

COUNCIL COMMUNICATION

	Number:	19-329	Meeting:	August 5, 2019
	Agenda Item:	46	Roll Call:	19-1229
	Submitted by:	Chris Johansen, Community Development Director		

AGENDA HEADING:

Authorizing partial release of judgment lien against 2137 Des Moines Street.

SYNOPSIS:

Greater Des Moines Habitat for Humanity (Habitat) is requesting the City of Des Moines release a judgment against a vacant property at 2137 Des Moines Street. The property accrued more than \$22,000 in costs from the City due to public nuisance issues. The nuisance has been abated, and title has been transferred to Habitat. Releasing the judgment against the property will clear the title and allow Habitat to build a new single-family home to sell to an income-qualified home buyer. A judgment against the unknown heirs of the previous owners, Donald and Betty Norris, remains in place.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- The City of Des Moines has a judgment for \$22,294.58 against 2137 Des Moines Street for costs related to nuisance abatement, enforcement, and legal processes. The property, previously owned by heirs of Donald and Betty Norris, was demolished. It was then transferred via the tax certificate and deed process to new owners, Brian and Bonnie Kay. The Kays then donated the property to Greater Des Moines Habitat for Humanity on April 18, 2019.
- Habitat has requested the City of Des Moines release the judgment against the property to clear the title. A judgment against the previous owners would not be released.
- Habitat intends to build a new single-family home on the property. Once construction is complete, the house will be sold to low-income homebuyer earning between 30% and 60% of the area median income. For example, a family of four (4) earning between approximately \$25,000 and \$50,000 a year would be income-eligible. When evaluating a homebuyer, other factors include their contribution to sweat equity, other long-term debt, and participation in homebuyer and financial education classes. The homebuyers purchase the homes through a below-market-rate mortgage, and monthly house payments, including taxes and insurance, are below 30% of their monthly income.

- While the City currently does not have a policy in place for releasing special assessments, liens, and judgments for private properties, it is in the City's best interest to release the liens encumbering this property because the new home will add to the tax base and provide another affordable homeownership unit to the housing stock.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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