

**A RESOLUTION AMENDING HOUSING REHABILITATION  
PROGRAM MANUAL 2000-2004  
AS ORIGINALLY AUTHORIZED BY RESOLUTION NO. 2000-07-022R**

WHEREAS, the Grants Management Division of Urbana and the Neighborhood Services Department of Champaign filed a joint application with Busey Bank to the Federal Home Loan Bank of Chicago and with National City Bank to the Federal Home Loan Bank of Indianapolis to participate in their Affordable Housing Programs with the program funds to be used in conjunction with the City's CDBG and HOME funding for the rehabilitation of housing owned and occupied by very low-income households as designated by the Housing Rehabilitation Program Manual; and

WHEREAS, in said application the Grants Management Division has proposed to administer the Federal Home Loan Bank funding for housing rehabilitation in accordance with the city's housing rehabilitation program guidelines set forth in the Housing Rehabilitation Program Manual 2000-2004; and

WHEREAS, the Federal Home Loan Bank of Chicago and the Federal Home Loan Bank of Indianapolis have subsequently approved said funding application subject to certain amendments to the Housing Rehabilitation Program Manual; and

WHEREAS, the City now desires to amend its Housing Rehabilitation Program Manual 2000-2004 to comply with the Federal Home Loan Bank guidelines in order to qualify for and to expend the funding allocation made available through the Federal Home Loan Bank applications; and

WHEREAS, the City now desires to amend the Housing Rehabilitation Program Manual 2000-2004 only for the period of time required to expend the Federal Home Loan Funding per program, and at that time desires the program

guidelines revert back to its original terms enabling the programs to continue with the use of CDBG and HOME funds as previously designated.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, that the Manual is amended as follows:

Section 4. 0 The definition of Grant/Deferred Loan on page 17 of the Manual is hereby replaced with the following for the duration of the Federal Home Loan Bank Funding for this program.

*FY 2002-2003 for the first 5 projects*

A Grant/Deferred Loan up to \$25,000 is made available to provide labor, materials, and supplies to repair deteriorating dwelling units for qualified applicants. Through the renovation, code violations on the premises must be eliminated. A lien is placed on the property to secure repayment of the deferred loan portion of the assistance. FHLB funding requires a retention agreement signed and recorded against the property for their portion of the funds.

Funding provided as follows:

Up to \$10,000 provided by the City in the form of a grant.

Up to \$10,000 provided by the City in the form of a no-interest deferred payment loan. No monthly, quarterly, or annual payments are required. The loan is payable to the City in full upon the sale of the property or transfer of title.

\$5,000 provided by FHLB in the form of a grant. This grant requires a retention agreement in which the applicant maintains ownership and resides at the residence for a period of five years from the date of the recording. If the property is sold or otherwise transferred within the five-year retention period a prorated portion of the grant is payable to FHLB at an amount equal to the number of full months remaining in the restriction period.

Section 5. 0 The definition of Grant/Installment Loan on page 26 of the Manual is hereby replaced with the following for the duration of the Federal Home Loan Bank Funding for this program.

*FY 2002-2003 for one project*

A combination grant and loan totaling up to \$25,000 is available to provide labor, materials, and supplies to repair owner-occupied housing. Through the renovation, code violations on the premises must be eliminated.

Funding is provided as follows.

Up to \$8,500 is provided by Busey Bank in the form of a market rate loan requiring monthly payments. The loan is fully amortized over a period up to 120 months (ten years). The borrower makes monthly payments to the participating financial institution after loan closing.

\$4,000 is provided by FHLB in the form of a grant. This grant requires a retention agreement that requires the applicant maintain ownership and reside at the residence for a period of five years from the date of the recording. If the property is sold or otherwise transferred within the five-year retention period, a prorated portion of the grant is payable to FHLB at an amount equal to the number of full months remaining in the restriction period.

Up to \$12,500 is provided by the City in the form of a grant.

Section 7. 0 The definition of Access Grant on page 41 of the Manual is hereby replaced with the following for the duration of the Federal Home Loan Bank Funding for this program.

FY 2002-2003 for five owner-occupied projects

*An Access Grant for owner-occupied applicants shall be processed on a first-come first-served basis using the FHLB funds for the first five applicants. Up to \$5,000 may be used to eliminate physical barriers, which inhibit the use of the dwelling unit, by a Person with Disability.*

FHLB requires the funds be used for owner-occupied properties and that the applicant maintain ownership and reside in the property for a period of five years from the date of the recording of the retention agreement. If the property is sold or otherwise transferred within the five-year retention period, a prorated portion of the grant is payable to FHLB at an amount equal to the number of full months remaining in the restriction period.


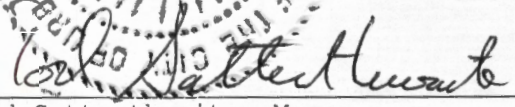
An Access Grant for income eligible tenants or trust deed recipients shall be processed using CDBG funds as a non-repayable grant to eliminate physical barriers which inhibit the use of the dwelling unit by a person with disability. Grants may be made for renovation of single-family detached dwelling units as well as duplex units and units in multiple-family dwellings.

The Grants Management Division of the City of Urbana is hereby authorized and directed to proceed with the implementation of the Housing Rehabilitation Program Guidelines in accordance with the Housing Rehabilitation Program Manual 2000-2004 as herein amended.

PASSED by the City Council this 19th day of August,  
2002 .

  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this 23<sup>rd</sup> day of August,  
2002 .

  
  
Tod Satterthwaite, Mayor