



Roll Call Number

19-0558

Agenda Item Number

30

Date April 8, 2019

**APPROVAL OF BLIGHTED PROPERTY REHABILITATION (BPR) PROGRAM
AGREEMENT WITH RALLY CAP PROPERTIES, LLC FOR REHABILITATION OF
PROPERTY LOCATED AT 693 19TH STREET**

WHEREAS, on January 8, 2018, by Roll Call No. 18-0075, the City Council approved the Blighted Property Rehabilitation (BPR) Program and Program Policy to provide financial assistance to investors, non-profit organizations, and other qualified developers for projects involving the acquisition, demolition and/or rehabilitation of vacant, abandoned and/or blighted residential properties in the City of Des Moines, and directed the Community Development Department to administer the Program; and

WHEREAS, Rally Cap Properties, LLC has submitted an application for funding assistance under the BPR Program to rehabilitate the property located at 693 19th Street (“Property”); and

WHEREAS, the Property is listed as a contributing resource to the Sherman Hill National Historic District and is part of the Local and National Sherman Hill Historic District; and

WHEREAS, the Sherman Hill Neighborhood Plan includes an objective to preserve the historic character of the neighborhood while improving existing housing stock through rehabilitation, repair, and development in order to maintain the neighborhood as an attractive place to live for a diverse array of people and families; and

WHEREAS, the Property was previously divided into multiple rental units and is currently vacant, abandoned and blighted, resulting in declaration as a ‘dilapidated property’ by the Neighborhood Inspection Division in 2014; and

WHEREAS, Rally Cap Properties, LLC proposes to rehabilitate the Property by downsizing the existing building as a single-family residence, with proposed rehabilitation to maintain the historical integrity of design and materials in compliance with the Secretary of Interior’s Standards; and

WHEREAS, the proposed changes require Rally Cap Properties, LLC to forego the federal tax credits (20% of repair costs), approved workforce housing tax credits for two accessory units (\$15,000 per unit) and 5-year of rental income from three units, thereby decreasing its financial resources; and

WHEREAS, the Community Development Department has reviewed the request for funding assistance to help bridge the funding gap to rehabilitate the property as a single-family dwelling, and the proposed project meets the requirements of the BPR Program policy for funding in an amount not to exceed \$66,000.00; and

WHEREAS, the Community Development Department and Rally Cap Properties, LLC have negotiated an Agreement, pursuant to the City’s BPR Program, to provide \$66,000.00 in the form of a forgivable loan to Rally Cap Properties, LLC for the rehabilitation of Property.

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



Roll Call Number

19-0558

Agenda Item Number

30

Date April 8, 2019

1. The Blighted Property Rehabilitation Program Agreement between the City of Des Moines and Rally Cap Properties, LLC for rehabilitation of the property located at 693 19th Street, as on file in the City Clerk's Office, is hereby approved and the Mayor is authorized and directed to sign said Agreement.
2. The Community Development Department is authorized and directed to administer said Agreement, and the Community Development Director is authorized to approve and execute non-substantive amendments to said Agreement and to present any substantive amendments to the Agreement to City Council for consideration and approval.

(Council Communication No. 19-148)

MOVED BY Coleman TO ADOPT.

APPROVED AS TO FORM:

Glenna K. Frank

Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN	✓			
COWNIE	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
MANDELBAUM	✓			
WESTERGAARD	✓			
TOTAL	7			

7
MOTION CARRIED

APPROVED

T.M. Frankin Cownie Mayor

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.

Diane Rauh

City Clerk