

ITEM # 12
DATE 1/27/09

COUNCIL ACTION FORM

SUBJECT: SECOND AMENDMENT 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 approving 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.

At the City Council meeting on December 9, 2008, the City Council approved an amendment to the Purchase Agreement to extend the rehabilitation and sale of the property as follows:

- Rehabilitation to be completed on or before January 12, 2009;
- Closing to a qualified homebuyer to be completed on or before January 31, 2009.

Habitat for Humanity is requesting a second amendment to the Purchase Agreement (see attachment) for the following items:

1. Rehabilitation to be completed on or before January 29, 2009;
2. Closing to a qualified homebuyer to be completed on or before February 18, 2009;
3. Request for escrow for the completion of the installation of a rear deck and landscaping due to weather restraints until May 15, 2009.

Staff has reviewed this request in relationship to the conditions outlined in the Purchase Agreement and is recommending adding the following stipulation:

1. Approve request to escrow funds for the completion of the rear deck and landscaping due to weather restraints until May 15, 2009; with the stipulation that a deposit of \$1,500.00 will be provided to the City of Ames and held until work is completed. This amount represents approximately 1½ times the total estimated cost to complete the installation of the rear deck and landscaping.

ALTERNATIVES:

1. The City Council can approve a second amendment to the Purchase Agreement between Habitat for Humanity of Central Iowa for the rehabilitation and sale of affordable housing of City-owned property located at 608 Durrell Circle.

2. The City Council can not approve a second amendment to the Purchase Agreement between Habitat for Humanity of Central Iowa for the rehabilitation and sale of affordable housing of City-owned property located at 608 Durrell Circle.

MANAGER'S RECOMMENDED ACTION:

It is the recommendation of the City Manager that the City Council approve Alternative #1 thereby approving a second amendment to the Purchase Agreement between Habitat for Humanity of Central Iowa to extend the rehabilitation, closing date and an escrow agreement for the purchase of the City-owned property located at 608 Durrell Circle.

Attachments

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

By: _____
Shane W. Zimmerman, Board President

By: _____
Sandi Risdal, Executive Director

STATE OF IOWA, STORY COUNTY ss:

On this _____ day of _____, 2009,
before me, a Notary Public in and for the State of Iowa, personally
appeared Shane W. Zimmerman 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 Shane W. Zimmerman
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