



CITY OF IOWA CITY COUNCIL ACTION REPORT

December 12, 2023

Resolution authorizing conveyance of a single-family home located at 320 N. Governor Street.

Prepared By:	Tracy Hightshoe, NDS Director
Reviewed By:	Geoff Fruin, City Manager Sue Dulek, First Ass't. City Attorney
Fiscal Impact:	The project is budgeted under Condemned properties and will recover approximately \$109,250 from the sale of the home.
Staff Recommendation:	Approval
Commission Recommendations:	N/A
Attachments:	320 N Governor purchase agreement Resolution

Executive Summary:

The property at 320 N. Governor St. was declared a public nuisance, and the City acquired it for \$106,000 through condemnation. State law requires the City to convey the property to a buyer that will either rehabilitate the single-family home or demolish it and construct a new house. City staff has negotiated a purchase agreement, subject to formal approval by City Council, for the sale of the property for \$115,000. This sale will reimburse the City for most, but not all, the expenses incurred.

Background / Analysis:

Under Section 364.12A of the Iowa Code, a municipality may condemn a residential building found to be a public nuisance and take title to the property. The property had a series of nuisance and safety violations dating back to the first complaint in 2018. In addition to tall grass, snow and ice accumulations, property abandonment, failing to register a vacant building, and animal infestation nuisances, there have been safety hazards the City has had to abate such as removal of a chimney at risk of collapsing.

In early 2023 the City had an appraisal completed of the property and the appraised value was \$106,000. The condemnation jury valued the property at \$106,000, which is what the City paid to acquire it. The City currently has expenses of over \$148,000 attributed to this property for property acquisition, condemnation costs, appraisal costs, insurance, property taxes, and repair costs to secure the building and address safety issues. The City listed the property with a realtor and the purchase agreement has a sale price of \$115,000.

The addendum to the purchase agreement requires that the buyer either demolish the property within 90 days of closing or begin to renovate the property by immediately securing the roof to prevent further water damage and remove landscaping overgrowth. If the buyer

renovates the property, a building permit must be issued within 60 days and a certificate of occupancy issued within 18 months of closing. The buyer indicated its interest in renovating the property, but the agreement allows for either demolition or renovation.

Staff recommends the sale of the property as identified in the purchase agreement.