

COUNCIL ACTION FORM

**SUBJECT: SET PUBLIC HEARING FOR SALE OF CITY-OWNED PROPERTY AT
241 VILLAGE DRIVE TO HABITAT FOR HUMANITY OF CENTRAL IOWA**

BACKGROUND:

As part of the 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 241 Village Drive as part of the Acquisition/Reuse Program. The property was purchased in 2018 for \$161,000. The only major improvements to the property were the installation of a concrete driveway (approximately \$7,000) and installation of a radon system (\$1,124). The property was intended to be sold to a low-income first-time homeowner for \$100,000, with the proceeds being used towards the improvements in the Baker Subdivision at 321 State Avenue.

Habitat for Humanity of Central Iowa (HHCI) approached staff with an interest in purchasing the 241 Village Drive property for \$100,000. Following the purchase, Habitat would be responsible for any further improvements it wishes to make to the property, and will ultimately identify a qualifying family to move into the home.

A collaboration with Habitat for Humanity of Central Iowa would represent the fourteenth 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 the both the 2021-2022 Annual Action Plan and in the 2019-2023 CDBG Consolidated Plan, which is to increase the supply of affordable housing for LMI households.

The City's Finance staff has reviewed a draft of HHCI's 2021 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 terms and conditions for this purchase and to set April 12, 2022, as the date of public hearing.

ALTERNATIVES:

1. Set April 12, 2022 as the date of public hearing to sell the property at 241 Village Drive to Habitat for Humanity of Central Iowa in the amount of \$100,000, and authorize staff to finalize terms and conditions for the sale.
2. Set April 12, 2022 as the date of public hearing to sell the property at 241 Village Drive to Habitat for Humanity of Central Iowa in the amount of \$100,000, and authorize staff to finalize terms and conditions for the sale with **additional terms and conditions or modifications**.
3. Direct staff to seek other buyers for this property.
4. Decline to sell the property at this time.

CITY MANAGER'S RECOMMENDED ACTION:

The sale of the 241 Village Drive home 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. The proposed purchase price is consistent with staff's initial estimates. Selling the property at this time to Habitat will accelerate the occupancy of the home with a qualified household as City staff focuses efforts on completing Baker Subdivision.

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