

ITEM #: 12
DATE: 10/14/08

COUNCIL ACTION FORM

SUBJECT: REVISION TO PURCHASE AGREEMENT WITH HABITAT FOR HUMANITY OF CENTRAL IOWA FOR THE PROPERTY AT 608 DURRELL CIRCLE.

BACKGROUND:

At the City Council meeting on December 4, 2007, the City Council, as part of the City's 2007-08 Community Development Block Grant (CDBG) Neighborhood Sustainability Program, adopted a resolution proposing the sale of the City-owned property at 608 Durrell Circle to Habitat for Humanity of Central Iowa (HHCI). The proposed sale was scheduled to occur on or before November 30, 2008, if all conditions of the purchase agreement for the rehabilitation and sale of the property were satisfied.

Habitat for Humanity of Central Iowa has identified and approved a family to purchase the property at 608 Durrell. However, the recent resignation of their construction manager, during the middle of their building season, has caused scheduling delays for some of their projects. A new manager has been hired and will begin working on October 13, 2008. Additionally, with the transition of the new construction manager, some rehabilitation items to be completed on the Durrell property needed to be adjusted and therefore, in order to insure that all tasks can be completed in a timely manner, Habitat is requesting the following actions; 1) a time extension for the rehabilitation and closing as outlined below and 2) the additional project detail improvements as outlined on Attachment C.

- Rehabilitation to be completed on or before November 30, 2008;
- Closing to a qualified homebuyer to be completed on or before December 30, 2008;

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 a time extension Amendment along with Attachment C that outlines the additional project detail improvements. Both documents have been prepared and/or reviewed by the City Legal Department.

ALTERNATIVES:

1. The City Council can approve a resolution approving a time extension Amendment along with Attachment C that outlines the additional project detail improvements for sale of City-owned property located at 608 Durrell Circle to Habitat for Humanity of Central Iowa for affordable housing.
2. The City Council can deny approval of the proposed resolution.

MANAGER'S RECOMMENDED ACTION:

It is the recommendation of the City Manager that the City Council approve Alternative #1. This alternative approves a resolution approving the Amendment, which will extend the completion date and the accept the additional project details outlined on Attachment C for the proposed contract for sale of City-owned property located at 608 Durrell Circle to Habitat for Humanity of Central Iowa for affordable housing.

ATTACHMENT C

608 Durrell Circle Project Detail Improvements:

In a recent walk through of the property on 608 Durrell Circle, our Building Committee formulated this list identifying interior improvements for the property. Other items may become apparent or desirable during the rehabilitation process and may be added or deleted by mutual consent of the parties. Adjustment in the contract price or schedule may be required for any approved changes.

Living room/dining room

1. Homeowner has elected to carpet all living spaces. Also install new, square, vinyl entry.
2. Keep and clean existing lamps in ceiling, south.
3. Repair ceiling drywall. Repaint.
4. Clean and keep existing ceiling fan.
5. Replace front door and storm door. Color: white
6. Refinish window sills and replace, if broken

Bedrooms

1. Paint closet shelves and supports (not clothes rods). Retain existing wire shelving in so far as possible
2. Furnish and install new light fixtures in center of each room
3. Remove wainscoting and repair drywall where encountered
4. Furnish and install new prefinished wood trim

Kitchen

1. Furnish and install new sink, range hood, refrigerator and stove
2. Furnish and install false valence between cabinets above sink for placement of work light
3. Provide electrical circuit for garbage disposal and dishwasher
4. Furnish and install new vinyl floor
5. Have drywall contractor fill in hole in north wall for previous microwave and patch wall
6. Install new base trim
7. Replace overhead light fixture

Bathroom

1. Completely replace upstairs bathroom, including new drywall, both ceiling and walls, wall insulation (remove old), plumbing fixtures, vinyl flooring, wiring, and lights.
2. Furnish and install wire shelving adjacent to water closet for linen storage

Basement

1. Remove lower bathroom fixtures and dividing walls. Cap plumbing for potential future use
2. Install handrail in basement stairway.
3. Clean complete area
Power wash walls and floors, seal cracks and paint walls and floors
4. Paint door and provide non-lockable passage knob