



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

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

**TO:** Elizabeth Tyler, AICP, City Planner/Director

**FROM:** John A. Schneider, Manager, Grants Management Division

**DATE:** June 20, 2008

**SUBJECT:** **AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN AMENDMENT TO AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Urban League of Champaign County Development Corporation Affordable Six Homeownership Program FY 2007-2008)**

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### **Description**

On May 2, 2008, the Urban League of Champaign County Development Corporation (ULCCDC) submitted a letter (copy attached) to the Urbana HOME Consortium requesting changes to the Affordable Six Homeownership Program. The ULCCDC is asking to modify the agreement to reduce the total number of units produced from six homes at one site to five homes at two sites (four homes in Urbana, IL and one home in Champaign, IL). The Affordable Six Homeownership Program Agreement with the ULCCDC for Fiscal Year (FY) 2007-2008 must be amended to change the number and location of homes produced.

### **Issues**

The issue is whether the Urbana Community Development Commission should forward the ordinance approving the amendment to the Urbana City Council with a recommendation for approval.

### **Background**

At its July 7, 2007 meeting, the Urbana City Council approved the Urbana HOME Consortium Community Housing Development Organization Agreement with the Urban League of Champaign County Development Corporation (ULCCDC) for their Affordable Six Homeownership Program FY 2007-2008. The ULCCDC is concerned that the difficulties of the current housing market would require them to provide a greater subsidy to potential homeowners to sell these homes. In addition, the project engineers have advised the ULCCDC that building four (4) homes on the Washington Street site in Urbana would be more feasible than the six (6)

units that were originally proposed. The City of Champaign has provided a lot to the ULCCDC on which the fifth home can be built.

The proposed amendment reduces the number of homes to be produced from six (6) to five (5). It also allows the ULCCDC to build one (1) home in Champaign and four (4) homes on the site they now own on East Washington Street in Urbana. No additional funding has been requested for this change, which will have the net effect of making more subsidies available for each home.

The request has been reviewed with the other members of the Urbana HOME Consortium Technical Committee (representatives from the City of Champaign and Champaign County) who agreed to the amendment.

## **Options**

1. Forward the ordinance approving the amendment to the ULCCDC Affordable Six Program agreement to the Urbana City Council with a recommendation for approval.
2. Forward the ordinance approving the amendment to the ULCCDC agreement, with changes, to the Urbana City Council with a recommendation for approval.
3. Do not recommend approval of the ordinance.

## **Fiscal Impacts**

There would be no fiscal impact to the city budget. Funds for the Urban League of Champaign County Development Corporation Affordable Six Homeownership Program were allocated in the FY 2007-2008 Annual Action Plans and included in the City of Urbana budget.

## **Recommendations**

Staff recommends approval of the ordinance to amend the Affordable Six Homeownership Program agreement changing the provisions from six homes at one site to the production of five homes at two sites.

**Memorandum Prepared By:**

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**Janel D. Gomez  
Home Coordinator  
Grants Management Division**

## **Attachments:**

1. Letter from Jean Algee, Urban League of Champaign County Development Corporation dated May 2, 2008.
  
2. AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN AMENDMENT TO AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Urban League of Champaign County Development Corporation Affordable Six Homeownership Program FY 2007-2008)
  
3. AN AMENDMENT TO A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION DEVELOPER AGREEMENT BETWEEN THE URBANA HOME CONSORTIUM AND THE URBAN LEAGUE OF CHAMPAIGN COUNTY DEVELOPMENT CORPORATION (Affordable Six Homeownership Program FY 2007-2008)

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN AMENDMENT TO AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT

(Urban League of Champaign County Development Corporation Affordable Six Homeownership Program FY 2007-2008)

WHEREAS, The City Council of the City of Urbana, Illinois, has found and determined that execution of the attached amendment to a 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 Consolidated Plan for Program Years 2005-2009*,

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

Section 1. That an amendment to a Community Housing Development Organization developer agreement between the Urban HOME Consortium and the Urban League of Champaign County Development Corporation (Affordable Six Homeownership Program FY 2007-2008), 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. 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:

ABSTAINS:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

**AN AMENDMENT TO A COMMUNITY HOUSING DEVELOPMENT  
ORGANIZATION DEVELOPER AGREEMENT BETWEEN THE URBANA  
HOME CONSORTIUM AND THE URBAN LEAGUE OF CHAMPAIGN  
COUNTY DEVELOPMENT CORPORATION**

(Affordable Six Homeownership Program FY 2007-2008)

This Amendment is made this \_\_\_\_\_ day of \_\_\_\_\_, **2008**, between the CITY OF URBANA, an Illinois Municipal Corporation, acting as lead entity for the Urbana HOME Consortium (hereinafter the “**GRANTOR**”), and **the Urban League of Champaign County Development Corporation**, an Illinois Not-For-Profit Organization (hereinafter “**DEVELOPER**”).

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 Partnership (hereinafter “HOME”) Program funds in the name of the Urbana HOME Consortium under provisions of Title II of the Cranston-Gonzales National Affordable Housing Act of 1990, as amended (42 U.S.C. 12701 *et seq.*) (hereinafter the “National Affordable Housing Act”); and

WHEREAS, the Urbana HOME Consortium has received HOME Program funds from HUD for the period beginning July 1, 2007, and ending June 30, 2008, to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County; and

WHEREAS, the City of Urbana (hereinafter CITY), as the administrator of a HOME Program, has authority of the under the provisions of the HOME Program to amend the HOME Agreements; and

WHEREAS, on July 9, 2007 the Urbana City Council passed Ordinance No. 2007-07-069 approving and authorizing the execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Urban League Of Champaign County Development Corporation – Affordable Six Homeownership Program FY 2007-2008).

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

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

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

b) The DEVELOPER shall provide the GRANTOR with the budget and financial projection for each home from the preliminary budget for the construction of each of the five (5) houses as provided in "attachment 3" or in a similar document format as approved by the GRANTOR.

c) The DEVELOPER shall own or purchase the real property for the Project in the following locations: two locations, four (4) lots at one location in Urbana, IL and one (1) lot in Champaign, IL

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.

CITY

SUBGRANTEE

By: \_\_\_\_\_  
Laurel Lunt Prussing, Mayor

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attest: \_\_\_\_\_  
City Clerk

Attest: \_\_\_\_\_