

ORDINANCE NO. 2006-04-044

**AN ORDINANCE AUTHORIZING THE
SALE OF CERTAIN REAL ESTATE**

(708 N. Goodwin Avenue)

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 desires to sell the real estate commonly known as 708 N. Goodwin Avenue, 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.

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

Section 1. That the Contract for Sale of Real Estate by and between the City of Urbana, Illinois, and Habitat for Humanity of Champaign County, a copy of which said Contract is attached hereto and incorporated herein by reference, be and the same is hereby authorized and approved.

Section 2. The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute said Contract together with all necessary deeds and documents required by said Contract for and on behalf of the City of Urbana, Illinois.

Section 3. The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute extensions of time set forth in the said Contract 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

CONTRACT FOR SALE OF REAL ESTATE

This Contract made and entered into this ____ day of _____, 2006, by and between the City of Urbana, Illinois, a municipal corporation of the State of Illinois (hereinafter referred to as Seller), and Habitat for Humanity of Champaign County, an Illinois not-for-profit corporation (hereinafter referred to as Buyer).

WITNESSETH:

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

- 1 Sale. Seller agrees to sell and convey, and Buyer agrees to buy, the following described parcel of real estate:

DESCRIPTION OF REAL ESTATE:

The South Half of Lots 9 and 10 in S.D. Van Wegen's Addition to Urbana, Illinois, situated in Champaign County Illinois;

PIN: 91-21-07-427-002;

Commonly known as 708 N. Goodwin Ave., Urbana, Illinois (hereinafter referred to as Subject Property).

2. Purchase Price. Seller 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, Seller shall select and deliver one of the following to Buyer as evidence of title:
 - a. A copy of the 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 to Buyer for the amount of the Seller'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.

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

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

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

4. Conveyance. Seller agrees to convey Subject Property to Buyer by good and sufficient Warranty Deed, subject to current general taxes, covenants, conditions, restrictions, easements apparent or of record, and to all applicable zoning laws and ordinances.

At the time of closing of this transaction, a Warranty Deed from Seller in favor of Buyer shall be recorded with the Champaign County Recorders' Office and delivered to Buyer.

At the same time, a Quit Claim Deed from Buyer in favor of Seller shall be placed in escrow with the City of Urbana Department of Community Development Services (hereinafter referred to as "(Escrow Agent)").

In the event that Buyer constructs a single-family residence on Subject Property and is issued a certificate of occupancy for said residence by the Urbana Building Safety Division on or before December 31, 2007, or on or before the date established in any modification to this Contract, the Escrow Agent shall destroy said Quit Claim Deed.

In the event that Buyer has not started construction of a single-family residence on Subject Property as of September 30, 2007, or as of the date established in any modification to this Contract, the Escrow Agent shall release said Quit Claim Deed to Seller.

In the event that Buyer has begun construction of a single-family residence on Subject Property as of December 31, 2007, or as of the date established in any modification to this Contract, but has not received a Certificate of Occupancy for said residence as of that date, Seller retains the right to pay Buyer, in care of the Escrow Agent, an amount equivalent to the value of improvements in place on Subject Property as of December 31, 2007, or as of the date established in any modification to this Contract, taking credit against said amount for any outstanding liens or encumbrances against Subject Property, said liens including real estate taxes prorated up to the date Seller assumes possession under this paragraph, and for any fees or professional expenses incurred by the Seller as a result of the assumption of the Subject Property under this paragraph. Said value shall be certified to both Buyer and Seller by an architect licensed by the State of Illinois, doing business in Champaign County, Illinois and mutually acceptable to Buyer and Seller.

The Escrow Agent shall deliver said payment to Buyer, and release and record said Quit Claim Deed with the Champaign County Recorders Office and deliver to the Seller.

Any and all escrow charges shall be paid by Buyer.

5. Taxes and Assessments. Seller shall pay all special assessments confirmed prior to the date of this Contract and real estate taxes assessed against Subject Property for 2005 payable in 2006 up to the date of possession. Buyer shall pay all special assessments and real estate taxes assessed against Subject Property after the date of possession

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

6. Condition of Subject Property. Buyer agrees to accept Subject Property in its "as-is" condition, and Seller disclaims all warranties express or implied as to the condition of Subject Property.

7. 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, and the visitability standards of the City of Urbana, Illinois, and with any and all covenants recorded for the subdivision in which Subject Property is located. Buyer shall be responsible for obtaining and paying for all permits required under said codes.

8. House Design. Any residence constructed pursuant to this Contract shall be substantially compatible in design and quality of construction with drawings previously submitted by Buyer to the City of Urbana. 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.

9. Use of Subject Property. The primary purpose of Buyer activities undertaken pursuant to this Contract shall be construction of a single-family residence for sale to a low-income household through the Buyer's Homeownership Program. To ensure the residence constructed remains affordable housing occupied by a low-income household, a Land-Use Regulatory Agreement in substantially the form set forth as ATTACHEMENT A to this contract must be signed by all grantees to whom Habitat for Humanity conveys the subject parcel and recorded at the time of closing of such transaction. The City of Urbana Indirect Homebuyer Assistance Land-Use Regulatory Agreement attached hereto and incorporated herein, is an essential part of this contract.

10. Limitation on Subsequent Sale of Subject Property. Any residence constructed by Buyer on Subject Property pursuant to this Contract may subsequently be sold by Buyer 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 Buyer accepts a household into its Homeownership Program. Buyer 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.

11. Property Maintenance. Buyer agrees to keep Subject Property properly mowed and free of excess vegetation and debris at all times from the date of this contract. Buyer shall neither suffer nor commit any waste on or to Subject Property. Buyer 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. Buyer shall promptly pay all bills or charges incurred for materials, services, labor, or other like items that may create encumbrances against Subject Property. Buyer will become responsible for all property maintenance as of the date of this Contract.
12. Construction Schedule. Buyer 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 December 31, 2007, or, on or before a date established in any modification to this Contract.
13. 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.
14. Seller Held Harmless. Buyer agrees to indemnify and hold Seller, 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.
15. Assignment. Buyer shall not assign this Contract without prior written consent of Seller to such assignment; provided, however, that Seller shall not unreasonably withhold such consent and further provided that no such assignment shall act as a discharge or release of Buyer's liability under this Contract.
16. Possession. City shall deliver possession of Subject Property to Buyer concurrently with closing of this transaction.
17. Default. If Buyer fails to perform any obligation imposed upon it by this Contract, Seller may serve written notice of default upon Buyer and if such default is not corrected within ten (10) days thereafter, this Contract shall terminate. In the event of failure of Seller to perform obligations imposed upon it by this Contract, Buyer may terminate this Contract upon similar notice served upon Seller 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 Seller or Buyer shall entitle the non-defaulting party to claim as damages all reasonable costs, attorneys' fees, and expenses in connection with enforcement of this Contract.

18. Notices. Any notice required under this Contract to be served upon Seller or Buyer 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.
19. Modification. No modification or extension of this Contract shall be effective unless in writing and executed by the parties hereto.
20. Terms Binding. All terms of this Contract shall be binding upon the heirs, legatees, devisees, representatives, and assignees of the parties.

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:

Laurel Lunt Prussing, Mayor

ATTEST:

Phyllis D. Clark, City Clerk

BUYER:

Habitat for Humanity
of Champaign County
111 North Market Street
Champaign, Illinois 61820

BY:

Laura Huth, Executive Director

ATTEST:

ATTACHMENT A

**CITY OF URBANA
INDIRECT HOMEBUYER ASSISTANCE
LAND-USE REGULATORY AGREEMENT**

THIS LAND-USE REGULATORY AGREEMENT (the “Agreement”) is made and entered into as of this _____ day of _____, 20__, by and between _____ (the “Grantee”), and the City of Urbana, Illinois, a unit of local government having its principal offices at 400 South Vine Street, Urbana, Illinois 61801 (the “Grantor”).

RECITALS

- A. The Grantor receives funds to promote affordable housing from the U.S. Department of Housing and Urban Development (“HUD”) through the HOME Investment Partnerships Program (the “HOME Program”), as authorized by Title II of the National Affordable Housing Act of 1990 (P.L. 101-165) (the “HOME Act”) and the regulations promulgated thereunder and codified at 24 CFR Part 92 (the “HOME Regulations”), as may be amended and supplemented from time to time. All capitalized terms used herein and not otherwise defined shall have the meaning established in the HOME Act and the HOME Regulations.
- B. The Grantor receives funds to promote affordable housing from HUD through the Community Development Block Grant Program (the “CDBG Program”), as authorized by the Housing and Community Development Act of 1974 (the “CDBG Act”) and the regulations promulgated thereunder and codified at 24 CFR Part 570 (the “CDBG Regulations”), as may be amended and supplemented from time to time. All capitalized terms used herein and not otherwise defined shall have the meaning established in the CDBG Act and the CDBG Regulations.
- C. The Grantor has elected to utilize funds from the CDBG Programs to promote homeownership to low-income families through which the Grantor acquired and prepared property commonly known as 708 N. Goodwin Ave., Urbana, Illinois, more particularly described in Exhibit A (the “Property”) for conveyance to Habitat for Humanity of Champaign County (hereinafter “Habitat”) for use in Habitat’s new-construction homeownership program.
- D. The Grantor has determined that the rights and restrictions granted herein to the Grantee serve the public’s interest in the creation and retention of affordable housing for low-income persons and families in the restriction of whom the Property may be resold to in order to assure the property’s affordability by future low-income purchasers.

- E. Pursuant to City of Urbana Community Development Department Policy, eligible purchasers such as the Grantee are given the opportunity to purchase the Property through Habitat below the property's appraised fair market value if the Grantee agrees to convey the property on resale to an income eligible purchaser.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. **RECITALS.** The foregoing recitals are made a part of this Agreement.
2. **GENERAL CONDITIONS.** This Agreement shall be subject to, and Grantee agrees to comply with the terms and conditions of the HOME and CDBG Acts and Regulations, as amended and supplemented from time to time.
3. **GRANTEE CERTIFICATIONS.** The Grantee certifies to the Grantor the following.
 - (a) **Title.** Habitat has transferred ownership of the Property to the Grantee. Grantee holds fee simple title to the Property.
 - (b) **Residence.** Grantee will use the Property as Grantee's primary place of residence for a period of ten (10) years from the date of this Agreement.
 - (c) **Household Income.** At the time of purchase, the Grantee's family income does not exceed eighty percent (80.0%) of the median family income based upon family size, for Champaign County, Illinois as determined by HUD.
4. **AFFORDABILITY REQUIREMENTS.** The Grantee agrees that this Agreement shall restrict the subsequent sale of the Property to a household having income at or below eighty percent (80.0%) of the median family income based upon family size, for Champaign County, Illinois as determined by HUD.

This requirement will terminate ten (10) years from the date of this Agreement.
5. **ACTS REQUIRING GRANTOR'S APPROVAL.** Grantee shall not convey or transfer or encumber the Property, or permit the conveyance or transfer of the Property or any part thereof without the written approval from the Grantor. In order to transfer the Property, the Grantor must document the household income of any new buyer to ensure that the new household's income is at or below eighty (80.0%) of the median family income based upon family size for Champaign County, Illinois as determined by HUD.
6. **PROPERTY TRANSFER.** If Grantee transfers ownership of the Property during the affordability period as defined in Section 4, and the Property is transferred to a low-income family as defined in Section 5, the Grantee will be allowed to retain all sales proceeds.

7. **FORECLOSURE.** The income-eligibility of subsequent purchasers and affordability restrictions applicable to this Property do not terminate after foreclosure on this Property.
8. **VIOLATION OF AGREEMENT BY GRANTEE.** Upon violation of the affordability requirements of this Agreement by the Grantee, Grantor shall give written notice thereof to Grantee. If such violation is not corrected to the satisfaction of Grantor within thirty (30) days after the date such notice is mailed, or within such further time as the Grantor in its sole discretion permits (but if such violation is of a nature that it cannot be cured within such thirty (30) day period, then so long as the Grantee commences to cure within such thirty (30) day period and diligently pursues such cure to completion within a reasonable period not to be considered a violation), Grantee may declare a default under this Agreement, effective on the date of such declaration of default and notice thereof to the Grantee, and upon such default Grantor may:
 - (a) Require that the Property be purchased by a household that meets the affordability requirements in Section 4.
 - (b) Require that the Grantee pay the Grantor an amount equal to the land value as determined by the most recent tax assessment.
9. **TERMS OF AGREEMENT; COVENANTS RUN WITH PROPERTY.** The requirements and agreements set forth in this Agreement shall be deemed to run with, bind, and burden the Property and shall be deemed to bind any New Buyer and any other future owners of the Property and the holder of any legal, equitable, or beneficial interest therein for the Affordability Period.
10. **INDEMNIFICATION.**
 - (a) The Grantee shall indemnify the Grantor and the Grantor's officers, agents, employees, or servants against, and hold them harmless from, liabilities, claims, damages, losses, and expenses, including but not limited to, legal defense costs, attorneys' fees, settlements, or judgments, whether by direct suit or from third parties, arising out of the Grantee's purchase of the Property in any claim or suit brought by a person or third party against the Grantor or the Grantor's officers, agents, employees, or servants.
 - (b) If a claim or suit is brought against the Grantor or the Grantor's officers, agents, employees, or servants, for which the Grantee is responsible pursuant to Subsection (a) above, the Grantee shall defend, at the Grantee's cost and expense, any suit or claim, and shall pay resulting claims, judgments, damages, losses, costs expenses, or settlements against the Grantor or the Grantor's officers, agents, employees, or servants.
11. **AMENDMENT.** This Agreement shall not be altered or amended except in writing and signed by the parties hereto.

12. **COUNTERPARTS.** This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written.

GRANTEE:

<<NAME>>

<<Name>>

GRANTOR:

CITY OF URBANA, ILLINOIS

By: _____

John A. Schneider, Manager
Grants Management Division
City of Urbana

Prepared by:

Grants Management Division

City of Urbana

400 South Vine Street

Urbana, Illinois 61801

(217) 384-2447

Return to:

Grants Management Division

City of Urbana

Attn: HOME Coordinator

400 South Vine Street

Urbana, Illinois 61801

WARRANTY DEED

THIS INDENTURE WITNESSETH, that the Grantor, THE CITY OF URBANA, ILLINOIS, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Illinois, for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, and pursuant to authority given by the City Council of the City of Urbana, Illinois, by virtue of Ordinance No. _____, CONVEYS AND WARRANTS to Habitat for Humanity of Champaign County, an Illinois not-for-profit corporation, the following described real estate, to-wit:

DESCRIPTION OF REAL ESTATE

The South Half of Lots 9 and 10 in S.D. Van Wegen's Addition to Urbana, Illinois, situated in Champaign County Illinois;

PIN: 91-21-07-427-002;

Commonly known as 708 N. Goodwin Ave., Urbana, Illinois

Subject to:

- (1) Real estate taxes for the year 2006 and subsequent years;
- (2) Covenants, conditions, restrictions, and easements apparent or of record;
- (3) All applicable zoning laws and ordinances.

IN WITNESSETH, said Grantor has caused its corporate seal to be affixed, and has caused its name to be signed to these presents by LAUREL LUNT PRUSSING, its Mayor, and attested by Phyllis D. Clark, its City Clerk, this ____ day of _____, 2006.

CITY OF URBANA, ILLINOIS

By: _____
Laurel Lunt Prussing, Mayor

ATTEST:

By: _____
Phyllis D. Clark, City Clerk

STATE OF ILLINOIS)
) SS.
COUNTY OF CHAMPAIGN)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that LAUREL LUNT PRUSSING, personally known to me to be the Mayor of the City of Urbana, Illinois, the GRANTOR, and PHYLLIS D. CLARK, personally known to me to be the City Clerk of the City of Urbana, Illinois, 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 Laurel Lunt Prussing, Mayor, and Phyllis D. Clark, City Clerk, they signed and delivered the said instrument and caused the corporate seal of the City to be affixed thereto, pursuant to authority given by the City Council of said City by virtue of Ordinance No. _____ as their free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this ____ day of _____, 2006.

Notary Public

Exempt under provisions of Paragraph (b), Section 4, Real Estate Transfer Act (35 ILCS 305/4(b)).

Date: _____ Signature: _____

Deed Prepared By:
Jack Waaler, City Attorney
City of Urbana
400 South Vine Street
Urbana, Illinois 61801

Return Deed, Send Tax Bill To:
Habitat for Humanity
of Champaign County
111 North Market Street
Champaign, Illinois 61820

QUIT CLAIM DEED

THIS INDENTURE WITNESSETH, that the Grantor, Habitat for Humanity of Champaign County, an Illinois not-for-profit, for and in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, CONVEYS AND QUIT CLAIMS to THE CITY OF URBANA, ILLINOIS, a municipal corporation, of 400 South Vine Street, in the City of Urbana, County of Champaign, and the State of Illinois, all interest in the following described real estate, to wit:

DESCRIPTION OF REAL ESTATE

The South Half of Lots 9 and 10 in S.D. Van Wegen's Addition to Urbana, Illinois, situated in Champaign County Illinois;

PIN: 91-21-07-427-002;

Commonly known as 708 N. Goodwin Ave., Urbana, Illinois

Subject to:

- (1) Real estate taxes for the year 2006 and subsequent years;
- (2) Covenants, conditions, restrictions, and easements apparent or of record;
- (3) All applicable zoning laws and ordinances.

Situated in the County of Champaign and State of Illinois hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

Dated this _____ day of _____, 2006.

By: _____
Laura Huth, Executive Director

ATTEST:

By: _____
