



Roll Call Number

17-0899

Agenda Item Number

53

Date May 22, 2017

**HOLD HEARING FOR CONVEYANCE OF CITY-OWNED PROPERTY LOCATED AT
1321 FREMONT STREET TO COMMUNITY HOUSING INITIATIVES, INC.**

WHEREAS, Iowa Code Section 446.19A permits cities to acquire tax sale certificates for abandoned property assessed as residential property or as commercial multifamily property or vacant residential lots at a tax sale without paying the taxes then due, to obtain the assignment of outstanding tax sale certificates by payment to the certificate holder the amount then due to redeem the certificate, and to further assign said certificates, all for the purpose of encouraging the acquisition and rehabilitation of abandoned dwellings and lots; and

WHEREAS, on September 28, 2015, by Roll Call No. 15-1618, the City Council approved execution of a contract with Polk County for acquisition of the vacant and abandoned property locally known as 1321 Fremont Street ("Property") by tax sale deed, authorized the Community Development Director to request release of property taxes and special assessments, authorized release of all City liens and special assessments in order to encourage housing redevelopment and directed staff to distribute a Request for Proposal (RFP) to developers or work with neighborhood organizations and interested parties on developer-initiated proposals to acquire and construct single-family houses; and

WHEREAS, the City has completed the tax sale process and acquired the Property by tax sale deed issued by Polk County; and

WHEREAS, Community Housing Initiatives, Inc. (CHI) is a nonprofit housing development organization which the City is working with on the revitalization and redevelopment of the East Bank Neighborhoods and with dedicated staff and extensive redevelopment experience; and

WHEREAS, if approved, the proposed conveyance by the City to CHI will be governed by and subject to approval of an acquisition agreement between CHI and the City of Des Moines, in form on file in the office of the City Clerk; and

WHEREAS, deed restrictions on the sale and development will be included in the deed conveying the Property to CHI and the City will provide a 20-year, \$6,000 balloon payment mortgage, at zero percent interest, with CHI from which costs of maintenance, code compliance, insurance, and legal costs and services will be deducted at the time the property is redeveloped and/or sold for redevelopment; and

WHEREAS, there is no known current or future public need for the Property proposed to be sold and the City will not be inconvenienced by the sale of said Property; and



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WHEREAS, on May 8, 2017, by Roll Call No. 17-0766, it was duly resolved by the City Council that the proposed conveyance of the Property to Community Housing Initiatives, Inc., be set down for hearing on May 22, 2017, at 5:00 p.m., in the City Council Chambers; and

WHEREAS, due notice of the proposal was published as provided by law in the Des Moines Register, setting forth the time and place for hearing on the proposal; and

WHEREAS, in accordance with City Council direction, those interested in this proposed conveyance, both for and against, have been given an opportunity to be heard with respect thereto and have presented their views to the City Council.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that:

1. Upon due consideration of the facts and statements of interested persons, any and all objections to the proposed conveyance of the real property as described below are hereby overruled and the hearing is closed.
2. There is no public need for the real property locally known as 1321 Fremont Street, legally described below, and the public would not be inconvenienced by reason of the conveyance of said property:

Lot 23, Block 30, Stewarts Addition, an Official Plat, all now included in and forming a part of the city of Des Moines, Polk County, Iowa.

3. That the sale and conveyance of such property to Community Housing Initiatives, Inc. (CHI) in exchange for \$6,000.00 and in-kind consideration in the form of facilitation of redevelopment of the Property for housing purposes in accordance with the terms and conditions of the acquisition agreement, Offer to Purchase, and the proposal submitted by CHI, and subject to a 20-year, \$6,000.00 balloon payment mortgage at zero percent interest, be and is hereby approved.
4. That the Agreement between the City of Des Moines and Community Housing Initiatives, Inc. for Acquisition of City Property, including the Offer to Purchase attached thereto and the related Promissory Note and Mortgage, be and are hereby approved.
5. The Mayor is authorized and directed to sign said Agreement, the Offer, and Quit Claim Deed for the conveyance as identified above, and the City Clerk is authorized and directed to attest to the Mayor's signature and to forward the original of the Offer, said Agreement, and Quit Claim Deed, together with a certified copy of this resolution and of the affidavit of publication of the notice of this hearing, to the Real Estate Division of the Engineering Department.
6. Upon fulfillment of the conditions set forth herein above and in the acquisition agreement and Offer to Purchase, the Real Estate Division Manager is authorized and

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directed to close upon the sale of the above-described property to Community Housing Initiatives, Inc. and to forward the original Quit Claim Deed and Mortgage, together with a certified copy of this resolution and of the affidavit of publication of the notice of this hearing, to the Polk County Recorder's Office for the purpose of causing these documents to be recorded.

7. Upon receipt of the recorded documents back from the Polk County Recorder, the Real Estate Division Manager shall mail the original of the Quit Claim Deed and copies of the other documents to the grantee.
8. The Community Development Department is authorized and directed to administer the terms of the acquisition agreement, Promissory Note, Mortgage, and related documents.
9. Non- project related proceeds shall be used to support redevelopment/rehabilitation expenses for costs associated with future properties acquired through tax sale certificate process: DHH00109 / 496010 or 482450.

(Council Communication No. 17-434)

MOVED BY Westergaard TO ADOPT.

APPROVED AS TO FORM:

Glenna K. Frank
Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
HENSLEY	✓			
MOORE	✓			
WESTERGAARD	✓			
TOTAL	7			

MOTION CARRIED APPROVED

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

T. M. Franklin Mayor

Diane Rauh City Clerk