Council Communication

Department: Community Development CASE #OTB-20-007 Applicant: Ambar Rentals LLC Attn: Al Lewis P.O. Box 12242 Omaha, NE 68122	Resolution to Dispose No. _____	Public Hearing: 6/22/2020

Subject/Title

Request of Ambar Rentals LLC, represented by Al Lewis to purchase property described as Lots 9 and 10, Block 5, McMahon Cooper and Jefferis Addition, City of Council Bluffs, Pottawattamie County, Iowa. The property is generally addressed as 1228 6th Avenue

Background/Discussion

The City has received an offer to purchase the property described above. The property is classified as 'transitional dispose' and 'buildable'. The applicant wishes to acquire the lot to construct a new duplex on the property which would be rented to lower income/Section 8 tenants. According to the Inventory and Disposal Policy for Surplus City Property adopted by the City Council April 23, 2018, the property should be priced at the most recent assessed value, which on this property would be $13,455.00. The applicant has submitted a $1,345.00 down payment.

The applicant has requested that the remaining value beyond the $1,345.00 down payment be forgiven with the construction of a duplex within two years. As is stated in the adopted Inventory and Disposal Policy for Surplus City Policy, any property that has been listed on the Disposal list for greater than 24 months is eligible to be sold using a forgivable mortgage. Because this property was acquired by the City of Council Bluffs in November of 2009, the property would be eligible for a forgivable mortgage. During Council discussion while setting the date for the public hearing of the disposal of the subject property, the Council asked if the applicant would be able to construct the home with a 12 month timeline as opposed to the originally proposed 24 month timeline. The applicant stated in an email that he was amenable to this alternative and intends to start construction as soon as possible. With this discussion, the recommendation has been written to reflect the 12 month timeline for the forgivable mortgage on the property. The applicant will have to option to request that the timeline be extended by the City Council, if needed.

No costs on the subject property have been submitted by City Departments.

The subject property is 82.5 feet wide by 130.2 feet deep, and is 10,790 square feet in size, which exceeds the Site Development standards for a property located in the R-3/Low Density Multifamily Residential District that would be used for a single-family detached or single-family attached or duplex structure. The property is large enough to accommodate a two-family residential dwelling, as the applicant has proposed.

Recommendation

The Community Development Department recommends disposal of the property legally described as Lots 9 and 10, Block 5, McMahon Cooper and Jefferis Addition, City of Council Bluffs, Pottawattamie County, Iowa to Ambar Rentals LLC to allow them to construct a duplex on the property, subject to the following conditions:

1. The purchase price shall be $13,455.00, with the remaining balance beyond the $1,345.00 submitted down payment being forgiven upon the issuance of a Certificate of Occupancy for a constructed home on the parcel.
2. Closing shall occur on the property within 60 days of the date of decision. The applicant shall have 12 Months from the date of closing to construct a home on the property. An extension of time to complete the new home construction may be granted by the City Council if requested prior to the expiration of the 12 month timeframe stated above.

Attachment A: Location map

Prepared By: Chris Meeks, Planner, Community Development Department