

COUNCIL ACTION FORM

SUBJECT: SALE OF CITY-OWNED PROPERTY AT 622 13th STREET

BACKGROUND:

Under the City's 2007-08 Community Development Block Grant (CDBG) Neighborhood Sustainability Program, the acquisition/reuse program component seeks to acquire, demolish/remove single-family properties and/or lots for reuse for affordable housing to assist low- and moderate-income (80% or less of AMI) families. The program would also initially provide "minor" repairs to single-family properties, as needed. Where possible, the program will have a more comprehensive approach at targeting single-family properties as follows:

- Converting single-family rental properties that are "for sale" back into single-family homeownership. Match, where possible, with eligible low-income (80%), first-time homebuyers through the City's CDBG Homebuyer Assistance Program.
- Assist in code enforcements for abandoned, deteriorated properties and then sell the vacant lots for affordable housing.
- Acquire vacant properties and resell them at a reduced price to non-profit organizations and/or for-profit organizations for rehabilitation and sell for affordable housing.
- Acquire vacant lots and resell them, at a reduced price, to non-profit organizations and/or for-profit organizations for construction of affordable housing.
- Concentrate, where possible, in targeted low-income census tracts.

Under the Acquisition/Reuse Program, the City can purchase these types of properties (which for most homebuyers and non-profit organizations are too expensive to purchase and rehabilitate or to demolish and rebuild) at cost and then re-sell at a significant reduction. As a continuation of the 2006-07 program, the property at 622 13th was purchased and demolished in partnership with the Ames Public Library and Habitat for Humanity of Central Iowa. The City purchased the property in the amount of \$20,000, the proceeds of the sale will be donated to the Ames Public Library, the City then demolished the deteriorated structure and the lot will be sold to Habitat to construct a home. Staff has been working with the Habitat Executive Board to finalize an agreement for the sale of the property in the amount of \$5,000.00. This opportunity to collaborate with Habitat for Humanity of Central Iowa will represent the fifth endeavor for both Habitat and the City of Ames. This project will allow the City to continue to address one of the priority goals outlined in both the 2007-08 Annual Action Plan and the 2004-2009 CDBG Consolidated Plan.

Attached is the contract for sale agreement between the City and Habitat that outlines the conditions under which the property will be sold.

ALTERNATIVES:

1. The City Council can approve the contract for sale agreement of City-owned property located at 622 13th Street to Habitat for Humanity of Central Iowa for affordable housing.
2. The City Council can deny approval of the proposed contract.

MANAGER'S RECOMMENDED ACTION:

It is the recommendation of the City Manager that the City Council approve Alternative #1. This alternative approves the contract for sale agreement of City-owned property located at 622 13th Street to Habitat for Humanity of Central Iowa for affordable housing.