



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor, City of Urbana

FROM: Elizabeth Tyler, AICP, City Planner/Director

DATE: July 2, 2008

SUBJECT: **AN ORDINANCE AMENDING AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Urban League of Champaign County Development Corporation Affordable Six Homeownership Program FY 2007-2008)**

Description

Included on the agenda of the July 7, 2008 meeting of the Urbana City Council is an ordinance amending an Urbana HOME Consortium Community Development Housing Organization (CHDO) agreement with the Urban League of Champaign County Development Corporation (ULCCDC). On May 2, 2008, the ULCCDC submitted a request to the Urbana HOME Consortium to modify the Affordable Six Homeownership Program. The ULCCDC is asking to change the agreement to reduce the total number of units produced from six homes at one site to five homes at two sites (four homes in Urbana, IL and one home in Champaign, IL). The Affordable Six Homeownership Program Agreement with the ULCCDC for Fiscal Year (FY) 2007-2008 must be amended to change the number and location of homes produced.

Issues

The issue is whether the Urbana City Council should approve the ordinance amending the Urban League of Champaign County Development Corporation's HOME CHDO agreement for the Affordable Six Homeownership Program FY 2007-2008.

Background

At its July 7, 2007 meeting, the Urbana City Council approved the Urbana HOME Consortium Community Housing Development Organization Agreement with the ULCCDC for the Affordable Six Homeownership Program FY 2007-2008. The ULCCDC is concerned that the difficulties of the current housing market would require them to provide a greater subsidy to potential homeowners to sell these homes. In addition, the project engineers have advised the ULCCDC that building four (4) homes on the Washington Street site in Urbana would be more

feasible than the six (6) units that were originally proposed. The City of Champaign has provided a lot to the ULCCDC on which the fifth home can be built.

The proposed amendment reduces the number of homes to be produced from six (6) to five (5). It also allows the ULCCDC to build one (1) home in Champaign and four (4) homes on the site they now own on East Washington Street in Urbana. No additional funding has been requested for this change, which will have the net effect of increasing the amount of subsidy available for each home.

The request has been reviewed with the other members of the Urbana HOME Consortium Technical Committee (representatives from the City of Champaign and Champaign County) who have agreed to the amendment.

At its July 1, 2008 meeting, the Urbana Community Development Commission voted unanimously to forward the ordinances approving the agreements to the Urbana City Council with a recommendation for approval.

Options

1. Approve the ordinance amending the ULCCDC Affordable Six Program agreement as proposed.
2. Approve the ordinance amending the ULCCDC Affordable Six Program agreement, with changes.
3. Do not approve the ordinance.

Fiscal Impacts

There would be no fiscal impact to the city budget. Funds for the Urban League of Champaign County Development Corporation Affordable Six Homeownership Program were allocated in the FY 2007-2008 Annual Action Plans and included in the City of Urbana budget.

Recommendations

The Urbana CDC and staff recommend approval of the ordinance to amend the Affordable Six Homeownership Program agreement changing the provisions from six homes at one site to the production of five homes at two sites.

Memorandum Prepared By:

Janel D. Gomez
Home Coordinator
Grants Management Division

Attachments:

1. AN ORDINANCE AMENDING AN URBANA HOME CONSORTIUM
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT
(Urban League of Champaign County Development Corporation Affordable Six
Homeownership Program FY 2007-2008)
2. AN AMENDMENT TO A COMMUNITY HOUSING DEVELOPMENT
ORGANIZATION DEVELOPER AGREEMENT BETWEEN THE URBANA HOME
CONSORTIUM AND THE URBAN LEAGUE OF CHAMPAIGN COUNTY
DEVELOPMENT CORPORATION (Affordable Six Homeownership Program FY 2007-
2008)

**AN ORDINANCE AMENDING AN URBANA HOME CONSORTIUM COMMUNITY
HOUSING DEVELOPMENT ORGANIZATION AGREEMENT**

*(Urban League of Champaign County Development Corporation - Affordable Six
Homeownership Program FY 2007-2008)*

WHEREAS, The City Council of the City of Urbana, Illinois, has found and determined that execution of the attached amendment to a Community Housing Development Organization Agreement is desirable and necessary to carry out one of the corporate purposes of the City of Urbana, to wit: implementation of Strategies and Objectives to Address the Affordable Housing Needs of Low and Moderate Income Households described in the City of Urbana and *Urbana HOME Consortium Consolidated Plan for Program Years 2005-2009*,

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

Section 1. That an amendment to a Community Housing Development Organization developer agreement between the Urban HOME Consortium and the Urban League of Champaign County Development Corporation (Affordable Six Homeownership Program FY 2007-2008), in substantially the form of the copy of said Amendment attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Amendment as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this _____ day of _____,
_____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
_____.

Laurel Lunt Prussing, Mayor

**AN AMENDMENT TO A COMMUNITY HOUSING DEVELOPMENT
ORGANIZATION DEVELOPER AGREEMENT BETWEEN THE URBANA
HOME CONSORTIUM AND THE URBAN LEAGUE OF CHAMPAIGN
COUNTY DEVELOPMENT CORPORATION**

(Affordable Six Homeownership Program FY 2007-2008)

This Amendment is made this _____ day of _____, **2008**, between the CITY OF URBANA, an Illinois Municipal Corporation, acting as lead entity for the Urbana HOME Consortium (hereinafter the “**GRANTOR**”), and **the Urban League of Champaign County Development Corporation**, an Illinois Not-For-Profit Organization (hereinafter “**DEVELOPER**”).

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, 2007, and ending June 30, 2008, to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County; and

WHEREAS, the City of Urbana (hereinafter CITY), as the administrator of a HOME Program, has authority of the under the provisions of the HOME Program to amend the HOME Agreements; and

WHEREAS, on July 9, 2007 the Urbana City Council passed Ordinance No. 2007-07-069 approving and authorizing the execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Urban League Of Champaign County Development Corporation – Affordable Six Homeownership Program FY 2007-2008).

WHEREAS, the GRANTOR and the DEVELOPER desire to amend said Agreement to modify and clarify certain conditions,

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained, the parties agree to the following changes to the Agreement:

1) The DEVELOPER and GRANTOR agree that ARTICLE I: HOME REQUIREMENTS, Section 1: Use of HOME Funds, is changed as follows:

b) The DEVELOPER shall provide the GRANTOR with the budget and financial projection for each home from the preliminary budget for the construction of each of the five (5) houses as provided in "attachment 3" or in a similar document format as approved by the GRANTOR.

c) The DEVELOPER shall own or purchase the real property for the Project in the following locations: two locations, four (4) lots at one location in Urbana, IL and one (1) lot in Champaign, IL

All other provisions of said Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, and have caused this instrument to be executed by their duly authorized officials and corporate seals affixed hereto, all on the day and year first above written.

CITY

SUBGRANTEE

By: _____
Laurel Lunt Prussing, Mayor

By: _____

Date: _____

Date: _____

Attest: _____
City Clerk

Attest: _____