



City Administrator Report to Mayor & City Council

2019.05.24, Edition No. 345

WEEKLY UPDATE:

- MPW: Please see the following link to the MPW Annual Report: <https://www.mpw.org/customer-care/publications/annual-report>.
- MUSCOM: Staff has met with county staff and a couple members of MUSCOM to bring forward a few minor changes to the 28E agreement that should aid in the management of the entity. You should see this coming forward soon.
- ATE Code Change: We have one small ministerial change for the ATE ordinance regarding the term "intersection" which has cause some issue with he court system in the reading of the ordinance. This is coming forward in June.
- June/July Items: Community Development surveys should start going out to all current permit holders and then the process will be automated going forward with two opportunities to fill out the survey. I will forward a copy of the survey shortly. Staff hopes to meet regarding the annual permit in the next week or two. That should wrap up all items due by July1st.
- 675A: Walter Conlon and Senator Lofgren have met with staff and would like to recommend that the Council adopt the new elective section of 657A. The City Attorney and staff have reviewed the request and having another option to pursue abandoned properties fits within our goals and would be another tool in our pursuit to clean up these abandoned properties. Please see the attached information.
- Healthy Hometown: The wellness committee met with Wellmark representatives to discuss the Healthy Hometown initiative. It follows some of the Blue Zone principles, but is less prescriptive. We are actually Health Hometown Founding Members based on our work with Blue Zones. We are looking to investigate how best we could incorporate this program. We are already doing much of the work and there is a potential for small grant opportunities through participation.

Additional Information

Parks & Rec: Director Klimes provided the following update.

Please accept the following as an update on what is happening in the Parks and Recreation Department.

Aquatic Center-The pool will ope this Saturday, May 25th, will close Sunday for the Melon City Criterium and will re-open on Monday. Next week there will be school pool party's and we will open for the season daily once school is out. The staff have been trained, the facility has been cleaned and the water did pass the monthly testing certification. Pool party's and the swim lesson program are popular again this year.

Melon City Criterium-The annual bike race will take place in Weed Park on Sunday, May 26th and will run the duration of the day. The park is reserved exclusively for this event. I believe this may be the 41st year for this event.

Golf Course-The facility is open for play and we have had decent numbers so far this season. The course conditions continue to receive many positive comments. The par three feature is being marketed and we are in the process of recruiting play for the City Tournament which will take place on the weekend of June 8th and 9th. We are experimenting with new food choices at our concession stand with some good success.

Riverfront-The extended flooding has crushed the riverfront usage this Spring to include the Boat Harbor, Pearl City Station, Riverview Center, fountain, trail, boat launches, and special events. It is our goal to get it cleaned up with the help of public Works and the Fire Department as quickly as we can but the water level keeps going up and down and is making our efforts very tough.

Musser Park-The flooding has made the park ball diamond and shelter un-usable. We are not able to mow the facility due to the water blocking the access point. Shelter rentals have been re-located as we can.

Greenwood Cemetery-The cemetery continues to receive many positive comments about the condition of the grounds. We are ready for Memorial Day weekend even with all the heavy rains and wet conditions. Foundations for memorial stones have been poured with minor issues.

Recreation Summer Programs-The seasonal brochure went out in late April that list all of our Summer activities and our parks and recreation services. We have had a good response from the community on our services. The big month for programs will be June and early July (t-ball, blast ball, tennis lessons, tot-lot, disc golf league, sand volleyball leagues, family bike ride etc.)

Kent Stein Park-The youth baseball and softball groups are heavily using the park along with the high school softball program and the adult softball program. All 17 diamonds are scheduled on a daily basis. Even with the rainy conditions several tournaments have been successful. Each year roughly 400,000 people enjoy the park.

Soccer Complex-The many usage groups continue to heavily schedule the complex. (Comm. Y, MHS Boys and Girls teams, two adult leagues, two soccer clubs, the Iowa Soccer Association and some corporate games. This Spring has been a great grass growing season! Each year roughly 250,000 people enjoy the park.

Houser Street Soccer Parking Development Project-The project is coming to a close and we are in the process of planning the grand opening. The weather has been extremely challenging throughout this project! The landscaping and plantings will be done this Saturday, May 25th by way of an Eagle Scout Project.

Dog Park-To date we have around 350 passes sold to the Dog Park! Benches, a trail and the entry sign needs to be completed. Good response and usage from the community for this park with minimal issues!

Weed Park Lighting Project-The contractor is in the process of installing the new street lights and hopefully will be done by the end of May. Once this project is done we will begin the restroom project for the park.

College Search Kickoff Soccer Event-We are in the process of recruiting teams and college coaches for the event which will be held in late July. To date sign ups have been extremely slow. Starting back in November and each month since we have sent out over 5,000 invitations and I have called each of the past teams from each of the past two years. There are other events that are competing with us the week before, the week of and the week after our event.

Special Events-We continue to see several requests for special events wishing to use public property. Each year we have roughly 100 of these requests and we try to accommodate all requests. Coming up this weekend will be the bike race in Weed Park, the Farmers Market is each Saturday, Senior Resources will hold their cook off on June 8th and Second Saturday will continue in June.

Thank you for your time and attention to these programs and projects. Please let me know if you have any questions.

657A Amendments – Executive Summary
by Walter Conlon

1. **Summary.** Especially in Iowa's small towns, but also in its urban areas, there is a considerable number of abandoned and dilapidated housing units, which not only are a hazard in themselves, attracting, for example, squatters and meth lab operations, but also destroy the value of surrounding housing, thus setting off a chain reaction of abandonments in affected neighborhoods. Since Iowa law traditionally does not allow municipalities to pursue owners and lienholders personally for needed repairs, but limits their liability to loss of the property, this often results in a situation where a building which can be economically rehabilitated in its early stages of abandonment is allowed to deteriorate to the point where the only (and expensive) alternative is to bulldoze it. Under the current language of 657A, a municipality, nonprofit housing agency or a neighboring property owner may go to court to force rehabilitation, and charge the equity in the property for the cost of repair and administrative costs, but the current statute is cumbersome and does not cover the costs of the persons initiating the action. The amendments proposed attempt to streamline the process and adequately reimburse the persons starting the action for their costs in actions under the act.
2. **Who wins and who loses under the new law?**
 1. The winners will be property owners in affected neighborhoods; school, city and county property tax revenues; real estate attorneys; real estate brokers; lumberyards and other material suppliers, businesses seeking affordable housing for their workers, and real property repair and improvement businesses. Most of the winners would be Iowans.
 2. The losers will be owners who abandon properties, and mortgage holders and other lien holders who fail to take steps to maintain properties in which they have an interest. Because of massive federal involvement in mortgage financing, such as Fannie Mae, Freddie Mac, HUD, VA etc., the biggest loser could be the federal government, assuming that it does not implement an effective program to make sure that its owned and mortgaged properties are kept in good order.
3. **What does the new law do?**
 1. Cut down on the red tape and multiplicity of hearings under current law.
 2. Makes the new procedure subject to local option.
 3. Allows localities to charge for the property inspections which are the first steps in the new process, reimburseable to the plaintiff from the equity in the property.
 4. Makes it clear that just because you are paying the mortgage loan and the taxes, that does

not stop the court from ordering rehabilitation if the property is vacant and in need of substantial repair.

5. Makes sure that the costs of successful plaintiffs are covered to the extent that there is equity in the property as repaired to do so.
6. Provide protection against nuisance suits due, for example, to neighborhood animosities.
4. **What doesn't the new law do?** It does not force the current owners and lienholders of properties to pay out of pocket for repair if they are willing to abandon their interest. The law only gives them the choice of fixing up the property or walking away from it.
5. **In what kind of properties would the law be workable?**
 1. There generally would have to be sufficient equity in the property as repaired to pay the costs of the repair, as well as the administrative costs of the receiver and the plaintiff's attorneys fees and expenses, such as the inspection fee charged by the locality.
 2. If the value of the property is "cost of lot minus rental of bulldozer," it generally won't be practicable, unless there is someone (*e.g.*, a person interested in renovating a historic structure for non-economic reasons) willing to subsidize the repairs. However, the law would give incentives to plaintiffs to act early enough after abandonment to ensure that the property does not deteriorate to the point where rehabilitation is not cost effective.
 3. Agricultural buildings are not covered by the new law. All other buildings are.
6. **How would the system work?**
 1. The first step would be for a neighboring property owner, a local housing nonprofit, or the municipality to contact the local housing official requesting a preliminary "drive by" determination that a property is abandoned and/or in need of rehabilitation. The housing officer could also use information which he has obtained from other sources in making that determination.
 2. If the housing officer finds probable cause that the property is abandoned and in need of rehabilitation, he will set up an inspection where the owner, the lien holders, and the persons seeking rehabilitation can view the property to determine if rehabilitation is both needed and cost justified. The housing officer could go to a judicial magistrate to obtain an administrative search warrant for the inspection. The housing officer will then issue a written report, indicating whether the property is abandoned and in need of rehabilitation.
 3. If the housing official's report shows that the property is abandoned and in need of abatement, after 30 days (to allow the owners or lien holders to come up with their own rehabilitation program) the neighboring property owner or nonprofit housing agency may go

to court to force rehabilitation. If the owners and lien holders do not show that either the property is occupied or is not in need of rehabilitation, and do not come up with a workable plan for rehabilitation, the court will then throw the property into receivership.

4. If the property is of historical value or in a historic district, and the owner fails to file a plan, the court gives preference to feasible plans which preserve the historical character of the property or neighborhood.
5. The receiver, funded by a court ordered mortgage against the property, which would come ahead of all current liens except property taxes, including property taxes advanced by a lender in the year before the lawsuit. Presumably by prearrangement, the receiver would write the mortgage to a local financial institution or investor, who then would upon completion of the repairs, foreclose the mortgage as necessary to get paid. The bill contains provisions to encourage foreclosure under the less expensive, "short form" provisions of current chapter 655A.

7. To what areas would it apply?

1. No municipality need participate in the program unless it wants to.
2. The procedure requires the locality, by ordinance, to opt in to allow the law to operate for properties within its limits.

Example of how the law would operate

A. - Hypothetical facts:

Abandoned house, current value - \$75,000.

Value of house after repair - \$125,000.

Estimated cost of repair - \$50,000.

Unpaid property tax - \$5,000.

Current first mortgage - \$120,000

Current second mortgage - \$50,000

Costs of receiver - \$5,000

Plaintiff attorney fees - \$5,000

B- Priorities after rehabilitation

Value of property as repaired - \$125,000

Receiver costs and advances -

1. Receiver's fees and costs - \$5,000

2. Plaintiff's attorney fees - \$5,000
3. Pay off delinquent property taxes - \$5,000
4. Cost of repairs to property - \$50,000.

Total receiver mortgage - \$65,000 against \$125,000 property.

Prior first (now second) and second (now third) mortgage lenders would have to pay off receiver's mortgage or be foreclosed out. Presumably, after this happens a few times to them, they will proactively prevent their properties from become dilapidated.