

COUNCIL ACTION FORM

SUBJECT: CONSENT TO DEED RESTRICTION ON BEHALF OF MAINSTREAM LIVING FOR THE PROPERTY LOCATED AT 1417 DOUGLAS AVENUE

BACKGROUND:

At its December 17th meeting, the City Council directed staff to proceed with finalizing the terms and conditions to sell the city-owned property located at 1417 Douglas Avenue to Mainstream Living in the amount of \$36,012. Pursuant to the City's sales contract with Mainstream Living, Mainstream Living is required to seek City consent to grant any legal or equitable interest in the property prior to December 31, 2041.

Staff finalized the sale to Mainstream Living, Inc. in March 2021. On March 22, 2021, staff received a request from Mainstream Living, Inc. asking the City to consent to a "Deed Restriction" encumbering the property for a period of five years in favor of the Story County Housing Trust (SCHT) as result of receiving grant funds. The proposed "Deed Restriction" functions as a lien against the property in an amount no greater than \$37,654 (amortized over the retention period) to ensure that grant funds are repaid upon certain conditions.

The City's Legal Department created the attached Consent document to facilitate the approval of Mainstream's request. The attached consent would allow for Mainstream Living to meet the conditions of the Story County Housing Trust Fund grant it received to construct its new facility on Douglas.

ALTERNATIVES:

1. Adopt a resolution approving the Consent Agreement on behalf of Mainstream Living for the property at 1417 Douglas Avenue.
2. Do not approve the attached Consent.
3. Refer this item back to staff for further information.

CITY MANAGER'S RECOMMENDED ACTION:

The City sold this property to Mainstream Living to provide affordable housing for persons with disabilities. Approving Mainstream's request is consistent with the City's affordable housing program goals for this property in that it does not change the use of the site. The interest granted by Mainstream to SCHT is subordinate to the restrictions placed upon the property by the City.

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

Return document to: City Clerk, 515 Clark Avenue, Ames IA 50010

Document prepared by: Victoria A. Feilmeyer, City of Ames Legal Department, 515 Clark Ave., Ames, IA 50010 – 515-239-5146

Consent

Know all persons: The City of Ames, Iowa, is the beneficiary of transfer and use restrictions on certain real property legally described as **Lot 4, Block 2, Harriman’s Addition to Ames, Story County, Iowa** (the “Real Property”), recorded in Instrument 2021-03004 (collectively “City’s Restrictive Covenants”). Mainstream Living, Inc., the owner (hereinafter the “Owner”) of the Real Property has requested the City’s consent to the recording of an encumbrance on the Real Property to Story County Housing Trust (the “Lender”) in an amount not to exceed \$37,654.00. For good cause, the City consents to the recording of the “Deed Restriction” given by Owner to Lender to encumber the Real Property, provided, however, that the rights of Lender shall be subordinate to and shall in no way be deemed to impair, modify, or be superior to the City’s Restrictive Covenants.

Dated April _____, 2021.

CITY OF AMES

By:

John A. Haila, Mayor

By:

Diane R. Voss, City Clerk

STATE OF IOWA, COUNTY OF STORY, SS.:

This instrument was acknowledged before me on April _____, 2021, by John A. Haila and Diane R. Voss, as Mayor and City Clerk, respectively of the City of Ames, Iowa.

NOTARY PUBLIC