



**DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES**

*Grants Management Division*

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

**TO:** Mayor Laurel Lunt Prussing

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

**DATE:** September 23, 2009

**SUBJECT: AN ORDINANCE TO REPEAL AND MAKE VOID ORDINANCE NO. 2008-09-093, "AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE TO ECOLOGICAL CONSTRUCTION LABORATORY FOR AFFORDABLE HOUSING DEVELOPMENT (901 NORTH DIVISION AVENUE)"**

**AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (1302 WEST DUBLIN STREET TO ECOLOGICAL CONSTRUCTION LABORATORY FOR AFFORDABLE HOUSING DEVELOPMENT)**

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## **Description**

Included on the agenda of the September 28, 2009 meeting of the Urbana Committee of the Whole is an ordinance to repeal the sale of 901 North Division Avenue to Ecological Construction Laboratory (e-co lab) and an ordinance authorizing the sale of the City-owned property located at 1302 West Dublin Street to Ecological Construction Laboratory for affordable housing development.

## **Issues**

The issue is whether the Urbana City Council should approve the Ordinances.

## **Background**

On September 2, 2008, the Urbana City Council approved the ordinance authorizing the sale of the City-owned property at 901 North Division to e-co lab. In August 2009, when e-co lab began the process to prepare for construction of a Super Energy Efficient home on this site, it was discovered that there is no available sanitary sewer connection. The sanitary sewer for the property had been connected to the Lakeside Terrace private sewer line, which was removed as part of the Crystal View redevelopment project.

The Engineering Division of Urbana Public Works Department has begun the process to extend the new sewer line, which was installed as part of the Crystal View Townhomes project, to properties on Division Avenue as needed. However, the process to install the sewer extension, including sewer design, the Environmental Protection Agency (EPA) permitting process, and actual construction, will not be completed until Spring 2010. Because e-co lab has not yet executed the contract document for the purchase of 901 North Division, approving the ordinance to repeal the sale of this property to e-co lab would void the transaction, and the City would retain ownership for future use after completion of the sanitary sewer work.

The lot at 1302 West Dublin has been identified as a suitable alternative site on which e-co lab can develop the Super Energy Efficient home in a more timely manner. This property was recently acquired through the Grants Management Division's Property Acquisition Program, and the site was cleared using Community Development Block Grant funds. This program allows the City to purchase, clear, improve and maintain lots in order to promote and support the development of affordable housing opportunities. The City has accomplished this goal in the past by conveying such properties to non-profit housing developers for affordable housing development.

The sales contract for 1302 West Dublin calls for the City to transfer the property by recording a warranty deed in favor of e-co lab with the Champaign County Recorder of Deeds. In case of default by e-co lab, to ensure that the City is protected, a Quit Claim deed, executed by e-co lab in favor of the City, will be placed in escrow with the Department of Community Development Services, who will serve as the "Escrow Agent." The contract includes a December 30, 2010 deadline for completion of home construction. Upon completion of the home, a Certificate of Occupancy will be issued, and the Escrow Agent will destroy the Quit Claim Deed. If e-co lab has not begun construction of a single-family residence on the subject property by September 30, 2010, the City may file the Quit Claim deed and recover ownership of the property.

As a Community Housing Development Organization (CHDO), e-co lab receives Urbana HOME Consortium funds to provide affordable housing opportunities. In the past, the City of Urbana provided lots at 1005 and 1007 West Fairview Avenue for affordable housing development by e-co lab on which e-co lab has constructed single-family, owner-occupied homes.

Conveying this lot, which is located in Census Tract 53 in the King School Neighborhood, will continue to provide affordable housing opportunities in Urbana.

The proposed ordinance for sale of 1302 West Dublin Street, contract, and associated attachments, are attached to this memorandum. The income-qualified homebuyer will be required to execute an agreement (Mortgage and Promissory note) in accordance with the HOME Program regulations. This ensures the home would remain affordable to income-qualified families during the prescribed affordability period, which is based on the amount of HOME Program funds utilized for buyer assistance.

At its September 22, 2009 regular meeting, the Urbana Community Development Commission voted to forward the ordinances to the Urbana City Council with a recommendation for approval (7 ayes, 1 nay).

## **Options**

1. Approve the Ordinances.
2. Approve the Ordinances with changes.
3. Do not approve the Ordinances.

## **Fiscal Impacts**

There is no impact to the City budget. Providing the lot at 1302 West Dublin Street to e-co lab would allow them to proceed with construction of another affordable, energy efficient home. The home constructed at this site would generate real estate taxes and have a positive effect on surrounding property values. If the lot is not conveyed to e-co lab, the City would continue to pay for ongoing maintenance.

## **Recommendations**

The Urbana Community Development Commission and City staff recommend Council approve the ordinances.

**Memorandum Prepared By:**

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**Randy Burgett**  
**Housing Rehabilitation Coordinator**

## **Attachments:**

1. AN ORDINANCE TO REPEAL AND MAKE VOID ORDINANCE NO. 2008-09-093 “AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE TO ECOLOGICAL CONSTRUCTION LABORATORY FOR AFFORDABLE HOUSING DEVELOPMENT (901 NORTH DIVISION AVENUE)”
2. Site map location of 1302 West Dublin
3. AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (1302 West Dublin Street to Ecological Construction Laboratory for Affordable Housing Development)
4. Sales Contract
5. Warranty Deed
6. Quit Claim Deed

ORDINANCE NO. 2009-09-109

**AN ORDINANCE TO REPEAL AND MAKE VOID ORDINANCE NO. 2008-09-093  
"AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL  
ESTATE TO ECOLOGICAL CONSTRUCTION LABORATORY FOR  
AFFORDABLE HOUSING DEVELOPMENT  
(901 NORTH DIVISION AVENUE"**

WHEREAS, at its September 2, 2008 meeting the Urbana City Council approved Ordinance No. 2008-09-093 authorizing the sale of 901 North Division Avenue to Ecological Construction Laboratory, and Ecological Construction Laboratory has never executed the contract for sale of said property.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, that said Ordinance No. 2008-09-093 and every part thereof be and the same is hereby repealed and made void.

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

AYES:

NAYS:

ABSTAINS:

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

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

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Laurel Lunt Prussing, Mayor