



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

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

**TO:** Laurel Lunt Prussing, Mayor, City of Urbana

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

**DATE:** March 7, 2013

**SUBJECT: AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (1409 Beech Street)**

**AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (1411 Beech Street)**

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### **Description**

Included on the agenda of the March 11, 2013 meeting of the Urbana Committee of the Whole are two Ordinances authorizing the sale of City-owned properties, 1409 Beech and 1411 Beech Street to Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance). The two lots were formerly combined and addressed as 1006 N Wright Street but have since been split to reflect the original plat configuration prior to transfer, in keeping with the surrounding neighborhood. Neighborhood Alliance intends to construct two new single-family residences on the lots that will be pre-sold to income-qualified households.

### **Background**

These properties were acquired through the Grants Management Division's Property Acquisition Program, which is supported by Community Development Block Grant (CDBG) Funds. This program allows the City to purchase, clear, improve, and maintain lots in order to promote and support the development of affordable housing opportunities. This is accomplished through the conveyance of such properties to non-profit housing developers.

The City of Urbana has supported affordable housing development by Neighborhood Alliance in the past by providing lots on which single-family, owner-occupied homes have been successfully completed. The proposed contracts, ordinances, and legal documents that would convey these properties are attached to this memorandum. The contract terms are similar to those previously used to convey City-owned properties to not-for-profit organizations for construction of new single-family residences for sale to low-income households.

The sales contracts call for the City to transfer the properties by recording a warranty deed in favor of Neighborhood Alliance with the Champaign County Recorder of Deeds. In order to

ensure that the City is protected in case of default by Neighborhood Alliance, a Quit Claim deed, executed by Neighborhood Alliance in favor of the City, shall be placed in escrow with the Department of Community Development Services, which will be the Escrow Agent. The deadline for completion of construction of the homes according to the contracts is June 30, 2015. Once construction of the homes is complete and a Certificate of Occupancy is issued, the escrow agent will destroy the Quit Claim Deed. In the event that Neighborhood Alliance has not begun construction of a single-family residence on Subject Properties as of March 31, 2014, the City may file the Quit Claim deed and recover ownership of the property. While rarely used, this mechanism would be necessary to prevent repayment of funds to the Department of Housing and Urban Development in the event that Neighborhood Alliance failed to break ground within the required 12-month period.

At the February 26, 2013 regular meeting of the Urbana Community Development Commission, the Ordinances were reviewed and forwarded to the Urbana City Council with a unanimous recommendation for approval. Unapproved minutes from the meeting are attached.

### **Options**

1. Approve the Ordinances Authorizing the Sale of Certain Real Estate (1409 and 1411 Beech) to Champaign County Neighborhood Alliance for Habitat.
2. Approve the Ordinances with changes.
3. Do not approve the Ordinances.


### **Fiscal Impacts**

Providing these lots to Neighborhood Alliance will eliminate lot maintenance costs that are incurred by the Community Development Block Grant (CDBG) Program. The homes constructed at these sites would generate real estate taxes and will likely have a positive effect on surrounding property values. If the lots are not conveyed to Neighborhood Alliance, the City would continue to pay for ongoing maintenance.

### **Recommendations**

Staff recommends the Community Development Commission forward to the Urbana City Council a recommendation of approval of conveyance of the subject city-owned properties to Neighborhood Alliance for the development of affordable housing.

Memorandum Prepared By:

  
Jen Gonzalez  
HOME Grant Coordinator  
Grants Management Division

**Attachments:**

1. AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE  
(1409 Beech Street)
  - a. Sales Contract
  - b. Settlement Sheet
  - c. Warranty Deed
  - d. Quit Claim Deed
  
2. AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE  
(1411 Beech Street)
  - a. Sales Contract
  - b. Settlement Sheet
  - c. Warranty Deed
  - d. Quit Claim Deed
  
3. Site location map for 1409 and 1411 W Beech Street, Urbana
  
4. *Unapproved minutes from the February 26, 2013 regular meeting of the Community Development Commission*

ORDINANCE NO. \_\_\_\_\_

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

(1409 Beech Street)

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

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

WHEREAS, the City Council desires to sell the real estate commonly known as 1409 West Beech Street, which said property has heretofore been acquired under the Community Development Program, in accordance with said Subsection (a) of Section 2-118 and the policy heretofore established with respect thereto; and

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

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

Section 1. That an Ordinance approving the Contract for Sale of Real Estate by and between the City of Urbana, Illinois, and Habitat for Humanity of Champaign County, in substantially the form of the copy of said Contract

attached hereto and incorporated herein by reference, be and the same is hereby authorized and approved.

Section 2. The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute extensions of time set forth in the said Contract for and on behalf of the City of Urbana, Illinois.

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

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

AYES:

NAYS:

ABSTAINS:

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

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

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

## CONTRACT FOR SALE OF REAL ESTATE

This Contract made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2013, by and between the City of Urbana, Illinois, a municipal corporation of the State of Illinois (hereinafter referred to as Seller), and Champaign County Neighborhood Alliance for Habitat, an Illinois not-for-profit corporation (hereinafter referred to as Buyer).

WITNESSETH:

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

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

DESCRIPTION OF REAL ESTATE:

Lot 5 in Block 15 of Seminary Addition to Urbana, as per Plat recorded in Deed Record "Y" at Page 208, in Champaign County, Illinois.;

Part of PIN: 91-21-07-252-001;

Commonly known as 1409 West Beech Street, Urbana, Illinois  
(hereinafter referred to as Subject Property).

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

Permissible exceptions to title shall include only the lien of general taxes; zoning laws and building ordinances; easements, apparent or of record, which do not underlie the improvements, if any; and covenants and restrictions of record which are not violated by the existing improvements or the present use of the property and which do not restrict reasonable use of the property.

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

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

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

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

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

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

In the event that Buyer constructs a single-family residence on Subject Property and is issued a Certificate of Occupancy for said residence by the Urbana Building Safety Division on or before June 30, 2015, or on or before the date established in any modification to this Contract, the Escrow Agent shall destroy said Quit Claim Deed.

In the event that Buyer has not started construction of a single-family residence on Subject Property as of March 31, 2014, or as of the date established in any modification to this Contract, the Escrow Agent shall release said Quit Claim Deed to Seller.

In the event that Buyer has begun construction of a single-family residence on Subject Property as of March 31, 2014, or as of the date established in any modification to this Contract, but has not received a Certificate of Occupancy for said residence as of that date, Seller retains the right to pay Buyer, in care of the Escrow Agent, an amount equivalent to the value of improvements in place on Subject Property as of June 30, 2015, or as of the date established in any modification to this Contract, taking credit against said amount for any outstanding liens or encumbrances against Subject Property, said liens including real estate taxes prorated up to the date Seller assumes possession under this paragraph, and for any fees or professional expenses incurred by the Seller as a result of the assumption of the Subject Property under this paragraph. Said value shall be certified to both Buyer and Seller by an architect licensed by the State of Illinois, doing business in Champaign County, Illinois and mutually acceptable to Buyer and Seller. The Escrow

Agent shall deliver said payment to Buyer, and release and record said Quit Claim Deed with the Champaign County Recorders Office and deliver to the Seller.

Any and all escrow charges shall be paid by Buyer.

5. Taxes and Assessments. Seller shall pay all special assessments confirmed prior to the date of this Contract and real estate taxes assessed against Subject Property for 2012 payable in 2013 up to the date of possession. Buyer shall pay all special assessments and real estate taxes assessed against Subject Property after the date of possession

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

6. Condition of Subject Property. Buyer agrees to accept Subject Property in its "as-is" condition, and Seller disclaims all warranties express or implied as to the condition of Subject Property.

7. Compliance with Development Codes. Any residence constructed pursuant to this Contract shall be constructed in accordance with all applicable land development, zoning, and building codes, and the visitability standards of the City of Urbana, Illinois, and with any and all covenants recorded for the subdivision in which Subject Property is located. Buyer shall be responsible for obtaining and paying for all permits required under said codes.

8. House Design. Any residence constructed pursuant to this Contract shall be substantially compatible in design and quality of construction with drawings previously submitted by Buyer to the City of Urbana. Prior to issuance of any building permit by the Building Safety Division of the City of Urbana, Illinois, the Grants Management Division Manager of the Department of Community Development Services of the City of Urbana, Illinois, acting on behalf of the City, may request alterations to the proposed house design so as to comply with this Section.

9. Use of Subject Property. The primary purpose of Buyer activities undertaken pursuant to this Contract shall be construction of a single-family residence for sale to a low-income household through the Buyer's Homeownership Program. To ensure the residence constructed remains affordable housing occupied by a low-income household, a Land-Use Regulatory Agreement in substantially the form set forth as ATTACHMENT A to this contract must be signed by all grantees to whom Habitat for Humanity conveys the subject parcel and recorded at the time of closing of such transaction. The City of Urbana Indirect Homebuyer Assistance Land-Use Regulatory Agreement attached hereto and incorporated herein, is an essential part of this contract.



10. Limitation on Subsequent Sale of Subject Property. Any residence constructed by Buyer on Subject Property pursuant to this Contract may subsequently be sold by Buyer only to a family having income at or below 80 percent of median family income for Champaign County based on household size. Applicable income limits are those certified by the Grants Management Division Manager of the Department of Community Development Services of the City of Urbana, Illinois, acting on behalf of the City, to be in effect at the time Buyer accepts a household into its Homeownership Program. Buyer shall keep record of compliance with this Section on file for inspection by representatives of the City and the U.S. Department of Housing and Urban Development.
11. Property Maintenance. Buyer agrees to keep Subject Property properly mowed and free of excess vegetation and debris at all times from the date of this contract. Buyer shall neither suffer nor commit any waste on or to Subject Property. Buyer agrees to promptly respond to any notices received from the City of Urbana, Illinois, with regard to violation of the City's nuisance codes and to promptly correct any violation cited by said City. Buyer shall promptly pay all bills or charges incurred for materials, services, labor, or other like items that may create encumbrances against Subject Property. Buyer will become responsible for all property maintenance as of the date of this Contract.
12. Construction Schedule. Buyer agrees to construct a single-family residence on Subject Property such that a Certificate of Occupancy is issued for the newly constructed residence by the Urbana Building Safety Division on or before December 31, 2014, or, on or before a date established in any modification to this Contract.
13. Storage of Building Materials. Building materials needed to construct any residence pursuant to this Contract shall be stored within property lines and shall not be placed in the public right-of-way.
14. Seller Held Harmless. Buyer agrees to indemnify and hold Seller, its officers, agents, and employees, harmless for any liability or damages of any nature or kind concerning undertaking of any activity pursuant to this Contract, including reasonable attorneys' fees incurred in defending against any such claim.
15. Assignment. Buyer shall not assign this Contract without prior written consent of Seller to such assignment; provided, however, that Seller shall not unreasonably withhold such consent and further provided that no such assignment shall act as a discharge or release of Buyer's liability under this Contract.
16. Possession. City shall deliver possession of Subject Property to Buyer concurrently with closing of this transaction.
17. Default. If Buyer fails to perform any obligation imposed upon it by this Contract, Seller may serve written notice of default upon Buyer and if such default is not corrected within ten (10) days thereafter, this Contract shall terminate. In the event of failure of Seller to

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

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

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

SELLER:

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

BY:

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

ATTEST:

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

BUYER:

Champaign County Neighborhood  
Alliance for Habitat  
40 East University Avenue  
Champaign, Illinois 61820

BY:

\_\_\_\_\_  
Executive Director

SETTLEMENT SHEET

BUYER: Champaign County Neighborhood Alliance for Habitat  
SELLER: City of Urbana, Illinois  
ADDRESS: 1409 West Beech Street, Urbana, Illinois  
Part of PIN: 91-21-07-252-001  
DATE: March 29, 2013 (90 day of 365)

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GROSS PURCHASE PRICE:	\$1.00
ADDITIONS TO PURCHASE PRICE:	\$0.00
ADJUSTED PURCHASE PRICE:	\$1.00
CREDITS TO BUYER:	\$0.00
Down payment:	0.00
Real estate taxes:	
2012 P 2013	0.00 (exempt)
Title services:	0.00 (POC by Seller)
Transfer tax:	0.00 (exempt)
Real estate commission:	0.00
Junk/debris liens:	0.00
UCSD:	0.00 (no service)
Sewer benefit tax:	0.00 (no service)
Recording fees:	0.00 (no encumbrances)
BALANCE DUE SELLER LESS CREDITS:	\$1.00

SETTLEMENT SHEET ACCEPTED BY:

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Executive Director  
For Champaign County Neighborhood Alliance  
for Habitat

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Date

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Manager, Grants Management Division  
City of Urbana, Illinois

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Date

WARRANTY DEED

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

DESCRIPTION OF REAL ESTATE

Lot 5 in Block 15 of Seminary Addition to Urbana, as per Plat recorded in Deed Record "Y" at Page 208, in Champaign County, Illinois.

Part of PIN: 91-21-07-252-001;  
Commonly known as 1409 West Beech Street, Urbana, Illinois

Subject to:

- (1) Real estate taxes for the year 2013 and subsequent years;
- (2) Covenants, conditions, restrictions, and easements apparent or of record;
- (3) All applicable zoning laws and ordinances.

IN WITNESSETH, said Grantor has caused its corporate seal to be affixed, and has caused its name to be signed to these presents by LAUREL LUNT PRUSSING, its Mayor, and attested by Phyllis D. Clark, its City Clerk, this \_\_\_\_ day of \_\_\_\_\_, 2013.

CITY OF URBANA, ILLINOIS

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

ATTEST:

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

STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF CHAMPAIGN)

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

Given under my hand and Notarial Seal this \_\_\_\_ day of \_\_\_\_\_, 2013.

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

Exempt under provisions of Paragraph 4, Section (e), Transfer Tax (35 ILCS 200/31-45).

Deed Prepared By:

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

Return Deed. Send Tax Bill To:

Habitat for Humanity of  
Champaign County  
40 E. University Ave.  
Champaign, Illinois 61820

QUIT CLAIM DEED

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

DESCRIPTION OF REAL ESTATE

Lot 5 in Block 15 of Seminary Addition to Urbana, as per Plat recorded in Deed Record "Y" at Page 208, in Champaign County, Illinois.

Part of PIN: 91-21-07-252-001;

Commonly known as 1409 West Beech Street, Urbana, Illinois

Subject to:

- (1) Real estate taxes for the year 2013 and subsequent years;
- (2) Covenants, conditions, restrictions, and easements apparent or of record;
- (3) All applicable zoning laws and ordinances.

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

By:

\_\_\_\_\_  
Executive Director

STATE OF ILLINOIS )  
 ) ss.  
COUNTY OF CHAMPAIGN )

I, \_\_\_\_\_, a Notary Public in and for said county and state, do hereby certify that \_\_\_\_\_, 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 she is the Executive Director of Champaign County Neighborhood Alliance for Habitat, an Illinois Not-for-Profit Corporation, that as said Executive Director, he/she is authorized (**by the bylaws of said corporation / by a resolution duly adopted by the Board of Directors of said corporation**) to sign said instrument, and that he/she signed and delivered the said instrument as his/her free and voluntary act and the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_.

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

Exempt under provisions of Paragraph 4, Section (e), Transfer Tax (35 ILCS 200/31-45).

Deed Prepared By:

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

Return Deed and Send Tax Bill To:

City of Urbana  
c/o Legal Division  
400 South Vine Street  
Urbana, Illinois 61801

ORDINANCE NO. \_\_\_\_\_

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

(1411 Beech Street)

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

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

WHEREAS, the City Council desires to sell the real estate commonly known as 1411 West Beech Street, which said property has heretofore been acquired under the Community Development Program, in accordance with said Subsection (a) of Section 2-118 and the policy heretofore established with respect thereto; and

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

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

Section 1. That an Ordinance approving the Contract for Sale of Real Estate by and between the City of Urbana, Illinois, and Habitat for Humanity of Champaign County, in substantially the form of the copy of said Contract



attached hereto and incorporated herein by reference, be and the same is hereby authorized and approved.

Section 2. The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute extensions of time set forth in the said Contract for and on behalf of the City of Urbana, Illinois.

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

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

AYES:

NAYS:

ABSTAINS:

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

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

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

CONTRACT FOR SALE OF REAL ESTATE

This Contract made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between the City of Urbana, Illinois, a municipal corporation of the State of Illinois (hereinafter referred to as Seller), and Champaign County Neighborhood Alliance for Habitat, an Illinois not-for-profit corporation (hereinafter referred to as Buyer).

WITNESSETH:

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

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

DESCRIPTION OF REAL ESTATE:

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Part of PIN: 91-21-07-252-001;

Commonly known as 1411 West Beech Street, Urbana, Illinois (hereinafter referred to as Subject Property).

2. Purchase Price. Seller agrees to convey title to Subject Property for One Dollar (\$1.00) and other consideration as described herein.
3. Evidence of Title. Within a reasonable time, Seller shall select and deliver one of the following to Buyer as evidence of title:
- a. A copy of the title insurance policy issued to the City in connection with acquisition of Subject Property by the City; the City warrants that it has done nothing to encumber Subject Property since its acquisition of Subject Property; or
  - b. A commitment of title insurance issued by a title insurance company regularly doing business in Champaign County, committing the company to issue a policy in the usual form insuring title to Subject Property to Buyer for the amount of the Seller's purchase price or the minimum amount of title insurance, whichever is greater.  
Permissible exceptions to title shall include only the lien of general taxes; zoning laws and building ordinances; easements, apparent or of record, which do not underlie the improvements, if any; and covenants and restrictions of record which are not violated by the existing improvements or the present use of the property and which do not restrict reasonable use of the property.

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

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

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

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

At the time of closing of this transaction, a Warranty Deed from Seller in favor of Buyer shall be recorded with the Champaign County Recorders' Office and delivered to Buyer. At the same time, a Quit Claim Deed from Buyer in favor of Seller shall be placed in escrow with the City of Urbana Department of Community Development Services (hereinafter referred to as "(Escrow Agent)").

In the event that Buyer constructs a single-family residence on Subject Property and is issued a Certificate of Occupancy for said residence by the Urbana Building Safety Division on or before June 30, 2015, or on or before the date established in any modification to this Contract, the Escrow Agent shall destroy said Quit Claim Deed.

In the event that Buyer has not started construction of a single-family residence on Subject Property as of March 31, 2014, or as of the date established in any modification to this Contract, the Escrow Agent shall release said Quit Claim Deed to Seller.

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Agent shall deliver said payment to Buyer, and release and record said Quit Claim Deed with the Champaign County Recorders Office and deliver to the Seller.

Any and all escrow charges shall be paid by Buyer.

5. Taxes and Assessments. Seller shall pay all special assessments confirmed prior to the date of this Contract and real estate taxes assessed against Subject Property for 2012 payable in 2013 up to the date of possession. Buyer shall pay all special assessments and real estate taxes assessed against Subject Property after the date of possession

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

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

10. Limitation on Subsequent Sale of Subject Property. Any residence constructed by Buyer on Subject Property pursuant to this Contract may subsequently be sold by Buyer only to a family having income at or below 80 percent of median family income for Champaign County based on household size. Applicable income limits are those certified by the Grants Management Division Manager of the Department of Community Development Services of the City of Urbana, Illinois, acting on behalf of the City, to be in effect at the time Buyer accepts a household into its Homeownership Program. Buyer shall keep record of compliance with this Section on file for inspection by representatives of the City and the U.S. Department of Housing and Urban Development.
11. Property Maintenance. Buyer agrees to keep Subject Property properly mowed and free of excess vegetation and debris at all times from the date of this contract. Buyer shall neither suffer nor commit any waste on or to Subject Property. Buyer agrees to promptly respond to any notices received from the City of Urbana, Illinois, with regard to violation of the City's nuisance codes and to promptly correct any violation cited by said City. Buyer shall promptly pay all bills or charges incurred for materials, services, labor, or other like items that may create encumbrances against Subject Property. Buyer will become responsible for all property maintenance as of the date of this Contract.
12. Construction Schedule. Buyer agrees to construct a single-family residence on Subject Property such that a Certificate of Occupancy is issued for the newly constructed residence by the Urbana Building Safety Division on or before December 31, 2014, or, on or before a date established in any modification to this Contract.
13. Storage of Building Materials. Building materials needed to construct any residence pursuant to this Contract shall be stored within property lines and shall not be placed in the public right-of-way.
14. Seller Held Harmless. Buyer agrees to indemnify and hold Seller, its officers, agents, and employees, harmless for any liability or damages of any nature or kind concerning undertaking of any activity pursuant to this Contract, including reasonable attorneys' fees incurred in defending against any such claim.
15. Assignment. Buyer shall not assign this Contract without prior written consent of Seller to such assignment; provided, however, that Seller shall not unreasonably withhold such consent and further provided that no such assignment shall act as a discharge or release of Buyer's liability under this Contract.
16. Possession. City shall deliver possession of Subject Property to Buyer concurrently with closing of this transaction.
17. Default. If Buyer fails to perform any obligation imposed upon it by this Contract, Seller may serve written notice of default upon Buyer and if such default is not corrected within ten (10) days thereafter, this Contract shall terminate. In the event of failure of Seller to

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

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

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

SELLER:

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

BY:

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

ATTEST:

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

BUYER:

Champaign County Neighborhood  
Alliance for Habitat  
40 East University Avenue  
Champaign, Illinois 61820

BY:

\_\_\_\_\_  
Executive Director

SETTLEMENT SHEET

BUYER: Champaign County Neighborhood Alliance for Habitat  
SELLER: City of Urbana, Illinois  
ADDRESS: 1411 West Beech Street, Urbana, Illinois  
Part of PIN: 91-21-07-252-001  
DATE: March 29, 2013 (90 day of 365)

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GROSS PURCHASE PRICE: \$1.00

ADDITIONS TO PURCHASE PRICE: \$0.00

ADJUSTED PURCHASE PRICE: \$1.00

CREDITS TO BUYER: \$0.00

Down payment: 0.00  
Real estate taxes:  
    2012 P 2013 0.00 (exempt)  
Title services: 0.00 (POC by Seller)  
Transfer tax: 0.00 (exempt)  
Real estate commission: 0.00  
Junk/debris liens: 0.00  
UCSD: 0.00 (no service)  
Sewer benefit tax: 0.00 (no service)  
Recording fees: 0.00 (no encumbrances)

BALANCE DUE SELLER LESS CREDITS: \$1.00

SETTLEMENT SHEET ACCEPTED BY:

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Executive Director  
For Champaign County Neighborhood Alliance  
for Habitat

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Date

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Manager, Grants Management Division  
City of Urbana, Illinois

---

Date

WARRANTY DEED

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

DESCRIPTION OF REAL ESTATE

Lot 6 in Block 15 of Seminary Addition to Urbana, as per Plat recorded in Deed Record "Y" at Page 208, in Champaign County, Illinois.

Part of PIN: 91-21-07-252-001;  
Commonly known as 1411 West Beech Street, Urbana, Illinois

Subject to:

- (1) Real estate taxes for the year 2013 and subsequent years;
- (2) Covenants, conditions, restrictions, and easements apparent or of record;
- (3) All applicable zoning laws and ordinances.

IN WITNESSETH, said Grantor has caused its corporate seal to be affixed, and has caused its name to be signed to these presents by LAUREL LUNT PRUSSING, its Mayor, and attested by Phyllis D. Clark, its City Clerk, this \_\_\_\_ day of \_\_\_\_\_, 2013.

CITY OF URBANA, ILLINOIS

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

ATTEST:

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



STATE OF ILLINOIS            )  
  ) SS.  
COUNTY OF CHAMPAIGN)

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

Given under my hand and Notarial Seal this \_\_\_\_ day of \_\_\_\_\_, 2013.

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

Exempt under provisions of Paragraph 4, Section (e), Transfer Tax (35 ILCS 200/31-45).

Deed Prepared By:

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

Return Deed, Send Tax Bill To:

Habitat for Humanity of  
Champaign County  
40 E. University Ave.  
Champaign, Illinois 61820

QUIT CLAIM DEED

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

DESCRIPTION OF REAL ESTATE

Lot 6 in Block 15 of Seminary Addition to Urbana, as per Plat recorded in Deed Record "Y" at Page 208, in Champaign County, Illinois.

Part of PIN: 91-21-07-252-001;

Commonly known as 1411 West Beech Street, Urbana, Illinois

Subject to:

- (1) Real estate taxes for the year 2013 and subsequent years;
- (2) Covenants, conditions, restrictions, and easements apparent or of record;
- (3) All applicable zoning laws and ordinances.

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

By:

\_\_\_\_\_  
Executive Director

STATE OF ILLINOIS )  
 ) ss.  
COUNTY OF CHAMPAIGN )

I, \_\_\_\_\_, a Notary Public in and for said county and state, do hereby certify that \_\_\_\_\_, 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 she is the Executive Director of Champaign County Neighborhood Alliance for Habitat, an Illinois Not-for-Profit Corporation, that as said Executive Director, he/she is authorized **(by the bylaws of said corporation / by a resolution duly adopted by the Board of Directors of said corporation)** to sign said instrument, and that he/she signed and delivered the said instrument as his/her free and voluntary act and the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

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

Exempt under provisions of Paragraph 4, Section (e), Transfer Tax (35 ILCS 200/31-45).

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

Return Deed and Send Tax Bill To:  
City of Urbana  
c/o Legal Division  
400 South Vine Street  
Urbana, Illinois 61801



*UNAPPROVED*  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION MEETING**  
**Tuesday, February 26, 2013, City Council Chambers**  
**400 South Vine Street, Urbana, IL 61801**

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

**Roll Call:** Jennifer Gonzalez called the roll. A quorum was present.

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

**Commission Members Absent:** Gregory Hayes

**Others Present:** Elizabeth Tyler, Kelly H. Mierkowski, Jennifer Gonzalez, and Jenell Hardy, Community Development Services; Rev. Eugene Barnes, Metanoia; Jennifer Speaker, Max Mahalek, Matthew Rejc, Kiera House, UIUC; Sheila Dodd, Habitat for Humanity; Aaron Smith, Homestead Corporation of Champaign Urbana.

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the January 22, 2013 minutes. Commissioner Silvis moved to approve the minutes, and Commissioner Roof seconded the motion. The motion carried unanimously.*

**Petitions and Communications:** Reverend Dr. Eugene Barnes of the New Life Church of Faith in Lincoln Square Mall addressed his concerns regarding non-compliance with the Faith Based Initiative. The Initiative was designed to end discrimination between the federal government and faith based organizations. To be in compliance, governmental entities must acknowledge on its website the faith based organizations currently partnering in Federally-funded projects, in accordance with Executive Order 13279. Reverend Barnes also reference Public Law 104-193 in connection with the Faith Based Initiative and requested that the City of Urbana make an effort to comply with this Executive Order, as amended.

**Staff Report:** Elizabeth Tyler, Community Development Director, addressed an item from the January 22, 2013 meeting of the CDC that raised concern amongst the commissioners. Ms. Tyler provided additional information regarding the budget amendments. She explained each of the three funding sources involved in the amendments: CDBG, CIP and TIF-District 3. Ms. Tyler also explained in detail the importance of the programs and the annual timeliness test that is performed by HUD in May, both of which require the CDBG funds to be invested in several projects.

Commissioner Francis asked why the TIF 3 funds are being used to augment the proposed projects when the funds were not previously mentioned to the CDC in the past.

Commissioner Bengtson asked if there were street lights currently in the Lanore/Adams neighborhood. Ms. Tyler responded that there were no lights in the area, and that the path will

have some innovative lighting that will be presented later. She went on to describe the proposed use of the amended funds, one of which is the demolition of Urbana Townhomes. Ms. Tyler described the current condition of the units and the public request to demolish the units in an effort to improve the health and safety of the neighborhood.

Commissioner Francis inquired about the cost of demolition and the reasoning behind utilizing the CDBG funds instead of another funding pool for the one-time expense. Ms. Tyler explained that there are limited funds available for the project and that CDBG is necessary to allow the demolition to move forward.

Commissioner Francis asked what would be the impact of the programs under the CDC. Ms. Tyler went over a budget spreadsheet detailing the amendment and how each funding pool would be used. Commissioner Francis expressed frustration over the funding decisions and the CDC's inability to provide input on the amendment as presented. Ms. Tyler continued to discuss the purpose of the funds and the time constraints involved in expending such funds in a timely manner.

Commissioner Roof asked when the City acquired Urbana Townhomes and if it was known at that time what would be done with the property. Ms. Tyler responded that it was acquired sometime in December, and the property was creating distress in the neighborhood. Commissioner Roof expressed concern over the liability of taking on a distressed property, and Ms. Tyler indicated that the liability was already present due to a noncompliant property owner.

Commissioner Francis and Commissioner Roof raised concerns over the procedural measures in place governing the Council's review of CDC recommendations. Commissioner Roof requested that the Commission's recommendations be highlighted and brought to the attention of Council in a manner.

Commissioner Diana voiced concern regarding the manner in which the budget amendments were presented and the rate at which the project moved forward, which he felt was outside of the normal procedure in which projects are normally presented to the CDC.

Commissioner Bengston provided insight regarding the public comments provided during the Petitions and Communications portion of the January 22, 2013 meeting of the CDC. A delegation from the Ellis Neighborhood attended the meeting and requested City assistance for sewer repairs in the neighborhood. Ms. Bengston indicated that the presence of the neighborhood at the meeting and the ensuing discussion influenced her vote regarding the proposed budget amendment. Commissioners Diana and Roof indicated that this had not influenced their vote.

Commissioner Cobb asked if the City could reimburse the CDBG funds. Ms. Tyler explained that the budget does not operate in such a way.

Commissioner Roof stressed the need for an additional mechanism to communicate the sentiment of the Commission to the City Council when it conflicts with staff recommendations. Ms. Tyler assured Commissioner Roof that staff would be looking into how to highlight such situations in the memos moving forward.

Commissioner Silvis commented on three issues involving the Commission: procedural efficacy, acknowledgement of the Commission's recommendations, and appropriateness of the funding allocations. Ms. Silvis stressed the importance of the partnership of the CDC with both the staff and City Council. She expressed appreciation for the improvements being made to the King Park area and the Lanore/Adams area and highlighted the progress the City has made so far.

Ms. Tyler presented a diagram of the Lanore/Adams path. The path would connect the AMVETS II and LNAC Neighborhoods. The area is an old railroad right-of way that is currently not in use, and there have been security issues. The planned pathway is currently designed at 8 feet wide and compliant with the Americans with Disabilities Act (ADA).

Commissioner Francis asked why the engineers did not opt for a street instead of a pathway. Ms. Tyler replied that the engineers indicated that a road was not necessary for connectivity and traffic management in the area. The neighborhood was originally built without the street. Ms. Tyler went on to present examples of lighting and landscaping planned as part of the project. She explained that the project will start the first week in March and be completed by May 1<sup>st</sup>.

This project is funded by CDBG and has been approved by the neighborhood. Because the project is proceeding, the City will not have to send funds back to HUD. Mr. Roof asked for information regarding the timeliness calculation used by HUD in regard to expenditure of funds. Ms. Mierkowski explained that as a grant allocation gets smaller, entities are required to spend funds more quickly due to the manner in which the calculation is applied.

Commissioner Francis inquired about the funds that would be returned if the amendment were not passed. Commissioner Diana questioned the renaming of the project since there were already funds set aside for sidewalks. Ms. Mierkowski explained that the project description of "sidewalks" limited the expenditure of CDBG funds and would not allow for landscaping and lighting. Renaming the project was necessary to allow for a broader project scope. Commissioner Diana indicated that the urgency of the project was attributable to engineering of the project rather than the timeliness of funding expenditures.

Ms. Tyler explained that the Public Works Department has a lot of projects that are going on at any given time, and the City is working hard to get everything completed in a timely manner for all of their projects. Commissioner Cobb thanked Ms. Tyler for her presentation.

Ms. Mierkowski reviewed the staff briefing memorandum dated February 26, 2013. The City is still awaiting a response from HUD regarding the City's Consolidated Annual Performance and Evaluation Report (CAPER) closeout letter. The CDC is invited to a ribbon cutting ceremony for the Hunter/Lanore and Hunter/Austin Street lights on April 19, 2013 at 12:15pm. Ms. Mierkowski reported that the Council has revised their consolidated Social Service Funding Process. Staff presented key areas for funding based on historical allocations, and Council approved a scoring sheet and created some guiding principles as part of the application process. Council will vote on Monday on the final application, and Ms. Mierkowski indicated that she would bring the final information to CDC once it has been approved.

Commissioner Francis questioned the need to bring the materials to CDC if they have already been approved by Council, and Ms. Mierkowski explained that CDC still needs to select priorities for the CDBG portion of the funding pool as part of the process.

Commissioner Diana left the meeting at 8:40pm.

**Old Business:** Commissioner Cobb inquired about the Issue that was raised a last month's meeting during Petitions and Communications in regard to the sewer issue in the Ellis Neighborhood. Ms. Mierkowski replied that the residents had been contacted and have received information in regard to the City's Emergency Grants, which may help with the cost of sewer repair. Council is discussing the issue as well.

Commissioner Roof asked for an update on the solution that is currently being discussed for the sewer issue, stating that the solutions so far have been on a case by case basis. He asked if there is an infrastructure solution that would have broader impact. Ms. Tyler noted that the sewer system cannot be replaced, and the issue rests with the connection to the sewers, not the main lines themselves. She noted that there are no income restrictions for certain grants provided through Public Works related to sewer repair.

**New Business:** **An Ordinance Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2011-2012 and FY 2012-2013 Annual Action Plans (Winter 2012 HOME CHDO Amendment)** – Ms. Gonzalez reviewed the amendment, which outlines changes to CHDO funding allocations. Neighborhood Alliance for Habitat has lined up a set of homebuyer participants for the next build year and is ready to begin construction. She also noted that the Urbana HOME Consortium switched a rolling application period for Community Housing Development Organization project funds so that a CHDO can apply at any time during the build year.

There is currently \$159,279.89 available in CHDO project funding, and Neighborhood Alliance requested \$200,000. The Urbana HOME Consortium met in a regular HOME Technical Committee meeting to discuss the project funding application and agreed to fund Neighborhood Alliance for the full amount currently available. Based on past performance of Neighborhood Alliance, the Committee felt that the organization could build four homes within the required timeline imposed by HUD.

She also talked about awarding CHDO operating funds on a per unit basis to incentivize construction of unit in order to impact more families in the area. The Committee agreed that \$7,000 per unit would be reasonable. Neighborhood Alliance will be building 4 units, and as such, the Committee recommended an operating fund award of \$28,000. Commission Cobb asked if the CHDOs were agreeable to the prorated funding plan. Ms. Gonzalez said that Neighborhood Alliance was very happy with the award.

**An Ordinance Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2008-2009, FY 2010-2011, FY 2011-2012 & FY 2012-2013 Annual Action Plans (TBRA Programs, CHDO Demolition Funds, & 1107 N Gregory CHDO)**

Ms. Gonzalez explained the first part of the second amendment regarding the TBRA re-allocation of funds through the following agencies: The City of Champaign, Champaign County, Community Elements and the Center for Women in Transition. The Consortium is seeing a shortfall of expenditures and decided to address the current unmet need of housing for those at or below 30 percent of the Median Family Income through additional Tenant Based Rental Assistance contracts.

An \$80,000 award is proposed for the Center for Women in Transition, a \$55,000 award is recommended for Community Elements, Inc., \$100,000 was requested by Champaign County Regional Planning Commission, and the City of Champaign has set aside \$148,805.80 to potentially be slated for an Emergency Family Shelter as a transitional step for those graduating out of the Emergency program.

She noted that the contracts were not yet in place in order to allow each entity to review drafts and to decide the best way to split up the monitoring of each contract. For example, the City of Champaign traditionally has allocated funds to the Center for Women in Transition, and the \$80,000 proposed funding allocation would likely be contracted by the City of Champaign, rather than directly by the City of Urbana as lead entity.

She also noted that all of the TBRA program funds would be available to anyone within the County area, with the exception of the Center for Women in Transition which assists only residents of the City of Champaign. She pointed out that the County is currently considering opening up its service area to include incorporated areas of the County, such as Rantoul or Mahomet since they have clients the work in those communities and would like to rent there if possible. This would require an amendment to the County's current program manual.

Ms. Gonzalez explained the second part of the second amendment which reallocated funds from previously awarded homebuyer projects at 1107 N Gregory, Urbana and 1304 Williamsburg, Champaign. Homestead was unable to find buyers for either property and has requested to take some of the funds originally slated for the 1304 Williamsburg house and to put them into the 1107 N Gregory unit, converting it to a CHDO Sponsor rental project similar to the 510 E Beardsley project being constructed for the Center for Women in Transition.

She noted that the unit would have to be converted to a rental unit due to restrictions imposed by the Department of Housing and Urban Development. Converting the unit to a CHDO Sponsor unit allows for an exit strategy for Homestead Corporation since the unit was not originally financed as a rental activity. There was approximately \$205,000 available between both units, and the amendment will fully subsidize the 1107 N Gregory unit, which is partially constructed, at the full construction cost of \$153,100. The project at 1304 Williamsburg will be cancelled and then those funds will be applied to 1107 N Gregory. Community Elements will be the nonprofit to operate the unit at the time of closing and for the full 20-year affordability period.

The third part of the second amendment allows for a \$14,000 demolition fund to be set up for Neighborhood Alliance to allow them to demolish dilapidated structures on lots that are donated by the City in order to clear them for affordable housing construction. One of the lots requested by Neighborhood Alliance has a parking lot that needs to be removed for \$2,000, and the



remaining \$12,000 represents the average cost of a single-family demolition in the Community Development Target Area that will be used when Neighborhood Alliance requests another lot in the next year.

Aaron Smith, Executive Director of Homestead Corporation, stated that the only way to get the unit completed at 1107 N Gregory would be to convert it to a rental unit. Commissioner Cobb asked if there were clients to move into the unit. Mr. Smith responded that Community Elements already has clients lined up to rent the affordable unit.

*Commissioner Francis moved that the CD Commission forward both Ordinances with a recommendation for approval to the Urbana City Council. The motion was seconded by Commissioner Moreland. The motion carried unanimously.*

**A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2012-2013 (Neighborhood Alliance)**

**A Resolution Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Agreement (Champaign County Neighborhood Alliance for Habitat Affordable Homeownership Program FY 2012-2013)**

**A Resolution Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Agreement (Champaign County Neighborhood Alliance for Habitat CHDO Operating March 2013)**

Ms. Gonzalez noted that HUD has changed the regulations in regard to certifying Community Housing Development Organizations, and the Consortium is now required to certify a CHDO each time a new funding award is made. Commissioner Roof asked if this is a new rule, and Ms. Gonzalez explained that the Consortium historically has recertified CHDOs on an annual basis. HUD now requires that every time a new contract is executed, a CHDO must be certified again. Commissioner Roof asked if the process had been streamlined, and Ms. Gonzalez stated that the process is still the same.

*Commissioner Heinz-Silvis moved to forward the three Resolutions with a recommendation for approval to the Urbana City Council. The motion carried unanimously.*

**An Ordinance Authorizing the Sale of Certain Real Estate (1409 Beech Street)**

**An Ordinance Authorizing the Sale of Certain Real Estate (1411 Beech Street)**

Ms. Gonzalez stated that the two lots had been acquired by the City of Urbana, and Neighborhood Alliance had requested the lots on behalf of two homebuyers who would like to build there as part of the Affordable Homeownership Program.

*Commissioner Moreland moved that the Community Development Commission forward the two Resolutions with a recommendation for approval to the Urbana City Council. Commissioner Heinz-Silvis seconded the motion.*

Roof asked about the commitment regarding the contract obligation of breaking ground within 12 months and the mechanism of a Quit Claim Deed. Ms. Gonzalez stated that the Quit Claim Deed is rarely used, but when a CHDO does not break ground in twelve months the City must cancel the project because of HUD regulations. The Quit Claim Deed allows the City to take back ownership of the property easily so that it can be transferred to another CHDO that is ready to build.

*The Commission moved to a vote, and the motion carried unanimously.*

### **Draft City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) Annual Action Plan – FY 2013-2014**

Ms. Mierkowski explained the sequestration, which is part of the Budget Control Act of 2011 and was scheduled to take effect on March 3, 2013 will reduce our HOME and CDBG allocations by 8.2%. In light of the estimates provided by HUD, and in keeping with the estimates used by surrounding entities, the Annual Action Plan budgets for an 8.2% cut.

In accordance with the Consolidated Plan, several Neighborhood Hearings were held in January to the public and for Social Service Agencies.

Ms. Hardy explained the summary sheet outlining the planned expenditure of CDBG funds. Public facilities are not slated for funding in 2013-2014. Consolidated social service funding is estimated at \$5,000 from CDBG funding. This is reduction from the previous year.

Commissioner Roof asked if the programs in this year's plan are the same as last year. Ms. Hardy indicated that the programs are the same, and the funding is slightly lower due to the projected budget cuts. She noted that not all programs were cut equally in an effort to maintain current levels of service to the community, such as with the Access Grants and Senior Repair Grant Programs.

Commissioner Bengtson left the meeting at 9:37pm.

Commissioner asked how the 8.2% was calculated. Ms. Mierkowski indicated that the information used to project the budget cuts was provided by the National Community Development Association. She also called staff at the Village of Rantoul and the City of Champaign to verify that the budget estimates were in line with the national projections.

There was discussion about the carryover funds listed in the Annual Action Plan. Ms. Hardy explained that each project receives a funding year designation based on the Annual Action Plan in which it first appears. Commissioner Roof asked about how carryover is available in total. Ms. Mierkowski pointed out where the unobligated funds are listed under infrastructure for Kerr

Avenue in the Annual Action Plan. Ms. Gonzalez noted that the Kerr Avenue project is on hold due to lack of Tax Credit financing. The remaining funds are allocated to property acquisition.

Commissioners Heinz-Silvis and Roof asked for an inventory of the lots currently held that have been acquired. Commissioner Rood asked for a history of the level of inventory and a goal for the lot inventory moving forward at the next CD Commission meeting. Commissioner Heinz-Silvis noted that the demolition of Urbana Townhomes will also provide additional land to develop for affordable housing.


Ms. Gonzalez presented her HOME Annual Action Plan items on page 40. Ten percent is allocated to administration, 15 percent is set aside for Community Housing Development Organizations for project funding, 5 percent is allocated to operating funds for CHDOs, and the remainder is split amongst the Consortium Members.

She mentioned that the City is looking to start a down payment plan utilizing Federal Home Loan Bank (FHLB) funding, in partnership with Busey Bank. Carryover funds would be used to start up the program in the hopes of extending the program with FHLB funds in the coming year.

Commissioner Cobb asked if the Annual Action Plan materials would be posted on the City's website. Ms. Mierkowski responded that the Draft is already posted and is available for review and public comment. A public hearing is scheduled for March 26, 2013.

**Adjournment:** Chairperson Cobb adjourned the meeting at 9:44 p.m.

Recorded by Jen Gonzalez, Grant Coordinator

A handwritten signature in black ink, appearing to read 'Jen Gonzalez', is written over a horizontal line.

UNAPPROVED