Council Communication

Department: Community Development CASES #OTB-19-005 #OTB-19-006 #OTB-19-007 #OTB-19-008 #OTB-19-009 #OTB-19-010 Applicant: Yoder Construction, Inc. Attn: Bryan and Angela Yoder 101 McCandless Ln, Suite A Council Bluffs, IA 51503	Resolution to Dispose No. _____	Public Hearing: 06/10/2019

Subject/Title

Request of Yoder Construction, Inc., represented by Bryan Yoder, to purchase the city-owned properties legally described as Lot 1 and a 20' by 7' strip of vacated Pomona Street Adjacent, Auditor's Subdivision of Lot 1 Block 4 Glendale Addition and that part of Lot 95, Original Plat of Council Bluffs, Iowa West of Huntington Avenue, City of Council Bluffs, Pottawattamie County, Iowa; and Lot 4 and the West ½ of the vacated north/south alley adjacent, Judd's Park Subdivision, City of Council Bluffs, Pottawattamie County, Iowa; and Lot 2 and the West ½ of the vacated north/south alley adjacent, Wells Park Addition, City of Council Bluffs, Pottawattamie County, Iowa; and Lot 3 and the West ½ of the vacated north/south alley adjacent, Wells Park Addition, City of Council Bluffs, Pottawattamie County, Iowa; and Lot 4 and the West ½ of the vacated north/south alley adjacent, Wells Park Addition, City of Council Bluffs, Pottawattamie County, Iowa; and Lot 5 and the West ½ of the vacated north/south alley adjacent, Wells Park Addition, City of Council Bluffs, Pottawattamie County, Iowa. These properties were formerly addressed as 401 Park Avenue, 409 Park Avenue, 431 Park Avenue, 435 Park Avenue, 437 Park Avenue, and 441 Park Avenue.

Location: South of Pomona Avenue on the East side of Park Avenue.

Background/Discussion

The City has received an offer to purchase the properties described above. The properties are all classified as 'transitional dispose' and 'buildable'. According to the adopted policy of April 23, 2018, the property should be priced at the most recent assessed value, which along with the required 10% down payment submitted is shown below:

Case Number	Former Address	Last Assessed Value	Down Payment Submitted
OTB-19-005	401 Park Avenue	$16,777	$1,677.70
OTB-19-006	409 Park Avenue	$12,626	$1,262.60
OTB-19-007	431 Park Avenue	$12,452	$1,245.20
OTB-19-008	435 Park Avenue	$11,762	$1,176.20
OTB-19-009	437 Park Avenue	$11,588	$1,158.80
OTB-19-010	441 Park Avenue	$11,242	$1,124.20

The applicant wishes to purchase these properties to construct new residential dwellings. On the properties formerly addressed as 409, 431, 435, 437, and 441 Park Avenue, the applicant is proposing to construct two-family dwellings, which would share a common wall. On the property formerly addressed as 401 Park Avenue, the applicant proposes to construct either one single-family dwelling, or one two-family dwelling. As is stated in the Letter of Intent (Attachment B), the applicant intends to build the homes as rental properties, though did note that selling them in the future would be a possibility.

Currently, the subject properties are zoned R-2/Two-Family Residential District, which allows both single-family residential structures and two-family residential structures. The subject properties are considered non-conforming lots of record, as none of the lots meet the required street frontage of 50 feet for an interior lot and 55 feet for a corner lot, and 3 of the interior lots are below the required 5,000 square feet of lot area. As proposed, the structures appear to meet all applicable setback and lot coverage requirements, except the off-street parking requirements. Per Section 15.23.030 *Off Street Parking, Loading and Unloading: Design Standards:* Standard (3). E. "Parking is permitted outside in the side yard or in the rear yard, behind the required front yard setback and must be contiguous with the primary surface driveway". The applicant has indicated that the topography of the lots does not allow for the homes to be setback far enough for a second parking space for each dwelling unit to be located outside of the 25 foot front yard setback that is required in the R-2 District, so the applicant will need to seek the relief of a variance to allow for the second required parking stall for each residential unit to be located within the front property line setback. Variances would be reviewed by the Zoning Board of Adjustment subsequent to a vote of approval of the sale of the properties by the City Council.

The following costs have been incurred on the subject properties:

Case Number	Former Address	Costs Incurred
OTB-19-005	401 Park Avenue	$14,098.51
OTB-19-006	409 Park Avenue	$34,519.66
OTB-19-007	431 Park Avenue	$18,476.42
OTB-19-008	435 Park Avenue	$19,179.19
OTB-19-009	437 Park Avenue	$17,688.82
OTB-19-010	441 Park Avenue	$16,678.36

The applicant has requested that the remaining value of the properties beyond the submitted 10% down payment be forgiven using a forgivable mortgage. The City Council has the authority to approve a sale using a forgivable mortgage on these properties, as they have been owned by the City for greater than 24 months. Per the adopted Inventory and Disposal Policy for Surplus City Property, the remaining value of the property (beyond the 10% down payment) may be forgiven if the property is constructed upon within a time period determined by the City Council, typically within a 12 month period. The applicant has asked that the remaining value on the property be forgiven immediately to assist them with obtaining loans on the construction of the properties, as well as the significant cleanup costs and hillside work on the rear of the properties. The terms of any forgivable mortgage would be determined as a condition of sale in the Resolution to Dispose.

Architectural Standards:

To maintain the historic character of the neighborhood for which these homes are proposed to be located, the Community Development Department requested that the applicant construct homes that would feature design elements that are compatible with the historic Park/Glen Avenue Historic District. The applicant has submitted an exterior elevation proposal for the homes (Attachment C) that feature a porch on the front of the home, dormer roofs over the main 2nd floor windows, 6" crowns over the freeze board of the main 2nd floor windows, and shake siding as an accent on the 2nd floor. The Community Development Department considers the submitted design to be compatible with the neighborhood, and specific design guidelines will be included in the recommendation of the Resolution to Dispose for each parcel as a condition of sale.

Recommendation

The Community Development Department recommends disposing of the above described properties to Yoder Construction, Inc., subject to the following conditions:

1. The purchase price for each property shall be the value last established by the Pottawattamie County Assessor, with the remaining balance beyond the down payment being forgiven for each lot by City of Council Bluffs with the issuance of a Certificate of Occupancy for a constructed home on the property, and denying the request of the applicant for immediate execution of a forgivable mortgage. The deadline for the completion of the first home shall be one year from the date the properties are deeded to Yoder Construction, Inc., and one home shall be completed within a 12 month period after that. If the applicant is unable to complete one house within a 12 month period, an extension of time shall be requested in writing to the Community Development Department. Inadequate progress on the construction of the homes shall be grounds for the revocation of the forgivable mortgage, which would require the applicant to purchase the property for the remainder of the last assessed value, or forfeiture of the lot to the City of Council Bluffs.
2. The date of closing shall be within 45 days after the final decision of the Zoning Board of Adjustment regarding a proposed variance to allow one parking space for each dwelling unit to be located within the front yard setback. If the Zoning Board of Adjustment does not see adequate findings of fact to prove the need for the proposed parking variance, the applicant shall have the option to withdraw his application and request a refund of the submitted down payment.
3. The constructed homes shall adhere to the architectural standards as submitted with the application, with the intent of constructing homes that are consistent with the features of neighboring homes located within the Park/Glen Avenues Historic District. The completed home shall include a roofed front porch that runs the width of the home, accent siding (such as the shake siding that is shown) on the second floor, dormers on the second floor, Headers and Crowns over the second floor dormer windows, and pitched roofs of a 12/12 pitch or a 10/12 pitch. Final design approval will be determined by the Community Development Department with the approval of the building permit.
4. Neighborhood identification banners, which are located on poles in or near the right-of-way, shall remain on the property.

Attachment A: Location map
Attachment B: Letter of Intent
Attachment C: Front Building Elevation and Proposed Floor Plans
Attachment D: Site Photos

Prepared By: Chris Meeks, Planner, Community Development Department