

ITEM #: 29  
DATE: 11-14-23  
DEPT: P&H

**COUNCIL ACTION FORM**

**SUBJECT: HEARING ON SALE OF CITY-OWNED LOT 1 (412 S. WILMOTH) IN THE 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 households. The subdivision would consist of 27 buildable lots, 26 single-family lots, and one (1) lot for multi-family units (see attachment 1).

In July 2022, the City of Ames, 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 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 an interest in purchasing an additional lot in the Baker Subdivision. Staff and Habitat have identified Lot One (1), 412 S. Wilmoth, located along the south side of Wilmoth Avenue (see Attachment 1) as meeting HHCI's interest.

This collaboration with Habitat for Humanity of Central Iowa would represent the eighth (8) endeavor between Habitat and the City of Ames in purchasing lots in the Baker Subdivision. Lots 2-7 were purchased earlier this year. This project will allow the City to continue to address one of its priority goals outlined in the 2023-2024 Annual Action Plan and the 2019-2023 CDBG Consolidated Plan, which is to increase the supply of affordable housing for LMI households.

The City's Finance Director 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 the City's Legal Department to prepare the attached purchase agreement (including home construction specifications shown of attachment) for City Council review and approval.

Highlights of the agreement included a sales price of \$50,000, and an escrowed non-refundable down payment of \$2,500 (5.0% of the purchase price for the property) with a completion and sales date to a qualified first-time homebuyer on or before May 31, 2026.

**ALTERNATIVES:**

1. Approve a purchase agreement for the sale of Lot One (1), 412 S. Wilmoth in the Baker Subdivision to Habitat for Humanity of Central Iowa.
2. Approve a purchase agreement for the sale of Lot One (1), 412 S. Wilmoth in the Baker Subdivision to Habitat for Humanity of Central Iowa with **additional terms and conditions or modifications**.
3. Direct staff to seek other buyers to purchase Lot One.
4. Decline to sell Lot One at this time.

**CITY MANAGER'S RECOMMENDED ACTION:**

The sale of Lot 1 (1), 412 S. Wilmoth 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. The sale of this lot will complete the sale of all of the lots along the south end of S. Wilmoth to Habitat for construction of affordable housing. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1, as described above.

[Plat for Baker Subdivision Lot #1-Attachment 1.pdf](#)  
[Purchase Agreement and Home Specifications-2.pdf](#)