


## COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	<b>23-331</b>	Meeting:	<b>July 17, 2023</b>
	Agenda Item:	<b>16</b>	Roll Call:	<b>23-0981</b>
	Submitted by:	<b>Chris Johansen, Neighborhood Services Department Director</b>		

### AGENDA HEADING:

Resolution authorizing release of special assessments for certain properties acquired through the tax sale certificate process.

### SYNOPSIS:

The City has requested and been issued the tax sale deeds of 29 Hartford Avenue, 1603 Clark Street, 1617 22nd Street, and 1700 13th Street. All the properties were identified as vacant and in nuisance or near nuisance condition. Neighborhood Services has identified three (3) development partners for the four (4) properties. Prior to the hearings to convey, the developers have asked that the City release the special assessments against all four (4) properties. Releasing the judgments and assessments against the property will clear the title and allow renovation on three (3) of the properties and demolition and redevelopment on one (1) of the properties to build a new single-family home.

### FISCAL IMPACT:

This request is to abate \$41,549.34 in special assessments spread across four (4) properties.

### ADDITIONAL INFORMATION:

- The special assessments against the properties were all accumulated by the previous owners. Those owners have been unresponsive to addressing the issues, paying the fines or taxes or throughout the tax sale process. The listed special assessments and judgements are not removed through the tax sale process as they were issued after the taxes were sold and certificate issued.
- The City utilized a request for proposals for the rehabilitation of 29 Hartford Avenue, 1603 13th Street, and 1700 13th Street to identify private developers who could rehab the houses and restore them to single family homes. Two (2) responses were received, reviewed, and will be brought forward in future Council communications as development partners to take ownership and rehabilitate the properties. Within the proposals it was identified that each of the three properties requires more than \$120,000 in repairs to become habitable and the feasibility of the projects requires reducing issues encumbering the properties.
- Alongside requesting the certificate for 1617 22nd Street, the City of Des Moines entered into a rehabilitation agreement with Home Opportunities Made Easy, Incorporated (HOME, Inc) for the redevelopment of this property. The structure on this parcel is a public nuisance and additional planning has been required to determine a path out of abandonment for this property. Significant site preparation is

anticipated for this property and the long-term plan is for affordable housing to be re-built on the parcel. Because of the site prep costs and the difficulty of infill housing, release of the assessments is critical to make the project feasible.

- These properties are all currently vacant structures and have been for multiple years. It is in the City's best interest to release the assessments encumbering these properties because the renovated and new homes will add to the tax base, reduce nuisance properties within neighborhoods and continue to increase the housing stock.
- City staff are also in communication with Polk County and Des Moines Water Works to abate their special assessments and back taxes on the properties.

### **PREVIOUS COUNCIL ACTION(S):**

Date: February 20, 2023

Roll Call Number: [23-0232](#)

Action: [Request](#) to Polk County for Tax Sale Certificates and Agreement with Home Opportunities Made Easy, Inc. for development and/or rehabilitation of housing. ([Council Communication No. 23-090](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

### **BOARD/COMMISSION ACTION(S): NONE**

### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

If successful in taking ownership of the properties, the City will continue to work with HOME, Inc and two rehabbers on the redevelopment process including setting the date of and holding public hearings on each of the properties.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).