



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, Director, Community Development Services

DATE: May 11, 2015

SUBJECT: A RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH HABITAT FOR HUMANITY OF CHAMPAIGN COUNTY

Description

Included on the agenda of the May 11, 2015 meeting of the Urbana City Council is a Resolution Authorizing the Execution of an Agreement with Habitat for Humanity of Champaign County.

Background

In April 2012, The Illinois Attorney General's Office secured a \$25 billion national settlement, as part of the National Foreclosure Settlement Awards Housing Counseling and Community Revitalization, with the nation's five largest bank mortgage servicers – Bank of America, JPMorgan Chase, Wells Fargo, Citibank, and Ally Bank (formerly GMAC). The settlement provides direct relief to affected borrowers in Illinois and overhauls mortgage servicing standards to prevent future abuses by lenders that many consumers have faced while trying to save their homes during the foreclosure crisis. Up to \$70 million was made available in Illinois over the course of three years to bolster, expand, and connect proven housing counseling and revitalization strategies in hardest hit geographic areas throughout Illinois.

Subsequent to this award, the Illinois Office of Attorney General made funds available to other entities through a Request for Qualifications and Proposals process to provide proposals to mitigate the effects of Illinois' foreclosure crisis by (1) Providing housing counseling services to renters, and current and future homeowners; (2) Providing mortgage acquisition or restructuring support to families affected by foreclosure; (3) Investing in neighborhoods that have been destabilized by vacant and abandoned properties through collaborative partnerships; and(4) providing expertise to groups working to provide housing counseling services or to revitalize neighborhoods.

These funds will be utilized to prioritize sustainable, collaborative efforts in targeted areas (e.g. neighborhood blocks, community areas, municipalities, or counties) that respond to local needs, opportunities, and capacities. Funds will support the alignment and collaboration of key public and private sector partners who are helping owners and renters destabilized by the foreclosure crisis. Resources will further be prioritized for acquisition and/or redevelopment in geographic areas that

have a high number of vacant and abandoned properties in order to attract new buyers and renters as part of strategic revitalization efforts.

The Request for Qualifications and Proposals became available in December 2012 and Habitat for Humanity contacted various entities in the community including the City of Urbana to determine if there was interest in being included as part of the funding request and to form a team to work together on the application. Habitat then submitted an application in collaboration with the City of Urbana (and Champaign) in February 2013. The total approved funding was for \$2 million and an agreement with Habitat for Humanity was signed in August 2014.

The goals identified in the Habitat proposal are to create 18 quality, affordable homes in the identified Target Area to be owned and occupied by selected families; to provide counseling services, as well as workforce training and Downpayment assistance to 350 families total, including 18 families selected to occupy the newly constructed homes; and to provide 27 grants to homeowners in the Target Area need to make home improvements. In Urbana, the areas of impact were determined to be from Wright Street to Lincoln Avenue and from to University Avenue to Interstate 74. In Champaign, the areas of impact are from Wright Street to Mattis Avenue and from University Avenue to Interstate 74.

Proposed Agreement

Habitat for Humanity of Champaign County (Habitat) has approached City staff with an opportunity to assist Habitat with the implementation of the Illinois Attorney General's grant. Habitat for Humanity is requesting that the City assist Habitat in the rehabilitation portion of the grant and to serve as a pass through for the down payment assistance portion of the grant.

Per the proposed Agreement, the City will administer any and all funds, including Down Payment Assistance funds, which Habitat receives in connection with the Grant and Distribution Agreement and which Habitat places with the City for administration; the City will disburse such funds in such amounts as Habitat directs in writing the City to disburse. The City will also designate and make available to Habitat a Housing Rehabilitation Coordinator, or other similarly skilled staff person, to manage and administer the rehabilitation of up to twenty-seven (27) residential homes in Urbana and Champaign.

The proposed Agreement will affirm the City's commitment to the goals outlined in the *2005 Comprehensive Plan* and in the *City of Urbana and Urbana HOME Consortium FY 2015-2019 Consolidated Plan*:

Goal 1: *Provide decent affordable housing opportunities for low- and moderate-income households*

- ***Strategy:*** *Increase supply of affordable housing available to low and moderate income households.*

- **Activity** *Support new construction for homeownership sponsored by CHDOs and other nonprofits.*
- **Activity:** *Support new construction of affordable rental units sponsored by CHDOs and other nonprofits.*
- **Activity:** *Support and provide guidance for for-profit developers building new affordable renter and owner units.*

Options

1. Approve the Resolution Authorizing the Execution of an Agreement with Habitat for Humanity of Champaign County.
2. Approve the Resolution Authorizing the Execution of an Agreement with the Habitat for Humanity of Champaign County, with changes.
3. Do not approve the Resolution.

Fiscal Impacts

Approval of this Agreement does not commit any City financial resources to the project. Habitat will be paying staff time for the rehabilitation portion of the grant and will be funding the Downpayment assistance portion upfront to the City. The fiscal benefit to the City of undertaking the work is increased revenues, which will offset staff costs. The benefit to the community will be to assist Habitat in the redevelopment and stabilization of the targeted area from foreclosures and vacant properties and to ensure that specific sites selected through this program are appropriately advancing location and/or regional plans and priorities.

Recommendation

Staff recommends approval of the Resolution as attached. The proposed agreement will allow City staff to assist Habitat for Humanity with regard to the rehabilitation and down payment portions of the Illinois Attorney General's grant, as described in the Distribution Agreement.

Memorandum Prepared By:

**Kelly H. Mierkowski, Manager
Grants Management Division**

Attachments:

1. A RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH HABITAT FOR HUMANITY OF CHAMPAIGN COUNTY.
2. AGREEMENT BETWEEN THE CITY OF URBANA AND HABITAT FOR HUMANITY OF CHAMPAIGN COUNTY

RESOLUTION NO. 2015-05-025R

A RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT
WITH HABITAT FOR HUMANITY OF CHAMPAIGN COUNTY

WHEREAS, the City Council of the City of Urbana, Illinois, has found and determined that execution of an agreement with Habitat for Humanity as it relates to the Illinois Attorney General's Office Distribution Agreement is desirable and necessary to revitalize distressed neighborhoods.

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

Section 1. That an Agreement pertaining to the Illinois Attorney General's Distribution Agreement, between the City of Urbana and Habitat for Humanity, in substantially the form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

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

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

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

Laurel Lunt Prussing, Mayor

**AGREEMENT REGARDING ADMINISTRATION OF A
CHAMPAIGN URBANA ATTORNEY GENERAL REVITALIZATION GRANT**

This Agreement Regarding Administration of a Champaign Urbana Attorney General Revitalization Grant (hereinafter, the “Grant Agreement”) is entered into by and between Habitat for Humanity of Champaign County (hereinafter, “Habitat”) and the City of Urbana (hereinafter, the “City”) (collectively, the “Parties”) this ____ Day of _____, 2015.

WHEREAS, the City is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, Habitat is a duly organized and authorized not-for-profit corporation operating in Champaign County, Illinois whose principal purpose is to provide and foster the provision of affordable housing to those in need of affordable housing within Champaign County; and

WHEREAS, the City deems it important to foster the provision of affordable housing within the geographic boundaries of the City; and

WHEREAS, Habitat desires and intends to facilitate and foster the provision of affordable housing within the geographic boundaries of the City; and

WHEREAS, the City and Habitat seek to combine their efforts to facilitate and foster the provision of affordable housing within the geographic boundaries of the City; and

WHEREAS, Habitat is the recipient of a Champaign Urbana Attorney General Revitalization Grant (hereinafter, the “Grant”) which is to be used consistent with Habitat’s not-for-profit corporate purposes; and

WHEREAS, Habitat and the Attorney General for the State of Illinois have entered into and executed an agreement (hereinafter, the “Distribution Agreement”) regarding the use of the Grant funds awarded by the said Attorney General; and

WHEREAS, Habitat seeks to engage and utilize and the City is willing to provide certain services to assist Habitat in Habitat’s discharge of its responsibilities under the Distribution Agreement; and

NOW, for good, valuable and mutual consideration which the Parties acknowledge having in hand received and for the exchange of the promises, terms, conditions, and covenant provided below, the Parties agree as follows:

A. Habitat Obligations: Habitat agrees to perform and be responsible for the performance of the following:

1. Habitat shall develop and implement efficient administrative and fiscal management systems and procedures as are or may be necessary in order to comply with and carry out its obligations pursuant to the Distribution Agreement and to properly administer the Grant and any and all agreements entered into involving the use and/or expenditure of Grant funds;
2. Habitat shall serve as the fiscal agent in connection with and for the Grant;
3. Habitat shall be responsible for the tracking and shall track all projects and participants for the duration of their program commitment pursuant to the Distribution Agreement;
4. Habitat shall make continual progress around the identified outcomes as described in the Distribution Agreement;
5. Habitat shall serve as the lead organization in promoting services through common branding and marketing of the program for which the Grant was made;
6. Habitat shall develop an efficient intake process and data tracking system in order to comply with the Distribution Agreement;
7. Habitat shall provide overall programmatic leadership for the development and administration of the Grant pursuant to the Distribution Agreement; and
8. Habitat shall compensate the City for work performed and service rendered by the City's Housing Rehabilitation Coordinator or other similarly skilled staff person to administer the rehabilitation portion of the program pursuant to the Distribution Agreement and such compensation shall be paid within 30 days of Habitat's receipt of the City's billing invoice for providing such services. Such compensation shall include the hourly rate which the City pays the City's Housing Rehabilitation Coordinator times the number of hours and fractions thereof expended by the Housing Rehabilitation Coordinator, plus a prorated portion of any benefits which the City provides to its Housing Rehabilitation Coordinator, plus any direct out-of-pocket expenses which the City pays for, on behalf of or for the benefit of Habitat or advances which are directly connected to the City's performance of its obligations under this Grant Agreement.

B. City's Obligations: The City agrees to provide to, for, on behalf of, and for the benefit of Habitat and other persons who are identified in the Distribution Agreement as Team Members, the following:

1. The City shall administer any and all funds, other than such funds which Habitat pays to the City pursuant to Subparagraph A.8., which Habitat receives in connection with the Grant and Distribution Agreement and which Habitat places with the City for administration. The City shall disburse such funds in such amounts as Habitat directs in writing the City to disburse. The City shall not be compensated for administering the aforesaid funds and the City shall not be liable for any disbursement which the City makes pursuant to Habitat's written direction to disburse.

2. The City shall designate and make available to Habitat a Housing Rehabilitation Coordinator, or other similarly skilled staff person, to manage and administer the rehabilitation of up to twenty-seven (27) residential homes as provided for in the Distribution Agreement. The Housing Rehabilitation Coordinator shall provide to, for and on behalf of Habitat such services as are within his/her education, training and experience. The City shall submit a billing invoice to Habitat on a monthly basis and such billing invoice will identify all work performed by and services rendered by the said Housing Rehabilitation Coordinator, or other similarly skilled staff person, for the prior month along with any moneys, other than funds which Habitat tendered to the City for administration as provided in Subparagraph B.1., which the City expended or advanced for, on behalf of, or for the benefit of Habitat in connection with Habitat's performance of its obligations provided for in the Distribution Agreement.
3. The City shall make reasonable efforts to cooperate with other Team Members, as defined in the Distribution Agreement, to the extent provided in this Grant Agreement.
4. The City shall designate one City employee to serve as a contact person for Habitat and other Team Members as identified in the Distribution Grant. The City shall also designate a person with decisionmaking authority to serve as a member of the Team as described in the Distribution Agreement. The City's contact person and assigned Team member may be, but need not necessarily be, the same individual.
5. The City shall make reasonable efforts to participate in the Strategic Plan as described in Paragraph 4 of the Distribution Agreement including its implementation, annual summits, and evaluations. Notwithstanding the immediate foregoing, the City's participation in the Strategic Plan shall be limited to the services which the City has agreed to render or perform pursuant to this Grant Agreement.
6. The City shall use reasonable efforts to support the overall vision and mission articulated in the Distribution Agreement. Notwithstanding the immediate foregoing, the City's obligation to provide such support shall be limited to its obligations as provided in this Grant Agreement.
7. The City shall develop an efficient intake process and data tracking system in order to assist Habitat in its compliance with the Distribution Agreement.
8. The City shall participate in data collection and evaluation and shall share such data and evaluations with those officials of the State of Illinois designated and authorized to receive such data and evaluations. However, any sharing of data and the evaluations thereof shall be undertaken by the City in compliance with all state and federal statutes, rules and regulations, and City ordinances and policies concerning privacy rights.
9. The City shall implement reporting and evaluation systems and procedures so that Habitat can reasonably comply with its obligations under and pursuant to the Distribution Agreement.

10. The City shall engage in trainings and coordinate with technical assistance to implement the reasonable best practices to facilitate Habitat's compliance with its obligations under and pursuant to the Distribution Agreement.
11. The City shall identify and recruit persons who possess relevant expertise and experience to provide competent services, complete any necessary training or certification relevant to those services, and who can support the vision and mission of the Team Members as articulated in the Distribution Grant.

C. Miscellaneous Terms and Covenants:

1. The City's performance of its obligations under this Grant Agreement shall not be deemed, interpreted or construed as creating any employment, tenancy, agency, or partnership relationship between the City and Habitat or any of their respective directors, officers (including elected and appointed officers), employees, volunteers, agents, or contractors.
2. Neither Party shall have any authority to bind the other Party to this Grant Agreement into any commitment or agreement unless that other Party has agreed in writing to be so bound.
3. The Parties hereto, on behalf of themselves and their directors, officers (including elected and appointed officers) and employees, volunteers, agents, and contractors agree to disclose and avoid any conflicts of interest as soon as they become known to either Party as required by Paragraph 18 of the Distribution Agreement and any applicable federal or state statutes, rules or regulations, ordinances of the City, and policies of the respective Parties with respect to conflicts of interest.
4. In the event that any dispute arises between or among the Parties to this Grant Agreement, the Parties hereto shall first undertake reasonable efforts to address and resolve any such dispute and if such efforts fail then to submit to mediation for the purpose of resolving any such dispute. In the event mediation is required to address the dispute, the Parties shall cooperate in the selection of a mediator and each Party shall be responsible for one-half of any and all fees charged by the mediator and any costs and/or expenses advanced or paid by the mediator which are directly related to his or her mediation efforts of such dispute. If mediation fails, then either Party may exercise its right to apply to a court of competent jurisdiction to address any alleged wrongful acts or omissions by the other Party. Any lawsuit initiated by a Party shall be brought and maintained in the Circuit Court for the Sixth Judicial Circuit, Champaign County, Illinois or the United States District Court for the Central District of Illinois. Federal law and the laws of the State of Illinois, as the case may be, shall govern any dispute between the Parties. Each party shall bear its own costs in the event any lawsuit is filed in one or more of the aforesaid courts.

5. Neither Party to this Grant Agreement nor any of their directors, officers (including elected and appointed officers) or employs shall unlawfully discriminate, harass, or allow any other person to unlawfully discrimination or harass any employee or applicant for employment based on gender, race, color, ancestry, religion, national origin, physical disability, mental disability, medical conditions, age, or marital status in compliance with applicable federal and state statutes, rules and regulations, and applicable local laws, rules, regulations, ordinances, and policies of the Parties, as the case may be.
6. Each Party to this Grant Agreement agrees to indemnify, hold harmless and defend the other Party and its directors, officers (including elected and appointed officers), employees, agents, successors, represents, contractors, and sub-contractors from and against any and all liabilities, claims, causes, actions, causes of action, rights, remedies, judgments, decrees, orders, and defenses which arise from or are or may be proximately caused by the one Party's unlawful act or omission whether intentional, willful, wanton, grossly negligent, or negligent. Nothing in this Subparagraph shall be construed as requiring either Party to indemnify, hold harmless, or defend the other Party from the one Party's own unlawful or wrongful acts or omissions.
7. Each Party hereto shall maintain such general liability insurance and Workers' Compensation Insurance as it deems appropriate in connection with the performance of their respective obligations under this Grant Agreement.
8. In the event that either Party breaches this Agreement, the other Party shall give written notice of such purported breach to the other Party. Such written notice shall advise the purportedly breaching Party of the nature of the breach and the specific paragraph or subparagraph of this Grant Agreement which that Party purportedly breached. The Party receiving such notice of breach shall have twenty-one (21) calendar days in which to (i) cure the alleged breach; (ii) submit a reasonable timetable for curing the alleged breach if such cure would reasonably be expected to take more than twenty-one (21) days in which to effectuate; or (iii) advise the notifying Party that no breach in fact occurred and demonstrate why the notified Party believes no such breach occurred.
9. Either Party to this Grant Agreement may unilaterally terminate this Grant Agreement upon thirty (30) calendar days advance written notice to the other Party, or less time if the terminating Party finds that extraordinary circumstances exist which require the terminating Party to terminate this Grant Agreement on less than thirty (30) calendar day notice. To be effective any such notice must be in writing and tendered in any one or more of the following manners:
 - a. If notice is tendered by first class U.S. Mail, such notice shall be deemed effective four days after deposit with the U.S. Postal Service if such notice is placed in a properly addressed envelope bearing proper postage.
 - b. If by overnight courier service, such notice shall be deemed effective one day following the date of delivery of such notice.

c. If by facsimile, such notice shall be deemed one day after the date of receipt of the facsimile so long as the sending Party's facsimile machine provides a printed notice that the transmission was received by the intended recipient Party.

d. If by personal delivery, such notice shall be deemed effective one day after receipt by the intended recipient Party.

No other form of notice shall be deemed effective.

10. In the event any Party to this Grant Agreement terminates this Grant Agreement prior to completing all obligations required of it or should it be found to have knowingly committed any malfeasance, the said Party shall promptly return to the other Party any funds it has received from or which it is holding for the benefit of the non-terminating Party. Notwithstanding the foregoing and without waiving the same, the City shall not be required to refund or return any moneys it was paid pursuant to Subparagraph B.8. so long as the Housing Rehabilitation Coordinator or other similarly skilled staff person's work was wholly unrelated to the commission of any malfeasance.

11. No Party shall assign, convey, or otherwise transfer to another person any right or obligation contained and provided for in this Grant Agreement unless expressly authorized to do so by the parties to the Distribution Agreement and then any such assignment, conveyance or transfer, as the case may be, must be undertaken in a written instrument executed by the Parties hereto.

12. The Parties to this Grant Agreement acknowledge that the person who has executed the same has the authority to do so.

[END OF GRANT AGREEMENT]

For Habitat for Humanity
of Champaign County:

For the City of Urbana

A duly authorized officer.

Mayor.

Date.

Date.

Attest.