

FACTSHEET

Instructions: If a question does not apply, **DO NOT DELETE IT**, just put "NA". Please try to keep it to **ONE** page only. Submit **one original**, with your Request Form, to City Clerk.

TITLE: Sale of City-owned property located at 629 S. 19th Street

BOARD/COMMITTEE: None

APPLICANT: Urban Development Department

RECOMMENDATION: For

STAFF RECOMMENDATION: For

OTHER DEPARTMENTS AFFECTED: None aware of

SPONSOR: Urban Development Department

OPPONENTS: None known

REASON FOR LEGISLATION:

Article II, Section 2 of the City Charter provides that the sale of any real estate having a value in excess of \$10,000 must be authorized by City Council ordinance.

DISCUSSION / FINDINGS OF FACT:

The City of Lincoln is in the process of selling the property at 629 S. 19th Street for \$115,000 to Mohammed Al-Asady and Rakad Al Lateef. This is one of two newly constructed homes that the City is currently offering for sale under the City's First Time Home Buyer Program. These houses were built using Federal HOME funds to increase affordable housing units, and we are required to sell the property to low to moderate income buyers. The buyer must graduate from the First Time Home Buyer program, and meet all of the necessary requirements in order to purchase the property.

Previously the properties were occupied by an apartment complex and a single family residence which were both in very poor condition. Rehabilitation of either property was not a viable option, and both were demolished. The City acquired the properties in February and July of 2012 for \$125,000 and \$22,500, respectively, using an EDI Special Purpose Grant and HOME Funds.

The properties were subdivided into two buildable lots, and the City entered into a contract for the construction of two residences both of which are four bedroom, three bathroom, Energy Star Homes with two stall attached garages. The City is required to sell both houses within six months of completion or will be required to rent the properties until a buyer is found.

It is in the best interest of the City to get the properties sold not only due to the eventual rent requirement, but also the sale of the property will bring program income to the City's HOME program, put the property back on the tax rolls and relieve the City of maintenance issues related to the property. For these reasons, we recommend approval of this sale.

POLICY OR PROGRAM CHANGE: ___ Yes X No

OPERATIONAL IMPACT ASSESSMENT: N/A

COST OF TOTAL PROJECT: N/A

RELATED ANNUAL OPERATING COSTS: N/A

SOURCE OF FUNDS: EDI Special Purpose Grant and HOME Funds

CITY: No City Funds Were Used

NON-CITY: Federal HOME Investment Partnership funds from Housing and Urban Development (HUD) to carry out the HUD goal to increase the number of affordable units available for low to moderate income households. The City of Lincoln is an Entitlement Jurisdiction for HUD funds and the Urban Development Department carries out the administration of these funds.

FACTSHEET PREPARED BY: Michelle Backemeyer

DATE: October 25, 2016

REVIEWED BY: David Landis

DATE: October 25, 2016