

ITEM #: 10  
DATE: 02-28-23  
DEPT: P&H

**COUNCIL ACTION FORM**

**SUBJECT: SET PUBLIC HEARING FOR SALE OF CITY-OWNED LOT 8 IN BAKER SUBDIVISION TO HABITAT FOR HUMANITY OF CENTRAL AND SETTING MARCH 14, 2023 AS THE DATE OF PUBLIC HEARING**

**BACKGROUND:**

In 2015, as part of the City’s Community Development Block Grant (CDBG) Program, the City acquired a 10+ acre site located at 321 State Avenue (formerly the site of the Old Ames Middle School). The site was purchased to develop a subdivision that will support the affordable housing goals of the City as a mixed-income development, with a minimum of 51% of the homes affordable to low- and moderate-income households. The subdivision would consist of 27 buildable lots, 26 single-family lots, and one (1) lot for multi-family units (see attachment A).

In July 2022, the City, as the developer for the subdivision, completed the public infrastructure improvements, consisting of streets, water, sewer, electrical, sidewalks, including geothermal for the 26 single-family lots (see attachment A). The subdivision covenants were adopted in December 2021. The City is now positioned to develop the lots to construct single-family homes. As noted above, 51% (14) of the lots have to be available to low and moderate-income households.

**Habitat for Humanity of Central Iowa (HHCI) has approached staff with interest in purchasing one (1) lot in the Baker Subdivision.** Staff and HHCI have identified Lot Eight (8), located along the east side of Wilmoth Avenue, as a preferred property to sell to HHCI (see attachment A).

This collaboration with Habitat for Humanity of Central Iowa would represent the fifteenth endeavor between Habitat and the City of Ames. This project will allow the City to continue to address one of its priority goals outlined in both the 2022-2023 Annual Action Plan and the 2019-2023 CDBG Consolidated Plan, which is to increase the supply of affordable housing for LMI households.

Finance staff has reviewed a draft of HHCI’s 2022 Annual Audit Report and finds it in good order, including the audit opinion. Therefore, staff has been working with the HHCI Executive Board and Legal Department to finalize the terms and conditions for the sale of the lots and the construction of the homes and to set March 14, 2023, as the date of the public hearing.

**ALTERNATIVES:**

1. Set March 14, 2023, as the date of the public hearing to authorize staff to finalize the terms and conditions (including the price) for the sale of lot eight (8) in the Baker Subdivision to Habitat for Humanity of Central Iowa.
2. Set March 14, 2023, as the date of the public hearing to authorize staff to finalize the terms and conditions (including the price) for the sale of lot eight (1) in the Baker Subdivision to Habitat for Humanity of Central Iowa with **specific terms and conditions as identified by the City Council** .
3. Direct staff to seek other buyers to purchase the lots.
4. Decline to sell the single-family lots at this time.

**CITY MANAGER'S RECOMMENDED ACTION:**

The sale of lot eight (8) in the Baker Subdivision to Habitat for Humanity of Central Iowa will assist the City in its efforts to continue to address the housing needs of low- and moderate-income first-time home buyers and will help jump-start the construction of homes in the subdivision and potential for future sales to Habitat. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1.

**While this action only deals with the sale of one lot at this time, it is hoped in the near future HHCI will secure additional outside funding to allow for additional lot purchases.**

# Location Map- Attachment A

## BAKER SUBDIVISION

FINAL PLAT

