

Staff Report

MAINSTREAM LIVING REQUEST TO PURCHASE PROPERTY AT 1417 DOUGLAS

November 1, 2019

BACKGROUND:

At the City Council meeting on August 13th, the City Council authorized staff to evaluate the offer from Mainstream Living to purchase the property at 1417 Douglas that the City of Ames has recently acquired. The site was acquired to mitigate a “dangerous building” as determined by the Inspection Division due to long term abandonment and deterioration of the home on the site. The City Council authorized staff to borrow funds from the City’s Affordable Housing Program for the purchase, asbestos testing and removal, and to demolish and clear the site. At the time of its initial purchase, it was planned that the vacant lot would be sold at a price that would at least recoup the City’s cost of acquisition and demolition in order to reimburse City’s Affordable Housing fund.

The costs for purchase and demolition are now known to be \$34,877. Additionally, the closing cost are anticipated to be \$500. Therefore, the current total estimated cost is \$35,377. Staff anticipates that all work associated with the property to be completed by November 7, 2019.

OPTIONS:

Staff has defined three options below for addressing affordable housing needs and the sale of the lot:

Option #1

Sell the property to Mainstream Living as requested, for approximately \$36,000 (including purchase, asbestos removal, demolition, and closing costs). **The final cost will be determined after the contract is completed for the demolition work and all closing costs are known.**

Mainstream Living intendeds to operate a “Family Home” as defined by the Code of Iowa for disabled individuals. Their clientele would qualify as very low/low income individuals. The City would also add a restrictive convent for long-term use of the site reflective of the proposed use.

Should the City Council prefer this option, the next step would be to direct staff to prepare a purchase agreement with Mainstream Living. In addition, a date for a public hearing to dispose of the City property will need be set.

Option #2

Create a request for proposals (RFP) to sell the lot for construction of a single-family affordable housing unit. Preference would be given to eligible non-profit organizations who provide affordable housing to low-income individuals, households, or families for home ownership or for rental.

The minimum purchase price would be for at least the City's investment in the site of approximately \$36,000 (including purchase, asbestos removal, demolition, and closing costs). **The final cost will be determined after the contract is completed for the demolition work and all closing costs are known.**

The City would also add a restrictive covenant for long term use of the site reflective of the proposed use and information about the design of the home.

The next step under this option will be to direct staff to prepare a RFP directed towards non-profit agencies.

Option #3

Sell the property on the open market to any interested party.

Under this option, the lot would be sold for a price of approximately \$36,000 or market value, whichever is greater, for moderate income housing. Additionally, staff would recommend that the lot have a long-term ownership housing covenant and require the construction of home within 12 months of sale of the site.

If this option is selected, the next step will be to list the property for sale. **In addition, a date for a public hearing to dispose of the City property will need be set.**

STAFF COMMENTS:

Staff believes that any of the options reflected above will support the City Council's goal for affordable housing and will recoup the funds advanced from the Citywide Affordable Housing Fund.

August 22, 2019

To: Mayor John Haila and members of the Ames City Council

From: Bill Vaughn, President/CEO Mainstream Living

Mainstream Living has provided residential and community services to individuals with disabilities for nearly 45 years. As one of the largest providers in central Iowa, we are proud to serve hundreds of individuals and families on a daily basis. Our programs in Ames include Home and Community Based Services (HCBS) that are provided in homes owned and/or operated by our organization as well as services provided in an individual's own home. We also operate a large community integration program that provides skill development, volunteerism, socialization, and employment supports.

Due to growing requests for services as well as emerging needs to accommodate more individuals in wheelchairs, we are interested in constructing additional group homes in Ames. I understand that the city recently purchased a property at 1417 Douglas Avenue and will be working to demolish the current home. Rather than place the property on the market, I would respectfully request that council consider selling the property to Mainstream Living at an amount equal to or less than the costs borne by the city. We would plan to construct a five bedroom (maximum allowed by state law) wheel-chair accessible group home which would provide needed housing for adults with intellectual disabilities.

Our efforts to construct additional community housing in Ames supports council's affordable housing and human service goals. The individuals we serve can all be considered low or very low income individuals according to HUD guidelines and can often have difficulties obtaining accessible and affordable housing. We believe the home is in an ideal location as it is close to Downtown Ames and medical facilities and integrated into an established neighborhood. We place a high priority on ensuring that our homes and our members live in settings that support independence and foster a sense of community.

Mainstream Living has been fortunate to partner with the city of Ames many times since we opened our first home. We have been the beneficiary of CDBG funding as well as your recent capital grant which allowed us to remodel two homes into wheel-chair accessible properties. We hope you'll again consider partnering with us as we work to open a new home for individuals with disabilities. This is an important project as we work to continually fulfill our mission to enhance opportunities, create success, and fulfill dreams.

Thank you for considering our request.



Bill Vaughn
President/CEO

PKts. 11-15-19



1417 Douglas Street
Laura Cook
to:
dvoss@city.ames.ia.us
11/14/2019 11:12 AM
Cc:
"richards, paul"
Hide Details
From: "Laura Cook" <lcook@fsu.edu>
To: "dvoss@city.ames.ia.us" <dvoss@city.ames.ia.us>
Cc: "richards, paul" <paulware@hotmail.com>
History: This message has been replied to and forwarded.

Ms Voss and interested parties:

I have watched the progress of condemnation and disposal of 1417 Douglas Street for about 6 months. I have been interested in that process because I have owned for 45 years, lived in while attending ISU and now rent a house at 1425 Douglas Street. My son who lives in Urbandale manages the property which over the years has had students, families and currently a couple with a child living there. I would describe my house as offering affordable housing and receive approximately \$1100/month rent. I have always thought the block an attractive area with well kept yards and homes and convenient to many services in Ames. I visit yearly and have been distressed to watch 1417 deteriorate. My son will retire within 5-8 years and will to continuing to manage our rental and could add another property to his responsibilities. Therefore I am expressing to you my interest in purchasing the lot at 1417 Douglas St, building a house and renting it as affordable housing (determined by an accepted definition) and maintaining the attractive character of the block. Please let me know if you have questions about my interest in the purchase of this property. Sincerely, Laura R. Cook