



PROPOSED
CHANGE IN USE DESIGNATION FOR THE
CITY-OWNED PROPERTIES LOCATED AT
519, 525, & 601 SIXTH STREET



Location Map
519, 525, 601 6th Street



Public Comment Period:
January 30, 2021 thru March 1, 2021





Background:

As part of the City's 2014-15 Community Development Block Grant (CDBG) Program. The lots located at 519, 525, & 601 Sixth Street (former Ames Community Preschool Center toddler house) were acquired under the Acquisition/Reuse for Affordable Housing Activity. The objective of this activity is to increase the availability of affordable housing through the purchase of infill lots (vacant or with properties needing to be demolished and cleared); the purchase of foreclosed or blighted properties for rehabilitation, or the purchase of single-family or multi-family units that can be rehabilitated; for reuse into either an affordable rental or owner-occupied units for a household at 80% or less of the Ames Metropolitan Statistical Area median income limits.

This program was created as part of the City's 2014-18 CDBG Five-Year Consolidated Plan under the following goals:

1. Goal: Utilize and leverage CDBG Funds for low- and moderate-income persons through private and public partnerships as follows:

A1. Objective: To create, expand and maintain affordable housing for homeless and low-income persons

Outcomes:

- i. Increase the supply of affordable rental housing
- ii. Improve the quality of affordable rental housing
- iii. Increase the availability of affordable owner-occupied housing
- iv. Maintain the supply of affordable owner-occupied housing
- v. Provide temporary rental assistance
- vi. Increase the supply of mixed-use development
- vii. Expand and maintain the supply of emergency shelter and transitional housing

A2. Objective: To maintain the community development services of the community

Outcomes:

- i. Continue provision of the public service needs for homeless, special populations, and low-income households (utilities, rent,

- deposits, childcare, transportation, employment training, substance abuse, health services, legal services, other public service needs) and reduce duplication of services.
- ii. Continue provision of public facilities needs for homeless, special populations and low-income households (senior centers, homeless facilities, childcare centers, mental health facilities, neighborhood facilities, and other public facilities needs).
 - iii. Continue provision of public infrastructure needs in low-income census tracts (water, street, sidewalk improvements).

In 2015 the City initiated a request for proposals (RFP) to redevelop the site but did not receive any successful applications. In December 2015, the City acquired the 10+ acre parcel of land at 321 State Avenue (former Old Ames Middle School) to be developed into affordable housing. The opportunity presented itself to package the lots on Sixth Street with selling the land at 321 State Avenue in order to gain more interest by developers. That attempt was unsuccessful as well. In 2019, the City Council directed staff to become the developer of 321 State Avenue and authorized staff to pursue selling the Sixth Street properties for the proceeds to develop 321 State Avenue.

Because CDBG funds were used to purchase the Sixth Street properties, the Department of Housing and Urban Development (HUD) regulations requires the City to notify the public of its intentions to propose a Change of Use Designation for these lots. The lots would no longer be used as affordable housing for low- and moderate-income households. The removal of the affordable housing designation on the properties would allow the City to sell the properties at market value and return the funds to the Department of Housing and Urban Development (HUD).

HUD would then reallocate the funds back to the City of Ames for new programming. The City's intention is to use the reprogrammed funds to complete the mixed-income affordable housing subdivision located in the Baker Subdivision, at 321 State Avenue.