Council Communication

Department: Community Development	Resolution No.: 23-	City Council: February 27, 2023

Subject/Title

Resolution approving the acquisition of 1709 4th Avenue.

Background/Discussion

Background

In 2020, the City was granted $947,317 in Community Development Block Grant COVID (CDBG-CV) assistance funds to provide additional support to communities for assistance to persons of low and moderate income relating to housing. In August 2022, the City reallocated a portion of its CDBG-CV funds to the acquisition and demolition of dilapidated structures for the creation of new affordable housing. This would be accomplished through a partnership with a local foundation that would acquire substandard rental units.

The foundation agreed to deed the properties to different entities based on the condition of the structure. The units that were unsalvageable would be deeded to the City for demolition and Community Development Staff would request proposals for the construction of new affordable single-family dwellings. Qualified buyers would be eligible for up to $30,000 in down payment assistance. This program would allow for the removal of dilapidated housing and the creation of new, safe and affordable housing for residents.

Discussion

In November, the Community Development Department submitted an offer to buy 1709 4th Avenue (parcel 754435251001) to Dover Real Estate Iowa LLC, a partner of the local foundation. The sales price of $1.00 was accepted subject to the City committing to demolishing the structure and creating a new single family home to be sold to a household at or below 80% of the median family income (MFI).

The City has completed the required environmental review of the site and received its Authority to Use Grant Funds (AUGF) from the US Department of Housing and Urban Development (HUD). The City will utilize CDBG-CV funds to demolish the structure. This is estimated to be $10,000 and has been previously approved as an eligible expense under the CDBG-CV Amendment #4 to the 2019 CDBG Action Plan.

Staff Recommendation

The Community Development Department recommends that City Council approval of the acquisition of 1709 4th Avenue.