

ITEM #: 20
DATE: 03/28/23
DEPT: P&H

COUNCIL ACTION FORM

SUBJECT: SET APRIL 11, 2023 AS DATE OF PUBLIC HEARING FOR SALE OF CITY-OWNED LOTS 2-7 IN BAKER SUBDIVISION TO HABITAT FOR HUMANITY OF CENTRAL IOWA

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 (LMI) households. The subdivision would consist of 27 buildable lots, 26 single-family lots, and one (1) lot for multi-family units (see Attachment A).

The subdivision covenants were adopted in December 2021. In July 2022, the City, as the developer for the subdivision, completed the public infrastructure improvements (streets, water, sewer, electrical, sidewalks, including geothermal for the 26 single-family lots. The city is now positioned to develop the lots to construct single-family homes.

Habitat for Humanity of Central Iowa (HHCI) has officially signed its grant agreement with the Iowa Finance Authority (IFA) to receive \$1,559,660 of Coronavirus State and Local Fiscal Recovery Funds. Habitat is now ready to proceed with a request to purchase six additional lots in the Baker Subdivision. City staff and Habitat have identified lots 2 through 7, located along the south side of Wilmoth Avenue (see attachment A).

This collaboration with Habitat for Humanity of Central Iowa would represent the 16th 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. City Council recently agreed to sell Lot 8 to Habitat for development of one single-family home relying on different funding than the IFA grant.

The Finance Department 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 City's Legal Department staff to finalize the terms and conditions for the sale of the lots and the construction of the homes and to set April 11, 2023, as the date of the public hearing.

ALTERNATIVES:

1. Set April 11, 2023, as the date of the public hearing to authorize staff to finalize the terms and conditions (including the price) for the sale of lots two (2) through seven (7) in the Baker Subdivision to Habitat for Humanity of Central Iowa.
2. Set April 11, 2023, as the date of the public hearing as described in Alternative #1, but include additional terms and conditions for the purchase agreement.
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 lots two (2) through seven (7) 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 homebuyers 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, as described above.

Location Map- Attachment A

BAKER SUBDIVISION

FINAL PLAT

