



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Bruce K. Walden, Chief Administrative Officer

FROM: Elizabeth H. Tyler, AICP, City Planner/Director

DATE: March 4, 2003

SUBJECT: Property Disposition of 902 Wascher Drive

Description

Included on the agenda for the March 10 meeting of the Urbana City Council Committee of the Whole, is the transfer (donation) of 902 Wascher Drive to Homestead Corporation (Homestead) for the construction of single-family home through the Eads at Lincoln Program.

Issues

The issue is whether the City Council should approve a contract to transfer (donate) the subject property to Homestead.

Background

In November 2002, the City of Urbana entered into an agreement with the Homestead Corporation for the construction of the remaining five homes within the Eads at Lincoln Subdivision. Construction of the homes will begin Spring 2003.

As a condition of this development agreement, the City is to donate the remaining four properties within the subdivision to Homestead. The properties are located at 908 West Eads Street, 910 West Eads Street, 916 West Eads Street, and 902 Wascher Drive. City Council approved the donation of 908 Eads, 910 Eads, and 916 Eads in February 2003.

During the subject property's plan review process in February, issues concerning the widening of Lincoln Avenue arose. In order to accommodate this, the easterly seven feet of the subject property must be dedicated as right-of-way. Staff requested that Council not donate the subject property to Homestead until the Planning Division could determine whether the parcel could still have a home built upon it. Homestead has received this confirmation and is currently redesigning a house plan to accommodate the smaller parcel. Homestead has agreed to dedicate the easterly seven feet of the property to the City at no cost.

Options

1. Approve the donation of the properties to Homestead per the attached sales contract.
2. Approve the donation of the properties to Homestead with an amended sales contract.
3. Do not approve the donation of property to Habitat.

Fiscal Impacts

The transfer would be completed at no cost to Homestead. The city would receive no payment for the parcel. Disposition of the parcel would eliminate property maintenance costs currently incurred by the Community Development Block Grant Program. The home constructed on this site would generate real estate taxes and is expected to have a positive effect on the values of the surrounding properties. The dedication of the easterly seven feet of the subject property will be dedicated at no cost to the city.

Recommendations

Community Development staff recommend approval of these transfers to the Urbana City Council. At their January 28, 2003 meeting, the Urbana Community Development Commission recommended approval of this property transfer to Homestead.

Memorandum Prepared By:

**Michael Loschen
Grants Coordinator II**

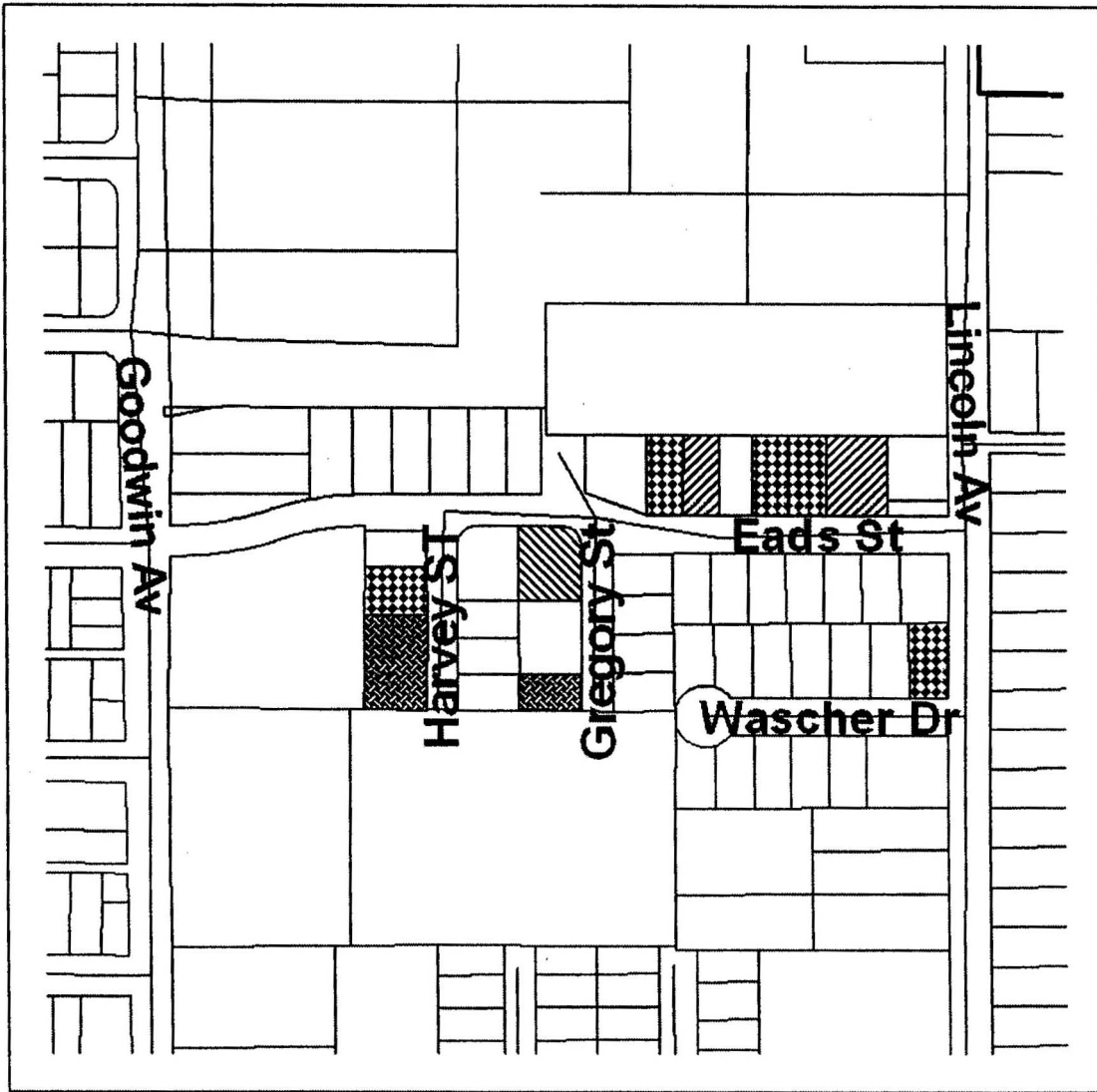
Attachments:








- (1) Photograph of 902 Wascher
- (2) Eads at Lincoln Subdivision Map
- (3) An Ordinance Authorizing the Sale of Certain Real Estate (902 Wascher Drive)
- (4) Contract for Sale of Real Estate
- (5) Dedication of Right Of Way For Public Road Purposes



902 Wascher Drive

Properties In Eads Subdivision



 <p>Grants Management Division</p>	<ul style="list-style-type: none"> Properties to Homestead School District Properties HomeBuild 3 Properties Peter Pan Properties	 <p>100 0 100 200 Feet</p> 
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ORDINANCE NO. 2003-03-023

AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE

(902 Wascher Drive)

WHEREAS, Subsection (a), entitled "Sale of real estate," of Section 2-118, entitled "Purchase, sale, lease, etc., of real estate," of the Code of Ordinances, City of Urbana, Illinois, provides that any real estate owned by the City of Urbana may be sold in any manner prescribed by the City Council in an ordinance authorizing such sale; and

WHEREAS, the requirements of said Subsection (a) of Section 2-118 for a public hearing and for the required notice for such public hearing do not, pursuant to the terms thereof, apply to the sale of residential property acquired under the Community Development Program; and

WHEREAS, the City Council now desires to sell the real estate commonly known as 902 Wascher Drive, which said property has heretofore been acquired under the Community Development Program, in accordance with said Subsection (a) of Section 2-118 and the policy heretofore established with respect thereto; and

WHEREAS, the City Council expressly finds and declares that said real estate is not needed for governmental purposes or proprietary activity of the City of Urbana; and

WHEREAS, under Urbana City Ordinance Number 2002-12-136, the City of Urbana is obligated to donate four vacant residential lots within the Eads at Lincoln Subdivision to the Homestead Corporation of Champaign-Urbana's Eads at Lincoln Program; and

WHEREAS, the City Council finds that donating said real estate be beneficial to the clients of the Homestead Corporation of Champaign-Urbana by allowing them construction sites.

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

Section 1. That the said real estate be donated to the Homestead Corporation of Champaign-Urbana's Eads at Lincoln Program.

Section 2. That the said real estate dispositions be completed by April 30, 2003.

Section 4. That the said real estate not donated under this ordinance by April 30, 2003 will be donated at a later date to any non-profit housing developer for use in a housing construction program.

Section 5. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute all necessary deeds and documents required for the lot dispositions on behalf of the City of Urbana, Illinois.

PASSED by the City Council this _____ day of _____, 2003.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, 2003.

Tod Satterthwaite, Mayor

CONTRACT FOR SALE OF REAL ESTATE

This Contract made and entered into this _____ day of _____, 2003 by and between the City of Urbana, Illinois, a municipal corporation of the State of Illinois (hereinafter referred to as the City as Seller, and the Homestead Corporation of Champaign-Urbana, an Illinois not-for-profit corporation (hereinafter referred to as Homestead as Buyer).

WITNESSETH:

IT IS MUTUALLY UNDERSTOOD AND AGREED BETWEEN THE PARTIES HERETO as follows:

1. Sale. The City agrees to sell and convey, and Homestead agrees to buy, the following described parcel of real estate (hereinafter referred to as "Subject Property"):

Lot 1 of "Wascher's Second Replat," as shown on a plat recoded in Plat Book "BB" at Page 254 in the Office of the Recorder of Deeds, Champaign County, Illinois;

PIN: 91-21-07-279-026

more commonly known as 902 Wascher Drive, Urbana, Illinois

2. Purchase Price. City agrees to convey title to Subject Property for One Dollar (\$1.00) and other consideration as described herein.
3. Evidence of Title. Within a reasonable time, the City shall select and deliver one of the following to Homestead as evidence of title:
 - a. A copy of a title insurance policy issued to the City in connection with acquisition of Subject Property by the City; the City warrants that it has done nothing to encumber Subject Property since its acquisition of Subject Property; or
 - b. A commitment of title insurance issued by a title insurance company regularly doing business in Champaign County, committing the company to issue a policy in the usual form insuring title to Subject Property in Homestead's name for the amount of the City's purchase price or the minimum amount of title insurance, whichever is greater.

Permissible exceptions to title shall include only the lien of general taxes; zoning laws and building ordinances; easements, apparent or of record, which do not underlie the improvements, if any; and covenants and restrictions of record which are not violated by the existing improvements or the present use of the Property and which do not restrict reasonable use of the Property.

Homestead shall point out in writing to City within a reasonable time after receipt of the evidence of title any objections which Homestead may have thereto and unless so pointed out the evidence of title shall be conclusively presumed to be accepted by Homestead.

The City shall have a reasonable time to cure any objections actually interfering with or impairing the merchantability of the title to Subject Property. If the City is unable to cure such objections and is unable to procure a title policy insuring over such objections, then Homestead shall have the option to terminate the Contract.

The evidence of title and title insurance shall be at the sole expense of the City.

4. Lincoln Avenue Right-of Way. Homestead agrees at a later date, prior to conveying the Subject Property to a future homebuyer, to convey the easterly seven (7) feet of the Subject Property adjacent to the Lincoln Avenue right-of-way, to the City at no cost to the City for future improvements to Lincoln Avenue. Homestead will be responsible for notifying the homebuyer of this right-of-way conveyance in writing before construction shall begin.
5. Conveyance. The City agrees to convey Subject Property to Homestead by good and sufficient Warranty Deed, subject to current taxes, covenants, conditions, restrictions, easements apparent or of record, and to all applicable zoning laws and ordinances. No legal right, title, or interest, except as Contract Purchaser, in the Subject Property or any improvements thereon, shall vest in Homestead until delivery of said Warranty Deed to Homestead in the manner and under the conditions prescribed herein.
6. Escrow. At the time the City delivers a Warranty Deed to Homestead to convey title in Subject Property to Homestead, a Quit-Claim Deed from Homestead in favor of the City shall be placed in escrow with _____ (hereinafter referred to as "Escrow Agent").

In the event that Homestead causes construction of a single-family residence on Subject Property and Homestead obtains a certificate of occupancy for said residence from the Urbana Building Safety Division on or before March 31, 2004, or on or before the date established in any modification of this Contract, the Escrow Agent shall destroy said Warranty Deed and give Homestead written assurance of such destruction.

In the Event that Homestead has not started construction of a single-family residence on Subject Property as of March 31, 2004, or as of the date established in any modification to this Contract, the Escrow Agent shall release said Warranty Deed to the City. It is understood and agreed that in such event City shall assume all obligations under any existing construction money mortgage.

In the event that Homestead has begun construction of a single-family residence on Subject Property as of March 31, 2004, or as of the date established in any modification to this Contract, but has not obtained a Certificate of Occupancy for said residence as of that date, or as of the date established in any modification to this Contract, the City retains the right to pay Homestead, in care of the Escrow Agent, an amount equivalent to the value of improvements in place on Subject Property as of March 31, 2004, or as of the date established in any modification to this Contract, taking credit against said amount for any outstanding liens or encumbrances, including the balance due on any construction mortgage against Subject Property, said liens including real estate taxes prorated up to the date the City assumes possession under this paragraph. Said value shall be certified to both Homestead and the City by an architect licensed by the State of Illinois, doing business in Champaign County, Illinois and mutually acceptable to Homestead and the City. The Escrow Agent shall deliver said payment to Homestead and release said Warranty Deed to the City.

7. Taxes and Assessments. City shall pay all special assessments confirmed prior to the date of this Contract and real estate taxes assessed against Subject Property for 2003 payable in 2004 up to the date of possession. Homestead shall pay all special assessments and real estate taxes assessed against Subject Property after the date of possession

Homestead shall promptly pay all bills for utilities and taxes associated with Homestead's possession and use of Subject Property, including but not limited to water, gas, electric, recycling, cable television, sewage treatment, and sewer benefit taxes.

8. Condition of Subject Property. Homestead agrees to accept Subject Property in its "as-is" condition, and the City disclaims all warranties express or implied as to the condition of Subject Property.
9. Compliance with Development Codes. Any residence constructed pursuant to this Contract shall be constructed in accordance with all applicable land development, zoning, and building codes of the City of Urbana, Illinois, and with any and all covenants recorded for the subdivision in which Subject Property is located. Homestead shall be responsible for obtaining and paying for all permits required under said codes.
10. House Design. Any residence constructed pursuant to this Contract shall be compatible in design and quality of construction with houses constructed within the Eads 1st Subdivision, Urbana, Illinois. Prior to issuance of any building permit by the Building Safety Division of the City of Urbana, Illinois, the Grants Management Division Manager of the Department of Community Development Services of the City of Urbana, Illinois, acting on behalf of the City, may request alterations to the proposed house design so as to comply with this Section.

11. Use of Subject Property. The primary purpose of Homestead activities undertaken pursuant to this Contract shall be construction of a single-family residence for sale to a low-income household through Homestead's Homeownership Program on each of the individual tracts of land as identified in Section 1. Homestead shall ensure a safe working environment for construction at all times.
12. Limitation on Subsequent Sale of Subject Property. Any residence constructed by Homestead on Subject Property pursuant to this Contract must subsequently be sold by Homestead only to a family having income at or below 80 percent of median family income for Champaign County based on household size. Applicable income limits are those certified by the Grants Management Division Manager of the Department of Community Development Services of the City of Urbana, Illinois, acting on behalf of the City, to be in effect at the time Homestead accepts a household into its Homeownership Program. Homestead shall keep record of compliance with this Section on file for inspection by representatives of the City and the U.S. Department of Housing and Urban Development.

To the extent allowable by law, the deed transferring title in Subject Property from Homestead to the initial purchaser shall include a provision restricting subsequent sales of Subject Property to households having income at or below 80 percent of median family income for a period of five (5) or ten (10) years from the date of the deed transferring title from Homestead, depending upon the amount of homebuyer assistance provided the homebuyer. Said deed restriction shall not apply in the event of possession by a financial institution as a result of foreclosure proceedings.

13. Property Maintenance. Homestead agrees to keep Subject Property properly mowed and free of excess vegetation and debris at all times. Homestead shall neither suffer nor commit any waste on or to Subject Property. Homestead agrees to promptly respond to any notices received from the City of Urbana, Illinois, with regard to violation of the City's nuisance codes and to promptly correct any violation cited by said City. Homestead shall promptly pay all bills or charges incurred for materials, services, labor, or other like items which may create encumbrances against Subject Property.
14. Construction Schedule. Homestead agrees to construct a single-family residence on Subject Property such that a Certificate of Occupancy is issued for the newly constructed residence by the Urbana Building Safety Division on or before March 31, 2004, or on or before the date established in any modification to this Contract.
15. Storage of Building Materials. Building materials needed to construct any residence pursuant to this Contract shall be stored within property lines and shall not be placed in the public right-of-way.
16. City Held Harmless. Homestead agrees to indemnify and hold the City, its officers, agents, and employees, harmless for any liability or damages of any nature or kind

concerning undertaking of any activity pursuant to this Contract, including reasonable attorneys' fees incurred in defending against any such claim.

17. Assignment. Homestead shall not assign this Contract without prior written consent of the City to such assignment; provided, however, that the City shall not unreasonably withhold such consent and further provided that no such assignment shall act as a discharge or release of Homestead's liability under this Contract.
18. Possession. City shall deliver possession of Subject Property to Homestead concurrently with closing of this transaction to be held on or before April 30, 2003.
19. Default. If Homestead fails to perform any obligation imposed upon it by this Contract, the City may serve written notice of default upon Homestead and if such default is not corrected within ten (10) days thereafter, this Contract shall terminate. In the event of failure of the City to perform obligations imposed upon it by this Contract, Homestead may terminate this Contract upon similar notice served upon the City and similar expiration of time period. The foregoing remedies in the event of default are not intended to be exclusive, and the parties shall have the right to all other lawful remedies, including specific performance. Default by the City or Homestead shall entitle the non-defaulting party to claim as damages all reasonable costs, attorneys' fees, and expenses in connection with enforcement of this Contract.
20. Notices. Any notice required under this Contract to be served upon the City or Homestead shall be personally delivered, or shall be mailed by certified mail to such parties at the address shown herein following their signatures, or at such other place as the parties may from time to time designate in writing.
21. Modification. No modification or extension of this Contract shall be effective unless in writing and executed by the parties hereto.
22. Terms Binding. All terms of this Contract shall be binding upon the heirs, legatees, devisees, representatives, and assignees of the parties.
23. Insurance. Upon issuance of a building permit for construction of a single-family residence on Subject Property, Homestead shall provide and shall keep in force during the remainder of the term of this Contract a policy of builder's risk insurance, including fire and extended coverage and vandalism and malicious mischief coverage, in an amount not less than the anticipated market value of the completed residence. This policy shall contain a provision that no termination of coverage or change of policy shall be effective without first giving ten (10) days advance written notice to the City.

Upon closing of this transaction and for the duration of this Contract, Homestead shall provide and maintain general liability insurance in the minimum amount of \$100,000 naming the City as an additional insured thereunder. The original of each insurance policy shall be deposited with the Escrow Agent. Copies of the policies shall be issued to the City upon request.

IN WITNESS WHEREOF, the parties have executed this Contract as of the day and year first above written.

SELLER:

City of Urbana, Illinois
400 South Vine Street
Urbana, Illinois 61801

BY: _____
Tod Satterthwaite, Mayor

ATTEST: _____
Phyllis D. Clark, City Clerk

BUYER:

Homestead Corporation of C-U
306 West Griggs Street
Urbana, Illinois 61801

BY: _____

ATTEST: _____

STATE OF ILLINOIS
COUNTY OF CHAMPAIGN
CITY OF URBANA

DEDICATION OF RIGHT OF WAY
FOR PUBLIC ROAD PURPOSES

THIS INDENTURE WITNESSETH, that the Grantor, the Homestead Corporation of Champaign-Urbana, an Illinois not-for-profit corporation, for and in consideration of the benefits resulting from the construction and maintenance of the public roadway herein referred to, and other good and valuable consideration, does by these presents, hereby grant, convey and dedicate to the City of Urbana, Illinois, a municipal corporation, for the purpose of a public right of way for public road purposes, a tract of land situated in the City of Urbana, County of Champaign and State of Illinois, and described as follows:

The easterly 7.00 feet of even and equal width of Lot 1 of "Wascher's Second Replat", as shown on a plat recorded in Plat Book "BB" at Page 254 in the Office of the Recorder of Deeds, Champaign County, Illinois.

Said parcel being also shown by the plat hereto attached and considered a part hereof. Being a portion of Permanent Parcel No. 91-21-07-279-026

And the Grantor and Grantee further, as a part of this dedication, agree that City officials having authority as to public roadways, and its representatives, engineers, agents, contractors and employees are hereby authorized to enter into and take full and complete possession of the said tract;

IN WITNESS WHEREOF, the Grantor has hereunto set its hand and seal this _____ day of _____, 2003.

HOMSTEAD CORPORATION

BY: _____

Title: _____

ATTEST: _____

Title: _____

STATE OF ILLINOIS)
) S.S.
COUNTY OF CHAMPAIGN)

I, the undersigned, a Notary Public in and for said County and State aforesaid, DO HEREBY CERTIFY that _____ personally known to me to be the _____ and _____ personally known to me to be the _____ of Homestead Corporation, the GRANTOR, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as _____ and _____, pursuant to Corporate resolution duly adopted, they signed and delivered said instrument as _____ and _____ as their free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this _____ day of _____, 2003 A.D.

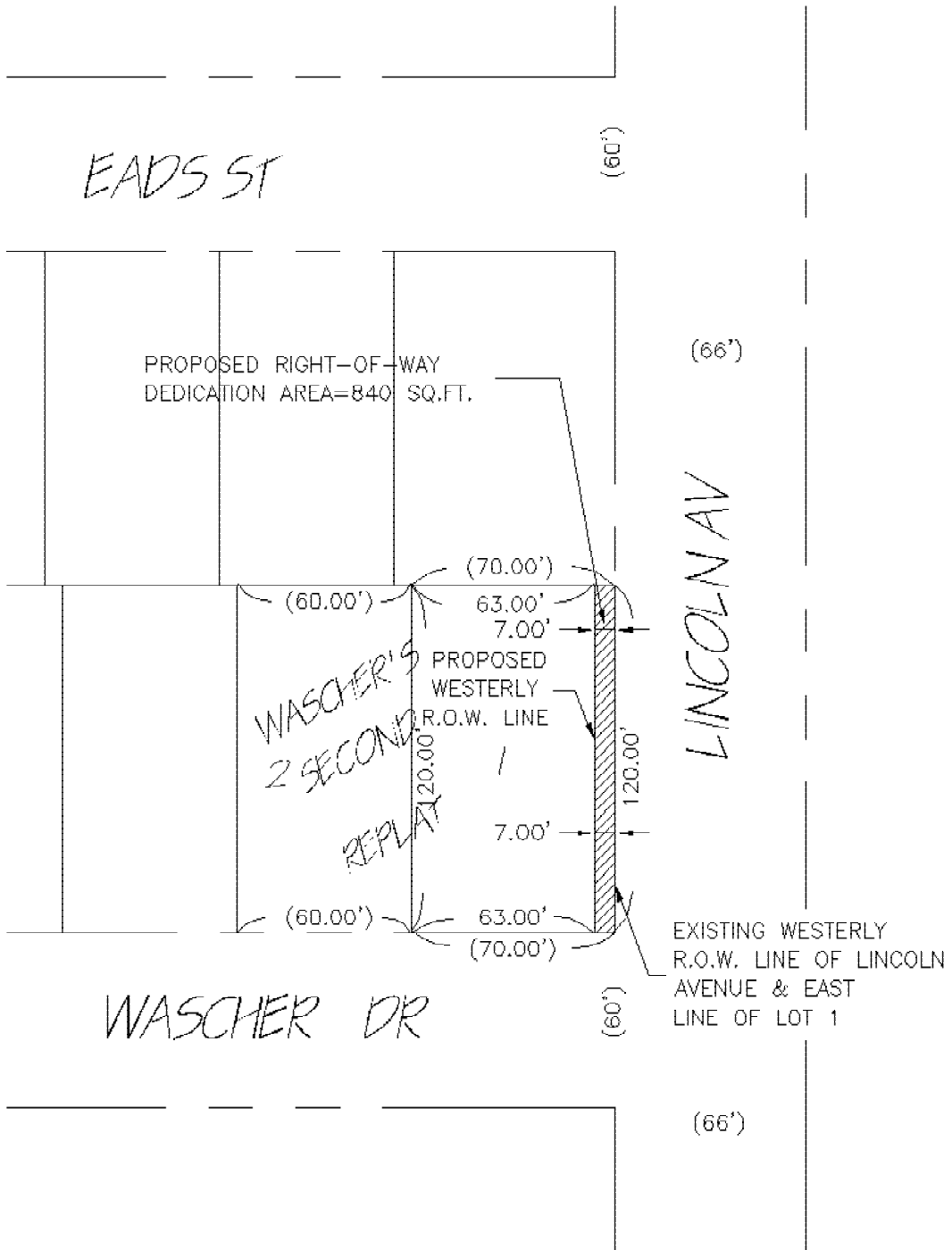
Notary Public

Accepted for the City of Urbana by:

William R. Gray, P.E.
Public Works Director/City Engineer

Prepared By & Return To:
JACK WAALER, City Attorney
400 S. Vine St.
Urbana, IL 61801
(217) 384-2464

PLAT OF RIGHT-OF-WAY DEDICATION



NOTE: Dimensions in parenthesis () indicate record dimensions



CITY OF URBANA
ENGINEERING DEPARTMENT

DATE: 2/24/03

DRAWN BY: AJS