

COUNCIL ACTION FORM

**SUBJECT: PURCHASE AGREEMENT REVISION WITH HABITAT FOR HUMANITY
OF CENTRAL IOWA FOR PROPERTY AT 1620 CLARK AVENUE**

BACKGROUND:

At the City Council meeting on July 27, 2010, as part of the City's 2010-11 Community Development Block Grant (CDBG) Neighborhood Sustainability Program, the Council adopted a resolution proposing the sale of City-owned property at 1620 Clark Avenue to Habitat for Humanity of Central Iowa (HHCI). The proposed sale was scheduled to occur by May 31, 2011, if all conditions of the purchase agreement for the rehabilitation and sale of the property were satisfied.

Habitat subsequently notified the City that there was a delay in finding an eligible family for the purchase of the property. Habitat requires selected families to contribute sweat equity hours into the building or rehabbing of their home. This caused the scheduling of the work to be delayed as well. Now that a family has been selected, Habitat is requesting a time extension for the rehabilitation and closing as outlined below:

- Rehabilitation to be completed on or before October 31, 2011
- Closing to a qualified homebuyer to be completed on or before November 30, 2011

The time extension of this agreement still requires Habitat to be responsible for the care and maintenance of the property until the final closing.

Attached for Council review and approval is an amended agreement for this sale. Attachment C also outlines additional project detail for improvements to this property.

ALTERNATIVES:

1. The City Council can approve the attached amendment to the agreement for sale of City-owned property located at 1620 Clark Avenue to Habitat for Humanity of Central Iowa for affordable housing.
2. The City Council can choose to not approve the attached amendment.

MANAGER'S RECOMMENDED ACTION:

Approval of the attached amendment will allow Habitat for Humanity to proceed with purchase of this property and subsequent sale to a qualifying low-income family.

Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1, thereby approving the attached amendment for sale of City-owned property

to Habitat for Humanity of Central Iowa.