

COUNCIL ACTION FORM

SUBJECT: **AMENDMENT TO PURCHASE AGREEMENT WITH HABITAT FOR HUMANITY OF CENTRAL IOWA FOR PROPERTY AT 241 VILLAGE DRIVE**

BACKGROUND:

At its meeting on April 12, 2022, the City Council, approved the sale of the City-owned property at 241 Village Drive to Habitat for Humanity of Central Iowa (HHCI) for \$100,000. The closing was scheduled to occur on or before July 29, 2022, if all conditions of the purchase agreement for the rehabilitation of the single-family home and sale of the property were satisfied.

The City recently received an email from HHCI requesting an extension to complete the rehabilitation and closing. The requested extension would amend the purchase agreement deadlines from July 29, 2022, to the dates outlined below:

- Rehabilitation to be completed on or before October 15, 2022.
- Closing with the City of Ames to be completed on or before October 31, 2022
- Closing to a qualified homebuyer to be completed on or by October 31, 2022

HHCI indicated two reasons for the request: 1) Habitat for Humanity of Central Iowa had to reopen the homeowner application process due to a first unsuccessful attempt at finding a financially viable partner family for the project, and 2) Because of unforeseen challenges in securing adequate volunteer and subcontractor labor for the project, the renovation work that is being planned will take longer than initially anticipated.

The City's Legal Department has prepared an amendment to the Purchase Agreement to implement these changed timelines (attached).

ALTERNATIVES:

1. Approve the attached Amendment to the Agreement between the City of Ames and Habitat for Humanity of Central Iowa to extend the time for completion for the rehabilitation and sale of the single-family home located at 241 Village Drive for affordable housing.
2. Do not approve the Amendment.
3. Direct staff to make modifications to the proposed Amendment.

CITY MANAGER'S RECOMMENDED ACTION:

The sale and rehabilitation of the single-family home located at 241 Village Drive to HHCI will assist the City in its efforts to continue to address the housing needs for low- and moderate-income first-time home buyers. An extension is necessary in order to allow for Habitat for Humanity to select a qualified homebuyer and complete the needed improvements to the property.

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

S P A C E A B O V E R E S E R V E D F O R O F F I C I A L U S E

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

**AMENDMENT TO AGREEMENT BETWEEN THE CITY OF
AMES AND HABITAT FOR HUMANITY OF CENTRAL
IOWA, INC., FOR THE REHABILITATION OF PROPERTY
AT 241 VILLAGE DRIVE, 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, and any existing amendments thereto, presently in force between the City and Habitat, filed in the office of the Recorder of Story County, Iowa, on April 19, 2022, as Instrument No. 2022-03669, and authorized by Resolution No. 22-178 governing the rehabilitation of certain improvements upon the Real Property by Habitat and the sale by the City to 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 241 Village Drive, Ames, Iowa, and legally described as follows:

Lot 11, West Campus Village Addition, Ames, Story County, Iowa.

2 AMENDMENT. The Agreement, at Part I, paragraph (E), is hereby amended by removing “July 29, 2022” and substituting “October 31, 2022” in lieu thereof.

3 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 October 15, 2022.

4 AMENDMENT. The Agreement, at Part II, paragraph (C)(3), is hereby amended by removing “July 29, 2022” and substituting “October 31, 2022” in lieu thereof.

5 AMENDMENT. The Agreement is further 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 to the property to Habitat on or before October 31, 2022.

6 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 rehabilitation as soon as the nonrefundable down payment has been paid to the City of Ames. Habitat shall complete rehabilitation of the Property by October 15, 2022. Habitat shall promptly sell the Property to qualified homebuyers on or before October 31, 2022.

7 AMENDMENT. The Agreement is further amended by deleting from Part III, Paragraphs A, B, C(1) and (2), and D, each and every reference to the date July 29, 2032, and substituting in lieu thereof the date October 31, 2032.

8 AMENDMENT. Exhibit A of the Agreement is further amended by changing the stated date of “July 15, 2022” to “October 15, 2022” as it refers to the walk-through inspection, and by changing the stated date of “July 15, 2022” to “October 15, 2022” for the final inspection.

9 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 Third Amendment on this _____ day of _____, 2022.

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

By:

Tom Prochnow, Board President

By:

Dan Nutini, Executive Director

STATE OF IOWA, COUNTY OF STORY, SS.: This instrument was acknowledged before me on _____, 2022, by Tom Prochnow and Dan Nutini, as Board President and Executive Director, respectively, of Habitat for Humanity of Central Iowa, Inc.

NOTARY PUBLIC

Passed and approved on _____, 2022, by Resolution No. 22-_____,
adopted by the City Council of Ames, Iowa.

CITY OF AMES, IOWA

Attest:

By:

Diane R. Voss, City Clerk

John A. Haila, Mayor

STATE OF IOWA, COUNTY OF STORY, SS.:

This instrument was acknowledged before me on _____, 2022, by Diane R. Voss and John A. Haila, as City Clerk and Mayor, respectively, of the City of Ames, Iowa.

NOTARY PUBLIC