



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: September 4, 2014

SUBJECT: AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (301 East Thompson Street)

AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (303 East Thompson Street)

Description

Included on the agenda of the September 8, 2014 meeting of the Urbana Committee of the Whole are two Ordinances authorizing the sale of two City-owned properties located at 301 E. Thompson Street and 303 E. Thompson Street, to Habitat for Humanity of Champaign County (Habitat). Habitat intends to construct single-family residences on each of the lots for qualified, low-income buyers that have already been identified.

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 Habitat 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 Habitat with the Champaign County Recorder of Deeds. In order to ensure that the City is protected in case of default by Habitat, a Quit Claim deed, executed by Habitat 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 November 1, 2017.

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 Habitat has not begun construction of a single-family residence on the properties as of November 1, 2015, the City may file the Quit Claim deed and recover ownership of the property. This mechanism is necessary to prevent repayment of funds to the Department of Housing and Urban Development in the event that Habitat failed to break ground within the required 12-month period.

The City plans to carry out the demolition of the existing vacant building on the site, which was formerly used as a church, by the end of September 2014. The cost of demolition including asbestos remediation is estimated at \$40,000, which will be paid for with Community Development Block Grant carryover funds. While the lot at 301 E. Thompson is currently listed as one address, the site is actually made up of two separate parcels, each measuring approximately 61 feet wide and 100 feet deep. Once split, the addresses will be assigned as 301 E. Thompson and 303 E. Thompson Street, and both lots will be transferred to Habitat. Construction of the two houses is expected to begin this fall.

Transferring the lots will achieve the goals outlined in the City of Urbana and Urbana HOME Consortium Consolidated Plan for FY 2010-2014 by increasing the supply of affordable housing available to low and moderate income households, as well as supporting new construction for homeownership sponsored by CHDOs and other nonprofits.

At its May 29, 2014 regular meeting (approved minutes attached), the Community Development Commission reviewed the memo and supporting documentation, and voted unanimously to recommend approval of the Ordinances authorizing the sale of certain real estate (301 & 303 E. Thompson).

Options

1. Forward the Ordinances Authorizing the Sale of Certain Real Estate to the Urbana City Council with a recommendation for approval.
2. Forward the Ordinances Authorizing the Sale of Certain Real Estate to the Urbana City Council with a recommendation for approval with suggested changes.
3. Do not recommend that City Council approve the Ordinances.

Fiscal Impacts

Providing these lots to Habitat 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 Habitat, the City will continue to pay for ongoing maintenance until another viable affordable housing project is identified.

Recommendations

Staff and the Community Development Commission recommend approval of the conveyance of the subject city-owned properties to Habitat 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
(301 East Thompson Street)
 - a. Sales Contract
 - b. Settlement Sheet
 - c. Warranty Deed
 - d. Quit Claim Deed

2. AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE
(303 East Thompson Street)
 - a. Sales Contract
 - b. Settlement Sheet
 - c. Warranty Deed
 - d. Quit Claim Deed

3. Site location maps for 301 East Thompson Street, and 303 East Thompson Street

4. *Approved minutes of the Community Development Commission meeting, Thursday, May 29, 2014*

ORDINANCE NO. 2014-09-083

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

(301 E. Thompson 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 301 East Thompson Street, which said property has heretofore been acquired under the Community Development Program, in accordance with said Subsection (a) of Section 2-118 and the policy heretofore established with respect thereto; and

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

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

Section 1. The sale of the real estate commonly known as 301 East Thompson Street in Urbana, Illinois, substantially on such terms as contained in the Contract for Sale of Real Estate attached hereto and incorporated herein, is hereby 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 and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is hereby authorized to attest to said execution of said Contract for Sale of Real Estate as so authorized and approved for and on behalf of the City of Urbana, Illinois.

Section 4. This Ordinance shall be in full force and effect from and after its passage. This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of three-fourths of the corporate authorities (6 of 8 votes) of the City of Urbana, Illinois, at a meeting of said corporate authorities.

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 _____, 2014, by and between the City of Urbana, Illinois, a municipal corporation of the State of Illinois (hereinafter referred to as Seller), and Habitat for Humanity of Champaign County, 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 20 in Country Club Manor, a Subdivision of Lot 4 of a Subdivision of the Northeast Quarter of Section 8 Township 19 North, Range 9 East of the Third Principal Meridian, as per plat recorded in Plat Book "F" at Page 309, situated in Champaign County, Illinois.;

Part of PIN: 91-21-08-228-001;

Commonly known as 301 East Thompson Street, Urbana, Illinois 61801 (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 along with a warranty that the City has done nothing to encumber the Subject Property since its acquisition (ALTA statement); 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 submit 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 fourteen business days 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.

- a. 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.
- b. 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").
- c. 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 November 1, 2017, or on or before the date established in any modification to this Contract, the Escrow Agent shall destroy said Quit Claim Deed. This covenant shall remain in full force and effect following the closing on this transaction.
- d. In the event that Buyer has not submitted and received approval of building plans from the Building Safety Division for the construction of a single-family residence on Subject Property as of November 1, 2015, or as of the date established in any modification to this Contract, Seller may pursue its rights under paragraph 18 (Default) and if this contract is terminated, the Escrow Agent shall release said Quit Claim Deed to Seller. This covenant shall remain in full force and effect following the closing on this transaction.

5. As an alternate to default, in the event that Buyer has begun construction of a single-family residence on Subject Property as of November 1, 2015, 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 November 1, 2017, 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 Recorder's Office and deliver to the Seller. This covenant shall remain in full force and effect following the closing on this transaction.

Any and all escrow charges shall be paid by Buyer.

6. Taxes, Assessments and Notices. Real estate taxes apportioned through the date of possession shall be Sellers' expense. The proration thereof shall be calculated upon the basis of the most current tax information, including confirmed multipliers. Transfer tax and all special assessments and additional assessments which are a lien upon the real estate as of the date of this Contract shall be Sellers' expense. Any sanitary district, municipal sewer or recycling, regular condominium, homeowners or lake association dues or charges apportioned through the date of possession, and any special or additional assessments which have received final approval by said government entity or association, even if not yet billed or due, shall be Sellers' expense. All such taxes and special assessments shall constitute a credit to Buyers against the purchase price, and shall release Sellers from any further liability to Buyers in connection therewith. Only if the most current tax information is the most recent tax bill, will the proration of current taxes include any regular annual drainage assessment.
7. 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 physical condition of Subject Property. It is understood and agreed that because the subject parcel is vacant land, the Buyer waives receipt of any lead paint disclosure statements, or other statements regarding the condition of the premises as otherwise required by law.
8. 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.

9. 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.
10. 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.
11. 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 household 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.
12. 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 until construction is completed and the unit is transferred to an income-eligible household. 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.
13. 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 November 1, 2017, or, on or before a date established in any modification to this Contract.
14. 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.
15. 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.

16. Assignment. Buyer shall not assign this Contract without prior written consent of Seller to such assignment.
17. Possession. City shall deliver possession of Subject Property to Buyer concurrently with closing of this transaction.
18. 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.
19. 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 above their signatures, or at such other place as the parties may from time to time designate in writing.
20. Modification. No modification or extension of this Contract shall be effective unless in writing and executed by the parties hereto.
21. 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

BUYER:

Habitat for Humanity
119 East University Avenue
Champaign, Illinois 61820

BY:

BY:

Laurel Lunt Prussing, Mayor

Executive Director

ATTEST:

Phyllis D. Clark, City Clerk

SETTLEMENT SHEET

BUYER: Habitat for Humanity of Champaign County
SELLER: City of Urbana, Illinois
ADDRESS: 301 East Thompson Street, Urbana, Illinois
Part of PIN: 91-21-08-228-001
DATE: November 1, 2014 (305 day of 365)

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:	
2014 P 2015	0.00 (Seller's Responsibility)
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)
Stormwater Utility Fee:	0.00
BALANCE DUE SELLER LESS CREDITS:	\$1.00

SETTLEMENT SHEET ACCEPTED BY:

Executive Director
Habitat for Humanity of Champaign County

Date

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 HABITAT FOR HUMANITY OF CHAMPAIGN COUTY, an Illinois not-for-profit corporation, the following described real estate, to-wit:

DESCRIPTION OF REAL ESTATE

Lot 20 in Country Club Manor, a Subdivision of Lot 4 of a Subdivision of the Northeast Quarter of Section 8 Township 19 North, Range 9 East of the Third Principal Meridian, as per plat recorded in Plat Book "F" at Page 309, situated in Champaign County, Illinois.

Part of PIN: 91-21-08-228-001;

Commonly known as 301 East Thompson Street, Urbana, Illinois 61801

Subject to:

- (1) Real estate taxes for the year 2014 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 _____, 2014.

CITY OF URBANA, ILLINOIS

By: _____
Laurel Lunt Prussing, Mayor

ATTEST:

By: _____
Phyllis D. Clark, City Clerk

This transaction is exempt under the provisions of 35 ILCS 200/31-45(b).

Date

Buyer, Seller or Representative

Deed Prepared By:

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

Return Deed, Send Tax Bill To:

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

QUIT CLAIM DEED

THIS INDENTURE WITNESSETH, that the Grantor, HABITAT FOR HUMANITY OF CHAMPAIGN COUNTY, 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 20 in Country Club Manor, a Subdivision of Lot 4 of a Subdivision of the Northeast Quarter of Section 8 Township 19 North, Range 9 East of the Third Principal Meridian, as per plat recorded in Plat Book "F" at Page 309, situated in Champaign County, Illinois.

Part of PIN: 91-21-08-228-001;

Commonly known as 301 East Thompson Street, Urbana, Illinois 61801

Subject to:

- (1) Real estate taxes for the year 2014 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 _____, 2014.

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 Habitat for Humanity of Champaign County, an Illinois Not-for-Profit Corporation, that as said Executive Director, 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 she signed and delivered the said instrument for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of _____, 2014.

Notary Public

This transaction is exempt under the provisions of 35 ILCS 200/31-45(b).

Date

Buyer, Seller or Representative

Deed Prepared By:

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

Return Deed, Send Tax Bill To:

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

ORDINANCE NO. 2014-09-084

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

(303 E. Thompson 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 303 East Thompson Street, which said property has heretofore been acquired under the Community Development Program, in accordance with said Subsection (a) of Section 2-118 and the policy heretofore established with respect thereto; and

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

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

Section 1. The sale of the real estate commonly known as 303 East Thompson Street in Urbana, Illinois, substantially on such terms as contained in the Contract for Sale of Real Estate attached hereto and incorporated herein, is hereby 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 and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is hereby authorized to attest to said execution of said Contract for Sale of Real Estate as so authorized and approved for and on behalf of the City of Urbana, Illinois.

Section 4. This Ordinance shall be in full force and effect from and after its passage. This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of three-fourths of the corporate authorities (6 of 8 votes) of the City of Urbana, Illinois, at a meeting of said corporate authorities.

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 _____, 2014, by and between the City of Urbana, Illinois, a municipal corporation of the State of Illinois (hereinafter referred to as Seller), and Habitat for Humanity of Champaign County, 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 21 in Country Club Manor, a Subdivision of Lot 4 of a Subdivision of the Northeast Quarter of Section 8 Township 19 North, Range 9 East of the Third Principal Meridian, as per plat recorded in Plat Book "F" at Page 309, situated in Champaign County, Illinois.;

Part of PIN: 91-21-08-228-001;

Commonly known as 303 East Thompson Street, Urbana, Illinois 61801 (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 along with a warranty that the City has done nothing to encumber the Subject Property since its acquisition (ALTA statement); 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 submit 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 fourteen business days 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.

- a. 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.
- b. 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").
- c. 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 November 1, 2017, or on or before the date established in any modification to this Contract, the Escrow Agent shall destroy said Quit Claim Deed. This covenant shall remain in full force and effect following the closing on this transaction.
- d. In the event that Buyer has not submitted and received approval of building plans from the Building Safety Division for the construction of a single-family residence on Subject Property as of November 1, 2015, or as of the date established in any modification to this Contract, Seller may pursue its rights under paragraph 18 (Default) and if this contract is terminated, the Escrow Agent shall release said Quit Claim Deed to Seller. This covenant shall remain in full force and effect following the closing on this transaction.

5. As an alternate to default, in the event that Buyer has begun construction of a single-family residence on Subject Property as of November 1, 2015, 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 November 1, 2017, 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 Recorder's Office and deliver to the Seller. This covenant shall remain in full force and effect following the closing on this transaction.

Any and all escrow charges shall be paid by Buyer.

6. Taxes, Assessments and Notices. Real estate taxes apportioned through the date of possession shall be Sellers' expense. The proration thereof shall be calculated upon the basis of the most current tax information, including confirmed multipliers. Transfer tax and all special assessments and additional assessments which are a lien upon the real estate as of the date of this Contract shall be Sellers' expense. Any sanitary district, municipal sewer or recycling, regular condominium, homeowners or lake association dues or charges apportioned through the date of possession, and any special or additional assessments which have received final approval by said government entity or association, even if not yet billed or due, shall be Sellers' expense. All such taxes and special assessments shall constitute a credit to Buyers against the purchase price, and shall release Sellers from any further liability to Buyers in connection therewith. Only if the most current tax information is the most recent tax bill, will the proration of current taxes include any regular annual drainage assessment.
7. 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 physical condition of Subject Property. It is understood and agreed that because the subject parcel is vacant land, the Buyer waives receipt of any lead paint disclosure statements, or other statements regarding the condition of the premises as otherwise required by law.
8. 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.

9. 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.
10. 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.
11. 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 household 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.
12. 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 until construction is completed and the unit is transferred to an income-eligible household. 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.
13. 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 September 1, 2017, or, on or before a date established in any modification to this Contract.
14. 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.
15. 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.

16. Assignment. Buyer shall not assign this Contract without prior written consent of Seller to such assignment.
17. Possession. City shall deliver possession of Subject Property to Buyer concurrently with closing of this transaction.
18. 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.
19. 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 above their signatures, or at such other place as the parties may from time to time designate in writing.
20. Modification. No modification or extension of this Contract shall be effective unless in writing and executed by the parties hereto.
21. 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

BUYER:

Habitat for Humanity
119 East University Avenue
Champaign, Illinois 61820

BY:

Laurel Lunt Prussing, Mayor

BY:

Executive Director

ATTEST:

Phyllis D. Clark, City Clerk

SETTLEMENT SHEET

BUYER: Habitat for Humanity of Champaign County
SELLER: City of Urbana, Illinois
ADDRESS: 303 East Thompson Street, Urbana, Illinois
Part of PIN: 91-21-08-228-001
DATE: November 1, 2014 (305 day of 365)

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:		
2014 P 2015	0.00 (Seller's Responsibility)	
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)	
Stormwater Utility Fee:	0.00	
BALANCE DUE SELLER LESS CREDITS:		\$1.00

SETTLEMENT SHEET ACCEPTED BY:

Executive Director
Habitat for Humanity of Champaign County

Date

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 HABITAT FOR HUMANITY OF CHAMPAIGN COUTY, an Illinois not-for-profit corporation, the following described real estate, to-wit:

DESCRIPTION OF REAL ESTATE

Lot 21 in Country Club Manor, a Subdivision of Lot 4 of a Subdivision of the Northeast Quarter of Section 8 Township 19 North, Range 9 East of the Third Principal Meridian, as per plat recorded in Plat Book "F" at Page 309, situated in Champaign County, Illinois.

Part of PIN: 91-21-08-228-001;

Commonly known as 303 East Thompson Street, Urbana, Illinois 61801

Subject to:

- (1) Real estate taxes for the year 2014 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 _____, 2014.

CITY OF URBANA, ILLINOIS

By: _____
Laurel Lunt Prussing, Mayor

ATTEST:

By: _____
Phyllis D. Clark, City Clerk

This transaction is exempt under the provisions of 35 ILCS 200/31-45(b).

Date

Buyer, Seller or Representative

Deed Prepared By:

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

Return Deed, Send Tax Bill To:

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

QUIT CLAIM DEED

THIS INDENTURE WITNESSETH, that the Grantor, HABITAT FOR HUMANITY OF CHAMPAIGN COUNTY, 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 21 in Country Club Manor, a Subdivision of Lot 4 of a Subdivision of the Northeast Quarter of Section 8 Township 19 North, Range 9 East of the Third Principal Meridian, as per plat recorded in Plat Book "F" at Page 309, situated in Champaign County, Illinois.

Part of PIN: 91-21-08-228-001;

Commonly known as 303 East Thompson Street, Urbana, Illinois 61801

Subject to:

- (1) Real estate taxes for the year 2014 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 _____, 2014.

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 Habitat for Humanity of Champaign County, an Illinois Not-for-Profit Corporation, that as said Executive Director, 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 she signed and delivered the said instrument for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of _____, 2014.

Notary Public

This transaction is exempt under the provisions of 35 ILCS 200/31-45(b).

Date

Buyer, Seller or Representative

Deed Prepared By:

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

Return Deed, Send Tax Bill To:

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



Location Map

**301 E. Thompson Street
Urbana, IL**



Proposed Lots

0 15 30 60 90 120 Feet

Prepared 05/20/2014 by
Community Development Services



**APPROVED
MINUTES
COMMUNITY DEVELOPMENT COMMISSION MEETING
Thursday, May 29, 2014, City Council Chambers
400 South Vine Street, Urbana, IL 61801**

Public Hearing on Proposed Amendments to City of Urbana & Urbana HOME Consortium Annual Action Plan (AAP) for Fiscal Year (FY) 2013-2014 (2013-2014 HOME Amendment):

Chairperson Cobb called the public hearing to order and declared it open at 7:04 p.m. The purpose of this public hearing was to receive input on the City of Urbana's proposed amendments to the City of Urbana and the Urbana HOME Consortium HOME Program budget in the Fiscal Year (FY) 2013-2014 Annual Action Plan (AAP). A reduction to the City of Urbana Housing Rehabilitation program in the amount of \$112,000 is proposed to allow for a demolition/new construction project at 301 Thompson Street in Urbana, as well as to commit additional funds to the Community Elements Tenant Based Rental Assistance (TBRA) program.

Notice of this public hearing was placed on the City of Urbana's website on Wednesday, May 14, 2014, and was mailed and e-mailed to various social service agencies and interested citizens.

No one spoke. Chairperson Cobb adjourned the public hearing at 7:08 p.m.

Call to Order: Chairperson Cobb called the regular meeting to order at 7:29 p.m.

Roll Call: Kelly Mierkowski called the roll. A quorum was present.

Commission Members Present: Fred Cobb, Janice Bengtson, Chris Diana, and Anne Heinze Silvis.

Commission Members Excused/Absent: George Francis, Jerry Moreland, and Lisabeth Searing

Others Present: Kelly H. Mierkowski and Jennifer Gonzalez, Community Development Services.

Approval of Minutes: *Chairperson Cobb asked for approval or modifications to the April 22, 2014 minutes. Commissioner Silvis moved to approve the minutes and Commissioner Diana seconded the motion. The motion carried unanimously.*

Petitions and Communications: None.

Staff Report: Kelly Mierkowski, Grants Management Division Manager, provided a brief overview of the staff report. Items received from HUD include an official notice of HOME Program 2012 Funds Commitment Deadline, and email notices for upcoming trainings - Environmental Review Training and HOME Basics Training; Staff will be attending the Environmental Review Training. Staff represented City at Housing Fair on May 3, 2014 at the Lincoln Square Mall, sponsored by the Community Reinvestment Group. Neighborhood cleanup was held on Saturday, May 17th.

Old Business: None

New Business:

A RESOLUTION APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2013-2014 ANNUAL ACTION PLAN (301 Thompson and Community Elements TBRA)

Chairperson Cobb requested staff input regarding how to address agenda items. The AAP Amendment would be first the next three items would be grouped together, and the final three would be together.

The proposed Amendment to the FY 2013-2014 Annual Action Plan is based on an application received from Habitat for Humanity who is looking to build four new homes in the community, one in Champaign and three in Urbana. One of the Urbana owned lots selected by a Habitat Homebuyer is 301 E. Thompson Street, which is a double lot, acquired by the City a couple of years ago at a low cost. The building on the lot is dilapidated; it was an old church no longer is use. The city lacked sufficient CDBG funds to demolish the building. There is asbestos in the building and demolition costs would be significantly higher than typical demo projects.

Based on the funding available for construction of the four homes, and knowing that 301 Thompson is actually a double lot the proposed amendment would allow all four homes to be constructed by Habitat, one of which is going to be funded by Urbana funds if the amendment is approved. For demolition, \$40,000 of HOME funds would be used, and an additional \$40,000 (will help with the financing to get the houses built.

The section portion of the amendment is a proposed Tenant Based Rental Assistance contract to augment their current program funding. Community Elements is the only one of the three entities that have TBRA programs that does not receive regular annual funding. TBRA targets the “lowest of the low income households”, and this would extend their program out for another year. Based on the two contracts Community Elements has now, which will expire in 2016, this amendment will allow them to extend the program and terminate in June 2017.

Chairperson Cobb asked for Commission questions and then asked about the effect of reallocating the HOME. The amendment will reduce the owner occupied housing rehab funds in that particular fiscal year by \$112,000. However, the City has received \$103,865 in program income since 2011-2012, which will be used for the Whole House program. Sufficient funds should be available for 5-7 whole house rehabs annually. Marketing of this program is ongoing. Due to the requirement of a city lien for part of the assistance some applicants are not interested in adding debt to their property. Staff is researching the feasibility of restructuring the whole house program to make it more applicable to current economic conditions. After the amendment, the funds will be available to keep the program at its current pace.

Chairperson Cobb asked if this amendment would affect scheduling of current projects. Ms. Gonzalez responded that to her knowledge, it would not. There are potential clients are in the application process, but that is ongoing and the amendment would not affect those applicants.

The proposed new construction financing is part of the CHDO contract and new home construction can happen in two ways: the City of Urbana could hire a contractor to build a house for the City, which would require significant staff time to manage the project. The other model would be to provide funding

to the CHDO to build a house. In terms of staff time, labor, or delays in the project, no issues are foreseen because this is their main function.

Commissioner Diana commented that in the programmatic impact section of the memo it states that consideration was given to augmenting the Urbana Dream Downpayment Assistance Program, and asked Ms. Gonzalez to expand on that. Ms. Gonzalez stated that initially the Urbana Dream Downpayment Assistance Program was really successful, and funds were expended in about seven months. The spring homebuyer market was targeted by starting the program in May, but closings did not occur until August/September. Those commitments are described as “soft” commitments, because the funds are earmarked to be spent on this particular activity, but until the mortgages are executed and houses are sold, there is no agreement with the buyer. While \$100,000 is set aside for the Urbana Dream Program for 10-12 homes, only as homes are purchased are commitments actually made. HOME program requires an agreement to be in place to commit the funds. For the Urbana Dream activities from the time someone applies to when somebody closes is about a month, in order for the City to execute an agreement. This delays the ability of the city to commit funds. Because of the commitment shortfall the Urbana Dream program does allow us to commit funds in a manner sufficient to meet the shortfall. Staff is working continually to improve the commitment process.

Commissioner Diana agreed about the time lag and stated that in addition to the 30 day period, there may be anywhere from 60-90-120 days in front of that. Buyers will have been pre-qualified, but are not pre-qualified with the Urbana Dream Downpayment Program. For a buyer to find a home that meets their financing requirements it takes longer to get to closing. This is difficult to avoid. However, it is unfortunate that not as much funding will be available for the program, as it can help make Urbana more attractive to buyers.

Ms. Gonzalez stated that there are other homebuyer assistance programs available including grant received from the FHLBC; however, the state Welcome Home Illinois program is attracting more buyers. It is easier and quicker for a homebuyer to access those funds than Urbana funds; Down Payment Plus is another available program. Commissioner Diana commented about the Vacant Home Program, where you can double stack, specifically in Champaign. Ms. Gonzalez responded that the city plans to apply for another round of Down Payment Assistance funds from the FHLBC; there is \$100,000 available from FHLBC and HOME funds with the current contract. The city is working with the sponsor, Busey Bank to acquire funding through a second FHLBC application due June 20, 2014. Commissioner Bengtson commented about the funds, and Ms. Gonzalez stated that there are many strings attached to them, so they cannot be used elsewhere.

Chairperson Cobb explained the three options with regard to the proposed AAP Amendment. Commissioner Diana made a motion to forward the resolution to Council with a recommendation for approval. Commissioner Silvis seconded the motion; the motion carried.

A RESOLUTION CERTIFYING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR THE URBANA HOME CONSORTIUM (Habitat June 2014)

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Habitat CHDO Developer FY 2014-2015)

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Habitat CHDO Operating June 2014)

Ms. Gonzalez presented the next three resolutions on the agenda as omnibus. These are in response to a Habitat for Humanity CHDO funding application that the city received at the beginning of this month. The HOME Technical Committee has agreed to contract out all remaining CHDO funds to Habitat to construct the four homes proposed. The addresses are 301E Thompson; the double lot would return to its original two platted lots, and become 301E Thompson and 303 E Thompson. A second buyer has been identified for 303 Thompson; 1205 Beslin was initially transferred but the homebuyer fell through. The fourth lot is in Champaign at 1304 Walnut.

The proposed project funding illustrated in the memo: \$40,000 of Urbana funds and \$39,425 is the sum of available the CHDO funds. About \$6,000 in FY1314 funds remained after Homestead's completion of the 1107 North Gregory project. The amendment proposes to allocate the bulk of the FY 1415 funds in the Annual Action Plan for the construction of those homes. Also recommended is the \$28,000 CHDO operating contract, which is in keeping with the \$7,000 per unit rate for developer fee which helps offset overhead costs for the CHDOs. This amendment will address commitment shortfall as well. Habitat moves quickly on their projects and staff expects completion of these four homes in the next year.

Staff attended two recent Habitat closings, one for 810 E. Park in Urbana, who also held a dedication, and the other was for 1007 N. Berkley, Urbana. For the other two Habitat projects underway, one is delayed by a land survey dispute about lot line location and the other one has begun construction, with the foundation installed, the walls in place and the roof likely nearing completion.

Commissioner Silvis commented that in looking at the certification, she thought that Habitat was a CHDO longer than 2011. Ms. Gonzalez stated that although funding had been allocated to Habitat previously through their Homebuilder Blitz, Urbana staff administered the project and Habitat acted as a subrecipient and they were the ones doing the construction. Commissioners Silvis and Diana stated that they remembered the Blitz.

Chairperson Cobb asked about recent communication from Homestead. Ms. Gonzalez stated that she had talked recently to Aaron Smith, Executive Director, who had not identified any qualified homebuyers, and would not be submitting an application. They are also still working with Brinshore to secure financing for the Kerr Avenue project. Acquisition of Low Income Housing Tax credits is difficult as the market is tight and IHDA regulates the number of tax credit projects approved in an area in order to not flood the market.

Commissioner Diana asked how Habitat will be able to build on the lots on Thompson Street since they are only about 60 feet wide. Ms. Gonzalez stated that smaller lots have been developed by Habitat these lots are 60' x 100'. Two houses on Beslin Street on smaller lots are shotgun houses where they changed the way the house faces. Ms. Gonzalez also stated that setbacks would have to be considered. Commissioner Diana asked about sharing a driveway and Ms. Gonzalez stated she did not know, but would consult with Building Safety. Ms. Gonzalez offered to forward the information to Commissioner Diana, who declined, stating all Habitat houses are stand-alone houses and he was not sure they could do

a shared driveway. Ms. Gonzalez stated that since it is a corner lot, it might make it a little easier with the driveways and Commissioner Diana agreed.

Chairperson Cobb asked about the statement under Programmatic Impacts that the good far outweighs the negative and there would be a minor reduction in the Consortium's overall grant pool. Ms. Gonzalez responded that statement refers to CHDO operating funds, which are a 5% set aside, and are technically not required by the regulations but highly encouraged by HUD. HUD knows that it costs money to run an organization like this, and the Consortium has historically set aside the 5% to be allocated to CHDOs. The Consortium set up the \$7,000 per unit subsidy in an effort to encourage the CHDOs to construct more [housing] as a way to logically distribute funds to CHDOs tied to production. The HOME Technical Committee has discussed other options for distribution if sufficient carryover of operating funds exist; it could be reallocated. Funds could return to the Consortia pool and be split up based everyone's prorated share. Of the about \$30,000 carryover, Champaign would get \$15,000-\$16,000, Urbana would get its share, and the County would get its share. However, the impact to a CHDO can be much greater, and allow them to pay an extra staff person or improve their staffing to increase production. The Consortium has leaned to making sure the CHDOs to stand on their own two feet, by allocating that admin or operating [funds].

Chairperson Cobb asked if there were any further questions and explained the Commission's three options. Commissioner Silvis made a motion to forward the resolution to Council with a recommendation for approval. Commissioner Bengtson seconded the motion; the motion carried.

AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (1205 West Beslin Street)

AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (301 East Thompson Street)

AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (303 East Thompson Street)

Chairperson Cobb stated the next three items are concerning the sale of real estate. Ms. Gonzalez stated these ordinances propose deeding over 301 and 303 E. Thompson to Habitat. The City will complete the demolition of the church structure.

Chairperson Cobb asked for more information and Ms. Gonzalez stated that after the demolition is completed for 301E. Thompson, the lot will return to their original two parcels. Because it is platted as two parcels it will not be necessary to request approval of the Plan Commission. The City will ask the County assign two separate pin numbers, one for each lot. This is needed because the two were combined under one pin for tax purposes. Chairperson Cobb asked how long it would take and Ms. Gonzalez stated that they only do it once a year, so it won't happen until September, due to the complicated mapping system the County uses. Ms. Gonzalez then explained the process for transferring the lots to Habitat.

Ms. Gonzalez asked if there were any questions and explained the reason for a quitclaim deed. In the rare occurrence that the developer (CHDO) fails to perform and the project falls through, a quitclaim

deed would allow the city to reclaim title to the property. If construction is underway at the time the quitclaim is recorded the City could pay the developer for the improvements they have made to the property and reclaim the property and complete the project. A quitclaim for a lot on which a project had not begun was filed only once, when eco-lab was going to build on 901 N. Division. The project fell through and eco-lab utilized a different lot. However, the lot ended up becoming the location of a Habitat house, the first Habitat house that was built with CHDO funds.

Commissioner Diana commented that since the last resolution the Commission passed referred to [Thompson Street] as two separate lots, they would be funded that way. However, if they are actually not going to be two separate lots until after the demolition, then one or the other probably needs to be changed. Commissioner Diana discussed his concern regarding the status of the two properties and stated that the properties would be transferred by pin numbers and they can do the pin numbers in about a week. Ms. Gonzalez stated that the City would not execute any of the transfer documents for 301 and 303 until after the demolition.

Commissioner Diana asked if when setting up the documents with Habitat would we not be referring to specific addresses and parcels? Ms. Gonzalez agreed, but Commissioner Diana stated there is no 303 until they assign a pin number and call it that address. Ms. Gonzalez stated because the original plat exists, the only thing that was done to combine the lot was to assign a new pin. Commissioner Diana agreed and Ms. Gonzalez stated that this had been encountered before, with 1409 and 1411W. Beech, which were two houses that Habitat built, on the former address of 1006 N. Wright, but she stated she was still unsure of any problems or conflict there.

Commissioner Diana stated that he is going by what you normally do in a contract, with regard to a specific piece of property; there is no way to refer to it. It would normally be designated by either its legal description or its pin number, which we do not have. Ms. Gonzalez explained that the property would be described as part of pin xxx, the lot descriptions are actually the easy part, which are lots 20 and 21. Commissioner Diana stated that he could help change the pin number for the lots any time. They do it regularly for real estate transactions all the time. Ms. Gonzalez stated that would be nice if they could assign pin numbers quickly, in order to have the final pin numbers in the document, although she was not sure how much of an impact it would make

Chairperson Cobb requested a motion to either authorize the sale with Commission approval, or to make suggested changes to the sale, or not approve the sale, and asked for a motion. Commissioner Diana made a motion to forward this to Council with a recommendation for approval on the sale. Commissioner Silvis seconded the motion; the motion carried.

Adjournment: Seeing no further business, Chairperson Cobb adjourned the meeting at 8:10pm.

Recorded by Kelly H. Mierkowski, Manager

APPROVED