC	Vacant lot	Regular

- Tax Deed:** Neighborhood Services and Development Services have also identified 21 properties that connect with other existing redevelopment efforts. The City will pursue the deeds for these properties for the City efforts. One aspect of processing these will be checking for alignment with other plans as the City Council considers the Citywide Housing Strategy. If some properties are identified as not needed for a City plan, staff will reach out to the aforementioned nonprofit partners to identify the possibility of reassignment of tax sale certificates. Should that happen, agreements for the reassignments would be brought back to Council. As City staff works through the deed process, should a title be significantly clouded staff will re-assess with the Legal Department pursuing the deed, re-assigning the certificates, or not pursuing the deed.

Parcel	Address	Type	Tax sale
792433276004	1815 MARTIN LUTHER KING JR PKWY	Vacant Structure	Regular
792433405003	1543 20TH PL	Vacant Structure	Regular
792433227007	1948 FRANCIS AVE	Vacant Structure	Regular
782401258019	2730 DEAN AVE	Vacant lot	Regular
782404107018	1114 10TH ST	Vacant lot	Regular
782421453021	724 EMMA AVE	Vacant lot	Regular
782421453022	718 EMMA AVE	Vacant lot	Regular
792331428010	2750 KINSEY AVE	Vacant lot	Regular
792332428008	792332428008	Vacant lot	Regular
792426301014	2900 1ST ST	Vacant lot	Regular
792427256007	614 BOSTON AVE	Vacant lot	Regular
792433228028	2009 MARTIN LUTHER KING JR PKWY	Vacant lot	Regular
792433228053	2013 MARTIN LUTHER KING JR PKWY	Vacant lot	Regular
792434107022	792434107022	Vacant lot	Regular
792434304023	1536 13TH ST	Vacant lot	Regular
792434304025	1528 13TH ST	Vacant lot	Regular
792434355026	1511 UNIVERSITY AVE	Vacant lot	Regular
792433227008	1946 FRANCIS AVE	Vacant lot	Regular
782404126042	1196 9TH ST	Vacant Lot	Regular
792434376007	1331 13TH ST	Vacant Lot	Regular
782428377016	1107 LELAND AVE	Vacant lot	Adjourned Sale

- If the City acquires property through this process, the City and County will work together to release delinquent taxes and special assessments on the properties. Any judgments released are limited only to the Property, any personal judgment shall remain in full force and effect against the judgment debtor and other real estate and personal property owned by such judgment debtor.

PREVIOUS COUNCIL ACTION(S):

Date: February 23, 2026

Roll Call Number: [26-0247](#)

Action: [Authorizing](#) satisfaction of judgment liens impacting 1196 9th Street, 1331 13th Street, 1245 21st Street and 37 East Gray Street. ([Council Communication No. 26-067](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- If successful in acquiring 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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