



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

**TO:** Bruce Walden, Chief Administrative Officer

**FROM:** Elizabeth Tyler, AICP, City Planner/Director

**DATE:** December 12, 2002

**SUBJECT:** **Urbana HOME Consortium Community Housing Development Organization Agreement – Homestead Corporation – Eads at Lincoln – FY2002-2003**

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### **Description**

On the December 16 agenda for the Urbana City Council Meeting is an Urbana HOME Consortium Community Housing Development Organization Agreement with Homestead Corporation for the final build-out of homes within the Eads at Lincoln Subdivision.

### **Issues**

The issue is whether the Urbana City Council should approve the proposed Agreement for Homestead Corporation to construct the final homes within the Eads at Lincoln Subdivision.

### **Background**

Council discussion at the December 9, 2002 Committee of the Whole meeting resulted in the provision of additional language to the Agreement. The changes in the Agreement are as follows:

On Page 4, paragraph 4, “\$6,400” is changed to “\$7,000”.

On Page 7, last paragraph, “deed” is replaced with “land use”.

### **Options**

1. Approve the agreement as written.
2. Approve the agreements with amendments.
3. Do not approve the agreement.

### **Fiscal Impacts**

There would be no fiscal impact to the city budget as these monies have previously been budgeted. The construction of homes on the city owned parcels would eliminate property maintenance costs and would produce new real-estate tax revenues.

## **Recommendations**

With the incorporation of these changes noted above, Community Development Staff recommend approval of this agreement.

**Memorandum Prepared By:**

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**Bob Grewe, AICP**  
Grants Management Division Manager

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**Michael Loschen**  
Grants Coordinator II

- Attachments: (1) An Urbana HOME Consortium Community Housing Development Organization Agreement – Homestead Corporation – Eads at Lincoln – FY2002-2003
- (2) An Ordinance Approving A Certain Urbana HOME Consortium Community Housing Development Organization Agreement Between the City of Urbana and Homestead Corporation (Eads at Lincoln Homebuyer Assistance Program FY2002-2003)

**URBANA HOME CONSORTIUM**  
**COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT**  
**HOMESTEAD CORPORATION**  
EADS AT LINCOLN (FY2002-2003)

THIS AGREEMENT, made and entered into by and between the CITY OF URBANA, an Illinois Municipal Corporation, acting as lead entity for the Urbana HOME Consortium (hereinafter the "City"), and Homestead Corporation, an Illinois Not-For-Profit Organization (hereinafter "Homestead").

WITNESSETH:

WHEREAS, the City of Urbana, the City of Champaign, and Champaign County have been jointly designated as a Participating Jurisdiction by the U.S. Department of Housing and Urban Development (hereinafter "HUD") for purposes of receiving HOME Investment Partnership (hereinafter "HOME") Program funds in the name of the Urbana HOME Consortium under provisions of Title II of the Cranston-Gonzales National Affordable Housing Act of 1990, as amended (42 U.S.C. 12701 *et seq.*) (hereinafter the "National Affordable Housing Act"); and

WHEREAS, the Urbana HOME Consortium has received HOME Program funds from HUD for the period beginning July 1, 1995, and ending June 30, 2003, to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County; and

WHEREAS, the Urbana City Council has adopted a Consolidated Plan for Program Years 1995-1999 (hereinafter the "Consolidated Plan") which budgets \$931,000 in Urbana HOME Consortium funds for the period beginning July 1, 1999, and ending June 30, 2000, in accordance with an Intergovernmental Agreement Concerning Administration of a Champaign/Urbana/Champaign County HOME Investment Partnerships Consortium executed by Mayor Tod Satterthwaite on behalf of the City on June 23, 1997 (hereinafter the "Intergovernmental Agreement"); and

WHEREAS, the Urbana City Council has adopted a Consolidated Plan for Program Years 2000-2004 (hereinafter the "Consolidated Plan") which budgets the following amounts for each fiscal year: \$984,000 for the period beginning July 1, 2000, and ending June 30, 2001; \$1,036,000 for the period beginning July 1, 2001 and ending June 30, 2002; \$1,039,000 for the period beginning July 1, 2002 and ending June 30, 2003; in accordance with an Intergovernmental Agreement Concerning Administration of a Champaign/Urbana/Rantoul/Champaign County HOME Investment Partnerships Consortium

executed by Mayor Tod Satterthwaite on behalf of the City on July 7, 1999 (hereinafter the “Intergovernmental Agreement”); and

WHEREAS, the Consolidated Plan promotes homeownership opportunities and recommends that the City expand home construction opportunities for low-income households; and

WHEREAS, on January 5, 2000 the City entered into an Urbana HOME Consortium Community Housing Development Organizations Agreement with the Illinois Center for Citizen Involvement for the construction of six homes within the Eads at Lincoln Subdivision; and

WHEREAS, the Agreement dated January 5, 2000 was amended to have five homes constructed by June 30, 2002; and

WHEREAS, the Illinois Center for Citizen Involvement was unable to construct the five homes by June 30, 2002 and the City of Urbana subsequently issued a Request for Proposals for housing developers to construct the homes; and

WHEREAS, Homestead responded to the Request for Proposals (Exhibit 1 & 2) to complete the Eads at Lincoln Homebuyer Assistance Project, which provides for the construction of five (5) houses in the Eads at Lincoln for purchase by low-income families (hereinafter the “Project”); and

WHEREAS, the City has the right and authority, pursuant to both the HOME Program and the Intergovernmental Agreement to allocate Urbana HOME Consortium funds to Homestead for the Project.

NOW, THEREFORE, the parties hereby agree as follows.

1. **Preamble** The preamble set forth above is hereby incorporated and made part of this Urbana HOME Consortium Recipient Agreement (hereinafter the “Agreement”).
2. **Purpose** The purpose of this Agreement is to pledge HOME Consortium funds to Homestead to complete the Project.
3. **Pledge of HOME and Match Funds** The City pledges to Homestead \$ \$213,177 in Urbana HOME Consortium funds for the Project as follows:
  - FY 1999-2000 City of Urbana HOME Allocation Funds \$7,083
  - FY 1999-2000 City of Urbana Match Funds \$1,771
  - FY 1999-2000 CHDO Set Aside Funds \$10,950

- FY 2000-2001 CHDO Set Aside Funds \$70,508
- FY 2001-2002 City of Urbana HOME Allocation Funds \$81,012
- FY 2001-2002 City of Urbana Match Funds \$20,253
- FY 2002-2003 CHDO Set Aside Funds \$21,600

\$25,765 in matching funds must be provided by Homestead (matching funds will be structured and expended so as to be consistent with HUD guidance outlined in Notice: CPD 97-03).

The City of Urbana also pledges the donation of four (4) vacant properties within the Eads at Lincoln Subdivision (hereinafter the “Building Sites”). These are as follows:

- 902 Wascher Drive
- 908 West Eads Street
- 910 West Eads Street
- 916 West Eads Street

The City of Urbana will transfer ownership to Homestead Corporation with the provision that the same properties be transferred to the Homebuyer at closing and not before, without the expressed, written permission of the City of Urbana.

Further, Homestead agrees that prospective homebuyers, that have expressed interest in participating in the Project, will be provided every reasonable resource and effort to ensure that they can complete the purchase of home. These prospective homebuyers have been identified by the Public Interest Fund of Illinois, formerly the Illinois Center for Citizen Involvement, Busey Bank and Bank Illinois. As such, Homestead will attempt to honor previous arrangements such as lot selection, etc. that the participants may have discussed previously with their lender.

The City of Urbana transferred ownership of 1105 North Harvey Street to the Public Interest Fund of Illinois for use in the Eads at Lincoln Program and it was subsequently transferred to a client identified by Busey Bank. If it is determined by the City of Urbana, Homestead Corporation, and Busey Bank that this client is no longer eligible to participate in the Eads at Lincoln Program, it will be the City of Urbana’s responsibility to obtain clear title to this parcel and subsequently convey the property to Homestead for a transfer to an eligible grantee.

4. **Use of HOME and Match Funds** Homestead agrees to utilize \$213,177 in HOME funds pledged by the City and to provide \$25,765 in Homestead’s matching funds to construct five (5) new houses in the Eads at Lincoln Subdivision for sale to low-income households. Specific uses of said funds are identified in Exhibit 3.

The City shall disburse Downpayment and Closing Cost Assistance funds directly to a participating financial institution providing the homebuyer with mortgage financing when the following conditions have been met:

- The City receives written verification from a participating financial institution that first mortgage financing has been committed to the homebuyer.
- The City receives written verification that a certificate of occupancy or equivalent document has been issued for a completed house by the building code official of the City of Urbana.
- The City receives written certification of income for the household seeking downpayment assistance, said certification verifying eligibility of the household for downpayment assistance through the Project.
- The City receives all necessary project and demographic information required to complete HUD's Integrated Disbursement and Information System (IDIS) close-out.

The City shall pay for Professional and Administrative Services. Payment per the provisions outlined in the project budget is subject to appropriate documentation and if requested, evidence that the work has been completed.

The City shall provide payment of development fees to Homestead at the time of conveyance of a completed house on each building site to a qualified grantee. As such, payment at the time of each closing wills \$6,400.

The City shall provide payment of management fees to Homestead in monthly installments of \$2,000 over five (5) month period beginning in March 2003 and ending July 2003. Homestead shall provide required documentation of staff time allocated to the Project. At its option, the City may withhold all or any portion of this payment if the City determines the construction progress of any one or more of the building sites is not satisfactory.

Homestead shall not request disbursement of HOME funds until HOME funds are needed to pay eligible costs related to the Project. The amount of any request for funds shall not exceed the amount needed and shall be supported by appropriate documentation (i.e. payroll documentation, receipts, invoices). The City shall make payment to Homestead within fourteen (14) calendar days of receipt of a complete and acceptable request by the City. The City reserves the right to withhold disbursement of funds until appropriate documentation is submitted. Such documentation may include, but not be limited to performance-progress reports, lien waivers, etc. All checks shall be made payable to "Homestead Corporation." All monies granted to Homestead pursuant to this Agreement shall be expended by March 31, 2004.

Downpayment assistance grants in the amount of \$83,000 will be provided to qualified homebuyers. One (1) grant in the amount of \$18,000 each will be given to a family at or below 60% of the mean family income for Champaign County as determined by HUD. Two (2) grants in the amount of \$17,500 each will be given to families between 60.1-70.0% of the mean family income for Champaign County as determined by HUD. Two (2) grants in the amount of \$15,000 will be given to families between 70.1-80.0% of median family income for Champaign County as determined by HUD.

Further, no payments shall be released to Homestead prior to the City of Urbana receiving environmental clearance from the Illinois Historic Preservation Agency stating no historical significance has been identified at the properties being acquired with HOME funds. City of Urbana will be responsible for obtaining the necessary environmental clearance documentation.

5. **Construction and Performance** Homestead will provide the City with two (2) copies of the architectural drawings, site plans and elevations for the Project no less than three (3) weeks prior to bidding the construction of the houses. City reserves the right to provide final approval of the drawings, site plan, elevations and other considerations related to the project. Homestead will not proceed with the bidding process, without final approval of the City.

Bids shall provide a timetable for construction progress describing dates certain for: 1) foundation completion, 2) exterior and weatherproofing, 3) all mechanical systems installed, and 4) certificate of occupancy issued. The City recognizes that poor climate conditions, events beyond Homestead's control, and acts of God may delay such dates as described.

Homestead will ensure that all applicable permits are obtained and that the construction meets all applicable City of Urbana building codes, along with the 1995 Model Energy Code.

Homestead will ensure that the contractor selected to build the five (5) houses will purchase a Performance Bond of type and amount that will ensure that the project will be completed to the specifications outlined in the bid documents, house plans and this Agreement. A copy of the bond shall be provided to the City before the issuance of building permits.

Homestead will provide homebuyers with a "walk-through" of the house and explain all maintenance concerns that are necessary to ensure the house remains in good repair and

provide a bound document that include information on all aspects of the home, including but not limited to architectural drawings, home warranty, appliance warranty, etc.

6. **Compliance with Visitability Standards** Any residence constructed pursuant to this Agreement within the corporate limits of the City of Urbana shall incorporate visitability standards as adopted by the Urbana City Council.
  
7. **Per Unit Amount of Home Funds** For the purposes of this Agreement, the Per-Unit Amount of HOME funds is the total amount of HOME funds invested in the real property at a given street address. Per Unit Amount of HOME Funds may include, but not be limited to the following: down payment subsidy, property acquisition, construction loan interest, management fees, development fees, and project delivery costs incurred by the previous developer, the Illinois Center for Citizen Involvement.
  
8. **Duration of the Terms of the Agreement** The terms of this Agreement will be in effect through the affordability period as determined by the HUD regulation cited below.

*HUD Regulation 92.252 (e). Period of Affordability*

*Periods of Affordability. The HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. They must be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. The participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property.*

*Homeownership Activity Minimum period of affordability in years per unit amount of HOME fund invested in the unit:*

<b>Homeownership Assistance HOME Amount Per-Unit HOME Investment Amount Per Unit</b>	<b>Minimum Years of Affordability in Years</b>
Up to \$14,999	5



\$15,000-\$40,000	10
Above \$40,000	15

9. **Maximum Per Unit Subsidy Amount and Subsidy Layering** The amount of HOME funds the City and Homestead invests on a per-unit basis may not exceed the per-unit dollar limits established under section 221(d)(3)(ii) of the National Housing Act (12 U.S.C. 17151(d)(3)(ii)). The current subsidy limit for a three (3) bedroom home is \$74,840 and for a four (4) bedroom home is \$83,375. These limits are subject to change. Further, the City will not invest any more HOME funds in the Project, in combination with other governmental assistance, which is necessary to provide affordable housing.
10. **Restrictions on Subsequent Sales of Certain Units** The City and Homestead agree that, a Land Use Restriction Agreement will be executed at closing for any house receiving funds pursuant to this Agreement. The Land Use Restriction Agreement shall include language to ensure that the affordability period will be honored through the duration of this Agreement and include provision restricting subsequent sale of said house and-or a provision for recapture of the HOME funds invested in the house, should the house not sell within a pre-determined about of time noted in the Land Use Restriction Agreement. City of Urbana, Grants Management staff will prepare this Land Use Restriction Agreement and the homebuyer will pay recording fees.

The terms of the resale provisions will be such that the house will be sold to a family having income at or below 80 percent of area median family income, as defined and updated annually by the U.S. Department of Housing and Urban Development, for the period of affordability determined by the HOME Investment Amount Per Unit, as defined above in Items 5 and 6. This period of affordability shall commence the date that all necessary project information is provided to HUD via HUD's Integrated Disbursement and Information System (IDIS). City of Urbana agrees to enter all information provided into IDIS within 15 days of recipient. Should the Project be modified, after initial commencement date of the affordability period, a new affordability period will be re-structured per the provisions of section 5,6,7 and 8 of this Agreement. This deed restriction shall not apply to properties repossessed by a financial institution as a result of foreclosure proceedings.

The terms of the recapture provision will be such that they reflect the HUD provisions in the HOME Final Rule 92.254. Details of a recapture provision will be provided in the Land Use Restriction Agreement.

Failure to ensure that the Land Use Restriction Agreement is executed at closing will result in withholding HOME funds until said item is addressed.

Homestead also agrees to reference this required Land Use Restriction Agreement in each of their construction/purchase agreements with the Homebuyers.

11. **Financial Responsibility** The allocation of funds by the City pursuant to this Agreement shall in no way obligate the City for any financial responsibility incurred by the Project in excess of the funding pledged herein. The City reserves the right to withhold pledged funds if the City is not satisfied with the terms and conditions of performance outlined in this Agreement.
  
12. **Affirmative Marketing** Homestead must adopt an affirmative marketing policy and procedure acceptable to HUD to attract homebuyers for their newly constructed houses per 24 CFR 92.351. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. The affirmative marketing requirements and procedures adopted must include:
  - Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the City's affirmative marketing policy
  - Requirements and practices Homestead must adhere to in order to carry out the affirmative marketing procedures and requirements
  - Procedures to be used by Homestead to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach
  - Records that will be kept describing actions taken by Homestead to affirmatively market units and records to assess the results of these actions
  - A description of how the Homestead will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.
  
13. **Equal Employment** Homestead agrees that there shall be no discrimination against any person who is employed in carrying out the Project, or against any applicant for such employment, because of race, color, religion, sex, age, or national origin, or any other discrimination prohibited by Urbana law, including but not limited to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Homestead further agrees to the following.

- A. It shall be bound by said equal opportunity clause with respect to its own employment practices during the duration of its participation with the City and HUD.
- B. It shall furnish the City and HUD with information as they may require for the supervision of such compliance and will otherwise assist the City and HUD in the discharge of primary responsibility for securing compliance.
- C. It shall carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the Secretary of Labor, the City, or HUD.
- D. It shall abide by the Urbana Human Rights Ordinance regarding equal employment.

14. **Certifications** Homestead represents the following with respect to this Agreement.

- A. Homestead possesses legal authority to receive HOME Program funds from the City and to execute the Project as described herein.
- B. The governing body of Homestead has duly adopted or passed as an official act a resolution, motion, or similar action authorizing execution of this Agreement including all understandings and assurances contained herein, and directing and designating the authorized representative of Homestead to act in connection with this Agreement and to provide such additional information as may be required.
- C. Homestead, its successors and assigns, agrees to develop and operate the Project in accordance with HOME Program regulations promulgated at 24 CFR Part 92 and with applicable building codes.
- D. Homestead, its successors and assigns, agrees to comply with Section 3 of the Fair Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u), which provides that, to the greatest extent feasible, opportunities for training and employment that arise through the Project shall be given to low-income residents of Champaign County and that contracts in connection with the Project be awarded to business concerns located in or owned in substantial part by persons residing in Champaign County. Homestead agrees to comply with provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of HUD set forth in 24 CFR Part 135, and all applicable rules and orders of HUD issued thereunder. Homestead certifies and agrees that it is under no contractual or other disability that would prevent Homestead from complying with these requirements. The responsibility to comply with Section 3 regulations includes the following.

- Including reference to Section 3 in each subcontract in excess of \$100,000.

- Sending each labor organization or representative of workers with which Homestead has a collective bargaining agreement or other understanding a notice of the Homestead commitment under Section 3.
  - Posting copies of the notice in conspicuous places at work sites where both employees and applicants for employment positions can see the notice.
  - Refrain from filling any vacant employment and training positions after the contractor is selected but before the contract is executed to circumvent obligations under Section 3.
  - Refrain from entering into any contract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of Section 3 regulations.
  - Directing efforts to award covered contracts to Section 3 business concerns in order of priority.
  - Directing efforts to employ and train Section 3 residents in the order of priority.
  - Documenting actions taken to comply with Section 3 requirements.
  - Submitting required Section 3 reports.
- E. Homestead agrees to give maximum feasible priority to very low-income persons when administering the Project described herein.
- F. Homestead acknowledges it shall match HOME CHDO funds disbursed by the City and pursuant to this Agreement in the amount of \$25,765.
- G. Homestead shall comply with the regulations, policies, guidelines, and requirements of federal management circulars as they relate to the acceptance and use of federal funds for the Project. Homestead agrees to maintain financial records in accordance with applicable Federal guidelines; OMB circulars A-110, A-122, and A-133; the following requirements of 24 CFR Part 84: 84.2, 84.5, 84.13, 84.16, 84.21, 84.22, 84.26 - 84.28, 84.30, 84.31, 84.34 - 84.37, 84.40 - 84.48, 84.51, 84.60 - 84.62, 84.72, and 84.73. Homestead shall separately and accurately identify use of HOME funds pursuant to this Agreement.
- H. Homestead shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which Homestead receives federal financial assistance.

- I. Homestead shall comply with Executive Order 11246, and all regulations issued pursuant thereto (24 CFR Part 130), which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federal or federally-assisted contracts. Such contractors and subcontractors shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.
- J. Homestead shall establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- K. No Federal appropriated funds have been paid or will be paid, by or on behalf of Homestead, to any person for influencing or attempting to influence an officer or employee of any agency including the City, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress 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 cooperative agreement.
- If any funds other than Federal 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 including the City, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, Homestead will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- L. Homestead shall give HUD and the Comptroller General through any authorized representative access to and the right to examine all records, books, papers, or documents related to the Project.
- M. Homestead authorizes the City and HUD to conduct on-site reviews, examine personnel records, and to conduct any other procedure or practice necessary to assure compliance with this Agreement and applicable HUD regulations. Homestead will ensure that all documents related to this Project shall be kept for a period of five years after project's affordability period has been completed (estimated at October 2018). Records to be retained include, but are not limited

to timesheets; receipts and invoices for materials, supplies, and services; and documentation used to request re-imbursement of expenses.

- N. Homestead shall at all times observe and comply with all laws, ordinances, or regulations of Federal, State, and local governments which may in any manner affect the performance of this Agreement. Homestead shall be liable to perform all acts to the City in the same manner as the City performs these functions to the Federal government.
- O. Homestead shall be responsible for any and all claims, costs, causes, actions, and expenses, including, but not limited to, attorneys' fees incurred by reason of a law suit or claim for compensation arising in favor of any person, including the employees, officers, independent contractors, subcontractors, or agents of Homestead, on account of personal injuries or death, or damages to property occurring, growing out of, incident to, or resulting under this Project, whether such loss, damage, injury, or liability is contributed to by the negligence of the City or its officers, employees, or agents, or by the premises themselves or any equipment thereon whether latent or patent, or from other causes whatsoever, except that Homestead shall have no liability for damages or the costs incident thereto caused by the sole negligence of the City, or its officers, employees, or agents.
- P. Homestead shall have full control of the ways and means of performing the services referred to herein. Homestead acknowledges and agrees that its employees, representatives, subcontractors, and agents may in no respect be considered employees of the City.
- Q. Homestead agrees that, to the greatest extent feasible, all construction-related expenditures made for the Project shall be made to Champaign County firms or individuals.
15. **Prohibition Against Lobbying** Homestead acknowledges that no funds disbursed pursuant to this Agreement shall be used to finance lobbying activities. Furthermore, Homestead acknowledges that no Homestead employee funded in whole or part pursuant to this Agreement shall engage in lobbying activities at any time during the term of this Agreement. For purposes of this Agreement the term "lobbying activities" shall include the following.
- Any activity related to the election or appointment of an individual to public office, including, but not limited to, contributions to campaign funds, solicitation in an

attempt to influence the outcome of an election for public office, and preparation and dissemination of campaign materials

- Sponsorship of candidate forums
- Sponsorship of voter registration drives
- Provision of transportation to polling places
- Contributing financially to elected or appointed public officials in an attempt to influence legislation
- Hiring an individual or individuals to represent an organization and/or its position before elected or appointed public officials .

16. **Compliance** Homestead agrees that if the City determines that Homestead has not complied with or is not complying with the provisions of this Agreement and so notifies Homestead by written notice of said violations and Homestead fails to correct said violations within thirty (30) days from receipt of said notice, the City may terminate this Agreement by written notice and may take any other action as may be permitted pursuant to this Agreement.

17. **Notices** Notices and communications under this Agreement shall be sent first class, prepaid to the respective parties as follows.

TO THE CITY:                      Michael Loschen, Grants Coordinator  
                                                 Grants Management Division  
                                                 400 South Vine Street  
                                                 Urbana, Illinois 61801

TO:                                      Jim Rose, Executive Director  
                                                 Homestead Corporation  
                                                 306 W. Griggs St.  
                                                 Urbana, IL 61801

18. **Contingencies** This Agreement, including the provision of funds by the Urbana HOME Consortium for the Project as described herein, is contingent upon Continued access to FY 1999-2000, FY 2000-2001, FY 2001-2002, FY 2002-2003 HOME Program funds, as amended, from HUD to the City of Urbana on behalf of the Urbana HOME Consortium in the amounts identified in applicable grant agreements.

19. **Assignment** Homestead shall not assign this Agreement, nor any part thereof, without prior written approval of the City.

20. **Modification** No modification of this Agreement, including modification of the administrative budget in *Exhibit 1*, shall be effective unless in writing and executed by the parties hereto.
21. **Termination** Unless otherwise extended through a modification, this Agreement shall terminate on March 31, 2004.
22. **Execution of Agreement**. This Agreement shall be binding upon the City and Homestead, their successors and assigns, and shall be effective as of the date executed by the Mayor and attested by the City Clerk.

**CITY OF URBANA**

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

ATTEST: \_\_\_\_\_

**HOMESTEAD CORPORATION**

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

ATTEST: \_\_\_\_\_



# **Exhibit 1**

***Urbana HOME Consortium  
Eads at Lincoln Subdivision Housing Construction  
Request for Proposals***



## **Urbana HOME Consortium**

### **Eads at Lincoln Subdivision Housing Construction**

### **Request for Proposals**

#### **Guidelines and Requirements for Submittal**

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The Urbana HOME Consortium is requesting proposals for construction, marketing, and sale of houses in the vicinity of Eads at Lincoln subdivision in northwest Urbana.

Funding for this project has been secured from the Urbana HOME Consortium Community Housing Development Organization (CHDO) funds. Since funding for this project was provided from the fifteen percent (15%) CHDO set-aside, the project must be completed by a qualified CHDO, certified by the Urbana HOME Consortium. Initially, the Illinois Center for Citizen Involvement (ICFCI), a qualified CHDO, proposed to complete this project. The HOME Agreement with ICFCI to complete this project expired June 30, 2002.

The Consortium seeks to enter into an agreement with one or more qualified Community Development Housing Organizations to complete the Eads at Lincoln Project. The activities to be provided in the agreement include construction and marketing of up to five houses on lots previously acquired by the City of Urbana for single-family housing construction. Houses constructed through this arrangement shall be sold for homeownership. Joint proposals will be considered.

In connection with this project, the Consortium will consider providing certain incentives through its HOME Investment Partnerships and/or Community Development Block Grant programs to induce sale of houses constructed through the project, with priority consideration given to providing down payment assistance to low and very-low income households.



Such incentives may include, but are not limited to, grants or loans for down payment and closing costs. Land use and occupancy restrictions will apply to properties assisted with financial incentives depending on the type and amount of the incentives provided.

The Consortium will make available to the Community Housing Development Organization(s) selected for this project, and at no cost, plans and working drawings for houses built by the Consortium in the Eads at Lincoln subdivision since 1991. Also, the plans, drawings, bid specifications, etc., that were commissioned by the Illinois Center for Citizen Involvement and prepared by Severns, Reid and Associates, Inc. for this same project will be made available. The CHDO(s) will be permitted to utilize these plans and working drawings to construct houses for sale in connection with this project.

To ensure full consideration, proposals should be submitted to the Consortium c/o of the Department of Community Development Services, 400 South Vine Street, P.O. Urbana, Illinois 61801 no later than 5 p.m. on October 15, 2002.

For more information regarding this request, contact Bob Grewe, Department of Community Development Services, Grants Management Division, at 217-384-2447.



## Background

In June 1989 the Urbana City Council adopted the *King Park (Neighborhood) Plan 1989-2001* as an amendment to the Consortium's Comprehensive Plan. The King Park Plan identifies numerous strategies for preservation and improvement of the King Park Neighborhood -- the area bounded by Lincoln Avenue on the east, Bradley Avenue on the north, the Urbana corporate limit on the west, and the Conrail right-of-way on the south.

A key redevelopment project of the plan is reconstruction and extension of Eads Street from Lincoln Avenue to Goodwin Avenue and construction of single-family homes in the Eads Street corridor. At the time of plan adoption, infrastructure in the Eads Street corridor was either dilapidated or non-existent. Eads Street itself was an undedicated oil and chip lane between Lincoln Avenue to Harvey Street. The street did not connect Lincoln and Goodwin avenues. Both Harvey and Gregory streets were oil and chip lanes. Most housing units in the area were substandard. A local financial institution had foreclosed numerous properties.

Upon adoption of the neighborhood plan, the City began acquiring property and preparing it for housing construction. In many instances housing demolition was necessary. In some instances relocation of existing residents was necessary. In Spring 1991 the City began construction of houses in the area, referred to as the Eads at Lincoln subdivision. The City retained a local architectural firm to design single-family units for the development. The City procured services of a general contractor and real estate marketing firm through public bidding processes. Local financial institutions pledged below-market-rate financing for purchasers of homes built by the City. Additional financing for the redevelopment project was provided by the City of Urbana through its Community Development Block Grant, general, and tax increment financing funds and by the Illinois Housing Development Authority through a loan to the City of Urbana for housing construction. Those funding sources/grants have been closed out and are not available. Other HOME/CDBG funds may be available.

In Spring 1996 the City changed the method by which housing was constructed on Consortium-owned lots in the neighborhood. Beginning in July 1996, the City offered to donate or sell vacant lots to households desiring to have homes constructed on them. Each household was responsible for selecting their own house design and general contractor. The City entered into agreements with local financial institutions for financing of houses constructed in the subdivision and for marketing City-owned lots to prospective homebuyers. These agreements terminated on June 30, 1998.



Since adoption of the King Park Neighborhood Plan, many homes have been built in the Eads at Lincoln neighborhood. Most of these homes were built through the City's housing construction program, although three were built by Urbana School District 116 through its Construction Trades Program (with seed money from the City) and one house was built privately. In addition to housing construction, Peter Pan Day Care Center relocated from Goodwin Avenue to a newly constructed facility at the southeast corner of Eads and Harvey streets.

## **Development Objectives**

The Consortium seeks to enter into an agreement with a Community Housing Development Organization for construction, marketing, and sale of five additional homes in the Eads at Lincoln area in conformance with the King Park Neighborhood Plan. Joint proposals will be considered. Development parameters are as follows.

### **Lots**

Five lots are identified for housing construction in connection with this proposal. Lot addresses and approximate dimensions are as follows (dimensions are subject to field verification).

- 1105 North Harvey Street (60' x 100')
- 908 West Eads Street (60' x 125')
- 910 West Eads Street (60' x 125')
- 916 West Eads Street (60' x 125')
- 902 Wascher (70' x 120')

The City will provide financial resources necessary install all utility extensions to each lot. Management of the installation of utility and infrastructure will be addressed in the subsequent CHDO agreement.

The City intends to transfer title in all five lots to the CHDO selected in connection with this Project, at no initial cost. No houses can be sold to a household with income greater than 80 percent of area median family income. Should the Consortium determined that such a sale transpired, the CHDO shall repay all Consortium/HOME funds provided to the CHDO and homebuyer.

### **Housing Profile**

Housing design shall be determined in coordination with the Consortium, City of Urbana, homebuyers and mortgage lender, subject to the following parameters



established in covenants for previous Eads subdivisions and the design guidelines for previous City-sponsored housing construction programs in the area.

- All units shall be detached, single-family residences, one per lot.
- Each unit shall be occupied by a single family, defined as a group of one or more persons related by blood, adoption, or marriage, together with not more than three additional persons not related by blood, adoption, or marriage.
- Each unit shall be single story with a minimum of 1,000 square feet exclusive of porches, basement, and garage.
- Each unit shall have an attached garage accommodating at least two cars.
- Unit design shall be compatible in scale and color with structures located in Eads First, Second, Third and Fourth subdivisions.
- Final lot grading and seeding shall be provided by the developer as a condition of sale of houses to subsequent homeowners.
- The Consortium has an interest in proposals that offer ideas to make the homes more affordable. These ideas might include, but not be limited to design enhancements and applying to Federal HOME Loan Bank or Illinois Housing Development Authority for additional project subsidy.
- The Consortium has an interest in proposals that provide client consultations services for homebuyer and home maintenance counseling.

The developer or developers selected by the Consortium in connection with this Project will be allowed to use at no charge house plans utilized by the City in connection with initial Eads Subdivision homes and plans developed by Severns and Reid Associates noted earlier in the document.

### **Homebuyer Profile**

- Income limits shall apply to households purchasing homes in connection with this project. Sale of homes will be limited to households earning at or below 80 percent of area median family income. Priority consideration should be given to households between 30 and 50 percent median family income. The Consortium intends to provide certain financial incentives through its HOME Investment Partnerships and/or Community Development Block Grant programs. The nature of these incentives shall be determined by the Consortium and City of Urbana in



consultation with the CHDO selected in connection with this offering and in consultation with HOME Consortium and homebuyer's mortgage lender. Currently, percentages of area median family income based on household size are as follows.

<b>Household Size</b>	<b>80% MFI</b>	<b>50% MFI</b>	<b>30% MFI</b>
Household of one:	\$33,400	\$20,850	\$12,500
Household of two:	\$38,150	\$23,850	\$14,300
Household of three:	\$42,900	\$26,800	\$16,100
Household of four:	\$47,700	\$29,800	\$17,900
Household of five:	\$51,500	\$32,200	\$19,300
Household of six:	\$55,300	\$34,550	\$20,750
Household of seven:	\$59,100	\$36,950	\$22,150
Household of eight:	\$62,950	\$39,350	\$23,600

*\*2002 Income Limits, subject to change and most current income limits apply.*

- Households purchasing units constructed in connection with this Project must occupy their units as their principal residence. The granting of homebuyer incentives in connection with this Project may be conditioned upon adherence to certain occupancy and housing affordability standards.



## Proposal Contents

To be assured full consideration, each proposal submitted in response to this request should include the following information.

1. Community Housing Development Organization (CHDO) name and contact information.
2. Identification of CHDO principals (identification of board members for non-profit corporation).
3. Statement of CHDO's experience in residential development and marketing.
4. Description of unit or units to be built.
5. Identification of contact person for this Project, with a brief description of his or her experience related to residential development and/or marketing.
6. Identification of person responsible for marketing, with a brief description of his or her experience related to residential marketing.
7. Description of marketing plan.
8. Plan for developing an affirmative marketing plan.
9. Evidence of construction management and finance .
10. Incentives proposed for buyers at or below 80 percent of area median family income (donation of lot may be assumed).
11. Plan for involvement of minority/female contractors and/or construction workers.

To ensure full consideration, a proposal should address the Development Objectives described in this Request for Proposals and should, at minimum, include the Proposal Contents described herein. Proposals will be reviewed against the following criteria.

- Experience in single-family residential development in Champaign County, including housing for low- and moderate-income families.
- Experience in real estate marketing and construction management.





- Unit affordability, particularly for persons at or below 80 percent of median family income. This criterion will be reviewed based on proposed unit prices and buyer incentives.
- Financial viability of the project, including the ability of the developer to obtain construction financing and ability of the Consortium to provide proposed homebuyer financing.
- Involvement of minority/female contractors and laborers in the project.

All proposals must be signed and dated by an agent authorized to do so by the owner (or board of directors, if applicable).

### **Contract Form and Issues**

This RFP will lead to an Urbana HOME Consortium Community Housing Development Organization Agreement, the terms of which will be negotiated between the Consortium of Urbana and selected CHDO(s). The length of contract will be for one year.

### **Rules and Regulations**

CHDOs shall comply with all laws, ordinances, and regulations applicable to the services contemplated herein, especially those applicable to conflict of interest. CHDOs are presumed to be familiar with all federal, state, and local laws, ordinances, codes, rules, and regulations that may affect the services to be provided in any way.

### **Equal Opportunity Employment**

CHDOs agree that they will not discriminate as to race, sex, religion, color, age, creed, sexual orientation, or national origin regarding obligations, work, and services performed under the terms of any contract ensuing from this RFQ. CHDOs must agree to comply with Executive Order 11246 entitled "Equal Employment Opportunity" and as amended by Executive Order 11375, as supplemented by relevant Department of Labor Regulations (41 CFR Part 60)

### **Incurred Costs in Preparing Statement of Qualifications**

CHDOs will be responsible for all costs incurred in preparing a response to this RFQ.



All material and documents submitted by prospective developers will become the property of the Urbana HOME Consortium and City of Urbana and will not be returned. Developer teams selected for further interviews and negotiations will be responsible for all costs incurred during these processes.

### **Proposal Submittal and Review Process**

To ensure full consideration, proposals should be submitted to the Consortium c/o of the Department of Community Development Services, 400 South Vine Street, Urbana, Illinois 61801 no later than 5 p.m. on October 15, 2002. One original, signed copy and four (4) copies are requested.

For more information regarding this request contact Bob Grewe, Department of Community Development Services, Grants Management Division, at 217-384-2447.



Staff will review proposals and negotiate a CHDO agreement with the selected CHDO for the construction, and if necessary the marketing, of five (5) homes to be built in the Eads at Lincoln subdivision. The agreement will identify homebuyers previously enrolled in the Eads at Lincoln Homebuyer Assistance Program and the CHDO will be required to work with these homebuyers in such a manner that will facilitate the successful purchase of a house on the lot they selected. These activities might include, but not be limited to, homebuyer training, home maintenance instruction, and credit counseling services.

The proposed CHDO agreement will be reviewed by the City of Urbana Community Development Commission at their October 22, 2002 regular meeting.

Recommendations from the Community Development Commission will be reviewed by Council at their November 12, 2002 Committee meeting.

The Consortium and the City of Urbana reserves the right to interview or request additional information from any party submitting a proposal. The Consortium and City of Urbana reserves the right to accept or reject any and all proposals, to waive informalities, and to select such proposal or proposals which, in the Consortium an City's sole discretion, best responds to the criteria described in this Request for Proposals. The Consortium and City may make any reasonable investigation deemed necessary or proper to determine the ability of any developer to undertake the proposed development project.

No acceptance of a proposal, agreement or action should be considered binding until approved by the Urbana HOME Consortium and the Urbana City Council.

End



## **Exhibit 2**

***A Proposal for the Construction, Marketing and Sale of Houses in the Vicinity  
of the Eads At Lincoln Subdivision In Northeast Urbana***

*submitted by The Homestead Corporation of Champaign-Urbana on October 15, 2002*



306 W. Griggs Street Urbana, IL 61801  
Phone 217.328.9373 Fax 217.344.3327

October 15, 2002

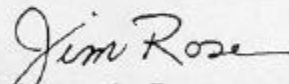
The Urbana HOME Consortium  
c/o Department of Community Development Services  
Bob Grewe, Grants Management Division Manager  
400 South Vine Street  
Urbana, Illinois 61801

Dear Bob:

We are pleased to submit the enclosed original and four copies of Homestead Corporation's Proposal for the Construction, Marketing and Sale of Houses in the Vicinity of Eads at Lincoln Subdivision in Northeast Urbana.

If you have any questions or need additional information regarding the proposal, please give me a call at 328-9373.

Sincerely,

  
James L. Rose  
Executive Director

**PROPOSAL FOR THE CONSTRUCTION, MARKETING AND SALE  
OF HOUSES IN THE VICINITY OF THE EADS AT LINCOLN SUBDIVISION  
IN NORTHEAST URBANA**

Submitted  
by

The Homestead Corporation of Champaign-Urbana

Submitted  
to

The Urbana HOME Consortium

October 15, 2002

**PROPOSAL FOR THE CONSTRUCTION, MARKETING AND SALE  
OF HOUSES IN THE VICINITY OF THE EADS AT LINCOLN SUBDIVISION  
IN NORTHEAST URBANA**

**SUMMARY**

The Homestead Corporation of Champaign-Urbana proposes to provide all necessary services related to the construction, marketing and sale of affordable single-family homes in the Eads at Lincoln subdivision to the Urbana HOME Consortium with all activities anticipated to be completed by October of 2003.

The Homestead Corporation, a local Community Housing Development Organization, has the resources and staff capable of completing the Eads at Lincoln Project.

As developer, the Homestead Corporation will be responsible for the construction of new affordable single-family homes on five lots in Urbana with the following street addresses: 1105 North Harvey; 908 West Eads; 910 West Eads; 916 West Eads; and 902 Wascher. In conjunction with the new housing construction, Homestead Corporation will also provide management of the utility and infrastructure installation for each lot. It is understood that the City of Urbana will provide the financial resources for the provision of infrastructure and utility extensions.

Jim Rose, the Executive Director of the Homestead Corporation, will provide overall management of the project. His responsibilities will include: working with previously identified homebuyers in order to reestablish their eligibility for the program and linking them to a lending institution as well as homebuyer counseling and home maintenance counseling services; soliciting architectural and engineering services; preparing all necessary materials for construction bidding and coordinating the general contractor selection process; developing applications for submittal to the Federal Home Loan Bank of Chicago and the Illinois Housing Development Authority for project subsidies; providing on-site construction management; coordinating any marketing activities, if necessary; developing an affirmative marketing plan for the project; and providing project financial oversight.

All of the activities described for the project will be undertaken with the full concurrence of the Urbana HOME Consortium and will be done in such a manner as to expedite the completion of the project on time and on budget.

**PROPOSAL FOR THE CONSTRUCTION, MARKETING AND SALE  
OF HOUSES IN THE VICINITY OF THE EADS AT LINCOLN SUBDIVISION  
IN NORTHEAST URBANA**

1. Community Housing Development Organization (CHDO) name and contact information.

The Homestead Corporation of Champaign-Urbana  
306 West Griggs Street  
Urbana, IL 61801  
Contact:  
Jim Rose, Executive Director  
217.328.9373  
Fax 217.344.3327  
homesteadcorp@aol.com

2. Identification of CHDO principals (see attached list of Homestead Corporation board members).
3. Statement of CHDO's experience in residential development (see attached Homestead Corporation of Champaign-Urbana Resume/Development History) and marketing.

From a marketing perspective, Homestead Corporation has limited experience in the direct marketing of housing units for low or moderate-income individuals and families. The Corporation has instead relied on the services of management agents (Provena Behavioral Health and The Weiner Companies Ltd.) to provide for the residential marketing activities for Homestead Corporation owned properties.

4. Description of units to be built.

The single-family units to be built will be based on the design plans and working drawings for houses built by the Consortium in the Eads at Lincoln subdivision since 1991 and the plans, drawings and bid specifications that were prepared previously by Severns, Reid and Associates, Inc. for this project. These plans will be reviewed by a local architecture firm chosen by Homestead Corporation as part of the A & E services that will be provided to this project. The purpose of this review will be to determine whether design modifications or enhancements could reduce the overall costs of the housing units that will be developed.



The final housing design will be determined in coordination with the Consortium, City of Urbana, homebuyers and mortgage lenders subject to the following minimum standards:

- All units will be detached, single-family residences, one per lot.
- Each unit will be single-story with a minimum of 1,000 square feet exclusive of porches, basement, and garage.
- Each unit will have an attached garage accommodating at least two cars.
- Unit design will be compatible in scale and color with structures located in Eads First, Second, Third and Fourth subdivisions.
- Final lot grading and seeding will be provided by Homestead Corporation as a condition of sale of the houses to the homebuyers.

Besides the home design enhancements that could reduce overall construction costs, the Homestead Corporation proposes to develop two grant applications in the early months of 2003 in order to provide additional subsidy for the project. One application would be to the Federal Home Loan Bank of Chicago for a direct subsidy grant that would be used for homebuyer down payment and closing cost assistance. The second application would be to the Illinois Housing Development Authority for an Affordable Housing Trust Fund grant that would be used to reduce the construction costs of the homes to be built. The amount of the grants that would be applied for will be determined after the total development cost of the project is established.

Finally, the Homestead Corporation would require that prospective buyers of homes constructed for this project participate in homebuyer counseling and home maintenance counseling activities. These services would be provided on a contractual basis with the Urban League of Champaign County.

5. Identification of contact person for this Project, with a brief description of his or her experience related to residential development and/or marketing.

The contact person for the Eads at Lincoln project will be Jim Rose, the Executive Director of the Homestead Corporation (see attached staff biography).

Mr. Rose will be responsible for overall project management including the procurement of architectural and engineering services, development of construction bid documents, selection of general contractor, provision of on-site construction management, coordination of marketing activities, and project financial oversight.

6. Identification of person responsible for marketing, with a brief description of his or her experience related to residential marketing.

Jim Rose would be the person with overall responsibility for marketing the new homes at Eads at Lincoln. Although he has limited experience in the direct marketing of homes for sale, Mr. Rose has worked with a number of organizations in developing residential marketing plans for leasing units to low and moderate income elderly and persons requiring supportive services. Any marketing of properties that could not be pre-sold to previously enrolled clients in the Eads at Lincoln Homebuyer Assistance Program would be handled by the procurement of services from a local residential real estate agent.

7. Description of marketing plan.

Because there may be low and moderate-income families that had previously expressed an interest in purchasing homes in the final phase of the Eads at Lincoln Project, the new homes would first be offered for sale to those clients. The names of the clients would be obtained from the previous developer and Homestead Corporation staff would contact them to determine whether they are still interested in purchasing a home. If there were potential homebuyers identified through this process, they would be required to reestablish their eligibility and agree to participate in homebuyer training, home maintenance instruction and credit counseling services. Homes remaining to be sold would be marketed to low and moderate-income community residents through the services provided by a residential real estate marketing agent. If possible, pre-selling the homes to qualified clients would be the preferred method for property disposition.

8. Plan for developing an affirmative marketing plan.

An affirmative marketing plan would be prepared by the Homestead Corporation and delivered to the HOME Consortium prior to any marketing activities undertaken for the project. The plan would be prepared to comply with the HOME regulations regarding actions necessary to assure affirmative marketing of the homes to be sold to prospective low or moderate-income families.

9. Evidence of construction management and finance.

Mr. Rose has provided construction management for a number of recent projects including the Homestead Apartments SRO, TIMES Center, Champaign National Bank renovation, and to a limited extent, the minor renovation of four single family properties that were purchased by the Homestead Corporation. He has extensive experience in the area of

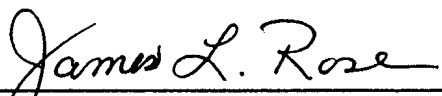
housing finance with practical knowledge in construction financing, mortgage financing, cost estimating, and project budgeting.

10. Incentives proposed for buyers at or below 80 percent of area median family income.

Proposed incentives for buyers would be down payment and closing cost grants provided by funding from the Federal Home Loan Bank of Chicago and/or funding from the Consortium's HOME program. Also, to make the homes affordable to families between 50 and 80 percent of the median family income, additional project subsidies will be required in order to reduce the final purchase price. Proposed construction cost subsidies include funding from the Illinois Housing Development Authority Affordable Housing Trust Fund and waivers or reductions in building permit fees and other fees from the City of Urbana.

11. Plan for involvement of minority/female contractors and/or construction workers.

Homestead Corporation will make every effort to involve in this project minority/female owned businesses that would be providing A & E services or real estate marketing services and, to an even greater extent, a qualified general contractor that is minority/female owned or one that hires minority/female subcontractors and construction workers. All advertisements pertaining to the employment of contractors for the project will contain language that encourages responses from minority/female contractors.

  
\_\_\_\_\_  
James L. Rose, Executive Director  
Homestead Corporation of Champaign-Urbana

10-15-02  
Date

## **ATTACHMENTS**

**HOMESTEAD CORPORATION  
OF CHAMPAIGN-URBANA  
BOARD OF DIRECTORS**

**FY 2002**

**Paul Adams, President**  
510 East Daniel Street  
Champaign, IL 61820  
(w) 333.5218 (h) 782.7901  
(fax) 265.8424  
padams@prairienet.org

**Len Heumann, Vice President**  
1101 West Healey Street  
Champaign, IL 61821  
(w) 244.5373 (h) 359.7804  
(fax) 244.1717  
lheumann@uiuc.edu

**Tom Roth, Treasurer**  
National City Bank  
30 East Main Street  
Champaign, IL 61820  
(w) 363.4150 (h) 351.2146  
(fax) 363.4120  
rotht@compuserve.com

**Ted Apy-Tuhiso, Secretary**  
P.O. Box 233  
Champaign, IL 61824  
(h) 351.2133  
tat@soltec.net

**Tom Hodson**  
2011 O'Donnell Drive  
Champaign, IL 61821  
(w) 355.1458 (h) 356.5551  
thodson@aol.com

**Alan Nudo**  
Robeson's Inc.  
1501 Interstate Drive  
Champaign, IL 61821  
(w) 351.4223 (h) 239.4667  
alnudo@robasons.com

**Jack Monkman**  
1510 Dawson Drive  
Champaign, IL 61820  
(h) 217.766.4090

**Dorothy Neumann**  
301 West Griggs Street  
Urbana, IL 61801  
(h) 344.1427  
neumando@soltec.net

**Jack Petry**  
1207 Waverly Drive  
Champaign, IL 61821  
(w) 356.3743 (h) 352.4734  
jjpetry123@aol.com

**Carol Shupp**  
507 West Vermont Avenue  
Urbana, IL 61801  
(h) 328.3015  
f-shupp@uiuc.edu

**Steve Smith**  
2007 East Easy Street  
Urbana, IL 61802  
(h) 344.5428

**Shirley Stillinger**  
1003 South Busey Avenue  
Urbana, IL 61801  
(h) 344.7643  
stillinger@attglobal.net

**Ex-Officio Member**  
Jim Rose, Executive Director  
306 West Griggs Street  
Urbana, IL 61801  
(w) 328.9373 (h) 352.3009  
(fax) 344.3327  
homesteadcorp@aol.com

**Homestead Corporation of Champaign-Urbana**  
**Resume/Development History**

The Homestead Corporation of Champaign-Urbana was incorporated in April of 1993 to provide affordable housing and supportive services for low and moderate-income persons. The Corporation received its 501 (c) (3) status from the Internal Revenue Service in May of 1996. Also in 1996, the Homestead Corporation was certified by the local HOME Consortium as a Community Housing Development Organization (CHDO). The mission of the organization is to assure an adequate supply of good quality affordable housing for all people with inadequate resources. This mission has been carried out over the years with the development of several affordable rental projects. The Corporation was recently allocated funding from the HOME Consortium to develop additional housing for its Affordable Single-Family Rental Housing Program.

**Project # 1 – Homestead Apartments SRO**

This Section 8 Moderate Rehabilitation SRO Project was sponsored and developed by the Mental Health Center of Champaign County (MHC) with the Homestead Corporation acting as advisor and CHDO funding resource initially. As the development of the project progressed, Homestead Corporation worked closely with the management agent (MHC) to develop the marketing plan for leasing of the units to homeless single women and men. The \$1.5 million project resulted in the production of 25 units of permanent housing for homeless individuals, the first project of this type and scale in central Illinois.

**Project Numbers:** IHDA HTF-633; HUD IL06K95-0010; FHLB AHP 96B0701  
**Funding Sources:** HOME; HOME CHDO; CDBG; HUD SECTION 8 Project Based Subsidy; IHDA Trust Fund Grant and Loan; Illinois Department of Commerce and Community Affairs (DCCA); Illinois Department of Human Services; Federal Home Loan Bank of Chicago; Local Bank Donations; Housing Development Corporation of Local Housing Authority; Mental Health Center of Champaign County.  
**Project Name:** Homestead Apartments  
**Project Location:** 306 West Griggs Street, Urbana, Illinois 61801  
**Type of Construction:** Moderate Rehabilitation  
**Number of Units:** 25 Efficiency  
**Project Status:** Completed in November of 1997  
**Role in Development:** Advisor and current owner

**Project # 2 – Douglass Park Homes**

This project was undertaken by the Homestead Corporation to increase the supply of affordable rental housing that could be made available to large low-income families. Two donated duplexes were moved to vacant lots donated by the City of Champaign and the buildings were converted into two 4-bedroom single-family homes.

**Project Number:** FHLB AHP 98A0715  
**Funding Sources:** CDBG; Private Donations; HOME CHDO; Federal Home Loan Bank of Chicago; Mental Health Center of Champaign County; Local Bank Loan  
**Project Name:** Douglass Park Homes  
**Project Location:** 610 and 612 East Eureka Street, Champaign, Illinois 61820  
**Type of Construction:** Substantial Rehabilitation  
**Number of Units:** 2  
**Project Status:** Completed in April, 1999  
**Role in Development:** Sponsor, developer, owner and initial manager

Projects # 3 through # 9

Shortly after completion of the Douglass Park Homes project, the Homestead Corporation determined that there was a critical need in the community for additional affordable rental housing opportunities for large low-income families. Starting in 2000, the Corporation began what is now known as its Affordable Single-Family Rental Housing Program by acquiring and rehabilitating single-family properties which are then leased to extremely low-income families participating in the Section 8 Housing Voucher Program. The properties are marketed and managed by a local property management firm and Homestead Corporation provides the residents outreach and supportive services through a contract with the local AmeriCorps program.

**Project Number:** None

**Funding Sources:** HOME; HOME CHDO; Bank Permanent Loans

**Project Name:** Affordable Single-Family Rental Housing Program

**Project Location:** # 3 Squire Court, Urbana, Illinois, 61801; 1114 Mimosa, Champaign, Illinois 61821; 1309 S. Philo Road, Urbana, Illinois 61801; 2413 E. Elm, Urbana, Illinois 61802; 2425 E. Elm, Urbana, Illinois 61802; 504 MacArthur, Urbana, Illinois 61802; 407 S. Dodson, Urbana, Illinois 61802

**Type of Construction:** Minor Rehabilitation

**Number of Units:** 7

**Project Status:** Completed by March, 2002

**Role in Development:** Sponsor, developer, and owner

**STAFF BIOGRAPHY**

October 1, 2002

**James Rose  
Executive Director**

Jim has been with the Homestead Corporation of Champaign-Urbana since January of 2002. He joined the Corporation to become its first Executive Director after serving for six years as Special Projects Coordinator and Housing Development Specialist with Provena Behavioral Health.

At Provena Behavioral Health, Jim coordinated the development of Homestead Apartments, the community's first SRO for homeless individuals. After completion of the SRO in December of 1997, he was project manager for the conversion of the former Champaign National Bank Building into the new downtown clinical offices for the agency. Following that project, Jim was project manager for the development of the TIMES Center (Transitional Initiatives & Men's Emergency Services) complex near downtown Champaign. TIMES Center was completed in January of 2000, after which, Jim worked on a variety of special projects for the agency and also acted as facility manager for the organization's administrative offices.

Before being employed by Provena Behavioral Health, Jim worked at the University of Illinois at Urbana-Champaign conducting housing research activities for sixteen years at the Housing Research and Development Program and for two years with the Institute of Government and Public Affairs. He has worked with Federal, State, and local governments in identifying and addressing the housing needs of low-income populations including persons with disabilities, the elderly, and persons requiring supportive services. He has served as a consultant to the Department of Housing and Urban Development, the Illinois Housing Development Authority (IHDA), the Illinois Department of Mental Health and Developmental Disabilities (now part of IDHS), and several communities, housing authorities and mental health agencies throughout the state. He is a ten year member of IHDA's Office of Housing Coordination Services Advisory Committee.

Jim holds a Master's degree in Finance from the University of Illinois at Urbana-Champaign, with concentrations in Banking and Real Estate.



### **Exhibit 3**

#### ***Budget and Schedule for the Eads at Lincoln Project\****

<b>Activity</b>	<b>Expenses</b>	<b>HOME</b>	<b>FHLB</b>	<b>DCCA</b>	<b>Mortgage</b>
Land Development	8,500	8,500			
Construction	472,500	83,000	29,500	10,000	350,000
Professional Fees	72,000	72,000			
Management Fees	15,000	15,000			
Financing	30,000	22,000	8,000		
Contingency	12,677	12,677			
<b>TOTAL</b>	<b>610,677</b>	<b>213,177</b>	<b>37,500</b>	<b>10,000</b>	<b>350,000</b>

\* Pro-forma Sources and Uses of Funds, Schedule of Activities and Homeowner Subsidy Schedules prepared by Homestead Corporation are attached and made a part of this Exhibit 3.

**PRO FORMA -  
SOURCES AND USES OF FUNDS**

**EADS AT LINCOLN DEVELOPMENT**

11/20/02

**SOURCES OF FUNDS**

HOME SALES (w/subsidized mortgages)

Busey Mortgages	280,000	
Bank Illinois Mortgages	70,000	
		<b>350,000</b>

SUBSIDIES

FHLB AHP Grant	37,500	
DCCA Energy Grant	10,000	
City of Urbana HOME	200,500	
		<b>248,000</b>

**TOTAL SOURCES OF FUNDS 598,000**

**USES OF FUNDS**

ACQUISITION COSTS

Land	0	
Liens and Taxes	0	
		<b>0</b>

LAND DEVELOPMENT

Sanitary Sewer	0	
Storm Sewer	0	
Street	0	
Sidewalk	0	
Tree Removal	0	
Grading/Topsoil	8,500	
Electric Power	0	
Gas	0	
Telephone	0	
Cable TV	0	
		<b>8,500</b>

PROFESSIONAL FEES

Architect and Engineering	33,500	
Developer Fee	35,000	
Homeowner Training	2,000	
Marketing	1,500	
		<b>72,000</b>

GENERAL PROVISIONS

Project Management	10,000	
Insurance	500	
Permits	2,500	
Taxes	0	
Utilities/Security	2,000	
		<b>15,000</b>

FINANCING

Escrow Services	6,000	
Construction Interest/Fees	12,500	
Closing Costs	11,500	
Real Estate Taxes	0	
		<b>30,000</b>

CONSTRUCTION

Buildings	450,000	
Contingency @ 5%	22,500	
		<b>472,500</b>

**TOTAL USES OF FUNDS 598,000**

**HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
EADS DEVELOPMENT PROJECT**

**SCHEDULE OF ACTIVITIES**

	Dec 02	Jan 03	Feb 03	Mar 03	Apr 03	May 03	Jun 03	Jul 03	Aug 03	Sep 03
Meet with Homebuyers	X									
Schematic Design Preparation	XX									
Final Design Modifications	XX									
Prepare Bid Documents	XX	XX								
Solicit General Contractor Bids		XXX								
Select General Contractor			XX							
Home #1 Construction				XXX	XXXX	XXXX				
Home #2 Construction				XXX	XXXX	XXXX				
Home #3 Construction						XX	XXXX	XXXX		
Home #4 Construction						XX	XXXX	XXXX		
Home # 5 Construction								XX	XXXX	XXXX

# HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA

## Eads Development Project Homeowner Subsidy Schedules

	0-60%	60-70%	70-80%	Total
# of Units	1	2	2	5
FHLB				
Per Unit	\$ 12,500	\$ 7,500	\$ 5,000	
Total	\$ 12,500	\$ 15,000	\$ 10,000	\$ 37,500
HOME				
Per Unit	\$ 18,000	\$ 17,500	\$ 15,000	
Total	\$ 18,000	\$ 35,000	\$ 30,000	\$ 83,000
TOTAL Subsidies				
Per Unit	\$ 30,500	\$ 25,000	\$ 20,000	
TOTAL	\$ 30,500	\$ 50,000	\$ 40,000	\$ 120,500

	0-60%	60-70%	70-80%
Financing Needed per Unit	\$ 95,000	\$ 95,000	\$ 95,000
FHLB Grant	\$ 12,500	\$ 7,500	\$ 5,000
HOME Grant	\$ 18,000	\$ 17,500	\$ 15,000
Homebuyer's Mortgage	\$ 64,500	\$ 70,000	\$ 75,000

ORDINANCE NO. 2002-12-136

AN ORDINANCE APPROVOING A CERTAIN URBANA HOME CONSORTIUM COMMUNITY  
HOUSING DEVELOPMENT ORGANIZATION AGREEMENT BETWEEN THE  
CITY OF URBANA AND HOMESTEAD CORPORATION

(Eads at Lincoln Homebuyer Assistance Program FY 2002-2003)

WHEREAS, the City of Urbana, the City of Champaign, the Village of Rantoul, and Champaign County have been jointly designated as a Participating Jurisdiction by the U.S. Department of Housing and Urban Development (hereinafter "HUD") for the purpose of receiving HOME Investment Partnership (hereinafter "HOME") Program funds in the name of the Urbana HOME Consortium; and

WHEREAS, the Urbana City Council has adopted a Consolidated Plan for Program Years 1995-1999 (hereinafter the "Consolidated Plan") which budgets \$931,000 in Urbana HOME Consortium funds for the period beginning July 1, 1999, and ending June 30, 2000, in accordance with an Intergovernmental Agreement Concerning Administration of a Champaign/Urbana/Champaign County HOME Investment Partnerships Consortium executed by Mayor Tod Satterthwaite on behalf of the City on June 23, 1997 (hereinafter the "Intergovernmental Agreement-1997"); and

WHEREAS, the Urbana City Council has adopted a Consolidated Plan for Program Years 2000-2004 (hereinafter the "Consolidated Plan") which budgets the following amounts for each fiscal year: \$984,000 for the period beginning July 1, 2000, and ending June 30, 2001; \$1,036,000 for the period beginning July 1, 2001 and ending June 30, 2002; \$1,039,000 for the period beginning July 1, 2002 and ending June 30, 2003; in accordance with an Intergovernmental Agreement Concerning Administration of a Champaign/Urbana/Rantoul/Champaign County HOME Investment Partnerships

Consortium executed by Mayor Tod Satterthwaite on behalf of the City on July 7, 1999 (hereinafter the "Intergovernmental Agreement-1999"); and

WHEREAS, the Consolidated Plan promotes homeownership opportunities and recommends that the City expand home construction opportunities for low-income households; and

WHEREAS, the Homestead Corporation (hereinafter "Homestead") has been designated as a recipient of CHDO funds for the Urbana HOME Consortium for FY1999-2000, FY2000-2001, FY2002-2003; and

WHEREAS, Homestead has fulfilled all HOME Program requirements necessary to be certified as a CHDO; and

WHEREAS, Homestead responded to the City's Request for Proposals for the construction of homes within the Eads at Lincoln Subdivision; and

WHEREAS, the City has the right and authority, pursuant to both the HOME Program, the Intergovernmental Agreement-1997, and the Intergovernmental Agreement-1999 to allocate Urbana HOME Consortium funds to ICfCI for the Project.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the City of Urbana, acting as lead entity for the Urbana HOME Consortium approves an *Urbana HOME Consortium Community Housing Development Organization Agreement, Homestead Corporation - Eads at Lincoln (FY2002-2003)*, a copy of which is attached hereto and incorporated herein by reference, and authorizes the Mayor of the City of Urbana to execute the same on behalf of the City of Urbana.

Section 2. This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, a majority of the members of the City Council of the City of Urbana, Illinois, at a regular meeting of said Council on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

AYES:

NAYS:

ABSTAINS:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Tod Satterthwaite, Mayor