

COUNCIL ACTION FORM

SUBJECT: **AMENDMENT TO THE PURCHASE AGREEMENT WITH HABITAT FOR HUMANITY OF CENTRAL IOWA FOR THE PROPERTY AT 1126 GRAND AVENUE**

BACKGROUND:

At the City Council meeting on April 23, 2021, the City Council, as part of the City's Affordable Housing Program, adopted a resolution proposing the sale of the City-owned property at 1126 Grand Avenue to Habitat for Humanity of Central Iowa (HHCI) for \$23,100. The initial closing was scheduled to occur on or before March 31, 2022, if all conditions of the purchase agreement for the construction of a new single-family home and sale of the property were satisfied.

The City received a letter from the Director of the Habitat for Humanity of Central Iowa requesting a time extension to complete the construction and closing as outlined below:

- Construction to be completed on or before November 30, 2022
- Closing with the City of Ames to be completed on or before December 31, 2022
- Closing to a qualified homebuyer to be completed on or before December 31, 2022

The letter indicated the following reasons for the needed request (see attached letter):

- We are working hard to resume building as usual after the last year and a half of Covid and the derecho. This has greatly impacted our use of volunteers, ability to get building materials, and resume on-site build days.
- Timing-it has been difficult to secure sub-contractors for our two upcoming builds. Many contractors are very busy just trying to catch up from the past year. We found it very difficult to secure a suitable build schedule before the cold weather hits.
- We were waiting and hoping to secure a grant from the State Housing Trust Fund for this build. The moneys for the grant were not released as timely as hoped and this put the entire project behind. Unfortunately, we cannot start the project until the money has been released and our partner family selected.
- We have also been working with IFA on some legal issues around when Habitat actually takes ownership of the property. These issues are being worked out and it appears that Habitat will receive the grant money at the end of the build when the property is officially purchased from the City of Ames by Habitat. This was the only way we could apply for the grant.

- We have conducted an open application enrollment period for our next partner families. This process can be long and detailed. Our Family Selection Committee takes their job very seriously and checks and verifies the needed documentation. This process is in the final stages and a home visit has been completed and recommendation has gone to our board of directors for approval of the family for the build on Grand.

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

ALTERNATIVES:

1. The City Council can approve a resolution approving an Amendment to the Agreement between the City of Ames and Habitat for Humanity of Central Iowa to extend the time completion for the construction of a home at the property located at 1126 Grand Avenue for affordable housing.
2. The City Council can deny approval of the Amendment to the Agreement between the City of Ames and Habitat for Humanity of Central Iowa to extend the time completion for the construction of a home at the property located at 1126 Grand Avenue for affordable housing.
3. The City Council can modify the Amendment.

CITY MANAGER'S RECOMMENDED ACTION:

The extension of time is reasonable given the conditions outlined by Habitat for Humanity. Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1.