



Roll Call Number

23-1772

Agenda Item Number

39

Date December 18, 2023

**AUTHORIZING CITY ACQUISITION OF CERTAIN PROPERTIES BY TAX SALE  
CERTIFICATE ASSIGNMENT AND APPROVING FURTHER CITY ASSIGNMENT  
OF SUCH CERTIFICATES AND ASSOCIATED AGREEMENTS FOR THE  
DEVELOPMENT AND/OR REHABILITATION OF HOUSING**

**WHEREAS**, Iowa Code Section 446.19A permits cities to acquire tax sale certificates for vacant lots and for abandoned property assessed as residential property or as commercial multi-family property 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 of 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 the development of vacant lots for residential use; and

**WHEREAS**, Iowa Code Section 446.19A permits a city to require the assignment of a tax sale certificate that has been issued for a parcel by paying to the holder of the certificate the total amount due the certificate holder at the time of the assignment; and

**WHEREAS**, Iowa Code Section 446.19A also permits the City to assign the tax sale certificate to another agency if it furthers the redevelopment of housing; and

**WHEREAS**, the parcels described below, largely assessed and zoned residentially, have all been found to be vacant lots or vacant and in violation of the City's Building Code for a period in excess of six consecutive months in accordance with the requirements of Iowa Code Section 446.19A, and have previously had tax sale certificates issued at tax sale for nonpayment of taxes; and

**WHEREAS**, City Neighborhood Services staff have identified these properties as having significant barriers to redevelopment without City intervention; and

**WHEREAS**, City Neighborhood Services staff is recommending that the City notify the tax sale certificate holders and require the reassignment of the certificates to the City within 30 days. Tax sale buyers must be compensated with the total amount due on the certificate by the City. If the tax sale buyers do not assign the certificates, the City will request that the County Treasurer's office cancel the certificate and re-issue a certificate to the City; and

**WHEREAS**, City Neighborhood Services staff has identified agreements with Greater Des Moines Habitat for Humanity, Invest DSM and NFC Properties, LLC for rehabilitation or redevelopment of the properties for housing purposes; and

**WHEREAS**, Greater Des Moines Habitat for Humanity, (GDMHH, Ryan Doyle, Real Estate and Land Development Manager, 2200 E. Euclid Avenue, Des Moines, Iowa 50317) has offered to redevelop the parcel described as follows for housing if the City will acquire and assign the tax sale certificates for the parcel as follows:

Assign tax certificate to GDMHH for: 1209 Bundy Street.

**WHEREAS**, InvestDSM, (Amber Lynch, Executive Director, 525 Southwest 5th Street, Suite F, Des Moines, Iowa 50309), has offered to redevelop the parcels described as follows for housing if the City will acquire and assign the tax sale certificate for the parcel as follows:



Roll Call Number

23-1772

Agenda Item Number

39

Date December 18, 2023

Assign tax certificates to InvestDSM for: 1015 42<sup>nd</sup> Street, Parcel 782406108011, and Parcel 782406108012.

**WHEREAS**, NFC Properties, LLC, (Stephanie Murphy, Executive Director, 4908 Franklin Avenue, Des Moines, Iowa 50310), has offered to redevelop the parcel described as follows for housing if the City will acquire and assign the tax sale certificate for the parcel as follows:

Assign tax certificates to NFC Properties, LLC for: 1339 12<sup>th</sup> Street.

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

1. The Agreements now on file in the office of the City Clerk, by and between the City and Greater Des Moines Habitat for Humanity, InvestDSM, and NFC Properties, LLC whereby the City agrees to seek assignment and re-assign the tax sale certificates for the parcels described above to the non-profit organization in consideration of the organization's undertakings to rehabilitate or redevelop the parcels for owner-occupied housing, are hereby approved.
2. The Legal Department is hereby authorized and directed to begin the acquisition of said properties by assignment of tax sale certificate in accordance with Iowa Code Section 446.19A, 446.18, 446.32 and 446.37, and the Finance Director is authorized and directed to issue checks to pay the recording costs, and outstanding costs necessary for said acquisition, including but not limited to outstanding taxes and interest, as applicable, and other costs certified by a City Department related to the acquisitions listed above from Neighborhood Services Department Budget, NS046000, Object Code 527700.
3. The Neighborhood Services Department Director and his designee(s) are directed to work with the interested parties and nonprofits on developer-initiated redevelopment proposal(s), or, if applicable, to distribute a Request for Proposals to locate developer(s) to acquire and renovate each property based on an approved rehabilitation plan, including evidence of financing, examples of similar work completed in Des Moines area, and a binding agreement in a form satisfactory to the Legal Department, for use as single-family owner-occupied housing.
4. The Neighborhood Services Department Director is hereby authorized and directed to sign the Affidavit of Abandoned or Public Nuisance or Vacant Property and the Agreements on behalf of the City of Des Moines, and the Neighborhood Services Department Director is authorized and directed to sign the Acceptance of Restrictive Covenant for each property when provided by Greater Des Moines Habitat for Humanity, InvestDSM, NFC Properties, LLC and the City as applicable, and the City is further authorized to accept payment pursuant to said Agreements, including the reimbursement of any costs the City incurred in acquiring the properties.
5. Upon full execution of the Agreements, the Neighborhood Services Department Director is authorized and directed to submit the affidavit to the Polk County Treasurer requesting that the tax sale certificates for all properties described above be assigned to the City of Des Moines in accordance with Iowa Code Section 446.19A, and the Neighborhood Services Department Director or their designee is hereby further authorized and directed to execute the Assignments of such tax sale certificate(s) to Greater Des Moines Habitat for Humanity, InvestDSM, or NFC Properties, LLC on behalf of the City of Des Moines as provided in said Agreements.



Roll Call Number

23-1772

Agenda Item Number

39

Date December 18, 2023

6. Upon Assignment of such tax sale certificate(s) to Greater Des Moines Habitat for Humanity, InvestDSM, or NFC Properties, LLC on behalf of the City of Des Moines as provided in said Agreements, Greater Des Moines Habitat for Humanity, InvestDSM, or NFC Properties, LLC, individually, shall remit payment to the City in the amount equal to the City's total expenses and costs incurred through the required assignment process associated with such tax certificates.

7. Proceeds from this assignment of certificates will be deposited into the Neighborhood Services Department Budget, NS046000-496010.

(Council Communication No. 23-551)

Moved by Gatto to adopt.

Second by Boesen

FORM APPROVED:

/s/ Chas M. Cahill

Chas M. Cahill, Assistant City Attorney

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

MOTION CARRIED

APPROVED

J. M. Franklin Cownie Mayor

CERTIFICATE

I, Laura Baumgartner, 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.

Laura Baumgartner City Clerk