


COUNCIL COMMUNICATION

	Number:	24-175	Meeting:	May 6, 2024
	Agenda Item:	47	Roll Call:	[]
	Submitted by:	Chris Johansen, Neighborhood Services Department Director		

AGENDA HEADING:

Hold hearing for conveyance of City-owned property at 1411 17th Street to Home Opportunities Made Easy, Inc. (HOME, Inc.) for redevelopment of housing.

SYNOPSIS:

The City has requested and been issued the tax sale deeds of 1411 17th Street and has an agreement with HOME, Inc. to redevelop the parcel for housing. This action is to hold a hearing and consider sale of the property to HOME, Inc.

FISCAL IMPACT:

Amount: The anticipated revenue is \$1.

Funding Source: NS046000 / 521035

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, 1411 17th Street, was vacant for many years and has significant foundation and repair issues 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 2023 the City entered into a preliminary development agreement with HOME, Inc. as a condition of participation in the adjourned tax sale. In preparation for the disposition process, an additional development agreement has been drafted and will be provided with the hold hearing materials.

- 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 \$380,827.39. They project an appraised value at completion of \$225,000 and a development gap of \$155,827.39. The agreement is for a sale price of \$1 because of the significant site prep required and the financial gap to restore the parcel to a habitable home.
- 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: April 15, 2024

Roll Call Number: [24-0577](#)

Action: [On](#) conveyance of City-owned property at 1411 17th Street to HOME, Inc. for redevelopment of housing, (5-6-24). Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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