



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

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

**TO:** Laurel Lunt Prussing, Mayor

**FROM:** Elizabeth H. Tyler, FAICP, Community Development Director

**DATE:** May 7, 2009

**SUBJECT: AN ORDINANCE REPEALING ORDINANCE NO. 2003-03-024, AND APPROVING AND AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (1107 North Gregory Street and 1109 North Gregory Street / Homestead Corporation of Champaign-Urbana)**

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### **Description**

Included on the agenda of the May 11, 2009 meeting of the Urbana City Council Committee of the Whole is an Ordinance repealing a 2003 ordinance and authorizing the sale of the City-owned property located at 1107 and 1109 North Gregory Street to Homestead Corporation of Champaign-Urbana (Homestead), for the development of affordable housing. The 2003 ordinance is proposed to be repealed because Yvette Brown, the owner/operator of Peter Pan Daycare (who was the potential buyer of the property in 2003) has revisited her expansion plans and is no longer interested in purchasing the lots. The sales contract terms for Homestead are similar to those used in the past to convey City-owned properties to not-for-profit organizations for the construction of affordable housing. Homestead intends to construct new single-family homes on the lots to be sold to a household whose income would not exceed 80% Median Family Income.

### **Issues**

The issue is if the Urbana City Council should approve the ordinance and transfer the City-owned lots to Homestead.

### **Background**

The subject lots were acquired in 1992 and 1994 with Community Development Block Grant (CDBG) funds, and the lots were then cleared in anticipation of potential redevelopment opportunities that would result from the adjacent Eads Street Subdivision project. This was completed as part of the City's Property Acquisition Program that allows the City to purchase, clear, improve and maintain lots in order to promote and support the development of affordable housing opportunities.

In 2003, the Urbana City Council approved an ordinance that authorized the sale of the two lots at 1107 and 1109 North Gregory to Yvette Gray Brown, owner of Peter Pan Day Care. At that time, Ms. Brown intended to use the property for the expansion of the daycare facility because the lots are contiguous with the daycare site at 1108 North Harvey. However, since then, City staff has met with Ms. Brown to discuss other potential expansion options for the daycare. Through this discussion, it was determined that there is sufficient space on the existing site of Peter Pan Daycare for limited expansion. During a January 14, 2009 telephone conversation with staff, Ms. Brown indicated that, in light of the information concerning the ability for Peter Pan to expand on the 1108 North Harvey site, she was no longer interested in purchasing 1107 and 1109 N. Gregory. Subsequently, the City sent a letter dated January 15, 2009 (copy attached) notifying Ms. Brown of the City's intent to repeal Ordinance 2003-03-024.

The Urbana HOME Consortium has certified Homestead as a Community Housing Development Organization (CHDO) for several years. The City of Urbana and Urbana HOME Consortium Annual Action Plans for FY 2008-2009 and FY 2009-2010 have allocated CHDO project funds to Homestead for the development of affordable housing. Utilizing these funds, Homestead plans to build a new single-family home on each lot to be sold to buyers whose annual household income does not exceed 80% of the Median Family Income for the area.

The proposed contract, ordinance, and legal documents that would convey this property to Homestead are attached to this memorandum. The contract terms are similar to those the City has previously used to convey properties to not-for-profit organizations for construction of new single-family residences for sale to income-qualifying households.

The sales contract calls for the City to transfer the property by recording warranty deeds in favor of Homestead with the Champaign County Recorder of Deeds. In order to ensure that the City is protected in case of default by Homestead, a Quit Claim deed, in favor of the City, shall be placed in escrow with the Department of Community Development Services, which shall serve as the "Escrow Agent." The contract provides a June 30, 2011 deadline for completion of construction of homes on the lots. After Homestead completes construction and a Certificate of Occupancy is issued for each home, the Escrow agent will destroy the respective Quit Claim Deeds. In the event that Homestead has not begun construction, as of April 30, 2011, the City has the option of filing the Quit Claim deed to recover ownership of the property or properties.

The contract documents include a land-use restriction to ensure that the homes will remain affordable for income-qualified families for a period of ten years (i.e. the affordability period). The affordability period is based on acquisition and site preparation costs incurred by the City. At the time of purchase, the homebuyers will execute the land-use restriction agreement. In the event of re-sale within the 10-year affordability period, the agreement contains a provision that requires any subsequent buyer to meet HUD income guidelines.

## Options

1. Approve the Ordinance as written Repealing Ordinance No. 2003-03-024, and Approving and Authorizing the Sale of Certain Real Estate (1107 North Gregory Street and 1109

North Gregory Street / Homestead Corporation of Champaign-Urbana).

2. Approve the Ordinance with amendments.
3. Do not approve the ordinance.

## **Fiscal Impacts**

Conveyance of these lots to Homestead would eliminate lot maintenance costs that are currently incurred by the Community Development Block Grant Program. The homes constructed at these sites would generate real estate taxes and will likely have a positive effect on surrounding property values.

## **Recommendations**

At its April 28, 2009 meeting the Urbana Community Development Commission voted unanimously to forward the Ordinance to the Urbana City Council with a recommendation for approval (copy of unapproved minutes attached).

**Memorandum Prepared By:**

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**Randy Burgett  
Rehabilitation Coordinator  
Grants Management Division**

## **Attachments:**

1. An Ordinance Repealing Ordinance No. 2003-03-024, and Approving and Authorizing the Sale of Certain Real Estate (1107 North Gregory Street and 1109 North Gregory Street / Homestead Corporation of Champaign-Urbana)
2. Sales Contract
  - a. Sample Attachment A – Land-Use Regulatory Agreement
  - b. Sample Warranty Deeds
  - c. Sample Quit Claim Deeds
3. Site map with location of the properties
4. Copy of Ordinance No. 2003-03-024 Authorizing the Sale of Certain Real Estate (1107 N. Gregory and 1109 N. Gregory)
5. Copy of January 15, 2009 letter to Yvette Brown, Peter Pan Too Daycare
6. Unapproved minutes from April 28, 2009 meeting of the Urbana Community Development Commission

ORDINANCE NO. 2009-05-047

AN ORDINANCE REPEALING ORDINANCE NO. 2003-03-024,  
AND APPROVING AND AUTHORIZING THE SALE OF CERTAIN REAL ESTATE

(1107 North Gregory Street and 1109 North Gregory Street /  
Homestead Corporation of Champaign-Urbana)

Whereas, the City purchased 1109 North Gregory Street in 1992 and 1107 North Gregory Street in 1994 for the purpose of eliminating blighted buildings and for the construction of new affordable housing as part of the Eads at Lincoln Subdivision; and

WHEREAS, at its March 17, 2003 meeting the Urbana City Council approved ORDINANCE NO. 2003-03-024 authorizing the sale of 1107 North Gregory Street and 1109 North Gregory Street to Yvette Gray Brown for expansion of the Peter Pan Day Care; and

WHEREAS, Ms. Yvette Gray Brown has been contacted both before and after June 30, 2003, which is the date contemplated by the Ordinance for completion of the sale, and has not accepted the City's offer to sell the subject real estate; and

WHEREAS, in a letter sent by the City to Ms. Yvette Gray Brown on January 15, 2009, by certified mail, Ms. Yvette Gray Brown was notified that because she had said she was no longer interested in acquiring the subject property, the City intended to rescind the offer and repeal Ordinance #2003-03-024; and

WHEREAS, Homestead Corporation of Champaign-Urbana has expressed interest in the properties for the construction of new affordable housing; and

WHEREAS, the Urbana City Council finds under the circumstances herein set forth, it is desirable to repeal Ordinance No. 2003-03-024 and to approve and authorize the sale of certain real estate; and

WHEREAS, Subsection (a), entitled "Sale of real estate," of Section 2-118, entitled "Purchase, sale, lease, etc., of real estate," of the Code of Ordinances, City of Urbana, Illinois, provides that any real estate owned by the City of Urbana may be sold in any manner prescribed by the City Council in an ordinance authorizing such sale; and

WHEREAS, the requirements of said Subsection (a) of Section 2-118 for a public hearing and for the required notice for such public hearing do not, pursuant to the terms thereof, apply to the sale of residential property acquired under the Community Development Program; and

WHEREAS, the City Council desires to sell the real estate commonly known as 1107 North Gregory Street and 1109 North Gregory Street, which said property has heretofore been acquired under the Community Development Program, in accordance with said Subsection (a) of Section 2-118 and the policy heretofore established with respect thereto; and

WHEREAS, the City Council expressly finds and declares that said real estate is not needed for governmental purposes or proprietary activity of the City of Urbana.

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

Section 1. The Urbana City Council does hereby repeal Ordinance No. 2003-03-024.

Section 2. That the Contract for Sale of Real Estate by and between the City of Urbana, Illinois, and Homestead Corporation of C-U , a copy of which said Contract is attached hereto and incorporated herein by reference, be and the same is hereby authorized and approved.

Section 3. The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute said Contract together with all necessary deeds and documents required by said Contract for and on behalf of the City of Urbana, Illinois.

Section 4. The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute extensions of time set forth in the said Contract for and on behalf of the City of Urbana, Illinois.

Section 5. This ordinance is hereby passed by the affirmative vote, the ayes and nays being called, of three-fourths of the members of the City Council of the City of Urbana, Illinois, at a regular meeting of the said City Council.

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

## CONTRACT FOR SALE OF REAL ESTATE

This Contract made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2009, by and between the City of Urbana, Illinois, a municipal corporation of the State of Illinois (hereinafter referred to as Seller), and Homestead Corporation of Champaign-Urbana, an Illinois not-for-profit corporation (hereinafter referred to as Buyer).

WITNESSETH:

IT IS MUTUALLY UNDERSTOOD AND AGREED BETWEEN THE PARTIES HERETO as follows:

- 1 Sale. Seller agrees to sell and convey, and Buyer agrees to buy, the following described parcel of real estate:

DESCRIPTION OF REAL ESTATE:

Lot 10 of O.A. Frailey's Second Subdivision, as per plat recorded in Plat Book "L" at page 9, situated in Champaign County, Illinois;

PIN: 91-21-07-277-007;

Commonly known as 1107 North Gregory Street, Urbana, Illinois (hereinafter referred to as Subject Property).

2. Purchase Price. Seller agrees to convey title to Subject Property for One Dollar (\$1.00) and other consideration as described herein.
3. Evidence of Title. Within a reasonable time, Seller shall select and deliver one of the following to Buyer as evidence of title:
  - a. A copy of the title insurance policy issued to the City in connection with acquisition of Subject Property by the City; the City warrants that it has done nothing to encumber Subject Property since its acquisition of Subject Property; or
  - b. A commitment of title insurance issued by a title insurance company regularly doing business in Champaign County, committing the company to issue a policy in the usual form insuring title to Subject Property to Buyer for the amount of the Seller's purchase price or the minimum amount of title insurance, whichever is greater.

Permissible exceptions to title shall include only the lien of general taxes; zoning laws and building ordinances; easements, apparent or of record, which do not underlie the improvements, if any; and covenants and restrictions of record which

are not violated by the existing improvements or the present use of the property and which do not restrict reasonable use of the property.

Buyer shall point out in writing to Seller within a reasonable time after receipt of the evidence of title any objections that Buyer may have thereto and unless so pointed out the evidence of title shall be conclusively presumed to be accepted by Buyer.

Seller shall have a reasonable time to cure any objections actually interfering with or impairing the merchantability of the title to Subject Property. If Seller is unable to cure such objections and is unable to procure a title policy insuring over such objections, then Buyer shall have the option to terminate the Contract.

The evidence of title and title insurance shall be at the sole expense of the Seller.

4. Conveyance. Seller agrees to convey Subject Property to Buyer by good and sufficient Warranty Deed, subject to current general taxes, covenants, conditions, restrictions, easements apparent or of record, and to all applicable zoning laws and ordinances.

At the time of closing of this transaction, a Warranty Deed from Seller in favor of Buyer shall be recorded with the Champaign County Recorders' Office and delivered to Buyer.

At the same time, a Quit Claim Deed from Buyer in favor of Seller shall be placed in escrow with the City of Urbana Department of Community Development Services (hereinafter referred to as "(Escrow Agent)").

In the event that Buyer constructs a single-family residence on Subject Property and is issued a certificate of occupancy for said residence by the Urbana Building Safety Division on or before June 30, 2011, or on or before the date established in any modification to this Contract, the Escrow Agent shall destroy said Quit Claim Deed.

In the event that Buyer has not started construction of a single-family residence on Subject Property as of April 30, 2011, or as of the date established in any modification to this Contract, the Escrow Agent shall release said Quit Claim Deed to Seller.

In the event that Buyer has begun construction of a single-family residence on Subject Property as of June 30, 2011, or as of the date established in any modification to this Contract, but has not received a Certificate of Occupancy for said residence as of that date, Seller retains the right to pay Buyer, in care of the Escrow Agent, an amount equivalent to the value of improvements in place on Subject Property as of June 30, 2011, or as of the date established in any modification to this Contract, taking credit against said amount for any outstanding liens or encumbrances against Subject Property, said liens including real estate taxes prorated up to the date Seller assumes possession under this paragraph, and for any fees or professional expenses incurred by the Seller as a result of the assumption of the Subject Property under this paragraph. Said value shall be certified to both Buyer and Seller by an architect licensed by the State of Illinois, doing

business in Champaign County, Illinois and mutually acceptable to Buyer and Seller. The Escrow Agent shall deliver said payment to Buyer, and release and record said Quit Claim Deed with the Champaign County Recorders Office and deliver to the Seller.

Any and all escrow charges shall be paid by Buyer.

5. Taxes and Assessments. Seller shall pay all special assessments confirmed prior to the date of this Contract and real estate taxes assessed against Subject Property for 2008 payable in 2009 up to the date of possession. Buyer shall pay all special assessments and real estate taxes assessed against Subject Property after the date of possession

Buyer shall promptly pay all bills for utilities and taxes associated with Buyer's possession and use of Subject Property, including but not limited to water, gas, electric, cable television, sewage treatment, and sewer benefit taxes.

6. Condition of Subject Property. Buyer agrees to accept Subject Property in its "as-is" condition, and Seller disclaims all warranties express or implied as to the condition of Subject Property.
7. Compliance with Development Codes. Any residence constructed pursuant to this Contract shall be constructed in accordance with all applicable land development, zoning, and building codes, and the visitability standards of the City of Urbana, Illinois, and with any and all covenants recorded for the subdivision in which Subject Property is located. Buyer shall be responsible for obtaining and paying for all permits required under said codes.
8. House Design. Any residence constructed pursuant to this Contract shall be substantially compatible in design and quality of construction with drawings previously submitted by Buyer to the City of Urbana. Prior to issuance of any building permit by the Building Safety Division of the City of Urbana, Illinois, the Grants Management Division Manager of the Department of Community Development Services of the City of Urbana, Illinois, acting on behalf of the City, may request alterations to the proposed house design so as to comply with this Section.
9. Use of Subject Property. The primary purpose of Buyer activities undertaken pursuant to this Contract shall be construction of a single-family residence for sale to a low-income household through the Buyer's Homeownership Program. To ensure the residence constructed remains affordable housing occupied by a low-income household, a Land-Use Regulatory Agreement in substantially the form set forth as ATTACHEMENT A to this contract must be signed by all grantees to whom Habitat for Humanity conveys the subject parcel and recorded at the time of closing of such transaction. The City of Urbana Indirect Homebuyer Assistance Land-Use Regulatory Agreement attached hereto and incorporated herein, is an essential part of this contract.

10. Limitation on Subsequent Sale of Subject Property. Any residence constructed by Buyer on Subject Property pursuant to this Contract may subsequently be sold by Buyer only to a family having income at or below 80 percent of median family income for Champaign County based on household size. Applicable income limits are those certified by the Grants Management Division Manager of the Department of Community Development Services of the City of Urbana, Illinois, acting on behalf of the City, to be in effect at the time Buyer accepts a household into its Homeownership Program. Buyer shall keep record of compliance with this Section on file for inspection by representatives of the City and the U.S. Department of Housing and Urban Development.
11. Property Maintenance. Buyer agrees to keep Subject Property properly mowed and free of excess vegetation and debris at all times from the date of this contract. Buyer shall neither suffer nor commit any waste on or to Subject Property. Buyer agrees to promptly respond to any notices received from the City of Urbana, Illinois, with regard to violation of the City's nuisance codes and to promptly correct any violation cited by said City. Buyer shall promptly pay all bills or charges incurred for materials, services, labor, or other like items that may create encumbrances against Subject Property. Buyer will become responsible for all property maintenance as of the date of this Contract.
12. Construction Schedule. Buyer agrees to construct a single-family residence on Subject Property such that a Certificate of Occupancy is issued for the newly constructed residence by the Urbana Building Safety Division on or before June 30, 2011, or, on or before a date established in any modification to this Contract.
13. Storage of Building Materials. Building materials needed to construct any residence pursuant to this Contract shall be stored within property lines and shall not be placed in the public right-of-way.
14. Seller Held Harmless. Buyer agrees to indemnify and hold Seller, its officers, agents, and employees, harmless for any liability or damages of any nature or kind concerning undertaking of any activity pursuant to this Contract, including reasonable attorneys' fees incurred in defending against any such claim.
15. Assignment. Buyer shall not assign this Contract without prior written consent of Seller to such assignment; provided, however, that Seller shall not unreasonably withhold such consent and further provided that no such assignment shall act as a discharge or release of Buyer's liability under this Contract.
16. Possession. City shall deliver possession of Subject Property to Buyer concurrently with closing of this transaction.
17. Default. If Buyer fails to perform any obligation imposed upon it by this Contract, Seller may serve written notice of default upon Buyer and if such default is not corrected within ten (10) days thereafter, this Contract shall terminate. In the event of failure of Seller to perform obligations imposed upon it by this Contract, Buyer may terminate this Contract

upon similar notice served upon Seller and similar expiration of time period. The foregoing remedies in the event of default are not intended to be exclusive, and the parties shall have the right to all other lawful remedies, including specific performance. Default by Seller or Buyer shall entitle the non-defaulting party to claim as damages all reasonable costs, attorneys' fees, and expenses in connection with enforcement of this Contract.

18. Notices. Any notice required under this Contract to be served upon Seller or Buyer shall be mailed by certified mail to such parties at the address shown herein following their signatures, or at such other place as the parties may from time to time designate in writing.
19. Modification. No modification or extension of this Contract shall be effective unless in writing and executed by the parties hereto.
20. Terms Binding. All terms of this Contract shall be binding upon the heirs, legatees, devisees, representatives, and assignees of the parties.

IN WITNESS WHEREOF, the parties have executed this Contract as of the day and year first above written.

SELLER:

City of Urbana, Illinois  
400 South Vine Street  
Urbana, Illinois 61801

BY:

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

ATTEST:

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

BUYER:

Homestead Corporation of  
Champaign-Urbana  
306 West Griggs Street  
Urbana, Illinois 61801

BY:

\_\_\_\_\_  
Aaron P. Smith, Executive Director

ATTEST:

\_\_\_\_\_  
Thomas Hodson, Board President

ATTACHMENT A

**CITY OF URBANA  
INDIRECT HOMEBUYER ASSISTANCE  
LAND-USE REGULATORY AGREEMENT**

THIS LAND-USE REGULATORY AGREEMENT (the “Agreement”) is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_ (the “Grantee”), and the City of Urbana, Illinois, a unit of local government having its principal offices at 400 South Vine Street, Urbana, Illinois 61801 (the “Grantor”).

**RECITALS**

- A. The Grantor receives funds to promote affordable housing from the U.S. Department of Housing and Urban Development (“HUD”) through the HOME Investment Partnerships Program (the “HOME Program”), as authorized by Title II of the National Affordable Housing Act of 1990 (P.L. 101-165) (the “HOME Act”) and the regulations promulgated thereunder and codified at 24 CFR Part 92 (the “HOME Regulations”), as may be amended and supplemented from time to time. All capitalized terms used herein and not otherwise defined shall have the meaning established in the HOME Act and the HOME Regulations.
- B. The Grantor receives funds to promote affordable housing from HUD through the Community Development Block Grant Program (the “CDBG Program”), as authorized by the Housing and Community Development Act of 1974 (the “CDBG Act”) and the regulations promulgated thereunder and codified at 24 CFR Part 570 (the “CDBG Regulations”), as may be amended and supplemented from time to time. All capitalized terms used herein and not otherwise defined shall have the meaning established in the CDBG Act and the CDBG Regulations.
- C. The Grantor has elected to utilize funds from the **CDBG** Programs to promote homeownership to low-income families through which the Grantor acquired and prepared property commonly known as 1107 North Gregory Street, Urbana, Illinois, more particularly described in Exhibit A (the “Property”) for conveyance to Homestead Corporation of Champaign-Urbana (hereinafter “Homestead”) for use in Homestead’s new-construction homeownership program.
- D. The Grantor has determined that the rights and restrictions granted herein to the Grantee serve the public’s interest in the creation and retention of affordable housing for low-income persons and families in the restriction of whom the Property may be resold to in order to assure the property’s affordability by future low-income purchasers.

- E. Pursuant to City of Urbana Community Development Department Policy, eligible purchasers such as the Grantee are given the opportunity to purchase the Property through Homestead below the property's appraised fair market value if the Grantee agrees to convey the property on resale to an income eligible purchaser.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. **RECITALS.** The foregoing recitals are made a part of this Agreement.
2. **GENERAL CONDITIONS.** This Agreement shall be subject to, and Grantee agrees to comply with the terms and conditions of the HOME and CDBG Acts and Regulations, as amended and supplemented from time to time.
3. **GRANTEE CERTIFICATIONS.** The Grantee certifies to the Grantor the following.
  - (a) **Title.** Homestead has transferred ownership of the Property to the Grantee. Grantee holds fee simple title to the Property.
  - (b) **Residence.** Grantee will use the Property as Grantee's primary place of residence for a period of ten (10) years from the date of this Agreement.
  - (c) **Household Income.** At the time of purchase, the Grantee's family income does not exceed eighty percent (80.0%) of the median family income based upon family size, for Champaign County, Illinois as determined by HUD, and as certified by the City of Urbana, Grants Management Division.
4. **AFFORDABILITY REQUIREMENTS.** The Grantee agrees that this Agreement shall restrict the subsequent sale of the Property to a household having income at or below eighty percent (80.0%) of the median family income based upon family size, for Champaign County, Illinois as determined by HUD, and as certified by the City of Urbana, Grants Management Division.

This requirement will terminate ten (10) years from the date of this Agreement.

5. **ACTS REQUIRING GRANTOR'S APPROVAL.** Grantee shall not convey or transfer or encumber the Property, or permit the conveyance or transfer of the Property or any part thereof without the written approval from the Grantor.

In order to transfer the Property, the Grantor must document the household income of any new buyer to ensure that the new household's income is at or below eighty (80.0%) of the median family income based upon family size for Champaign County, Illinois as determined by HUD, and as certified by the City of Urbana, Grants Management Division.

6. **PROPERTY TRANSFER.** If Grantee transfers ownership of the Property during the affordability period as defined in Section 4, and the Property is transferred to a low-income family as defined in Section 5, the Grantee will be allowed to retain all sales proceeds.
7. **FORECLOSURE.** The income-eligibility of subsequent purchasers and affordability restrictions applicable to this Property do not terminate after foreclosure on this Property.
8. **VIOLATION OF AGREEMENT BY GRANTEE.** Upon violation of the affordability requirements of this Agreement by the Grantee, Grantor shall give written notice thereof to Grantee. If such violation is not corrected to the satisfaction of Grantor within thirty (30) days after the date such notice is mailed, or within such further time as the Grantor in its sole discretion permits (but if such violation is of a nature that it cannot be cured within such thirty (30) day period, then so long as the Grantee commences to cure within such thirty (30) day period and diligently pursues such cure to completion within a reasonable period not to be considered a violation), Grantee may declare a default under this Agreement, effective on the date of such declaration of default and notice thereof to the Grantee, and upon such default Grantor may:
  - (a) Require that the Property be purchased by a household that meets the affordability requirements in Section 4.
  - (b) Require that the Grantee pay the Grantor an amount equal to the land value as determined by the most recent tax assessment.
9. **TERMS OF AGREEMENT; COVENANTS RUN WITH PROPERTY.** The requirements and agreements set forth in this Agreement shall be deemed to run with, bind, and burden the Property and shall be deemed to bind any New Buyer and any other future owners of the Property and the holder of any legal, equitable, or beneficial interest therein for the Affordability Period.
10. **INDEMNIFICATION.**
  - (a) The Grantee shall indemnify the Grantor and the Grantor's officers, agents, employees, or servants against, and hold them harmless from, liabilities, claims, damages, losses, and expenses, including but not limited to, legal defense costs, attorneys' fees, settlements, or judgments, whether by direct suit or from third parties, arising out of the Grantee's purchase of the Property in any claim or suit brought by a person or third party against the Grantor or the Grantor's officers, agents, employees, or servants.
  - (b) If a claim or suit is brought against the Grantor or the Grantor's officers, agents, employees, or servants, for which the Grantee is responsible pursuant to Subsection (a) above, the Grantee shall defend, at the Grantee's cost and expense, any suit or claim, and shall pay resulting claims, judgments, damages, losses, costs expenses, or settlements against the Grantor or the Grantor's officers, agents, employees, or servants.



**EXHIBIT A**

**LEGAL DESCRIPTION**

DESCRIPTION OF REAL ESTATE:

Lot 10 of O.A. Frailey's Second Subdivision, as per plat recorded in Plat Book "L" at page 9, situated in Champaign County, Illinois;

PIN: 91-21-07-277-007;

Commonly known as 1107 North Gregory Street, Urbana, Illinois

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WARRANTY DEED

THIS INDENTURE WITNESSETH, that the Grantor, THE CITY OF URBANA, ILLINOIS, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Illinois, for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, and pursuant to authority given by the City Council of the City of Urbana, Illinois, by virtue of Ordinance No. \_\_\_\_\_, CONVEYS AND WARRANTS to Homestead Corporation of Champaign-Urbana, an Illinois not-for-profit corporation, the following described real estate, to-wit:

DESCRIPTION OF REAL ESTATE

Lot 10 of O.A. Frailey's Second Subdivision, as per plat recorded in Plat Book "L" at page 9, situated in Champaign County, Illinois;

PIN: 91-21-07-277-007;

Commonly known as 1107 North Gregory Street, Urbana, Illinois

Subject to:

- (1) Real estate taxes for the year 2008 and subsequent years;
- (2) Covenants, conditions, restrictions, and easements apparent or of record;
- (3) All applicable zoning laws and ordinances.

IN WITNESSETH, said Grantor has caused its corporate seal to be affixed, and has caused its name to be signed to these presents by LAUREL LUNT PRUSSING, its Mayor, and attested by Phyllis D. Clark, its City Clerk, this \_\_\_\_ day of \_\_\_\_\_, 2009.

CITY OF URBANA, ILLINOIS

By: \_\_\_\_\_  
Laurel Lunt Prussing, Mayor

ATTEST:

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

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF CHAMPAIGN)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that LAUREL LUNT PRUSSING, personally known to me to be the Mayor of the City of Urbana, Illinois, the GRANTOR, and PHYLLIS D. CLARK, personally known to me to be the City Clerk of the City of Urbana, Illinois, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as Laurel Lunt Prussing, Mayor, and Phyllis D. Clark, City Clerk, they signed and delivered the said instrument and caused the corporate seal of the City to be affixed thereto, pursuant to authority given by the City Council of said City by virtue of Ordinance No. \_\_\_\_\_, as their free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this \_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Notary Public

Exempt under provisions of Paragraph (b), Section 4, Real Estate Transfer Act (35 ILCS 305/4(b)).

Deed Prepared By:  
Jack Waaler, Special Counsel  
City Attorney's Office  
City of Urbana  
400 South Vine Street  
Urbana, Illinois 61801

Return Deed, Send Tax Bill To:  
Homestead Corporation of  
Champaign-Urbana  
306 W. Griggs Street  
Urbana, Illinois 61801

QUIT CLAIM DEED

THIS INDENTURE WITNESSETH, that the Grantor, Homestead Corporation of Champaign-Urbana, an Illinois not-for-profit, for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, CONVEYS AND QUIT CLAIMS to THE CITY OF URBANA, ILLINOIS, a municipal corporation, of 400 South Vine Street, in the City of Urbana, County of Champaign, and the State of Illinois, all interest in the following described real estate, to wit:

DESCRIPTION OF REAL ESTATE

Lot 10 of O.A. Frailey's Second Subdivision, as per plat recorded in Plat Book "L" at page 9, situated in Champaign County, Illinois;

PIN: 91-21-07-277-007;

Commonly known as 1107 North Gregory Street, Urbana, Illinois

Subject to:

- (1) Real estate taxes for the year 2008 and subsequent years;
- (2) Covenants, conditions, restrictions, and easements apparent or of record;
- (3) All applicable zoning laws and ordinances.

Situated in the County of Champaign and State of Illinois hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

By: \_\_\_\_\_  
Aaron P. Smith, Executive Director

ATTEST:

By: \_\_\_\_\_  
Thomas Hodson, Board President



## CONTRACT FOR SALE OF REAL ESTATE

This Contract made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2009, by and between the City of Urbana, Illinois, a municipal corporation of the State of Illinois (hereinafter referred to as Seller), and Homestead Corporation of Champaign-Urbana, an Illinois not-for-profit corporation (hereinafter referred to as Buyer).

WITNESSETH:

IT IS MUTUALLY UNDERSTOOD AND AGREED BETWEEN THE PARTIES HERETO as follows:

1. Sale. Seller agrees to sell and convey, and Buyer agrees to buy, the following described parcel of real estate:

DESCRIPTION OF REAL ESTATE:

Lot 11 in O.A. Frailey's Second Subdivision, of the South East ¼, North East ¼, Section 7, Township 19 North, Range 9 East of the Third Principal Meridian, as per plat recorded in Book "L" of Plats at Page 9, situated in the City of Urbana, in Champaign County, Illinois;

PIN: 91-21-07-277-006;

Commonly known as 1109 North Gregory Street, Urbana, Illinois (hereinafter referred to as Subject Property).

2. Purchase Price. Seller agrees to convey title to Subject Property for One Dollar (\$1.00) and other consideration as described herein.
3. Evidence of Title. Within a reasonable time, Seller shall select and deliver one of the following to Buyer as evidence of title:
  - a. A copy of the title insurance policy issued to the City in connection with acquisition of Subject Property by the City; the City warrants that it has done nothing to encumber Subject Property since its acquisition of Subject Property; or
  - b. A commitment of title insurance issued by a title insurance company regularly doing business in Champaign County, committing the company to issue a policy in the usual form insuring title to Subject Property to Buyer for the amount of the Seller's purchase price or the minimum amount of title insurance, whichever is greater.

Permissible exceptions to title shall include only the lien of general taxes; zoning laws and building ordinances; easements, apparent or of record, which do not

underlie the improvements, if any; and covenants and restrictions of record which are not violated by the existing improvements or the present use of the property and which do not restrict reasonable use of the property.

Buyer shall point out in writing to Seller within a reasonable time after receipt of the evidence of title any objections that Buyer may have thereto and unless so pointed out the evidence of title shall be conclusively presumed to be accepted by Buyer.

Seller shall have a reasonable time to cure any objections actually interfering with or impairing the merchantability of the title to Subject Property. If Seller is unable to cure such objections and is unable to procure a title policy insuring over such objections, then Buyer shall have the option to terminate the Contract.

The evidence of title and title insurance shall be at the sole expense of the Seller.

4. Conveyance. Seller agrees to convey Subject Property to Buyer by good and sufficient Warranty Deed, subject to current general taxes, covenants, conditions, restrictions, easements apparent or of record, and to all applicable zoning laws and ordinances.

At the time of closing of this transaction, a Warranty Deed from Seller in favor of Buyer shall be recorded with the Champaign County Recorders' Office and delivered to Buyer.

At the same time, a Quit Claim Deed from Buyer in favor of Seller shall be placed in escrow with the City of Urbana Department of Community Development Services (hereinafter referred to as "(Escrow Agent)").

In the event that Buyer constructs a single-family residence on Subject Property and is issued a certificate of occupancy for said residence by the Urbana Building Safety Division on or before June 30, 2011, or on or before the date established in any modification to this Contract, the Escrow Agent shall destroy said Quit Claim Deed.

In the event that Buyer has not started construction of a single-family residence on Subject Property as of April 30, 2011, or as of the date established in any modification to this Contract, the Escrow Agent shall release said Quit Claim Deed to Seller.

In the event that Buyer has begun construction of a single-family residence on Subject Property as of June 30, 2011, or as of the date established in any modification to this Contract, but has not received a Certificate of Occupancy for said residence as of that date, Seller retains the right to pay Buyer, in care of the Escrow Agent, an amount equivalent to the value of improvements in place on Subject Property as of June 30, 2011, or as of the date established in any modification to this Contract, taking credit against said amount for any outstanding liens or encumbrances against Subject Property, said liens including real estate taxes prorated up to the date Seller assumes possession under this paragraph, and for any fees or professional expenses incurred by the Seller as a result of the assumption of the Subject Property under this paragraph. Said value shall be

certified to both Buyer and Seller by an architect licensed by the State of Illinois, doing business in Champaign County, Illinois and mutually acceptable to Buyer and Seller. The Escrow Agent shall deliver said payment to Buyer, and release and record said Quit Claim Deed with the Champaign County Recorders Office and deliver to the Seller.

Any and all escrow charges shall be paid by Buyer.

5. Taxes and Assessments. Seller shall pay all special assessments confirmed prior to the date of this Contract and real estate taxes assessed against Subject Property for 2008 payable in 2009 up to the date of possession. Buyer shall pay all special assessments and real estate taxes assessed against Subject Property after the date of possession

Buyer shall promptly pay all bills for utilities and taxes associated with Buyer's possession and use of Subject Property, including but not limited to water, gas, electric, cable television, sewage treatment, and sewer benefit taxes.

6. Condition of Subject Property. Buyer agrees to accept Subject Property in its "as-is" condition, and Seller disclaims all warranties express or implied as to the condition of Subject Property.
7. Compliance with Development Codes. Any residence constructed pursuant to this Contract shall be constructed in accordance with all applicable land development, zoning, and building codes, and the visitability standards of the City of Urbana, Illinois, and with any and all covenants recorded for the subdivision in which Subject Property is located. Buyer shall be responsible for obtaining and paying for all permits required under said codes.
8. House Design. Any residence constructed pursuant to this Contract shall be substantially compatible in design and quality of construction with drawings previously submitted by Buyer to the City of Urbana. Prior to issuance of any building permit by the Building Safety Division of the City of Urbana, Illinois, the Grants Management Division Manager of the Department of Community Development Services of the City of Urbana, Illinois, acting on behalf of the City, may request alterations to the proposed house design so as to comply with this Section.
9. Use of Subject Property. The primary purpose of Buyer activities undertaken pursuant to this Contract shall be construction of a single-family residence for sale to a low-income household through the Buyer's Homeownership Program. To ensure the residence constructed remains affordable housing occupied by a low-income household, a Land-Use Regulatory Agreement in substantially the form set forth as ATTACHEMENT A to this contract must be signed by all grantees to whom Habitat for Humanity conveys the subject parcel and recorded at the time of closing of such transaction. The City of Urbana Indirect Homebuyer Assistance Land-Use Regulatory Agreement attached hereto and incorporated herein, is an essential part of this contract.

10. Limitation on Subsequent Sale of Subject Property. Any residence constructed by Buyer on Subject Property pursuant to this Contract may subsequently be sold by Buyer only to a family having income at or below 80 percent of median family income for Champaign County based on household size. Applicable income limits are those certified by the Grants Management Division Manager of the Department of Community Development Services of the City of Urbana, Illinois, acting on behalf of the City, to be in effect at the time Buyer accepts a household into its Homeownership Program. Buyer shall keep record of compliance with this Section on file for inspection by representatives of the City and the U.S. Department of Housing and Urban Development.
11. Property Maintenance. Buyer agrees to keep Subject Property properly mowed and free of excess vegetation and debris at all times from the date of this contract. Buyer shall neither suffer nor commit any waste on or to Subject Property. Buyer agrees to promptly respond to any notices received from the City of Urbana, Illinois, with regard to violation of the City's nuisance codes and to promptly correct any violation cited by said City. Buyer shall promptly pay all bills or charges incurred for materials, services, labor, or other like items that may create encumbrances against Subject Property. Buyer will become responsible for all property maintenance as of the date of this Contract.
12. Construction Schedule. Buyer agrees to construct a single-family residence on Subject Property such that a Certificate of Occupancy is issued for the newly constructed residence by the Urbana Building Safety Division on or before June 30, 2011, or, on or before a date established in any modification to this Contract.
13. Storage of Building Materials. Building materials needed to construct any residence pursuant to this Contract shall be stored within property lines and shall not be placed in the public right-of-way.
14. Seller Held Harmless. Buyer agrees to indemnify and hold Seller, its officers, agents, and employees, harmless for any liability or damages of any nature or kind concerning undertaking of any activity pursuant to this Contract, including reasonable attorneys' fees incurred in defending against any such claim.
15. Assignment. Buyer shall not assign this Contract without prior written consent of Seller to such assignment; provided, however, that Seller shall not unreasonably withhold such consent and further provided that no such assignment shall act as a discharge or release of Buyer's liability under this Contract.
16. Possession. City shall deliver possession of Subject Property to Buyer concurrently with closing of this transaction.
17. Default. If Buyer fails to perform any obligation imposed upon it by this Contract, Seller may serve written notice of default upon Buyer and if such default is not corrected within ten (10) days thereafter, this Contract shall terminate. In the event of failure of Seller to perform obligations imposed upon it by this Contract, Buyer may terminate this Contract

upon similar notice served upon Seller and similar expiration of time period. The foregoing remedies in the event of default are not intended to be exclusive, and the parties shall have the right to all other lawful remedies, including specific performance. Default by Seller or Buyer shall entitle the non-defaulting party to claim as damages all reasonable costs, attorneys' fees, and expenses in connection with enforcement of this Contract.

18. Notices. Any notice required under this Contract to be served upon Seller or Buyer shall be mailed by certified mail to such parties at the address shown herein following their signatures, or at such other place as the parties may from time to time designate in writing.
19. Modification. No modification or extension of this Contract shall be effective unless in writing and executed by the parties hereto.
20. Terms Binding. All terms of this Contract shall be binding upon the heirs, legatees, devisees, representatives, and assignees of the parties.

IN WITNESS WHEREOF, the parties have executed this Contract as of the day and year first above written.

SELLER:

City of Urbana, Illinois  
400 South Vine Street  
Urbana, Illinois 61801

BY:

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

ATTEST:

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

BUYER:

Homestead Corporation of  
Champaign-Urbana  
306 West Griggs Street  
Urbana, Illinois 61801

BY:

\_\_\_\_\_  
Aaron P. Smith, Executive Director

ATTEST:

\_\_\_\_\_  
Thomas Hodson, Board President

ATTACHMENT A

**CITY OF URBANA  
INDIRECT HOMEBUYER ASSISTANCE  
LAND-USE REGULATORY AGREEMENT**

THIS LAND-USE REGULATORY AGREEMENT (the “Agreement”) is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between \_\_\_\_\_ (the “Grantee”), and the City of Urbana, Illinois, a unit of local government having its principal offices at 400 South Vine Street, Urbana, Illinois 61801 (the “Grantor”).

**RECITALS**

- A. The Grantor receives funds to promote affordable housing from the U.S. Department of Housing and Urban Development (“HUD”) through the HOME Investment Partnerships Program (the “HOME Program”), as authorized by Title II of the National Affordable Housing Act of 1990 (P.L. 101-165) (the “HOME Act”) and the regulations promulgated thereunder and codified at 24 CFR Part 92 (the “HOME Regulations”), as may be amended and supplemented from time to time. All capitalized terms used herein and not otherwise defined shall have the meaning established in the HOME Act and the HOME Regulations.
- B. The Grantor receives funds to promote affordable housing from HUD through the Community Development Block Grant Program (the “CDBG Program”), as authorized by the Housing and Community Development Act of 1974 (the “CDBG Act”) and the regulations promulgated thereunder and codified at 24 CFR Part 570 (the “CDBG Regulations”), as may be amended and supplemented from time to time. All capitalized terms used herein and not otherwise defined shall have the meaning established in the CDBG Act and the CDBG Regulations.
- C. The Grantor has elected to utilize funds from the **CDBG** Programs to promote homeownership to low-income families through which the Grantor acquired and prepared property commonly known as 1109 North Gregory Street, Urbana, Illinois, more particularly described in Exhibit A (the “Property”) for conveyance to Homestead Corporation of Champaign-Urbana (hereinafter “Homestead”) for use in Homestead’s new-construction homeownership program.
- D. The Grantor has determined that the rights and restrictions granted herein to the Grantee serve the public’s interest in the creation and retention of affordable housing for low-income persons and families in the restriction of whom the Property may be resold to in order to assure the property’s affordability by future low-income purchasers.

- E. Pursuant to City of Urbana Community Development Department Policy, eligible purchasers such as the Grantee are given the opportunity to purchase the Property through Homestead below the property's appraised fair market value if the Grantee agrees to convey the property on resale to an income eligible purchaser.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. **RECITALS.** The foregoing recitals are made a part of this Agreement.
2. **GENERAL CONDITIONS.** This Agreement shall be subject to, and Grantee agrees to comply with the terms and conditions of the HOME and CDBG Acts and Regulations, as amended and supplemented from time to time.
3. **GRANTEE CERTIFICATIONS.** The Grantee certifies to the Grantor the following.
  - (a) **Title.** Homestead has transferred ownership of the Property to the Grantee. Grantee holds fee simple title to the Property.
  - (b) **Residence.** Grantee will use the Property as Grantee's primary place of residence for a period of ten (10) years from the date of this Agreement.
  - (c) **Household Income.** At the time of purchase, the Grantee's family income does not exceed eighty percent (80.0%) of the median family income based upon family size, for Champaign County, Illinois as determined by HUD, and as certified by the City of Urbana, Grants Management Division.
4. **AFFORDABILITY REQUIREMENTS.** The Grantee agrees that this Agreement shall restrict the subsequent sale of the Property to a household having income at or below eighty percent (80.0%) of the median family income based upon family size, for Champaign County, Illinois as determined by HUD, and as certified by the City of Urbana, Grants Management Division.

This requirement will terminate ten (10) years from the date of this Agreement.

5. **ACTS REQUIRING GRANTOR'S APPROVAL.** Grantee shall not convey or transfer or encumber the Property, or permit the conveyance or transfer of the Property or any part thereof without the written approval from the Grantor.

In order to transfer the Property, the Grantor must document the household income of any new buyer to ensure that the new household's income is at or below eighty (80.0%) of the median family income based upon family size for Champaign County, Illinois as determined by HUD, and as certified by the City of Urbana, Grants Management Division.

6. **PROPERTY TRANSFER.** If Grantee transfers ownership of the Property during the affordability period as defined in Section 4, and the Property is transferred to a low-income family as defined in Section 5, the Grantee will be allowed to retain all sales proceeds.
7. **FORECLOSURE.** The income-eligibility of subsequent purchasers and affordability restrictions applicable to this Property do not terminate after foreclosure on this Property.
8. **VIOLATION OF AGREEMENT BY GRANTEE.** Upon violation of the affordability requirements of this Agreement by the Grantee, Grantor shall give written notice thereof to Grantee. If such violation is not corrected to the satisfaction of Grantor within thirty (30) days after the date such notice is mailed, or within such further time as the Grantor in its sole discretion permits (but if such violation is of a nature that it cannot be cured within such thirty (30) day period, then so long as the Grantee commences to cure within such thirty (30) day period and diligently pursues such cure to completion within a reasonable period not to be considered a violation), Grantee may declare a default under this Agreement, effective on the date of such declaration of default and notice thereof to the Grantee, and upon such default Grantor may:
  - (a) Require that the Property be purchased by a household that meets the affordability requirements in Section 4.
  - (b) Require that the Grantee pay the Grantor an amount equal to the land value as determined by the most recent tax assessment.
9. **TERMS OF AGREEMENT; COVENANTS RUN WITH PROPERTY.** The requirements and agreements set forth in this Agreement shall be deemed to run with, bind, and burden the Property and shall be deemed to bind any New Buyer and any other future owners of the Property and the holder of any legal, equitable, or beneficial interest therein for the Affordability Period.
10. **INDEMNIFICATION.**
  - (a) The Grantee shall indemnify the Grantor and the Grantor's officers, agents, employees, or servants against, and hold them harmless from, liabilities, claims, damages, losses, and expenses, including but not limited to, legal defense costs, attorneys' fees, settlements, or judgments, whether by direct suit or from third parties, arising out of the Grantee's purchase of the Property in any claim or suit brought by a person or third party against the Grantor or the Grantor's officers, agents, employees, or servants.
  - (b) If a claim or suit is brought against the Grantor or the Grantor's officers, agents, employees, or servants, for which the Grantee is responsible pursuant to Subsection (a) above, the Grantee shall defend, at the Grantee's cost and expense, any suit or claim, and shall pay resulting claims, judgments, damages, losses, costs expenses, or settlements against the Grantor or the Grantor's officers, agents, employees, or servants.



**EXHIBIT A**

**LEGAL DESCRIPTION**

DESCRIPTION OF REAL ESTATE:

Lot 11 in O.A. Frailey's Second Subdivision, of the South East ¼, North East ¼, Section 7, Township 19 North, Range 9 East of the Third Principal Meridian, as per plat recorded in Book "L" of Plats at Page 9, situated in the City of Urbana, in Champaign County, Illinois;

PIN: 91-21-07-277-006;

Commonly known as 1109 North Gregory Street, Urbana, Illinois

---

WARRANTY DEED

THIS INDENTURE WITNESSETH, that the Grantor, THE CITY OF URBANA, ILLINOIS, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Illinois, for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, and pursuant to authority given by the City Council of the City of Urbana, Illinois, by virtue of Ordinance No. \_\_\_\_\_, CONVEYS AND WARRANTS to Homestead Corporation of Champaign-Urbana, an Illinois not-for-profit corporation, the following described real estate, to-wit:

DESCRIPTION OF REAL ESTATE

Lot 11 in O.A. Frailey's Second Subdivision, of the South East ¼, North East ¼, Section 7, Township 19 North, Range 9 East of the Third Principal Meridian, as per plat recorded in Book "L" of Plats at Page 9, situated in the City of Urbana, in Champaign County, Illinois;

PIN: 91-21-07-277-006;

Commonly known as 1109 North Gregory Street, Urbana, Illinois

Subject to:

- (1) Real estate taxes for the year 2008 and subsequent years;
- (2) Covenants, conditions, restrictions, and easements apparent or of record;
- (3) All applicable zoning laws and ordinances.

IN WITNESSETH, said Grantor has caused its corporate seal to be affixed, and has caused its name to be signed to these presents by LAUREL LUNT PRUSSING, its Mayor, and attested by Phyllis D. Clark, its City Clerk, this \_\_\_\_ day of \_\_\_\_\_, 2009.

CITY OF URBANA, ILLINOIS

By: \_\_\_\_\_  
Laurel Lunt Prussing, Mayor

ATTEST:

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

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF CHAMPAIGN)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that LAUREL LUNT PRUSSING, personally known to me to be the Mayor of the City of Urbana, Illinois, the GRANTOR, and PHYLLIS D. CLARK, personally known to me to be the City Clerk of the City of Urbana, Illinois, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as Laurel Lunt Prussing, Mayor, and Phyllis D. Clark, City Clerk, they signed and delivered the said instrument and caused the corporate seal of the City to be affixed thereto, pursuant to authority given by the City Council of said City by virtue of Ordinance No. \_\_\_\_\_, as their free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this \_\_\_\_ day of \_\_\_\_\_, 2009.

\_\_\_\_\_  
Notary Public

Exempt under provisions of Paragraph (b), Section 4, Real Estate Transfer Act (35 ILCS 305/4(b)).

Deed Prepared By:

Jack Waaler, Special Counsel  
City Attorney's Office  
City of Urbana  
400 South Vine Street  
Urbana, Illinois 61801

Return Deed, Send Tax Bill To:

Homestead Corporation of  
Champaign-Urbana  
306 W. Griggs Street  
Urbana, Illinois 61801

QUIT CLAIM DEED

THIS INDENTURE WITNESSETH, that the Grantor, Homestead Corporation of Champaign-Urbana, an Illinois not-for-profit, for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, CONVEYS AND QUIT CLAIMS to THE CITY OF URBANA, ILLINOIS, a municipal corporation, of 400 South Vine Street, in the City of Urbana, County of Champaign, and the State of Illinois, all interest in the following described real estate, to wit:

DESCRIPTION OF REAL ESTATE

Lot 11 in O.A. Frailey's Second Subdivision, of the South East ¼, North East ¼, Section 7, Township 19 North, Range 9 East of the Third Principal Meridian, as per plat recorded in Book "L" of Plats at Page 9, situated in the City of Urbana, in Champaign County, Illinois;

PIN: 91-21-07-277-006;

Commonly known as 1109 North Gregory Street, Urbana, Illinois

Subject to:

- (1) Real estate taxes for the year 2008 and subsequent years;
- (2) Covenants, conditions, restrictions, and easements apparent or of record;
- (3) All applicable zoning laws and ordinances.

Situated in the County of Champaign and State of Illinois hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2009.

By: \_\_\_\_\_  
Aaron P. Smith, Executive Director

ATTEST:

By: \_\_\_\_\_  
Thomas Hodson, Board President





**AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE**

**(1107 N. Gregory and 1109 N. Gregory)**

WHEREAS, Subsection (a), entitled "Sale of real estate," of Section 2-118, entitled "Purchase, sale, lease, etc., of real estate," of the Code of Ordinances, City of Urbana, Illinois, provides that any real estate owned by the City of Urbana may be sold in any manner prescribed by the City Council in an ordinance authorizing such sale; and

WHEREAS, the requirements of said Subsection (a) of Section 2-118 for a public hearing and for the required notice for such public hearing were met by publishing appropriate notice in the News Gazette on January 12, 2003 and a public hearing was held at 7:00 PM on January 28, 2003; and

WHEREAS, the City Council now desires to sell the real estate commonly known as 1107 N. Gregory and 1109 N. Gregory, which said properties have heretofore been acquired under the Community Development Program, in accordance with said Subsection (a) of Section 2-118 and the policy heretofore established with respect thereto; and

WHEREAS, the City Council expressly finds and declares that said real estate is not needed for governmental purposes or proprietary activity of the City of Urbana; and

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

Section 1. That the said real estate be sold to Yvette Gray Brown for \$10,000.

Section 2. That the said real estate dispositions be completed by June 30, 2003.

Section 5. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute all necessary deeds and documents required for the lot dispositions on behalf of the City of Urbana, Illinois.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called of three-fourths (3/4<sup>th</sup>'s) of the members of the City Council of the City of Urbana, Illinois, at a regular meeting of said City Council.

PASSED by the City Council this 17th day of March,  
2003 .

AYES: Chynoweth, Hayes, Huth, Patt, Whelan, Wyman

NAYS:

ABSTAINS:

  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this 31<sup>st</sup> day of March,  
2003 .

  
Tod Satterthwaite, Mayor



Community Development Services  
400 South Vine Street  
Urbana, IL 61801  
(217) 384-2444  
FAX (217) 384-0200

January 15, 2009

Yvette Gray-Brown  
Peter Pan Too Learning Center  
502 W. Clark Street, Suite 1  
Champaign, IL 61820-4699

RE: Notice of City intent to repeal An Ordinance Authorizing the Sale of Certain Real Estate  
(1107 N. Gregory and 1109 N. Gregory, Urbana)

Dear Mrs. Brown:

Pursuant to my telephone conversation with you on January 14, 2009, I am sending this letter via Certified Mail to notify you that the City intends to repeal Ordinance number 2003-03-024 which called for the City to sell the real estate located at 1107 and 1109 North Gregory Street, Urbana to you for \$10,000.

In April 2007, Libby Tyler and I visited with you at 1108 North Harvey Street, during which time we discussed the possibility expanding Peter Pan Daycare on the existing site in lieu of acquiring 1107 and 1109 North Gregory Street for expansion. Ms. Tyler sent you a letter dated April 30, 2007 that provided information and requirements that would need to be met in order for Peter Pan to expand within the boundaries of its existing site. The letter explained that a local non-profit affordable housing developer (Habitat for Humanity) had expressed interest in the Gregory Street lots. Habitat subsequently decided not to pursue the Gregory Street lots. However, the City recently received a request from the Homestead Corporation of Champaign-Urbana for the properties to be conveyed to Homestead for the development of affordable housing.

Based on our January 14, 2009 conversation, you stated that you were no longer interested in the lots at 1107 and 1109 North Gregory Street for expansion purposes, and as such, would have no complaint if the Urbana City Council repeals Ordinance 2003-03-024 and decides to convey the lot to another party.

Please call me at 384-2447 if you have any questions or concerns regarding this notice.

Sincerely,

John A. Schneider  
Manager, Grants Management Division



**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
*(Domestic Mail Only; No Insurance Coverage Provided)*

7002 0510 0002 4318 6232

CD--GMD

Postage	\$ .42
Certificate Fee	2.70
Return Receipt Fee (Endorsement Required)	2.20
Restricted Delivery Fee (Endorsement Required)	
<b>Total Postage &amp; Fees</b>	<b>\$ 5.32</b>

CITY OF URBANA  
 RECEIVED  
 Postmark  
 Here  
 CITY CLERKS OFFICE

Sent To **Yvette Gray-Brown, Peter Pan Too**  
 Street, Apt. No. or PO Box No. **502 W. Clark St, Suite 1**  
 City, State, ZIP+4 **Champaign, IL 61820-4699**

PS Form 3800, January 2001 See Reverse for Instructions

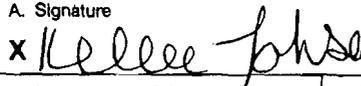
**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Yvette Gray-Brown  
 Peter Pan Too Learning Ctr  
 502 W. Clark St, Suite 1  
 Champaign, IL 61820-4699

2. Article Number  
 (Transfer from service label)

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
  Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery  
1-28-04

D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

7002 0510 0002 4318 6232



**UNAPPROVED**  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**Tuesday, April 28, 2009, City Council Chambers**  
**400 South Vine Street, Urbana, IL 61801**

**Call to Order:** Chairperson Cobb called the meeting to order at 7:02 p.m.

**Roll Call:** Connie Eldridge called the roll. A quorum was present.

**Commission Members Present:** Fred Cobb, Janice Bengtson, Chris Diana, George Francis, Jerry Moreland, Brad Roof, Anne Heinze Silvis,

**Commission Members Absent:** Theresa Michelson, Dennis Vidoni

**Others Present:** John Schneider, Janel Gomez, Randy Burgett and Connie Eldridge, Community Development Services; Aaron P. Smith, Homestead Corporation of Champaign-Urbana (Homestead).

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the March 24, 2009 minutes. Commissioner Francis moved to approve the minutes, and Commissioner Roof seconded the motion. The motion carried unanimously.*

**Petitions and Communications:** None.

**Staff Report:** Mr. Schneider provided updates and distributed the following: a staff briefing memorandum dated April 28, 2009; the City of Urbana and Urbana HOME Consortium Minority Business Enterprise/Women Business Enterprise (MBE/WBE) report for the U.S. Department of Housing and Urban Development (HUD); Champaign County Computer & Electronics Recycling Event flyer; Amendment to Annual Action Plan Fiscal Year (FY) 2004-2005; Amendment to Annual Action Plans FY 2006-2007, 2007-2008, and 2008-2009.

HUD has notified the City of Urbana about mandatory training regarding the Supportive Housing Program and Shelter Plus Care Financial Management on May 12, 2009.

City Council approved the amendment to the Ecological Construction Laboratory (e-co lab) agreement and the two resolutions on Private Activity Bond Issues.

The closing for 1007 West Fairview Avenue is delayed while waiting for Federal Home Administration (FHA) approval. FHA is a division of HUD.

Neighborhood Cleanup is scheduled for Saturday, May 9.

Ms. Gomez stated there have been many requests to subordinate HOME mortgages, including American Dream Downpayment Initiative (ADDI). Homeowners are improving their interest rate on their first mortgages, which helps them build equity faster. Commissioner Roof asked if

there is a requirement for a traditional mortgage. Ms. Gomez answered yes, and the homeowner must not receive cash out and must save at least 1% on their interest rate.

Kelly Hartford, CDBG Grant Coordinator, processed 43 Consolidated Social Service Fund (CSSF) grant applications, which requested a total of \$540,000. She will use the Community Development (CD) Commission recommendations to choose programs for Community Development Block Grant (CDBG) Public Service funds.

The City of Urbana's Transitional Housing (TH) Program has accepted 35 applications.

Money Smart Week (April 18-25, 2009) culminated with the Annual Housing Fair Seminar on Saturday, April 25.

The City has transferred the lot at 1306 West Dublin Street to Habitat for Humanity. Also, City Council approved purchase of 1410 West Eads Street, and staff is preparing the demolition bid.

Staff completed the closing for Crystal View Townhomes on April 13, 2009. The CD Commission will be among those invited to the May 20, 2009 groundbreaking ceremony.

Referencing the listing of subcontracts awarded on the MBE/WBE report, Chairperson Cobb inquired about any minorities who attempted to participate but were denied or unsuccessful. Mr. Burgett replied that all contractors are preapproved, and Grants Management Division (GMD) programs require low bid. The general contractor is responsible for hiring their subcontractors. He did not know whether or not they bid out their contracts. Mr. Schneider added that every contractor who contacts GMD is given information about the Contractor Bidders List. Contractors must have experience, insurance, and licenses. Staff has tried to recruit minority contractors; however, it remains a challenge. GMD encourages general contractors to use qualified minority contractors.

Chairperson Cobb was concerned that minority or women-owned businesses may be unsuccessful when they attempt to get on the list and/or bid on projects. Mr. Burgett replied that when a contractor contacts the City, he goes through the entire packet with them. If they are a subcontractor, he provides a list of preapproved contractors to contact. Contractors must have licensed lead abatement worker on their staff.

Chairperson Cobb asked if Randy Burgett was the contact person, and Mr. Burgett answered yes. Mr. Schneider reviewed GMD's advertisement process, noting it is not easy to find contractors. His personal experience with minority business contractors is that they are encouraged to apply and participate. Usually those contractors are also doing work at the University of Illinois, which is more lucrative.

Chairperson Cobb clarified that he wanted to raise consciousness. Mr. Burgett noted that the City of Champaign, Village of Rantoul, and Champaign County are also looking for minority businesses. All government entities share their MBE/WBE contact information.

Commissioner Roof asked if there was a target for a mix, if there were goals on how to diversify award of contracts, and if HUD had any requirements. Mr. Schneider said that HUD requires the

City submit the MBE/WBE report but does not have a target. The staff works hard toward meeting a goal that reflects minority representation in the area. Many minority contractors use the City as a springboard to bigger and more lucrative jobs. It is always a challenge just to get any qualified contractors to our projects, let alone minority contractors.

Commissioner Francis asked about Category 0 on page 3. Mr. Burgett answered that 0 is used for demolition (SHEDAWAY) projects. He added this report includes a compilation of information from HOME projects for the Cities of Urbana, Champaign, and Champaign County.

Commissioner Roof asked about comparing data relative to a pool of available contractors to this list. Mr. Schneider noted the City did not have access to that information. HUD looks at the general population of an area. Commissioner Roof commented that it did not mean the population was doing this type of work. Mr. Schneider described how Section 3 project contractors must advertise for low income workers in the immediate neighborhood of a project. Chairperson Cobb stated the State of Illinois publishes labor statistics, which the University of Illinois and Office of Federal Contract Compliance use. He noted the City does not use that in its operations and to set goals for an area.

**Old Business:** None.

**New Business:** **An Ordinance Repealing Ordinance No. 2003-03-024 and Approving and Authorizing the Sale of Certain Real Estate (1107 North Gregory Street and 1109 North Gregory Street / Homestead Corporation of Champaign-Urbana)** – Mr. Schneider gave an overview of this issue. The City needs to repeal the ordinance that would have transferred these properties to Peter Pan Daycare. Because Yvette Gray Brown, the owner/operator, has decided not to expand Peter Pan Daycare except on her property, this action would transfer the two properties to Homestead Corporation for development of affordable housing.

Mr. Burgett noted the City of Urbana purchased and cleared the two properties in 1992 and 1994 with Community Development Block Grant (CDBG) funds. This was during the Eads Street Subdivision project. At that time the two lots were left vacant for the possible future expansion of Peter Pan Daycare. Now Homestead Corporation would like to acquire the two lots and build affordable housing, thus closing out the Eads Subdivision. Staff recommends this action, which would also reduce the number of lots the City currently maintains and mows.

Referencing the original contract to sell the properties to Peter Pan, Commissioner Roof asked why there was a purchase price of \$10,000. Mr. Burgett explained that was the sale price based on an appraisal to a business. Mr. Schneider mentioned the real estate and public hearing processes when the City sells a property. With Grants Management Division programs, there is an ordinance to provide lots at no cost to CHDOs for the purpose of developing affordable housing. He clarified that Peter Pan Daycare would not qualify since it is not a not-for-profit organization.

Referencing the original ordinance, Commissioner Diana noted it required disposition of the real estate by June 30, 2003. He asked if the ordinance no longer applied since the deadline had passed. Mr. Schneider answered that the City's Legal Division had determined staff should notify Yvette Brown and repeal the ordinance to make the procedure completely clean.

*Commissioner Moreland moved to recommend to City Council approval of an Ordinance Repealing Ordinance No. 2003-03-024 and Approving and Authorizing the Sale of Certain Real Estate (1107 North Gregory Street and 1109 North Gregory Street) to Homestead Corporation of Champaign-Urbana. Commissioner Bengtson seconded the motion, and the motion carried unanimously.*

**A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2009-2010 (Homestead Corporation of Champaign-Urbana) -**

**A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2009-2010 (Ecological Construction Laboratory) -** Chairperson Cobb stated these two agenda items would be considered together. Ms. Gomez indicated the same information applied to both CHDOs. HUD requires that CHDOs be recertified periodically, and the Urbana HOME Consortium decided to do this annually. Staff has conducted on-site monitoring and has determined both CHDOs have met the recertification requirements. Those are: maintaining not-for-profit status, adequate capacity for affordable housing development, board member makeup, and outreach to the low income community. Ms. Gomez felt both CHDOs were doing well.

Chairperson Cobb asked how the Annual Action Plan (AAP) would be affected if the Consortium did not approve CHDO recertification,. Mr. Schneider stated that CHDOs understand that, once they are certified as a CHDO, they will be recertified as long as they maintain this status. This was an administrative process with documentation to the file.

In response to Commissioner Roof, Ms. Gomez stated that a CHDO board must include one-third from the low income community and no more than one-third from public officials. The CHDOs find this difficult to maintain, and they continually do outreach. She clarified the CHDO board of directors provides checks and balances, oversees expenditures, etc.

*Commissioner Silvis moved to recommend to City Council approval of Resolutions Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2009-2010 for Homestead Corporation of Champaign-Urbana and Ecological Construction Laboratory. Commissioner Bengtson seconded the motion, and the motion carried unanimously.*

**Adjournment:** *Commissioner Roof moved to adjourn the meeting, and Commissioner Moreland seconded the motion. Chairperson Cobb adjourned the meeting at 7:45 p.m.*

Recorded by Connie Eldridge