



City of Grand Island

Tuesday, August 10, 2010

Council Session

Item E3

**Public Hearing for Neighborhood Stabilization Program Property
Purchase Located at 201 West 17th Street**

Staff Contact: Joni Kuzma

Council Agenda Memo

From: Joni Kuzma, Community Development Administrator
Meeting: August 10, 2010
Subject: Consideration of the Purchase of 201 W. 17th Street
Item #'s: E-3 & G-4
Presenter(s): Joni Kuzma, Community Development Administrator

Background

In 2009, the City received a \$993,000 grant from the Department of Economic Development to purchase and demolish six (6) vacant, blighted structures and to redevelop the lots with new housing. Additional grant funds of \$190,000 were awarded to the City in June and will fund the purchase, demolition and construction of a seventh (7th) home.

Community Development is proposing the purchase of the structures and property at 201 W. 17th Street as a part of the Neighborhood Stabilization Program using Community Development Block Grant funds. The structures were inspected, deemed to be blighted and are eligible for demolition. The Nebraska Department of Economic Development concurred with the blighted status of the structures and has given approval for the purchase and demolition of such. All structures on the properties are to be demolished and the lot redeveloped into a new single-family home to be sold to a low-to-middle income first-time homebuyer.

Discussion

A third-party appraisal of the structures and property was conducted by Alder Real Estate Appraisals who determined the market value of the properties as of July 24, 2010. Per Neighborhood Stabilization Guidelines, property must be purchased at or below 1% below fair market value based on the appraised value. The property owner has accepted the offer of the City and a signed Purchase Agreement is in place, contingent on council approval of the purchase.

The structures will be demolished and the property redeveloped by a non-profit housing developer as was set forth in the grant contract between the City and the Department of Economic Development approved by Council.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand.
The Council may:

1. Move to approve the purchase of the identified property and structures
2. Postpone the issue to a future date.
3. Take no action on the issue.

Recommendation

City Administration recommends that the Council approve the purchase of identified property and structures.

Sample Motion

Move to approve the purchase of identified property and structures.