

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: June 8, 2015
	Agenda Item No. 39 Roll Call No. <u>15-931</u> Communication No. <u>15-287</u> Submitted by: Phillip Delafield, Community Development Director

AGENDA HEADING:

Approving agreements for assignment of tax sale certificates for various properties to local housing partners for owner occupied housing.

SYNOPSIS:

Recommend approval to request removal of two (2) structures and 39 vacant lots from the Polk County Treasurer’s tax sale on June 15th. The tax sale certificates for the vacant lots and structures will be assigned for the development of housing to Greater Des Moines Habitat for Humanity (Lance Henning, Executive Director, 2200 E. Euclid Avenue, Des Moines, Iowa 50317), NFC Properties LLC (Stephanie Preusch, Executive Director, 1912 6th Avenue, Des Moines, Iowa 50314), and Home Opportunities Made Easy (HOME), Inc. (Pam Carmichael, Executive Director, 1111 9th Street Suite 210, Des Moines, Iowa 50314).

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

Vacant Lots:

The 2005 amendments to the Iowa Code 446.19A permits cities to acquire tax sale certificates for vacant lots assessed as residential property without paying the taxes due, and to allow the City to utilize an expedited redemption period, all for the purpose of encouraging the development of housing. The City of Des Moines has utilized this process in recent years with a great deal of success, which has enabled affordable housing providers to acquire buildable lots at a cost substantially below market value.

The City seeks to obtain additional vacant lot tax sale certificates from the 2015 Tax Sale that can ultimately be used for the development of housing. Greater Des Moines Habitat for Humanity; NFC Properties, LLC; and HOME Inc. have identified 39 vacant lots that they would like to pursue through this process, and requests the City Manager remove these properties from the upcoming tax sale. The vacant lots are located at the following addresses:

Property Addresses Requested by Greater Des Moines Habitat for Humanity:

- 2612 Scott Avenue
- 2607 Shaw Street
- 2517 Shaw Street
- 1316 Laurel Street
- 2030 Meek Avenue
- 1601 21st Street
- 1083 25th Street
- 1149 21st Street

- 2935 Walker Street
- 2527 Logan Avenue
- 1820 E. 24th Street
- 1271 E. 34th Street
- 1245 E. 36th Court
- 1234 E. 36th Court
- 1624 12th Street
- 1758 Cleveland Avenue
- 1343 McCormick Street
- 2330 Bennett Avenue
- 1965 Lincoln Avenue
- 1235 3rd Street
- 223 Watson Avenue
- 215 Arthur Avenue
- Lots 9-12 Block 2 Larison Place
- Lot 27 Lincoln Park
- Lot 149 Glen Oaks
- West 60 feet of Lot 23 Block C Gray Heights
- Lot 292 Gray's Woods
- Lots 7-8 Block 10 Chesterfield

Property Addresses Requested by NFC Properties, LLC:

- 3220 Indianapolis Avenue
- Parcel #7824-06-326-004
- Parcel #7923-31-401-029
- Parcel #7923-31-401-059
- Parcel #7923-31-401-060
- Parcel #7923-31-401-061

Property Addresses Requested by HOME, Inc.

- 1334 E. 13th Street

Structures:

The following vacant structures will be pulled of the 2015 Polk County Tax Sale and assigned to NFC Properties LLC.

The vacant house at 1520 32nd Street is owned by Jack Stuart who owns several vacant houses in the Drake and River Bend Neighborhoods. It has a 2015 tax sale certificate which is available in this sale unless Mr. Stuart pays the property taxes prior to the June 15th auction. Several of the other properties he owns have existing tax sale certificates that are owned by other tax sale buyers and not in the 2015 auction.

This house has been vacant since 2005. On June 13, 2011, by Roll Call No. 11-1000, the Council requested the tax sale certificate for the house. The legal department served notice according to Iowa Code 446.19a and attempted to take tax deed. Mr. Stuart paid all back taxes on the property the week before the City could take tax deed. This is a typical pattern of Mr. Stuart's, but because of the complaints staff receives about this property and the impact it has on the neighborhood staff recommends that we continue to try to take tax deed to vacant structures under this circumstance.

The vacant house at 1607 9th Street is owned by Juan Juarez. It has a 2015 tax sale certificate which is available in this sale unless Mr. Juarez pays the property taxes prior to the June 15th auction. This house is located within the West Ninth Streetcar Line Historic District, is classified by the Polk County Assessor as being in "Very Poor" condition, and has been vacant since 2009. The River Bend Neighborhood Association would like to see this house rehabilitated and returned as a viable owner-occupied home.

It is anticipated that several of these properties will have special assessments against them, which may require Council to waive prior to redevelopment. While there is no formal policy on this, staff has recommended waiving these fees in the past for non-profit developers.

PREVIOUS COUNCIL ACTION(S):

Date: June 9, 2014

Roll Call Number: [14-0864](#) and [14-0866](#)

Action: Items regarding the 2013-2014 Polk County Tax Sales: ([Council Communication No. 14-274](#))

- (C) [Agreements](#) for assignment of Tax Sale Certificates for various properties to Greater Des Moines Habitat for Humanity Inc., NFC Properties LLC, and Community Housing Initiatives for Rehabilitations of Housing. Moved by Hensley to adopt. Motion Carried 7-0.

Date: June 10, 2013

Roll Call Number: [13-0904](#)

Action: [Assignment](#) of tax sale certificates to Greater Des Moines Habitat for Humanity, Inc. and NFC Properties LLC for the development of owner-occupied housing. ([Council Communication No. 13-297](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: June 11, 2012

Roll Call Number: [12-0897](#)

Action: [Assignment](#) of tax sale certificates to Greater Des Moines Habitat for Humanity Inc. and HOME Opportunities Made Easy (HOME) Incorporated for the development of low- to moderate income owner-occupied housing. ([Council Communication No. 12-276](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: June 13, 2011

Roll Call Number: [11-1000](#)

Action: [Removal](#) of requested properties from the Polk County Tax Certificate Sale for future development of housing. ([Council Communication No. 11-369](#)) Moved by Moore to adopt. Motion Carried 7-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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