



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
Alyssa Jaje, Community Development Specialist

DATE: December 3, 2020

SUBJECT: **A RESOLUTION CERTIFYING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR THE URBANA HOME CONSORTIUM (Habitat July 2020)**

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Habitat CHDO Developer PY 2020)

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Habitat CHDO Operating PY 2020)

Description

Included on the agenda of the December 7, 2020 meeting of the Urbana City Council are Resolutions certifying Habitat for Humanity of Champaign County (Habitat) as a Community Housing Development Organization (CHDO), in order to be eligible to receive funding proposed using Federal Program Year (PY) 2020 CHDO Project and Operating funds through the HOME Investment Partnerships Program. The U.S. Department of Housing and Urban Development (HUD) requires that 15 percent of each annual allocation of HOME Investment Partnerships (HOME) Program funding be provided to a certified CHDO. The proposed funding of \$123,358 in project funds would assist Habitat in creating two new single-family units. Staff is working to certify FirstFollowers as a CHDO to allow them to renovate two single-family rental units. Resolutions and agreements for distributing CHDO funds to FirstFollowers will be presented to Council at a later date.

Certification

CHDOs are required to submit a certification application annually. Certification requirements include board make-up, nonprofit status, history of serving the community, and a number of other criteria. The City has received a completed CHDO Certification Application from Habitat. Habitat first became a certified CHDO in 2011.

Proposed Projects

In total, \$123,358 is available in CHDO project funding for FY2020-20201. An additional \$41,110 is available for CHDO operating costs. Habitat is requesting \$68,358 for project funding and \$15,000 for operating costs.

Below is the funding breakdown for each unit:

CHDO	Project Address	Funding Type	Amount
Habitat	1211 W. Eads Street, Urbana, IL 61801	CHDO Construction Financing and Down Payment Assistance if needed	\$34,179+ \$7,500 Operating
Habitat	207 Kerr Avenue, Urbana, IL 61801	CHDO Construction Financing and Down Payment Assistance if needed	\$34,179+ \$7,500 Operating

According to the application submitted, 1211 Eads Street, Urbana, Illinois, is a vacant lot obtained by Habitat from the City of Urbana. Construction is anticipated to start in the spring of 2021. A low income family has selected the lot as the site of their future home. The family is expected to move into the house in the fall of 2021. The project at 207 Kerr Avenue, Urbana, Illinois, is a vacant lot obtained from the City of Urbana. Construction is predicted to start in the spring of 2021. A low-income family has selected the lot as the site of their future home. The family is expected to move into the house in the fall of 2021. The remaining construction financing sources for the projects include private donations along with Habitat for Humanity’s Fund for Humanity. These funds also serve as the match requirement stipulated in the HOME program guidelines of a minimum of 25 percent leverage using non-Federal funds.

Up to five percent of a Participating Jurisdiction’s total HOME allocation may be used to provide general operating assistance (CHDO Operating) to CHDOs that are receiving set-aside funds for an activity. Eligible operating expenses are reasonable and necessary costs for the operation of the CHDO, and include salaries, wages, benefits, or other compensation; employee training; office rent and utilities; communication costs; taxes and insurance; equipment, materials, and supplies.

At its October 27, 2020, regular meeting, the Urbana Community Development Commission unanimously agreed to forward the Resolutions Certifying a CHDO for the Urbana HOME Consortium and the Resolutions Approving and Authorizing the Execution of an Urbana HOME Consortium CHDO Agreement to the City Council with a recommendation for approval.

Options

1. Approve one or more of the Resolutions as written.
2. Approve one or more of the Resolutions with suggested changes.
3. Do not approve one or more of the Resolutions.

Fiscal Impacts

There will be no change to the City General Fund as a direct result of executing the proposed contracts. The City manages HOME funds as a pass-through agency, and all requests for grant funding are made on a reimbursement schedule. Funding that is not committed to a CHDO in a manner acceptable to HUD is considered a shortfall and will be at risk of being de-obligated by HUD.

Programmatic Impacts

The proposed projects are all in keeping with the goals and strategies outlined in the *City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2020-2024*. CHDO project activities are funded by the 15-percent HOME Set-Aside and cannot be used for any other program or activity.

Recommendations

Staff and the Community Development Commission recommend that the Resolutions Certifying Habitat as a CHDO and Approving a Developer Agreement with Habitat. Since the Community Development Commission was unable to vote on the Resolutions Approving a CHDO Operating Agreement, staff is recommending this agreement be approved by Council as well.

Attachments:

1. A RESOLUTION CERTIFYING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR THE URBANA HOME CONSORTIUM (Habitat July 2020)
2. A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Habitat CHDO Developer PY 2020)
3. A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Habitat CHDO Operating PY 2020)

RESOLUTION NO. 2020-12-064R

A RESOLUTION CERTIFYING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR THE URBANA HOME CONSORTIUM

(Habitat July 2020)

WHEREAS, the City Council of the City of Urbana, Illinois, has found and determined that certification of Habitat for Humanity of Champaign County as a Community Housing Development Organization for the Urbana HOME Consortium for FY 2020-2021 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 FY 2020-2024 Consolidated Plan.

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

Section 1. That Habitat for Humanity of Champaign County (Habitat) be identified and certified as a Community Housing Development Organization (CHDO) for the Urbana HOME Consortium for the projects described in the Urbana HOME Consortium Community Housing Development Organization Developer Agreement (Habitat CHDO Developer PY 2020), and as such, be eligible to request specific HOME funds set aside for use by CHDOs, under regulations set forth by the U.S. Department of Housing and Urban Development.

Section 2. That said certification and the benefits afforded by it be in effect for the duration of the projects specified in the Urbana HOME Consortium Community Housing Development Organization Developer Agreement (Habitat CHDO Developer PY 2020), or until such time that Council be informed of conditions necessitating a change in the status of Habitat as a CHDO.

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

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

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

Diane Wolfe Marlin, Mayor

RESOLUTION NO. 2020-12-065R

**A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN
URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT
ORGANIZATION AGREEMENT**

(Habitat CHDO Operating PY 2020)

WHEREAS, The City Council of the City of Urbana, Illinois, has found and determined that execution of the attached Community Housing Development Organization 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 2020-2024 Consolidated Plan*.

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

Section 1. That an Agreement providing \$15,000 in HOME Program Operating funds, for administration and operating expenses related to the continued operation and agency capacity expansion, between the City of Urbana and Habitat for Humanity of Champaign County, in substantially the same 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:

ABSTAINED:

Phyllis D. Clark, City Clerk

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

Diane Wolfe Marlin, Mayor

RESOLUTION NO. 2020-12-066R

**A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN
URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT
ORGANIZATION AGREEMENT**

(Habitat CHDO Developer PY 2020)

WHEREAS, The City Council of the City of Urbana, Illinois, has found and determined that execution of the attached Community Housing Development Organization 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 2020-2024 Consolidated Plan.

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

Section 1. That an Agreement providing \$68,358 in HOME Program funds, for the creation of two (2) affordable single family units, between the City of Urbana and Habitat for Humanity of Champaign County, in substantially the same 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:

ABSTAINED:

Phyllis D. Clark, City Clerk

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

Diane Wolfe Marlin, Mayor