

COUNCIL ACTION FORM

SUBJECT: SET PUBLIC HEARING DATE FOR SALE OF THE CITY-OWNED PROPERTY AT 1125 MAXWELL TO HABITAT FOR HUMANITY OF CENTRAL IOWA

BACKGROUND:

As part of City's Community Development Block Grant (CDBG) Neighborhood Sustainability Program, the acquisition/reuse program component seeks to acquire 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 also makes health and safety repairs to the properties, as needed. Where possible, the properties are matched with eligible first-time homebuyers through the City's CDBG Homebuyer Assistance Program. Program parameters also permit the sale of properties to qualified non-profit organizations in the community.

CDBG funds were used to purchase the property at 1125 Maxwell in 2015 for \$28,500 as part of the Acquisition/Reuse Program. The property was a foreclosure at the time of its purchase by the City. The City demolished an existing structure and entered into an agreement in 2016 with Habitat for Humanity to purchase the property for \$5,000 and to construct a new home on the property.

The housing construction at 1125 Maxwell Avenue was scheduled to begin at the end of July 2017, however, due to the size of the lot and property line complications from the neighboring property at 1123 Maxwell, adjustments needed to be made to the lot boundary lines on the property. Therefore, staff requested and received approval at the City Council meeting on August 22, 2017, for a 4-foot vacation of right-of-way along the north property line. Additionally, the property is proposed to be modified with a boundary line adjustment with the 1123 Maxwell property to the south. Staff is requesting that 3-feet of the property line along the south side of the property be severed and added to the property line located at 1123 Maxwell. The related item of the Plat of Survey on the same agenda reflects this proposed property transfer and boundary line adjustment.

The adjustments to the two boundary lines will still create a lot size that will conform to the zoning requirements for the construction of a single-family home. However, the boundary line adjustments change the legal description of the property at 1125 Maxwell, thereby causing the need for the June 26, 2016 City Council Resolution approving the proposed sale to Habitat to be rescinded and this new sale process to occur. Staff has been in discussion with Habitat about the changes and they are amenable to the change in the property description.

ALTERNATIVES:

1. The City Council can set September 26, 2017 as date of public hearing for the sale of 1125 Maxwell Avenue based on the new boundary line adjustments and authorize staff to finalize terms and conditions of the agreement with Habitat for Humanity of Central Iowa for the purchase in the amount of \$5,000.
2. The City Council can set the date of public hearing for September 26, 2017, for the sale of 1125 Maxwell Avenue but set different boundary line adjustments and authorize staff to finalize different terms and conditions for the sale 1125 Maxwell Avenue to Habitat for Humanity of Central Iowa.
3. The City Council can decline to set September 26, 2017 as the date of public hearing for the sale of 1125 Maxwell Avenue and direct staff to comply with the existing agreement.

CITY MANAGER'S RECOMMENDED ACTION:

The sale of 1125 Maxwell Avenue to Habitat for Humanity of Central Iowa will assist the City in its efforts to continue to address the housing needs for low and moderate income first-time home buyers. Because this was a property in foreclosure and in deteriorating conditions, this partnership will also upgrade the housing stock located in one of our vital core neighborhoods.

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