

COUNCIL ACTION FORM

SUBJECT: AMENDMENT TO THE PURCHASE AGREEMENT CLOSING DATE WITH HABITAT FOR HUMANITY OF CENTRAL IOWA FOR THE PROPERTY AT 3305 MORNINGSIDE STREET

BACKGROUND:

At the City Council meeting on April 23, 2019 the City Council, as part of the CDBG approved Neighborhood Sustainability Program, adopted a resolution proposing the sale of the City-owned property at 3305 Morningside Street to Habitat for Humanity of Central Iowa (HHCI) for \$40,000. The proposed closing was scheduled to occur on or before April 30, 2020, 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 has approved Habitat's selected family for the purchase the property at 3305 Morningside Street. However, the sub-contractors were delayed from completing the excavation work due to excessive rain and inclement weather that occurred during the initial start of the construction. Additionally, there was a delay in receiving notification of a state grant for the construction expenses of the home. **Although the construction work has begun, the delays will shift the original completion schedule. Therefore, Habitat is requesting a time extension to complete the construction and closing as outlined below:**

- **Construction to be completed on or before May 31, 2020;**
- **Closing to a qualified homebuyer to be completed on or before June 30, 2020.**

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 for property located at 3305 Morningside Street for affordable housing that extends the construction completion date to on or before May 31, 2020 and the closing completion date to on or before June 30,2020.
2. The City Council can deny approval of the Amendment.
3. The City Council can modify the Amendment.

CITY 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 an Amendment to the Agreement between the City of Ames and Habitat for Humanity of Central Iowa to extend the construction and closing completion dates for a new home at the located at 3305 Morningside Street for affordable housing.

**AMENDMENT TO AGREEMENT BETWEEN THE CITY
OF AMES AND HABITAT FOR HUMANITY OF CENTRAL
IOWA, INC., FOR PURCHASE AND NEW
CONSTRUCTION UPON PROPERTY AT 3305
MORNINGSIDE STREET, 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, filed in the office of the Recorder of Story County, Iowa, on May 15, 2019, as Instrument No. 2019-03710 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 3305 Morningside Street, Ames, Iowa, and legally described as follows:

Lot 19, Friedrich’s Fifteenth 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 May 31, 2020.

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

Upon verification that the new construction upon the property has been satisfactorily completed, the City of Ames will schedule the closing date to convey title of the property to Habitat before June 30, 2020.

4 **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 May 31, 2020. 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 June 30, 2020. 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.

5 **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 _____, 2020.

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

By: _____
Tom Prochnow, Board President

By: _____
Sandi Risdal, Executive Director

STATE OF IOWA, COUNTY OF STORY, SS.:

This instrument was acknowledged before me on _____, 2020, by Tom Prochnow and Sandi Risdal, as Board President and Executive Director, respectively, of the City of Ames, Iowa.

NOTARY PUBLIC

CITY OF AMES, IOWA

By: _____
John A. Haila, Mayor

Attest: _____
Diane R. Voss, City Clerk

STATE OF IOWA, COUNTY OF STORY, SS.:

This instrument was acknowledged before me on _____, 2020, by John A. Haila and Diane R. Voss, as Mayor and City Clerk, respectively, of the City of Ames, Iowa.

NOTARY PUBLIC