


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	23-390	Meeting:	August 21, 2023
	Agenda Item:	33	Roll Call:	23-1193
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Hold hearing for conveyance of City-owned property to Home Opportunities Made Easy, Inc. (HOME, Inc.) for redevelopment of housing.

SYNOPSIS:

The City has requested and been issued the tax sale deed of 1617 22nd Street and has an agreement with HOME, Inc. to take ownership and redevelop the property for housing. This action it to hold the hearing and consider sale of the property to HOME, Inc.

FISCAL IMPACT:

Amount: \$1

Funding Source: NS046000/496025

ADDITIONAL INFORMATION:

- In the winter of 2023, Neighborhood Services sought a list of properties with open tax sale certificate held by Polk County that had structures. In reviewing the list, four (4) were identified as vacant and good candidates for City intervention because of their condition and large number of special assessments and taxes encumbering the properties.
- Prior to requesting the tax sale certificates, the City sent the short list of identified properties out to developers to see if there was interest in the properties. One (1) property, 1617 22nd Street, was a public nuisance and to request the certificate and process the deed, the City wanted to ensure a development partner was alongside us to ensure timely transfer and abatement. HOME, Inc. was the only nonprofit developer who was interested in collaborative redevelopment of the site.
- In February 2023, the City entered into a development agreement with HOME, Inc. in which the City would work together with HOME, Inc. to redevelop the property at 1617 22nd Street. Also in February 2023, the City acquired the tax sale certificate for the property and began the notice process to secure the tax sale deed.
- HOME, Inc. evaluated the options for the property and identified that demolition is the best option for what is currently known about the structure. They project a total development cost of

\$349,408.16. They project an appraised value at completion of \$225,000 and a development appraisal gap of \$124,408.16.

- This property was part of the tax sale and had been vacant and tax delinquent for multiple years. Redevelopment of this property remediates a blighted property that has had weed, junk, and debris issues for multiple years. Until the home is demolished and rebuilt, HOME, Inc. will be the owner of and provide maintenance and mowing of the property.

PREVIOUS COUNCIL ACTION(S):

Date: August 7, 2023

Roll Call Number: [23-1082](#)

Action: [On](#) conveyance of City-owned property at 1617 22nd Street to HOME, Inc. for rehabilitation of housing, (8-21-23). Moved by Gatto to adopt. Second by Boesen. Motion Carried 6-1. Absent: Sheumaker.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Additional roll call reviewing the HOME agreement and funds for the redevelopment of the property.

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