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| ITEM #: | <u>45</u>       |
| DATE:   | <u>05-26-26</u> |
| DEPT:   | <u>P&amp;H</u>  |

## COUNCIL ACTION FORM

**SUBJECT: HEARING ON APPROVAL OF A PURCHASE AGREEMENT FOR THE SALE OF SIX SINGLE-FAMILY MARKET RATE LOTS LOCATED IN THE BAKER SUBDIVISION**

### BACKGROUND:

At City Council's February 24, 2026 meeting, the City Council authorized staff to proceed with a Request for Proposals (RFP) inviting interested builders/developers to submit proposals to purchase up to 6 of the 12 market-rate lots on the north side of the Baker Subdivision located on Tripp Street. The following lots were identified to be for sale: Lots 9, 13, 14, 16, 17, 21, 22, 23, and 26.

On March 9, 2026, staff issued the RFP. On March 31, 2026, the City received two proposals as listed below:

1. Genesis Homes
2. Keystone Equity Group

At the April 28, 2026, City Council meeting, staff presented the two proposals and provided specific details about each proposal. **The City Council adopted a resolution to proceed with the sale of six (6) market-rate lots available within the Baker Subdivision to Keystone Equity Group and set a date of public hearing for approval of the purchase agreement at the city council meeting on May 26, 2026, along with any other agreements needed related to staff approval of house design for each lot prior to construction.** The purchase agreement shall require an earnest deposit of 5% of the lot purchase price.

Attached for the City Council's review and approval is the Purchase Agreement prepared by the Legal Department for the sale of Lots 9,13,14,16, 23, and 26 in the Baker Subdivision to Keystone Equity Group. The total purchase amount is \$331,225. The earnest deposit is \$16,566.25. The agreement describes the conditions and requirements for the purchase of the six lots, with a closing date of October 1, 2026.

The agreement includes a separate Exhibit A (pages 8-12) with development conditions and covenants to allow for the City's review and approval of the specific house plans consistent with the RFP and staff review.

### ALTERNATIVES:

1. The City Council can adopt a resolution approving the sale of the following six city-owned market-rate lots: 9,13,14,16, 23, and 26 in the Baker Subdivision to Keystone Equity Group as outlined in the terms and conditions of the attached purchase agreement.

2. The City Council can adopt a resolution approving the sale of the following six city-owned market-rate lots: 9,13,14,16, 23, and 26 in the Baker Subdivision to Keystone Equity Group as outlined in the terms and conditions of the purchase agreement with modifications.
3. Reject finalizing the terms and conditions with Keystone Equity Group and refer this item back to staff for further information.

**CITY MANAGER'S RECOMMENDED ACTION:**

**The opportunity to sell market-rate lots in the Baker Subdivision is an important priority for the City's affordable housing program. Creating a mixed-income subdivision for both affordable housing for low-income families and market-rate housing is consistent with the goals and priorities of the City's CDBG 2024-28 Five-year Consolidated Plan. The sales prices are consistent with the minimum pricing established in the RFP. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1.**

**ATTACHMENT(S):**

[Sale to Keystone Equity Group \(six lots\) FIN \(packet copy\).pdf](#)