

ITEM #:	<u>50</u>
DATE:	<u>05-13-25</u>
DEPT:	<u>P&amp;H</u>

### COUNCIL ACTION FORM

**SUBJECT:     UPDATE OF CONCEPT FOR 12-UNIT HOUSING DEVELOPMENT ON CITY PROPERTY WEST OF HARRISON ROAD AT WELBECK DRIVE**

**BACKGROUND:**

The City owns a surplus property located on the west side of the intersection of Welbeck and Harrison in north Ames (see location map). **City Council previously evaluated reuse of the site for housing in 2024 and directed staff to solicit an RFP for development of 5-12 homes on the property. No formal proposal was received in 2024.**

On [March 25, 2025](#), City Council reviewed a request from the Ames Regional Economic Alliance (AREA) to enter into an MOU to identify a potential developer of the site within specific parameters consistent with the basic expectation of the 2024 RFP. Council approved the MOU and for the City to work with Brenda Dryer of the AREA to further the housing development goal.

**Key elements of the MOU included development of ownership housing, density of 5-12 units, and for participation in the state's workforce housing tax credit program to target construction of market rate workforce housing.**

Ms. Dryer has identified a willing and capable developer for the property, Keystone Development group, and now requests that City Council consider setting a date of hearing for May 27 to approve the sale of the land in order to proceed with the development plan. The attached letter describes the development group and project. Concept plans are also attached.

The development concept creates a single private street with housing situated to the rear of the site. The plan includes 12 housing units with two different configurations and price points. Six of the units are two-story bi-attached homes and six units are three-unit attached units. Each home will include at least a one car garage, driveway, and rear yard area. The Plan would require approval of a Planned Unit Development (PUD) Overlay and subdivision to create the smaller lots for each home and the private street. The rear setbacks of the homes will meet minimum standards of the zoning ordinance.

Overall staff believes the proposal is similar to initial concepts considered for the site in 2024. The housing will be owner-occupied with a requirement for the homes to be the primary residence of the homeowner. **The developer has indicated that the price points of \$245,000 to \$275,000 are within the range of allowable costs for the state workforce housing tax credit program.** The developer has experience building and selling the proposed housing units in other central Iowa locations.

**In order to achieve the proposed price points for each home the developer requests sale of the property for a nominal amount of \$1. The City is requested to enter into an option to purchase the site and provide a letter of support for the workforce housing tax credit program.**

Staff proposes a hearing date for the purchase option on May 27 along with approval of resolution of support in order to allow for the developer to submit its application by the state deadline of June 10.

## **PUBLIC NOTICE:**

In 2024 City Planning Division staff met with neighborhood interests about development of the site. Many neighbors attended Council meetings and voiced that they did not want the City to pursue development of the site, and wanted the property to be kept as open space. No formal notice is required at this point of consideration of proposed concept. However, staff emailed the interested parties from a list generated last year before the May 13 meeting to alert the group of the pending review by the Council of a development concept.

The May 27 meeting requires published notice for the entering into an agreement to sell the property. Additionally, future development of the site will trigger additional public hearing notices for a PUD rezoning and subdivision.

## **ALTERNATIVES:**

1. Direct staff to prepare a land purchase option agreement for the Keystone Development group at a price of \$1 subject to conformance with the terms consistent with the proposed development concept and set a date of public hearing for May 27 for its approval.
2. Direct staff to include specific additional or modified terms in a land purchase option agreement with the Keystone Development group and set a date of hearing for May 27.
3. Decline to enter into a land purchase agreement with the Keystone Development Group.

## **CITY MANAGER'S RECOMMENDED ACTION:**

**Staff believes that a developer has been identified that is capable of constructing the proposed the 12-unit concept consistent with City Council's previously identified goals for the site.** Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1, as described above.

## **ATTACHMENT(S):**

[Harrison Welbeck Location Map.pdf](#)

[Letter for Harrison Site Overview.docx](#)

[Harrison Building Concepts.pdf](#)