



Agenda Item:

21

COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 05/9/05
247

Communication No.: 05-

Agenda No.:	Item	Type:	Resolution	Roll	Call
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Submitted by: Larry Hulse, Community Development Director

SUBJECT—

Approving process for requesting tax sale certificates on vacant lots from Polk County Treasurer at annual auction and for assignment to private parties for residential construction

SYNOPSIS—

State legislation has been amended to allow municipalities to request tax certificates on residentially zoned vacant lots that are delinquent in taxes. This roll call adopts a process to identify tax delinquent vacant lots and acquire the tax sale certificates for such lots at Polk County's annual Tax Certificate Auction.

FISCAL IMPACT—

None

RECOMMENDATION—

Approval of general process for requesting and assigning tax sale certificates on vacant lots from the Polk County Treasurer's Office.

BACKGROUND—

Section 446.19A of Iowa Code, that governs city acquisition and assignment of tax sale certificates, was amended by the 2005 legislature to allow cities to request and assign tax sale certificates for tax delinquent vacant lots. The vacant lot must be redeveloped with a residential structure, either single family or multi-family. The amendment applies to parcels sold at tax sales occurring after June 1, 2005.

The next tax certificate auction conducted by the Polk County Treasurer's Office will be June 20, 2005. At the auction, the City registers as a bidder and the County automatically assigns the certificates on vacant lots that the City has requested and verified meet the conditions required by Iowa Code Sec. 446.19A.

Staff recommends that tax certificates for vacant lots be requested only on lots that can be redeveloped as single-family housing within an eighteen month time period. This year because of the short time in which to identify lots, staff is proposing to work closely with the King Irving Neighborhood where buildable lots have already been identified. Staff has been working with nonprofits and for profit developers in King Irving over the last year. Six single-family homes have been built this past year, and the City has preliminarily committed gap financing for an additional ten units in King-Irving this upcoming building season. If another neighborhood organization has identified a lot that fits the criteria and knows of at least one developer that would be interested in building a house on the site, staff will review the lot and report to City Council.

Tax delinquent lots identified through this process can be requested by Council action at the June 6th City Council meeting. City staff recommends that the City go through a process similar to the New Construction Request for Proposal to evaluate proposals for construction of housing on the lots. This proposal has a 100-point system that evaluates design, materials, financing and builder experience prior to award.

Because of the large number of properties that are generally redeemed within thirty days of the tax sale, staff recommends that the City go through the assignment process after the Polk County auction. There is a 180-day redemption period for any tax certificate acquired under 446.19A. Notice of expiration of the redemption period can be served three months after the sale. Staff does not want the City to take ownership of any of the lots but believes there is adequate time during the three months before notice can be served (June 20 to September 20) to work with developers to assign lots. There is less of a risk that properties will be redeemed if the process of assignment is delayed and more time to look at house designs for the lots. The developer assigned the certificate will be responsible for the title search, service, and taking tax deed for the property.

Public Nuisance Properties and Tax Sale Certificates - Update

Staff is currently working with neighborhoods and rehabilitators to identify public nuisance properties on which to request tax certificate properties per the procedures adopted by Council on December 6, 2005. A meeting was held with neighborhood groups concerning the properties on April 13, 2004. A solicitation for offers for identified public nuisance properties will be mailed to rehabilitators the week of May 9th. Council will take action to request tax certificates on public nuisance properties and assign them to a rehabilitator at its June 6, 2005 meeting.