

AMENDED

COUNCIL ACTION FORM

SUBJECT: SET PUBLIC HEARING DATE FOR SALE OF CITY-OWNED PROPERTIES AT 1228 STAFFORD AND 3305 MORNINGSIDE STREET.

BACKGROUND:

As part of City's Community Development Block Grant (CDBG) Neighborhood Sustainability Program, the acquisition/reuse program component seeks to acquire single-family properties and/or lots for reuse for affordable housing to assist low-and moderate-income (80% or less of AMI) families. The program also makes health and safety repairs to the properties, as needed. Where possible, the properties are matched with eligible first-time homebuyers through the City's CDBG Homebuyer Assistance Program. **Program parameters also permit the sale of properties to qualified non-profit organizations in the community.**

CDBG funds were used to purchase homes; a two-family home at 1228 Stafford and a single-family home at 3305 Morningside Street as part of the Acquisition/Reuse Program. Both properties were vacant market rate rental housing units when purchased. The home at 1228 Stafford was purchased in 2015 for \$124,000. The structure was rehabilitated (approximately \$40,000) in anticipation to be sold as a rental housing for low income households. However, several negotiations with rental housing providers were unsuccessful. The home at 3305 Morningside Street was purchased in 2018 for \$116,000. The property had been abandoned and deteriorating for several years to a point where it is now unlivable and requires demolition. The house requires that asbestos be removed before proceeding with demolition.

Habitat for Humanity of Central Iowa (HHCI) approached staff with an interest in purchasing both properties for \$80,000 (\$40,000 for Stafford and \$40,000 for Morningside). A collaboration with Habitat for Humanity of Central Iowa would represent the endeavor between Habitat and the City of Ames. This project will allow the City to continue to address one of its priority goals outlined in the both the 2018-19 Annual Action Plan and in the 2014-2019 CDBG Consolidated Plan, which is to increase the supply of affordable housing for LMI households. Additionally, the revenue from the sale of these two properties will be program income for the CDBG program to then be reinvested in other programs, specifically the 321 State Avenue site.

Our Finance Department staff have reviewed and accepted Habitat for Humanity of Central Iowa's 2018 Annual Audit Report. Staff has found that Habitat meets the CDBG guidelines for working with nonprofits for meeting program goals. Therefore, staff is seeking Council authorization to work with the HHCI Executive Board to finalize terms and conditions of these purchases and to set April 23, 2019, as the date of public hearing.

ALTERNATIVES:

1. The City Council can set the date of public hearing to sell the properties for April 23, 2019 and authorize staff to finalize terms and conditions for the sale of 1228 Stafford Avenue and 3305 Morningside Street to Habitat for Humanity of Central Iowa in the amount of \$80,000 (\$40,000 for Stafford and \$40,000 for Morningside).
2. The City Council can set the date of public hearing for April 23, 2019, but direct staff to finalize additional terms and conditions for the sale 1228 Stafford Avenue and 3305 Morningside Street to Habitat for Humanity of Central Iowa.
3. The City Council can direct the staff to seek other buyers for these two properties and set a late date of public hearing.
4. The City Council can decline to sell the properties at this time.

CITY MANAGER'S RECOMMENDED ACTION:

The sale of both the Stafford Avenue and Morningside Street homes to Habitat for Humanity of Central Iowa will assist the City in its efforts to continue to address the housing needs for low and moderate income first-time home buyers. Through this partnership the property on Stafford Avenue will be converted from two rental units back into single-family homeownership and a new single-family home will be constructed on Morningside Street. Although the initial investments are high, the end goal to provide quality affordable housing to families at 60% or less of the Ames Metropolitan Statistical Area (AMSA) will be met along with the City's goal to maintain and upgrade the housing stock located in our vital core neighborhoods.

Therefore, it is the recommendation of the City Manager that the City Council approve Alternative #1 as described above.

DO NOT WRITE IN THE SPACE ABOVE THIS LINE; RESERVED FOR RECORDER

Prepared by: Mark O. Lambert, City of Ames Legal Department, 515 Clark Ave., Ames, IA 50010; 515-239-5146

Return to: Diane R. Voss, Ames City Clerk, Ames City Hall, 515 Clark Ave., Ames, IA 50010; 515-239-5146

**AGREEMENT BETWEEN THE CITY OF AMES AND
HABITAT FOR HUMANITY OF CENTRAL IOWA, INC., FOR
PURCHASE AND REHABILITATION OF PROPERTY AT
1228/30 STAFFORD AVENUE, AMES, IOWA**

THIS AGREEMENT is made and entered into between the City of Ames, Iowa, an Iowa municipal corporation ("City") and Habitat for Humanity of Central Iowa, Inc. ("Habitat"), an Iowa corporation.

WHEREAS, the City has utilized community development block grant funds to acquire real property for rehabilitation or construction, or both, of a home to be used as owner-occupied housing for income-qualified homebuyers to further the goals and objectives of the City's 2014-18 Consolidated CDBG plan; and

WHEREAS, Habitat also has the goal of providing safe and affordable owner-occupied housing to low income home buyers and is willing to participate with the City in rehabilitation or or new construction, or both, of residential structures.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

**I
CITY'S OBLIGATIONS**

- A. Purchase of Property. The City has secured the purchase of property legally described as **Lot 15, Block 1, in Sunrise Addition to the City of Ames, Story County, Iowa** (also known as 1228/30 Stafford Avenue) (hereinafter "Property") and will retain ownership of that Property until sold to Habitat under the conditions described herein. The City has completed certain items on the Property prior to this Agreement. **See Attachment A** for a list of completed items.

- B. Access to Property. The City agrees to grant Habitat immediate and continuing access to the property for the purpose of rehabilitation of the property. Access for the purpose of rehabilitation shall also be granted to Habitat's agents.
- C. Technical Assistance. Upon request, the City will provide technical assistance to Habitat concerning compliance with the terms of this Agreement.
- D. Performance Monitoring. The City may inspect and monitor the performance of Habitat to determine its compliance regarding the performance standards of this Agreement. Substantial nonperformance, as determined by the City, constitutes noncompliance with this Agreement. In the event this occurs, the City shall notify Habitat of the noncompliance and provide a time limit to correct the noncompliance.
- E. Property Conveyance. The City shall convey marketable title to the property for and in consideration of Habitat's completion of housing rehabilitation on the property, payment of sums set out in Section II.A(1) and agreement to sell the property on or before September 30, 2019, to a qualified homebuyer, as set forth hereafter.

II HABITAT'S OBLIGATIONS

- A. Compensation for Purchase.
 - 1. Habitat agrees to pay the City of Ames \$40,000.00 for the Property. Habitat agrees that it shall provide a non-refundable down payment of \$2,500.00 (6.25% of the purchase price) for the Property. This down payment shall be placed into an escrow account as a pre-condition to Habitat being granted access to the Property and Habitat shall have its financial institution verify to the City within one (1) calendar week from the date of this signed agreement that the funds have been placed in an escrow account. The total of \$37,500.00 shall be due at the time Habitat has completed all other requirements under this Agreement and acquires title to the Property. Habitat shall pay all transfer and recording expenses, including transfer taxes, any permit fees and other expenses related to the conveyance of the Property. All abstracting costs shall be the responsibility of Habitat, and not the City.
 - 2. In Kind Compensation. Habitat agrees to provide all materials, labor and services as are necessary to rehabilitate the Property to the standards described in section II.B so that it is safe and habitable for residential use.
 - 3. Property Improvements. Habitat agrees to complete all construction included on **Attachment B** by this reference made a part hereof. All property improvements shall be completed on or before August 31, 2019. Habitat further agrees that if it fails or decides to not to complete the improvements to the Property, the City of Ames will not reimburse Habitat for any cost incurred for any improvements made to the Property.

4. Property Maintenance and Utilities. Habitat shall be responsible for all maintenance for the Property (i.e., lawn care, snow removal, etc.) and shall have all utilities (electric, gas, water, and sewer) transferred into its name within one calendar week from the date of this mutually signed Agreement.
 5. Property Taxes. Property taxes until transfer of title to Habitat will be the responsibility of the City of Ames.
- B. Performance Standards. The Property shall be rehabilitated in compliance with all applicable state and local building codes and regulations, including necessary building permits as required. The development of any architectural designs, if necessary, for the project shall be the responsibility of Habitat, subject to prior approval by the City. Habitat shall submit rehabilitation improvements plans as required by City Code to the Building Inspections Division for written approval to apply for a building permit.
- C. Completion of Home Rehabilitation and Sale to Qualified Homebuyers.
1. City shall not convey title of the property to Habitat unless and until the following two actions have occurred: 1) the selected **initial** home buyer has been determined eligible by the City (Housing Division staff) and 2) the City has completed a final walk-thru of the property and verified that all repairs as outlined in Attachment B have been completed satisfactorily.
 2. Habitat shall within 45 calendar days after the approval date of this agreement, in a format prescribed by the City, provide the following documentation and information of the selected **initial** home buyer: **a)** the selected home buyer meets the eligibility requirements outlined by the City; and **b)** has an income that is at or below 80% of the Ames MSA (IA) income limits as established by HUD as outlined in **Attachment C incorporated by reference into this Agreement**. The Housing Division staff (utilizing CDBG program requirements), will verify the eligibility of the selected **initial** home buyer and notify Habitat in writing of that determination within 30 calendar days from the date of the received documentation.
 3. Habitat shall within one (1) calendar week after the completion of the rehabilitation of the property, schedule a final walk-thru with the City Housing Division to verify the rehabilitation of the property has been completed satisfactorily. Upon verification that the rehabilitation of the property has been satisfactorily completed, the City of Ames will schedule the closing date to convey title of the property to Habitat before August 31, 2019.
 4. Habitat further agrees that it will include in its mortgage documents to an eligible buyer the following language:

Borrower(s) covenants and agrees that in the event it shall desire to sell or convey the Property during the term of this Security Instrument, for a

period of ten (10) years, the Borrower(s) shall first offer the Property to Habitat for Humanity of Central Iowa, Inc. (HFHCI), or HFHCI's successor in interest, in the following manner:

Borrower(s) shall serve notice in writing to HFHCI, or its successor in interest, by registered mail, return receipt requested. The notice shall indicate that Borrower(s) desires to sell the Property. The notice shall also contain an offer to sell the Property to Lender, or its successor in interest, upon the terms and conditions as set forth in the bona fide offer.

For a period of thirty (30) calendar days after the receipt of the notice, Lender, or its successor in interest, shall have the right to purchase the Property for the same price on the same terms that the Property was sold to the Borrower(s). However, at the time of sale of the Property, all payments (excluding insurance, taxes and escrow payments used for the repair of the Property) and the added, appraised value of any permanent improvements (which have been approved by the Lender) to the property made by the Borrower(s) with their funds will be repaid to the Borrower(s). If Lender, or its successor in interest, fails to exercise the right to purchase set forth in this paragraph, Borrower(s) may sell or convey the Property to any party making a bona fide offer.

In the event Lender timely notifies Borrower(s) that it elects to purchase the Property on the terms provided in the notice set forth in the preceding paragraph, Lender and Borrower(s) shall promptly, but no later than sixty (60) calendar days after the date of notice from Lender to Borrower(s), execute such usual and customary documents as shall be required in order to consummate such transaction.

5. Habitat shall provide certification in a form acceptable to the City that the activities carried out under this Agreement will meet the objective of benefitting low and moderate income persons as defined in 24 CFR 570.208. Along with a copy of the mortgage documents sign between Habitat and the Home buyer.

- D. Completion Date and Terms. Habitat shall be permitted to commence construction as soon as their financial institution has verified to the City that the down payment has been placed into an escrow account. Habitat shall complete the construction of the Property by August 31, 2019. Habitat shall promptly sell the Property to qualified homebuyers on or before September 30, 2019.

Within thirty (30) calendar days after the closing of permanent financing and sale to the eligible homebuyers, Habitat, at its expense, shall have properly recorded any mortgage, security agreement, financing statement, purchase contract or similar 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.

E. Insurance. During the period of this Agreement, effective as of the start date of the project, Habitat shall, at its own expense, procure and maintain all-risk property damage and liability insurance. For the term of this Agreement, Habitat shall list the City as an additional insured on said property insurance. Property damage coverage shall not be less than the current market value of the Property. Liability coverage shall include contractual insurance as well as comprehensive form insurance, and shall provide coverages of not less than \$1,000,000 bodily injury per person, \$1,000,000 bodily injury per occurrence and \$500,000 property damage. Habitat shall furnish the City with a certificate of insurance. The insurance company providing the insurance must be licensed to do business in the state of Iowa and rated as A or better by A.M. Best. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the City. The contractor shall also give at least thirty (30) days prior notice to the City, by certified mail, return receipt requested, of any coverage to be suspended, voided, canceled by either party or reduced in coverage or in limits. Habitat shall provide Workers' Compensation insurance coverage, as required by Chapter 85 of the *Code of Iowa*, for all employees involved in the performance of this Agreement. Habitat shall furnish the City with certificates of insurance for all insurance required under this Agreement, upon request of the Housing Coordinator.

F. Audits, Inspections and Records.

1. Prior to the transfer of title of the Property and annually thereafter, Habitat shall promptly furnish to the City for its review and approval a current audit of its annual financial statements.
2. Habitat shall promptly furnish the City and HUD with such statements, records, data and information as the City or HUD may reasonably request pertaining to this Agreement.
3. Habitat shall maintain all records for ten (10) years from the date of this Agreement that are pertinent to the activities to be funded under this Agreement including, but not limited to:
 - a. Records providing a full description of each activity undertaken.
 - b. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance.
 - c. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program.
 - d. Financial records as required by 24 CFR 570.502 and OMB Circular A-110.

- G. Homebuyer Records. Habitat shall maintain homebuyer data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, a signed and dated verification of income statement, or other basis for determining eligibility, and a description of service provided. Such information shall be made available to City monitors or their designees for review upon request.

During the term of this Agreement, any time during normal business hours, Habitat shall make available to the City, HUD and/or the Comptroller General of the United States, or their duly authorized representatives, all of Habitat's records in order to permit examination of any audits, invoices, materials, payrolls, personnel records, conditions of employment and other data relating to all matters covered by this Agreement.

Habitat shall submit a Homebuyer Completion Report at the close of the finished housing unit and/or sale to an income-qualified buyer. The completion report shall, at a minimum, include information relating to the final project costs and funding sources, and household characteristics as required by the City for reporting to HUD's IDIS system.

- H. Notices. Habitat shall direct all notices, reports, insurance policies and other communications related to or required by this Agreement to the office of the City of Ames Department of Planning and Housing, Housing Coordinator, 515 Clark Avenue, Room 214, Ames, Iowa, 50010. Notice by both Habitat and the City shall be given by ordinary mail.

Additionally, until completion of the project, Habitat shall submit quarterly reports describing progress of the project activities, which shall be due no later than ten (10) calendar days after the end of the calendar quarter.

III NON-PERFORMANCE

- A. Performance Obligation. Until September 30, 2029, Habitat shall, in a manner satisfactory to the City, fulfill its stated purpose as outlined in II.E of this Agreement and provide continued service.
- B. Limitation on Resale. Habitat agrees the documents of the sale of the Property to the qualified initial home buyer outlined in SECTION II will include provisions to restrict any subsequent sales during the duration of this Agreement by imposing an agreed upon resale ratio that will ensure that the Property will be affordable to a subsequent home buyer who meets the income limits outlined in SECTION II of this Agreement. Habitat further agrees that if the Property is resold to **subsequent home buyers during the ten (10) year Performance Obligation**, that they must meet the requirements as set forth in SECTION II, for the remaining **period until September 30, 2029**. Habitat shall immediately notify the City that the Property is for re-sale, and following the procedures

as outline under SECTION II.

C. Limitation on Assignment.

1. Habitat shall not sell, assign or transfer any legal or equitable interest in the Property at any time prior to September 30, 2029, without written concurrence of the City. In such event, Habitat shall repay to the City the City's original purchase price of \$124,000, which shall be due in fully immediately, or if Habitat discontinues its program, Habitat shall repay to the City the City's original purchase price of \$124,000 or show proof that the Property will continue to be occupied by an eligible household, as outlined in SECTION II of this Agreement.
2. In no case shall Habitat assign its mortgage to a qualified lending institution, or any other entity, prior to September 30, 2029, without the express written approval of the City of Ames.

D. Discontinuance of Habitat. In the event Habitat discontinues its services prior to September 30, 2029, the value of the prorated portion of real and personal property (tangible and intangible) secured with the CDBG funds, if applicable, under this Agreement shall revert to the City. If said Property has been disposed of, Habitat shall reimburse the City in the amount of the current fair market value of the Property less any portion of the fair market value attributable to non-City CDBG funds. (Personal property includes, but is not limited to, equipment, furnishings and vehicles.)

E. Default. In the event Habitat defaults in the performance or observation of any covenant, agreement or obligation set forth in this Agreement, and if such default remains uncured for a period of thirty (30) calendar days after notice thereof shall have been given by the City to Habitat (or for a period of sixty (60) calendar days after such notice if such default is curable but requires acts to be done or conditions to be remedied which, by their nature, cannot be done or remedied within such 30-day period and thereafter diligently and continuously prosecutes the same to completion within such 60-day period), the City may declare that Habitat is in default hereunder and may take any one or more of the following steps, at its option:

1. By mandamus or other suit, action or proceeding at law or in equity, require Habitat to perform its obligations and covenants hereunder, or enjoin any acts or things which may be unlawful or a violation of the rights of the City hereunder, or obtain damages caused by Habitat by any such default.
2. Have access to and inspect, examine and make copies of all books and records of Habitat which pertain to the project.
3. Declare a default with the Home Ownership Agreement and make no further disbursements, and demand immediate repayment from Habitat of any funds previously disbursed under the Home Ownership Agreement.
4. Take whatever other action at law or in equity which may appear necessary or

desirable to enforce the obligations, covenants and restrictions of Habitat hereunder, including the recovery of funds. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of the City to enforce the same or obtain relief against or recover for the continuation or repetition of such breach or violation, or any similar breach or violation thereof, at any later time or times.

F. Events of Default. The following, by way of specification but not limitation, shall constitute events of default of this Agreement between Habitat and the City:

1. The homebuyer has a principal place of residence at some place other than the Property.
2. The homebuyer causes or permits the Property to be damaged, in disrepair, the site of a public nuisance or otherwise the site of conditions that unreasonably interfere with the use and enjoyment of other properties in the vicinity, ordinary wear and tear excepted.
3. The homebuyer allows unauthorized persons to reside in the property without written approval by Habitat and the City of Ames.
4. The homebuyer abandons or ceases to occupy the property for more than 60 calendar days per year.

IV ENVIRONMENTAL, ASSESSMENT, HISTORIC PRESERVATION AND LEAD BASED PAINT

Habitat shall assist the City in complying with all applicable environmental assessments, historic preservation requirements of HUD and the State Historic Preservation Office of Iowa, and section 302 of the Lead-Based Paint Poisoning Prevention Act and HUD regulations thereunder (24 CFR, part 50) insofar as they apply to the performance of this Agreement.

V ELIGIBILITY RESTRICTIONS FOR CERTAIN RESIDENT ALIENS (570.613)

- A. Restriction. Habitat agrees to comply with 24 CFR 570.613, which states that certain newly legalized aliens, as described in 24 CFR, part 5, subpart E, are not eligible to apply for benefits under covered activities funded by the City's CDBG programs. "Benefits" under this section means financial assistance, public services, jobs and access to new or rehabilitated housing and other facilities funded through the City's CDBG programs. "Benefits" does not include relocation services and payments to which displaces are entitled by law.
- B. Covered Activities. "Covered activities" under this section means activities meeting the requirements of section 570.208(a) that either:

1. Have income eligibility requirements limiting the benefit exclusively to low- and moderate-income persons; or
 2. Are targeted geographically or otherwise to primarily benefit low- and moderate-income persons (excluding activities serving the public at large, such as sewers, roads, sidewalks and parks), and that provide benefits to persons on the basis of an application.
- C. Limitation on Coverage. The restrictions under this section apply only to applicants for new benefits not being received by covered resident aliens as of the effective date of this Agreement.
- D. Compliance. Compliance can be accomplished by Habitat obtaining certification as provided in 24 CFR, part 5, subpart E, evidencing citizenship or eligible immigration status.

VI

TERMINATION OF AGREEMENT FOR CAUSE

If Habitat fails to fulfill its obligations under this Agreement in a timely and proper manner, or if Habitat violates any of the terms, agreements or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to Habitat of such termination, specifying the default or defaults, and stating that this Agreement shall be terminated thirty (30) days after the giving of such notice unless such default or defaults are remedied within such cure period. The City shall be obligated to make no payment due hereunder after it gives said notice unless the defaults are remedied within said thirty (30) day period. In the event of such termination, Habitat shall promptly repay to the City the full grant/loan amount or that portion of the amounts that have been disbursed to Habitat prior to such termination.

VII

TERMINATION OF AGREEMENT FOR CONVENIENCE

This Agreement may be terminated in whole or in part upon the mutual agreement of the parties hereto, in which case the City and Habitat shall agree in writing upon the termination conditions, including the effective date, the disposition of contract amounts and, in the case of partial termination, the portion to be terminated. However, if, in the case of partial termination, the City determines that the remaining portion of the award will not accomplish the purposes for which the award was made, and the award is terminated in its entirety, Habitat shall promptly repay to the City the full grant/loan amount or that portion of the amount which has been disbursed to Habitat prior to such termination.

VIII

INTEREST OF CERTAIN FEDERAL AND OTHER OFFICIALS

- A. No member or delegate to the Congress of the United States, and no resident

Commissioner, shall be admitted to any share or part of this Agreement, or to any benefit to arise therefrom.

- B. No member of the governing body of the City, no officer, employee, official or agent of the City, or other local public official who exercises any functions or responsibilities in connection with the review, approval or carrying out of the project to which this Agreement pertains, shall have any private interest, direct or indirect, in this Agreement.
- C. No federal funds appropriated under this Agreement shall be paid, by or on behalf of Habitat, to any person for influencing or attempting to influence a member of Congress, an officer or employee of Congress or any federal agency in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or agreement.
- D. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this federal agreement, Habitat shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- E. Habitat shall require that the language of this certification be included in the award documents for all sub-Habitats and that all sub-Habitats shall certify and disclose accordingly.

IX CONFLICT OF INTEREST

Habitat covenants that it has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the services to be undertaken through this Agreement. Habitat further covenants that in the performance of this Agreement, no person having such an interest shall be employed by Habitat.

X GRANTOR RECOGNITION

All activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as CDBG funded. In addition, Habitat will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

XI

ASSIGNABILITY

Habitat shall not assign or transfer any interest in this Agreement without the prior written approval of the City. Any assignment made without such consent shall be void. This Agreement shall be binding upon the parties and shall inure to the benefit of the successors and assigns of the parties hereto.

XII HOLD HARMLESS PROVISION

Habitat shall indemnify, defend and hold harmless the City, its officers, employees and agents from all liability, loss, cost, damage and expense (including reasonable attorney's fees and court costs) resulting from or incurred by reason of any actions based upon the negligent acts or omissions of Habitat's employees or agents during the performance of this Agreement.

The City shall indemnify, defend and hold harmless Habitat, its officers, employees and agents from all liability, loss, cost, damage and expense (including reasonable attorney's fees and court costs) resulting from or incurred by reason of any actions based upon the negligent acts or omissions of the City's employees or agents during the performance of this Agreement.

XIII SEVERABILITY CLAUSE

If any one or more of the provisions contained in this Agreement are held to be invalid, illegal or unenforceable, this Agreement shall be deemed severable and the remainder of the Agreement shall remain in full force and effect.

XIV LIMITATIONS OF CITY LIABILITY – DISCLAIMER OF RELATIONSHIP

The City shall not be liable to Habitat, or to any party, for completion of or failure to complete any improvements, which are parts of the project. Nothing contained in this Agreement, nor any act or omission of the City or Habitat, shall be construed to create any special duty, relationship, third-party beneficiary, respondent superior, limited or general partnership, joint venture or any association by reason of Habitat's involvement with the City.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this _____ day of _____, 2019.

CITY OF AMES, IOWA

By _____
John A. Haila, Mayor

Attest _____
Diane R. Voss, City Clerk

HABITAT FOR HUMANITY OF
CENTRAL IOWA, INC.

By Tom Prochnow
Tom Prochnow, Board President

By Sandi Risdal
Sandi Risdal, Executive Director

STATE OF IOWA, STORY COUNTY, ss:

On this _____ day of _____, 2019, before me, a Notary Public in and for the State of Iowa, personally appeared John A. Haila 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. 19-_____ adopted by the City Council on the _____ day of _____, 2019, and that John A. Haila 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.

Notary Public in and for the State of Iowa

STATE OF IOWA, STORY COUNTY, ss:

On this 19 day of April, 2019, before me, a Notary Public in and for the State of Iowa, personally appeared Tom Prochnow 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 Tom Prochnow and Sandi Risdal acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

Rachel Knutsen
Notary Public in and for the State of Iowa



ATTACHMENT A
IMPROVEMENTS COMPLETED BY THE CITY OF
AMES ON
1228/1230 STAFFORD AVENUE

1. New roof, gutters and downspout
2. Concrete repairs to front entrance, driveway, side
3. New radon system in basement
4. Updated plumbing and fixtures in upstairs apartment
5. Updated cabinetry and countertops in upstairs kitchen
6. Updated electrical throughout units
7. Fire-rated door and walls in garage
8. New water heater
9. Wired smoke detectors in both units
10. Attic insulation
11. Burning fuel certification
12. New house numbers and mailboxes
13. Painting of trim around front doors and front window

ATTACHMENT B
REHABILITATION IMPROVEMENTS TO BE COMPLETED BY HABITAT FOR
HUMANITY OF CENTRAL IOWA
FOR 1228/1230 STAFFORD AVENUE

This list is not exhaustive, other items that become apparent during the construction of a new house on the subject property maybe added to this list by mutual consent of the parties.

Construction of the home must meet all of the City of Ames Building Code standards, permit requirements and inspections. The property must also include the following features:

1. Replace exterior and interior doors and combination storm doors, as needed.
2. Decrease front entry door from two down to one.
3. Replace windows, including basement windows, as needed.
4. Check furnace for efficiency and upgrade, as needed.
5. Install additional landscaping and cosmetic work in front and rear yard, as needed (not to exceed \$1,000).

The above items will be written in more detailed specifications and subject to final approval of all parties.

A walk through pre-final inspection by the City will be required within 3-4-weeks prior to the rehabilitation deadline (on or before August 31, 2019). A final inspection will be required on or before September 15, 2019, to verify that all items have been completed. Failure to adhere to these deadlines may cause the agreement to become null and void.

ATTACHMENT C

2018 80% of Ames (IA) MSA*** (subject to change)	
Family Size	Gross Income Cannot Exceed
1	\$44,700
2	\$51,100
3	\$57,500
4	\$63,850
5	\$69,000
6	\$74,100
7	\$79,200
8	\$84,300

***Metropolitan Statistical Area

DO NOT WRITE IN THE SPACE ABOVE THIS LINE; RESERVED FOR RECORDER

Prepared by: Mark O. Lambert, City of Ames Legal Department, 515 Clark Ave., Ames, IA 50010; 515-239-5146
Return to: Diane R. Voss, Ames City Clerk, Ames City Hall, 515 Clark Ave., Ames, IA 50010; 515-239-5146

**AGREEMENT BETWEEN THE CITY OF AMES AND
HABITAT FOR HUMANITY OF CENTRAL IOWA, INC., FOR
PURCHASE AND REHABILITATION OF PROPERTY AT
3305 MORNINGSIDE STREET, AMES, IOWA**

THIS AGREEMENT is made and entered into between the City of Ames, Iowa, an Iowa municipal corporation ("City") and Habitat for Humanity of Central Iowa, Inc. ("Habitat"), an Iowa corporation.

WHEREAS, the City has utilized community development block grant funds to acquire real property for rehabilitation or construction, or both, of a home to be used as owner-occupied housing for income-qualified homebuyers to further the goals and objectives of the City's 2014-18 Consolidated CDBG plan; and

WHEREAS, Habitat also has the goal of providing safe and affordable owner-occupied housing to low income home buyers and is willing to participate with the City in rehabilitation or or new construction, or both, of residential structures.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

**I
CITY'S OBLIGATIONS**

- A. Purchase of Property. The City has secured the purchase of property legally described as **Lot 19, Friedrich's Fifteenth Addition, Ames, Story County, Iowa** (also known as 3305 Morningside Street) (hereinafter "Property") and will retain ownership of that Property until sold to Habitat under the conditions described herein. The City shall complete certain items on the Property on or before July 31, 2019. **See Attachment A** for a list of required items.

- B. Access to Property. The City agrees to grant Habitat immediate and continuing access to the property for the purpose of rehabilitation of the property. Access for the purpose of rehabilitation shall also be granted to Habitat's agents.
- C. Technical Assistance. Upon request, the City will provide technical assistance to Habitat concerning compliance with the terms of this Agreement.
- D. Performance Monitoring. The City may inspect and monitor the performance of Habitat to determine its compliance regarding the performance standards of this Agreement. Substantial nonperformance, as determined by the City, constitutes noncompliance with this Agreement. In the event this occurs, the City shall notify Habitat of the noncompliance and provide a time limit to correct the noncompliance.
- E. Property Conveyance. The City shall convey marketable title to the property for and in consideration of Habitat's completion of new construction on the property, payment of sums set out in Section II.A(1) and agreement to sell the property on or before March 31, 2020, to a qualified homebuyer, as set forth hereafter.

II HABITAT'S OBLIGATIONS

- A. Compensation for Purchase.
 - 1. Habitat agrees to pay the City of Ames \$40,000.00 for the Property. Habitat agrees that it shall provide a non-refundable down payment of \$2,500.00 (6.25% of the purchase price) for the Property. This down payment shall be placed into an escrow account as a pre-condition to Habitat being granted access to the Property and Habitat shall have its financial institution verify to the City within one (1) calendar week from the date of this signed agreement that the funds have been placed in an escrow account. The total of \$37,500.00 shall be due at the time Habitat has completed all other requirements under this Agreement and acquires title to the Property. Habitat shall pay all transfer and recording expenses, including transfer taxes, any permit fees and other expenses related to the conveyance of the Property. All abstracting costs shall be the responsibility of Habitat, and not the City.
 - 2. In Kind Compensation. Habitat agrees to provide all materials, labor and services as are necessary to rehabilitate the Property to the standards described in section II.B so that it is safe and habitable for residential use.
 - 3. Property Improvements. Habitat agrees to complete all construction included on **Attachment B** by this reference made a part hereof. All property improvements shall be completed on or before February 28, 2020. Habitat further agrees that if it fails or decides to not to complete the improvements to the Property, the City of Ames will not reimburse Habitat for any cost incurred for any improvements made to the Property.

4. Property Maintenance and Utilities. Habitat shall be responsible for all maintenance for the Property (i.e., lawn care, snow removal, etc.) and shall have all utilities (electric, gas, water, and sewer) transferred into its name within one calendar week from the date of this mutually signed Agreement.
 5. Property Taxes. Property taxes until transfer of title to Habitat will be the responsibility of the City of Ames.
- B. Performance Standards. The Property shall be rehabilitated in compliance with all applicable state and local building codes and regulations, including necessary building permits as required. The development of any architectural designs, if necessary, for the project shall be the responsibility of Habitat, subject to prior approval by the City. Habitat shall submit new construction plans to the Planning and Housing Department and Building Inspections Division for written approval before applying for a building permit.
- C. Completion of New Construction and Sale to Qualified Homebuyers.
1. City shall not convey title of the property to Habitat unless and until the following two actions have occurred: 1) the selected **initial** home buyer has been determined eligible by the City (Housing Division staff) and 2) the City has completed a final walk-thru of the property and verified that all repairs as outlined in Attachment B have been completed satisfactorily.
 2. Habitat shall within 45 calendar days after the approval date of this agreement, in a format prescribed by the City, provide the following documentation and information of the selected **initial** home buyer: **a)** the selected home buyer meets the eligibility requirements outlined by the City; and **b)** has an income that is at or below 80% of the Ames MSA (IA) income limits as established by HUD as outlined in **Attachment C incorporated by reference into this Agreement.** The Housing Division staff (utilizing CDBG program requirements), will verify the eligibility of the selected **initial** home buyer and notify Habitat in writing of that determination within 30 calendar days from the date of the received documentation.
 3. Habitat shall within one (1) calendar week after the completion of the rehabilitation of the property, schedule a final walk-thru with the City Housing Division to verify the rehabilitation of the property has been completed satisfactorily. Upon verification that the rehabilitation of the property has been satisfactorily completed, the City of Ames will schedule the closing date to convey title of the property to Habitat before March 31, 2020.
 4. Habitat further agrees that it will include in its mortgage documents to an eligible buyer the following language:

Borrower(s) covenants and agrees that in the event it shall desire to sell or convey the Property during the term of this Security Instrument, for a

period of ten (10) years, the Borrower(s) shall first offer the Property to Habitat for Humanity of Central Iowa, Inc. (HFHCI), or HFHCI's successor in interest, in the following manner:

Borrower(s) shall serve notice in writing to HFHCI, or its successor in interest, by registered mail, return receipt requested. The notice shall indicate that Borrower(s) desires to sell the Property. The notice shall also contain an offer to sell the Property to Lender, or its successor in interest, upon the terms and conditions as set forth in the bona fide offer.

For a period of thirty (30) calendar days after the receipt of the notice, Lender, or its successor in interest, shall have the right to purchase the Property for the same price on the same terms that the Property was sold to the Borrower(s). However, at the time of sale of the Property, all payments (excluding insurance, taxes and escrow payments used for the repair of the Property) and the added, appraised value of any permanent improvements (which have been approved by the Lender) to the property made by the Borrower(s) with their funds will be repaid to the Borrower(s). If Lender, or its successor in interest, fails to exercise the right to purchase set forth in this paragraph, Borrower(s) may sell or convey the Property to any party making a bona fide offer.

In the event Lender timely notifies Borrower(s) that it elects to purchase the Property on the terms provided in the notice set forth in the preceding paragraph, Lender and Borrower(s) shall promptly, but no later than sixty (60) calendar days after the date of notice from Lender to Borrower(s), execute such usual and customary documents as shall be required in order to consummate such transaction.

5. Habitat shall provide certification in a form acceptable to the City that the activities carried out under this Agreement will meet the objective of benefitting low and moderate income persons as defined in 24 CFR 570.208. Along with a copy of the mortgage documents sign between Habitat and the Home buyer.

- D. Completion Date and Terms. Habitat shall be permitted to commence construction as soon as their financial institution has verified to the City that the down payment has been placed into an escrow account. Habitat shall complete the construction of the Property by February 28, 2020. Habitat shall promptly sell the Property to qualified homebuyers on or before March 31, 2020.

Within thirty (30) calendar days after the closing of permanent financing and sale to the eligible homebuyers, Habitat, at its expense, shall have properly recorded any mortgage, security agreement, financing statement, purchase contract or similar 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.

E. Insurance. During the period of this Agreement, effective as of the start date of the project, Habitat shall, at its own expense, procure and maintain all-risk property damage and liability insurance. For the term of this Agreement, Habitat shall list the City as an additional insured on said property insurance. Property damage coverage shall not be less than the current market value of the Property. Liability coverage shall include contractual insurance as well as comprehensive form insurance, and shall provide coverages of not less than \$1,000,000 bodily injury per person, \$1,000,000 bodily injury per occurrence and \$500,000 property damage. Habitat shall furnish the City with a certificate of insurance. The insurance company providing the insurance must be licensed to do business in the state of Iowa and rated as A or better by A.M. Best. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the City. The contractor shall also give at least thirty (30) days prior notice to the City, by certified mail, return receipt requested, of any coverage to be suspended, voided, canceled by either party or reduced in coverage or in limits. Habitat shall provide Workers' Compensation insurance coverage, as required by Chapter 85 of the *Code of Iowa*, for all employees involved in the performance of this Agreement. Habitat shall furnish the City with certificates of insurance for all insurance required under this Agreement, upon request of the Housing Coordinator.

F. Audits, Inspections and Records.

1. Prior to the transfer of title of the Property and annually thereafter, Habitat shall promptly furnish to the City for its review and approval a current audit of its annual financial statements.
2. Habitat shall promptly furnish the City and HUD with such statements, records, data and information as the City or HUD may reasonably request pertaining to this Agreement.
3. Habitat shall maintain all records for ten (10) years from the date of this Agreement that are pertinent to the activities to be funded under this Agreement including, but not limited to:
 - a. Records providing a full description of each activity undertaken.
 - b. Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance.
 - c. Records documenting compliance with the fair housing and equal opportunity components of the CDBG program.
 - d. Financial records as required by 24 CFR 570.502 and OMB Circular A-110.

- G. Homebuyer Records. Habitat shall maintain homebuyer data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, a signed and dated verification of income statement, or other basis for determining eligibility, and a description of service provided. Such information shall be made available to City monitors or their designees for review upon request.

During the term of this Agreement, any time during normal business hours, Habitat shall make available to the City, HUD and/or the Comptroller General of the United States, or their duly authorized representatives, all of Habitat's records in order to permit examination of any audits, invoices, materials, payrolls, personnel records, conditions of employment and other data relating to all matters covered by this Agreement.

Habitat shall submit a Homebuyer Completion Report at the close of the finished housing unit and/or sale to an income-qualified buyer. The completion report shall, at a minimum, include information relating to the final project costs and funding sources, and household characteristics as required by the City for reporting to HUD's IDIS system.

- H. Notices. Habitat shall direct all notices, reports, insurance policies and other communications related to or required by this Agreement to the office of the City of Ames Department of Planning and Housing, Housing Coordinator, 515 Clark Avenue, Room 214, Ames, Iowa, 50010. Notice by both Habitat and the City shall be given by ordinary mail.

Additionally, until completion of the project, Habitat shall submit quarterly reports describing progress of the project activities, which shall be due no later than ten (10) calendar days after the end of the calendar quarter.

III NON-PERFORMANCE

- A. Performance Obligation. Until March 31, 2030, Habitat shall, in a manner satisfactory to the City, fulfill its stated purpose as outlined in II.E of this Agreement and provide continued service.
- B. Limitation on Resale. Habitat agrees the documents of the sale of the Property to the qualified initial home buyer outlined in SECTION II will include provisions to restrict any subsequent sales during the duration of this Agreement by imposing an agreed upon resale ratio that will ensure that the Property will be affordable to a subsequent home buyer who meets the income limits outlined in SECTION II of this Agreement. Habitat further agrees that if the Property is resold to **subsequent home buyers during the ten (10) year Performance Obligation**, that they must meet the requirements as set forth in SECTION II, for the remaining **period until March 31, 2030**. Habitat shall immediately notify the City that the Property is for re-sale, and following the procedures

as outline under SECTION II.

C. Limitation on Assignment.

1. Habitat shall not sell, assign or transfer any legal or equitable interest in the Property at any time prior to March 30, 2030, without written concurrence of the City. In such event, Habitat shall repay to the City the City's original purchase price of \$115,000, which shall be due in fully immediately, or if Habitat discontinues its program, Habitat shall repay to the City the City's original purchase price of \$115,000 or show proof that the Property will continue to be occupied by an eligible household, as outlined in SECTION II of this Agreement.
2. In no case shall Habitat assign its mortgage to a qualified lending institution, or any other entity, prior to March 31, 2030, without the express written approval of the City of Ames.

D. Discontinuance of Habitat. In the event Habitat discontinues its services prior to March 31, 2030, the value of the prorated portion of real and personal property (tangible and intangible) secured with the CDBG funds, if applicable, under this Agreement shall revert to the City. If said Property has been disposed of, Habitat shall reimburse the City in the amount of the current fair market value of the Property less any portion of the fair market value attributable to non-City CDBG funds. (Personal property includes, but is not limited to, equipment, furnishings and vehicles.)

E. Default. In the event Habitat defaults in the performance or observation of any covenant, agreement or obligation set forth in this Agreement, and if such default remains uncured for a period of thirty (30) calendar days after notice thereof shall have been given by the City to Habitat (or for a period of sixty (60) calendar days after such notice if such default is curable but requires acts to be done or conditions to be remedied which, by their nature, cannot be done or remedied within such 30-day period and thereafter diligently and continuously prosecutes the same to completion within such 60-day period), the City may declare that Habitat is in default hereunder and may take any one or more of the following steps, at its option:

1. By mandamus or other suit, action or proceeding at law or in equity, require Habitat to perform its obligations and covenants hereunder, or enjoin any acts or things which may be unlawful or a violation of the rights of the City hereunder, or obtain damages caused by Habitat by any such default.
2. Have access to and inspect, examine and make copies of all books and records of Habitat which pertain to the project.
3. Declare a default with the Home Ownership Agreement and make no further disbursements, and demand immediate repayment from Habitat of any funds previously disbursed under the Home Ownership Agreement.
4. Take whatever other action at law or in equity which may appear necessary or

desirable to enforce the obligations, covenants and restrictions of Habitat hereunder, including the recovery of funds. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of the City to enforce the same or obtain relief against or recover for the continuation or repetition of such breach or violation, or any similar breach or violation thereof, at any later time or times.

F. Events of Default. The following, by way of specification but not limitation, shall constitute events of default of this Agreement between Habitat and the City:

1. The homebuyer has a principal place of residence at some place other than the Property.
2. The homebuyer causes or permits the Property to be damaged, in disrepair, the site of a public nuisance or otherwise the site of conditions that unreasonably interfere with the use and enjoyment of other properties in the vicinity, ordinary wear and tear excepted.
3. The homebuyer allows unauthorized persons to reside in the property without written approval by Habitat and the City of Ames.
4. The homebuyer abandons or ceases to occupy the property for more than 60 calendar days per year.

IV

ENVIRONMENTAL, ASSESSMENT, HISTORIC PRESERVATION AND LEAD BASED PAINT

Habitat shall assist the City in complying with all applicable environmental assessments, historic preservation requirements of HUD and the State Historic Preservation Office of Iowa, and section 302 of the Lead-Based Paint Poisoning Prevention Act and HUD regulations thereunder (24 CFR, part 50) insofar as they apply to the performance of this Agreement.

V

ELIGIBILITY RESTRICTIONS FOR CERTAIN RESIDENT ALIENS (570.613)

- A. Restriction. Habitat agrees to comply with 24 CFR 570.613, which states that certain newly legalized aliens, as described in 24 CFR, part 5, subpart E, are not eligible to apply for benefits under covered activities funded by the City's CDBG programs. "Benefits" under this section means financial assistance, public services, jobs and access to new or rehabilitated housing and other facilities funded through the City's CDBG programs. "Benefits" does not include relocation services and payments to which displaces are entitled by law.
- B. Covered Activities. "Covered activities" under this section means activities meeting the requirements of section 570.208(a) that either:

1. Have income eligibility requirements limiting the benefit exclusively to low- and moderate-income persons; or
 2. Are targeted geographically or otherwise to primarily benefit low- and moderate-income persons (excluding activities serving the public at large, such as sewers, roads, sidewalks and parks), and that provide benefits to persons on the basis of an application.
- C. Limitation on Coverage. The restrictions under this section apply only to applicants for new benefits not being received by covered resident aliens as of the effective date of this Agreement.
- D. Compliance. Compliance can be accomplished by Habitat obtaining certification as provided in 24 CFR, part 5, subpart E, evidencing citizenship or eligible immigration status.

VI TERMINATION OF AGREEMENT FOR CAUSE

If Habitat fails to fulfill its obligations under this Agreement in a timely and proper manner, or if Habitat violates any of the terms, agreements or stipulations of this Agreement, the City shall thereupon have the right to terminate this Agreement by giving written notice to Habitat of such termination, specifying the default or defaults, and stating that this Agreement shall be terminated thirty (30) days after the giving of such notice unless such default or defaults are remedied within such cure period. The City shall be obligated to make no payment due hereunder after it gives said notice unless the defaults are remedied within said thirty (30) day period. In the event of such termination, Habitat shall promptly repay to the City the full grant/loan amount or that portion of the amounts that have been disbursed to Habitat prior to such termination.

VII TERMINATION OF AGREEMENT FOR CONVENIENCE

This Agreement may be terminated in whole or in part upon the mutual agreement of the parties hereto, in which case the City and Habitat shall agree in writing upon the termination conditions, including the effective date, the disposition of contract amounts and, in the case of partial termination, the portion to be terminated. However, if, in the case of partial termination, the City determines that the remaining portion of the award will not accomplish the purposes for which the award was made, and the award is terminated in its entirety, Habitat shall promptly repay to the City the full grant/loan amount or that portion of the amount which has been disbursed to Habitat prior to such termination.

VIII INTEREST OF CERTAIN FEDERAL AND OTHER OFFICIALS

- A. No member or delegate to the Congress of the United States, and no resident

Commissioner, shall be admitted to any share or part of this Agreement, or to any benefit to arise therefrom.

- B. No member of the governing body of the City, no officer, employee, official or agent of the City, or other local public official who exercises any functions or responsibilities in connection with the review, approval or carrying out of the project to which this Agreement pertains, shall have any private interest, direct or indirect, in this Agreement.
- C. No federal funds appropriated under this Agreement shall be paid, by or on behalf of Habitat, to any person for influencing or attempting to influence a member of Congress, an officer or employee of Congress or any federal agency in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or agreement.
- D. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this federal agreement, Habitat shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- E. Habitat shall require that the language of this certification be included in the award documents for all sub-Habitats and that all sub-Habitats shall certify and disclose accordingly.

IX CONFLICT OF INTEREST

Habitat covenants that it has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of the services to be undertaken through this Agreement. Habitat further covenants that in the performance of this Agreement, no person having such an interest shall be employed by Habitat.

X GRANTOR RECOGNITION

All activities, facilities, and items utilized pursuant to this Agreement shall be prominently labeled as CDBG funded. In addition, Habitat will include a reference to the support provided herein in all publications made possible with funds made available under this Agreement.

ASSIGNABILITY

Habitat shall not assign or transfer any interest in this Agreement without the prior written approval of the City. Any assignment made without such consent shall be void. This Agreement shall be binding upon the parties and shall inure to the benefit of the successors and assigns of the parties hereto.

XII

HOLD HARMLESS PROVISION

Habitat shall indemnify, defend and hold harmless the City, its officers, employees and agents from all liability, loss, cost, damage and expense (including reasonable attorney's fees and court costs) resulting from or incurred by reason of any actions based upon the negligent acts or omissions of Habitat's employees or agents during the performance of this Agreement.

The City shall indemnify, defend and hold harmless Habitat, its officers, employees and agents from all liability, loss, cost, damage and expense (including reasonable attorney's fees and court costs) resulting from or incurred by reason of any actions based upon the negligent acts or omissions of the City's employees or agents during the performance of this Agreement.

XIII

SEVERABILITY CLAUSE

If any one or more of the provisions contained in this Agreement are held to be invalid, illegal or unenforceable, this Agreement shall be deemed severable and the remainder of the Agreement shall remain in full force and effect.

XIV

LIMITATIONS OF CITY LIABILITY – DISCLAIMER OF RELATIONSHIP

The City shall not be liable to Habitat, or to any party, for completion of or failure to complete any improvements, which are parts of the project. Nothing contained in this Agreement, nor any act or omission of the City or Habitat, shall be construed to create any special duty, relationship, third-party beneficiary, respondent superior, limited or general partnership, joint venture or any association by reason of Habitat's involvement with the City.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on this _____ day of _____, 2019.

CITY OF AMES, IOWA

By _____
John A. Haila, Mayor

Attest _____
Diane R. Voss, City Clerk

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

By Tom Prochnow
Tom Prochnow, Board President

By Sandi Risdal
Sandi Risdal, Executive Director

STATE OF IOWA, STORY COUNTY, ss:

On this _____ day of _____, 2019, before me, a Notary Public in and for the State of Iowa, personally appeared John A. Haila 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. 19-_____, adopted by the City Council on the _____ day of _____, 2019, and that John A. Haila 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.

Notary Public in and for the State of Iowa

STATE OF IOWA, STORY COUNTY, ss:

On this 19 day of April, 2019, before me, a Notary Public in and for the State of Iowa, personally appeared Tom Prochnow 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 Tom Prochnow and Sandi Risdal acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

Rachel Knutsen
Notary Public in and for the State of Iowa



ATTACHMENT A
IMPROVEMENTS COMPLETED BY THE CITY OF
AMES ON 3305 MORNINGSIDE STREET ON OR
BEFORE JULY 31, 2019

1. Removal of interior debris
2. Removal of asbestos
3. Removal of deteriorated structure, driveway, sidewalks to house and front yard tree
4. Fill in existing hole remaining after structure removal

These items shall be completed to the satisfaction of the City, in its sole discretion.

ATTACHMENT B
REHABILITATION IMPROVEMENTS TO BE COMPLETED BY HABITAT FOR
HUMANITY OF CENTRAL IOWA
FOR 3305 MORNINGSIDE STREET

This list is not exhaustive, other items that become apparent during the construction of a new house on the subject property maybe added to this list by mutual consent of the parties.

Construction of the home must meet all of the City of Ames Building Code standards, permit requirements and inspections. The property must also include the following features:

1. Minimum 3 bedroom structure with basement with innovative design
2. Basement egress with stub for future bath
3. Radon system
4. Shutters on front window to enhance exterior
5. Downspouts and gutters
6. Exterior and interior doors and combination storm doors
7. High energy efficient windows including basement windows
8. High efficiency furnace
9. Central air conditioning
10. Quality maintenance free vinyl siding (including "wrapping" with Tyvek or equivalent) on the property including all windows, doors trim, soffits, and fascia.
11. Landscaping improvements, raise grade as needed around foundation and install additional landscaping and cosmetic work (not to exceed \$1,000)
12. Replace and repair public and property sidewalks
13. GFI electrical circuits in kitchen and bath
14. Hard-wired smoke detectors on each level, bedrooms and hallways
15. Sump pump
16. Home must confirm to City of Ames and/or Alliant Energy residential conservation standards and be wired for load management (min. service 150 amps) for refrigerator, range, range hood, washer/dryer, HVAC, water heater and sump pump
17. Lot to be sodded on front, side and at least 25' of rear yard so as to eliminate areas of lot from being susceptible to erosion and runoff. Seeding to be done on remaining rear yard.
18. Three (3) foot wide sidewalk to front door.
19. A one car garage, to include two (2) parking spaces, detached or attached.

Habitat is required to submit a development summary statement, drawings and plans, including the following items: Representative architectural elevations and floor plan of the home.

The above items will be written in more detailed specifications and subject to final approval of all parties.

A walk through pre-final inspection by the City will be required within 3-4 weeks prior to the rehabilitation deadline (on or before February 28, 2020). A final inspection will be required on or before March 15, 2020, to verify that all items have been completed. Failure to adhere to these deadlines may cause the agreement to become null and void.

ATTACHMENT C

2018 80% of Ames (IA) MSA*** (subject to change)	
Family Size	Gross Income Cannot Exceed
1	\$44,700
2	\$51,100
3	\$57,500
4	\$63,850
5	\$69,000
6	\$74,100
7	\$79,200
8	\$84,300

***Metropolitan Statistical Area