



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Bruce K. Walden, Chief Administrative Office

FROM: Elizabeth Tyler, AICP, City Planner/Director

DATE: December 4, 2002

SUBJECT: AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A COMPREHENSIVE AGREEMENT TO SETTLE ALL OUTSTANDING MATTERS WITH THE PUBLIC INTEREST FUND OF ILLINOIS (FORMERLY KNOWN AS ILLINOIS CENTER FOR CITIZENS INVOLVEMENT)

Description

The City of Urbana and Urbana HOME Consortium have entered into a number of agreements with the Public Interest Fund of Illinois (formerly known as the Illinois Center for Citizen Involvement) to pursue the production of affordable housing.

In light of the decision by the Public Interest Fund of Illinois to no longer directly pursue the activities associated with the production of affordable housing, both parties desire an agreement to identify and resolve all remaining issues outstanding resulting from the previous agreements.

Issues

The issue concerns City Council approval of the terms and conditions of the COMPREHENSIVE AGREEMENT TO SETTLE ALL OUTSTANDING MATTERS WITH THE PUBLIC INTEREST FUND OF ILLINOIS (FORMERLY KNOWN AS ILLINOIS CENTER FOR CITIZENS INVOLVEMENT).

Background

In the spring of 2002, the Public Interest Fund of Illinois (PIFI) informed city staff that they were evaluating their programming and that their organization would no longer be directly involved with the production of affordable housing. The PIFI indicated that they would complete obligations under the HomeBuild3 Agreement, but would not complete the Eads at Lincoln Homebuyer Program, nor the HomeBuild4 Program.

After consideration of this development, Community Development staff and the City Legal Department determined that an agreement should be prepared to address all outstanding issues and concerns. The PIFI agreed that a written agreement (hereafter "Agreement") would be appropriate.

Item 1. of the Agreement provides that PIFI will complete the construction of affordable homes on the following properties:

914 N. Third Street, Champaign
916 N. Third Street, Champaign
1103 N. Harvey, Urbana

Staff understands that construction of these houses is complete and closing are planned for the week of December 9, 2002. As such, these houses should be ready for occupancy by the December 31, 2002 deadline.

Items 2. of the Agreement provides that all project records be provided to the Urbana HOME Consortium. This will aid in meeting federal requirement of retaining project records.

Items 3. and 4. of the Agreement provides that information on the prospective homebuyers, and documents related to design concerns of the Eads at Lincoln Project be provided to the Urbana HOME Consortium. This will help to ensure a more seamless transition from PIFI to another Community Housing Development Organization (CHDO) to complete this project.

Item 5. of the Agreement will aid in monitoring any future warranty concerns that the homebuyers may identify.

Item 6. of the Agreement addresses the properties that are associated with the Eads at Lincoln project. At the outset of the Eads at Lincoln Project, city staff placed the following properties into escrow, whereby they would be conveyed to a homebuyer at closing.

902 Washer, Urbana
908 West Eads, Urbana
910 West Eads, Urbana
916 West Eads, Urbana

The Agreement provides that PIFI has no further legal interest in the above parcels and if requested will execute a quitclaim deed for the parcels to the City of Urbana.

An additional provision is included for 1105 North Harvey. When this homebuyer project was ready to begin, PIFI conveyed the property from escrow to the homebuyer, Tori Exum, on the condition that the homebuyer build a qualified house on the property and that if this condition was not met, the property would be released back to PIFI. No construction activity was ever pursued on the property. The Agreement provides that PIFI will assign all right, title and interest in 1105 North Harvey and assign their agreement with Tori Exum to the City of Urbana. This provision will ensure that the property can revert to the City of Urbana, should a qualified house not be built on the property.

Item 7. of the Agreement addresses the consideration that homebuyers that have benefited from

the investment of HOME funds in their homes, meet the condition that should they sell their house prior to end the defined affordability period, they must sell to another persons/household that is below 80% median family income. HUD provides that if the house does not sell within a time frame agreed to by the Urbana HOME Consortium and the seller, the home can be sold to an interested buyer and that a portion of the proceeds could be returned to PIFI, who served as the developer.

The Agreement provides that PIFI assign all right of interest of any repayment of monies associated with previous housing projects to the Urbana HOME Consortium.

Item 8. of the Agreement simply provides that PIFI will reimburse the Urbana HOME Consortium should any billing or expenses be determined to not be properly or legally expended. This provision also aids in addressing any concerns that might arise from the use of federal funding for previous projects.

Fiscal Impacts

Staff believes that the Agreement provides the City of Urbana with adequate protection against future liabilities associated with the previous agreements with PIFI to produce affordable housing.

Further, Item 9. of the Agreement provides that once the Agreement is executed no further funds are owed either party and that each party will release the other from any future claims and demands.

Recommendations

Staff recommends that City Council approve the ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A COMPREHENSIVE AGREEMENT TO SETTLE ALL OUTSTANDING MATTERS WITH THE PUBLIC INTEREST FUND OF ILLINOIS (FORMERLY KNOWN AS ILLINOIS CENTER FOR CITIZENS INVOLVEMENT)

Memorandum Prepared By:

Bob Grewe, AICP
Grants Management Division, Manager

Attachments:

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A COMPREHENSIVE AGREEMENT TO SETTLE ALL OUTSTANDING MATTERS WITH THE PUBLIC INTEREST FUND OF ILLINOIS (FORMERLY KNOWN AS ILLINOIS CENTER FOR CITIZENS INVOLVEMENT)

A COMPREHENSIVE AGREEMENT TO SETTLE ALL OUTSTANDING MATTERS WITH THE PUBLIC INTEREST FUND OF ILLINOIS (FORMERLY KNOWN AS ILLINOIS CENTER FOR CITIZENS INVOLVEMENT)

ORDINANCE NO. 2002-12-138

AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A COMPREHENSIVE AGREEMENT TO SETTLE ALL OUTSTANDING MATTERS WITH THE PUBLIC INTEREST FUND OF ILLINOIS (FORMERLY KNOWN AS THE ILLINOIS CENTER FOR CITIZEN INVOLVEMENT)

WHEREAS, the City of Urbana, the City of Champaign, and the County of Champaign, have been jointly designated as a participating jurisdiction by the U.S. Department of Development (hereinafter simply "HUD") for the purpose of receiving Home Investment Partnership Program Funds in the name of the "Urbana Home Consortium" under the provisions of Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended (42 U.S.C. 12701 et. seq.) (hereinafter Housing and Urban simply "National Affordable Housing Act") for the purpose of increasing affordable housing opportunities for low-income residents of Urbana, Champaign and the unincorporated Champaign County; and

WHEREAS, pursuant to such, over the past several years, the Urbana Home Consortium and PIFI have entered into several agreements to implement affordable housing programs; and
WHEREAS, PIFI has indicated its desire to not continue further direct involvement in the production of affordable housing units, and has indicated that they do not wish to continue to complete the Eads at Lincoln Project; and WHEREAS, all the agreements above referred to, utilizing funds from Federal grants, have continuing obligations on both parties to

AYES: NAYS:

ABSTAINS:

Clerk
Phyllis D. Clark, City

APPROVED by the Mayor this day of

Tod Satterthwaite, Mayor

Exhibit 1

Unit	Address	Lender	<50% MFI	51-60% MFI	61-80% MFI	Final Closing Date	Warranty Period Status
1	804 W. Sunssset Drive, Urbana	1st Midwest F Dimaria	X			2/29/00	Expired
2	802 W. Sunset Drive, Urbana	Busey D. Gillon	X			3/29/00	Expired
3	708 W. Sunset Drive, Urbana	Busey D. Gillon		X		5/13/00	Expired
4	1101 W. Hil St., Urbana	Busey D. Gillon	X			5/13/00	Expired
5	21 E. Beardasley, Champaign	Bank Illinois Patty Carter	X			6/30/00	Expired
6	1409 W. Beslin St., Urbana	Bank Illinois Patty Carter	X			9/7/00	Expired
7	109 W. Vine St., Champaign	Central Illinois Bank Linda Moody		X		1/19/01	Expired
8	903 N. Hickory, Champaign	Busey D. Gillon	X			1/25/01	Expired
9	1210 N. Hickory, Champaign	Busey D. Gillon	X			2/9/01	Expired
10	503 N. Ash St., Champaign	Busey D. Gillon	X			2/9/01	Expired
11	1107 W. Fairview, Urbana	Busey D. Gillon	X			3/8/01	Expired
12	403 W. Maple St., Champaign	Bank Illinois Patty Carter	X			1/4/02	1/4/2003
13	107 E. Church St., Champaign	Kankakee Federal Dan Wright		X		1/25/02	01/25/03

14	1101 N. Gregory St., Urbana	Bank Illinois Patty Carter	X		1/25/02	01/25/02
15	1101 N. Harvey St., Urbana	Bank Illinois Patty Carter		X	1/31/02	01/25/02
16	1103 N. Harvey St., Urbana	Busey D. Gillon	X		12/12/02	12/13/03
17	914 N. Third St., Champaign	Bank Illinois Patty Carter	X		12/13/02	12/13/03
18	916 N. Third St., Champaign	Busey D. Gillon		X	12/13/02	12/13/03