



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: January 2, 2020

SUBJECT: A RESOLUTION AMENDING CERTAIN HOME INVESTMENT PARTNERSHIP PROGRAM MORTGAGE, PROMISSORY NOTE, AND REGULATORY LAND USE RESTRICTION AGREEMENT BETWEEN THE CITY OF URBANA AND BRISTOL PLACE RESIDENCES, LP

Description

Included on the agenda of the January 6, 2020, regular meeting of the Urbana City Council Committee of the Whole is a resolution amending the mortgage, promissory note, and Regulatory Land Use Agreement between the Urbana HOME Consortium and Bristol Place Residences, LP to assist with the construction of three affordable rental dwelling units. Council previously approved amending the Rental Developer Agreement; this amendment is to amend the mortgage, promissory note, and Land Use Regulatory Agreement. This amendment was required once the Rental Developer Agreement was approved.

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 requested the developer agreement be revised to reflect this addition. City Council approved amending the developer agreement on December 2, 2019. The amendment to the mortgage, promissory note, and Regulatory Land Use Restriction Agreement will finalize the project-funding request.

The City of Urbana Grants Management Division reviewed the mortgages, promissory note, and Regulatory Land Use Restriction Agreement amendment and found it consistent with the amendment to the developer agreement approved by Council on December 2, 2019.

Options

1. Forward the Resolution Approving and Authorizing an amendment to a mortgage, promissory note, and Regulatory Land Use Restriction Agreement 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 amendment 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 a mortgage, promissory note, and Regulatory Land Use Restriction Agreement.

Attachment:

1. A RESOLUTION APPROVING AND AUTHORIZING AN AMENDMENT TO A MORTGAGE, PROMISSORY NOTE, AND REGULATORY LAND USE RESTRICTION AGREEMENT (Bristol Place Residences, LP)

RESOLUTION NO. _____

**A RESOLUTION APPROVING AMENDMENT NO. 1 TO A MORTGAGE,
PROMISSORY NOTE, AND REGULATORY AND LAND USE RESTRICTION
AGREEMENT**

(Bristol Place Residences, LP)

WHEREAS, on May 7, 2018, the City Council passed Resolution No. 2018-04-013R, approving a Mortgage, Promissory Note, and Regulatory and Land Use Restriction Agreement between Bristol Place Residences, LP and the City of Urbana (“City”); and

WHEREAS, both parties desire to amend these instruments to increase the principal amount of the loan that is secured by the Mortgage from \$400,000 to \$551,000; and

WHEREAS, the City Council, after due consideration, finds that amending these instruments 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 Mortgage, Promissory Note, and Regulatory and Land Use Restriction Agreement between Bristol Place Residences, LP and the City of Urbana, Illinois, in substantially the form of the copies of said instruments 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 Date day of Month, Year.

AYES:

NAYS:

ABSTENTIONS:

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this Date day of Month, Year.

Diane Wolfe Marlin, Mayor