

**COUNCIL ACTION FORM****SUBJECT: SALE OF CITY-OWNED PROPERTY AT 306 WELLONS DRIVE****BACKGROUND:**

Community Development Block Grant funds were used to purchase 306 Wellons Drive as part of the Acquisition/Reuse Program. The property was purchased in 2010 for \$107,000 and is the last of the five properties remaining to be rehabilitated and sold under the previous FY 2009-14 Acquisition Reuse Program.

Habitat for Humanity of Central Iowa (HHCI) approached staff with an interest in purchasing the property. This opportunity to collaborate with Habitat for Humanity of Central Iowa would represent the **eleventh** endeavor between Habitat and the City of Ames. This project will allow the City to continue to address one of the priority goals outlined in the 2014-2018 CDBG Consolidated Plan, which is to increase the supply of affordable housing for LMI households. Additionally, the revenue from the sale of this property can be reinvested to purchase additional properties that can be used continue to this need for either homeownership or rental LMI housing.

**City Council previously approved in August 2016 the terms and conditions for sale of the property to Habitat in the amount of \$30,000.** Two major terms and conditions of the sale were the rehabilitation of the property by July 31, 2017 and the sale the property to an eligible buyer on or before August 31, 2017. Staff has confirmed that both of these items have been satisfactorily completed and therefore, would request setting August 29, 2017 as the date of public hearing to complete the sale of the property.

**ALTERNATIVES:**

1. The City Council can approve the sale of the City-owned property located at 306 Wellons Drive to Habitat for Humanity of Central Iowa in the amount of \$30,000 and set Tuesday, August 29, 2017 as the date of public hearing.
2. The City Council can deny approval of the sale of the City-owned property located at 306 Wellons Drive to Habitat for Humanity of Central Iowa in the amount of \$30,000 and, therefore, have no need to move ahead to set Tuesday, August 29, 2017 as the date of public hearing.

**CITY MANAGER'S RECOMMENDED ACTION:**

The sale of 306 Wellons Drive to Habitat for Humanity of Central Iowa will assist the City in its efforts to address the housing needs for low and moderate income, first-time home buyers. In addition to assisting a first-time home buyer, the rehabilitation of this former deteriorated property assists in replenishing housing stock in the neighborhood.

**Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1.**