



**DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES**

*Grants Management Division*

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

**TO:** Elizabeth H. Tyler, FAICP, Community Development Director

**FROM:** Kelly Hartford, Interim Manager, Grants Management Division *KSH*

**DATE:** July 8, 2011

**SUBJECT:** **AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Homestead Corporation of Champaign-Urbana CHDO Operating FY 2011-2012)**

**AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Champaign County Neighborhood Alliance for Habitat CHDO Operating FY 2011-2012)**

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**Description**

Included on the agenda of the July 12, 2011 meeting of the Urbana Community Development Commission are: 1) An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Homestead Corporation of Champaign –Urbana CHDO Operating FY 2011-2012), and 2) An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Champaign County Neighborhood Alliance for Habitat CHDO Operating FY 2011-2012).

These agreements are necessary to dispense HOME Investment Partnerships Program (HOME) funds allocated to eligible Community Housing Development Organizations (CHDOs) for administration and operating costs associated with the operation and new development of affordable housing projects. The agencies and their respective CHDO operating funding amounts are: Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance), \$27,528; and Homestead Corporation of Champaign-Urbana (Homestead), \$22,500.

**Issues**

The issue is whether the Community Development Commission should forward the ordinances to City Council with a recommendation for approval.

## Background

The HOME Investment Partnerships Program (HOME Program) allows up to five (5) percent of a grantee's funding to be used for the administration/operating costs of CHDOs. In FY 2011-2012, the Urbana HOME Consortium has been allocated **\$1,000,552**, of which **\$50,028** may be used for CHDO operating activities. An additional **\$11,537** was unobligated in the *City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2010-2011*.

The CDC forwarded the *City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2011-2012* (AAP) to the Urbana City Council on March 29, 2011. The Urbana City Council approved the revised AAP on May 9, 2011. The AAP identifies activities to be funded under the HOME Program, including funds to be used for eligible CHDO operating activities. The AAP did not obligate the set-aside to specific CHDOs; instead the funds were unobligated in order to be used for eligible operating expenses incurred by certified CHDOs after the certification process was completed by staff and HUD. The agreements and ordinances for each of these activities are attached for CDC review.

## Proposal

The HOME Technical Committee reviewed each of the eligible CHDO operating funding applications at its July 8, 2011 meeting. The Consortium members recognized that new CHDOs are eligible to receive additional operating funds during the first year of certification. As such, staff members recommended that Neighborhood Alliance be funded at **\$27,528** for Fiscal Year (FY) 2011-2012. Consortium representatives recommended continuing Homestead Corporation's operating funding allocation at the same level as its 2010-2011 allocation, which was contracted for **\$22,500**. Homestead Corporation will be funded with the FY 2010-2011 unreserved CHDO funding in the amount of \$11,537, and the remaining funds will be allocated from the FY 2011-2012 funding pool, totaling **\$22,500** in CHDO funds to be distributed during the current Fiscal Year.

## Considerations

The HOME Technical Committee also discussed the pending eligibility of Ecological Construction Laboratory (e-co lab). At this time no determination has been received from HUD regarding the organization's CHDO status. E-co lab is currently under contract for **\$22,500** in FY 2010-2011 CHDO Operating funds, of which only \$3,198 has been spent. Staff expects that e-co lab, if approved as a CHDO by HUD, will be able to expend funds from its previous year's allocation once its certification is verified with HUD. If e-co lab demonstrates a specific need for additional HOME operating funds at that time, an unobligated set-aside is being made available from FY 2011-2012 in the amount of **\$11,537**. These funds could potentially be allocated to e-co lab in addition to its current carryover of **\$19,302** once CHDO status has been confirmed by HUD, should the HOME Technical Committee deem the allocation necessary during this Fiscal Year.

## Options

1. Forward the ordinances to the City Council with a recommendation for approval as written.
2. Forward the ordinances to the City Council with a recommendation for approval with suggested changes.
3. Do not approve the ordinances.

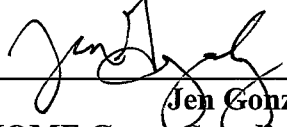
## Fiscal Impacts

There will be no fiscal impact to the City budget. The HOME funds for CHDO operating funds were allocated in the *City of Urbana and Urbana HOME Consortium Annual Action Plan for Fiscal Year 2010-2011* and the *City of Urbana and Urbana HOME Consortium Annual Action Plan for Fiscal Year 2011-2012*, which is included in the FY 2011-2012 City of Urbana budget.

## Recommendations

Staff recommends approval of the ordinances as written.

**Memorandum Prepared By:**

  
\_\_\_\_\_  
**Jen Gonzalez**  
**HOME Grant Coordinator**  
**Grants Management Division**

## Attachments:

1. An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Homestead Corporation of Champaign-Urbana CHDO Operating FY 2011-2012)
2. Urbana HOME Consortium Community Housing Development Organization Agreement (Homestead Corporation of Champaign-Urbana CHDO Operating FY 2011-2012)
3. An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Champaign County Neighborhood Alliance for Habitat CHDO Operating FY 2011-2012)
4. Urbana HOME Consortium Community Housing Development Organization Agreement (Champaign County Neighborhood Alliance for Habitat CHDO Operating FY 2011-2012)

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

**(Homestead Corporation of Champaign-Urbana  
CHDO Operating FY 2011-2012)**

WHEREAS, the City Council of Urbana approved the *City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2010-2011* on April 19, 2010, which reserved a portion of Community Housing Development Organization Operating (CHDO) Funds in the amount of \$11,537 for an eligible CHDO; and

WHEREAS, the City Council of Urbana approved the *City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2011-2012* on May 9, 2011, which approved CHDO Operating Funds in the amount of \$50,028 to be allocated to certified CHDOs serving the Urbana HOME Consortium; and

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 FY 2010-2014 Consolidated Plan*; and

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

Section 1. That an Agreement providing \$22,500 in HOME Program funds, for administration and operating expenses related to the continued operation and agency capacity expansion, between the City of Urbana and Homestead Corporation of Champaign-Urbana, in substantially the 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:

ABSTAINS:

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

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

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

**URBANA HOME CONSORTIUM**  
**COMMUNITY HOUSING DEVELOPMENT ORGANIZATION**  
**AGREEMENT**

**(Homestead Corporation of Champaign-Urbana CHDO Operating FY 2011-2012)**

THIS AGREEMENT, made and entered into by and between the CITY OF URBANA, an Illinois Municipal Corporation, acting as lead entity for the Urbana HOME Consortium (hereinafter the "City"), and **Homestead Corporation of Champaign-Urbana**, a not-for-profit corporation incorporated under the laws of the State of Illinois (hereinafter "**Homestead**").

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.*) (hereinafter the "National Affordable Housing Act"); and

WHEREAS, the Urbana HOME Consortium, CFDA 14.239, will receive HOME Program funds from HUD for the period beginning **July 1, 2011**, and ending **June 30, 2012**, to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County; and

WHEREAS, the Urbana City Council has adopted the *City of Urbana and Urbana HOME Consortium FY 2010-2014 Consolidated Plan* (hereinafter the "Consolidated Plan"), and the *City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2010-2011* (hereinafter the "AAP") which budgets **\$1,000,552** in Urbana HOME Consortium funds for the period beginning **July 1, 2011**, and ending **June 30, 2012**, including **\$50,028** for administrative costs incurred by Community Housing Development Organizations in accordance with an Intergovernmental Agreement Concerning Administration of a Champaign/Urbana/Champaign County HOME Investment Partnerships Consortium executed by Mayor Tod Satterthwaite on behalf of the City on July 16, 2003 (hereinafter the "Intergovernmental Agreement"); and

WHEREAS, the Consolidated Plan encourages the development of non-profit housing development organizations eligible for CHDO status and promotes increasing the capacity for affordable housing production at the neighborhood level; and

WHEREAS, **Homestead** has fulfilled all HOME Program requirements necessary to be certified as a CHDO; and

WHEREAS, **Homestead** has been designated as an eligible recipient of CHDO funds for the Urbana HOME Consortium for **FY 2011-2012**; and

WHEREAS, **Homestead** has applied to the City for **FY 2011-2012** Urbana HOME Consortium funding for administration and operating costs related to the continued operation of HOME funded rental housing properties and new homebuyer assistance programs, and for the building of agency capacity (hereinafter the "Operating Activities"); and

WHEREAS, the City has the right and authority, pursuant to both the HOME Program and the Intergovernmental Agreement to allocate Urbana HOME Consortium funds to **Homestead** for the Operating Activities.

NOW, THEREFORE, the parties hereby agree as follows.

1. **Preamble** The preamble set forth above is hereby incorporated and made part of this Community Housing Development Organization Agreement (hereinafter the "Agreement").
2. **Purpose** The purpose of this Agreement is to pledge **FY 2011-2012** Urbana HOME Consortium funds to provide **Homestead** with administrative and operating activities to complete the Operating Activities.
3. **Pledge of HOME and Match Funds** The City pledges to **Homestead** **\$22,500** in Urbana HOME Consortium funds for the Operating Activities.

Specific uses of said funds are for administration and operating activities related to the continued operation and capacity building of the organization as shown in Exhibit 1.

**Homestead** shall not request disbursement of HOME funds until HOME funds are needed to pay eligible costs related to the Operating Activities. The amount of any request for funds shall not exceed the amount needed and shall be supported by appropriate documentation (i.e. payroll documentation, receipts, invoices). The City shall make payment to **Homestead** within fourteen (14) calendar days of receipt of a complete and acceptable request by the City. The City reserves the right to withhold disbursement of funds until appropriate documentation is submitted. All checks shall be made payable to "**Homestead Corporation of Champaign-Urbana.**" All monies granted to **Homestead** pursuant to this Agreement shall be expended by **Homestead** by **August 31, 2012.**

4. **Eligible Uses of Funds.** **Homestead** may expend funds per 24 CFR 92.208(a) and 24 CFR 92.300(f).

*24 CFR 92.208(a): Up to 5 percent of a participating jurisdiction's fiscal year HOME allocation may be used for the operating expenses of community housing development organizations (CHDOs). These funds may not be used to pay operating expenses incurred by a CHDO acting as a subrecipient or contractor under the HOME Program. Operating expenses means reasonable and necessary costs for the operation of the community housing development organization. Such costs include salaries, wages, and other*

*employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment; materials and supplies. The requirements and limitations on the receipt of these funds by CHDOs are set forth in 92.300(f).*

*24 CFR 92.300(f): Limitation on community housing development organization operating funds. A community housing development organization may not receive HOME funding for any fiscal year in an amount that provides more than 50 percent or \$50,000, whichever is greater, of the community housing development organization's total operating expenses in that fiscal year. This also includes organizational support and housing education provided under section 233(b)(1), (2), and (6) of the Act, as well as funds for operating expenses provided under 92.208.*

5. **Financial Responsibility** The allocation of funds by the City pursuant to this Agreement shall in no way obligate the City for any financial responsibility incurred by the Operating Activities in excess of the funding pledged herein.
  
6. **Equal Employment Homestead** agrees that there shall be no discrimination against any person who is employed in carrying out the Operating Activities, or against any applicant for such employment, because of race, color, religion, sex, age, or national origin, or any other discrimination prohibited by Urbana law, including but not limited to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. **Homestead** further agrees to the following.
  - A. It shall be bound by said equal opportunity clause with respect to its own employment practices during the duration of its participation with the City and HUD.
  - B. It shall furnish the City and HUD with information as they may require for the supervision of such compliance and will otherwise assist the City and HUD in the discharge of primary responsibility for securing compliance.
  - C. It shall carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the Secretary of Labor, the City, or HUD.
  - D. It shall abide by the Urbana Human Rights Ordinance regarding equal employment.
  
7. **Certifications Homestead** represents the following with respect to this Agreement.
  - A. **Homestead** possesses legal authority to receive HOME Program funds from the City and to execute the Operating Activities as described herein.
  - B. The governing body of **Homestead** has duly adopted or passed as an official act a resolution, motion, or similar action authorizing execution of this Agreement including all understandings and assurances contained herein, and directing and



designating the authorized representative of **Homestead** to act in connection with this Agreement and to provide such additional information as may be required.

- C. **Homestead**, its successors and assigns, agrees to fulfill the Operating Activities in accordance with HOME Program regulations promulgated at 24 CFR Part 92.
- D. **Homestead** acknowledges there is no match requirement for these HOME CHDO funds disbursed by the City in the amount of **\$22,500**.
- E. **Homestead** shall comply with the regulations, policies, guidelines, and requirements of federal management circulars as they relate to the acceptance and use of federal funds for the Operating Activities. **Homestead** agrees to maintain financial records in accordance with applicable Federal guidelines; OMB circulars A-110, A-122, and A-133; the following requirements of 24 CFR Part 84: 84.2, 84.5, 84.13, 84.16, 84.21, 84.22, 84.26 - 84.28, 84.30, 84.31, 84.34 - 84.37, 84.40 - 84.48, 84.51, 84.60 - 84.62, 84.72, and 84.73. **Homestead** shall separately and accurately identify use of HOME funds pursuant to this Agreement.
- F. **Homestead** shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which **Homestead** receives federal financial assistance.
- G. **Homestead** shall comply with Executive Order 11246, and all regulations issued pursuant thereto (24 CFR Part 130), which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federal or federally-assisted contracts. Such contractors and subcontractors shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.
- H. **Homestead** shall establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties in accordance with 24CFR92.356, and enforce such safeguards. Further, it will immediately report to the City any suspected or actual conflict situation.
- I. No Federal appropriated funds have been paid or will be paid, by or on behalf of **Homestead**, to any person for influencing or attempting to influence an officer or employee of any agency including the City, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the

making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee of any agency including the City, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, **Homestead** will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. This form must be completed and submitted to the City prior to the execution of this agreement and prior to any disbursement of funds.

- J. **Homestead** shall give HUD and the Comptroller General through any authorized representative access to and the right to examine all records, books, papers, or documents related to the Operating Activities.
- K. **Homestead** authorizes the City and HUD to conduct on-site reviews, examine personnel records, and to conduct any other procedure or practice necessary to assure compliance with this Agreement. **Homestead** will ensure that all documents related to this Operating Activities shall be kept for a period of five years after project completion and final payout (**estimated September 2017**). Records to be retained include, but are not limited to timesheets; receipts and invoices for materials, supplies, and services; and documentation used to request re-imbursment of expenses.
- L. **Homestead** shall at all times observe and comply with all laws, ordinances, or regulations of Federal, State, and local governments which may in any manner affect the performance of this Agreement. **Homestead** shall be liable to perform all acts to the City in the same manner as the City performs these functions to the Federal government.
- M. **Homestead** shall be responsible for any and all claims, costs, causes, actions, and expenses, including, but not limited to, attorneys' fees incurred by reason of a lawsuit or claim for compensation arising in favor of any person, including the employees, officers, independent contractors, subcontractors, or agents of **Homestead**, on account of personal injuries or death, or damages to property occurring, growing out of, incident to, or resulting under this Operating Activities, whether such loss, damage, injury, or liability is contributed to by the negligence of the City or its officers, employees, or agents, or by the premises themselves or any equipment thereon whether latent or patent, or from other causes whatsoever, except that **Homestead** shall have no liability for damages or the costs incident thereto caused by the sole negligence of the City, or its officers, employees, or agents.

- N. **Homestead** shall have full control of the ways and means of performing the services referred to herein. **Homestead** acknowledges and agrees that its employees, representatives, subcontractors, and agents may in no respect be considered employees of the City.
8. **Affirmative Marketing.** **Homestead** must adopt an affirmative marketing policy and procedure acceptable to HUD to attract beneficiaries for their HOME-funded projects per 24 CFR 92.351. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. The affirmative marketing requirements and procedures adopted must include:
- Methods for informing the public, owners, and potential beneficiaries about Federal fair housing laws and the City's affirmative marketing policy
  - Requirements and practices **Homestead** must adhere to in order to carry out the affirmative marketing procedures and requirements
  - Procedures to be used by **Homestead** to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach
  - Records that will be kept describing actions taken by **Homestead** to affirmatively market units and records to assess the results of these actions
  - A description of how the **Homestead** will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.
9. **Prohibition Against Lobbying** **Homestead** acknowledges that no funds disbursed pursuant to this Agreement shall be used to finance lobbying activities. Furthermore, **Homestead** acknowledges that no **Homestead** employee funded in whole or part pursuant to this Agreement shall engage in lobbying activities at any time during the term of this Agreement. For purposes of this Agreement the term "lobbying activities" shall include the following.
- any activity related to the election or appointment of an individual to public office, including, but not limited to, contributions to campaign funds, solicitation in an attempt to influence the outcome of an election for public office, and preparation and dissemination of campaign materials
  - sponsorship of candidate forums
  - sponsorship of voter registration drives
  - provision of transportation to polling places
  - contributing financially to elected or appointed public officials in an attempt to influence legislation
  - hiring an individual or individuals to represent an organization and/or its position before elected or appointed public officials .
10. **Request for Disbursement of Funds** **Homestead** may request disbursement of HOME funds on a calendar quarter basis for reimbursement of eligible CHDO Operating expenses incurred during the previous quarter. An exception to this will be made for the

fourth quarter in order to facilitate financial close-out procedures associated with the end of the fiscal year. The schedule for disbursement requests is as follows:

<u>Expenses Incurred During:</u>	<u>Pay Request Submitted:</u>
July-September	by October 14 <sup>th</sup>
October-December	by January 13 <sup>th</sup>
January-March	by April 13 <sup>th</sup>
April-June	by June 15 <sup>th</sup>

Each request for payment shall be accompanied by documentation supporting the amount requested including, but not limited to, payroll documentation, receipts, and invoices. The City shall make payment to **Homestead** within fourteen (14) calendar days of submission of a complete and acceptable payment request to the City. The City reserves the right to withhold disbursement of funds until appropriate documentation is submitted.

HUD regulations mandate that CHDOs utilizing CHDO Operating HOME funds must also be working on or toward an eligible housing project utilizing CHDO Project HOME funds. Such a project must be underway and to the point of drawing HOME Project funds within 24 months of the effective date of the CHDO Operating Agreement. If this requirement is not fulfilled, **Homestead** shall repay to the City all HOME funds disbursed pursuant to this agreement. Although the disbursement of CHDO Operating funds is not tied directly to the draw down of CHDO Project funds, the City reserves the right to delay disbursement of Operating Funds if it is evident that the CHDO project is experiencing excessive delays.

11. **Agency Training** In order to ensure that the specific housing needs of the community continue to be addressed in ways that include current best practices, and that **Homestead** understands and abides by all applicable local state and federal regulations involved in the use of HOME funds, the City requires that **Homestead** completes a minimum of two (2) approved workshops, conferences or training opportunities annually. The City may directly administer such training, or may recommend opportunities conducted by other agencies.
12. **Compliance** **Homestead** agrees that if the City determines that **Homestead** has not complied with or is not complying with the provisions of this Agreement and so notifies **Homestead** by written notice of said violations and **Homestead** fails to correct said violations within thirty (30) days from receipt of said notice, the City may terminate this Agreement by written notice and may take any other action as may be permitted pursuant to this Agreement.
13. **Notices** Notices and communications under this Agreement shall be sent first class, prepaid to the respective parties as follows:

TO THE CITY: Grants Management Division  
Attn: Manager  
400 South Vine Street  
Urbana, Illinois 61801

TO CHDO: Aaron Smith, Executive Director  
Homestead Corporation of Champaign-Urbana  
306 W. Griggs St.  
Urbana IL 61801

14. **Contingencies** This Agreement, including the provision of funds by the Urbana HOME Consortium for the Operating Activities as described herein, is contingent upon the following:
  - Receipt of FY 2011-2012 HOME Program funds by the City of Urbana on behalf of the Urbana HOME Consortium in an amount not less than **\$1,000,552**.
15. **Assignment Homestead** shall not assign this Agreement, nor any part thereof, without prior written approval of the City.
16. **Modification** No modification of this Agreement, including modification of the budget in *Exhibit 1*, shall be effective unless in writing and executed by the parties hereto.
17. **Disbarment & Suspension** The undersigned, **Homestead**, certifies that it is not debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549.  
  
**Homestead** shall establish procedures to ensure they do not make any award to grantees and subgrantees (including contractors) at any tier in violation of the non procurement, debarment, and suspension common. No award of the contracts covered under the subject Agreement shall be made to any contractor who is at the time ineligible under the provisions of any applicable regulations of the City of Urbana, Illinois or the Federal Government to receive an award of such contract.  
  
**Homestead** shall verify and document that none of its grantees, subgrantees or contractors are debarred, suspended or otherwise excluded from participation through the effective use of the List of Parties Excluded from Federal Procurement or Nonprocurement programs ("List"). **Homestead** may request assistance from the City of Urbana, to access the List and document results to the file.
18. **Termination** Unless otherwise extended through written confirmation, this Agreement shall terminate on **August 31, 2012**.
19. **Execution of Agreement**. This Agreement shall be binding upon the City and **Homestead**, their successors and assigns, and shall be effective as of the date executed by the Mayor and attested by the City Clerk.

**CITY OF URBANA**

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Laurel Lunt Prussing, Mayor

Date

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Attest: Phyllis D. Clark, City Clerk

**HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA**

---

Printed Name

Signature

Date

---

Printed Name

Signature

Date

*Exhibit 1*

**Homestead Corporation of Champaign-Urbana  
HOME Operating Budget  
FY 2011-2012**

<b><u>EXPENSE</u></b>	<b><u>AMOUNT</u></b>
Staff Salaries & Benefits	\$ 16,000
Employee Education	\$ 400
Utilities	\$ 1,800
Communication	\$ 1,000
Taxes	\$ 400
Insurance	\$ 2,400
Office Equipment	\$ 140
Office Supplies	\$ 235
Marketing	<u>\$ 125</u>
<b>TOTAL EXPENSES</b>	<b>\$22,500</b>

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

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

**(Champaign County Neighborhood Alliance for Habitat  
CHDO Operating FY 2011-2012)**

WHEREAS, the City Council of Urbana approved the *City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2011-2012* on May 9, 2011, which approved CHDO Operating Funds in the amount of \$50,028 to be allocated to certified CHDOs serving the Urbana HOME Consortium; and

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 FY 2010-2014 Consolidated Plan*.

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

Section 1. That an Agreement providing \$27,528 in HOME Program funds, for administration and operating expenses related to the continued operation and agency capacity expansion, between the City of Urbana and Champaign County Neighborhood Alliance for Habitat, in substantially the 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:

ABSTAINS:

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

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

\_\_\_\_\_.

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

**URBANA HOME CONSORTIUM  
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION  
AGREEMENT**

**(Champaign County Neighborhood Alliance for Habitat CHDO Operating FY 2011-2012)**

THIS AGREEMENT, made and entered into by and between the CITY OF URBANA, an Illinois Municipal Corporation, acting as lead entity for the Urbana HOME Consortium (hereinafter the "City"), and **Champaign County Neighborhood Alliance for Habitat**, a not-for-profit corporation incorporated under the laws of the State of Illinois (hereinafter "**Neighborhood Alliance**").

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-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, CFDA 14.239, will receive HOME Program funds from HUD for the period beginning **July 1, 2011**, and ending **June 30, 2012**, to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County; and

WHEREAS, the Urbana City Council has adopted the *City of Urbana and Urbana HOME Consortium FY 2010-2014 Consolidated Plan* (hereinafter the "Consolidated Plan"), and the *City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2010-2011* (hereinafter the "AAP") which budgets \$1,000,552 in Urbana HOME Consortium funds for the period beginning **July 1, 2011**, and ending **June 30, 2012**, including \$50,028 for administrative costs incurred by Community Housing Development Organizations in accordance with an Intergovernmental Agreement Concerning Administration of a Champaign/Urbana/Champaign County HOME Investment Partnerships Consortium executed by Mayor Tod Satterthwaite on behalf of the City on July 16, 2003 (hereinafter the "Intergovernmental Agreement"); and

WHEREAS, the Consolidated Plan encourages the development of non-profit housing development organizations eligible for CHDO status and promotes increasing the capacity for affordable housing production at the neighborhood level; and

WHEREAS, **Neighborhood Alliance** has fulfilled all HOME Program requirements necessary to be certified as a CHDO; and

WHEREAS, **Neighborhood Alliance** has been designated as an eligible recipient of CHDO funds for the Urbana HOME Consortium for **FY 2011-2012**; and

WHEREAS, **Neighborhood Alliance** has applied to the City for **FY 2011-2012** Urbana HOME Consortium funding for administration and operating costs related to the continued operation of HOME funded rental housing properties and new homebuyer assistance programs, and for the building of agency capacity (hereinafter the “Operating Activities”); and

WHEREAS, the City has the right and authority, pursuant to both the HOME Program and the Intergovernmental Agreement to allocate Urbana HOME Consortium funds to **Neighborhood Alliance** for the Operating Activities.

NOW, THEREFORE, the parties hereby agree as follows.

1. **Preamble** The preamble set forth above is hereby incorporated and made part of this Community Housing Development Organization Agreement (hereinafter the “Agreement”).
2. **Purpose** The purpose of this Agreement is to pledge **FY 2011-2012** Urbana HOME Consortium funds to provide **Neighborhood Alliance** with administrative and operating activities to complete the Operating Activities.
3. **Pledge of HOME and Match Funds** The City pledges to **Neighborhood Alliance** **\$27,528** in Urbana HOME Consortium funds for the Operating Activities.

Specific uses of said funds are for administration and operating activities related to the continued operation and capacity building of the organization as shown in Exhibit 1.

**Neighborhood Alliance** shall not request disbursement of HOME funds until HOME funds are needed to pay eligible costs related to the Operating Activities. The amount of any request for funds shall not exceed the amount needed and shall be supported by appropriate documentation (i.e. payroll documentation, receipts, invoices). The City shall make payment to **Neighborhood Alliance** within fourteen (14) calendar days of receipt of a complete and acceptable request by the City. The City reserves the right to withhold disbursement of funds until appropriate documentation is submitted. All checks shall be made payable to “**Champaign County Neighborhood Alliance for Habitat.**” All monies granted to **Neighborhood Alliance** pursuant to this Agreement shall be expended by **Neighborhood Alliance** by **August 31, 2012**.

4. **Eligible Uses of Funds.** **Neighborhood Alliance** may expend funds per 24 CFR 92.208(a) and 24 CFR 92.300(f).

*24 CFR 92.208(a): Up to 5 percent of a participating jurisdiction's fiscal year HOME allocation may be used for the operating expenses of community housing development organizations (CHDOs). These funds may not be used to pay operating expenses incurred by a CHDO acting as a subrecipient or contractor under the HOME Program. Operating expenses means reasonable and necessary costs for the operation of the community housing development organization. Such costs include salaries, wages, and other*

employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment; materials and supplies. The requirements and limitations on the receipt of these funds by CHDOs are set forth in 92.300(f).

24 CFR 92.300(f): Limitation on community housing development organization operating funds. A community housing development organization may not receive HOME funding for any fiscal year in an amount that provides more than 50 percent or \$50,000, whichever is greater, of the community housing development organization's total operating expenses in that fiscal year. This also includes organizational support and housing education provided under section 233(b)(1), (2), and (6) of the Act, as well as funds for operating expenses provided under 92.208.

5. **Financial Responsibility** The allocation of funds by the City pursuant to this Agreement shall in no way obligate the City for any financial responsibility incurred by the Operating Activities in excess of the funding pledged herein.
6. **Equal Employment Neighborhood Alliance** agrees that there shall be no discrimination against any person who is employed in carrying out the Operating Activities, or against any applicant for such employment, because of race, color, religion, sex, age, or national origin, or any other discrimination prohibited by Urbana law, including but not limited to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. **Neighborhood Alliance** further agrees to the following.
  - A. It shall be bound by said equal opportunity clause with respect to its own employment practices during the duration of its participation with the City and HUD.
  - B. It shall furnish the City and HUD with information as they may require for the supervision of such compliance and will otherwise assist the City and HUD in the discharge of primary responsibility for securing compliance.
  - C. It shall carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the Secretary of Labor, the City, or HUD.
  - D. It shall abide by the Urbana Human Rights Ordinance regarding equal employment.
7. **Certifications Neighborhood Alliance** represents the following with respect to this Agreement.
  - A. **Neighborhood Alliance** possesses legal authority to receive HOME Program funds from the City and to execute the Operating Activities as described herein.
  - B. The governing body of **Neighborhood Alliance** has duly adopted or passed as an official act a resolution, motion, or similar action authorizing execution of this Agreement including all understandings and assurances contained herein, and

directing and designating the authorized representative of **Neighborhood Alliance** to act in connection with this Agreement and to provide such additional information as may be required.

- C. **Neighborhood Alliance**, its successors and assigns, agrees to fulfill the Operating Activities in accordance with HOME Program regulations promulgated at 24 CFR Part 92.
- D. **Neighborhood Alliance** acknowledges there is no match requirement for these HOME CHDO funds disbursed by the City in the amount of **\$27,528**.
- E. **Neighborhood Alliance** shall comply with the regulations, policies, guidelines, and requirements of federal management circulars as they relate to the acceptance and use of federal funds for the Operating Activities. **Neighborhood Alliance** agrees to maintain financial records in accordance with applicable Federal guidelines; OMB circulars A-110, A-122, and A-133; the following requirements of 24 CFR Part 84: 84.2, 84.5, 84.13, 84.16, 84.21, 84.22, 84.26 - 84.28, 84.30, 84.31, 84.34 - 84.37, 84.40 - 84.48, 84.51, 84.60 - 84.62, 84.72, and 84.73. **Neighborhood Alliance** shall separately and accurately identify use of HOME funds pursuant to this Agreement.
- F. **Neighborhood Alliance** shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which **Neighborhood Alliance** receives federal financial assistance.
- G. **Neighborhood Alliance** shall comply with Executive Order 11246, and all regulations issued pursuant thereto (24 CFR Part 130), which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federal or federally-assisted contracts. Such contractors and subcontractors shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.
- H. **Neighborhood Alliance** shall establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties in accordance with 24CFR92.356, and enforce such safeguards. Further, it will immediately report to the City any suspected or actual conflict situation.
- I. No Federal appropriated funds have been paid or will be paid, by or on behalf of **Neighborhood Alliance**, to any person for influencing or attempting to influence

an officer or employee of any agency including the City, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee of any agency including the City, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, **Neighborhood Alliance** will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. This form must be completed and submitted to the City prior to the execution of this agreement and prior to any disbursement of funds.

- J. **Neighborhood Alliance** shall give HUD and the Comptroller General through any authorized representative access to and the right to examine all records, books, papers, or documents related to the Operating Activities.
- K. **Neighborhood Alliance** authorizes the City and HUD to conduct on-site reviews, examine personnel records, and to conduct any other procedure or practice necessary to assure compliance with this Agreement. **Neighborhood Alliance** will ensure that all documents related to this Operating Activities shall be kept for a period of five years after project completion and final payout (**estimated September 2017**). Records to be retained include, but are not limited to timesheets; receipts and invoices for materials, supplies, and services; and documentation used to request re-imbursement of expenses.
- L. **Neighborhood Alliance** shall at all times observe and comply with all laws, ordinances, or regulations of Federal, State, and local governments which may in any manner affect the performance of this Agreement. **Neighborhood Alliance** shall be liable to perform all acts to the City in the same manner as the City performs these functions to the Federal government.
- M. **Neighborhood Alliance** shall be responsible for any and all claims, costs, causes, actions, and expenses, including, but not limited to, attorneys' fees incurred by reason of a lawsuit or claim for compensation arising in favor of any person, including the employees, officers, independent contractors, subcontractors, or agents of **Neighborhood Alliance**, on account of personal injuries or death, or damages to property occurring, growing out of, incident to, or resulting under this Operating Activities, whether such loss, damage, injury, or liability is contributed to by the negligence of the City or its officers, employees, or agents, or by the premises themselves or any equipment thereon whether latent or patent, or from other causes whatsoever, except that **Neighborhood Alliance** shall have no

liability for damages or the costs incident thereto caused by the sole negligence of the City, or its officers, employees, or agents.

N. **Neighborhood Alliance** shall have full control of the ways and means of performing the services referred to herein. **Neighborhood Alliance** acknowledges and agrees that its employees, representatives, subcontractors, and agents may in no respect be considered employees of the City.

8. **Affirmative Marketing.** **Neighborhood Alliance** must adopt an affirmative marketing policy and procedure acceptable to HUD to attract beneficiaries for their HOME-funded projects per 24 CFR 92.351. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. The affirmative marketing requirements and procedures adopted must include:

- Methods for informing the public, owners, and potential beneficiaries about Federal fair housing laws and the City's affirmative marketing policy
- Requirements and practices **Neighborhood Alliance** must adhere to in order to carry out the affirmative marketing procedures and requirements
- Procedures to be used by **Neighborhood Alliance** to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach
- Records that will be kept describing actions taken by **Neighborhood Alliance** to affirmatively market units and records to assess the results of these actions
- A description of how the **Neighborhood Alliance** will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

9. **Prohibition Against Lobbying** **Neighborhood Alliance** acknowledges that no funds disbursed pursuant to this Agreement shall be used to finance lobbying activities. Furthermore, **Neighborhood Alliance** acknowledges that no **Neighborhood Alliance** employee funded in whole or part pursuant to this Agreement shall engage in lobbying activities at any time during the term of this Agreement. For purposes of this Agreement the term "lobbying activities" shall include the following.

- any activity related to the election or appointment of an individual to public office, including, but not limited to, contributions to campaign funds, solicitation in an attempt to influence the outcome of an election for public office, and preparation and dissemination of campaign materials
- sponsorship of candidate forums
- sponsorship of voter registration drives
- provision of transportation to polling places
- contributing financially to elected or appointed public officials in an attempt to influence legislation
- hiring an individual or individuals to represent an organization and/or its position before elected or appointed public officials.

10. **Request for Disbursement of Funds Neighborhood Alliance** may request disbursement of HOME funds on a calendar quarter basis for reimbursement of eligible CHDO Operating expenses incurred during the previous quarter. An exception to this will be made for the fourth quarter in order to facilitate financial close-out procedures associated with the end of the fiscal year. The schedule for disbursement requests is as follows:

<u>Expenses Incurred During:</u>	<u>Pay Request Submitted:</u>
July-September	by October 14 <sup>th</sup>
October-December	by January 13 <sup>th</sup>
January-March	by April 13 <sup>th</sup>
April-June	by June 15 <sup>th</sup>

Each request for payment shall be accompanied by documentation supporting the amount requested including, but not limited to, payroll documentation, receipts, and invoices. The City shall make payment to **Neighborhood Alliance** within fourteen (14) calendar days of submission of a complete and acceptable payment request to the City. The City reserves the right to withhold disbursement of funds until appropriate documentation is submitted.

HUD regulations mandate that CHDOs utilizing CHDO Operating HOME funds must also be working on or toward an eligible housing project utilizing CHDO Project HOME funds. Such a project must be underway and to the point of drawing HOME Project funds within 24 months of the effective date of the CHDO Operating Agreement. If this requirement is not fulfilled, **Neighborhood Alliance** shall repay to the City all HOME funds disbursed pursuant to this agreement. Although the disbursement of CHDO Operating funds is not tied directly to the draw down of CHDO Project funds, the City reserves the right to delay disbursement of Operating Funds if it is evident that the CHDO project is experiencing excessive delays.

11. **Agency Training** In order to ensure that the specific housing needs of the community continue to be addressed in ways that include current best practices, and that **Neighborhood Alliance** understands and abides by all applicable local state and federal regulations involved in the use of HOME funds, the City requires that **Neighborhood Alliance** completes a minimum of two (2) approved workshops, conferences or training opportunities annually. The City may directly administer such training, or may recommend opportunities conducted by other agencies.
12. **Compliance Neighborhood Alliance** agrees that if the City determines that **Neighborhood Alliance** has not complied with or is not complying with the provisions of this Agreement and so notifies **Neighborhood Alliance** by written notice of said violations and **Neighborhood Alliance** fails to correct said violations within thirty (30) days from receipt of said notice, the City may terminate this Agreement by written notice and may take any other action as may be permitted pursuant to this Agreement.
13. **Notices** Notices and communications under this Agreement shall be sent first class, prepaid to the respective parties as follows:



TO THE CITY: Grants Management Division  
Attn: Manager  
400 South Vine Street  
Urbana, Illinois 61801

TO CHDO: Beverly Huffman, Executive Director  
Champaign County Neighborhood Alliance for Habitat  
119 E University Ave  
Champaign, IL 61820

14. **Contingencies** This Agreement, including the provision of funds by the Urbana HOME Consortium for the Operating Activities as described herein, is contingent upon the following:
- Receipt of FY 2011-2012 HOME Program funds by the City of Urbana on behalf of the Urbana HOME Consortium in an amount not less than **\$1,000,552**.
15. **Assignment Neighborhood Alliance** shall not assign this Agreement, nor any part thereof, without prior written approval of the City.
16. **Modification** No modification of this Agreement, including modification of the budget in *Exhibit 1*, shall be effective unless in writing and executed by the parties hereto.
17. **Disbarment & Suspension** The undersigned, **Neighborhood Alliance**, certifies that it is not debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549.
- Neighborhood Alliance** shall establish procedures to ensure they do not make any award to grantees and subgrantees (including contractors) at any tier in violation of the non procurement, debarment, and suspension common. No award of the contracts covered under the subject Agreement shall be made to any contractor who is at the time ineligible under the provisions of any applicable regulations of the City of Urbana, Illinois or the Federal Government to receive an award of such contract.
- Neighborhood Alliance** shall verify and document that none of its grantees, subgrantees or contractors are debarred, suspended or otherwise excluded from participation through the effective use of the List of Parties Excluded from Federal Procurement or Nonprocurement programs ("List"). **Neighborhood Alliance** may request assistance from the City of Urbana, to access the List and document results to the file.
18. **Termination** Unless otherwise extended through written confirmation, this Agreement shall terminate on **August 31, 2012**.
19. **Execution of Agreement**. This Agreement shall be binding upon the City and **Neighborhood Alliance**, their successors and assigns, and shall be effective as of the date executed by the Mayor and attested by the City Clerk.

**CITY OF URBANA**

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Laurel Lunt Prussing, Mayor

Date

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Attest: Phyllis D. Clark, City Clerk

**Champaign County Neighborhood Alliance for Habitat**

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Printed Name

Signature

Date

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Printed Name

Signature

Date

*Exhibit 1*

**Champaign County Neighborhood Alliance for Habitat  
HOME Operating Budget  
FY 2011-2012**

<b><u>EXPENSE</u></b>	<b><u>AMOUNT</u></b>
Staff Salaries & Benefits	\$ 18,000
Employee Education	\$ 400
Utilities	\$ 2,800
Communication	\$ 1,000
Taxes	\$ 400
Insurance	\$ 3,400
Office Equipment	\$ 140
Office Supplies	\$ 263
Marketing	\$ 1,125
<b>TOTAL EXPENSES</b>	<b>\$27,528</b>