

COUNCIL ACTION FORM

SUBJECT: RESOLUTION APPROVING SUBORDINATE MORTGAGE FOR THE PROPERTY LOCATED AT 712 BURNETT (YSS) IN CONNECTION WITH THE CITY'S CDBG MINOR REPAIR PROGRAM FOR NON-PROFITS.

BACKGROUND:

In June 2007, Youth and Shelter Services (YSS) participated in the City's CDBG Minor Repair Program for local nonprofits organizations. Through this program, local nonprofits received 5-Year deferred loans to make minor repairs to their facilities. YSS received approximately \$9,900 to complete minor repairs at their 712 Burnett property.

To receive the financial assistance, YSS signed a Subordinate Mortgage agreement with the City of Ames that required a payback of the minor repair loan if the property was sold, transferred, rented, or unoccupied for a period or any default or breach of the program policies, procedures, agreements, etc. for a period five (5) years from the date of the agreement. The loan amount also decreased 20% per year, thereby if none of the conditions occurred the subordinate mortgage would be released.

Although YSS met the five (5) year commitment back in 2012, the release of the subordinated mortgage did not occur. The Department of Planning and Housing is requesting that the City Council authorize the release of the Subordinate Mortgage so that the lien recorded by the City against the above property can be released.

ALTERNATIVES:

1. The City Council can approve a resolution authorizing the Mayor to sign the attached Release of Contract and Lien for the property located at 712 Burnett Avenue in the CDBG Minor Repair Program.
2. The City Council can deny a resolution authorizing the Mayor to sign the attached Release of Contract and Lien for the property located at 712 Burnett Avenue in the CDBG Minor Repair Program.

CITY MANAGER'S RECOMMENDED ACTION:

The terms of the original agreement have been met by YSS. In order for YSS to have a clear title for the property it is important to provide a Release of the Contract and Lien for the property located at 712 Burnett Avenue.

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: Victoria Feilmeyer, City of Ames Legal Department, 515 Clark, Ames, Iowa 50010 Phone: 515-239-5146
Return to: Ames City Clerk, 515 Clark Avenue, P. O. Box 811, Ames, Iowa 50010-0811

RELEASE

(712 Burnett Avenue, Ames, Iowa)

Re: The South 55 feet of Lot Six (6), Block 3 in the Original Town of Ames, Iowa

THE CITY OF AMES, IOWA, a municipal corporation of the State of Iowa, hereby certifies that it has received full satisfaction under the terms of a certain Mortgage, dated the 7th day of August 2007, executed by Youth and Shelter Services, Inc., as Instrument Number 2007-09472 and filed in the records in the office of the County Recorder of Story County, Iowa, on August 13, 2007, and does hereby acknowledge full satisfaction of said Mortgage and release the lien upon the Real Property described in the Mortgage.

IN WITNESS WHEREOF, the said City has caused this instrument to be signed by its Mayor and City Clerk, and its seal to be affixed, this ____ day of August 2019, at Ames, Iowa.

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 _____, 2019, by John A. Haila and Diane R. Voss, as Mayor and City Clerk, respectively, of the City of Ames, Iowa.

NOTARY PUBLIC