Council Communication

Department: Community Development Applicant: USA Builders LLC 2423 S. 8th Street Council Bluffs, IA 51501	Reso. of Intent No. _____ Reso. to Dispose No. _____ Case # OTB-24-001 OTB-24-002	Set Public Hearing: 3/25/2024 Public Hearing: 4/22/2024

Subject/Title

Request of USA Builders LLC, represented by Miguel Santacruz to purchase property located at 1612 7th Avenue legally described as Everetts Addition E 45 FT, Lot 10 EX N 6 FT for Alley, Block 25, City of Council Bluffs, Pottawattamie County, Iowa and property located at 1614 7th Avenue legally described as Everetts Addition W 15 FT, Lot 10, and E 30 FT, Lot 11, Block 25, EXC N 5 FT for Alley, City of Council Bluffs, Pottawattamie County, Iowa

Location: 1612 7th Avenue and 1614 7th Avenue

Background/Discussion

The Community Development Department has received an offer from USA Builders LLC to purchase City-owned property located at 1612 7th Avenue legally described as Everetts Addition E 45 FT, Lot 10 EX N 6 FT for Alley, Block 25, City of Council Bluffs, Pottawattamie County, Iowa and 1614 7th Avenue legally described as Everetts Addition W 15 FT, Lot 10, and E 30 FT, Lot 11, Block 25, EXC N 5 FT for Alley, City of Council Bluffs, Pottawattamie County, Iowa. The subject properties is zoned R-2/Two-Family Residential District and are classified as 'transitional preserve' due to the use of Community Development Block Grant – COVID-19 Assistance Program (CDBG-CV) funds to acquire and demolish the structures. The subject properties are located within a flood zone.

The subject property was acquired by the city of Council Bluffs on June 27, 2023. The city has demolished the structures using funds from the CDBG-CV Program. With the location of these properties we are unable to use the CDBG funding to create affordable housing options. In this instance, the selling price is set by the total amount the City has incurred to purchase and demolish the homes. Staff released an RFP allowing for the lots to be purchased at the total amount the City has incurred to purchase and demolish the homes which would "buy out" the affordability requirement.

The 1612 7th Avenue property shall be priced at the total amount the City has incurred to purchase and demolish the home, which is $11,682.00. The applicant has offered $11,682.00 to purchase the property, and has submitted the required 10% down payment ($1,168.00). The 1614 7th Avenue property shall be priced at total amount the City has incurred to purchase and demolish the home, which is $12,618.00. The applicant has offered $12,618.00 to purchase the property, and has submitted the required 10% down payment ($1,262.00). Proceeds from the sale will be deposited into the CDBG account. This is required to remove the affordability requirement.

The 1612 7th Avenue property is zoned R-2/Two-Family Residential District and measures 45' x 130' (5,850 square feet) which exceeds the minimum lot size requirements for the R-2/Two-Family Residential District. The 1614 7th Avenue property is zoned R-2/Two-Family Residential District and measures 45' x 130' (5,850

square feet) which exceeds the minimum lot size requirements for the R-2/Two-Family Residential District. The applicant has not submitted any conceptual house plans to the City for review at this time. However, based on the size of the parcels, the applicant shall be able to construct a new single-family residential dwelling on the subject property that meets or exceeds the City's minimum single-family residential dwelling size requirements (20 feet wide with a minimum 500 square feet ground floor area).

Recommendation

The Community Development Department recommends selling of the property located at 1612 7th Avenue legally described as Everetts Addition E 45 FT, Lot 10 EX N 6 FT for Alley, Block 25, City of Council Bluffs, Pottawattamie County, Iowa and 1614 7th Avenue legally described as Everetts Addition W 15 FT, Lot 10, and E 30 FT, Lot 11, Block 25, EXC N 5 FT for Alley, City of Council Bluffs, Pottawattamie County, Iowa and subject to the following conditions:

1. The purchase price for 1612 7th Avenue, including the submitted $1,168.00 down payment, shall be $11,682.00. The purchase price for 1614 7th Ave, including the submitted $1,262.00 down payment, shall be $12,618.00; and
2. The applicant shall close on the subject property within 30 days of the date of Council's decision.

Attachments

Attachment A: Location Map 1612 7th Avenue
Attachment B: Location Map 1614 7th Avenue
Attachment C: IonWave Application

Prepared by: Marianne Collins, Housing & Economic Development Planner, Community Development Department
Submitted by: Courtney Harter, Director Planning & Community Development, Community Development Department