



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Mayor Laurel Lunt Prussing, Urbana City Council

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

DATE: July 14, 2011

SUBJECT: AN ORDINANCE APPROVING A MINOR AMENDMENT TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM ANNUAL ACTION PLANS FY 2010-2011 AND FY 2011-2012

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION DEVELOPER AGREEMENT (Champaign County Neighborhood Alliance for Habitat Affordable Homeownership Program FY 2011-2012)

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION SPONSOR AGREEMENT (Homestead Corporation of Champaign-Urbana 510 E. Beardsley Project FY 2011-2012)

Description

Included on the agenda of the July 18, 2011 meeting of the Urbana City Council is an ordinance approving a minor amendment to the City of Urbana and Urbana HOME Consortium Annual Action Plans FY 2010-2011 and FY 2011-2012. Both Annual Action Plans allocated funding for eligible CHDO projects, and the proposed minor amendment details project allocation to CHDOs for each year as follows:

- 1) An ordinance approving and authorizing the execution of an Urbana HOME Consortium Community Housing Development Organization Agreement with Champaign County Neighborhood Alliance for Habitat for its Affordable Homeownership Program Fiscal Year (FY) 2011-2012. Funding for the proposed program is in the amount of **\$140,000** and will subsidize the construction of **four (4)** single family homes over the course of one (1) year.
- 2) An ordinance approving and authorizing the execution of an Urbana HOME Consortium Community Housing Development Organization Sponsor Agreement with Homestead Corporation of Champaign-Urbana for the redevelopment of a single-family rental project

located at 510 E. Beardsley Avenue, Champaign to be transferred to the Center for Women in Transition upon completion of construction. Funding for the proposed program is in the amount of **\$185,006** and will subsidize the construction of **one (1)** permanent homeless single-family rental unit.

The funding for these projects will make use of the Urbana HOME Consortium's unobligated fifteen (15) percent set-aside for Community Housing Development Organization (CHDO) projects from FY 2010-2011 and FY 2011-2012.

Issues

The issue is whether the City Council should approve the ordinances as written.

Background

The Urbana HOME Consortium is required to set aside fifteen (15) percent of its total HOME allocation for eligible CHDO projects each year. In FY 2010-2011, the Consortium set aside \$169,613, and in FY 2011-2012 an additional \$150,083 was reserved for eligible CHDO projects. The projects using available funding for each of these years were not detailed in the Annual Action Plans due to a lack of applications from the Consortium's eligible CHDOs. As such, staff has provided the attached minor amendment regarding the proposed distribution of the funds that were set aside.

The HOME Consortium has received two (2) new applications for CHDO projects, one of which was submitted by Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance), and the other was submitted by Homestead Corporation of Champaign-Urbana (Homestead).

Each HOME Consortium must commit its CHDO reservations within two (2) years from the date funds are allocated by the U.S. Department of Housing and Urban Development (HUD). In order to meet the July 31, 2011 commitment deadline set by HUD, the HOME Technical Committee is recommending the following projects, which are eligible for available FY 2010-2011 and FY 2011-2012 CHDO funds.

Neighborhood Alliance – Affordable Homeownership Program

Neighborhood Alliance originally submitted an application in January of this year for CHDO Project funds in the amount of \$314,000 for the construction of nine (9) affordable units. This application requested two years of funding sources. Once Neighborhood Alliance had received its 501(c)(3) status from the Internal Revenue Service and was eligible for CHDO certification, staff requested that Neighborhood Alliance submit a modified CHDO project application for one (1) program year.

The modified funding request submitted by Neighborhood Alliance Executive Director Beverly Huffman is attached for review. Neighborhood Alliance plans to begin construction of two (2) single family units before December 2011, and the remaining two units are expected to break ground prior to June 30, 2012, which is the end of the fiscal year.

The attached ordinance approves an agreement that will fund Neighborhood Alliance for **\$140,000** in FY 2010-2011 HOME CHDO project funds. The agreement will allow for the construction of **four (4)** affordable single-family units, representing an average subsidy of \$35,000 per unit, within the Consortium-wide area as part of an Affordable Homeownership Program. Consortium staff has begun working with Neighborhood Alliance to identify potential sites for construction in the event Council approves the agreement.

Homestead Corporation – 510 E Beardsley Homeless Project

The proposed project from Homestead will create a single-family rental unit that will support the Center for Women in Transition's (CWT) effort to provide permanent housing for homeless individuals. Homestead will act as a CHDO Sponsor, in that they will serve as the developer of the project with the intent of turning the property over to CWT once construction is completed.

CWT Executive Director John Sullivan has agreed to purchase the property for a nominal sum (such as one dollar) for use as permanent housing for homeless persons in their program. When Urbana staff inquired about the possibility of using the unit as a group home, Mr. Sullivan indicated that operating funds were not available to staff a group home and that the project would have to be constructed as single-family unit to be viable. Since no additional funding is available through the State of Illinois to support the ongoing maintenance and supportive services inherent with such a project, the HOME Technical Committee agreed that a full subsidy was appropriate when considering the end user for the unit.

Rental projects constructed with HOME Investment Partnerships Program funds require a twenty (20) year affordability period. An agreement for sale to transfer the property to CWT will be executed prior to the commitment of the subject HOME funding. Funding for the project will come from a combination of sources, including the following:

- FY 2010-2011 CHDO set-aside in the amount of \$29,613,
- FY 2011-2012 CHDO set-aside in the amount of \$150,083,
- Douglass Park Infill Project carryover funding at \$5,310, representing CHDO funds remaining from Homestead's completed project, and
- \$12,994 from the City of Champaign's Urban Development Action Grant (UDAG) fund, which will assist with acquisition of the property.

Summary

A total of **\$319,696** in HOME CHDO project funding is available from FY 2010-2011 and FY 2011-2012. The HOME Technical Committee, consisting of representative staff from the City of Champaign, the City of Urbana, and Champaign County Regional Planning Commission, met on July 8, 2011, and each eligible CHDO presented its proposed projects at the meeting. The Technical Committee voted unanimously to fund Homestead Corporation's proposed project at 510 E. Beardsley. The project will provide much needed long-term, affordable housing opportunities for a special needs population in the community.

The Technical Committee also voted unanimously in favor of funding the Neighborhood Alliance's proposed program. The program will create homeownership opportunities that benefit

households at lower income levels than the Consortium has traditionally been able to serve through past CHDO homeownership programs. Both projects meet the goals and objectives indicated in the *City of Urbana and Urbana HOME Consortium (Urbana/Champaign/Champaign County) Consolidated Plan FY 2010-2014*.

At its July 12, 2011 Special Meeting, the Urbana Community Development Commission reviewed both potential CHDO projects and the corresponding minor amendment. The Commission forwarded the ordinance for the Beardsley project with a recommendation for approval to City Council (6 ayes, 2 nays). Neighborhood Alliance's proposed program was forwarded with a unanimous recommendation for approval. The unapproved minutes from the meeting are attached for Council review.

Options

1. Approve the ordinances as written.
2. Approve the ordinances with changes.
3. Do not approve the ordinances.


Fiscal Impacts

There will be no fiscal impact to the City budget. The available HOME funds for CHDO set-aside were allocated in the City of Urbana and Urbana HOME Consortium Annual Action Plans for FY 2010-2011 and FY 2011-2012, which is included in the FY 2010-2011 and FY 2011-2012 City budget. Approving these ordinances will allow the Urbana HOME Consortium to meet its July 31, 2011 commitment deadline set by HUD for expenditure of HOME Program funds.

Recommendations

The Community Development Commission, the HOME Technical Committee, and City staff recommend approval of the ordinances.

Memorandum Prepared By:



Jen Gonzalez
HOME Coordinator
Grants Management Division

Attachments:

1. An Ordinance Approving a Minor Amendment to the City of Urbana and Urbana HOME Consortium Annual Action Plans for FY 2010-2011 and FY 2011-2012
2. A Minor Amendment to the City of Urbana and Urbana HOME Consortium Annual Action Plans for FY 2010-2011 and FY 2011-2012

3. An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Developer Agreement (Champaign County Neighborhood Alliance for Habitat Affordable Housing Program FY 2011-2012)
4. Urbana HOME Consortium Community Housing Development Organization Developer Agreement (Champaign County Neighborhood Alliance for Habitat Affordable Housing Program FY 2011-2012)
5. Letter from Champaign County Neighborhood Alliance for Habitat Executive Director Beverly Huffman re: Modified Application
6. An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Sponsor Agreement (Homestead Corporation of Champaign-Urbana 510 E. Beardsley Project FY 2011-2012)
7. Urbana HOME Consortium Community Housing Development Organization Sponsor Agreement (Homestead Corporation of Champaign-Urbana 510 E. Beardsley Project FY 2011-2012)
8. *Unapproved minutes from the July 12, 2011 Special Meeting of the Community Development Commission*

ORDINANCE NO. _____

AN ORDINANCE APPROVING A MINOR AMENDMENT TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2010-2011 AND FY 2011-2012 ANNUAL ACTION PLANS

WHEREAS, the City of Urbana has been designated as the lead entity for the Urbana HOME Consortium, and as such is eligible for Home Investment Partnerships Program (hereinafter "HOME") funds upon proper submittal being made to the United States Department of Housing and Urban Development (hereinafter "HUD"); and

WHEREAS, the Urbana City Council previously approved ordinances authorizing submittal to HUD of the Annual Action Plans for FY 2010-2011 and FY 2011-2012 that included proposed budgets for the HOME Programs, and HUD subsequently approved the said Annual Action Plans; and

WHEREAS, the City Council now finds it necessary and appropriate to execute a minor amendment to the City of Urbana and Urbana HOME Consortium Annual Action Plans for FY 2010-2011 and FY 2011-2012.

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

Section 1. That the City of Urbana, as lead entity for the Urbana HOME Consortium, hereby approves the minor amendment to the City of Urbana and Urbana HOME Consortium Annual Action Plans for FY 2010-2011 and FY 2011-2012, in substantially the same form as such amendment is referenced in the attachment hereto.

Section 2. That the Mayor of the City of Urbana is hereby designated as the authorized representative of the City of Urbana to take any action necessary in conjunction with said attached minor amendment to the Annual Action Plans for FY 2010-2011 and FY 2011-2012, and any prior approved Annual Action Plan or Amendment, including, without limitations, to execute any documents necessary to commit applicable HOME funds to the projects, for

submittal of the Annual Action Plan Amendment to the HUD Regional Field Office and provision of such additional information as may be required.

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

AYES:

NAYS:

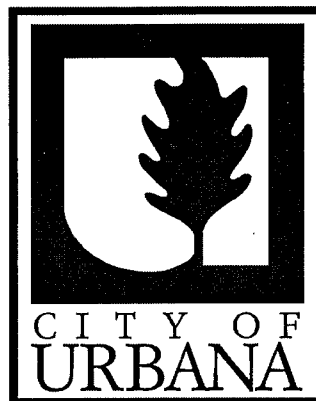
ABSTAINS:

Phyllis D. Clark, City Clerk

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

Laurel Lunt Prussing, Mayor

City of Urbana and Urbana HOME Consortium



Minor Amendment to FY 2010-2011 & FY 2011-2012 Annual Action Plans

*[FY 2010-2011 & FY 2011-2012
HOME Community Housing Development Organization (CHDO) Agreements]*

Prepared by:
City of Urbana
Community Development Services
Grants Management Division
400 South Vine Street
Urbana, IL 61801
217.384.2447

MINOR AMENDMENT TO CITY OF URBANA and URBANA HOME CONSORTIUM FY 2010-2011 ANNUAL ACTION PLAN

The City of Urbana and Urbana HOME Consortium propose to amend the Community Housing Development Organizations (CHDO) Project Reserve Set-Aside (15% Set-Aside is Required Each Year, Match provided by CHDO) in the FY 2010-2011 Annual Action Plan (AAP). Originally, the funds were to be provided to an eligible CHDO project(s) proposed by an organization that has demonstrated success in creating affordable housing opportunities and utilized funding in a timely manner.

FY 10-11 TOTAL Allocation Available Minimum: \$169,613

Un-programmed CHDO Funds:

~~Funds will be provided to eligible CHDO project(s) proposed by an organization that has demonstrated success in creating affordable housing opportunities and utilized funding in a timely manner. Total Project Budget~~

Funds are allocated to Affordable Housing Projects, for which locally certified CHDOs will act as owner, sponsor, or developer:

1. Champaign County Neighborhood Alliance for Habitat (FY 10-11)

Funds will be provided to the Champaign County Neighborhood Alliance for Habitat to facilitate the construction of new, affordable owner-occupied housing in Urbana, Champaign, and unincorporated Champaign County.

\$140,000 (25% additional match must be provided by CHDO)

Goal 1, Strategy 1, Activity 2

Citation – [24 CFR 92.206]

Environmental – Non-Exempt/Non-Categorically Excluded

Objective: Provide Decent Housing by providing an opportunity for households with incomes at or below 80% of the area median to become homeowners.

Outcomes: Affordability for the purpose of providing decent affordable housing.

Outcome Indicators: Number of owner occupied units – four (4). Amount of funding leveraged through local match.

2. Homestead Corporation Project (510 E. Beardsley) (FY 10-11)

Funds will be provided to the Homestead Corporation to assist with the acquisition, demolition, and new construction of a single-family home at 510 East Beardsley Avenue, Champaign, for the purposes of providing affordable rental housing.

\$29,613 (25% additional match must be provided by CHDO)

Goal 1, Strategy 1, Activity 3

Citation - [24 CFR 92.206]

Environmental – Non-Exempt/Non-Categorically Excluded

Objective: Provide Decent Housing by creating affordable housing opportunities for households who meet HOME Program income requirements.

Outcomes: Affordability for the purpose of providing decent affordable housing.

Outcome Indicators: Number of affordable housing units assisted with households meeting HOME Program income requirements – one (1). Amount of funding leveraged through local match.

**MINOR AMENDMENT TO CITY OF URBANA and URBANA HOME CONSORTIUM
FY 2011-2012 ANNUAL ACTION PLAN**

The City of Urbana and Urbana HOME Consortium propose to amend the Community Housing Development Organizations (CHDO) Project Reserve Set-Aside (15% Set-Aside is Required Each Year, Match provided by CHDO) in the FY 2011-2012 Annual Action Plan (AAP). Originally, the funds were set aside to be allocated to certified Urbana Consortium CHDOs whose proposed projects(s) meet project readiness requirements.

FY 11-12 TOTAL Allocation Available Minimum: \$150,083

Unobligated Carryover Available: \$5,310 These funds are remaining from a FY 07-08 project completed by Homestead Corporation.

CHDO Reserve Funds:

~~CHDO Reserve funds in the amount of 15% of the total annual allocation are being set aside to be allocated to certified Urbana Consortium CHDOs whose proposed project(s) meet project readiness requirements. In order to meet project readiness requirements, the CHDO project(s) receiving reserve allocation(s) must be able to begin construction within one year from the date of execution of the agreement.~~

Funds are allocated to Affordable Housing Projects, for which locally certified CHDOs will act as owner, sponsor, or developer:

1. Homestead Corporation Project (510 E. Beardsley) (FY 11-12)

Funds will be provided to the Homestead Corporation to augment funding from previous years to assist with the acquisition, demolition, and new construction of a single-family home at 510 East Beardsley Avenue, Champaign, for the purposes of providing affordable rental housing.

\$155,393 (total funding available from current year CHDO reserve \$150,083 and unobligated carryover of \$5,310) **25% additional match must be provided by CHDO**

Goal 1, Strategy 1, Activity 3

Citation - [24 CFR 92.206]

Environmental – Non-Exempt/Non-Categorically Excluded

Objective: Provide Decent Housing by creating affordable housing opportunities for households who meet HOME Program income requirements.

Outcomes: Affordability for the purpose of providing decent affordable housing.

Outcome Indicators: Number of affordable housing units assisted with households meeting HOME Program income requirements – one (1). Amount of funding leveraged through local match.

ORDINANCE NO. _____

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN
URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION
DEVELOPER AGREEMENT

(Champaign County Neighborhood Alliance for Habitat Affordable
Homeownership Program FY 2011-2012)

WHEREAS, The City Council of the City of Urbana, Illinois, has found and determined that execution of the attached 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 (Champaign/Urbana/Champaign County) FY 2010-2014 Consolidated Plan*.

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

Section 1. That an Agreement providing \$140,000 in HOME Program funds, for the construction of four (4) affordable single family units, between the City of Urbana and Champaign County Neighborhood Alliance for Habitat, in substantially the form of the copy of said Agreement 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 Agreement 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

URBANA HOME CONSORTIUM
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION
DEVELOPER AGREEMENT

**(Champaign County Neighborhood Alliance for Habitat CHDO Developer
Affordable Homeownership Program FY 2011-2012)**

THIS Affordable Homeownership Program Agreement, hereafter referred to as the “**AGREEMENT**”, made and entered into by and between the CITY OF URBANA, an Illinois Municipal Corporation, acting as lead entity for the Urbana HOME Consortium (hereinafter the “**GRANTOR**”), and CHAMPAIGN COUNTY NEIGHBORHOOD ALLIANCE FOR HABITAT, 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 Partnerships (hereinafter “HOME”) Program funds in the name of the Urbana HOME Consortium under provisions of Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended (42 U.S.C. 12701 *et seq.*) (herein after the “National Affordable Housing Act”); and

WHEREAS, the Urbana HOME Consortium, CFDA #14.239, has received HOME Program funds from HUD for the period beginning **July 1, 2010**, and ending **June 30, 2011**, to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County; and

WHEREAS, the Urbana City Council has adopted a Consolidated Plan for Program Years 2010-2014 (hereinafter the “Consolidated Plan”) and the City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2010-2011, which budgets the following: **\$1,130,755** in Urbana HOME Consortium funds for the period beginning **July 1, 2010**, and ending **June 30, 2011**, including **\$169,613** set aside for use by Community Housing Development Organizations (hereinafter “CHDOs”) in accordance with an Intergovernmental Agreement Concerning Administration of a Champaign/ Urbana/ Champaign County HOME Investment Partnerships Consortium executed by Mayor Tod Satterthwaite on behalf of the City on July 16, 2003 (hereinafter the “Intergovernmental Agreement”); and

WHEREAS, the GRANTOR, as the administrator of a HOME Program, has authority of the under the provisions of the HOME Program to provide financial assistance for the development of an affordable homeownership program; and

WHEREAS, DEVELOPER has applied to the GRANTOR for **FY 2010-2011** Urbana HOME Consortium funding for development assistance to provide financial assistance to

families participating in DEVELOPER'S Affordable Homeownership Program, for sale to very low-income and low-income households (hereinafter the "Project"); and

WHEREAS, the Consolidated Plan promotes expansion of homeownership opportunities and recommends that the Urbana HOME Consortium expand homeownership opportunities for low-income households; and

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

WHEREAS, DEVELOPER desires to serve as a project developer of an Affordable Homeownership Program (hereinafter the "PROGRAM") within the City of Champaign, the City of Urbana, and unincorporated Champaign County; and

WHEREAS, the GRANTOR has determined that the PROGRAM is eligible for funding under the HOME Program; and

WHEREAS, the GRANTOR has determined that the DEVELOPER has the ability to provide the required private matching funding to cover the cost of the PROGRAM; and

WHEREAS, the DEVELOPER has been fully informed regarding all requirements or obligations that must be met by DEVELOPER in order to utilize HOME Program funds for the PROGRAM, including but not limited to, the requirement that the assisted housing units must remain affordable to low-income households for a period of ten (10) years, in accordance with 24 CFR Part 92, Sections 203, 251-253, and

WHEREAS, the DEVELOPER, having been fully informed regarding the requirements of the HOME Program, is committed to starting the PROGRAM with the assistance of HOME Program funds on or before **August 31, 2011** and has made necessary arrangements to provide any required matching private contribution towards the cost of said PROGRAM.

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, the parties hereto agree as follows:

ARTICLE I: HOME REQUIREMENTS

Section 1: Use of HOME Funds

The GRANTOR agrees to provide the DEVELOPER an amount not to exceed **\$140,000** from its Federal Fiscal Year **FY 2010-2011** HOME Community Housing Development Organization (CHDO) set-aside to be used for related development functions and providing down payment assistance to low- to moderate-income households for the homeownership opportunities. The DEVELOPER shall use the Funds in accordance with the HOME program guidelines outlined in 24 CFR Part 92 in carrying out the PROGRAM in the manner as described below:

- a.) The DEVELOPER may only request HOME funds to be used for down payment assistance in conjunction with the reconstruction of a property wherein a development subsidy is being provided.
- b.) The DEVELOPER shall comply with the PROGRAM MANUAL prior to commitment of any work pursuant to this agreement. DEVELOPER shall provide GRANTOR a copy of its PROGRAM MANUAL in accordance with the HOME Program regulations for approval by Urbana City staff. 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 four (4) 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: Four (4) in Champaign, IL, Urbana, IL or unincorporated areas of Champaign County, IL.
- d.) The DEVELOPER shall complete the Affordable Homeownership Program in accordance with the homebuyer contract provisions as described in the Program Manual approved by Consortium staff, by reference made a part hereof.
- e.) The DEVELOPER shall incorporate the sample documents for the PROGRAM as part of the PROGRAM MANUAL, which is to be submitted to Urbana City staff prior to commitment of funds.

Section 2: Affordability

The DEVELOPER shall comply with all income determinations and affordability requirements of the HOME Program as set forth in HUD Regulations 24 CFR 92.203 or 92.254, as applicable. The DEVELOPER shall determine each family's income eligibility by determining the family's annual income in accordance with the Part 5 (Section 8) methodology allowed in 24 CFR 92.203. The DEVELOPER is not required to re-examine the family's income at the time the HOME assistance is provided, unless more than six (6) months has elapsed since the DEVELOPER determined that the family qualified as income eligible.

The maximum purchase price shall not exceed **\$190,152**, which is 95% of the median purchase price for the metropolitan area as defined by the Single Family Mortgage Limits under Section 203(b) of the National Housing Act. The project shall be single-family housing, which includes one (1) to four (4) family residence or condominium unit.

The HOME-assisted housing shall be the principal residence of the qualified income eligible homebuyer from the date of initial occupancy (loan closing for purchase of the property) and shall remain the principal residence of the family for a period of ten years from the date of project completion (the Affordability Period). For purposes of this AGREEMENT, project completion means that all necessary title transfer requirements to the DEVELOPER have been performed; construction has been completed; the project complies with the requirements of 24 CFR Part 92 (including the property standards under 24 CFR 92.251); the final drawdown has been disbursed for the project; the DEVELOPER has submitted all necessary demographic and financial information to the GRANTEE in the form of the Activity Completion Report provided

in "Attachment 6"; and the project completion information has been entered in the integrated disbursement and information system (IDIS) established by HUD.

The affordability requirements as listed in Section 24 CFR 92.254(a) (4) apply without regard to the term of any loan or mortgage or the transfer of ownership. The affordability requirements shall be imposed by deed restrictions, covenants running with the land or other mechanism approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. Said restrictions shall include that The GRANTOR may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability.

Affordability Period

For the **ten (10)** years following project completion (hereinafter referred to "the Affordability Period"), the following restrictions shall apply. The DEVELOPER agrees to assist the GRANTOR in restricting the use of the property by recording a Mortgage, and Note (hereinafter the "DOCUMENTS") in form and with the same content as that executed under even date herewith. DOCUMENTS shall be identical in substantial form as the forms in "Attachment 4" attached hereto and by reference made a part hereof.

In the event the housing does not continue to be the principal residence of the family for the duration of the Period of Affordability, the GRANTOR shall recapture a portion of the HOME Program assistance provided to the homebuyers in accordance with the terms and conditions provided in the loan agreement and note. The HOME Program funds provided under this AGREEMENT will be recaptured in accordance with 24 CFR 92.254(a)(5)(ii) and shall be repaid to the GRANTOR, recorded as CONSORTIUM program income in accordance with 24 CFR 92.503, and used in accordance with the requirements of the HOME Program.

Should the DEVELOPER sell and transfer ownership of property assisted with HOME funds to a homeowner who does not meet the income eligibility of the HOME program, DEVELOPER shall reimburse the CONSORTIUM the amount of HOME funds disbursed on the project by the CONSORTIUM. The CONSORTIUM shall deposit said funds in the local HOME Trust Account to be utilized for other affordable housing activities at the discretion of the CONSORTIUM.

Section 3: HOME Project Requirements

Project Requirements:

The GRANTOR shall provide HOME funds not to exceed **\$140,000** in accordance with 24 CFR 92.205(b) for eligible costs as described in 24 CFR 92.206 and 92.207. HOME Program funds will be disbursed on behalf of the DEVELOPER under the following terms and conditions;

HOME funds provided by the DEVELOPER to the eligible homebuyer as down payment assistance shall be in the form of a **Deferred Payment Loan** at 0% interest.

DEVELOPER shall comply with all HOME project requirements in subpart F of 24 CFR Part 92, including 92.250: Maximum per-unit subsidy amount and layering, which stipulates that the amount of HOME funds that a grantee may invest in affordable housing on a per-unit basis may not exceed the per-unit dollar limits established by HUD under 221.514(b)(1) and (c) of this title for elevator-type projects, involving nonprofit mortgagors, insured under section 221(d)(3) of the National Housing Act that apply to the area in which the housing is located.

The GRANTOR and DEVELOPER agree that the DOCUMENTS will be executed between the GRANTOR and the HOMEBUYER at the initial purchase closing for any housing unit receiving funds under the PROGRAM pursuant to this AGREEMENT. The DOCUMENTS shall include language to ensure that the affordability period will be honored through the duration of this AGREEMENT and include provision for recapture of the HOME Program funds invested in the housing unit. GRANTOR staff will prepare these DOCUMENTS and the GRANTOR will pay recording fees for the DOCUMENTS.

This period of affordability shall commence the date that all necessary project information is provided to HUD via HUD's Integrated Disbursement and Information System (IDIS). GRANTOR agrees to enter all information provided into IDIS within 30 days of receipt. Should the PROJECT be modified after initial commencement date of the affordability period, a new affordability period may be re-structured.

The terms of the recapture provision will be such that they reflect the HUD provisions in the HOME Final Rule 24 CFR 92.254. Details of a recapture provision will be provided in the DOCUMENTS. Failure to ensure that the DOCUMENTS are executed at the initial purchase closing will result in withholding HOME Program funds until said item is addressed. DEVELOPER also agrees to reference these required DOCUMENTS in each of their PROGRAM Agreements with the Homebuyers.

List of Documents

The following documents are included as "Attachment 4- Affordable Homeownership Program Sample Documents," have been added to or made a part hereof by reference:

Mortgage
Note

Section 4: Property Standards

The DEVELOPER agrees that all housing purchased with HOME Funds shall meet the property standards, as established by the GRANTOR, as well as all applicable State and local construction codes, rehabilitation standards, and zoning ordinances at the time of project completion.

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

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

Section 5: Other Program Requirements

A. Affirmative Marketing of Vacant Units

DEVELOPER must adopt an affirmative marketing policy and procedure acceptable to HUD for homebuyers of newly renovated/constructed houses per 24 CFR 92.351.

Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. The affirmative marketing requirements and procedures adopted must include:

1. Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the CONSORTIUM's affirmative marketing policy.
2. Requirements and practices DEVELOPER must adhere to in order to carry out the affirmative marketing procedures and requirements.
3. Procedures to be used by DEVELOPER to inform and solicit applications from persons, in the housing market area, who are not likely to apply for the housing without special outreach.
4. Records that will be kept describing actions taken by DEVELOPER to affirmatively market units and records to assess the results of these actions.
5. A description of how the DEVELOPER will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

B. Non-discrimination and Equal Opportunity

DEVELOPER agrees that there shall be no discrimination against any person who is employed in carrying out the PROGRAM, or against any applicant for such employment, because of race, color, religion, sex, age, or national origin, or any other discrimination prohibited by Federal, State, County or local laws, including but not limited to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. DEVELOPER further agrees to the following:

1. It shall be bound by said equal opportunity clause with respect to its own employment practices during the duration of its participation with the GRANTOR and HUD.
2. It shall furnish the GRANTOR and HUD with information as they may require for the supervision of such compliance and will otherwise assist the GRANTOR and HUD in the discharge of primary responsibility for securing compliance.
3. It shall carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the Secretary of Labor, the GRANTOR, or HUD.
4. It shall abide by the Human Rights Ordinance as set forth in Chapter 12 of the Urbana Code of Ordinances.

C. Displacement, Relocation and Acquisition

If applicable, DEVELOPER agrees to assist the GRANTOR to provide relocation assistance to persons temporarily relocated or permanently displaced at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C.4201 to 4655) and 49 CFR, Part 24 and Section 104(d) of the Housing and Community Development Act, as applicable.

D. Labor and Contracting Requirements

PROJECT DEVELOPER and its contractors and subcontractors shall comply with the Davis-Bacon Act (40 U.S.C. 276a-276a-5) with regard to all its requirements including wage rates paid pursuant to or as a result of this AGREEMENT. Any contracts executed as a result of this AGREEMENT may also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332).

E. Disbarment & Suspension

The DEVELOPER certifies that it is not debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549. The DEVELOPER shall establish procedures to ensure they do not make any award to grantees and subgrantees (including contractors) at any tier in violation of the nonprocurement debarment and suspension common rule. **The DEVELOPER shall verify and document that none of its grantees, subgrantees or contractors are debarred, suspended or otherwise excluded from participation through the effective use of the List of Parties Excluded from Federal Procurement or Non procurement programs ("List").** The DEVELOPER may request assistance from the GRANTOR to access the List and document results.

F. Conflict of Interest

The DEVELOPER guarantees that no member of, or Delegate to, the Congress of the United States shall be admitted to any share or part of this contract or to any benefit to arise from the same. The DEVELOPER agrees that no members of the governing body of the locality in which the DEVELOPER is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the AGREEMENT during his/her tenure, or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the services performed under this AGREEMENT. Unless expressly permitted by U.S. Department and Housing and Urban Development ("HUD"), DEVELOPER agrees that no person who is an employee, agent, consultant, officer, or elected or appointed official of the DEVELOPER and who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds, or who is in a position to participate in a decision making process to gain inside information with regard to such HOME-assisted activities, may obtain a financial interest or benefit from the HOME-assisted activity, or have any interest in any contract, subcontract, or agreement with respect thereto, or the proceeds there under, either for himself or herself

or for those with whom he or she has family or business ties, during his or her tenure or for one (1) year thereafter. Unless expressly permitted by the GRANTOR, no DEVELOPER, or officer, employee, agent or consultant of the DEVELOPER, may occupy a HOME-assisted affordable housing unit in a project.

G. Air and Water

The DEVELOPER agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

1. Clean Air Act, 42 U.S.C. 7401, *et seq.*;
2. Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder; Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

Section 6: Records and Reports

A. Records

DEVELOPER authorizes the GRANTOR and HUD to conduct on-site reviews, examine personnel records, and to conduct any other procedure or practice necessary to assure compliance with this AGREEMENT and applicable HUD regulations. DEVELOPER will ensure that all documents related to this Project shall be kept for a period of five (5) years after project's affordability period has been completed (estimated at 2028). Records to be retained include, but are not limited to timesheets; receipts and invoices for materials, supplies, and services; and documentation used to request re-imbusement of expenses.

DEVELOPER shall maintain such records and accounts, including program records, project records; financial records; program administration records; equal opportunity and fair housing records; affirmative marketing and MBE/WBE records; records demonstrating compliance with the income determination and requirements of 24 CFR 92.203; record keeping requirements of 24 CFR 92.508; records demonstrating compliance with the labor requirements of 24 CFR 92.354; records demonstrating compliance with the lead-based paint requirements of 24 CFR 92.355; records supporting exceptions to the conflict of interest prohibition pursuant to 24 CFR 92.356; debarment and suspension certifications required by 24 CFR parts 24 and 91; and any other records as are deemed necessary by the GRANTOR to assure a proper accounting and monitoring of all HOME Funds. In the event the GRANTOR determines that such records are not being adequately maintained by DEVELOPER, the GRANTOR may cancel this AGREEMENT in accordance with Article I Section 7 and Article II herein.

With respect to all matters covered by this AGREEMENT, records will be made available for examination, audit, inspection or copying purposes at any time during normal business hours and as often as the GRANTOR, HUD, representatives of the Comptroller General of the United States or other Federal agency may require.

DEVELOPER will permit same to be examined and excerpts or transcriptions made or duplicated from such records, and audits made of all contracts, invoices, materials, records of personnel and of employment and other data relating to all matters covered by this AGREEMENT. The GRANTOR'S right of inspection and audit shall obtain likewise with reference to any audits made by any other agency, whether local, State or Federal.

The DEVELOPER shall retain all records and supporting documentation applicable to this AGREEMENT for the most recent five (5) year period, except as provided below:

- (a) For homeownership housing projects, records shall be retained for five (5) years after the project completion date, except for documents imposing recapture provisions, which must be retained for five (5) years after the affordability period terminates.
- (b) Written agreements must be retained for five (5) years after the AGREEMENT terminates.
- (c) If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

B. Reports

The Developer must submit quarterly reports no more than ten (10) days after the end of each quarter. The following table lists the end of the quarter and the corresponding quarterly report due date:

Quarter	Period	Quarterly Report Due Date
1	July 1 – September 30	October 10, 2011
2	October 1 – December 31	January 10, 2012
3	January 1 – March 31	April 10, 2012
4	April 1 – June 30	July 10, 2012

The quarterly reports shall be submitted by the DEVELOPER quarterly until the final house has been constructed and transferred to the homebuyer. A sample is attached as “Attachment 5”.

Section 7: Enforcing of Agreement

A default shall consist of any use of HOME Program funds for a purpose other than as authorized by this AGREEMENT, noncompliance with the HOME Program guidelines as outlined in 24 CFR Part 92, any material breach of the AGREEMENT, failure to timely comply with the audit requirements in Article XIII, failure to expend HOME Program funds in a timely manner, or a misrepresentation in the application submission which, if known by GRANTOR and/or HUD, would have resulted in HOME Program funds not being provided. Upon due notice to the DEVELOPER of the occurrence of any such default and the provision of a

reasonable opportunity to respond, the GRANTOR may take one or more of the following actions:

- (a) Direct the DEVELOPER to prepare and follow a schedule of actions for carrying out the affected activities, consisting of schedules, timetables and milestones necessary to implement the affected activities;
- (b) Direct the DEVELOPER to establish and follow a management plan that assigns responsibilities for carrying out the remedial actions;
- (c) Cancel or revise activities likely to be affected by the performance deficiency, before expending HOME Program funds for the activities;
- (d) Reprogram HOME funds that have not yet been expended from affected activities to other eligible activities or withhold HOME Program funds;
- (e) Direct the DEVELOPER to reimburse the GRANTOR's program accounts in any amount not used in accordance with the requirements of 24 CFR Part 92, et al;
- (f) Suspend disbursement of HOME Program funds for affected activities;
- (g) Other appropriate action including, but not limited to, any remedial action legally available, such as litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions, termination of the AGREEMENT and any other available remedies.

For purposes of this AGREEMENT, a reasonable opportunity to respond to any default shall be thirty (30) days from receipt by DEVELOPER of the GRANTOR'S written notice of default. No delay or omission by GRANTOR and/or HUD in exercising any right or remedy available to it under the AGREEMENT shall impair any such right or remedy or constitute a waiver or acquiescence in any DEVELOPER default.

Unless the DEVELOPER'S default is waived, the GRANTOR may, upon twenty-four (24) hour written notice, terminate this AGREEMENT for said default. Waiver by the GRANTOR of DEVELOPER'S default under this AGREEMENT shall not be deemed to be a waiver of any other default nor shall it be termination notice.

Notices required herein, shall be considered received by the DEVELOPER and the GRANTOR if delivered in person, or when deposited in the U.S. Mail, postage prepaid certified mail, return receipt requested.

Section 8: Request for Disbursement of Funds

DEVELOPER shall not request disbursement of HOME Program funds until HOME Program funds are needed to pay eligible costs related to the PROGRAM. The amount of any request for funds shall not exceed the amount needed and shall be supported by appropriate documentation such as a sales contract, invoice, completed property maintenance inspection report, and performance-progress reports, and settlement statements from HOMEBUYER mortgage closings. The GRANTOR shall make payment to DEVELOPER within fourteen (14) calendar days of receipt of a complete and acceptable request by the GRANTOR. The GRANTOR reserves the right to withhold disbursement of funds until appropriate documentation is

submitted. All checks shall be made payable to "Champaign County Neighborhood Alliance for Habitat." All monies granted to DEVELOPER pursuant to this AGREEMENT shall be expended by **December 30th, 2012**.

Further, no payments shall be released to DEVELOPER prior to the GRANTOR receiving environmental clearance from the Illinois Historic Preservation Agency stating no historical significance has been identified at the properties being developed with HOME Program funds and a flood plain map has been reviewed to prove the property is not located within a floodplain. GRANTOR will be responsible for obtaining the necessary environmental clearance documentation.

Section 9: Duration of Agreement

This AGREEMENT shall be effective as of the date executed by the Mayor and attested by the City Clerk and shall remain in effect until the latest of the following dates or events: **December 30, 2012**; the GRANTOR'S complete and full disbursement of HOME Program funds to DEVELOPER as described in "Attachment 3"; or all homes have been constructed and transferred to subsequent homeowners for use as affordable housing in accordance with 24 CFR Part 92.

Section 10: Conditions for Religious Organizations

The DEVELOPER ensures that HOME Program funds shall not be provided to primarily religious organizations, such as churches, for any activity including secular activities. In addition, HOME Program funds shall not be used to rehabilitate or construct housing owned by primarily religious organizations or to assist primarily religious organizations in acquiring housing. However, HOME Program funds may be used by a secular entity to acquire housing from a primarily religious organization, and a primarily religious entity may transfer title to its property to a wholly secular entity and the entity may participate in the HOME Program in accordance with the requirements of this 24 CFR Part 92.257. The entity may be an existing or newly established entity, which may be an entity established by the religious organization. The completed housing project must be used exclusively by the owner entity for secular purposes, available to all persons regardless of religion. In particular, there must be no religious or membership criteria for tenants of the property.

Section 11: Community Housing Development Organization (CHDO Provisions)

CHDO has been certified by the CONSORTIUM and has been found to be in compliance with the composition of a CHDO under the HOME Requirements. The CHDO agrees to maintain their CHDO status for the duration of the AGREEMENT.

Any program income generated from the PROGRAM may be kept and used by the CHDO and does not need to be returned to the GRANTOR.

ARTICLE II: COMPLIANCE WITH VISITABILITY STANDARDS

Any residence constructed pursuant to this Agreement within the corporate limits of the City of Urbana and the City of Champaign shall incorporate applicable visitability for the jurisdiction in which the project is located.

ARTICLE III: FINANCIAL RESPONSIBILITY

The allocation of funds by the GRANTOR pursuant to this AGREEMENT shall in no way obligate the GRANTOR for any financial responsibility incurred by the PROGRAM in excess of the funding pledged herein. The GRANTOR reserves the right to withhold pledged funds if the GRANTOR is not satisfied with the DEVELOPER'S compliance with the terms and conditions of performance outlined in this AGREEMENT.

ARTICLE IV: CERTIFICATIONS

DEVELOPER represents the following with respect to this AGREEMENT.

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

1. Including in each subcontract in excess of \$100,000 a requirement that the subcontractor comply with Section 3.
 2. Sending each labor organization or representative of workers with which DEVELOPER has a collective bargaining agreement or other understanding a notice of the DEVELOPER commitment under Section 3.
 3. Posting copies of the notice in conspicuous places at work sites where both employees and applicants for employment positions can see the notice.
 4. Refraining from allowing a subcontractor to postpone filling any vacant employment and training positions after the subcontractor is selected but before the contract with the subcontractor is executed for the purpose of circumventing obligations under Section 3.
 5. Refraining from entering into any contract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of Section 3 regulations.
 6. Directing efforts to award covered contracts to Section 3 business concerns in order of priority.
 7. Directing efforts to employ and train Section 3 residents in the order of priority.
 8. Documenting actions taken to comply with Section 3 requirements.
 9. Submitting required Section 3 reports.
- E. DEVELOPER agrees to give maximum feasible priority to very low-income persons when administering the PROGRAM described herein.
- F. DEVELOPER acknowledges it shall match HOME Program funds disbursed by the GRANTOR and pursuant to this AGREEMENT in the amount of \$35,000 in non-federal funds as defined in 24 CFR Part 92.220.
- G. DEVELOPER shall comply with the regulations, policies, guidelines, and requirements of federal management circulars as they relate to the acceptance and use of Federal funds for the PROGRAM. DEVELOPER agrees to maintain financial records in accordance with applicable Federal guidelines; OMB circulars A-110, A-122, and A-133; the following requirements of 24 CFR Part 84: 84.2, 84.5, 84.13, 84.16, 84.21, 84.22, 84.26 - 84.28, 84.30, 84.31, 84.34 - 84.37, 84.40 - 84.48, 84.51, 84.60 - 84.62, 84.72, and 84.73. DEVELOPER shall separately and accurately identify use of HOME funds pursuant to this AGREEMENT.
- H. DEVELOPER shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which DEVELOPER receives federal financial assistance.

- I. DEVELOPER shall comply with Executive Order 11246, and all regulations issued pursuant thereto, which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federal or federally assisted contracts. Such contractors and subcontractors shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.
- J. DEVELOPER shall establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- K. No Federal appropriated funds have been paid or will be paid, by or on behalf of DEVELOPER, to any person for influencing or attempting to influence an officer or employee of any agency including the GRANTOR, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee of any agency including the GRANTOR, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, DEVELOPER will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- L. DEVELOPER shall give HUD and the Comptroller General through any authorized representative access to and the right to examine all records, books, papers, or documents related to the PROGRAM.
- M. DEVELOPER shall at all times observe and comply with all laws, ordinances, or regulations of Federal, State, and local governments which may in any manner affect the performance of this AGREEMENT. DEVELOPER shall be liable to perform all acts to the GRANTOR in the same manner as the GRANTOR performs these functions to the Federal government.
- N. DEVELOPER shall be responsible for any and all claims, costs, causes, actions, and expenses, including, but not limited to, attorneys' fees incurred by reason of a law suit or claim for compensation arising in favor of any person, including the employees, officers, independent contractors, subcontractors, or agents of

DEVELOPER, on account of personal injuries or death, or damages to property occurring, growing out of, incident to, or resulting under this PROGRAM, whether such loss, damage, injury, or liability is contributed to by the negligence of the GRANTOR or its officers, employees, or agents, or by the premises themselves or any equipment thereon whether latent or patent, or from other causes whatsoever, except that DEVELOPER shall have no liability for damages or the costs incident thereto caused by the sole negligence of the GRANTOR, or its officers, employees, or agents.

- O. DEVELOPER shall have full control of the ways and means of performing the services referred to herein. DEVELOPER acknowledges and agrees that its employees, representatives, subcontractors, and agents may in no respect be considered employees of the GRANTOR.
- P. DEVELOPER agrees that, to the greatest extent feasible, all construction-related expenditures made for the PROGRAM shall be made to City of Champaign, Urbana and Unincorporated Champaign County firms or individuals.

ARTICLE V: PROHIBITION AGAINST LOBBYING

PROJECT SPONSOR acknowledges that no funds disbursed pursuant to this Agreement shall be used to finance lobbying activities. Furthermore, PROJECT SPONSOR acknowledges that no PROJECT SPONSOR employee funded in whole or part pursuant to this Agreement shall engage in lobbying activities at any time during the term of this Agreement. For purposes of this Agreement the term "lobbying activities" shall include the following.

- A. Any activity related to the election or appointment of an individual to public office, including, but not limited to, contributions to campaign funds, solicitation in an attempt to influence the outcome of an election for public office, and preparation and dissemination of campaign materials
- B. Sponsorship of candidate forums
- C. Sponsorship of voter registration drives
- D. Provision of transportation to polling places
- E. Contributing financially to elected or appointed public officials in an attempt to influence legislation
- F. Hiring an individual or individuals to represent an organization and/or its position before elected or appointed public officials.

ARTICLE VI: NOTICES

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

TO THE GRANTOR: Grants Management Division
Attn: Manager
400 South Vine Street
Urbana, Illinois 61801

TO THE DEVELOPER: Beverly Huffman, Executive Director
Champaign County Neighborhood Alliance for Habitat
119 E. University Ave
Champaign, IL 61820

ARTICLE VII: CONTINGENCIES

This AGREEMENT, including the provision of funds by the GRANTOR for the PROJECT as described herein, is contingent upon GRANTOR'S receipt of HOME Investment Partnerships Program grant funds from the Department of Housing and Urban Development and the signing of GRANTOR and the DEVELOPER.

ARTICLE VIII: ASSIGNMENT

DEVELOPER shall not assign this AGREEMENT, nor any part thereof, without prior written approval of the GRANTOR.

ARTICLE IX: MODIFICATION

No modification of this AGREEMENT, including modification of the PROGRAM budget in "Attachment 3", shall be effective unless in writing and executed by the parties hereto.

ARTICLE X: EXECUTION OF AGREEMENT

This AGREEMENT shall be binding upon the GRANTOR and DEVELOPER, their successors and assigns, and shall be effective as of the date executed by the Mayor of Urbana and attested by the City Clerk.

ARTICLE XI: PROJECT PUBLICITY

Any news release or other type of publicity pertaining to the work performed pursuant to this AGREEMENT must recognize GRANTOR as a DEVELOPER, funded by HUD.

ARTICLE XII: MONITORING AND EVALUATING

The GRANTOR shall be responsible for monitoring and/or evaluating all aspects of the services provided by DEVELOPER under this AGREEMENT. The GRANTOR shall have access to and

be able to make copies and transcriptions of such records as may be necessary in the determination of the GRANTOR or HUD to accomplish this monitoring and/or evaluation. In order to properly monitor or evaluate the DEVELOPER'S performance under this AGREEMENT, the GRANTOR shall make on-site inspections annually or as often as it deems necessary. Failure by the DEVELOPER to assist the GRANTOR in this effort, including allowing the GRANTOR to conduct the on-site inspections and have access to the DEVELOPER'S records, shall result in the imposition of sanctions as specified in Article I Section 7 herein.

Said evaluation may be accomplished by the GRANTOR through a management evaluation of the services provided under this AGREEMENT during the term of this AGREEMENT.

During the period of affordability, the GRANTOR shall perform on-site inspections to ensure units are the principal residence of the homebuyers and they are maintained to minimum property standards as determined by the code requirements as adopted by the local jurisdiction the Project is located in.

ARTICLE XIII: INDEMNIFICATION

DEVELOPER shall to the fullest extent allowed by law defend, hold harmless and indemnify the GRANTOR from and against any and all liability, injury, loss, claims, damages, costs, attorneys' fees and expenses of whatever kind or nature which the GRANTOR may sustain, suffer or incur or be required to pay by reason of:

- A. The loss of any monies paid to DEVELOPER;
- B. Fraud, defalcation or dishonesty on the part of any person representing, employed by, contracted or subcontracted by DEVELOPER;
- C. Any act, omission, wrongdoing, misconduct, want of care or skill, negligence or default on the part of DEVELOPER or any of its contractors, subcontractors, sub-subcontractors, materialmen, suppliers and laborers in the execution or performance of this AGREEMENT; or

The indemnity hereunder shall survive termination of the AGREEMENT. In the event that any action, suit or proceeding is brought against the GRANTOR upon any liability arising out of the AGREEMENT, or any other matter indemnified against, the GRANTOR at once shall give notice in writing thereof to DEVELOPER by registered or certified mail addressed to DEVELOPER. Upon receipt of such notice, DEVELOPER, at its own expense, shall defend against such action and take all such steps as may be necessary or proper to prevent the obtaining of a judgment against the GRANTOR.

GRANTOR:

DEVELOPER:

Laurel Lunt Prussing, Mayor

Signature

Date

Title

Attest

- Attachment 1 - Notice (the State of Illinois Prevailing Wage Act)**
- Attachment 2- Schedule of Program**
- Attachment 3- Sample Budget/ Financial Projections per Property**
- Attachment 4- Affordable Homeownership Program Sample Documents: Mortgage, and Note**
- Attachment 5- Sample Quarterly Report Required by the Urbana HOME Consortium**
- Attachment 6- LLL-Disclosure to Report Lobbying Activity**
- Attachment 7- MBE/WBE**

Attachment 1

Notice

The Illinois State Prevailing Wage Act (820 ILCS 130/0.01 et seq.) provides in part as follows: "Not less than the general prevailing rate of hourly wages for work of a similar character on public works in the locality in which the work is performed, and not less than the general prevailing rate of hourly wages for a legal, holiday and overtime work, shall be paid to all laborers, workers and mechanics employed by or on behalf of any public body engaged in the construction of public works." (820 ILCS 130/3, quoted in part).

The Act defines a public body as follows: "'Public body' means the state or any officer, board or commissioner of the state or any political subdivision or department thereof, or any institution supported in whole or part by public funds, authorized by law to construct public works" (820 ILCS 130/2, quoted in part).

The Department of Labor has recently applied this provision to a not-for-profit corporation, indicating that it was the opinion of the Department that the not-for-profit, because of its State funding, was considered a public body for the purposes of the Prevailing Wage Act. You are encouraged to contact the Department of Labor for its guidance with respect to whether or not it considers your organization a "public body" under the Act for the purposes of the Prevailing Wage Act. If the Prevailing Wage Act applies, you are required to compensate all workers on the project, including volunteers, for work done on the project.

Since, by the terms of this agreement you are required to follow all local, State and Federal laws, if the State Prevailing Wage Act is applicable to your organization, then you are required to comply with the Act by the terms of this contract."

DEVELOPER: Champaign County Neighborhood Alliance for Habitat

Signed by: _____

Title: _____ Date: _____

**Attachment 2
Program Schedule**

**CHAMPAIGN COUNTY NEIGHBORHOOD ALLIANCE FOR HABITAT
AFFORDABLE HOMEOWNERSHIP PROGRAM
SCHEDULE OF ACTIVITIES FY 11-12**

[see attached]



Build Schedule

	PreBuild	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11
Site prep	P											
Foundation	P											
Water/sewer	P											
Floor System		V										
Framing		V										
Trusses			V									
Windows & Doors			V									
Insulation Board			V									
Plumbing Rough-In				P								
Heating Rough-In					P							
Gas line					P							
Electrical Rough-In						P						
Insulation						P						
Perm. power/water						P						
Inspections				I	I	I						
Drywall							P	P				
Roofing				V								
Siding				V	V	V						
Soffits				V	V							
Porches						V	V					
Interior carpentry								V	V	V		
Install Cabinets								V	V	V		
Paint Interior								V	V	V		
Electrical Trim out									P			
Plumbing Trim out									P			
Hvac Trim out									P			
Install Carpet										P	P	
Install vinyl									P			
Landscape										V	V	
Drive/sidewalk										P	P	
Final Clean Up											V	
Final Inspections												

P Professional Labor
 V Volunteer Labor
 I Inspections

119 E University Ave
 PO Box 1162
 Champaign, IL 61824
 217-359-0507

Attachment 3
Sample Budget/ Financial Projections per Property

[see attached]

Item	Description	3 Bedroom 2011 Estimate	4 Bedroom 2011 Estimate	Additional Cost for Garage
1000	Administration/General Conditions			
1000:1100	Permits	\$500	\$500	
1000:1200	Architect/Engineering	\$1,000	\$1,000	\$300
1000:1300	Developer Fees	\$6,160	\$6,580	\$1,120
1000:1301	Construction Manager	\$6,700	\$6,700	
1000:1303	Legal Fees	\$1,500	\$1,500	
1000:1304	Appraisal Fees	\$300	\$300	
1000:1400	Porta Potty	\$625	\$625	
1000:1500	Waste Removal	\$750	\$750	
1000:1600	Temp Utilities	\$600	\$600	
1000:1700	Misc.	\$1,000	\$1,000	
2000	Site Preparation			
2000:2400	Excavation	\$2,400	\$2,400	\$1,000
2000:2500:2501	Gas	\$750	\$750	
2000:2500:2502	Sewer	\$4,000	\$4,000	
2000:2500:2503	Water	\$825	\$825	
2000:2500:2504	Electrical Connections	\$275	\$275	
3000	Foundation			
3000:3100	Footing	\$3,100	\$3,300	\$1,500
3000:3200	Foundation Concrete	\$900	\$1,000	\$1,500
3000:3300	Foundation Masonry	\$1,200	\$1,500	
3000:3500	Driveway & Sidewalks	\$4,000	\$4,000	\$2,000
4000	Structure			
4000:4100	Floor System	\$2,700	\$3,000	
4000:4200	Walls	\$2,700	\$4,000	\$1,000
4000:4300	Roof Trusses/Framing	\$3,100	\$3,400	\$1,000
5000	Exterior Finishes			
5000:5100	Siding & Soffit	\$3,000	\$3,300	\$1,800
5000:5200	Windows	\$2,000	\$2,200	\$175
5000:5300	Exterior Doors	\$750	\$750	\$1,500
5000:5400	Roofing/Flashing	\$1,300	\$1,400	\$700
5000:5500	Drains & Gutters	\$450	\$500	\$200
5000:5600	Porches	\$2,600	\$2,600	
6000	Insulation			
6000:6200	Wall Insulation	\$1,100	\$1,300	\$400
6000:6300	Attic Insulation	\$1,100	\$1,300	\$125
7000	Mechanicals			
7000:7100	Plumbing	\$7,000	\$7,000	
7000:7200	Electrical - Materials & Labor	\$2,400	\$2,400	\$500
7000:7300	HVAC	\$5,800	\$6,700	
8000	Interior Finishes			
8000:8100	Drywall	\$4,800	\$5,400	\$1,100
8000:8200	Paint	\$600	\$700	\$200
8000:8300	Interior Trim	\$1,000	\$1,200	
8000:8350	Interior Doors	\$1,700	\$2,000	
8000:8400	Cabinets	\$2,000	\$2,000	
8000:8500	Floor Coverings	\$2,800	\$3,400	
9000	Site Improvements			
9000:9100	Landscaping	\$1,600	\$1,600	
9000:9200	Storage Shed	\$1,200	\$1,200	
		\$88,285	\$94,955	\$16,120

Attachment 4
Neighborhood Alliance -Affordable Homeownership Program Sample Documents:
Mortgage, and Note

URBANA HOME CONSORTIUM
HOME BUYER ASSISTANCE
Neighborhood Alliance Affordable Homeownership
Program

MORTGAGE

THIS MORTGAGE ("Mortgage") is given on < **Date**,
_____, by <**Borrower Name**> _____ (the
"Borrower") to the City of Urbana, Illinois, a unit of local
government having its principal offices at 400 South Vine Street,
Urbana, Illinois 61801, acting as the lead entity for the Urbana
HOME Consortium (the "Grantor"). Borrower conditionally owes
the Grantor a maximum amount of _____ **and**
no /100 [%] _____. This debt is evidenced by Borrower's
promissory note (the "Note") dated the same date as this Mortgage,
a copy of which is attached hereto as Exhibit "A", which provides
for a ten year (10) term, hereinafter referred to as the "Affordability
Period," commencing on _____.

This Mortgage secures to the Grantor: (a) all repayment of the debt evidenced by the
Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other
sums advanced by the Grantor pursuant to paragraph 7 of this Mortgage to protect the security of
this Mortgage; and (c) the performance of Borrower's covenants and agreements under this
Mortgage and the Note.

For these purposes, Borrower hereby mortgages, grants and conveys to the Grantor, its
successors and assigns, the real property described as:

Legal Description: <INSERT FULL LEGAL DESCRIPTION>;
Common address: < INSERT FULL ADDRESS HERE > ;
PIN: < PARCEL IDENTIFICATION NUMBER >;

located in the County of Champaign, State of Illinois, together with (a) all the improvements
now or hereafter erected on the property and all easements, rights and appurtenances thereto; (b)
all leases and licenses with respect to the property; (c) all rents, royalties and profits thereof; and
(d) all fixtures and equipment now or hereafter in or on the property. All replacements and
additions shall also be covered by this Mortgage. The real property referenced above and all of
the other property subject to this mortgage is hereinafter referred to collectively in this Mortgage
as the "Property".

Borrower covenants that Borrower is the lawful owner of the Property conveyed by this Mortgage and has the full right and power to mortgage, grant and convey the Property and that the Property is unencumbered, except for the encumbrances of record described in Exhibit "B" hereto acceptable to the Grantor (the "Permitted Encumbrances"). Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any Permitted Encumbrances.

Borrower covenants to the Grantor as follows:

1. **Payment Under the Note.** Borrower agrees to promptly pay when due any amounts required to be paid by the Note.

2. **Application of Payments.** Unless applicable law provides otherwise, all payments received by the Grantor under paragraph 1 will be applied to principal due under the Note.

3. **Charges and Liens.** Borrower will pay all taxes, assessments, charges and fines attributable to the Property which may attain priority over this Mortgage. Borrower will pay these obligations on time directly to the person to whom payment is owed.

Borrower will promptly discharge any lien which may attain priority over this Mortgage unless Borrower: (a) agrees in writing to pay the obligation secured by the lien in a manner acceptable to the Grantor; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which, in the Grantor's opinion, operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to the Grantor subordinating the lien to this Mortgage. If the Grantor determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, the Grantor may give Borrower a notice identifying the lien. Borrower will satisfy the lien or take one or more of the actions set forth above within ten (10) days of the Grantor's giving of such notice.

4. **Hazard Insurance.** Borrower will keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and any other hazards for which the Grantor requires insurance. All policies of insurance hereunder will be from such companies and in such form and amounts as may be satisfactory to the Grantor, will name the Grantor as a loss payee and will include a provision requiring 30 days advance written notice to the Grantor prior to the termination or modification of such policy.

All insurance policies and renewals must be acceptable to the Grantor and must include a standard mortgage clause. The Grantor may hold the policies and renewals and, if the Grantor requires, Borrower will promptly give to the Grantor all receipts of paid premiums and renewal notices. Upon the occurrence of a loss covered by insurance, Borrower will give prompt notice to the insurance carrier and the Grantor. The Grantor may make proof of loss if not made promptly by Borrower.

Insurance proceeds will be applied to restoration or repair of the Property damaged if the Grantor determines that the restoration or repair is economically feasible and the Grantor's security is not lessened by such restoration or repair. In such event, the Grantor has the right to

collect and hold the insurance proceeds and make the proceeds available to Borrower from time to time for the payment of the cost and expense of repair and restoration upon receipt of satisfactory evidence that such cost or expense has been incurred. If the Grantor determines that the restoration or repair is not economically feasible or the Grantor's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property or does not answer within 30 days a notice from the Grantor that the insurance carrier has offered to settle a claim, then the Grantor may settle the claim with the insurance carrier and collect the insurance proceeds from the insurance carrier and may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due.

If under paragraph 19 the Property is acquired by the Grantor, Borrower's right to any insurance policies and all insurance proceeds resulting from damage to the Property prior to the Grantor's acquisition shall pass to the Grantor to the extent of the sums secured by this Mortgage immediately prior to such acquisition.

5. **Preservation and Maintenance of Property.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate, or commit waste. Borrower shall cause the Property to comply with all local codes, ordinances, zoning ordinances, the Model Energy Code and the United States Department of Housing and Urban Development's ("HUD") Section 8 Housing Quality Standards, as set forth in Section 370.601 of the Rules.

6. **Occupancy and Resale Restrictions.** Borrower covenants that during the Affordability Period, the property shall be occupied and maintained as the principal residence of the Borrower.

Any sale or use of the Property for a purpose other than the principal residence of the Borrower within the Affordability Period, shall be considered a default of this agreement, and shall initiate repayment of the loan as required by the Note.

In the event of a foreclosure or deed in lieu of foreclosure relating to any other loan encumbering the Property, the Grantor shall have the right, but not the obligation, to acquire the Property prior to such foreclosure or deed in lieu of foreclosure to preserve the foregoing affordability provisions as provided in 24 CFR Part 92.254 (a)(4) of the Regulations.

7. **Protection of the Grantor's Rights in the Property: Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Mortgage or there is a legal proceeding that might significantly affect the Grantor's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then the Grantor may do and pay for whatever is necessary to protect the value of the Property and the Grantor's rights in the Property. The Grantor's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although the Grantor may take action under this paragraph 7, the Grantor does not have to do so. Any amount disbursed by the Grantor under this paragraph 7 shall become additional debt of Borrower secured by this Mortgage.

8. **Inspection**. The Grantor or its agents may make reasonable entries upon and inspections of the Property. The Grantor shall give Borrower notice prior to the time of an inspection specifying reasonable cause for the inspection.

9. **Condemnation**. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property or for conveyance in lieu of condemnation are hereby assigned and shall be paid to the Grantor and shall be applied to the sums secured by this Mortgage as if the Note had been prepaid on the date the condemnation award is approved, whether or not then due, with any excess paid to Borrower. If the Property is abandoned by Borrower or if, after notice by the Grantor to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to the Grantor within 30 days after the date the notice is given, the Grantor is authorized to accept such award or settlement and to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due.

10. **Borrower Not Released; Forbearance Not a Waiver**. Extension of the time for payment or modification of payment of the sums secured by this Mortgage granted by the Grantor to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower' successors in interest. The Grantor shall not be required to commence proceedings against any successor in interest and may refuse to extend time for payment or otherwise modify payment of the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower' successors in interest. Any forbearance by the Grantor in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. **Successors and Assigns Bound**. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of the Grantor and Borrower and shall be covenants running with, binding and burdening the Property, subject to the provisions of paragraphs 17 and 21.

12. **Loan Charges**. If the loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. The Grantor may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note. Notwithstanding anything to the contrary set forth in this paragraph 12, no interest or prepayment charge is payable under the Note.

13. **Legislation Affecting the Grantor's Rights**. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, the Grantor, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by

paragraph 19. If the Grantor exercises this option, the Grantor shall take the steps specified in paragraph 19.

14. **Notices.** Any notices, demand, request or other communication that any party may desire or may be required to give to any other party hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) overnight courier; or (b) registered or certified United States mail, postage prepaid, return receipt requested.

The Borrower:

<Borrower name>

<Address >

<Contact Number>

The Grantor:

Urbana HOME Consortium

C/O City of Urbana – Administrative Agent

ATTN: Grants Management Division Manager

400 S. Vine Street

Urbana, IL 61801

217-384-2447

Such addresses may be changed by notice to the other party given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

15. **Governing Law; Severability.** This Mortgage shall be governed by the laws of the State of Illinois (without giving effect to Illinois choice of law principles). In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or Note, as the case may be, which can be given effect without the conflicting provision. To this end, the provisions of this Mortgage and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and this Mortgage.

17. **Transfer of the Property or a Beneficial Interest in Borrower.** In the event of (a) a default by Borrower, beyond any applicable cure period, of its obligations under the Note or this Mortgage, or (b) a sale, conveyance or other transfer of the Property for consideration, excluding, however, if Borrower are individuals, any sale, conveyance or transfer to a spouse upon a dissolution of marriage, or to a surviving spouse upon the death of a Borrower, then Borrower shall repay to the Grantor the Loan, or such portion of the Loan as may be due and payable under the terms of the Note.

Upon the occurrence of either of the foregoing events, the Grantor shall give Borrower notice of acceleration. This notice shall provide a period of not less than 30 days from the date the notice is given within which Borrower must pay all sums required by this paragraph 17. If Borrower fails to pay these sums prior to the expiration of this period, the Grantor may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.

18. **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower will have the right to have enforcement of this Mortgage discontinued at any time prior to the earlier of: (a) five (5) days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Mortgage; or (b) entry of a judgment enforcing this Mortgage. Those conditions are that Borrower: (w) pays the Grantor all sums which then would be due under this Mortgage and the Note had no acceleration occurred; (x) cures any default of any other covenants or agreements; (y) pays all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorneys' fees; and (z) takes such action as the Grantor may reasonably require to assure that the lien of this Mortgage, the Grantor's rights in the Property and Borrower's obligations to pay the sums secured by this Mortgage shall continue unchanged. Upon reinstatement by Borrower, this Mortgage and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

19. **Acceleration; Remedies.** Prior to any acceleration of the amounts owed to the Grantor under the Note or this Mortgage (other than an acceleration under paragraphs 13 and 17 unless applicable law provides otherwise) the Grantor shall give notice to Borrower following Borrower's breach of any covenant or agreement in this Mortgage (the "Default"). The notice shall specify: (a) the Default; (b) the action required to cure the Default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the Default must be cured; and (d) that failure to cure the Default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert, in the foreclosure proceeding, the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the Default is not cured on or before the date specified in the notice, the Grantor at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage by judicial proceeding. The Grantor shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence, and such sums shall be immediately due and payable and shall be secured by this Mortgage. Upon any sale of the Property made by virtue of judicial proceedings or a decree of foreclosure and sale, the Grantor may bid for and acquire the Property and in lieu of paying cash therefore may make settlement for the purchase price by crediting upon Borrower's indebtedness secured by this Mortgage, the sale price, after first deducting from the sale price the expenses of the sale and the cost of the foreclosure. The proceeds of any foreclosure sale of the Property shall be distributed and applied in the following order of priority: first, on account of all costs and expenses of the foreclosure proceedings; second, to repayment of the indebtedness of Borrower secured by this Mortgage; and third, any excess to Borrower, its successors and assigns.

20. **Possession.** Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, the Grantor (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by the Grantor or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not

limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage.

21. **Release.** Upon the expiration of the Affordability Period, the Grantor shall release this Mortgage without charge to Borrower. Borrower shall pay any recordation costs.

22. **Waiver of Homestead.** Borrower waives all right of Homestead Exemption in the Property, as described in 735 ILCS 5/12-901. The Borrower reserves the right, however, to seek a reduced assessment based on Homestead under 30 ILCS 200/16-80.

23. **Filing and Recording Fees.** Borrower shall pay all title insurance premiums, escrow charges, filing, registration or recording fees, and all expenses incident to the execution and acknowledgement of this Mortgage and all federal, state, county and municipal taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery and performance of this Mortgage.

By signing below, Borrower accepts and agrees to be bound by the terms and covenants in this Mortgage.

Borrower – < Name >

Approved:

City of Urbana, IL

Champaign County Neighborhood
Alliance for Habitat

STATE OF ILLINOIS)
) ss.
COUNTY OF CHAMPAIGN)

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that < Borrower Name > personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of _____, _____

Notary Public

EXHIBIT "A" (to mortgage)

PROMISSORY NOTE

U.S. \$ _____

FOR VALUE RECEIVED, the undersigned, <Borrower Name >, ("Borrower") covenants and promise(s) to pay to the order of the City of Urbana (the "Payee"), a unit of local government, the principal sum of _____ and 00/100 Dollars (\$ _____), with interest in the amount of zero percent (0%) ("HOME Investment").

If, during the Affordability Period, as defined in the Mortgage, the subject property is sold, the amount due and payable under the Note shall be a proportional share of the net proceeds of the sale determined as set forth below. For the purposes of this Note, the net proceeds are defined as the sale price minus:

- (a) (Sale in other than foreclosure proceeding) the amount of the loan repayment, other than the HOME Investment, the verified cost of any capital improvements made by the Borrower since purchase and reasonable closing costs, or
- (b) (Sale in foreclosure proceeding) the amount stated to be "surplus funds" as indicated in the "Report of Sale" filed with the Court.

The net proceeds shall be divided proportionately as set forth in the following mathematical formulas:

$$\frac{\text{HOME Investment}}{\text{HOME investment} + \text{Homeowner investment}} \times \text{Net Proceeds} = \text{Recaptured HOME Investment}$$

$$\frac{\text{Homeowner Investment}}{\text{HOME investment} + \text{Homeowner investment}} \times \text{Net Proceeds} = \text{Amount to Homeowner}$$

The amount due shall not exceed the total amount of the original HOME investment. The period from the date of this Promissory Note to the date that is ten (10) years after the date of the execution of the sales contract for the property between Buyer and Urban League of Champaign County which is _____ is referred to herein as the "Affordability Period". This note will be forgiven in its full amount upon expiration of the Affordability Period.

Borrower agrees to repay to the Payee, and the Payee shall have the right to accelerate payment of, the outstanding principal balance upon the earliest to occur, within the Affordability Period, of the following:

- (i) a default by the Borrower, beyond any applicable cure period, under the Mortgage or any other document evidencing or securing the Loan; or

- (ii) the sale, conveyance or transfer of ownership of the Property, provided, however, that if the Borrower is an individual, that no transfer to a spouse upon a dissolution of a marriage or to a surviving spouse upon the death of Borrower, as the case may be, shall be deemed to be a sale, conveyance or transfer for purposes of this subparagraph.

The Payee may exercise the foregoing right to accelerate, regardless of any prior forbearance, in accordance with the terms of the Mortgage. If suit is brought to collect the sums due under this Note, the Payee shall be entitled to collect all reasonable costs and expenses of suit, including, but not limited to, reasonable attorneys' fees.

Presentment, notice of dishonor and protest are hereby waived by all Borrower, sureties, guarantors and endorsers hereof. This Note shall be the joint and several obligation of all Borrowers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns. Any subsequent holder of this Note shall have the same rights under this Note as Payee.

Any notice to Borrower provided for in this Note shall be given as set forth in Paragraph 14 of the Mortgage securing payment of this Note.

This Note is governed by the Mortgage securing the same executed on the same date as this Note and evidences money borrowed by Borrower for the Property.

Property Address: < Insert address , City, State >

Borrower – < Borrower Name >

STATE OF ILLINOIS)
) ss.
COUNTY OF CHAMPAIGN)

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that < Borrower Name > personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2011.

Notary Public

EXHIBIT "B" (to mortgage)

PERMITTED ENCUMBRANCES:

First mortgage in the amount of \$ <Amount of First Mortgage> with < Insert Name of First Mortgage Holder>.

Prepared by and Return to:

City of Urbana -Grants Management Division
Attn: Manager
400 South Vine Street
Urbana, Illinois 61801
(217) 384-2447

Attachment 5
Sample Quarterly Report Required By the Urbana HOME Consortium

Champaign County Neighborhood Alliance for Habitat
Affordable Homeownership Program
Quarterly Progress Report

Month: _____
Completed By: _____ Date _____

I. Property & Planning

Site Preparation Status:
IN PROGRESS Date: _____
COMPLETE Date: _____

If not complete, explain how this goal is being accomplished: _____

II. Design Documents:

Development Completion Date _____
Review Completion Date _____
Approved By Building Safety Date _____ Permit Issued _____

Have there been changes to the design documents? _____

III. Homebuyer Outreach

Outreach: List the agencies and/or activities which you have undertaken this month toward the goal of identifying homebuyers: _____

Potential Homebuyers Identified: _____

Income Verification Process For Potential Homebuyer
In Progress _____
Not Approved _____ Reason _____

Approved _____ Income at ____%MFI

Approval by Financial Institution Lender

In Progress _____

Not Approved _____ Reason _____

Approved _____

IV. Contractor/Construction

Bidding Process:

Trade	BID ANNOUNCED	# BIDS RECEIVED	BIDS OPENED/ REVIEWED	BID ACCEPTED	CONTRACT SIGNED

CONTRACTOR	Name Address Phone #	Permit Issued	Start Date	Schedule # days to complete	Status In Progress / Delayed, etc	Final Inspection	Complete
General							
Foundation/ Concrete							
Structural							
Plumbing							
Electrical							
Mechanical							
Insulation							
Drywall							

V. Overall Project Progress

Is the project proceeding according to the Projected Schedule of Activities submitted? _____

If not, please explain. _____

Is the project staying within the budget established? _____

If not, please explain: _____

VI. NOTES MISC

Attachment 6
Sample Standard Form –LLL, Disclosure Form to Report Lobbying

DISCLOSURE OF LOBBYING ACTIVITIES Approved by OMB Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352 0348-0046 (See reverse for public burden disclosure.)

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application, <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: 4c	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency:	7. Federal Program Name/Description: CFDA Number, if applicable: _____	
8. Federal Action Number, if known:	9. Award Amount, if known: \$ _____	
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI):	b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

PRINT

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

. According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503

Attachment 7

MBE-WBE Report

U.S. Department of Housing and Urban Development

Contract and Subcontract Activity

2577-0088 (exp. 06/30/04)

(exp. 10/31/04)

OMB Approval No.:

2502-0355

Public reporting burden for this collection of information is estimated to average .50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is voluntary. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB Control Number.

Executive order 12421 dated July 14, 1983, directs the Minority Business Development Plans shall be developed by each Federal Agency and that these annual plans shall establish minority business development objectives. The information is used by HUD to monitor and evaluate MBE activities against the total program activity and the designated minority business enterprises (MBE) goals. The department requires the information to provide guidance and oversight for programs for the development of minority business enterprise concerning Minority Business Development. If the information is not collected HUD would not be able to establish meaningful MBE goals nor evaluate MBE performance against these goals.

While no assurances of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Privacy Act Notice - The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, United States Code, Section 1701 et seq. and regulations promulgated thereunder at Title 12, Code of Federal Regulations. It will not be disclosed or released outside the United States Department of Housing and Urban Development without your consent, except as required or permitted by law.

1. Grantee/Project Owner/Developer/Sponsor/Builder/Agency		Check if: PHA [] IHA []			Location (City, State, ZIP Code)								
3a. Name of Contract Person	3b. Phone Number (Including Area Code)	4. Reporting Period Oct. 1, 01 - March 31, 02 (Bi-Annual) []	5. Program Code (Not applicable for CPD programs.) See explanation of codes at bottom of page. Use a separate sheet for each program code.	6. Date Submitted to Field Office									
Grant/Project Number or HUD Case Number or other identification of property, subdivision, dwelling unit, etc.	7b.	7c. Type of Trade Code (Sec Below)	7d. Contractor or Subcontractor Business Code (See Below)	7e. Women Owned Business (Yes or No)	7f. Prime Contractor Identification Number	7g. Subcontractor Identification (ID) Number	7h. Subcontractor Identification (ID) Number	7i. Contractor/Subcontractor Name and Address	7j. Name	7k. Street	7l. City	7m. State	7n. Zip Code

(8/98)

form HUD-2516



Champaign County

Neighborhood Alliance for Habitat

July 7, 2011

Urbana Home Consortium
400 S Vine Street
Urbana, IL 61801

To Whom It May Concern:

Please accept this letter as a modification of our previous request for funding for our Affordable Homes Program.

At this time we would request Operating Funds of \$65,000.00.

We also request HOME funding of \$50,000.00 per house built and an additional \$7,500.00 for each home built with a garage. It is our intention that garages only be built with homes in neighbors where the majority of homes on the same street have garages. We request funding for four (4) homes for the Fiscal year which began July 1, 2011.

Attached are proposed budgets and build timelines for construction of these homes.

If you have any questions please feel free to contact us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Beverly Huffman", is written over a circular stamp or seal.

Beverly Huffman

217-819-5111

director@cuhabitat.org

119 E University Ave
PO Box 1162
Champaign, IL 61824
217-359-0507

Item	Description	3 Bedroom 2011 Estimate	4 Bedroom 2011 Estimate	Additional Cost for Garage
1000	Administration/General Conditions			
1000:1100	Permits	\$500	\$500	
1000:1200	Architect/Engineering	\$1,000	\$1,000	\$300
1000:1300	Developer Fees	\$6,160	\$6,580	\$1,120
1000:1301	Construction Manager	\$6,700	\$6,700	
1000:1303	Legal Fees	\$1,500	\$1,500	
1000:1304	Appraisal Fees	\$300	\$300	
1000:1400	Porta Potty	\$625	\$625	
1000:1500	Waste Removal	\$750	\$750	
1000:1600	Temp Utilities	\$600	\$600	
1000:1700	Misc.	\$1,000	\$1,000	
2000	Site Preparation			
2000:2400	Excavation	\$2,400	\$2,400	\$1,000
2000:2500:2501	Gas	\$750	\$750	
2000:2500:2502	Sewer	\$4,000	\$4,000	
2000:2500:2503	Water	\$825	\$825	
2000:2500:2504	Electrical Connections	\$275	\$275	
3000	Foundation			
3000:3100	Footing	\$3,100	\$3,300	\$1,500
3000:3200	Foundation Concrete	\$900	\$1,000	\$1,500
3000:3300	Foundation Masonry	\$1,200	\$1,500	
3000:3500	Driveway & Sidewalks	\$4,000	\$4,000	\$2,000
4000	Structure			
4000:4100	Floor System	\$2,700	\$3,000	
4000:4200	Walls	\$2,700	\$4,000	\$1,000
4000:4300	Roof Trusses/Framing	\$3,100	\$3,400	\$1,000
5000	Exterior Finishes			
5000:5100	Siding & Soffit	\$3,000	\$3,300	\$1,800
5000:5200	Windows	\$2,000	\$2,200	\$175
5000:5300	Exterior Doors	\$750	\$750	\$1,500
5000:5400	Roofing/Flashing	\$1,300	\$1,400	\$700
5000:5500	Drains & Gutters	\$450	\$500	\$200
5000:5600	Porches	\$2,600	\$2,600	
6000	Insulation			
6000:6200	Wall Insulation	\$1,100	\$1,300	\$400
6000:6300	Attic Insulation	\$1,100	\$1,300	\$125
7000	Mechanicals			
7000:7100	Plumbing	\$7,000	\$7,000	
7000:7200	Electrical - Materials & Labor	\$2,400	\$2,400	\$500
7000:7300	HVAC	\$5,800	\$6,700	
8000	Interior Finishes			
8000:8100	Drywall	\$4,800	\$5,400	\$1,100
8000:8200	Paint	\$600	\$700	\$200
8000:8300	Interior Trim	\$1,000	\$1,200	
8000:8350	Interior Doors	\$1,700	\$2,000	
8000:8400	Cabinets	\$2,000	\$2,000	
8000:8500	Floor Coverings	\$2,800	\$3,400	
9000	Site Improvements			
9000:9100	Landscaping	\$1,600	\$1,600	
9000:9200	Storage Shed	\$1,200	\$1,200	
		\$88,285	\$94,955	\$16,120



Build Schedule

	PreBuild	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11
Site prep	P											
Foundation	P											
Water/sewer	P											
Floor System		V										
Framing		V										
Trusses			V									
Windows & Doors			V									
Insulation Board			V									
Plumbing Rough-In				P								
Heating Rough-In					P							
Gas line					P							
Electrical Rough-In						P						
Insulation						P						
Perm. power/water						P						
Inspections				I	I							
Drywall							P	P				
Roofing				V								
Siding				V	V	V						
Soffits				V	V							
Porches						V	V					
Interior carpentry								V	V	V		
Install Cabinets									V	V	V	
Paint interior								V	V	V		
Electrical Trim out									P			
Plumbing Trim out									P			
Hvac Trim out									P			
Install Carpet										P	P	
Install vinyl									P			
Landscape										V	V	V
Drive/sidewalk										P	P	P
Final Clean Up											V	
Final Inspections												I

P Professional Labor
 V Volunteer Labor
 I Inspections

ORDINANCE NO. _____

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME
CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION SPONSOR
AGREEMENT

(Homestead Corporation of Champaign-Urbana
510 E. Beardsley Project FY 2011-2012)

WHEREAS, The City Council of the City of Urbana, Illinois, has found and determined that execution of the attached 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 (Champaign/Urbana/Champaign County) FY 2010-2014 Consolidated Plan*.

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

Section 1. That an Agreement providing \$185,006 in HOME Program funds, for the redevelopment of one (1) affordable single family rental home at 510 East Beardsley Avenue, Champaign, to be transferred to the Center for Women in Transition upon completion of the project, between the City of Urbana and Homestead Corporation of Champaign-Urbana, in substantially the form of the copy of said Agreement 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 said Agreement, and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement 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

**URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT
ORGANIZATION SPONSOR AGREEMENT**

**(Homestead Corporation of Champaign-Urbana
510 E. Beardsley Project FY 2011-2012)**

This Sponsor Agreement, hereafter referred to as "Agreement", is made as of this _____ day of _____, 2011, by and between the CITY OF URBANA, as a member of the Urbana HOME Consortium (hereinafter the "**GRANTOR**") and HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA, hereinafter the "**SPONSOR**".

WITNESSETH

WHEREAS, the Congress of the United States has enacted the Cranston-Gonzalez National Affordable Housing Act of 1990 which created the HOME Investment Partnerships Program (hereinafter the "HOME Program") to provide funds to state and local government for affordable housing assistance that is most appropriate for local needs; and

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

WHEREAS, SPONSOR desires to serve as a sponsor for a local not-for-profit organization, the Center for Women in Transition for the construction of an affordable single-family rental housing unit within the Consortium area; and

WHEREAS, the GRANTOR as a member of the Urbana HOME Consortium has authority under the provisions of the HOME Program to provide financial assistance for the development of affordable residential rental development; and

WHEREAS, the SPONSOR has submitted a proposal to the GRANTOR for assistance to redevelop an affordable single-family rental unit (hereafter the "PROJECT") on a property, hereafter the "PROPERTY") commonly known as **510 East Beardsley Avenue, Champaign**, legally described in Exhibit "C", attached hereto and made a part hereof; and

WHEREAS, the GRANTOR has reviewed said proposal, and has conducted an evaluation of said PROJECT, including an understanding that plans that will achieve the minimum property standard, as established by the GRANTOR, as part of said PROJECT and an estimated total cost of said PROJECT; and

WHEREAS, the GRANTOR has determined that the PROJECT is eligible for funding under the HOME Program, and

WHEREAS, the SPONSOR has been fully informed regarding any and all requirements, and, obligations that must be met by the PROJECT in order to utilize HOME Program funds, including but not limited to the requirement that after redevelopment, the dwelling unit(s) must remain affordable to low-income households (60% of Area Median Income as established by HUD) for a period of 20 years from the date the PROJECT has achieved full initial occupancy, in accordance with 24 CFR Part 92, Sections 203, 251-253; and

WHEREAS, the SPONSOR, after said evaluation and assessment of the PROJECT by the GRANTOR, and having been fully informed regarding the requirements of the HOME Program, is committed to commencing said PROJECT with the assistance of HOME Program funds on or before **September 15, 2011** and has made necessary arrangements to provide any required matching private contribution towards the cost of said PROJECT;

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, the parties hereto agree as follows:

ARTICLE I: HOME REQUIREMENTS

Section 1: USE of HOME Funds

The GRANTOR agrees to provide the SPONSOR an amount not to exceed a total of **\$185,006** (\$5,310.00 from Federal Fiscal Year FY 2007-2008 HOME Program allocation, \$29,613.00 from Federal Fiscal Year FY 2010-2011 HOME Program allocation, and \$150,083.00 from FY 2011-2012 HOME Program allocation) allocation to assist with the redevelopment of **one (1)** affordable rental dwelling unit. SPONSOR shall comply with the following requirements:

- a.) Complete work on the PROJECT in accordance with the following documents:
 1. Project Description & Project Schedule including the schedule, attached hereto as Exhibit "A"
 2. The Pro Forma, attached hereto as Exhibit "B", each of which is incorporated by reference herein.

- b.) Secure legal possession of the PROPERTY during redevelopment of the unit.

Section 2. HOME Project Requirements

The SPONSOR shall comply with all income determinations and affordability requirements of the HOME Program for the unit as described in subparagraph d.) below,

as set forth in 24 CFR 92.203, 92.252, as applicable. The SPONSOR shall determine each family is income eligible by determining the family's annual income in accordance with the Part 5 (Section 8) methodology allowed in 24 CFR 92.203. The HOME assisted unit in a rental housing project must be occupied only by households that are eligible as low-income families (60% of Area Median Income as established by HUD) and must meet the affordability requirements as described more fully in 24 CFR 92.252(e).

- a.) Affordability Period: For a **twenty (20)** year period following project completion and transfer of the property to the not-for-profit, the SPONSOR agrees to execute a Deed Restriction in form of a Regulatory and Land Use Restriction Agreement and with the same content as that executed under event date herewith.
- b.) Maximum Tenant Income: The maximum income for households residing in the unit cannot exceed sixty (60%) percent of the area medium income, adjusted by family size, as defined annually by HUD.
- c.) Rent Limitations: The gross rent for the unit (base rent plus applicable utility allowance computed in accordance with Section 42 of the Internal Revenue Code and applicable HOME regulations) shall not exceed the maximum High HOME Rents as published annually by HUD, and issued annually by the GRANTOR. The initial monthly rent for the unit cannot exceed:

# of Bedrooms	High HOME Rent
4	\$ 1208

- d.) Increases in Tenant Income: To the extent specifically required by the regulations under the HOME Program, if an existing tenant's adjusted income increases to the extent that it exceeds eighty (80%) percent of the area median income, as defined annually by HUD, said tenant's rent shall be increased to an amount equal to thirty (30%) per cent of the family's adjusted monthly income.
- e.) Lease Provisions: All leases between the BORROWER and tenants residing in a HOME ASSISTED UNIT shall be for not less than one (1) year in duration and shall comply with and not contain any of the following prohibited lease provisions in accordance with 24 CFR 92.253. The leases **may not contain** any of the following provisions:
 - a. Agreement to be sued. *Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;*
 - b. Treatment of property. *Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties.*

This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;

- c. Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;*
- d. Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;*
- e. Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;*
- f. Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;*
- g. Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and*
- h. Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.*

f.) Non-Discrimination Against Tenants and Prospective Tenants: The SPONSOR shall not, in the provision of services, or in any other manner, discriminate against any person on the basis of race, color, creed, class, national origin, religion, sex, age, marital status, physical and/or mental disability, personal appearance, sexual orientation, family responsibilities, matriculation, political affiliation, prior arrest or conviction record or source of income.

g.) Termination of Tenancy. SPONSOR may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse to renew tenancy, the SPONSOR must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

h.) Certification of Tenants' Income: SPONSOR shall submit or cause to be submitted to the GRANTOR within ninety (90) days of its fiscal year end the income records of all tenants that are or have been occupying the unit within the preceding twelve (12) months, and verifying that the tenant meets the income guidelines set forth herein , or in the case of existing tenants in said

unit whose income has increased above eighty (80%) per cent of area median income, as defined annually by HUD, that SPONSOR has complied with applicable HOME Program regulations in filling the next available vacant unit.

- i.) Non-Discrimination Against Subsidy Holders: The SPONSOR shall not, in the provision of services, or in any other manner, discriminate against any person on the basis of age, race, color, creed, religion, sex, handicap, familial status or national origin.

Section 3. Other Program Requirements

The SPONSOR shall comply with requirements imposed by Title VIII of the Civil Rights Act of 1968, and any related rules and regulations; all requirements imposed by Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d et seq.; the HUD regulations issued here under, 24 CFR, Subtitle A, Part 1, the HUD requirements pursuant to these regulations; and Executive Order 11063.

In accordance with all rules and regulations issued by HUD under Section 504 of the Rehabilitation Act of 1973, the SPONSOR shall not discriminate against any person on the basis of handicap.

The SPONSOR shall comply with any rules and regulations issued by HUD under the Age Discrimination Act of 1975, (42 U.S.C. 6101-07) and implementing regulations at 24 CFR parts 146;

Cooperation in Equal Opportunity Compliance Reviews: The SPONSOR shall cooperate with GRANTOR and HUD in conducting compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

Section 4. Property Standards

The SPONSOR agrees that during the Affordability Period the unit shall be maintained in accordance with the minimum property standards as established by the GRANTOR, as well as meet all applicable State and local construction codes, rehabilitation standards, and zoning ordinances, at the time of project completion. The unit must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

The SPONSOR agrees to allow periodic inspections of the unit during normal business hours and upon reasonable notice to ensure that the property condition remains

in accordance with the applicable standards listed in this subpart for the duration of the Affordability Period.

Section 5. Federal Program Requirements

- a.) Affirmative Marketing of Rental or Vacant Unit: The SPONSOR will affirmatively market the unit if available for rent or purchase in a manner to attract tenants without regard to race, color, national origin, sex, religion, familial status or disability. The SPONSOR agrees, in soliciting tenants, to do the following:
- 1) Use the Equal Housing Opportunity logo in all advertising;
 - 2) Display a Fair Housing poster in the rental and sales office;
 - 3) Where appropriate, advertise, use media, including minority outlets, likely to reach persons least likely to apply for the housing;
 - 4) Maintain files of the Project's affirmative marketing activities for five (5) years after the completion of the Affordability Period and provide access thereto to GRANTOR staff;
 - 5) Not refrain from renting to any participating tenant holding a Section 8 Housing Choice Voucher, except for good cause, such as previous failure to pay rent and/or to maintain a rental unit, or the tenant's violation of other terms and conditions of tenancy;
 - 6) Comply with Section 8 Housing Choice Voucher Regulations when renting to any participating tenant; and
 - 7) Exercise affirmative marketing of the units when vacated; and
 - 8) Complete the Urbana HOME Consortium Affirmative Marketing Plan prior to the start of the PROJECT.
- b.) Non-discrimination and Equal Opportunity: In carrying out this Agreement, the SPONSOR shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, familial status, handicap or national origin. The SPONSOR shall take the necessary steps to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, familial status, handicap or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of

compensation; and selection for training, including apprenticeship. The SPONSOR shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the government setting forth the provisions of this non-discrimination clause. The SPONSOR, upon execution of this Agreement, shall agree that all qualified candidates will receive consideration for employment without regard to race, color, religion, sex, age, familial status, handicap or national origin. The SPONSOR shall comply with GRANTOR Ordinance 26.5 Part 2, regarding Equal Employment Opportunity and Affirmative Action.

- c.) Displacement, Relocation and Acquisition: If applicable, SPONSOR agrees to cooperate and assist the GRANTOR in the provision of relocation assistance for temporarily relocated and/or permanently displaced persons residing in the project at the levels in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C.4201 to 4655) and 49 CFR, Part 24.
- d.) Disbarment & Suspension:
The SPONSOR certifies that it is not debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549. The SPONSOR shall establish procedures to ensure they do not make any award to grantees and subgrantees (including contractors) at any tier in violation of the nonprocurement debarment and suspension common. **The SPONSOR shall verify and document that none of its grantees, subgrantees or contractors are debarred, suspended or otherwise excluded from participation through the effective use of the List of Parties Excluded from Federal Procurement or Nonprocurement programs ("List").**
The SPONSOR may request assistance from the GRANTOR to access the List and document results.
- e.) Conflict of Interest: The SPONSOR guarantees that no member of, or Delegate to, the Congress of the United States shall be admitted to any share or part of this contract or to any benefit to arise from the same. The SPONSOR agrees that no members of the governing body of the locality in which the SPONSOR is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the Agreement during his/her tenure, or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the services performed under this Agreement. Unless expressly permitted by HUD, SPONSOR agrees that no person who is an employee, agent, consultant, officer, or elected or appointed official of the SPONSOR and

who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME Program funds, or who is in a position to participate in a decision making process to gain inside information with regard to such HOME-assisted activities, may obtain a financial interest or benefit from the HOME-assisted activity, or have any interest in any contract, subcontract, or agreement with respect thereto, or the proceeds there under, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one (1) year thereafter. Unless expressly permitted by the GRANTOR, no SPONSOR, or officer, employee, agent or consultant of the SPONSOR, may occupy the unit.

- f) Compliance with Section 3. SPONSOR shall comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 applies apply to all contract and subcontracts in excess of \$100,000 where city (GRANTOR) assistance exceeds \$200,000. Additionally, if no contracts or subcontracts exceed \$100,000, then Section 3 will only apply to the SPONSOR.) The following forms are required to be completed and submitted to the GRANTOR;

- _____ Section 3 Policy
- _____ Section 3 Self-Certification
- _____ Section 3 Compliance in the Provision of Training, Employment, and Business Opportunities
- _____ Proposed Subcontractor Breakdown – Table A
- _____ Estimated Project Workforce Breakdown – Table B

(Note: The foregoing Certification forms will be provided by the GRANTOR to the SPONSOR. The SPONSOR is responsible for distributing and collecting the Section 3 forms from each contractor and subcontractor associated with the project. (No work may begin until these forms are completed and returned to the GRANTOR).

- g.) Air and Water
The SPONSOR agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

Clean Air Act, 42 U.S.C. , 7401, *et seq.*;

Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder; Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

ARTICLE II: DISBURSEMENT OF FUNDS.

Section 1. Payment Generally

As consideration for the performance of the undertaking and completion of construction of aforementioned PROJECT, GRANTOR shall reimburse SPONSOR for all eligible costs, as determined by the GRANTOR, in an amount not to exceed **\$185,006.00**. Payment for PROJECT shall be made in accordance with the budget detailed in Exhibit B and shall be limited to the statement of work described in "Exhibit A".

A request for disbursement shall be submitted by the SPONSOR to the GRANTOR for HOME Program funds under this Agreement when funds are needed for payment of eligible HOME Program costs. The amount of each disbursement request shall be limited to the amount expended.

Section 2. Progress and Final Payments

The SPONSOR may request from the GRANTOR progress payments as soon as portions of the work described in "Exhibit A" have been completed. The GRANTOR or his/her designee shall authorize said payments and said payments shall not be made until the GRANTOR or his/her designee approves the payment. If all conditions are met, and the work performed and materials supplied in a manner satisfactory to the GRANTOR, the SPONSOR shall receive final payment.

ARTICLE III: RECORDKEEPING

The SPONSOR must maintain such records and accounts, including program records, project records; financial records; program administration records; equal opportunity and fair housing records; MBE/WBE records; records demonstrating compliance with the income eligibility determination requirements of §92.203; recordkeeping requirements of 92.508; any records demonstrating compliance with the requirements of §92.353 regarding displacement, relocation and real property acquisitions; records demonstrating compliance with the labor requirements of § 92.354; records demonstrating compliance with the lead-based paint requirements of §92.355; debarment and suspension certifications required by 24 CFR parts 24 and 92; and any other records, as are deemed necessary by the GRANTOR to assure a proper accounting and monitoring of all HOME Program funds. The SPONSOR shall retain all records and supporting documentation applicable to this Agreement for five (5) years after the "Affordability Period" has terminated.

ARTICLE IV: ENFORCEMENT

A default shall consist of any use of HOME Program funds for a purpose other than as authorized by this Agreement, noncompliance with the HOME Investment Partnerships Act, any material breach of the Agreement, failure to expend HOME Program funds in a

timely manner, or a misrepresentation in the application submission which, if known by GRANTOR and/or HUD, would have resulted in HOME Program funds not being provided. Upon due notice to the SPONSOR of the occurrence of any such default and the provision of a reasonable opportunity to respond, the GRANTOR may take one or more of the following actions:

- (a) Direct the SPONSOR to prepare and follow a schedule of actions for carrying out the affected activities, consisting of schedules, timetables and milestones necessary to implement the affected activities;
- (b) Establish and follow a management plan that assigns responsibilities for carrying out the remedial actions;
- (c) Cancel or revise activities likely to be affected by the performance deficiency, before expending HOME Program funds for the activities;
- (d) Reprogram HOME funds that have not yet been expended from affected activities to other eligible activities or withhold HOME Program funds;
- (e) Direct the SPONSOR to reimburse the GRANTOR's program accounts in any amount not used in accordance with the requirements of 24 CFR Part 92, et al;
- (f) Suspend disbursement of HOME Program funds for affected activities;
- (g) Other appropriate action including, but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions, termination of the Agreement and any other available remedies.

For purposes of this Agreement, a reasonable opportunity to respond to any default shall be thirty (30) days from receipt by SPONSOR of the GRANTOR's written notice of default. No delay or omission by GRANTOR and/or HUD in exercising any right or remedy available to it under the Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any SPONSOR default.

Unless the SPONSOR'S default is waived, the GRANTOR may, upon twenty-four (24) hour written notice, terminate this Agreement for said default. Waiver by the GRANTOR of SPONSOR'S default under this Agreement shall not be deemed to be a waiver of any other default nor shall it be termination notice.

Notices required herein, shall be considered received by the SPONSOR and the GRANTOR if delivered in person with written proof thereof, or when deposited in the U.S. Mail, in a prepaid wrapper marked certified, return receipt requested.

ARTICLE V: CONTINGENCIES

Receipt of HOME funding for this PROJECT is contingent upon the following:

- a) The Participating Jurisdiction's receipt of the full grant allocation for Fiscal Year (FY) 2011-2012 in the amount of \$1,000,552.
- b) Execution of a Sales Contract between the Center for Women in Transition and SPONSOR, indicating the Center for Women in Transition's commitment to purchase the PROPERTY.
- c) Execution of a Memorandum of Understanding between the City of Champaign, as a member of the Urbana HOME Consortium, and the Center for Women in Transition and SPONSOR, certifying that the City of Champaign will carry out and monitor all HOME activities regarding the PROJECT for the full Affordability Period, including all applicable inspections of the PROPERTY.

ARTICLE VI: NOTICES

The GRANTOR and the SPONSOR agree that all notices required by the Agreement shall be in writing and delivered by certified mail with return receipt requested or hand delivered to the office of the Chief Administrative Officer or duly authorized appointed representative of the GRANTOR or SPONSOR as specified herein:

SPONSOR:

Name: Aaron Smith
Title: Executive Director
Organization: Homestead Corporation of Champaign-Urbana
Address: 306 W Griggs St.
Urbana, IL 61801

CITY OF URBANA as a Member of the URBANA CONSTORTIUM:

Name: Laurel Lunt Prussing
Title: Mayor
Organization: City of Urbana
Address: 400 S. Vine Street
Urbana, IL 61801

ARTICLE VI: SIGNATURE OF AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by its officers as of the date first written above.

CITY OF URBANA

SPONSOR

BY: _____

BY: _____

ITS: Mayor

ITS: _____

ATTEST: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF CHAMPAIGN)

I, the undersigned Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Aaron Smith, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act in his capacity as Executive Director of Homestead Corporation of Champaign-Urbana and as the free and voluntary act for the purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2011.

Notary Public

Exhibit A
Project Description & Project Schedule

Project Review – The proposed project at 510 E. Beardsley Ave, Champaign will consist of four phases:

- A. Acquisition – Homestead Corporation will purchase the land and existing structures at 510 E. Beardsley Avenue from the current owner. A tentative agreement to sell the property was previously negotiated between the current owner and the City of Champaign for a purchase price of \$42,500, at below-market value. Homestead will negotiate a sale of the property with the current owner at the previously negotiated price.
- B. Demolition – Once Homestead has acquired the subject property, Homestead will demolish the existing structures on the site and clear the site for further development. The City of Champaign has obtained preliminary estimates for the demolition at a price of approximately \$9,500. Testing for lead-based paints and asbestos were previously carried out on the subject property, and record of any required abatement completed or still required are on file with the City of Champaign. Any additional measures required for abatement would be included in planned demolition work.
- C. New Construction – The subject property is located in the Douglass Park Neighborhood of the City of Champaign. Homestead has a long history and abundant experience with working in this area. Homestead completed the construction of three new single-family homes in the neighborhood within the last four years of the Affordable Homeownership Program. All three of those homes are within one block of the subject property. In addition, there are another eight single-family homes developed by Homestead within one mile of the subject property. Also, Homestead has development experience in creating single-family affordable rental properties in other areas of Champaign and Urbana.

Homestead plans to construct a new single-family home at 510 E. Beardsley for the purpose of providing affordable rental housing to income-qualified households at or below 60% AMI for Champaign County. The subject property has similar site constraints. Homestead proposes to build a home similar in dimensions, style, and floor plan to those homes, requiring minimal pre-construction work to develop plans. Homestead has more than enough sufficient experience in work with this design and managing the construction of this type of project.

- D. Donation – Once the new construction at 510 E. Beardsley is completed, Homestead plans to convey ownership of the property and newly constructed home to an established provider of services to the homeless, Center for Women in Transition, to be used as an affordable rental home for their clients. The method of conveyance would be an effective donation of the property through sale of the property for a minimal amount such as one dollar. Long term monitoring for

rental compliance with HOME regulations will be carried out by the City of Champaign, as evidenced by a Memorandum of Understanding.

Project Schedule:

[Please see attached]

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA

510 E. Beardsley Development Schedule

June 8, 2011

**SCHEDULE OF ACTIVITIES
FY 11**

	June	July.	Aug.	Sept.	Oct.	Nov.	Dec.
HOME Application	xxx	xxxx					
Site Acquisition			xxxx				
Demolition				xxxx			
Design Preparation			xx	xxxx			
Bidding				xx			
Contracting					xx		
Construction Loan Closing				xx	xx		
Construction					xx	xxxx	
Donation							

**SCHEDULE OF ACTIVITIES
FY 12**

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
HOME Application								
Site Acquisition								
Demolition								
Design Preparation								
Bidding								
Contracting								
Construction Loan Closing								
Construction			xxxx	xxxx	xxxx	xx		
Donation						xx	xxxx	

Exhibit B - Pro Forma

[Please see attached]

PRO FORMA -
SOURCES AND USES OF FUNDS

HOMESTEAD'S AFFORDABLE
AFFORDABLE RENTAL PROGRAM
510 E. Beardsley Ave, Champaign, IL

07/07/11

SOURCES OF FUNDS

SUBSIDIES

City of Urbana HOME	198,000	
		198,000

TOTAL SOURCES OF FUNDS	198,000
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USES OF FUNDS

ACQUISITION COSTS

Land and Structures	42,500	
Liens and Taxes	1,500	
		44,000

DEMOLITION COSTS

Demolition of Structures	9,500	
		9,500

LAND DEVELOPMENT

Sanitary Sewer	0	
Storm Sewer	0	
Street	0	
Sidewalk	0	
Tree Removal	1,000	
Grading/Topsoil/Sod/Landscaping	3,000	
Electric Power	0	
Gas	0	
Telephone	0	
Cable TV	0	
		4,000

PROFESSIONAL FEES

Architect and Engineering	1,950	
Developer Fee	10,000	
Legal Fees	1,000	
Marketing	0	
		12,950

GENERAL PROVISIONS

Permits		
Insurance		
		0

CONSTRUCTION

Buildings	120,000	
Contingency @ 5%	6,000	
		126,000

FINANCING

Escrow Services	300	
Construction Interest/Fees	650	
Closing Costs-Construction	100	
Closing Costs-Sales	500	
		1,550

TOTAL USES OF FUNDS	198,000
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Exhibit C
Location of Project

Legal description:

Lot 25 of T.D. Wilson's Third Addition to the City of Champaign, as per Plat recorded 6/14/1912 in Plat Book "C" at Page 258, as Doc.#90508, in Champaign County, Illinois; #46-21-07-127-017 (cka 510 E. Beardsley Av.-Champaign, Illinois)

PIN: 46-21-07-127-017

Street Address:

COMMONLY KNOWN AS: 510 East Beardsley Avenue, Champaign, Illinois



UNAPPROVED
SPECIAL MEETING MINUTES
COMMUNITY DEVELOPMENT COMMISSION
Tuesday, July 12, 2011, City Council Chambers
400 South Vine Street, Urbana, IL 61801

Call to Order: Chairperson Cobb called the meeting to order at 7:05 p.m.

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

Commission Members Present: Fred Cobb, Janice Bengtson, Chris Diana (arrived 7:07 pm), Theresa Michelson, Jerry Moreland, Brad Roof, Anne Heinze Silvis, Dennis Vidoni

Commission Members Absent: George Francis

Others Present: Kelly Hartford, Jennifer Gonzalez, and Connie Eldridge, Community Development Services; Kerri Spear, Greg Skaggs, Neighborhood Services Department, City of Champaign; Aaron P. Smith, Homestead Corporation of Champaign-Urbana (Homestead); Beverly Huffman, Habitat for Humanity of Champaign County and Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance).

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the June 28, 2011 minutes. Commissioner Roof moved to approve the minutes, and Commissioner Moreland seconded the motion. The motion carried unanimously.*

Petitions and Communications: None.

Staff Report: Kelly Hartford thanked commissioners for coming to this special meeting and gave a brief report. The Department of Housing and Urban Development (HUD) will monitor the City's Supportive Housing Program August 1-3, 2011. A public hearing is scheduled for a Special City Council meeting on July 25, 2011 for the disposition of 107 West Oregon Street. Grants Management Division has hired two part-time interns.

Old Business: None.

New Business: Jen Gonzalez, HOME Program Grant Coordinator, requested agenda item D be discussed first. She briefly reviewed the status of HOME Community Housing Development Organization (CHDO) funds. HUD has not yet approved the CHDO status for the Ecological Construction Laboratory (e-co lab).

An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Sponsor Agreement (Homestead Corporation of Champaign-Urbana 510 E. Beardsley Project) – Ms. Gonzalez stated the City of Champaign, Homestead Corporation (Homestead), Center for Women in Transition (CWT), and the City of Urbana were collaborating on this project, which is located at 510 East Beardsley Avenue, Champaign. The project involved property acquisition, demolition, and new construction of a single family rental unit, which Homestead will transfer to CWT for

use as permanent housing for homeless persons. Ms. Gonzalez introduced Kerri Spear, Neighborhood Programs Manager, and Gregg Skaggs, Community Development Specialist, City of Champaign.

Commissioner Roof had specific questions about the project. Having looked at the property, he felt the amount of HOME funds used for the project was high. Aaron Smith, Homestead, explained the dollar amount is higher since the end user was CWT rather than a homeowner, who would have had a mortgage to offset the construction costs. CWT, which will not have a mortgage, will use the tenants' rents to pay for property taxes, insurance, utilities, etc.

Commissioner Roof asked about a current appraisal. There was discussion about past and current appraised value, possible liens or safety violations, the amount of back taxes owed, and amount of budgeted HOME funds. Mr. Skaggs stated the current owner keeps the property mowed, but is "in over his head" and owes back taxes. Kerri Spear stated the project will follow regular procedures for paying the real estate taxes.

Commissioner Diana questioned the current market value of the property. There was discussion on past and current value and a negotiated price. Noting the Neighborhood Stabilization Program (NSP) had very strict guidelines, Ms. Spear referenced their City's appraisal.

In response to Commissioner Roof, Mr. Smith clarified that Homestead will be the Project Sponsor and will construct and sell the property to CWT. CWT will be responsible for providing tenants over a 20-year period. Ms. Spear added the City of Champaign will monitor this CHDO project because it is located in Champaign.

Mr. Smith reviewed the HOME regulations which cap the amount of rent that may be charged and is based on household income. Ms. Spear noted the goal is to transition women and their families from CWT to permanent affordable housing. Otherwise, the women continue to occupy homeless units in CWT. In response to Commissioner Roof, Ms. Gonzalez stated multiple families may consecutively occupy this home over 20 years. As the household's income increases, so does the amount of rent until it reaches market value. When this occurs, families often chose to move. Mr. Smith added there is a lack of affordable three to four bedroom homes for larger low income families.

Commissioner Roof inquired about the market value of other homes in this neighborhood. Mr. Smith replied that in Fiscal Year (FY) 2008-2009 Homestead had constructed three homes which sold for \$110,000 to \$115,000. Recent tax assessments had the same value. Commissioner Roof strongly felt this project cost quite a bit of money and that "it was a tough pill to swallow to build one home." Ms. Spear commented this was one project in the greater Douglass Park neighborhood. The City of Champaign has invested a lot of funds in this neighborhood, as well as Taylor Thomas and Oakwood Trace, for the purpose of community development. She discussed construction costs, as compared to appraised value and the amount of mortgage a low-income homeowner can afford. This project does not just help one lower income household; it also helps a nonprofit organization (CWT). Commissioner Roof stated he did not have a problem with the aspect of revenue.

Commissioner Roof asked why this particular property was chosen. Ms. Spear replied Champaign has been focusing on the Douglass Park area and has invested in 11 properties in that area. There is also a need to commit CHDO funds to meet HUD's timeliness.

Referencing the recent Crystal View Townhomes development, Mr. Smith stated the average cost was \$210,000 per affordable unit.

Commissioner Vidoni commented that he liked the synergy of Champaign, Urbana, CWT and Homestead working together. He supported the mission and goal of this project.

Referencing the theory of overbuilding to increase property values in an area, Commissioner Diana asked about data to show that property values have increased in the Douglass Park area. Ms. Spear discussed Champaign's Neighborhood Wellness Plan, tracking median values, and whether or not properties in certain neighborhoods are appreciating. Given the current market conditions, she felt the recent sale of a home in the Taylor Thomas subdivision for more than original price was amazing. Also, there are new challenges on how the mortgage industry looks regarding deed restrictions for affordable housing. Noting that home prices have been dropping for the last 18 months, Commissioner Diana expected houses in a targeted area to resell for a higher price because the original price was discounted over the true value.

Commissioner Diana asked about data showing the effect on other property values. Ms. Spear answered they will do that type of analysis when they complete the Neighborhood Stabilization Program (NSP) as part of their Neighborhood Wellness Plan. In response to Commissioner Roof, Ms. Spear summarized Champaign's original plan for this property using NSP funding.

Mr. Smith compared Homestead's original CHDO project application with this revised one. Since there was a dedicated end user, Homestead could finish the project in under a year while providing a new unit for CWT. Homestead's earlier plan would not be completed as quickly since sites and homebuyers were not yet determined. This opportunity also gave Homestead a chance to partner with CWT.

In response to Commissioner Roof, Ms. Gonzalez explained there is a need to expend HOME CHDO grant funds in a timely manner. She mentioned e-co lab's lack of progress, which is causing grant funding timeliness issues. Comparing Homestead's two CHDO applications, the Beardsley project was the most logical. It provides for a 20-year affordability period. Ms. Spear mentioned the HOME Technical Committee's recent review of the CHDO projects.

Mr. Smith stated the actual cost to construct this home is in line with Homestead's past projects. Commissioner Diana asked about price negotiations. There was discussion on the timing of the application and negotiations with the homeowner. Commissioner Diana felt the negotiation "seemed backward" to him.

Commissioner Vidoni felt this was a good option, concept and program, with the greatest weakness being HUD's timeliness. He asked about the proportion of Urbana residents. Ms. Gonzalez replied most CHDO projects have been in Urbana. Ms. Hartford stated that CWT serves Urbana residents as well. Chairperson Cobb remarked the project seems good except for

the price. He asked about leftover funds. Mr. Smith replied that Homestead does not keep any unexpended CHDO funds; rather, they are used for other CHDO projects. However, if a project is more expensive, Homestead has to pay for the additional funds needed.

Ms. Spear stated that Champaign's goal is to create affordable housing, with leftover funds being applied to the next project. They piece together different types of funds to bring project costs down. This project will also include leftover funds from the Douglass Infill. She discussed how this property was the last NSP project, and it could not go forward due to lack of funding.

Chairperson Cobb wondered about possible savings using factory prebuilt housing. Ms. Spear replied that Taylor Thomas was that type of development, and the cost was about \$130,000 per unit a few years ago. There are no great cost savings.

Commissioner Michelson asked if Homestead would receive a developer fee, and Mr. Smith answered yes.

Commissioner Silvis stated there are always tradeoffs when acquiring properties, for example, projects may be delayed due to lack of clear titles. If this project does not proceed, the cities would still need to deal with a distressed property. She felt this was a great opportunity for all entities and stated the homeless population affects both Champaign and Urbana.

Commissioner Roof inquired about asbestos issues. Mr. Skaggs described how last minute funding required Champaign to address this early in the process. Commissioner Roof was very concerned about this. Ms. Spear discussed the timing of the Illinois Housing Development Authority's (IHDA) request and NSP's regulations for prevailing wage. Chairperson Cobb stated this appeared to be a calculated gamble based on a reasonable assumption that funds were forthcoming. Ms. Spear and Mr. Skaggs agreed. Commissioner Bengtson called the question, and Chairperson Cobb requested a motion.

Commissioner Vidoni moved to recommend to City Council approval of an Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Sponsor Agreement (Homestead Corporation of Champaign-Urbana 510 E. Beardsley Project). Commissioner Silvis seconded the motion. The motion passed with six ayes, and two nays.

An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Champaign County Neighborhood Alliance for Habitat Homeownership Program FY 2011-2012) -

Ms. Gonzalez introduced Beverly Huffman, Executive Director, and stated Neighborhood Alliance has recently received its 501(c)(3) status from the Internal Revenue Service. This was the last step before Neighborhood Alliance could be approved as a CHDO.

Neighborhood Alliance's initial CHDO project application was for two years; however, staff requested they submit a modified request for one year. Upon review of the revised application, the HOME Technical Committee decided Neighborhood Alliance could construct two homes this building season and two next building season. The Technical Committee determined the

homebuyer subsidy was reasonable, given that Neighborhood Alliance's homebuyers have much lower incomes.

Commissioner Vidoni inquired about availability of lots and use of volunteers. Ms. Huffman replied that both Champaign and Urbana have available lots, and Neighborhood Alliance will hire Habitat to construct the homes. Referencing Homestead's construction cost of \$92 per square foot, Commissioner Vidoni asked about Neighborhood Alliance's cost. There was discussion about the cost, with Ms. Gonzalez estimating \$80 a square foot. Commissioner Vidoni felt that seemed high due to using volunteer labor. Ms. Huffman replied their operating costs were fairly high given the number of houses being built. As they increase the number of families helped, the operating expenses, which are stable, will decrease.

In response to Commissioner Roof, Ms. Huffman described Neighborhood Alliance's requirement that families provide sweat equity for other homes as well as their own. She was excited about the opportunity to increase their capacity and help more families over the next few years. Chairperson Cobb felt this was a good project.

Commissioner Roof moved to recommend to City Council approval of an Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Champaign County Neighborhood Alliance for Habitat Homeownership Program FY 2011-2012). Commissioner Diana seconded the motion, and the motion carried unanimously.

An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Champaign County Neighborhood Alliance for Habitat CHDO Operating FY 2011-2012) -

An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Homestead Corporation of Champaign-Urbana CHDO Operating FY 2011-2012) – Ms. Gonzalez discussed Neighborhood Alliance and Homestead CHDO Operating agreements. While Homestead has been a CHDO for many years, Neighborhood Alliance is new. Therefore, the HOME Technical Committee is recommending \$27,528 for Neighborhood Alliance and \$22,500 for Homestead.

In response to Commissioner Michelson, Ms. Gonzalez stated Neighborhood Alliance will need to raise funds to cover other operating expenses for long term success. Ms. Huffman mentioned the need for increased marketing efforts for qualified families. For every 100 inquiries, less than five percent of families actually qualify for a mortgage with Habitat. This is due to income requirements, amount of debt, credit issues, and required sweat equity, which many do not want to perform.

Commissioner Diana inquired about reporting problems with Habitat and Neighborhood Alliance, since one organization will be a CHDO and the other will actually hold the mortgage, and both will report to the same individual. Ms. Gonzalez did not foresee any issues. Staff will be properly trained, and there will be a long paper trail. Unlike e-co lab, Neighborhood Alliance

has filed separately. Commissioner Diana remarked “wearing two hats can be an issue.” Ms. Huffman described arrangements with an outside accounting firm to structure a wall of separation between Habitat and Neighborhood Alliance. Habitat will provide invoices for their services to Neighborhood Alliance.

Due to there being three CHDOs, Commissioner Roof commented that Neighborhood Alliance should not plan on receiving this amount in the future. Ms. Huffman replied they never had CHDO money in the past, so they have not planned on it. Although Habitat is a fund raising organization, they are pleased about any additional funding. The goal is to build six houses per year, with a later goal of helping families rehabilitate their existing homes.

Commissioner Roof asked about e-co lab’s unallocated funds. Ms. Gonzalez replied that e-co lab has not yet spent their previous year’s funding. Since they do not yet have an Executive Director, staff recommends carrying forward e-co lab’s FY 10-11 operating funds to be used for the coming year. Commissioner Michelson questioned how the funds would be used if e-co lab was no longer a CHDO. Ms. Gonzalez explained those funds could be used as HOME Consortium project funds.

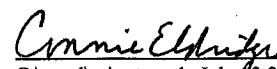
Commissioner Michelson moved to recommend to City Council approval of the following two ordinances:

- *An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Champaign County Neighborhood Alliance for Habitat CHDO Operating FY 2011-2012) -*
- *An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Homestead Corporation of Champaign-Urbana CHDO Operating FY 2011-2012*

Commissioner Moreland seconded the motion, and the motion carried unanimously.

Adjournment: Chairperson Cobb adjourned the meeting at 8:27 p.m.

Recorded by Connie Eldridge


C:\word\minutes.cdc.July13,2011.min

UNAPPROVED