

## City Council – Action Request Form

**Date:** November 6, 2023

**To:** Mayor, Mayor Pro Tempore and Members of the City Council

**From:** Aaron King, Assistant City Manager  
Travis Cockerham, Real Estate Administrator

**Council Action Requested:**

Resolution Authorizing the Purchase of Property in Support of the City’s Affordable Housing Objectives, in Addition to the Preservation of Workforce Housing. (Northwest Ward)

**Strategic Focus Area:** Livable Neighborhoods

**Strategic Objective:** Expand Housing Assistance Programs

**Strategic Plan Action Item:** No

**Key Work Item:** Yes



**Summary of Information:**

A multi-family apartment site of 0.58 acres is available for purchase at 800 N. Spring Street, which would support the City’s affordable housing objectives, as set forth in the City Council’s most recent strategic priorities. The site is located on the Northwest side of the corner of N. Spring Street and W. Seventh Street. The land is identified as Tax PIN(s) 6825-98-2723 & 6825-98-1743 and further identified in Exhibit A. The property is developed with an existing multi-family apartment building with a total of 8 residential units. The owner, Experiment in Self Reliance, Inc., (ESR), has agreed to sell the property to the City for \$760,000, with contingencies of obtaining an appraisal that supports the purchase price and City Council approving the transaction. After purchasing, the City will immediately begin the process to convey the property to another entity with restrictions that ensure the units remain affordable.

Staff is supportive of this purchase, which would further enable the preservation of affordable housing in the City.

**Committee Action:**

<b>Committee</b> _____	<b>Action</b> _____
<b>For</b> _____	<b>Against</b> _____
<b>Remarks:</b> _____	

ESR received a grant from the City in 1993 that allowed it to purchase the property and complete rehabilitative repairs. The \$235,000 portion of the grant for the rehab repairs was forgiven by the City, per the grant terms, in 2008. The \$65,000 portion of the grant for acquisition costs is still owed to the City and is scheduled to be forgiven on December 31, 2024. ESR also owes the City \$95,598 from a 2022 loan to make improvements at the subject property, including replacing the roof, HVAC, and gutters. That loan is scheduled to be forgiven in January 2029.

Because the acquisition grant is thirty years old and is scheduled to be forgiven at the end of next year, staff recommends that the City Council agree to forgive it and waive collecting the \$65,000 at the closing. However, given the recency of the \$95,598 rehab loan and the federal source of funding, staff does not recommend forgiving that loan, which means that ESR will need to pay that loan off at the closing.

The resolution authorizes staff to proceed with the purchase of the property as stated herein.