City Council Communication

Department: Community Development CASE #OTB-24-005 Applicant: The 712 Initiative 1228 South Main Street Council Bluffs, IA 51503	Reso. of Intent No. _____ Reso. to dispose No. _____	Set Public Hearing: 3/11/2025 Public Hearing: 3/25/2025

Subject/Title

Request: Set public hearing on the request of The 712 Initiative to purchase City owned property legally described as the East 29 1/3 feet of Lot 19 and the West 21 2/3 feet of Lot 20, all in Block 23, Omaha Addition, City of Council Bluffs, Pottawattamie County, Iowa. The property was formerly addressed at 2914 8th Avenue.

Background/Discussion

The City has received an offer from The 712 Initiative to purchase the property described above. The property is classified as 'transitional dispose' and 'buildable.' The subject property was acquired by the City of Council Bluffs in January of 2023 via a 657a Petition through the Iowa District Courts. There is an existing single-family residential structure on the subject property which is currently boarded up. As is stated in the adopted *Inventory and Disposal Policy for Surplus City Property*, the property would not be eligible for a forgivable mortgage as it has not been actively marketed on the Surplus Property list for more than the required 24 months.

The City typically acquires property via a 657a Petition when a residential structure falls into disrepair and becomes uninhabitable. Once the property is acquired, the City demolishes the structure and sells it to an interested party so they may build a new residential structure. In this instance, the applicant wishes to acquire the subject property in its existing condition in order to rehab the single-family dwelling structure as part of the 712 Housing Revitalization Program. As per the applicant's letter of intent, the proposed improvements will be completed in 90 days. Once renovations are completed, the applicant intends to sell the single-family dwelling for owner occupancy.

According to the *Inventory and Disposal Policy for Surplus City Property*, adopted by City Council on April 23, 2018, the property should be priced at the most recent assessed value, which on this property would be $60,900.00. The applicant has offered 10% of the assessed value ($6,090.00) to purchase the property as improvements to rehabilitate the single-family dwelling would cost approximately $100,000.00. The Community Development Department finds the applicant's offer acceptable as the assessed value of the subject property does not accurately reflect the poor condition of the structure and the amount of investment to rehabilitate it to a livable condition. Furthermore, the City will not have to incur the cost to demolish the single-family dwelling structure at this site if the property is sold in its existing condition. The applicant has submitted a $6,090.00 down payment.

The following costs have been incurred on the subject property:

Planning and Code Compliance Division: Nuisance removal:	$ 9,336.00
Permits and Inspections Division: Board-up:	$ 1,022.00
Total	$ 10,358.00

Recommendation

The Community Development Department recommends approval of the request of The 712 Initiative to purchase City owned property legally described as the East 29 1/3 feet of Lot 19 and the West 21 2/3 feet of Lot 20, all in

Block 23, Omaha Addition, City of Council Bluffs, Pottawattamie County, Iowa for the reasons stated above and subject to the following conditions:

A. The purchase price shall be $6,090.00.

B. Closing must occur within 60 days of the date of approval.

Attachments

Attachment A: Zoning/Location Case Map
Attachment B: Letter of Intent

Prepared by: Moises Monrroy, Planner