



CITY OF IOWA CITY COUNCIL ACTION REPORT

November 6, 2023

Resolution authorizing conveyance of a single-family home located at 2129 Taylor Drive.

Prepared By:	Stan Laverman, Senior Housing Inspector
Reviewed By:	Erika Kubly, Neighborhood Services Coordinator Geoff Fruin, City Manager Sue Dulek, Ass't. City Attorney
Fiscal Impact:	City funds were budgeted at \$35,000 for rehabilitation expenses, and up to \$25,000 in federal HOME funds may be used for buyer down payment assistance. There will be no impact on the general fund for ongoing operational expenses.
Staff Recommendation:	Approval
Commission Recommendations:	NA
Attachments:	2129-2131 Taylor photos Resolution

Executive Summary:

A public hearing will be held November 6, 2023 to consider a resolution authorizing conveyance of 2129 Taylor Drive as part of the South District Program. This will be the sixth home sold under the program.

Background / Analysis:

Under the South District Program, the City proposes to sell 2129 Taylor Drive for \$147,600. The City acquired the duplex at 2129-2131 Taylor Drive in 2019 for \$125,610 (\$62,805 per unit). City funds were used to rehabilitate the home to sell to an eligible buyer.

The home received a new roof, windows, doors, lighting, high efficiency furnace and air conditioner, air source heat pump water heater, long life-cycle flooring, and high efficiency appliances. Following rehabilitation, the duplex was converted to a 2-unit condominium.

The sale price of the home is \$147,600. This includes \$35,000 in city funds that were used to rehabilitate the property. These costs are provided to the buyer in the form of a conditional loan which will be forgiven over 10 years. This amount was included in the sale price to more accurately reflect the value of the property and to avoid artificially deflating home values in the neighborhood. The remaining \$112,600 includes the city's purchase price, carrying costs, and rehab costs in excess of \$35,000 which include adding a third bedroom in the basement.

The buyers will finance the remaining balance through a private lender to purchase the home. The home features two bedrooms and one bathroom on the main floor with an additional

bedroom in the basement. The buyers are currently residents of the South District neighborhood and are first-time home buyers. The buyers will complete a homeowner education course and counseling through Horizons.