

## COUNCIL COMMUNICATION

	Number:	<b>24-176</b>	Meeting:	<b>May 6, 2024</b>
	Agenda Item:	<b>37</b>	Roll Call:	<b>24-0670</b>
	Submitted by:	<b>Chris Johansen, Neighborhood Services Department Director</b>		

### AGENDA HEADING:

Resolution authorizing release of judgement lien (1520 Royer Street).

### SYNOPSIS:

Greater Des Moines Habitat for Humanity (Habitat) is requesting the City of Des Moines release a judgment against a vacant lot at 1520 Royer Street. The property accrued \$31,935.80 in costs from the City due to public nuisance demolition. 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.

### FISCAL IMPACT:

Amount: Waiver of the cost of the public nuisance demolition in the amount of \$31,935.80.

Funding Source: ND414000/527670/LT201/LT20100001

### ADDITIONAL INFORMATION:

- The City of Des Moines has a judgment lien for \$31,935.80 against 1520 Royer Street for costs related to nuisance abatement, enforcement, and legal processes. The property, owned by Gregory Chase, was demolished. Habitat has agreed to terms of an offer to purchase that would transfer the property to Habitat with only \$500 going to the property owner and all other funds addressing title defects.
- Habitat has requested the City of Des Moines release the judgment against the property and the owner to clear the title and meet the terms necessary for the sale to happen.
- Habitat and City staff reviewing the judgement lien waiver request believe finding an alternative buyer for the property would be unlikely and the length of time to redevelopment elongated without the judgment and lien being released and enabling the redevelopment of the site.
- Agreeing to the full release would mean no funds would be collected on the lien and the judgement would be considered satisfied. Approval will be contingent upon transfer of the property to Habitat.

- This request is in line with the approved Judgement Lien and Special Assessment Release Policy adopted by Council in August 2023.
- Habitat intends to build a new single-family home on the property. Once construction is complete, the house will be sold to a low-income homebuyer earning between 30% and 80% of the area median income. 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.

**PREVIOUS COUNCIL ACTION(S):**

Date: November 23, 2020

Roll Call Number: [20-1909](#)

Action: Receipt of communication of fire escrow for the following:

- (D) [1520](#) Royer Street. Moved by Gatto to receive and file and direct the City Attorney to bring legal action within 180 days of notice received via mail on September 29, 2020, if owner(s) has not demolished or renovated the structure. Motion Carried 7-0.

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

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