Council Communication

Department: Community Development	Resolution No.: 24 -	City Council: April 22, 2024

Subject/Title

Resolution approving the request for proposal for approximately .25 acres of land at 1st Avenue and S. 8th Street based on the additional investment on the property and adjacent property and the creation of new affordable housing.

Background/ Discussion

Background

In 2017, the City took title to property located at 1st Avenue and S. 8th Street (Parcel ID: 754436789009) under Iowa Code 6547A. This allows the City to petition the court to declare a property abandoned. Once the court awards the City title, the City files a "change of title" certificate with the County to show the City as owner. Through this process, the City then obtains the property free and clear from any encumbrances (mortgages, liens, etc.) that may have been attached to the property. Later in 2017, the residence was demoed and the property has been vacant ever since. The property is located in the Bluffs Center 1 Urban Renewal Area. Staff believes it is in the best interest of the City to request proposals for the redevelopment of the site through a RFP process requesting development designs for a multi-family project.

As part of the disposition of property, state statutes require the city ensure a reasonable competitive bidding procedure and 30 days to respond. This also includes providing notice by publication in a newspaper having a general circulation to the community 30 days prior to the execution of a contract involving the transfer of property. The RFP was published March 5, 2024 and proposals were due April 4, 2024.

Developers were required to submit proposals that demonstrate their capacity to satisfy the requirements of the RFP including:

1. Name, address, and contact information of the person or legal entity submitting the proposal.
2. A description of the individual or entity's background and business.
3. A narrative description of plan for the site. Conceptual plans are preferable but not necessary.
4. Timeframe
5. An itemized description and costs of project.
6. Proposed method of financing the acquisition and improvements made.

The proposal was reviewed by staff of the Community Development Department and was determined to meet the RFP requirements. An appraisal was conducted on the property on September 28, 2024 and the value was estimated at $40,000. As part of their response to the RFP, Habitat for Humanity proposed a bid amount of $12,950 because it is half the amount that the county assesses the property's tax value of $25,900. Habitat for Humanity explained that given their significant investment committed to the neighboring townhome development, and partnership with city planning to create a multiphase expansion of those original six townhomes, they are requesting that their offer of half of the tax valuation be considered. Staff considers this to be a reasonable offer given the additional investment on the property and the creation of new affordable housing, which the City is in need of.

Discussion

One developer responded to the RFP. Habitat for Humanity submitted a proposal to use the property to complete a second phase of their Baldwin Court Townhome project. These are 4bedroom/2 bathroom

homes that complement the surrounding neighborhood architecture and brings revitalization this urban core neighborhood needs. Phase I of six townhomes is currently underway. Phase II planning will begin in this summer of 2024 and construction would commence during the 2026 fiscal year.

Staff reviewed the proposals and believes the Habitat for Humanity Baldwin Phase II project fully complies with the requirements of the RFP and the development proposal achieves the City's long-range vision for Bluffs Center 1 Urban Renewal Area.

Recommendation

Resolution approving the request for proposal for approximately .25 acres of land at 1st Avenue and S. 8th Street based on the additional investment on the property and adjacent property and the creation of new affordable housing.

Attachments

Habitat for Humanity response to the RFP