ITEM # 35 DATE: 03-14-23 DEPT: P&H

COUNCIL ACTION FORM

SUBJECT: AGREEMENT FOR SALE OF LOT 8 IN BAKER SUBDIVISION TO HABITAT FOR HUMANITY OF CENTRAL IOWA

BACKGROUND:

In 2015, as part of the City's Community Development Block Grant (CDBG) Program, the City acquired a 10+ acre site located at 321 State Avenue (formerly the site of the Old Ames Middle School). The site was purchased to develop a subdivision that will support the affordable housing goals of the City as a mixed-income development, with a minimum of 51% of the homes affordable to low- and moderate-income (LMI) households. The subdivision would consist of 27 buildable lots, 26 single-family lots, and one lot for multifamily units (see attachment A).

In July 2022, the City, as the developer for the subdivision, completed the public infrastructure improvements (streets, water, sewer, electrical, sidewalks, including geothermal for the 26 single-family lots. (see attachment A). The subdivision covenants were adopted in December 2021. The City is now positioned to develop the lots to construct single-family homes. As noted above, 51% (14) of the lots have to be available to low and moderate-income households.

Habitat for Humanity of Central Iowa (HHCI) has approached City staff with interest in purchasing one lot in the Baker Subdivision. Staff and Habitat have identified Lot 8, located along the south side of Wilmoth Avenue (see Attachment A).

This collaboration with Habitat for Humanity of Central Iowa would represent the fifteenth 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 both the 2022-2023 Annual Action Plan and the 2019-2023 CDBG Consolidated Plan, which is to increase the supply of affordable housing for LMI households.

The City's Finance staff has reviewed a draft of HHCI's 2022 Annual Audit Report and finds it in good order, including the audit opinion. Therefore, staff has been working with the HHCI Executive Board and City's Legal Department and has prepared the attached purchase agreement for City Council approval.

The purchase agreement includes a purchase price of \$50,000 (the lot has been appraised at \$61,000). HHCl would be required to maintain affordability of the housing for a period of at least 15 years and the City will review qualifications of the final lot purchaser. The gross income of the homebuyer must not exceed 80% of the Ames Area Median Income. The design of the home must meet the 2021 subdivision covenants, including design parameters for house size and a garage.

ALTERNATIVES:

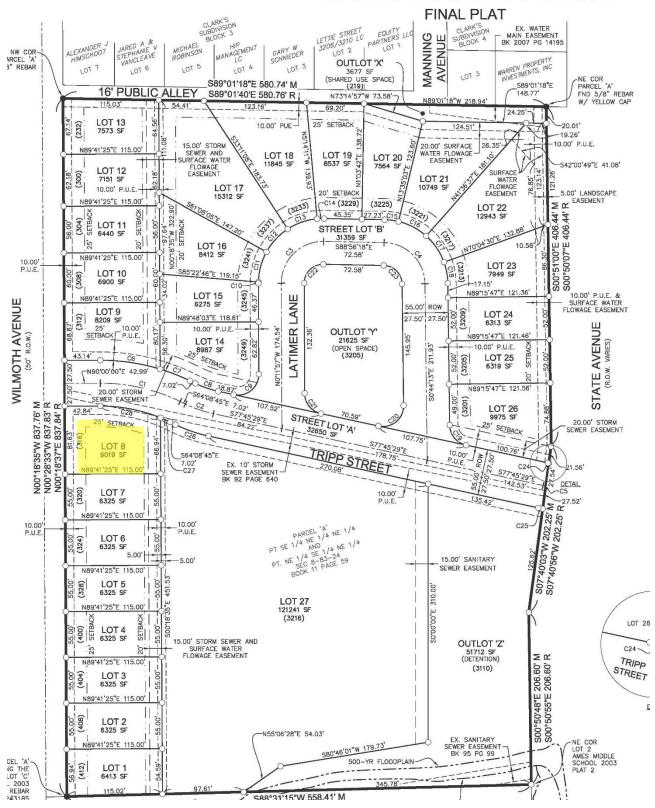
- 1. Approve the attached purchase agreement for the sale of Lot 8 in the Baker Subdivision to Habitat for Humanity of Central Iowa.
- 2. Approve the attached purchase agreement for the sale of Lot 8 in the Baker Subdivision to Habitat for Humanity of Central Iowa, <u>subject to additional terms</u> and conditions or modifications.
- 3. Direct staff to seek other buyers to purchase Lot 8.
- 4. Decline to sell the single-family lot.

CITY MANAGER'S RECOMMENDED ACTION:

The sale of Lot 8 in the Baker Subdivision to Habitat for Humanity of Central Iowa will assist the City in its efforts to continue to address the housing needs of low- and moderate-income first-time home buyers and will help jump-start the construction of homes in the subdivision and potential for future sales to Habitat. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1.

Location Map- Attachment A

BAKER SUBDIVISION



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: Renee Hall, 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 NEW CONSTRUCTION UPON PROPERTY AT 316 S. WILMOTH, 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 2019-2023 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:

CITY'S OBLIGATIONS

A. <u>Purchase of Property</u>. The City has secured the purchase of property legally described as Lot 8, Baker Subdivision, Ames, Story County, Iowa (also known as 316 S. Wilmoth Avenue) (hereinafter "Property") and will retain ownership of that Property until sold to Habitat under the conditions described herein. Habitat shall construct the improvements in a manner complying with the requirements of the City Code, and in a manner that complies with the restrictive covenants upon the property. See **Attachment A** for the restrictive covenants.

- B. Access to Property. The City agrees to grant Habitat immediate and continuing access to the property for the purpose of construction of improvements upon the property. Access for the purpose of construction shall also be granted to Habitat's agents.
- C. <u>Technical Assistance</u>. Upon request, the City will provide technical assistance to Habitat concerning compliance with the terms of this Agreement.
- D. <u>Performance Monitoring</u>. 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. <u>Property Conveyance</u>. 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 May 31, 2024, 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 \$50,000.00 for the Property. Habitat agrees that it shall provide a non-refundable down payment of \$2,500.00 (5.0% 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 \$47,500.00 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. At the time of closing, Habitat shall pay to the City of Ames an additional \$1,000 to reimburse the cost of producing an abstract for Habitat. All abstracting costs shall be the responsibility of Habitat, and not the City.
- 2. <u>In Kind Compensation</u>. Habitat agrees to provide all materials, labor and services as are necessary to construct the improvements upon the Property to the standards described in section II.B so that it is safe and habitable for residential use.
- 3. <u>Property Improvements</u>. 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 April 30, 2024. 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. <u>Property Maintenance and Utilities</u>. 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. <u>Property Taxes</u>. Property taxes until transfer of title to Habitat will be the responsibility of the City of Ames.
- B. <u>Performance Standards</u>. The Property shall be constructed 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 design features as outlined in Attachment B have been completed satisfactorily.
 - 2. Habitat shall provide within 120 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 home construction of the property, schedule a final walk-thru with the City Housing Division to verify the construction of the property has been completed satisfactorily. Upon verification that the construction 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 April 30, 2024.
 - 4. Habitat further agrees that it will include in its mortgage documents with an eligible buyer the following language:

convey the Property during the term of this Security Instrument, for a period of twenty (20) 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 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. <u>Completion Date and Terms</u>. 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 April 30, 2024. Habitat shall promptly sell the Property to qualified homebuyers on or before May 31, 2024.

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.
- 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. <u>Homebuyer Records</u>. 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) c a l e n d a r days after the end of the calendar quarter.

I. <u>NPDES Coverage</u>. Habitat shall be solely responsible for all NPDES (National Pollutant Discharge Elimination System) requirements for the property from the date of this Agreement. Habitat shall sign the NPDES Agreement & Indemnity attached to this Agreement attached hereto as **Attachment D**.

III NON-PERFORMANCE

- A. <u>Performance Obligation</u>. Until May 31, 2044, 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 twenty (20) year Performance Obligation,** that they must meet the requirements as set forth in SECTION II, for the remaining **period until May 31, 2044.** 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 May 31, 2044, without written concurrence of the City. In event of an unauthorized transfer, Habitat shall repay to the City fair market value as of the date of that Habitat transferred the interest in the property, which shall be due in full immediately. The fair market value of the property as of the date of the transfer shall be determined by an appraiser selected by the City at the expense of Habitat. If Habitat discontinues its program, Habitat shall repay to the City the fair market value of the property (land and any constructed improvements) as determined by an appraiser selected by the City at the expense of Habitat 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 May 31, 2044, without the express written approval of the City of Ames.
- D. <u>Discontinuance of Habitat</u>. In the event Habitat discontinues its services prior to May 31, 2044, 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. <u>Default</u>. 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. <u>Events of Default</u>. 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. <u>Covered Activities</u>. "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. <u>Limitation on Coverage</u>. 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. <u>Compliance</u>. 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 language day of March, 2023.	ESS WHEREOF, the parties hereto have executed this Agreement on this y of March, 2023.	
CITY OF AMES, IOWA	HABITAT FOR HUMANITY OF CENTRAL IOWA, INC.	
By John A. Haila, Mayor	By Tom Prochnow, Board President	
AttestRenee Hall, City Clerk	By	
STATE OF IOWA, STORY COUNTY, ss: On this day of, 2023, before me, a Notary Public in and for the State of Iowa, personally appeared John A. Haila and Renee Hall, 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. 23 adopted by the City Council on the day of, 2023, and that John A. Haila and Renee Hall 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.	On this day of, 2023, before me a Notary Public in and for the State of Iowa, personall appeared Tom Prochnow and Dan Nutini, to me personall 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 sea of said corporation, or no seal has been procured by the said corporation, and that said instrument was signed and sealed of behalf of said corporation by authority of its Board of Directors, and the said Tom Prochnow and Dan Nutin 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

Notary Public in and for the State of Iowa

ATTACHMENT A RESTRICTIVE COVENANTS

Instrument H: 2022-00200 01/06/2022 0g 13 52 AM Total Pages 8 COV COVENANTS Recording Fee \$ 42 00 Stacle Herridge, Recorder, Story County Iowa

SPACE ABOVE RESERVED FOR OFFICIAL USE

Legal description: Lots 1-26, Baker Subdivision, Ames, Story County, Iowa

Return document to: City Clerk, P.O. Box 811, 515 Clark Avenue, Ames 1A 50010

Document prepared by: City of Ames Legal Department, 515 Clark Ave., Ames, IA 50010 - 515-239-5146 VICTORIA FEILINEYER

RESTRICTIVE COVENANTS

GRANTOR: CITY OF AMES

GRANTEE: BAKER SUBDIVISION

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RESTRICTIVE COVENANTS AND REGULATIONS FOR SINGLE FAMILY HOMES IN BAKER SUBDIVISION, AMES, STORY COUNTY, IOWA

WHEREAS, the undersigned, the City of Ames, an Iowa municipal corporation (the herein after the "City"), is the owner of Lots One (1) through Twenty-seven (27), contained in Baker Subdivision (the "Subdivision"); and

WHEREAS, Lots One (1) through Twenty-six (26) (hereinafter "Lots") will be developed as Single Family Homes and governed by these restrictive covenants and regulations; and

WHEREAS, Lots One (1) through Eight, Ten (10) through Thirteen (13), Fifteen (15), Twenty-four (24) and Twenty-five (25) shall be designated Affordable Housing Lots (hereinafter "AR Lots"), and Lots Nine (9), Fourteen (14), Sixteen (16) through (23) and Twenty-six (26) shall be designated Market Rate Lots (hereinafter "MR Lots").

WHEREAS, for their own protection and for the benefit of subsequent owners of said Lots within said Subdivision, the said owner desires to restrict the use thereof in certain particulars.

NOW, THEREFORE, the parties hereto, in consideration of the covenants and agreements contained herein, by these presents, covenant, bargain and agree for themselves for their successors and assigns, as follows:

- 1. The covenants contained herein shall not apply to Lot 27, unless otherwise stated.
- 2. All Lots shall be known and described as residential lots and shall not be improved, used, or occupied for other than private single-family residential purposes. All Lots shall be occupied and used as the primary residence of the then-current title holders. No Lots shall be used and occupied as property for which rental income is received.
- 3. The residences to be constructed or to be permitted to remain on the MR Lots shall meet the following requirements:
 - a. One (1) story residences shall have a ground floor finished area of not less than one thousand two hundred (1,200) square feet.
 - b. One and one-half (1½) story residences, two (2) story residences, and split-level residences shall have a total finished area on the ground floor and second floor or split-level of not less than one thousand two hundred fifty (1,250) square feet.
 - c. The computation of the total finished area shall not include porches, breezeways, or garages.
 - d. All residences shall include basements with at least one (1) egress window.
- 4. The residences to be constructed or to be permitted to remain on the AR Lots shall meet the following requirements:
 - a. One (1) story residences shall have a minimum ground floor finished area of not less than one thousand one hundred (1,100) square feet.

- b. One and one-half (1½) story residences, two (2) story residences, and split/bilevel residences shall have a minimum total finished area on the ground floor and second floor or split-level of not less than one thousand one hundred fifty (1,150) square feet.
- c. The computation of the total finished area shall not include porches, breezeways, or garages.
- d. All residences shall include basements with at least one (1) egress window.
- 5. No Lot shall be subdivided for the purpose of constructing more than one (1) residence per Lot.
- All Lots may have fences in the rear and side yard only. Chain link fences shall be permitted, except no chain link fences with galvanized finish shall be allowed on any Lot.
- 7. The following restrictions shall also constitute covenants:
 - a. There shall be no mobile homes placed or erected on any Lot.
 - b. No pre-erected dwelling shall be moved to any Lot, except modular housing approved by the City of Ames Planning & Housing Department.
 - c. All dwellings must have, at a minimum, a single car attached garage, a double car attached garage, or a double car detached garage.
 - d. No more than twelve (12") inches of concrete block, poured concrete, or wood foundation shall be exposed on any building unless the exposed material is covered with brick, stone veneer, or siding. Exposed foundations must be painted to blend with exterior wall finishes.
 - e. All building structures or improvements of any kind must be completed within twelve (12) months of the commencement date of the construction. Commencement of construction upon any Lot shall occur no later than six (6) months of the date on the deed from the City. IF CONSTRUCTION HAS NOT BEGUN ON AN MR LOT WITHIN SIX (6) MONTHS OF THE DATE ON THE DEED FROM THE CITY, THEN THE OWNER OF RECORD, AT THE CITY'S REQUEST, AGREES TO CONVEY THE PROPERTY BACK TO THE CITY IN FEE SIMPLE FOR ONE HUNDRED PERCENT (100%) OF THE ORIGINAL PURCHASE PRICE WITH NO ADJUSTMENT FOR TAXES, CLOSING COSTS OR INTEREST AT THE TIME THE DEED IS CONVEYED TO THE CITY. THE CITY WILL PAY ONLY FOR DEED PREPARATION, RECORDING FEES, AND TRANSFER TAXES. ON ISSUANCE OF AN OCCUPANCY PERMIT FOR A RESIDENCE, THIS RIGHT TO REPURCHASE SHALL TERMINATE AS TO THAT LOT.

- f. All homes must be built by an experienced homebuilder. An experienced homebuilder shall be defined as a person, or entity who has built and completed at least three (3) new homes per year within three (3) of the past seven (7) years. Notwithstanding the forgoing, a nonprofit entity organized under Iowa law or possessing a valid certificate of authority to transact business in Iowa under Iowa Code 490.105 shall constitute an experienced homebuilder if they have started and completed three (3) homes in the past seven (7) years.
- g. All finished Lots and house grades shall conform to the City's grading plan which shall be obtained from the City prior to the commencement of construction. All excess dirt from the excavation shall be hauled from the lot or used as a part of the final landscape plan. Any excess dirt, concrete, or other debris may not be placed on other land within the Subdivision. Topsoil shall not be removed from any of the Lots or the Site generally and shall be reused to respread around the house and lot once the home is completed.
- h. All homes must utilize and connect to the geothermal system installed within the reserved public utility easements located in the rear yards of each Lot.
- Prior to construction upon any Lot, the builder must submit to the Electric Department an HVAC sizing calculation for review and approval. The HVAC sizing calculation shall not exceed 3.25 tons.
- j. All mailboxes shall be placed in accordance with United States Postal Service regulations. Individual mailboxes will not be permitted. Cluster mailboxes will be provided by the United States Postal Service.
- k. No building, structure of a temporary character, trailer, tent, garage, or outbuilding shall be used at any time as a residential dwelling on any Lot.
- No tent, trailer, recreational vehicle, camper, boat, truck rated larger than three quarters (3/4) of a ton, or other movable or temporary structure, shall be maintained or parked on a Lot within public view for a period exceeding fortyeight (48) consecutive hours or for more than thirty (30) total days in any calendar year.
- m. No rubbish containers shall be visible from the street except on pickup day and one (1) day before and one (1) day after pickup day. Construction waste containers shall be exempt from this provision; however, the builder or Lot owner shall be responsible for keeping the construction debris contained on the Lot and in the construction waste containers.
- n. No extension towers or antennas of any kind shall be constructed, modified, or permitted on any Lot, except television or radio antennas of less than ten (10') feet in height. Satellite dishes or parabolic devices more than thirty-six (36") inches in diameter used to receive television or other signals from satellites shall not be permitted. The satellite dishes or parabolic devices shall be mounted on

the rear elevation or the rear half of the side elevation only. In no event shall a satellite dish or parabolic device be mounted on the front elevation or the front half of a side elevation.

- o. No noxious or offensive activities or odors shall be permitted on or to escape from any Lot, nor shall anything be done on any Lot which is or may become a nuisance, either temporarily or permanently.
- p. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot, except that dogs, cats, chickens, and other common household pets may be kept so long as they are not kept, bred, or maintained for commercial purposes. Dogs, cats and chickens must be tied, controlled, or contained within the Lot or on a leash at all times.
- q. Following construction of the residential dwelling on any Lot, the front, side, and rear yards shall be sodded within six months. The requirement for sod shall be waived where a permanent underground irrigation system is installed on the Lot. In addition to sodding, the builder or Lot owner shall install a minimum of ten (10): (i) 3-gallon shrubs, (ii) 1-gallon perennials, or (iii) a combination of 3-gallon shrubs and 1-gallon perennials, with either mulch or rock ground cover. The shrubs and/or perennials shall be in the front yard of a Lot. Foundational plantings shall be required to screen the base of the primary and secondary facade of any new building. In addition, ground-mounted mechanical units shall be screened from public view with plantings.
- r. Where the City of Ames, Iowa, requires the construction of public sidewalks, the sidewalks shall be constructed within eighteen (18) months following the sale of any Lot from the City or at the time of occupancy of any dwelling on a Lot, whichever occurs first. The City shall withhold the issuance of an Occupancy Permit for a dwelling until such time as a public sidewalk has been constructed.
- s. All retaining walls shall be constructed of stone or masonry product. No wood landscaping timbers shall be used to construct retaining walls, except that window well retaining walls that are not visible above grade may be constructed using wood landscaping timbers.
- t. Roof materials should be slate, tile, cedar shakes, or composite shingles. Composite shingles shall be architectural grade, minimum thirty (30) year warranty. Shingle colors shall be compatible with and complimentary to the exterior materials and colors. White or white blend roof materials are not acceptable.
- u. All outdoor light fixtures shall be designed, installed, and maintained to prevent light trespass beyond the boundaries of the Lot. "Full cutoff" outdoor light fixtures which emit no light at or above the horizonal plane of the fixture shall

be utilized for all dusk to dawn light fixtures exceeding three hundred (300) lumens and for all manually switched or occupancy sensor switched fixtures exceeding one thousand (1,000) lumens. Holiday lighting or other temporary outdoor lighting shall be exempt from this provision but shall remain in place no longer than six (6) weeks annually.

- v. Each Lot owner shall keep the Lot free of weeds and debris and shall take all necessary steps to control erosion from the lot. All Lot owners shall implement appropriate erosion control measures before, during, and after construction. These measures may include silt fences, ground cover, and seeding over exposed areas.
- w. Any construction or earth moving on any Lot shall follow all laws relating to storm water discharge permitting. The owner of any Lot shall be the solely responsible permittee for the lot with respect to compliance with all terms, provisions, and requirements of any NPDES Storm Water Discharge Permit No. 2 and any storm water pollution prevention plan which includes the Lot. During the ownership of the Lot, the Lot owner shall protect, defend, indemnify, and hold the City and the other Lot owners harmless from any and all damages, claims, liabilities, fines, penalties, cleanup costs, and/or attorneys and consultant fees caused by, or in any manner related to: (1) any discharges of soil, silt, sediment, petroleum product, hazardous substances, or solid waste from the Lot; and/or (2) any alleged violation of any NPDES or storm water discharge rule or regulation.
- x. No driveway shall be permitted to terminate onto State Avenue, Tripp Street or the North Alley. Driveway access shall be permitted only on Wilmoth Avenue or Latimer Lane.
- 8. All these restrictions shall be deemed to be covenants running with the land and shall endure and be binding upon all parties hereto, their successors and assigns, for a period of twenty-one (21) years from the date of the recording of these covenants, unless claims to continue any interest in the covenants are filed as provided by law.
- 9. In case of violation of any of the covenants, any person then owning a Lot in said Subdivision is authorized to resort to an action of law or equity for relief, either by injunction or in damages, against the person so violating said covenants.
- 10. Invalidation of any of these covenants by judgment or court order shall in no way affect the validity of any of the other provisions, but they shall remain in full force and effect.
- 11. None of the provisions herein shall be construed to waive any requirement of the Ames Municipal Code or otherwise exempt a Lot or Lot Owner from provisions of the Ames Municipal Code.
- 12. This instrument may be amended upon the recording of a written instrument executed and approved by the City of Ames until such time as the City no longer owns a Lot

within this subdivision. After the City no longer owns a Lot within this subdivision, this instrument may be amended upon the recording of a written instrument executed by the owners of at least two-thirds (i.e., no fewer than 18 consenting owners) of the Lots. Any amendment to this instrument must be filed for record in the office of the Recorder of Story County, Iowa.

13. The provisions of this instrument and any amendments hereto may be extended for an additional period by filing a verified claim in the office of the Recorder of Story County, Iowa, within the initial twenty-one (21) year period. The City shall have the right to file a verified claim to extend these covenants.

[RESERVED FOR SIGNATURE BLANKS]

2022-00200 COV 01/06/2022 09:13:52 AM Page 8 of 8

. 202], by Resolution No. 21- <u>629</u> adopted
John A. Haila, Mayor Attest: Diane R. Voss, City Clerk
December 29, 2021, by John A. Haila ively, of the City of Ames, Iowa.
Clario Hall
RENEE MALL *** Commission Number 82748 My Commission Expires

ATTACHMENT B - CONSTRUCTION PLANS

[ATTACH CONSTRUCTION PLANS]

A walk through pre-final inspection by the City will be required within 3-4 weeks prior to the construction deadline (on or before April 30, 2024). A final inspection will be required on or before March 31, 2024, to verify that all items have been completed. Failure to adhere to these deadlines may cause the agreement to become null and void.

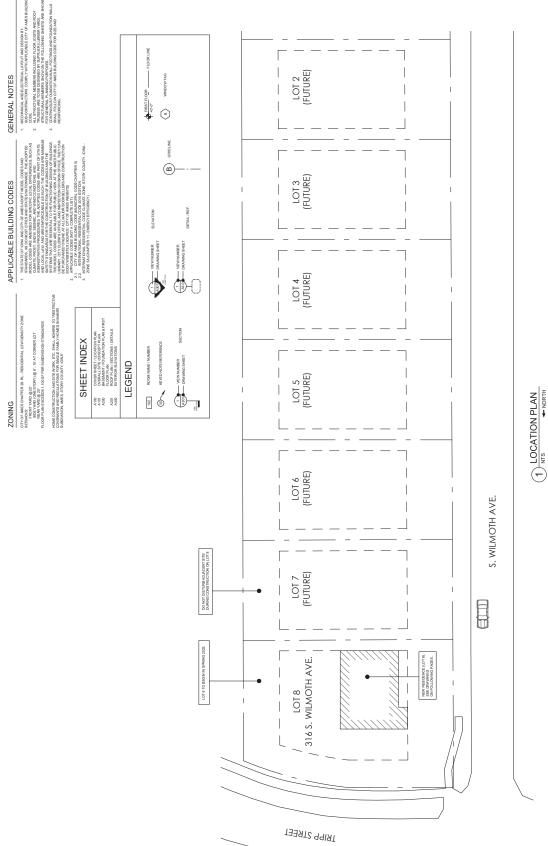
NEW RESIDENCE BAKER SUBDIVISION 316 S. WILMOTH AVE. LOT 8 AMES, IOWA

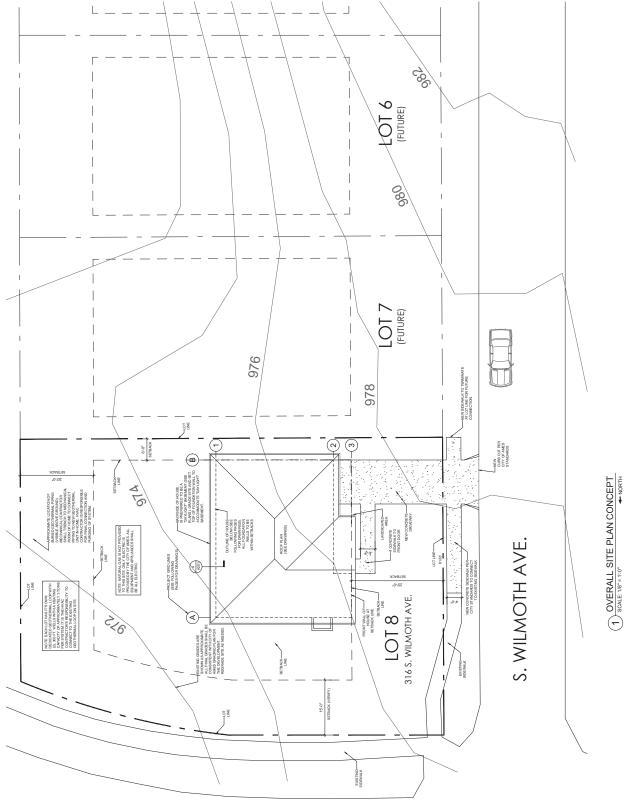
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© 2023 HABITATF OR HJAMATY OF CENTRAL JOWN INC.



HABITAT FOR HUMANITY OF CENTRAL IOWA, INC. NEW RESIDENCE: BAKER SUBDIVISION - LOT 8 316 S. WILMOTH AVENUE, AMES, IOWA



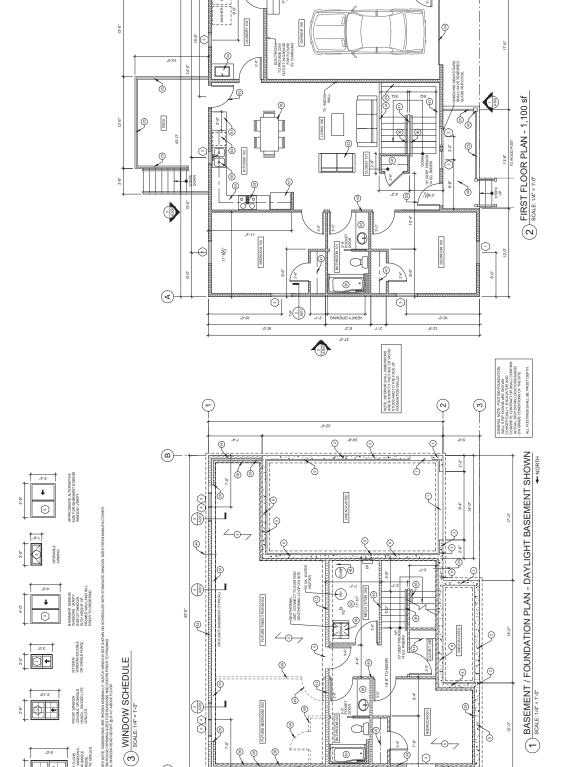




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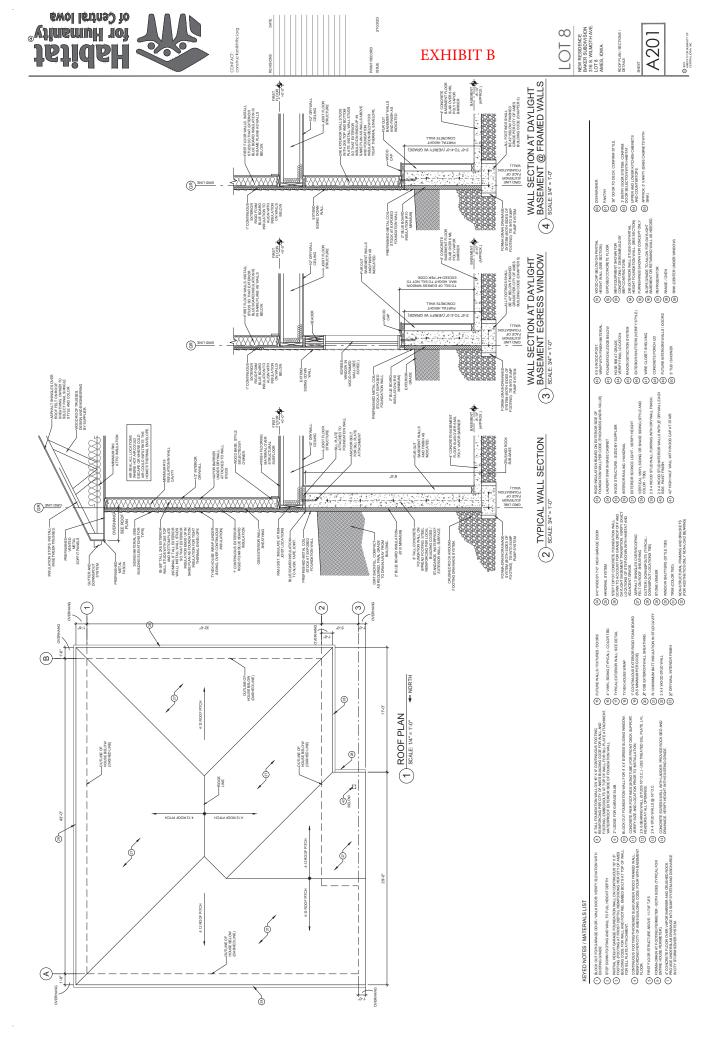
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BACK ELEVATION SCALE: 1/4" = 1'-0"

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BEARING +/- 8:0*



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(1) BLOCK OUT FOR GARAGE DOOR / WALK DOOR VERIFY BLEVATION WITH EXISTING GRADE

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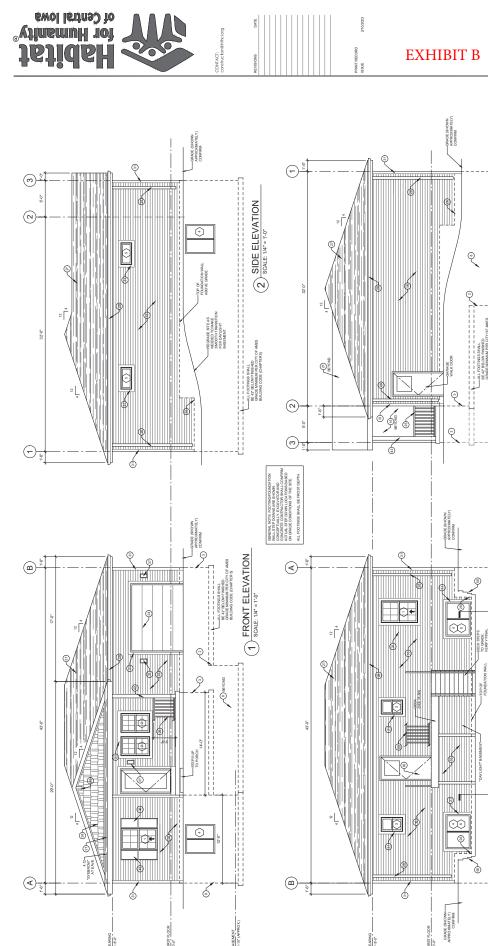
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FIRST R.COR

BEARING */- 8-0*

ATTACHMENT C

2022 80% of Ames (IA) MSA*** (subject to change)

Family Size	Gross Income Cannot Exceed
1	\$56,300
2	\$64,350
3	\$72,400
4	\$80,400
5	\$86,850
6	\$93,300
7	\$99,700
8	\$106,150

^{***}Metropolitan Statistical Area

ATTACHMENT D

NOTICE OF PARTIAL TRANFER OF A STORM WATER DISCHARGE COVERED UNDER IOWA NPDES GENERAL PERMIT NO. 2 (and City of Ames 5A) FOR CONSTRUCTION ACTIVITIES & INDEMNIFICATION AGREEMENT

By this Notice of Partial Transfer and Indemnification Agreement (the "notice of Partial Transfer") the City of Ames, (the "Transferor"), transfers both the NPDES General Permit No. 2 and all legal responsibility for NPDES compliance for the lots/parcels to the contractor building on such lots/parcels, Habitat for Humanity of Central Iowa, Inc., (the "Transferee" and/or "Contractor").

Transferor will retain NPDES General Permit Permit No. 2 responsibilities for parcels or lots not disturbed or built on by the Contractor. Transferee understands and agrees to become the sole responsible permittee for the lots/parcels which Transferee builds on. Transferee agrees to install and maintain stormwater best management practices in a way which complies with IDNR GP#2 and City of Ames 5A requirements. Transferee shall be solely responsible for compliance of stormwater runoff from such lot/parcels. Transferee shall further protect, defend, indemnify, and hold Transferor harmless from any claims, liabilities, fines, penalties thereof after the date of this agreement.

Transferee understand that by executing this notice of partial transfer, it agrees to comply with all requirements governing the discharge of storm water associated with industrial activity for construction activities by Iowa Department of Natural Resources NPDES General Permit No. 2 and City of Ames code 5A and certifies that it is aware that discharging pollutants from the storm water associated with industrial activity to waters of the United States is unlawful under the Clean Water Act where the discharge is not Authorized by NPDES Permits.

Print Name of Transfer:	
	(Representative City of Ames)
Title: Date:	
Transferee Name: Habitat for Humanity of Central Iowa, Inc.	
Authorized Signature of Contractor:	
Print Name:	
Title:	
Address:	
City: Ames, Iowa	
T-11 N	
Telephone No:	