



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: Lorrie Pearson, AICP, Community Development Services Director
Sheila Dodd, Manager, Grants Management Division

DATE: November 21, 2019

SUBJECT: A RESOLUTION AMENDING CERTAIN HOME INVESTMENT PARTNERSHIP PROGRAM LOAN DOCUMENTS BETWEEN THE CITY OF URBANA AND BRISTOL PLACE RESIDENCES, LP

Description

Included on the agenda of the November 25, 2019, regular meeting of the Urbana City Council Committee of the Whole meeting is a resolution modifying loan documents and the Rental Housing Developer Agreement between the Urbana HOME Consortium and Bristol Place Residences, LP to assist with the construction of three affordable rental dwelling units.

Issue

The issue is whether the Urbana City Council will approve the Resolution.

Background

The City of Urbana manages the Urbana HOME Consortium grant, of which Champaign County, Urbana, and Champaign are members. Each government sets priorities and recommends funding decisions for their portion of the grant. In 2018, the Urbana HOME Consortium executed a Rental Housing Developer Agreement and Mortgage with Bristol Place Residences, LP to provide City of Champaign HOME funds towards the affordable housing construction project for \$400,000. The City of Champaign has recommended allocating an additional \$151,000 of their portion of HOME funds towards the project. The project incurred additional costs and the City of Champaign has requested the developer agreement be revised to reflect this addition.

The City of Urbana Grants Management Division reviewed the request and believes the additional funding will provide Bristol Place Residences, LP with needed resources for the project while remaining in compliance with HOME program regulations and expenditure requirements. Staff recommends committing \$151,000 (\$51,000 from FY 18/19 and \$100,000 from FY 19/20) of City of Champaign HOME funds to Bristol Place Residences, LP bringing the total amount of the new Rental Housing Developer Agreement and mortgage to \$551,000. This increase in funding will require the developer to provide three HOME assisted units to low income families (an increase from the previous requirement of two units).

Options

1. Forward the Resolution Approving and Authorizing an amendment to an Urbana HOME Consortium Rental Housing Developer Agreement and mortgage modification to the Urbana City Council with a recommendation for approval.

2. Forward the Resolution to the Urbana City Council with a recommendation for approval with suggested changes.
3. Do not recommend that the Urbana City Council approve the resolution.

Fiscal Impacts

Committing \$151,000 through the proposed amendment will reduce the amount of funding available for City of Champaign Neighborhood Revitalization projects. The City of Urbana programs will not be impacted.

Programmatic Impacts

The proposed agreement will allow Bristol Place Residences, LP to finalize infrastructure projects in the new development. Approval of the program will further Goal #1 in the City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2015-2019, which relates to the provision of affordable housing.

Recommendation

Staff recommends approving an amendment to an Urbana HOME Consortium Rental Housing Developer Agreement and loan modification.

Attachment:

1. A RESOLUTION APPROVING AND AUTHORIZING AN AMENDMENT TO AN URBANA HOME CONSORTIUM RENTAL HOUSING DEVELOPER AGREEMENT (Bristol Place Residences, LP)

RESOLUTION NO. 2019-11-051R

A RESOLUTION APPROVING AMENDMENT NO. 1 TO A RENTAL HOUSING DEVELOPER AGREEMENT

(Bristol Place Residences, LP – Fiscal Year 2018/2019)

WHEREAS, on May 7, 2018, the City Council passed Resolution No. 2018-04-013R, approving a Rental Housing Developer Agreement between Bristol Place Residences, LP and the City of Urbana (“City”); and

WHEREAS, both parties desire to amend the agreement; and

WHEREAS, the City Council, after due consideration, finds that amending the agreement as herein provided is in the best interests of the residents of the City and is desirable for the welfare of the City’s government and affairs.

NOW, THEREFORE, BE IT RESOLVED by the City Council, of the City of Urbana, Illinois, as follows:

Section 1.

Amendment No. 1 to a Rental Housing Developer Agreement between Bristol Place Residences, LP and the City of Urbana, Illinois, 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 2.

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 amendment as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED BY THE CITY COUNCIL this ____ day of _____, 2019.

AYES:

NAYS:

ABSTENTIONS:

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, 2019.

Diane Wolfe Marlin, Mayor

AMENDMENT NO. 1 TO RENTAL HOUSING DEVELOPER AGREEMENT

(Bristol Place Residences, LP)

Bristol Place Residences, LP, an Illinois limited partnership ("BORROWER"), and the City of Urbana, an Illinois municipal corporation ("LENDER"), mutually agree to the following amendments to the Rental Housing Developer Agreement authorized by Resolution No. 2018-04-013R and entered into on November 6, 2018:

1. The section titled "USE of HOME Funds," beginning on page 2 of the agreement, is hereby replaced in its entirety by the following:

The LENDER shall lend the BORROWER an amount not to exceed \$551,000 (\$12,389 from the LENDER's Federal Fiscal Year 2016/17 HOME PROGRAM allocation, \$245,616 from its Federal Fiscal Year 2017/18 HOME PROGRAM allocation, \$141,995 from its Federal Fiscal Year 2018/19 Pre-award HOME PROGRAM allocation, \$51,000 from its Federal Fiscal Year 2018-2019 HOME PROGRAM allocation, and \$100,000 from its Federal Fiscal Year 2019-2020 HOME PROGRAM allocation) to assist with the construction of three affordable rental dwelling units (the "CITY HOME ASSISTED UNITS") out of a total of ninety (90) dwelling units (the "PROJECT HOME ASSISTED UNITS") in the PROJECT that will be assisted with HOME funds on the PROPERTY. The PROPERTY is legally described in Exhibit A, which is attached to this agreement. The BORROWER shall comply with the following requirements:

- A. Complete work on the PROJECT in accordance with the following documents:
 - (1) Scope of Work/Project Description including the schedule attached hereto as Exhibit B.
 - (2) The Budget, attached hereto as Exhibit C.
 - (3) The plans, drawings and specifications, as submitted to, and after the date hereof, approved by, the City of Champaign.
- B. After the date hereof, secure legal possession of the PROPERTY by means of fee simple title.

2. The section titled "HOME PROJECT Requirements," beginning on page 3 of the agreement, is hereby amended with the underlined text indicating new language and the strikethrough text indicating deletions as follows:

- d.) CITY HOME ASSISTED UNIT Designation: The parties have designated three ~~two~~ floating units as the CITY HOME ASSISTED UNITS. The units that are designated as the CITY HOME ASSISTED UNITS may change over time, as long as the total number of CITY HOME ASSISTED UNITS is no greater or less than three (3) ~~two (2)~~ at any given time. The CITY HOME ASSISTED UNITS shall be three-bedroom units. BORROWER must ensure that the CITY HOME ASSISTED UNITS remain comparable to the non-assisted

