

ORDINANCE NO. 2011-07-091

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

**(Homestead Corporation of Champaign-Urbana
510 E. Beardsley Project, FY 2011-2012)**

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 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 \$185,006 in HOME Program funds, for the redevelopment of one (1) affordable single family rental home at 510 East Beardsley Avenue, Champaign, to be transferred to the Center for Women in Transition upon completion of the project, 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.

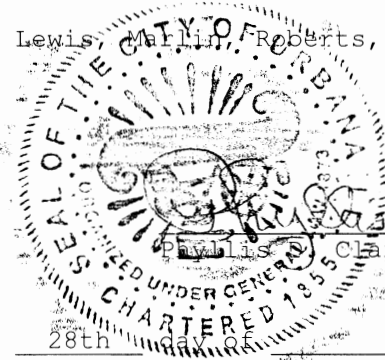
Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver said Agreement, and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this 18th day of July,
2011.

AYES: Bowersox, Jakobsson, Lewis, ~~Marlin~~, Roberts, Smyth, Stevenson

NAYS:

ABSTAINS:



Phillip Clark
Phillip Clark, City Clerk

APPROVED by the Mayor this 28th day of July,
2011.

Clara
Laurel Lunt Prossing, Mayor
By: Charles A. Smyth, Mayor Pro-tem

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

**(Homestead Corporation of Champaign-Urbana
510 E. Beardsley Project FY 2011-2012)**

This Sponsor Agreement, hereafter referred to as "Agreement", is made as of this *22nd* day of *July*, 2011, by and between the CITY OF URBANA, as a member of the Urbana HOME Consortium (hereinafter the "GRANTOR") and HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA, hereinafter the "SPONSOR".

WITNESSETH

WHEREAS, the Congress of the United States has enacted the Cranston-Gonzalez National Affordable Housing Act of 1990 which created the HOME Investment Partnerships Program (hereinafter the "HOME Program") to provide funds to state and local government for affordable housing assistance that is most appropriate for local needs; and

WHEREAS, the City of Urbana, the City of Champaign, and Champaign County have been jointly designated as a Participating Jurisdiction by HUD for purposes of receiving HOME funds in the name of Urbana HOME Investment Partnerships Consortium under provisions of Title II of 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, SPONSOR desires to serve as a sponsor for a local not-for-profit organization, the Center for Women in Transition for the construction of an affordable single-family rental housing unit within the Consortium area; and

WHEREAS, the GRANTOR as a member of the Urbana HOME Consortium has authority under the provisions of the HOME Program to provide financial assistance for the development of affordable residential rental development; and

WHEREAS, the SPONSOR has submitted a proposal to the GRANTOR for assistance to redevelop an affordable single-family rental unit (hereafter the "PROJECT") on a property, hereafter the "PROPERTY") commonly known as **510 East Beardsley Avenue, Champaign**, legally described in Exhibit "C", attached hereto and made a part hereof; and

WHEREAS, the GRANTOR has reviewed said proposal, and has conducted an evaluation of said PROJECT, including an understanding that plans that will achieve the minimum property standard, as established by the GRANTOR, as part of said PROJECT and an estimated total cost of said PROJECT; and

WHEREAS, the GRANTOR has determined that the PROJECT is eligible for funding under the HOME Program, and

WHEREAS, the SPONSOR has been fully informed regarding any and all requirements, and, obligations that must be met by the PROJECT in order to utilize HOME Program funds, including but not limited to the requirement that after redevelopment, the dwelling unit(s) must remain affordable to low-income households (60% of Area Median Income as established by HUD) for a period of 20 years from the date the PROJECT has achieved full initial occupancy, in accordance with 24 CFR Part 92, Sections 203, 251-253; and

WHEREAS, the SPONSOR, after said evaluation and assessment of the PROJECT by the GRANTOR, and having been fully informed regarding the requirements of the HOME Program, is committed to commencing said PROJECT with the assistance of HOME Program funds on or before **September 15, 2011** and has made necessary arrangements to provide any required matching private contribution towards the cost of said PROJECT;

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, the parties hereto agree as follows:

ARTICLE I: HOME REQUIREMENTS

Section 1: USE of HOME CHDO Funds

The GRANTOR agrees to provide the SPONSOR an amount not to exceed a total of **\$185,006** (\$5,310.00 from Federal Fiscal Year FY 2007-2008 HOME Program allocation, \$29,613.00 from Federal Fiscal Year FY 2010-2011 HOME Program allocation, and \$150,083.00 from FY 2011-2012 HOME Program allocation) allocation to assist with the redevelopment of **one (1)** affordable rental dwelling unit. HOME CHDO funds will be provided in the form of a development subsidy. SPONSOR shall comply with the following requirements:

- a.) Complete work on the PROJECT in accordance with the following documents:
 1. Project Description & Project Schedule including the schedule, attached hereto as Exhibit "A"
 2. The Pro Forma, attached hereto as Exhibit "B", each of which is incorporated by reference herein.

- b.) Secure legal possession of the PROPERTY during redevelopment of the unit.

Section 2. HOME Project Requirements

The SPONSOR shall comply with all income determinations and affordability requirements of the HOME Program for the unit as described in subparagraph d.) below, as set forth in 24 CFR 92.203, 92.252, as applicable. The SPONSOR shall determine each family is income eligible by determining the family's annual income in accordance with the Part 5 (Section 8) methodology allowed in 24 CFR 92.203. The HOME assisted unit in a rental housing project must be occupied only by households that are eligible as low-income families (60% of Area Median Income as established by HUD) and must meet the affordability requirements as described more fully in 24 CFR 92.252(e).

- a.) Affordability Period: For a **twenty (20)** year period following project completion and transfer of the property to the not-for-profit, the SPONSOR agrees to execute a Deed Restriction in form of a Regulatory and Land Use Restriction Agreement and with the same content as that executed under event date herewith.
- b.) Maximum Tenant Income: The maximum income for households residing in the unit cannot exceed sixty (60%) percent of the area medium income, adjusted by family size, as defined annually by HUD.
- c.) Rent Limitations: The gross rent for the unit (base rent plus applicable utility allowance computed in accordance with Section 42 of the Internal Revenue Code and applicable HOME regulations) shall not exceed the maximum High HOME Rents as published annually by HUD, and issued annually by the GRANTOR. The initial monthly rent for the unit cannot exceed:

# of Bedrooms	High HOME Rent
4	\$ 1208

- d.) Increases in Tenant Income: To the extent specifically required by the regulations under the HOME Program, if an existing tenant's adjusted income increases to the extent that it exceeds eighty (80%) percent of the area median income, as defined annually by HUD, said tenant's rent shall be increased to an amount equal to thirty (30%) per cent of the family's adjusted monthly income.
- e.) Lease Provisions: All leases between the BORROWER and tenants residing in a HOME ASSISTED UNIT shall be for not less than one (1) year in duration and shall comply with and not contain any of the following prohibited lease provisions in accordance with 24 CFR 92.253. The leases **may not contain** any of the following provisions:

- a. Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
 - b. Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
 - c. Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
 - d. Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
 - e. Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
 - f. Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
 - g. Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
 - h. Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- f.) Non-Discrimination Against Tenants and Prospective Tenants: The SPONSOR shall not, in the provision of services, or in any other manner, discriminate against any person on the basis of race, color, creed, class, national origin, religion, sex, age, marital status, physical and/or mental disability, personal appearance, sexual orientation, family responsibilities, matriculation, political affiliation, prior arrest or conviction record or source of income.
- g.) Termination of Tenancy. SPONSOR may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse to renew tenancy, the SPONSOR must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.

- h.) Certification of Tenants' Income: SPONSOR shall submit or cause to be submitted to the GRANTOR within ninety (90) days of its fiscal year end the income records of all tenants that are or have been occupying the unit within the preceding twelve (12) months, and verifying that the tenant meets the income guidelines set forth herein , or in the case of existing tenants in said unit whose income has increased above eighty (80%) per cent of area median income, as defined annually by HUD, that SPONSOR has complied with applicable HOME Program regulations in filling the next available vacant unit.
- i.) Non-Discrimination Against Subsidy Holders: The SPONSOR shall not, in the provision of services, or in any other manner, discriminate against any person on the basis of age, race, color, creed, religion, sex, handicap, familial status or national origin.

Section 3. Other Program Requirements

The SPONSOR shall comply with requirements imposed by Title VIII of the Civil Rights Act of 1968, and any related rules and regulations; all requirements imposed by Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d et seq.; the HUD regulations issued here under, 24 CFR, Subtitle A, Part 1, the HUD requirements pursuant to these regulations; and Executive Order 11063.

In accordance with all rules and regulations issued by HUD under Section 504 of the Rehabilitation Act of 1973, the SPONSOR shall not discriminate against any person on the basis of handicap.

The SPONSOR shall comply with any rules and regulations issued by HUD under the Age Discrimination Act of 1975, (42 U.S.C. 6101-07) and implementing regulations at 24 CFR parts 146;

Cooperation in Equal Opportunity Compliance Reviews: The SPONSOR shall cooperate with GRANTOR and HUD in conducting compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

Section 4. Property Standards

The SPONSOR agrees that during the Affordability Period the unit shall be maintained in accordance with the minimum property standards as established by the GRANTOR, as well as meet all applicable State and local construction codes, rehabilitation standards, and zoning ordinances, at the time of project completion. The unit must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction

requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

The SPONSOR agrees to allow periodic inspections of the unit during normal business hours and upon reasonable notice to ensure that the property condition remains in accordance with the applicable standards listed in this subpart for the duration of the Affordability Period.

Section 5. Federal Program Requirements

- a.) Affirmative Marketing of Rental or Vacant Unit: The SPONSOR will affirmatively market the unit if available for rent or purchase in a manner to attract tenants without regard to race, color, national origin, sex, religion, familial status or disability. The SPONSOR agrees, in soliciting tenants, to do the following:
- 1) Use the Equal Housing Opportunity logo in all advertising;
 - 2) Display a Fair Housing poster in the rental and sales office;
 - 3) Where appropriate, advertise, use media, including minority outlets, likely to reach persons least likely to apply for the housing;
 - 4) Maintain files of the Project's affirmative marketing activities for five (5) years after the completion of the Affordability Period and provide access thereto to GRANTOR staff;
 - 5) Not refrain from renting to any participating tenant holding a Section 8 Housing Choice Voucher, except for good cause, such as previous failure to pay rent and/or to maintain a rental unit, or the tenant's violation of other terms and conditions of tenancy;
 - 6) Comply with Section 8 Housing Choice Voucher Regulations when renting to any participating tenant; and
 - 7) Exercise affirmative marketing of the units when vacated; and
 - 8) Complete the Urbana HOME Consortium Affirmative Marketing Plan prior to the start of the PROJECT.
- b.) Non-discrimination and Equal Opportunity: In carrying out this Agreement, the SPONSOR shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, familial status, handicap or national origin. The SPONSOR shall take the necessary steps to ensure that applicants for employment are employed,

and that employees are treated during employment, without regard to their race, color, religion, sex, age, familial status, handicap or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The SPONSOR shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the government setting forth the provisions of this non-discrimination clause. The SPONSOR, upon execution of this Agreement, shall agree that all qualified candidates will receive consideration for employment without regard to race, color, religion, sex, age, familial status, handicap or national origin. The SPONSOR shall comply with GRANTOR Ordinance 26.5 Part 2, regarding Equal Employment Opportunity and Affirmative Action.

- c.) Displacement, Relocation and Acquisition: If applicable, SPONSOR agrees to cooperate and assist the GRANTOR in the provision of relocation assistance for temporarily relocated and/or permanently displaced persons residing in the project at the levels in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C.4201 to 4655) and 49 CFR, Part 24.
- d.) Disbarment & Suspension:
The SPONSOR certifies that it is not debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549. The SPONSOR shall establish procedures to ensure they do not make any award to grantees and subgrantees (including contractors) at any tier in violation of the nonprocurement debarment and suspension common. **The SPONSOR 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”).** The SPONSOR may request assistance from the GRANTOR to access the List and document results.
- e.) Conflict of Interest: The SPONSOR guarantees that no member of, or Delegate to, the Congress of the United States shall be admitted to any share or part of this contract or to any benefit to arise from the same. The SPONSOR agrees that no members of the governing body of the locality in which the SPONSOR is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the Agreement during his/her tenure, or for one year thereafter,

shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the services performed under this Agreement. Unless expressly permitted by HUD, SPONSOR agrees that no person who is an employee, agent, consultant, officer, or elected or appointed official of the SPONSOR and who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME Program funds, or who is in a position to participate in a decision making process to gain inside information with regard to such HOME-assisted activities, may obtain a financial interest or benefit from the HOME-assisted activity, or have any interest in any contract, subcontract, or agreement with respect thereto, or the proceeds there under, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one (1) year thereafter. Unless expressly permitted by the GRANTOR, no SPONSOR, or officer, employee, agent or consultant of the SPONSOR, may occupy the unit.

- f) Compliance with Section 3. SPONSOR shall comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 applies apply to all contract and subcontracts in excess of \$100,000 where city (GRANTOR) assistance exceeds \$200,000. Additionally, if no contracts or subcontracts exceed \$100,000, then Section 3 will only apply to the SPONSOR.) The following forms are required to be completed and submitted to the GRANTOR;

- _____ Section 3 Policy
- _____ Section 3 Self-Certification
- _____ Section 3 Compliance in the Provision of Training, Employment, and Business Opportunities
- _____ Proposed Subcontractor Breakdown – Table A
- _____ Estimated Project Workforce Breakdown – Table B

(Note: The foregoing Certification forms will be provided by the GRANTOR to the SPONSOR. The SPONSOR is responsible for distributing and collecting the Section 3 forms from each contractor and subcontractor associated with the project. (No work may begin until these forms are completed and returned to the GRANTOR).

- g.) Air and Water
The SPONSOR agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:
Clean Air Act, 42 U.S.C. , 7401, *et seq.*;
Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in

said Section 114 and Section 308, and all regulations and guidelines issued thereunder; Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

ARTICLE II: DISBURSEMENT OF FUNDS

Section 1. Payment Generally

As consideration for the performance of the undertaking and completion of construction of aforementioned PROJECT, GRANTOR shall reimburse SPONSOR for all eligible costs, as determined by the GRANTOR, in an amount not to exceed **\$185,006.00**. Payment for PROJECT shall be made in accordance with the budget detailed in Exhibit B and shall be limited to the statement of work described in “Exhibit A”.

A request for disbursement shall be submitted by the SPONSOR to the GRANTOR for HOME Program funds under this Agreement when funds are needed for payment of eligible HOME Program costs. The amount of each disbursement request shall be limited to the amount expended.

Section 2. Progress and Final Payments

The SPONSOR may request from the GRANTOR progress payments as soon as portions of the work described in “Exhibit A” have been completed. The GRANTOR or his/her designee shall authorize said payments and said payments shall not be made until the GRANTOR or his/her designee approves the payment. If all conditions are met, and the work performed and materials supplied in a manner satisfactory to the GRANTOR, the SPONSOR shall receive final payment.

ARTICLE III: RECORDKEEPING

The SPONSOR must maintain such records and accounts, including program records, project records; financial records; program administration records; equal opportunity and fair housing records; MBE/WBE records; records demonstrating compliance with the income eligibility determination requirements of §92.203; recordkeeping requirements of 92.508; any records demonstrating compliance with the requirements of §92.353 regarding displacement, relocation and real property acquisitions; records demonstrating compliance with the labor requirements of § 92.354; records demonstrating compliance with the lead-based paint requirements of §92.355; debarment and suspension certifications required by 24 CFR parts 24 and 92; and any other records, as are deemed necessary by the GRANTOR to assure a proper accounting and monitoring of all HOME Program funds. The SPONSOR shall retain all records and supporting documentation applicable to this Agreement for five (5) years after the “Affordability Period” has terminated.

ARTICLE IV: ENFORCEMENT

A default shall consist of any use of HOME Program funds for a purpose other than as authorized by this Agreement, noncompliance with the HOME Investment Partnerships Act, any material breach of the Agreement, failure to expend HOME Program funds in a timely manner, or a misrepresentation in the application submission which, if known by GRANTOR and/or HUD, would have resulted in HOME Program funds not being provided. Upon due notice to the SPONSOR of the occurrence of any such default and the provision of a reasonable opportunity to respond, the GRANTOR may take one or more of the following actions:

- (a) Direct the SPONSOR to prepare and follow a schedule of actions for carrying out the affected activities, consisting of schedules, timetables and milestones necessary to implement the affected activities;
- (b) Establish and follow a management plan that assigns responsibilities for carrying out the remedial actions;
- (c) Cancel or revise activities likely to be affected by the performance deficiency, before expending HOME Program funds for the activities;
- (d) Reprogram HOME funds that have not yet been expended from affected activities to other eligible activities or withhold HOME Program funds;
- (e) Direct the SPONSOR to reimburse the GRANTOR's program accounts in any amount not used in accordance with the requirements of 24 CFR Part 92, et al;
- (f) Suspend disbursement of HOME Program funds for affected activities;
- (g) Other appropriate action including, but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions, termination of the Agreement and any other available remedies.

For purposes of this Agreement, a reasonable opportunity to respond to any default shall be thirty (30) days from receipt by SPONSOR of the GRANTOR's written notice of default. No delay or omission by GRANTOR and/or HUD in exercising any right or remedy available to it under the Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any SPONSOR default.

Unless the SPONSOR'S default is waived, the GRANTOR may, upon twenty-four (24) hour written notice, terminate this Agreement for said default. Waiver by the GRANTOR of SPONSOR'S default under this Agreement shall not be deemed to be a waiver of any other default nor shall it be termination notice.

Notices required herein, shall be considered received by the SPONSOR and the GRANTOR if delivered in person with written proof thereof, or when deposited in the U.S. Mail, in a prepaid wrapper marked certified, return receipt requested.

ARTICLE V: CONTINGENCIES

Receipt of HOME funding for this PROJECT is contingent upon the following:

- a) The Participating Jurisdiction's receipt of the full grant allocation for Fiscal Year (FY) 2011-2012 in the amount of \$1,000,552.
- b) Execution of a Sales Contract between the Center for Women in Transition and SPONSOR, indicating the Center for Women in Transition's commitment to purchase the PROPERTY.
- c) Execution of a Memorandum of Understanding between the City of Champaign, as a member of the Urbana HOME Consortium, and the Center for Women in Transition and SPONSOR, certifying that the City of Champaign will carry out and monitor all HOME activities regarding the PROJECT for the full Affordability Period, including all applicable inspections of the PROPERTY.

ARTICLE VI: NOTICES

The GRANTOR and the SPONSOR agree that all notices required by the Agreement shall be in writing and delivered by certified mail with return receipt requested or hand delivered to the office of the Chief Administrative Officer or duly authorized appointed representative of the GRANTOR or SPONSOR as specified herein:

SPONSOR:

Name: Aaron Smith
Title: Executive Director
Organization: Homestead Corporation of Champaign-Urbana
Address: 306 W Griggs St.
Urbana, IL 61801

CITY OF URBANA as a Member of the URBANA CONSTORTIUM:

Name: Laurel Lunt Prussing
Title: Mayor
Organization: City of Urbana
Address: 400 S. Vine Street
Urbana, IL 61801

ARTICLE VI: SIGNATURE OF AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by its officers as of the date first written above.

CITY OF URBANA

SPONSOR

BY: [Signature]

BY: [Signature]

ITS: Mayor

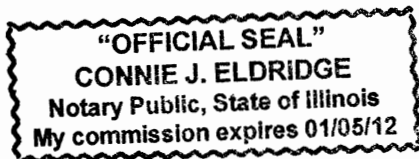
ITS: Executive Director

ATTEST: [Signature]
by [Signature] Deputy Clerk 7/22/11

STATE OF ILLINOIS)
) SS
COUNTY OF CHAMPAIGN)

I, the undersigned Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Aaron Smith, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act in his capacity as Executive Director of Homestead Corporation of Champaign-Urbana and as the free and voluntary act for the purposes therein set forth.

Given under my hand and official seal, this 25th day of July, 2011.



[Signature]
Notary Public

Exhibit A
Project Description & Project Schedule

Project Review – The proposed project at 510 E. Beardsley Ave, Champaign will consist of four phases:

- A. Acquisition – Homestead Corporation will purchase the land and existing structures at 510 E. Beardsley Avenue from the current owner. A tentative agreement to sell the property was previously negotiated between the current owner and the City of Champaign for a purchase price of \$42,500, at below-market value. Homestead will negotiate a sale of the property with the current owner at the previously negotiated price.
- B. Demolition – Once Homestead has acquired the subject property, Homestead will demolish the existing structures on the site and clear the site for further development. The City of Champaign has obtained preliminary estimates for the demolition at a price of approximately \$9,500. Testing for lead-based paints and asbestos were previously carried out on the subject property, and record of any required abatement completed or still required are on file with the City of Champaign. Any additional measures required for abatement would be included in planned demolition work.
- C. New Construction – The subject property is located in the Douglass Park Neighborhood of the City of Champaign. Homestead has a long history and abundant experience with working in this area. Homestead completed the construction of three new single-family homes in the neighborhood within the last four years of the Affordable Homeownership Program. All three of those homes are within one block of the subject property. In addition, there are another eight single-family homes developed by Homestead within one mile of the subject property. Also, Homestead has development experience in creating single-family affordable rental properties in other areas of Champaign and Urbana.

Homestead plans to construct a new single-family home at 510 E. Beardsley for the purpose of providing affordable rental housing to income-qualified households at or below 60% AMI for Champaign County. The subject property has similar site constraints. Homestead proposes to build a home similar in dimensions, style, and floor plan to those homes, requiring minimal pre-construction work to develop plans. Homestead has more than enough sufficient experience in work with this design and managing the construction of this type of project.

- D. Donation – Once the new construction at 510 E. Beardsley is completed, Homestead plans to convey ownership of the property and newly constructed home to an established provider of services to the homeless, Center for Women in Transition, to be used as an affordable rental home for their clients. The method of conveyance would be an effective donation of the property through sale of the property for a minimal amount such as one dollar. Long term monitoring for

rental compliance with HOME regulations will be carried out by the City of Champaign, as evidenced by a Memorandum of Understanding.

Project Schedule:

[Please see attached]

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA

510 E. Beardsley Development Schedule

June 8, 2011

**SCHEDULE OF ACTIVITIES
FY 11**

	June	July.	Aug.	Sept.	Oct.	Nov.	Dec.
HOME Application	xxx	xxxx					
Site Acquisition			xxxx				
Demolition				xxxx			
Design Preparation			xx	xxxx			
Bidding				xx			
Contracting					xx		
Construction Loan Closing				xx	xx		
Construction					xx	xxxx	
Donation							

**SCHEDULE OF ACTIVITIES
FY 12**

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
HOME Application								
Site Acquisition								
Demolition								
Design Preparation								
Bidding								
Contracting								
Construction Loan Closing								
Construction			xxxx	xxxx	xxxx	xx		
Donation						xx	xxxx	

Exhibit B - Pro Forma

[Please see attached]

PRO FORMA -
SOURCES AND USES OF FUNDS

HOMESTEAD'S AFFORDABLE
AFFORDABLE RENTAL PROGRAM
510 E. Beardsley Ave, Champaign, IL

07/07/11

SOURCES OF FUNDS

SUBSIDIES

City of Urbana HOME	198,000	
		198,000

TOTAL SOURCES OF FUNDS **198,000**

USES OF FUNDS

ACQUISITION COSTS

Land and Structures	42,500	
Liens and Taxes	1,500	
		44,000

DEMOLITION COSTS

Demolition of Structures	9,500	
		9,500

LAND DEVELOPMENT

Sanitary Sewer	0	
Storm Sewer	0	
Street	0	
Sidewalk	0	
Tree Removal	1,000	
Grading/Topsoil/Sod/Landscaping	3,000	
Electric Power	0	
Gas	0	
Telephone	0	
Cable TV	0	
		4,000

PROFESSIONAL FEES

Architect and Engineering	1,950	
Developer Fee	10,000	
Legal Fees	1,000	
Marketing	0	
		12,950

GENERAL PROVISIONS

Permits		
Insurance		
		0

CONSTRUCTION

Buildings	120,000	
Contingency @ 5%	6,000	
		126,000

FINANCING

Escrow Services	300	
Construction Interest/Fees	650	
Closing Costs-Construction	100	
Closing Costs-Sales	500	
		1,550

TOTAL USES OF FUNDS **198,000**

Exhibit C
Location of Project

Legal description:

Lot 25 of T.D. Wilson's Third Addition to the City of Champaign, as per Plat recorded 6/14/1912 in Plat Book "C" at Page 258, as Doc.#90508, in Champaign County, Illinois; #46-21-07-127-017 (cka 510 E. Beardsley Av.-Champaign, Illinois)

PIN: 46-21-07-127-017

Street Address:

COMMONLY KNOWN AS: 510 East Beardsley Avenue, Champaign, Illinois

**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:

Expenses Incurred During:

July-September
October-December
January-March
April-June

Pay Request Submitted:

by October 14th
by January 13th
by April 13th
by June 15th

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

Laurel Lunt Prussing
Laurel Lunt Prussing, Mayor

7/22/11
Date

Rhyllis D. Clark
Attest: Rhyllis D. Clark, City Clerk

Robert G. Kelso
Deputy Clerk

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA

Aaron P. Smith
Printed Name

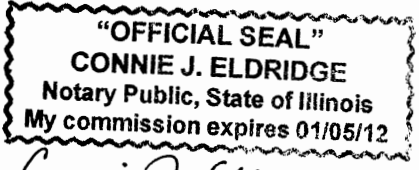
Aaron P. Smith
Signature

7-25-11
Date

Printed Name

Signature

Date



Connie J. Eldridge 7-25-11

*State of Illinois
County of Champaign
Signed and attested before me on 7-25-11
by Aaron P. Smith.*

Exhibit 1

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

<u>EXPENSE</u>	<u>AMOUNT</u>
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	\$ 125
TOTAL EXPENSES	\$22,500