



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

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

**TO:** Mayor Diane Wolfe Marlin and City Council Members

**FROM:** John A. Schneider, MPA, Manager, Community Development Services

**DATE:** February 8, 2018

**SUBJECT: A RESOLUTION APPROVING AN AMENDMENT TO AN URBANA HOME CONSORTIUM SUBRECIPIENT AGREEMENT (Habitat for Humanity FY 2017-2018)**

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### **Description**

Included on the agenda of the February 12, 2018 meeting of the Urbana City Council Committee of the Whole is a Resolution approving an amendment to a previously executed Urbana HOME Consortium Subrecipient Agreement with Habitat for Humanity of Champaign County (Habitat).

The existing agreement committed \$150,000 from the City of Champaign's allocation of HOME funds to assist Habitat by partially subsidizing four new homeownership units for sale to income-eligible buyers. The proposed amendment would only change the geographic locations of two affordable homeownership construction activities.

### **Issues**

The issue is whether the Urbana City Council Committee of the Whole should forward the Resolution approving an amendment to the Subrecipient Agreement between the Urbana HOME Consortium and Habitat for Humanity of Champaign County to the Urbana City Council with a recommendation for approval.

### **Background**

The funding for this Subrecipient Agreement with Habitat for Humanity stems from the City of Champaign's allocation of FY 15-16 HOME funding, which was distributed among three subrecipients through last year's RFP process for HOME funding. The Subrecipient Agreement between the Urbana HOME Consortium and Habitat for Humanity of Champaign County was authorized by the Urbana City Council through Resolution No. 2017-08-52R signed on August 23, 2017. The Subrecipient Agreement was signed on August 30, 2017.

The existing Subrecipient Agreement provides that the total award amount of \$150,000 is to be split among new construction activities at 1206 W. Church Street and 1204 W. Church Street in Urbana and a rehabilitation activity at 610 Phillips Drive in Champaign, while the remaining \$37,500 was to be applied to a future project at a location yet to be determined. The two new construction activities on Church Street have been completed and sold to income-eligible buyers.

The mortgage lender for the purchaser of 610 Phillips Drive did not accept the statutory HOME Program restrictions that the Urbana HOME Consortium is required to apply to all properties assisted with HOME funds. The home at 610 Phillips Drive was sold to that buyer, but Habitat does not intend to seek reimbursement from the Urbana HOME Consortium for the activity.

## **Discussion**

On January 2, 2018, Habitat requested that the Urbana HOME Consortium replace the affordable homeownership rehabilitation activity at 610 Phillips Drive with its new construction activity at 1404 W. Beslin Street in Urbana. Habitat would also like to designate its new construction project at 1406 W. Beslin Street as the fourth and final property to receive development subsidy through this Subrecipient Agreement.

The foundations for the two projects on Beslin Street have been completed, and construction on 1406 W. Beslin Street is expected to begin in March and construction on 1404 W. Beslin Street is planned to begin on May 1, 2018. Completion of both units is expected by the end of the summer. The home at 1404 W. Beslin Street will be the 50<sup>th</sup> Habitat home built in Urbana.

## **Options**

1. Forward the Resolution approving an amendment to an Urbana HOME Consortium Subrecipient Agreement with Habitat for Humanity of Champaign County to the Urbana City Council with a recommendation for approval.
2. Forward the Resolution, with suggested changes, to the Urbana City Council with a recommendation for approval.
3. Do not recommend Council approval of the Resolution.

## **Fiscal Impacts**

There will be no fiscal impact on the City General Fund, as the amendment would only change the geographic locations of two of the new construction activities authorized under this Subrecipient Agreement. The proposed amendment does not alter the \$150,000 amount already committed to Habitat through the Subrecipient Agreement.

## **Programmatic Impacts**

The new construction activities that would be made possible through the proposed amendment are in keeping with the goals and strategies outlined in the City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2015-2019. Since all \$150,000 of the award has already been committed to Habitat in HUD's Integrated Disbursement and Information System, the proposed amendment would not be redirecting funding from any other activities.

## Recommendations

Staff recommends approval of the proposed Resolution. The Community Development Commission voted unanimously to recommend approval of the Resolution to the Urbana City Council at its January 23, 2018 regular meeting. Unapproved meeting minutes are provided with the packet describing the proposed modifications to the Community Development Target Area.

Prepared by:



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**Matthew Rejc, AICP**  
Community Development Coordinator  
Grants Management Division

### Attachments:

1. A RESOLUTION APPROVING AN AMENDMENT TO AN URBANA HOME CONSORTIUM SUBRECIPIENT AGREEMENT (Habitat for Humanity FY 2017-2018)
2. An Amendment to an Urbana HOME Consortium Subrecipient Agreement (Habitat for Humanity FY 2017-2018)

**RESOLUTION NO. 2018-02-007R**

**A RESOLUTION APPROVING AN AMENDMENT TO AN URBANA HOME  
CONSORTIUM SUBRECIPIENT AGREEMENT**

**(Habitat for Humanity FY 2017-2018)**

**WHEREAS,** The City Council of the City of Urbana, Illinois, has found and determined that execution of the attached amendment to a subrecipient agreement is desirable and necessary to carry out one of the corporate purposes of the City of Urbana, to wit: implementation of Strategies and Objectives to Address the Affordable Housing Needs of Low and Moderate Income Households described in the *City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) FY 2015-2019 Consolidated Plan*.

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

**Section 1.** That the Urbana City Council hereby approves the attached Amendment in substantially the same form as attached hereto.

**Section 2.** That an Amendment to an Agreement providing \$150,000 in HOME Program funds, for the creation of four (4) affordable single family units, between the City of Urbana and Habitat for Humanity of Champaign County, in substantially the form of the copy of said Amendment attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

**Section 3.** 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 Amendment 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:

ABSTAINED:

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**Charles A. Smyth, City Clerk**

**APPROVED BY THE MAYOR** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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**Diane Wolfe Marlin, Mayor**

**AN AMENDMENT TO AN URBANA HOME CONSORTIUM SUBRECIPIENT  
AGREEMENT**

**(Habitat for Humanity FY 2017-2018)**

THIS Amendment is made this \_\_\_\_ day of \_\_\_\_\_, 2018, between the CITY OF URBANA, an Illinois Municipal Corporation, acting as lead entity for the Urbana HOME Consortium (hereinafter the “**GRANTOR**”), and HABITAT FOR HUMANITY OF CHAMPAIGN COUNTY, an Illinois Not-For-Profit Organization (hereinafter “**SUBRECIPIENT**”).

WITNESSETH

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

WHEREAS, the Urbana HOME Consortium, CFDA #14.239, has received HOME Program funds from HUD for the period beginning **July 1, 2015**, and ending **June 30, 2016**, to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County; and

WHEREAS, the GRANTOR, as the administrator of the Urbana HOME Consortium, has authority under the provisions of the HOME Program to amend HOME Agreement; and

WHEREAS, on August 21, 2017, the Urbana City Council passed a Resolution Approving and Authorizing the Execution of an Urbana HOME Consortium Subrecipient Agreement; and

WHEREAS, on August 30, 2017, the Urbana HOME Consortium and Habitat for Humanity of Champaign County executed an agreement dedicating \$150,000 in HOME funds for the purpose of an affordable homeownership program; and

WHEREAS, the GRANTOR and the SUBRECIPIENT desire to amend said Agreement to modify and clarify certain conditions,

NOW, THEREFORE, for and in consideration of the agreement and of the mutual covenants herein contained, the parties agree to the following changes to the Agreement:

1) The SUBRECIPIENT and the GRANTOR agree that Article I: HOME REQUIREMENTS, Section 1: Use of Funds, is changed as follows:

- c.) The SUBRECIPIENT shall own or purchase the real property for the Project in the following locations: **1204 Church Street, 1206 Church Street, 1404 Beslin Street, and 1406 Beslin Street in Urbana.**
- d.) ~~The SUBRECIPIENT shall own or purchase real property in the City of Champaign, City of Urbana, or unincorporated Champaign County on which one other single-family housing unit will be constructed or rehabilitated subject to HOME Program guidelines, in addition to the three properties identified in paragraph c.). **The SUBRECIPIENT shall provide the address of the property on which the one other single-family housing unit in question will be located within nine (9) months of the date on which this agreement is executed.**~~

Paragraph d.) of Article I, Section 1 is hereby deleted, as the SUBRECIPIENT has fulfilled its requirement.

All other provisions of said Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, and have caused this instrument to be executed by their duly authorized officials and corporate seals affixed hereto, all on the day and year first above written.

**GRANTOR:**

**SUBRECIPIENT:**

\_\_\_\_\_  
Diane Wolfe Marlin, Mayor

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Attest