

**COUNCIL ACTION FORM**

**SUBJECT: EXTENSION OF THE PURCHASE AGREEMENT WITH HABITAT FOR HUMANITY OF CENTRAL IOWA FOR THE PROPERTY AT 306 WELLONS DRIVE UNTIL AUGUST 31, 2017**

**BACKGROUND:**

At the City Council meeting on June 28, 2016 the City Council, adopted a resolution for the sale of the City-owned property at 306 Wellons Drive to Habitat for Humanity of Central Iowa (HHCI) for \$30,000. The sale of the land was part of the City's 2015-16 Community Development Block Grant (CDBG) Neighborhood Sustainability Program. The proposed closing was scheduled to occur on or before July 31, 2017, if all conditions of the purchase agreement for the rehabilitation and sale of the property were satisfied.

The City has approved Habitat's family selected to purchase the property at 306 Wellons Drive. Although the rehabilitation work began promptly, there are additional areas on the home that are deteriorating and are in need of repair or replacement, such as windows, siding, soffit and fascia. **The repair or replacement of these items will take additional time and therefore will cause a delay in the original completion schedule. Therefore, Habitat is requesting a time extension for the rehabilitation and closing as outlined below:**

- **Rehabilitation to be completed on or before July 31, 2017;**
- **Closing to a qualified homebuyer to be completed on or before August 31, 2017**

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

Attached for Council review and approval is a time extension Amendment.

**ALTERNATIVES:**

1. The City Council can approve a resolution approving a time extension Amendment to the Agreement between the City of Ames and Habitat for Humanity of Central Iowa to rehabilitate and sale the City-owned property located at 306 Wellons Drive for affordable housing.
2. The City Council can deny approval of the time extension.
3. The City Council can modify the time extension.

**MANAGER'S RECOMMENDED ACTION:**

In order to accommodate Habitat's need to perform additional repairs on the house at 306 Wellons Drive, it is the recommendation of the City Manager that the City Council approve Alternative #1. This alternative approves a resolution approving a time extension Amendment to the Agreement between the City of Ames and Habitat for Humanity of Central Iowa to rehabilitate and sale the City-owned property located at 306 Wellons Drive for affordable housing.

**AMENDMENT TO AGREEMENT BETWEEN THE CITY OF  
AMES AND HABITAT FOR HUMANITY OF CENTRAL  
IOWA, INC., FOR PURCHASE AND REHABILITATION OF  
PROPERTY AT 306 WELLONS DRIVE, AMES, IOWA**

**THIS IS AN AMENDMENT** to an Agreement made by and between the City of Ames, Iowa and Habitat for Central Iowa, Inc., upon the following terms and conditions:

**1 DEFINITIONS.** When used in this Amendment, unless otherwise required by the context:

- 1.1 “City” means the City of Ames, Iowa, an Iowa Municipal Corporation, the seller of the property herein.
- 1.2 “Habitat” means Habitat for Humanity of Central Iowa, Inc., an Iowa Nonprofit Corporation.
- 1.3 “Agreement” means the recorded Agreement presently in force between the City and Habitat dated August 23, 2016, and filed in the office of the Recorder of Story County, Iowa, on August 29, 2016, as Instrument No. 16-08392, governing the construction of certain improvements upon the Real Property by Habitat and the sale by the City and the purchase by Habitat of the Real Property.
- 1.4 “Amendment” means this instrument as signed by the City and Habitat.
- 1.5 “Real Property” means the real property (together with all easements and servient estates appurtenant thereto) situated in Story County, Iowa, locally known as 306 Wellons Drive, Ames, Iowa, and legally described as follows:

Lot 14, Cochrane’s First Addition to Ames, Story County, Iowa.

**2 AMENDMENT.** The Agreement is hereby amended by deleting therefrom Part II, paragraph (A)(3), the second full sentence in its entirety and by substituting in lieu thereof the following:

All property improvements shall be completed on or before July 31, 2017.

**3 AMENDMENT.** The Agreement is further amended by deleting therefrom Part II, paragraph (D), in its entirety and by substituting in lieu thereof the following:

D. Completion Date and Terms. Habitat shall be permitted to commence construction upon payment to the City of the down payment required under the Agreement. Habitat shall complete construction of the property on or before July 31, 2017. At such time as title to the Real Property transfers to Habitat, Habitat shall reimburse to the City the cost of recording this Amendment. Habitat shall promptly set a closing date and convey the Real Property to qualified home buyers on or before August 31, 2017. No later than thirty (30) days after the closing of permanent financing and sale to qualified homebuyers, Habitat, at its expense, shall record any mortgage, security agreement, financing statement, purchase contract or similar recordable document(s) required by the City. Habitat agrees to comply with all

applicable federal, state and local laws and regulations governing the funds provided under this Agreement.

4 **CONTINUED FULL FORCE.** The Agreement shall continue to have full force and effect in accordance with the terms thereof, subject, however, to this Amendment.

**IN WITNESS WHEREOF,** the City and Habitat have executed this Amendment on this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**CITY OF AMES, IOWA**

**HABITAT FOR HUMANITY OF  
CENTRAL IOWA, INC.**

By \_\_\_\_\_  
Ann H. Campbell, Mayor

By \_\_\_\_\_  
Annette Forbes, Board President

Attest \_\_\_\_\_  
Diane R. Voss, City Clerk

By \_\_\_\_\_  
Sandi Risdal, Executive Director

STATE OF IOWA, STORY COUNTY, ss:

STATE OF IOWA, STORY COUNTY, ss:

On this \_\_\_\_\_ day of \_\_\_\_\_, 2017, before me, a Notary Public in and for the State of Iowa, personally appeared Ann H. Campbell and Diane R. Voss, to me personally known, and who, by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Ames, Iowa; that the seal affixed to the foregoing instrument is the corporate seal of the corporation; and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in Resolution No. \_\_\_\_\_ adopted by the City Council on the \_\_\_\_\_ day of \_\_\_\_\_, 2017, and that Ann H. Campbell and Diane R. Voss acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

On this \_\_\_\_\_ day of \_\_\_\_\_, 2017, before me, a Notary Public in and for the State of Iowa, personally appeared Annette Forbes and Sandi Risdal, to me personally known, who being by me duly sworn, did say that they are the Board President and Executive Director, respectively, of said corporation, that the seal affixed to said instrument is the seal of said corporation, or no seal has been procured by the said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and the said Annette Forbes and Sandi Risdal acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

\_\_\_\_\_  
Notary Public in and for the State of Iowa

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Notary Public in and for the State of Iowa