



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor, City of Urbana

FROM: Elizabeth H. Tyler, FAICP, Community Development Director

DATE: March 7, 2013

SUBJECT: **A RESOLUTION CERTIFYING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR THE URBANA HOME CONSORTIUM FOR FY 2012-2013 (Neighborhood Alliance)**

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Champaign County Neighborhood Alliance for Habitat Affordable Homeownership Program FY 2012-2013)

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Champaign County Neighborhood Alliance for Habitat CHDO Operating March 2013)

Description

Included on the agenda of the March 11, 2013 meeting of the Urbana Committee of the Whole is a resolution certifying Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance) as a Community Housing Development Organization (CHDO) in order to be eligible to receive the contracts proposed using Fiscal Year (FY) 2010-2011 and FY 2011-2012 CHDO funds as part of the HOME Investment Partnerships Program. Neighborhood Alliance has met all of the Federal HOME Program requirements for certification as a CHDO in the current fiscal year.

The funding proposed is a \$161,279.89 CHDO contract for the construction of four single-family units in the Community Development Target Area, which includes \$2,000 for qualified demolition expenditures, as well as a separate contract for \$28,000 in CHDO operating funds. Receipt of these funds is contingent upon certification, per regulations established by HUD.

Background

In order to receive CHDO Project and Operating funds from the Urbana HOME Consortium, a

non-profit must be organized according to HOME Program regulations at the time project funds are awarded. Certification requirements include: board make-up, nonprofit status, history of serving the community, and a number of other criteria. Staff has worked with Neighborhood Alliance to ensure that all of the qualifications are met satisfactorily.

The Department of Housing and Urban Development (HUD) has recently changed the requirements for issuing grant funds to CHDOs, in that each time new funds are allocated to a CHDO, the Consortium must certify that organization at the time the contract is awarded. The Consortium has adopted this policy in conformance to current regulations and will no longer certify CHDOs on an annual basis. Rather, a CHDO must be recertified each time an application for funding is approved, which may be several times each year.

The attached application for CHDO funding details the proposed project. Four units are to be constructed, with subsidy requested for development subsidy, down payment assistance, and a developer fee. Two of the lots that are presented for transfer require demolition: 1409 and 1411 North Beech Street. A parking lot currently stands on one of the lots that must be torn up prior to commencing construction. A total of \$161,279.89 in CHDO funding has been recommended by the HOME Technical Committee, which consists of the members of the Urbana HOME Consortium: the City of Champaign, Champaign County, and the City of Urbana.

The HOME Technical Committee has also agreed that CHDO Operating funds should be disbursed in accordance with the quantity of construction work being performed. Based on the operating funds available at the time the recommendations were made, the Committee agreed that operating funding would be prorated on a per unit basis at a rate of \$7,000 for each house constructed under a new contract. The policy will hopefully encourage CHDOs to increase building capacity.

Neighborhood Alliance is eligible to receive the CHDO project and operating funding described above according to the regulations stipulated in 24 CFR Part 92, and staff recommends approval of the Resolutions as presented.

On December 21, 2012, notice of a public hearing was posted regarding the proposed amendment to Annual Action Plans for Fiscal Years (FY) 2011-2012 and FY 2012-2013. Minutes from the public hearing, which took place on January 8, 2013, are attached to this memorandum.

On February 26, 2013, the Community Development Commission reviewed the proposed Resolutions and voted to forward the Resolutions to City Council with a unanimous recommendation for approval. Minutes from the regular meeting of the CD Commission are attached.

Options

1. Approve the Resolutions.
2. Approve the Resolutions with changes.

3. Do not approve the Resolutions.


Fiscal Impacts

The proposed certification and contracts will allow staff to disburse grant funding in accordance with the timeliness requirements stipulated by the HOME Program guidelines. Match funding will be provided by the CHDO, and the City Budget, which already accounts for the grant funding being amended, will therefore not be impacted.

Recommendations

Staff and the Community Development Commission recommend that the Urbana City Council approve the Resolutions as written.

Memorandum Prepared By:



Jen Gonzalez
HOME Grant Coordinator
Grants Management Division

Attachments:

Certification:

1. A RESOLUTION CERTIFYING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR THE URBANA HOME CONSORTIUM (Neighborhood Alliance)
2. *Application for CHDO Certification – Neighborhood Alliance*

Project Agreement:

3. A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Champaign County Neighborhood Alliance for Habitat Affordable Homeownership Program FY 2012-2013)
4. *An Urbana HOME Consortium Community Housing Development Organization Developer Agreement (Champaign County Neighborhood Alliance for Habitat CHDO Developer Affordable Homeownership Program FY 2012-2013)*
5. Application for Funding

Operating Agreement:

6. A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Champaign County Neighborhood Alliance for Habitat CHDO Operating March 2013)
7. *An Urbana HOME Consortium Community Housing Development Organization Agreement (Champaign County Neighborhood Alliance for Habitat CHDO Operating FY 2012-2013)*
8. Application for Funding

Minutes:

9. *Minutes from the January 8, 2013 public hearing held in the Urbana City Council Chambers regarding the first proposed amendment amendment, with supporting documentation.*
10. *Minutes from the March 1, 2013 public hearing held in the Urbana City Council Chambers regarding the second proposed amendment, with supporting documentation.*
11. *Unapproved minutes from the February 26, 2013 regular meeting of the Urbana Community Development Commission.*

RESOLUTION NO. _____

A RESOLUTION CERTIFYING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION
FOR THE URBANA HOME CONSORTIUM

(Champaign County Neighborhood Alliance for Habitat 2013)

WHEREAS, the City Council of the City of Urbana, Illinois, has found and determined that certification of the Champaign County Neighborhood Alliance for Habitat as a Community Housing Development Organization for the Urbana HOME Consortium for FY 2012-2013 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 FY 2010-2014 Consolidated Plan*,

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

Section 1. That the Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance) be identified and certified as a Community Housing Development Organization (CHDO) for the Urbana HOME Consortium for FY 2012-2013, and as such, be eligible to request specific HOME funds set aside for use by CHDOs, under regulations set forth by the U.S. Department of Housing and Urban Development.

Section 2. That said certification and the benefits afforded by it be in effect until June 30, 2014, or until such time that Council be informed of conditions necessitating a change in the status of Homestead Corporation as a CHDO.

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



RECEIVED
FEB 18 2013
BY: _____

400 South Vine St.
Urbana, IL 61801
(217) 384-2335

jmgonzalez@urbanaininois.us

City of Urbana

City of Champaign

Champaign County

Community Housing Development Organization (CHDO) Certification Application

Legal Name of Organization: Champaign County Neighborhood Alliance for Habitat

Address: 119 E University Ave, Champaign, IL

Contact Person/Title: Sheila Dodd, Executive Director for Habitat

Phone: 217-819-5111 Fax: 217-363-3373

E-mail Address: director@cuhabitat.org

Chief Executive Officer: Sheila Dodd, Executive Director

The following documentation must be submitted with certification form in order for the applying organization to be considered for Community Housing Development Organization (CHDO) designation. Organizations already certified must complete this application each time funding is awarded. Please indicate in the spaces provided the section in the application package and the page number containing each of the requirements. CHDO designation must be approved by the Urbana HOME Consortium (UHC) prior to competing for CHDO set-aside funding.

DO NOT COMPLETE THIS SECTION – FOR UHC USE ONLY

Date Application Received: _____
Date Reviewed by UHC Technical Committee: _____
Approved or Declined: _____
Date Notification Letter Sent to Applicant: _____

Please indicate page number:

1. ✓ ✓

The organization must provide UHC with **each** of the following:

- Articles of Incorporation
- Bylaws

2. page 2

A provision "to provide decent and affordable housing to very low- and low-income persons" must be included in the Articles of Incorporation.

3. 6/15/11

A copy of the ruling letter from the Internal Revenue Service that indicates the organization has been conditionally designated or has received 501(c) tax-exempt status.

4. 2/6/13

Documentation from the Office of the Illinois Secretary of State that the Organization is in good standing. If the organization is newly created and is less than one year old, incorporation documents will suffice.

5. Page 2
Champaign Co

Indicate the organization's service area (i.e., city, town, or county). This must be included in the Articles and/or Bylaws.

6. 1/19/12

A certification from a Certified Public Accountant that the organization meets standards of financial management and accountability that conform to Attachment F of OMB Circular A-110 (24 CFR Part 84), A-133 and A-122.

7. 2/14/13

A signed resolution from the applicant organization's Board of Directors approving the submittal of this application.

8. see attached

A listing of the CHDO Board of Directors. Each director must be identified by name, occupation, employer and which sector (private, public or low-income) he/she will represent. In addition, board members who are to represent low-income residents must supply verification that they are either low-income themselves, a resident of a low-income neighborhood or an elected representative of a low-income neighborhood or organization.

- At a minimum, one-third of the board must be comprised of low-income representatives and a maximum of one-third of the board may be public officials, appointees or employees of the UHC. Furthermore, this board composition requirement and election procedure must be included in the bylaws.
- Each director may only represent a single sector (i.e., low-income or public official, but not both).

9. page 3 bylaws

A description of the formal process the organization has established for low-income beneficiaries to advise the CHDO on project design, location of sites, development and management of affordable housing. This process must be included in the bylaws.

10. Exhibit A

- The low-income advisory process is not satisfied by having low-income representatives on the board of directors, nor by participating in the City of Urbana's, City of Champaign's, nor the Urbana HOME Consortium's public meetings and hearings.

A projected five-year strategic business plan to include all anticipated funding sources.

11. Exhibit B

- The business plan must be delineated by year and contain specific, measurable goals regarding affordable housing unit production and number of households to be assisted, as well as other long-range individual and community development goals of the CHDO.

A list and description of the community service and affordable housing experience of the organization, its key personnel and board, and/or consultants, including both successful and non-successful projects.

- If the applicant organization has been in existence for less than one year, it must demonstrate that its parent organization (if applicable) has at least one year's experience serving the community.

12. If the CHDO Applicant is sponsored or created by a for-profit entity, please talk to Jen Gonzalez for additional information at 217-384-2335.

The undersigned does hereby certify that to the best of his/her knowledge, the above assertions and document submissions are true and accurate. Further, the undersigned certifies to the best of his/her knowledge that said agency is in compliance with all HOME Program regulations.



Chief Executive Officer

2/15/13
Date

The Urbana HOME Consortium is supported by Federal HUD funds. Applicants and their representatives are subject to penalties for false or fraudulent statements as set forth by U.S.C. Title 18, Section 1001: "Whoever, in any matter within the jurisdiction of any department or agency of the United States, knowingly and willfully falsifies or makes false, fictitious or fraudulent statements or representation, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000, or imprisoned not more than five years, or both."

Timeline and Funding for CHDO Homes 2013

1411 Beech – Women Build fund will contribute up to \$35,000 towards construction of the home. Groundbreaking will start end of March with anticipated construction completion by September 30, 2013.

1409 Beech – First Mennonite Church will contribute up to \$35,000 towards construction of the home. Groundbreaking will start end of April with anticipated construction completion by September 30, 2013.

605 Louisiana – Windsor Road Christian Church will contribute up to \$35,000 towards construction of the home. Groundbreaking will start in May with anticipated construction completion by November 30, 2013.

1304 Williamsburg – Habitat will contribute up to \$35,000 towards construction of the home. Groundbreaking will start end of May with anticipated construction completion by December 31, 2013.

ARTICLES OF INCORPORATION

FOR

CHAMPAIGN COUNTY NEIGHBORHOOD ALLIANCE FOR HABITAT

I, the undersigned natural person, of the age of eighteen (18) years or more and a citizen of the State of Illinois, acting as incorporator of a corporation under the Illinois General Note for Profit Corporation Act of 1986, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE ONE

The name of the corporation (the "Corporation") is Champaign County Neighborhood Alliance for Habitat.

ARTICLE TWO

The Corporation is a nonprofit corporation and shall have all of the powers, duties, authorizations and responsibilities as provided in the Illinois General Note for Profit Corporation Act of 1986. Notwithstanding the foregoing, the Corporation shall neither have nor exercise any power, nor engage directly or indirectly in any activity, that would invalidate its status as an organization exempt from federal income tax and described in Section 201(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision or provisions of any subsequent United States Internal Revenue law or laws (the "Code").

ARTICLE THREE

The period of the Corporation's duration is perpetual.

ARTICLE FOUR

The Corporation is organized and shall be operated exclusively for charitable and educational purposes within the meaning of Section 201(c)(3) of the Code. Within the scope of the foregoing purposes, the Corporation is organized and shall be operated as a supporting organization of Champaign County Habitat for Humanity and ReStore, an Illinois nonprofit

corporation which; (i) is exempt from federal income taxation under Section 501(c)(3) of the Code; (ii) is not a private foundation within the meaning of Section 509(a) of the Code; and (iii) seeks to implement the gospel of Jesus Christ throughout the United States and around the world by working with economically disadvantaged people to help them create a better human habitat in which to live and work, the primary goal being to provide decent, affordable housing to low income individuals and families. The Corporation shall support and benefit Champaign County Habitat for Humanity and ReStore by, amount other things, carrying out the mission set forth in Habitat for Humanity's International Affiliated Covenant and, more specifically, increasing eh supply of affordable housing units in Champaign County, Illinois. The Corporation has a primary purpose to provide decent and affordable housing to low-income and moderate-income individuals and families. The assets and properties of the Corporation are hereby pledged for use in performing it's exempt functions.

ARTICLE FIVE

The Corporations shall have no members.

ARTICLE SIX

No part of the net earnings of the Corporation shall inure to the benefit of any director or officer of the Corporation, or any private individual; provided, however, that reasonable compensation may be paid for services rendered to or for the Corporation and expenses may be reimbursed or paid in furtherance of one or more of its purposes.

ARTLCLE SEVEN

No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting influence legislation (except as permitted by Section 501(h) of the Code), and the Corporation shall not participate or intervene in (including the publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

ARTICLE EIGHT

Notwithstanding any other provision of these Articles of Incorporation, if this Corporation shall be, or shall be deemed to be, a private foundation as described in Section 509(a) of the Code, the (a) the Corporation shall make distributions in each taxable year at such time and in such manner as not to subject the Corporation to tax under Section 4942 of the Code, and (b) the Corporation is expressly prohibited from engaging in any act of self-dealing as defined in Section 4941(d) of the Code, from retaining any excess business holdings as defined in Section 4943(c) of the Code, from making any investments in manner as to subject the Corporation to tax under Section 4944 of the Code and from making any taxable expenditures as defined in Section 4945(d) of the Code.

ARTICLE NINE

In the event the Corporation is dissolved, the Board of Directors shall, after all liabilities and obligations of the Corporation are paid or provision is made therefore, adopt a plan for the distribution of the remaining assets of the Corporation to or for the benefit of Champaign County Habitat for Humanity and ReStore or any successor organization or organizations with substantially similar purposes. If (i) Champaign County Habitat for Humanity and ReStore is then no longer in existence and there is no successor organization or organizations with substantially similar purposes, or (ii) Champaign County Habitat for Humanity and ReStore is not at that time an organization described in Section 501(c)(3) of the Code that is not a private foundation, then such remaining assets shall be distributed to one or more organizations that are organized and operated exclusively for charitable or educational purposes, and that are exempt from federal income tax under Section 501(c)(3) of the Code and are not private foundations. Any of such assets not so disposed of shall be disposed of by the Probate Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes. No director or officer of the Corporation and no private individual will be entitled to share in the distribution of any assets of the Corporation in the event of its dissolution.

ARTICLE TEN

The Board of Directors of the Corporation shall be the governing body of the Corporation. The entire Board of Directors shall be elected by the Board of Directors of the Champaign County Habitat for Humanity and ReStore. The number of directors may be changed from time to time in the manner provided for the Bylaws of the Corporation, but in no event shall there be less than three (3) directors. At all times, no less than one-third (1/3) of the Board of Directors must be comprised of residents of the low income community, low income residents of the Corporations target area (Champaign County), or elected representatives of low income neighborhood organizations. The number of directors constituting the present Board of Directors is five (5), and their names are as follows:

ARTICLE ELEVEN

The Board of Directors of the Corporation shall have the power to adopt, alter, amend or repeal the Bylaws of the Corporation and the power to amend or restate these Articles of Incorporation.

ARTICLE TWELVE

The Corporation shall indemnify any person who was, is, or is threatened to be made a named defendant or respondent in a proceeding (as hereinafter defined) because the person (i) is or was a director or officer of the Corporation or (ii) while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, to the fullest extent that a corporation may grant indemnification to a director under the Illinois General Note for Profit Corporation Act of 1986, as the same exists or may hereafter be amended.. Such right shall be contract right and shall include the right tot be paid by the Corporation expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the Illinois General Note for Profit Corporation Act of 1986, as the same exists or may hereafter be amended. If a claim for indemnification or advancement of expenses hereunder is not paid in full by the Corporation within 90 days after a written claim has been received by the Corporation, the claimant may at

any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to also be paid the expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense is not permitted under the Illinois General Note for Profit Corporation Act of 1986, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors or any committee thereof or special legal counsel) to have made its determination prior to commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor a actual determination by the Corporation (including its Board of Directors or any committee thereof or special legal counsel) that such indemnification or advancement is not permissible shall be a defense to the action or create a presumption that such indemnification or advancement is not permissible. In the event of the death of any person having a right of indemnification under the foregoing provisions, such right shall inure to the benefit of such person's heirs, executors administrators and personal representatives. The rights conferred above shall not be exclusive of any other right which any person may have or hereafter acquire under any statute bylaw, resolution of directors, agreement or otherwise. The Corporation may additionally indemnify any person covered by the grant of mandatory indemnification contained in this Article to such further extent as is permitted by law and may indemnify any other person to the fullest extent permitted by law. The Corporation may purchase and maintain insurance or similar arrangement (including, but not limited to a trust fund, self insurance, a security interest or lien on the assets of the Corporation, or a letter of credit, guaranty or surety arrangement) on behalf of any person who is serving the Corporation (or another entity at the request of the Corporation) against any liability asserted against such person and incurred by such person in such a capacity or arising out of status as such a person, whether or not the Corporation would have the power to indemnify such person against that liability under this Article or by statute. Notwithstanding the other provisions of this Article, the Corporation may not indemnify or maintain insurance or similar arrangement on behalf of any person if such indemnification or maintenance of insurance or similar arrangement would subject the Corporation to income or excise tax under the Code.

ARTICLE THIRTEEN

A director of the Corporation shall not be personally liable to the Corporation for monetary damages for any act or omission in such director's capacity as a director, except that

this Article does not authorize the elimination of limitation of the liability of a director to the extent the director is found liable for: (i) a breach of the director's duty of loyalty to the Corporation; (ii) an act or omission not in good faith that constitutes a breach of duty of the director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of law; (iii) a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or (iv) an act or omission for which the liability of a director is expressly provided by an applicable statute. The foregoing elimination of liability to the Corporation and its members shall not be deemed exclusive of any other rights, limitations of liability or indemnity to which a director may be entitled under any other provision of the Articles of Incorporation or Bylaws of the Corporation, contract or agreement, vote of directors, principle of law or otherwise. Any repeal or amendment of this Article shall be prospective only, and shall not adversely affect any limitation or the personal liability of a director of the Corporation existing at the time of such repeal or amendment. In addition to the circumstances in which a director of the Corporation is not personally liable as set forth in the foregoing provisions of this Article, the liability of a director shall be eliminated to the full extent permitted by any amendment to the Illinois General Note for Profit Corporation Act of 1986 or Illinois incorporation laws hereafter enacted that further eliminates or permits the elimination of the liability of a director.

ARTICLE FOURTEEN

The address of the initial registered office of the Corporation is 119 E University Avenue, Champaign, IL 61824, and the name of the registered agent at such office is Beverly Huffman.

ARTICLE SIXTEEN

The name and address of the Incorporator is

IN WITNESS WHEREOF, I, _____ the undersigned Incorporator,
have hereto set my name this _____ day of _____ 2010.

,Incorporator

**BYLAWS
OF
CHAMPAIGN COUNTY NEIGHBORHOOD ALLIANCE FOR HABITAT**

**ARTICLE ONE
NAME, PURPOSES, POWERS AND OFFICES**

Section 1.1. **Name.** The name of this corporation (the "Corporation") is Champaign County Neighborhood Alliance for Habitat, an Illinois Not for Profit Corporation.

Section 1.2. **Purposes.** The Corporation is organized and shall be operated exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or the corresponding provision or provisions of any subsequent United States Internal Revenue law or laws (the "Code"). Within the scope of the foregoing purposes, the Corporation is organized and shall be operated to provide financial and operational support to Habitat for Humanity of Champaign County, Inc., an Illinois Not for Profit Corporation ("Habitat"), so that the Corporation and Champaign County, Illinois.

Section 1.3. **Powers.** The Corporation is a nonprofit corporation and shall have all of the powers, duties, authorizations and responsibilities as provided in the Illinois Not for Profit Corporation Act; provided, however, the Corporation shall neither have nor exercise any power, nor engage directly or indirectly in any activity, that would invalidate its status as a corporation that is exempt from federal income tax as an organization described in Section 501(c)(3) of the Code. The Corporation is not controlled, nor receives directions from, individuals or entities seeking profit from the Corporation.

Section 1.4. **Offices.** The Corporation may have, in addition to its registered office, offices at such places, both within and without the State of Illinois, as the Board of Directors may from time to time determine or as the activities of the Corporation may require.

Section 1.5. **Compliance with HUD Guidelines.** At all times, the Corporation and the Board of Directors shall conduct its activities and exercise its powers in compliance with the U.S. Department of Housing and Urban Development, Community Planning and Development, under its Guidance on Community Housing Development Organization (CHDOS) under the HOME Program ("HUD Guidelines").

**ARTICLE TWO
BOARD OF DIRECTORS**

Section 2.1. **General Powers; Delegation.** The activities, property and affairs of the Corporation shall be managed by its Board of Directors, who may exercise all such powers of the Corporation and do all such lawful acts and things as are permitted by statute, by the Articles of Incorporation or by these Bylaws. In furtherance of the foregoing, each director shall fulfill his or her duties in a manner consistent with the job description of Directors of the Corporation set forth in Exhibit A to these Bylaws.

Section 2.2. **Number and Qualifications.** The Board of Directors shall consist of a minimum of three (3) but no more than five (5) Directors as shall be determined from time to time by the Board of Directors of Habitat; however, no decrease in number shall have the effect of shortening the term of any incumbent director. At all times, no less than one third (1/3) of the Board of Directors must be comprised

of residents of the low-income neighborhoods in Champaign County, Illinois, low income residents of Champaign County, Illinois, or elected representatives of low income neighborhood organizations. No more than one third (1/3) of the board may be comprised of public officials, employees of the Corporation, or a state recipient. All of the Directors must be residents of Champaign County, Illinois.

In addition, each director must meet all qualifications provided by the HUD Guidelines. All terms are as defined by the HUD Guidelines.

Section 2.3. Term of Office. The initial Directors of the Corporation shall be those persons named in the Articles of Incorporation as the initial Directors, and they shall hold office until their successors are chosen and qualified pursuant to Section 2.2 of these Bylaws, or until their respective earlier deaths, resignations, retirements, disqualifications or removals from office. Thereafter, each director shall hold office for a one-year term until the next annual meeting immediately following such director's election and until such director's successor is chosen and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal from office. Directors may serve up to six (6) consecutive terms.

Section 2.4. Election. The entire Board of Directors of the Corporation shall be elected by the Board of Directors of Habitat. Such elections shall take place at the annual meeting of the Board of Directors of Habitat, unless required to be held earlier because of vacancies.

Section 2.5. Filling of Vacancies. Any vacancy occurring in the Board of Directors resulting from the death, resignation, retirement, disqualification or removal from office of any director shall be filled in the manner by which such director was elected. Any director elected to fill a vacancy shall hold office until the next annual meeting of the Board of Directors of the Corporation, and until such director's successor is chosen and qualified, or until such director's earlier death, resignation, retirement, disqualification or removal from office.

Section 2.6. Removal. Any director may be removed, either for or without cause, by the affirmative vote of Board of Directors of Habitat, if notice of the intention to act upon such matter shall have been given to the director proposed to be removed.

Section 2.7. Place of Meetings. Meetings of the Board of Directors shall be held at such places, within or without the State of Illinois, as may from time to time be fixed by the Board of Directors or as shall be specified or fixed in the respective notices or waivers of notice thereof.

Section 2.8. Annual Meetings. The annual meeting of the Board of Directors of the Corporation shall be held immediately after the annual meeting of the Board of Directors of Habitat, at such date and time as established by the Board of Directors of Habitat and as stated in the notice of meeting. At such annual meeting, the Board of Directors shall elect the officers of the Corporation, and shall transact such other business as may come before the meeting. Written or printed notice stating the place, day and hour of each annual meeting of the Board of Directors shall be delivered not less than ten (10) and no more than sixty (60) days before the date of such meeting to each trustee entitled to vote at such meeting.

Section 2.9. Regular Meetings. Regular meetings of the Board of Directors shall be held at such times and places as may be fixed from time to time by resolution adopted by the Board and communicated by notice to all Directors; except as otherwise provided by statute, by the Articles of Incorporation or by these Bylaws, any and all business may be transacted at any regular meeting.

Section 2.10. **Special Meetings.** Special meetings of the Board of Directors may be called by the President upon not less than three (3) and no more than 60 days' notice to each director. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of two (2) or more Directors; except as otherwise provided by statute, by the Articles of Incorporation or by these Bylaws, neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 2.11. **Quorum and Manner of Acting.** At all meetings of the Board of Directors, the presence of 51 percent of all board members then in office shall be necessary and sufficient to constitute a quorum for the transaction of business, except as otherwise provided by statute, by the Articles of Incorporation or by these Bylaws. Directors present by proxy may not be counted toward a quorum. The act of a majority of the Directors present in person or by proxy at a meeting at which a quorum is present shall be the act of the Board of Directors unless the act of a greater number is required by statute, by the Articles of Incorporation or by these Bylaws, in which case the act of such greater number shall be requisite to constitute the act of the Board. A director may vote in person or by proxy executed in writing by the director. No proxy shall be valid after three (3) months from the date of its execution. Each proxy shall be revocable unless expressly provided therein to be irrevocable and unless otherwise made irrevocable by law. If a quorum shall not be present at any meeting of the Directors, the Directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. At any such adjourned meeting at which a quorum shall later be present, any business may be transacted which might have been transacted at the meeting as originally convened.

Section 2.12. **Supermajority Actions of the Board.** At all meetings of the Board of Directors, the affirmative vote of 80 percent of all the Directors then in office shall be necessary for approval of the following actions of the board: (1) To borrow money; (2) To take Capital or Operating Loans; (3) To enter into Service Contracts and Leases for longer than five (4) years; (5) To convert the Company to another form of entity; (6) To merge the Corporation with another entity; (7) To sell or otherwise dispose of all or substantially all of the assets of the Corporation; and (8) To dissolve the Company.

Section 2.13. **Advisory Appointments.** The Directors by resolution may designate individuals to provide advice and guidance to the Corporation, which appointments shall not constitute authority, responsibility, or duties of a director in the management of the Corporation.

The Directors shall hold an Advisory Committee meeting at least once every calendar year (the "Advisory Meeting". The Advisory Committee shall consist of the current Directors, as well as six (6) appointed advisors. The advisors shall be appointed by the Directors on or before the date of the Advisory Meeting. The advisors appointed by the Directors must be low income residents of Champaign County, Illinois, or low-income residents of other counties who have responsibilities to low-income families or communities in Champaign County, Illinois. The purpose of the Advisory Meeting shall be to obtain advice and guidance of low-income residents regarding project design, location of sites, development and management of affordable housing by the Corporation. The results of the Advisory Meeting shall be presented to the Board of Directors of Habitat for Humanity of Champaign County as the official recommendation of the Corporation regarding projects for the upcoming year.

Section 2.14. **No Compensation.** Directors shall not receive compensation for their services as Directors or as members of a standing or special committee of the Board, but may receive reimbursement for expenses incurred on behalf of the Corporation.

ARTICLE THREE NOTICES

Section 3.1. **Manner of Giving Notice.** Whenever, under the provisions of any statute, the Articles of Incorporation or these Bylaws, notice is required to be given to any member of the Board of Directors or committee member of the Corporation, and no provision is made as to how such notice shall be given, it shall not be construed to require personal notice, but any such notice may be given in writing by hand delivery, by facsimile transmission, by electronic mail or other form of electronic communication if permitted by the Illinois Not for Profit Corporation Act, or by mail, postage prepaid, addressed to such trustee or committee member at such person's address as it appears on the records of the Corporation. Any notice required or permitted to be given by mail shall be deemed to be delivered at the time when the same shall be thus deposited in the United States mails, as aforesaid. Any notice required or permitted to be given by facsimile transmission or electronic mail or other form of electronic communication shall be deemed to be given upon successful transmission of such facsimile or electronic mail or other form of electronic communication.

Section 3.2. **Waiver of Notice.** Whenever any notice is required to be given to any director or committee member of the Corporation under the provisions of any statute, the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether signed before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE SIX OFFICERS, EMPLOYEES AND AGENTS: POWERS AND DUTIES

Section 3.1. **Elected Officers.** The elected officers of the Corporation shall include a President and a Secretary and may include one or more Vice Presidents, as may be determined from time to time by the Board (and in the case of any such Vice President, with such descriptive title, if any, as the Board shall deem appropriate).

Section 3.2. **Election.** So far as is practicable, all elected officers shall be elected by the Board of Directors at each annual meeting thereof.

Section 3.3. **Appointive Officers.** The Board of Directors may also appoint one or more Assistant Secretaries and such other officers and assistant officers and agents, including an Executive Director, a General Counsel and a Chief Financial Officer, as it shall from time to time deem necessary, who shall exercise such powers and perform such duties as shall be set forth in these Bylaws or determined from time to time by the Board.

Section 3.4. **Two or More Offices.** Any two (2) or more offices may be held by the same person, except that the President and Secretary shall not be the same person.

Section 3.5. **Compensation.** Officers of the Corporation shall not receive compensation for their services as officers, but may receive reimbursement for expenses incurred on behalf of the Corporation.

Section 3.6. **Term of Office; Removal; Filling of Vacancies.** Each elected officer of the Corporation shall hold office until such officer's successor is chosen and qualified in such officer's stead at the next annual meeting of the Board of Directors or until such officer's earlier death, resignation, retirement, disqualification or removal from office. Each appointive officer shall hold office at the pleasure of the Board of Directors without the necessity of periodic reappointment. Any officer or agent may be removed at any time by the Board of Directors whenever in its judgment the best interests of the

Corporation will be served thereby. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the Board of Directors.

Section 3.7. **President.** The President shall be the chief executive officer of the Corporation and, subject to the provisions of these Bylaws, shall have general supervision of the activities and affairs of the Corporation and shall have general and active control thereof. The President shall preside when present at meetings of the Board of Directors and shall serve as an ex-officio member of each committee (if any) having the authority of the Board of Directors in the management of the Corporation. The President shall have general authority to execute bonds, deeds and contracts in the name of the Corporation and to affix the corporate seal thereto; to cause the employment or appointment of such employees and agents of the Corporation as the proper conduct of operations may require and to fix their compensation; to remove or suspend any employee or agent; and in general to exercise all the powers usually appertaining to the office of president of a corporation, except as otherwise provided by statute, the Articles of Incorporation or these Bylaws. In the absence or disability of the President, the duties of such office shall be performed and the powers may be exercised by the Vice Presidents, if any, in the order of their seniority, unless otherwise determined by the President or the Board of Directors.

Section 3.8. **Vice Presidents.** Each Vice President, if any, shall generally assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to such office by the President or the Board of Directors.

Section 3.9. **Secretary.** The Secretary shall see that notice is given of all annual and special meetings of the Board of Directors and shall keep and attest true records of all proceedings at all meetings of the Board. The Secretary shall have charge of the corporate seal and shall have authority to attest any and all instruments of writing to which the same may be affixed. The Secretary shall keep and account for all books, documents, papers and records of the Corporation, except those for which some other officer or agent is properly accountable. The Secretary shall generally perform all duties usually appertaining to the office of secretary of a corporation. In the absence or disability of the Secretary, the duties of such office shall be performed and the powers may be exercised by the Assistant Secretaries, if any, in the order of their seniority, unless otherwise determined by the Secretary, the President or the Board of Directors.

Section 3.10. **Assistant Secretaries.** Each Assistant Secretary, if any, shall generally assist the Secretary and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to such office by the Secretary, the President or the Board of Directors.

Section 3.11. **Additional Powers and Duties.** In addition to the foregoing specially enumerated duties, services and powers, the several elected and appointed officers of the Corporation shall perform such other duties and services and exercise such further powers as may be provided by statute, the Articles of Incorporation or these Bylaws, or as the Board of Directors may from time to time determine or as may be assigned by any competent superior officer.

ARTICLE FOUR **LIMITATIONS OF CORPORATE AUTHORITY**

Section 4.1. The Corporation, being organized exclusively for religious, charitable, and educational purposes, may make distributions to organizations that qualify as exempt organizations under §501(c)(3) of the Code.

Section 4.2. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its Directors, officers, or other private persons, except that the Corporation shall be

authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article 1 Section 1.2 above.

Section 4.3. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements concerning), any political campaign on behalf of any candidate for public office.

Section 4.4. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under §501(c)(3) of the Code or (2) by a corporation contributions to which are deductible under §170(c)(2) of the Code.

Section 4.5. Upon dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for charitable, educational, religious, or scientific purposes as shall at the time qualify as an exempt organization or organizations under §501(c)(3) of the Code, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the appropriate court of law of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, that are organized and operated exclusively for exempt purposes.

If, at the time of dissolution of the Corporation, Habitat is a Not for Profit Corporation in good standing with the State of Illinois and is qualified as an exempt organization under section 501 (c) (3) of the Code, the Board of Directors shall direct all assets under the provisions of Section 7.5 to Habitat for its use and support.

ARTICLE FIVE CONTRACTS, CHECKS AND CONFLICTS OF INTEREST

Section 5.1. **Contracts.** The Board of Directors may authorize any officer or officers, or agent or agents, of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 5.2. **Checks, Drafts or Orders for Payment.** All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, or agent or agents, of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 5.3. **Deposits.** All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

Section 5.4. **Gifts.** The Board of Directors may accept on behalf of the corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the corporation.

Section 5.5. **Conflicts of Interest.** All Directors of the Corporation shall, as a condition of qualifying and continuing to qualify as such, annually sign a conflict of interest statement in the form attached to these Bylaws as Exhibit B.

ARTICLE SIX

ACTIONS WITHOUT MEETINGS

Section 6.1. **Unanimous Consent.** Any action required or permitted to be taken at any meeting of the Directors or the members of a committee may be taken without a meeting if consent in writing setting forth the action to be taken shall be signed by all of the Directors or all of the committee members, as the case may be. Such consent shall have the same force and effect as a unanimous vote, and may be stated as such in any document.

Section 6.2. **Other Action without a Meeting.** Any action required or permitted to be taken at any meeting of Directors or committee members may be taken without a meeting, if a consent or consents in writing, setting forth the action so taken, shall be signed by a sufficient number of Directors or committee members, as the case may be, as would be necessary to take that action at a meeting at which all persons entitled to vote on the action were present and voted. Prompt notice of the taking of any action by the Directors or the members of a committee without a meeting by less than unanimous written consent shall be given to those Directors or committee members who did not consent in writing to the action. Every written consent signed by less than all the Directors or committee members entitled to vote with respect to the action that is the subject of the consent shall bear the date of signature of each person who signs the consent. No written consent signed by less than all the Directors or committee members entitled to vote with respect to the action that is the subject of the consent shall be effective to take such action unless, within sixty (60) days after the date of the earliest dated consent delivered to the Corporation in the manner required by law, a consent or consents signed by not less than the minimum number of Directors or committee members that would be necessary to take the action that is the subject of the consent are delivered to the Corporation by delivery to its registered office, registered agent, or principal place of business, or by delivery to an officer or agent of the Corporation having custody of the books in which proceedings of meetings are recorded. Delivery shall be by hand or certified or registered mail, return receipt requested. Delivery to the Corporation's principal place of business shall be addressed to the President or principal executive officer of the Corporation. A telegram, telex, cablegram or similar transmission by a director or committee member, or a photographic, photo static, facsimile or similar reproduction of a writing signed by a director or committee member, shall be regarded as signed by the director or committee member for purposes of this Section 9.2.

ARTICLE SEVEN

BOOKS AND RECORDS

The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its Board of Directors, and committees having any of the authority of the Board of Directors and shall keep at the registered or principal office a record giving the names and addresses of all board members. All books and records of the corporation may be inspected by any member, or his or her agent or attorney, for any proper purpose at any reasonable time. At all times, the Corporation shall maintain financial accountability standards that conform to 24 CFR 84.21.

ARTICLE EIGHT INDEMNIFICATION

The Corporation shall indemnify any person who was, is, or is threatened to be made a named defendant or respondent in a proceeding (as hereinafter defined) because the person (i) is or was a director or officer of the Corporation or (ii) while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, sole proprietorship, trust, employee benefit plan or other enterprise, to the fullest extent that a corporation may grant indemnification to a director under the Illinois General Not for Profit Corporation Act of 1986, as the same exists or may hereafter be amended. Such right shall be a contract right and shall include the right to be paid by the Corporation expenses incurred in defending any such proceeding in advance of its final disposition to the maximum extent permitted under the Illinois General Not for Profit Corporation Act of 1986, as the same exists or may hereafter be amended. If a claim for indemnification or advancement of expenses hereunder is not paid in full by the Corporation within 90 days after a written claim has been received by the Corporation, the claimant may at any time thereafter, bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, the claimant shall be entitled to also be paid the expenses of prosecuting such claim. It shall be a defense to any such action that such indemnification or advancement of costs of defense is not permitted under the Illinois General Not for Profit Corporation Act of 1986, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors or any committee thereof or special legal counsel) to have made its determination prior to commencement of such action that indemnification of, or advancement of costs of defense to, the claimant is permissible in the circumstances nor an actual determination by the Corporation (including its Board of Directors or any committee thereof or special legal counsel) that such indemnification or advancement is not permissible shall be a defense to the action or create a presumption that such indemnification or advancement is not permissible. In the event of the death of any person having a right of indemnification under the foregoing provisions, such right shall inure to the benefit of such person's heirs, executors administrators and personal representatives. The rights conferred above shall not be exclusive of any other right which any person may have or hereafter acquire under any statute bylaw, resolution of Directors, agreement or otherwise. The Corporation may additionally indemnify any person covered by the grant of mandatory indemnification contained in this Article to such further extent as is permitted by law and may indemnify any other person to the fullest extent permitted by law. The Corporation may purchase and maintain insurance or similar arrangement (including, but not limited to a trust fund, self insurance, a security interest or lien on the assets of the Corporation, or a letter of credit, guaranty or surety arrangement) on behalf of any person who is serving the Corporation (or another entity at the request of the Corporation) against any liability asserted against such person and incurred by such person in such a capacity or arising out of status as such a person, whether or not the Corporation would have the power to indemnify such person against that liability under this Article or by statute. Notwithstanding the other provisions of this Article, the Corporation may not indemnify or maintain insurance or similar arrangement on behalf of any person if such indemnification or maintenance of insurance or similar arrangement would subject the Corporation to income or excise tax under the Code.

ARTICLE NINE DIRECTOR NOT LIABLE

A director of the Corporation shall not be personally liable to the Corporation for monetary damages for any act or omission in such director's capacity as a director, except that this Article does not authorize the elimination of limitation of the liability of a director to the extent the director is found liable for: (i) a breach of the director's duty of loyalty to the Corporation; (ii) an act or omission not in good

faith that constitutes a breach of duty of the director to the Corporation or an act or omission that involves intentional misconduct or a knowing violation of law; (iii) a transaction from which the director received an improper benefit, whether or not the benefit resulted from an action taken within the scope of the director's office; or (iv) an act or omission for which the liability of a director is expressly provided by an applicable statute. The foregoing elimination of liability to the Corporation and its board members shall not be deemed exclusive of any other rights, limitations of liability or indemnity to which a director may be entitled under any other provision of the Articles of Incorporation or Bylaws of the Corporation, contract or agreement, vote of Directors, principle of law or otherwise. Any repeal or amendment of this Article shall be prospective only, and shall not adversely affect any limitation or the personal liability of a director of the Corporation existing at the time of such repeal or amendment. In addition to the circumstances in which a director of the Corporation is not personally liable as set forth in the foregoing provisions of this Article, the liability of a director shall be eliminated to the full extent permitted by any amendment to the Illinois General Not for Profit Corporation Act of 1986 or Illinois incorporation laws hereafter enacted that further eliminates or permits the elimination of the liability of a director.

ARTICLE TEN MISCELLANEOUS

Section 10.1. **Dividends Prohibited.** No part of the net income of the Corporation shall inure to the benefit of any private individual and no dividend shall be paid and no part of the income of the Corporation shall be distributed to its Directors or officers. Notwithstanding the foregoing, the Corporation may reimburse its Directors and officers as provided in Section and Section 6.5 of Article Six hereof.

Section 10.2. **Loans to Officers and Directors Prohibited.** No loans shall be made by the Corporation to its officers or to its Directors. Any Directors voting for or assenting to the making of any loan to a director or officer that is prohibited by the Illinois Not for Profit Corporation Act, and any officer participating in the making thereof, shall be jointly and severally liable to the Corporation for the amount of such loan until repayment thereof.

Section 10.3. **Fiscal Year.** The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 10.4. **Seal.** The Corporation's seal, if any, shall be in such form as shall be adopted and approved from time to time by the Board of Directors. The seal may be used by causing it, or a facsimile thereof, to be impressed, affixed, imprinted or in any manner reproduced.

Section 10.5. **Meetings By Telephone or Other Remote Communications Technology.** Subject to the provisions of applicable law and these Bylaws regarding notice of meetings, members of the Board of Directors or members of any committee designated by such Board may, unless otherwise restricted by statute, by the Articles of Incorporation or by these Bylaws, participate in and hold a meeting by using conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, or by using any other suitable electronic communications system, including video conferencing technology or the Internet (but only if, in the case of such other suitable communications system, each person entitled to participate in the meeting consents to the meeting being held by means of that system, and the system provides access to the meeting in a manner or using a method by which each person participating in the meeting can communicate concurrently with each other). Participation in a meeting pursuant to this Section 9.5 shall constitute presence in person at such

meeting, except when a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called or convened.

Section 10.6. **Gender.** Words of either gender used in these Bylaws shall be construed to include the other gender, unless the context requires otherwise.

Section 10.7. **Invalid Provisions.** If any part of these Bylaws shall be held invalid or inoperative for any reason, the remaining parts, so far as is possible and reasonable, shall remain valid and operative.

Section 10.8. **Headings.** The headings used in these Bylaws are for convenience only and do not constitute matter to be construed in the interpretation of these Bylaws.

Section 10.9. **Board Meeting Attendance.** All board members should attend all board meetings. If any board member is absent from three (3) or more board meetings during any 12 month period, then the absence shall constitute the board member's resignation from the Board.

**ARTICLE ELEVEN
AMENDMENTS**

These Bylaws may be amended or repealed, or new Bylaws may be adopted, at any meeting of the Board of Directors of Habitat, as constituted by the Bylaws of Habitat , provided notice of the proposed amendment, repeal or adoption be contained in the notice of such meeting; and provided further, that the foregoing notice requirement shall not prohibit the Board of Directors of Habitat from adopting the proposed amendment, effecting the proposed repeal or adopting the proposed new Bylaws, as the case may be, in a modified form which is not identical to that described or set forth in the notice of such meeting. The Board of Directors of the Corporation may recommend amendments to the Bylaws for the approval of the Board of Directors of Habitat.

The undersigned, being the duly elected and qualified Secretary of the Corporation, hereby certifies that the foregoing Bylaws of the Corporation were duly adopted by the Board of Directors of the Corporation at a meeting held on _____, at which a quorum was present and voting throughout.

Secretary of Champaign County Neighborhood Alliance for Habitat

Exhibit A
Statement of Individual Board Member Responsibilities
Champaign County Neighborhood Alliance for Habitat

General Expectations

- Know the organization's mission, purposes, goals, policies, programs, services, strengths, staff and needs
- Suggest possible nominees to board who are clearly women and men of achievement and distinction who can make significant contributions to the work of the board and the organization's progress
- Serve in leadership positions or undertake special assignments willingly and enthusiastically when asked.
- Avoid prejudiced judgments on the basis of information received from individuals }1~ urge those with grievances to follow established policies and procedures through their supervisors
- Follow trends in the organization's field of interest
- Bring a sense of humor to the board's deliberations
- Prepare for and participate in board and committee meetings
- Ask timely and substantive questions at board and committee meetings consistent with your conscience and convictions, while supporting the majority decision on issues decided by the board.
- Maintain confidentiality of the board's executive sessions, and speak for the board or organization only when authorized to do so.
- Avoid asking for special favors of the staff, including special requests for extensive information without at least prior consultation with the appropriate persons.

Avoid Conflicts

- Serve the organization as a whole rather than any special interest group or constituency
- Avoid even the appearance of a conflict of interest that might embarrass the board or the organization, and disclose any possible conflicts to the board in a timely fashion.
- Maintain independence and objectivity and do what a sense of fairness, ethics and personal integrity dictate even though not necessarily obliged to do so by law, regulation, or custom.
- Never accept (or offer) favors or gifts from (or to) anyone who does business with the organization.

Fiduciary Responsibilities

- Exercise prudence with the board in the control and transfer of funds
- Faithfully read and understand the organization's financial statements and otherwise help the board fulfill its fiduciary responsibility

Fund Raising

- Give an annual gift according to personal means
- Assist the development committee and staff by implementing fund-raising strategies through personal influence with others (corporations, individuals, foundations, faith communities)

Planning

- Involve yourself in the planning of the organization's goals and the actions needed to accomplish the goals

Policies and Standing Rules

- Help develop and maintain policies and standing rules necessary to provide a framework for the and staff to work within. Policies and standing rules should provide financial controls and should help define the role of board, staff and volunteers. Policies and standing rules should not address the day to day operations of the organization.

Exhibit B
**CONFLICTS OF INTEREST STATEMENT FOR BOARD MEMBERS OF CHAMPAIGN
COUNTY NEIGHBORHOOD ALLIANCE FOR HABITAT**

No board member or board committee member, or any member of his/her family, should accept any gift, entertainment, service, loan, or promise of future benefits from any persons who either personally or whose employees might benefit or appear to benefit from such board or committee member's connection with Dallas Neighborhood Alliance for Habitat, unless the facts of such benefit, gift, service or loan are disclosed in good faith and are authorized by the board. Board and committee members are expected to work out for themselves the most gracious method of declining gifts, entertainment, and benefits that do not meet this standard.

No board or committee member should perform, for any personal gain, services to Champaign County Neighborhood Alliance for Habitat supplier of goods or services, as employee, consultant, or in any other capacity which promises compensation of any kind: unless the fact of such transaction or contracts are disclosed in good faith, and the board or committee authorities such,,!, transaction. Similar association by a family member of the board or committee member or by any other close relative may be inappropriate.

No board or committee member or any member of his/her family should have any beneficial interest in, or substantial obligation to any Champaign County Neighborhood Alliance for Habitat supplier of goods or services or any other organization that is engaged in doing business with or serving Dallas Neighborhood Alliance for Habitat unless it has been determined by the board, on the basis of full disclosure of the facts, that such interest does not give rise to a conflict of interest.

This policy is not intended to apply to gifts and/or similar entertainment of nominal value that are clearly in keeping with good business ethics and do not obligate the recipient. Any matter of question or interpretation that arises relating to this policy should be referred to the president for decision and/or for referral to the Board of Directors for decision, where appropriate.

I have received and read the foregoing Conflict of Interest Statement of Champaign County Neighborhood Alliance for Habitat and understand fully the facts requiring any possible question of violation.

(Signature)

(Date)

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: JUN 13 2011

CHAMPAIGN COUNTY NEIGHBORHOOD
ALLIANCE FOR HABITAT INC
PO BOX 1162 119 E UNIVERSITY AVE
CHAMPAIGN, IL 61824

Employer Identification Number:
27-4409838
DLN:
301028004
Contact Person:
JOANNA YAWNEY ID# 95078
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
June 30
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
January 4, 2011
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

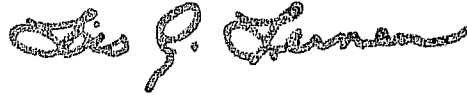
Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

CHAMPAIGN COUNTY NEIGHBORHOOD

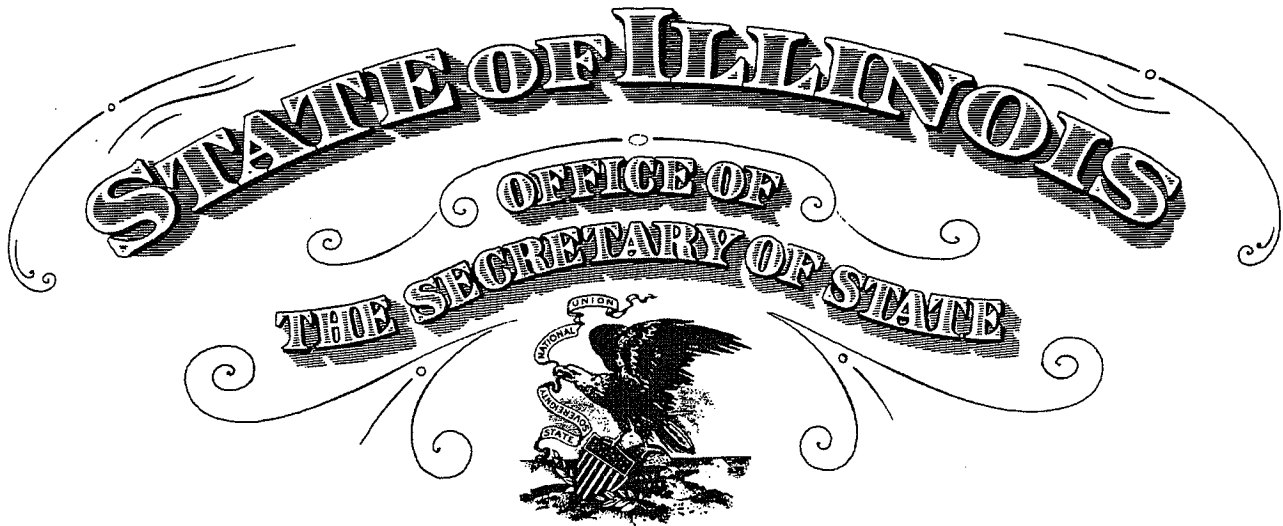
We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lois G. Lerner".

Lois G. Lerner
Director, Exempt Organizations

Enclosure: Publication 4221-PC



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

CHAMPAIGN COUNTY NEIGHBORHOOD ALLIANCE FOR HABITAT, INC., A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON JANUARY 04, 2011, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1303702936

Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set
*my hand and cause to be affixed the Great Seal of
the State of Illinois, this 6TH
day of FEBRUARY A.D. 2013 .*

Jesse White

SECRETARY OF STATE



2507 South Neil St.
Champaign, Illinois 61820
Phone 217.351.2000
Fax 217.351.7726
www.mhfa.net

To the Finance Committee,
Board of Directors, and Management
Habitat for Humanity of Champaign County and Affiliate
Champaign, Illinois

In planning and performing our audit of the consolidated financial statements of Habitat for Humanity of Champaign County and Affiliate (the Organization) as of and for the year ended June 30, 2012 in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency in the Organization's internal control to be a material weakness:

Material Journal Entries

Our audit procedures identified material misstatements of consolidated financial statement amounts provided to us by management. Management was not aware of the noted misstatements prior to our identification. Subsequent to identifying these misstatements, we proposed, and management approved, adjusting journal entries, which have corrected the

identified misstatements in the consolidated financial statements. As the Organization's system of internal control failed to prevent or detect the misstatements our professional standards require us to consider there to be a material weakness in the Organization's internal controls over the preparation of financial statements.

However, we note the misstatements were caused by a relatively unique set of circumstances. The material misstatements noted resulted from community housing development organization grant amounts covering construction and administrative costs associated with the Champaign County Neighborhood Alliance for Habitat, Inc.'s (CCNAH) projects that should be recognized before year end under the relevant agreements, but for which the reimbursement requests were not prepared before year end. Consequently, the related funds were also not received before year end. Because there was a signed agreement in place that awarded the funds to the Organization, and the Organization had met the requirements to receive the awarded funds, a corresponding amount should be shown as a receivable at year end (and revenue for the current year). Additionally, the activity associated with the community housing development organization grant requests, should be recognized on CCNAH's books so that the requests comply with the terms of the grant agreements (since CCNAH was the entity to whom the grant was awarded, CCNAH must incur the related expenditures). However, since there is nothing in the day-to-day transactional activity that would identify such grant receivables and requirements to the external accountant, a separate procedure would need to be performed to specifically assess the status of all grants awarded, but not requested or received before year end to determine whether the Organization should recognize any of the awarded amounts and whether the grant amounts submitted by CCNAH are adequately supported by expenses on CCNAH's books. While we note the merger of CCNAH into Habitat will alleviate the concerns regarding which set of books the activity should be recorded on, we recommend having the Executive Director perform an analysis of grant activity as part of the year end closing process in order to provide the external accountant with the information necessary to recognize any grants fitting similar parameters in the proper period.

Other Items

We also noted the following items in relation to the Organization's operations, which do not relate to material weaknesses or significant deficiencies:

Grant Costs

We noted that payroll reports do not tie each employee's hours worked to a specific homeowner, home building project, etc. However, the Community Housing Development Administrative Grant requires the identification of the time certain employees spent on the related projects. For fiscal year 2012, management's best estimate of the time spent on those projects was used to develop the grant request. We recommend the use of timecards or other payroll reports that clearly link each individual's time to the projects they work on in order to support the amounts requested under such grant agreements.

Documentation of In-Kind Amounts

We noted during our procedures that management had taken steps to improve and formalize the process of identifying and tracking in-kind contributions. As a best business practice, we suggest management obtain letters or other documentation from the various donors of in-kind amounts to support both the values and quantities used to record the contribution in the Organization's accounting records.

Functional Expense Allocations

In prior years, we noted functional expense allocations were based on management's observation and knowledge of the Organization. In the current year, we noted management performed some informal time studies, which is a positive step in supporting the functional expense allocations. To take the analysis and support for function expenses one step further and to strengthen the basis on which functional expense allocations are based, as a best business practice, we recommend the Organization consider performing a more formalized and documented study.

This communication is intended solely for the information and use of management, the Finance Committee, Board of Directors, and others within the Organization and is not intended to be and should not be used by anyone other than these specified parties.

Martin, Hood, Friese & Associates, LLC

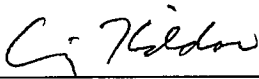
November 19, 2012

Champaign County Neighborhood
Alliance Resolution

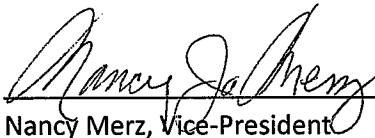
Now, therefore, be it resolved by the Champaign County Neighborhood Alliance for Habitat of Champaign Count, as follows:

An application to the Urbana HOME Consortium for FY 2012-2013 is hereby approved. The funds will be used to construct four homes in Champaign County, clear two lots, and for CHDO Operation funds is hereby approved. Funds will be used to fund program operating costs for Champaign County Neighborhood Alliance for Habitat.

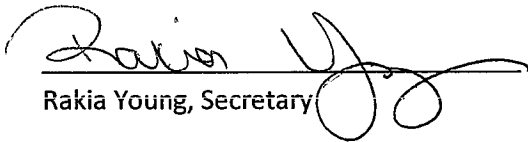
This resolution is hereby approved on this 14th day of February, 2013.



Craig Kiddoo, President



Nancy Merz, Vice-President



Rakia Young, Secretary

Champaign County Neighborhood Alliance Board Members

President:

Craig Kiddoo
1013 S. Wabash
Urbana, IL 61801

Employer: Cozad Asset Management

Private Sector

Secretary

Nancy Merz
1907 Golfview Dr.
Urbana, IL 61801

Employer: Retired

Private Sector

Board Member:

Rakia Young
1521 Healey
Champaign, IL 61821

Employer: McKinley Health Center

Low-Income Sector

Ex. A

Goal 5: Devising plans for more meaningful, comprehensive financial reporting.

In 2007 we completely overhauled our financial policies and procedures, resulting in clear and accountable management and reporting.

In January 2009, staff held a series of meetings to refresh the SP0405 SWOT (strengths, weaknesses, opportunities, and threats) analysis and develop new strategic goals. Strategic goals relate to the overall mission for the affiliate while Specific goals relate to individual initiatives that are necessary to accomplish our Strategic goals and are important enough to be considered by themselves.

During regularly scheduled Board meetings from March – June 2009, the Board of Directors reviewed staff suggestions and discussed the analysis.

With this input, and using "A Model for Affiliate Capacity Building" as a guide, the Board of Directors and staff have developed a framework for July 2009 – June 2015 (FY10-FY15).

STRATEGIC HOME BUILDING GOAL 1: **Assess the energy efficiency of our current homes and capacity to become leader in "green" home construction in Champaign County by the end of FY12 (June 30, 2012).**

Specific goals

1. Review other affiliate plans and function.
2. Become educated on federal guidelines.
3. Become educated on guidelines advocated by non-governmental organizations.
4. Assess affordability and explore options for offsetting the cost.

STRATEGIC HOME BUILDING GOAL 2: **Having reached the "Home Builder" stage of affiliate growth (3 – 4 houses/year), assess our potential for becoming a "Block Builder" (5 – 9 houses/year) by FY15.**

Specific goals

1. Assess our progress according to HfHI guidelines (see Appendix B for details).
2. Post-purchase counseling and ongoing support of home owners (possibly through a Home Owner's Association).
3. Precise costing of home builds including all soft costs and contingency.
4. Safety training for staff and key volunteers.

STRATEGIC RESTORE GOAL: **Assess sustainability of the ReStore at current staffing levels, hours, and location as well as capacity to fund one house each year by FY15.**

Specific goals

1. Continue to follow HfHI guidelines for staff structure.
2. Improve efficiency for handling donations from receiving through sale.
3. Improve displays.
4. Improve lighting (current system will become obsolete under federal efficiency standards).
5. Assess industry standards for wages, benefits, hours, and turn over.
6. Assess industry standards for marketing and advertising.
7. Assess time and staffing needs for donor recruitment and retention, specifically of businesses.

Appendix A: Staff SWOT Analysis

Strengths

Structure
Communication
Human capital
HfH
ReStore

Weaknesses

Money
Human capital
ReStore
Communication
Material

Opportunities

Housing is a national issue and reality
(foreclosures, collapse of housing market)
Economy
Service culture
Ecological interest

Threats

Economy
Volunteers/the public
Perceptions

Strengths

Organizational characteristics that allow us to take advantage of opportunities or reduce the impact of barriers (fundraise, build homes).

Structure

1. Strong financial management and oversight.
2. Good staff structure, even if not fully implemented, per HfHI and local experience.
3. Very well-established process for volunteers (building and ReStore).
4. Very well-established home owner intake and selection process.
5. Set house plans, materials and homeowner selections
6. Strong checks and balances (mail, money, staff and some committees)
7. Flexible when need to be

Communication

8. Outstanding ongoing PR (internal and external).
9. Very well-established and successful set of communication and fund raising tools (newsletters, holiday, No-Show gala)
10. Rebirth of positive church relations
11. Increased awareness of HfHCC as a corporate team-building opportunity
12. Articulate well how everyone benefits from HfHCC
13. Mission-focused

Human capital

14. Seasoned Board members
15. Committed staff
16. Very well-established and maintained relationships with local government.
17. Very well-established and maintained relationship with Illinois Campus Chapter.
18. Good relationships with churches although we lack formal connections (e.g. faith committee).
19. Very-well established and maintained relationship with the Hosiers and Champaign Telephone.
20. Very-well established and maintained relationships with in-kind work site donors.
21. Reduced employee turn over
22. Increased participation from Parkland CC
23. Profound commitment to and success with positive volunteer experiences
24. Internal knowledge that all staff depend on each other to thrive.
25. Mission-focused Board and staff

6. Economic down-turn creates more demand for the ReStore

Service culture

7. Volunteers with media contacts
8. Volunteers' willingness to work

Ecological interest

9. Green Building could open the door to more grants, donations and media exposure.
10. ReStore is all about reuse and recycling

Threats

Factors outside HHCC that stand in the way of our efforts to fundraise, gain media exposure, reach out to the public, find new volunteers, expand the store, and build more homes, etc.

Economy

1. Economy
2. Lack of land

Volunteers/the public

3. Racism
4. Volunteer expectations/demands regarding their activity
5. Volunteers seeking to fulfill personal agendas through affiliate
6. Volunteers are a finite resource and more organizations are asking for them than ever
7. Three degrees of separation in Champaign County (people talk)

Perceptions

8. The perception that the ReStore will take care of everything
9. Negative family stories (e.g. Starns)
10. Misunderstanding about who we serve, how, and why
11. Having such a big brand name "Habitat for Humanity" and the misconceptions and expectations that come with the name.
12. Volunteer expectations/demands regarding what the affiliate needs
13. Donor expectations to the ReStore (what we should accept)

Habitat for Humanity has been building affordable housing in Champaign County since 1991.

To date 64 homes have been constructed.

Habitat for Humanity Staff Bio's

Sheila Dodd – Executive Director

Sheila Dodd assumed the Executive Director position in October 2011. Sheila's responsibilities are to oversee and manage the day to day operations of Habitat for Humanity of Champaign County and ReStore. Sheila received her Community Lending certification from NeighborWorks. She has taught financial education and credit counseling classes since 2005. Prior to her work at Habitat, she worked at the City of Champaign as a Grant Compliance Coordinator monitoring CDBG and HOME entitlement funds. Sheila successfully wrote the City of Champaign's Neighborhood Stabilization Program Grant bringing additional redevelopment dollars in the community. Sheila has a Bachelor's Degree in Business Administration.

Michelle Stallmeyer – Family Support Coordinator

Michelle Stallmeyer has provided support and financial education to Habitat families since March of 2012. She is working on her NCHEC Certificate through NeighborWorks and anticipates completion by the end of 2013. Michelle has successfully counseled families who have gone on to home ownership. She teaches pre and post purchases classes, budgeting, and financial education classes to the community as well.

Kim Gollings – Volunteer Coordinator

Kim Gollings is the Volunteer Coordinator at Habitat. She is responsible for engaging volunteers to assist with construction projects, in the ReStore, as well as special events. Kim has over 12 years' experience with volunteers through other non-profit agencies in Champaign/Urbana.

Scott Clarkson – Construction Manager

Scott Clarkson is the Construction Manager works closely with the with the Volunteer Coordinator and Family Support Coordinator. Scott oversees the entire building process, including project budget, schedule, materials procurement, coordination of contractors, and the use of volunteers as the primary workforce. Scott comes from the military where he learned demolition and reconstruction.

Champaign County Neighborhood Alliance Board

CHDO Board is a policy making board. Programs are managed by staff.

RESOLUTION NO. _____

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT

(Champaign County Neighborhood Alliance for Habitat Affordable Homeownership Program FY 2012-2013)

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 RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Urbana City Council hereby approves the minor amendment to the City of Urbana and Urbana HOME Consortium Annual Action Plans for FY 2011-2012 and FY 2012-2013 in substantially the same form as attached hereto.

Section 2. That an Agreement providing \$161,279.89 in HOME Program funds, for the construction of four (4) affordable single family units, between the City of Urbana and Champaign County Neighborhood Alliance for Habitat, 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 3. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver 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 _____ day of _____,
_____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

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

Laurel Lunt Prussing, Mayor

URBANA HOME CONSORTIUM
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION
DEVELOPER AGREEMENT

**(Champaign County Neighborhood Alliance for Habitat CHDO Developer
Affordable Homeownership Program FY 2012-2013)**

THIS Affordable Homeownership Program Agreement, hereafter referred to as the “**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 “**GRANTOR**”), and CHAMPAIGN COUNTY NEIGHBORHOOD ALLIANCE FOR HABITAT, an Illinois Not-For-Profit Organization (hereinafter “**DEVELOPER**”).

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.*) (herein after the “National Affordable Housing Act”); and

WHEREAS, the Urbana HOME Consortium, CFDA #14.239, has received HOME Program funds from HUD for the period beginning **July 1, 2011**, and ending **June 30, 2013**, to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County; and

WHEREAS, the Urbana City Council has adopted a Consolidated Plan for Program Years 2010-2014 (hereinafter the “Consolidated Plan”) and the City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2010-2011, which budgets Urbana HOME Consortium funds, including a fifteen percent set-aside for use by Community Housing Development Organizations (hereinafter “CHDOs”) 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 GRANTOR, as the administrator of a HOME Program, has authority of the under the provisions of the HOME Program to provide financial assistance for the development of an affordable homeownership program; and

WHEREAS, DEVELOPER has applied to the GRANTOR for Urbana HOME Consortium funding for development assistance to provide financial assistance to families participating in DEVELOPER’S Affordable Homeownership Program, for sale to very low-income and low-income households (hereinafter the “Project”); and

WHEREAS, the Consolidated Plan promotes expansion of homeownership opportunities and recommends that the Urbana HOME Consortium expand homeownership opportunities for low-income households; and

WHEREAS, DEVELOPER has fulfilled all HOME Program requirements necessary to be certified as a CHDO; and

WHEREAS, DEVELOPER desires to serve as a project developer of an Affordable Homeownership Program (hereinafter the "PROGRAM") within the City of Champaign, the City of Urbana, and unincorporated Champaign County; and

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

WHEREAS, the GRANTOR has determined that the DEVELOPER has the ability to provide the required private matching funding to cover the cost of the PROGRAM; and

WHEREAS, the DEVELOPER has been fully informed regarding all requirements or obligations that must be met by DEVELOPER in order to utilize HOME Program funds for the PROGRAM, including but not limited to, the requirement that the assisted housing units must remain affordable to low-income households for a period of five (5) or more years, in accordance with 24 CFR Part 92, Sections 203, 251-253, and

WHEREAS, the DEVELOPER, having been fully informed regarding the requirements of the HOME Program, is committed to starting the PROGRAM with the assistance of HOME Program funds on or before **March 31, 2013** and has made necessary arrangements to provide any required matching private contribution towards the cost of said PROGRAM.

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 DEVELOPER an amount not to exceed **\$161,279.89** from its Federal Fiscal Year **FY 2011-2012 and FY 2012-2013** HOME Community Housing Development Organization (CHDO) set-aside to be used primarily for development subsidy as well as providing down payment assistance to low- to moderate-income households for homeownership opportunities. The DEVELOPER shall use the Funds in accordance with the HOME program guidelines outlined in 24 CFR Part 92 in carrying out the PROGRAM in the manner as described below:

- a.) The DEVELOPER may only request HOME funds to be used for down payment assistance in combination with the development of a property wherein a development subsidy is being provided as part of an eligible CHDO project.
- b.) The DEVELOPER shall comply with the PROGRAM MANUAL prior to commitment of any work pursuant to this agreement. DEVELOPER shall provide GRANTOR a copy of its PROGRAM MANUAL in accordance with the HOME Program regulations for approval by Urbana City staff. The DEVELOPER shall provide the GRANTOR with the budget and financial projection for each home from the preliminary budget for the construction of each of the four (4) houses as provided in "Attachment 3" or in a similar document format as approved by the GRANTOR.
- c.) The DEVELOPER shall own or purchase the real property for the Project in the following locations: Four (4) in Champaign, IL, Urbana, IL or unincorporated areas of Champaign County, IL.
- d.) The DEVELOPER shall complete the Affordable Homeownership Program in accordance with the homebuyer contract provisions as described in the Program Manual approved by Consortium staff, by reference made a part hereof.
- e.) The DEVELOPER shall incorporate the sample documents for the PROGRAM as part of the PROGRAM MANUAL, which is to be submitted to Urbana City staff prior to commitment of funds.

Section 2: Affordability

The DEVELOPER shall comply with all income determinations and affordability requirements of the HOME Program as set forth in HUD Regulations 24 CFR 92.203 or 92.254, as applicable. The DEVELOPER shall determine each family's income eligibility by determining the family's annual income in accordance with the Part 5 (Section 8) methodology allowed in 24 CFR 92.203. The DEVELOPER is not required to re-examine the family's income at the time the HOME assistance is provided, unless more than six (6) months has elapsed since the DEVELOPER determined that the family qualified as income eligible.

The maximum purchase price shall not exceed **\$190,152**, which is 95% of the median purchase price for the metropolitan area as defined by the Single Family Mortgage Limits under Section 203(b) of the National Housing Act. The project shall be single-family housing, which includes one (1) to four (4) family residence or condominium unit.

The HOME-assisted housing shall be the principal residence of the qualified income eligible homebuyer from the date of initial occupancy (loan closing for purchase of the property) and shall remain the principal residence of the family for a period of ten years from the date of project completion (the Affordability Period). For purposes of this AGREEMENT, project completion means that all necessary title transfer requirements to the DEVELOPER have been performed; construction has been completed; the project complies with the requirements of 24 CFR Part 92 (including the property standards under 24 CFR 92.251); the final drawdown has been disbursed for the project; the DEVELOPER has submitted all necessary demographic and financial information to the GRANTEE in the form of the Activity Completion Report provided

in "Attachment 6"; and the project completion information has been entered in the integrated disbursement and information system (IDIS) established by HUD.

The affordability requirements as listed in Section 24 CFR 92.254(a) (4) apply without regard to the term of any loan or mortgage or the transfer of ownership. The affordability requirements shall be imposed by deed restrictions, covenants running with the land or other mechanism approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. Said restrictions shall include that The GRANTOR may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability.

Affordability Period

For allotted time period following project completion (hereinafter referred to "the Affordability Period"), the following restrictions shall apply. The DEVELOPER agrees to assist the GRANTOR in restricting the use of the property by recording a Mortgage, and Note (hereinafter the "DOCUMENTS") in form and with the same content as that executed under even date herewith. DOCUMENTS shall be identical in substantial form as the forms in "Attachment 4" attached hereto and by reference made a part hereof.

In the event the housing does not continue to be the principal residence of the family for the duration of the Period of Affordability, the GRANTOR shall recapture a portion of the HOME Program assistance provided to the homebuyers in accordance with the terms and conditions provided in the loan agreement and note. The HOME Program funds provided under this AGREEMENT will be recaptured in accordance with 24 CFR 92.254(a)(5)(ii) and shall be repaid to the GRANTOR, recorded as CONSORTIUM program income in accordance with 24 CFR 92.503, and used in accordance with the requirements of the HOME Program.

Should the DEVELOPER sell and transfer ownership of property assisted with HOME funds to a homeowner who does not meet the income eligibility of the HOME program, DEVELOPER shall reimburse the CONSORTIUM the amount of HOME funds disbursed on the project by the CONSORTIUM. The CONSORTIUM shall deposit said funds in the local HOME Trust Account to be utilized for other affordable housing activities at the discretion of the CONSORTIUM.

Section 3: HOME Project Requirements

Project Requirements:

The GRANTOR shall provide HOME funds not to exceed **\$161,279.89** in accordance with 24 CFR 92.205(b) for eligible costs as described in 24 CFR 92.206 and 92.207. HOME Program funds will be disbursed on behalf of the DEVELOPER under the following terms and conditions;

HOME funds provided by the DEVELOPER to the eligible homebuyer as down payment assistance shall be in the form of a **Deferred Payment Loan** at 0% interest.

DEVELOPER shall comply with all HOME project requirements in subpart F of 24 CFR Part 92, including 92.250: Maximum per-unit subsidy amount and layering, which stipulates that the amount of HOME funds that a grantee may invest in affordable housing on a per-unit basis may not exceed the per-unit dollar limits established by HUD under 221.514(b)(1) and (c) of this title for elevator-type projects, involving nonprofit mortgagors, insured under section 221(d)(3) of the National Housing Act that apply to the area in which the housing is located.

The GRANTOR and DEVELOPER agree that the DOCUMENTS will be executed between the GRANTOR and the HOMEBUYER at the initial purchase closing for any housing unit receiving funds under the PROGRAM pursuant to this AGREEMENT. The DOCUMENTS shall include language to ensure that the affordability period will be honored through the duration of this AGREEMENT and include provision for recapture of the HOME Program funds invested in the housing unit. GRANTOR staff will prepare these DOCUMENTS and the GRANTOR will pay recording fees for the DOCUMENTS.

This period of affordability shall commence the date that all necessary project information is provided to HUD via HUD's Integrated Disbursement and Information System (IDIS). GRANTOR agrees to enter all information provided into IDIS within 30 days of receipt. Should the PROJECT be modified after initial commencement date of the affordability period, a new affordability period may be re-structured.

The terms of the recapture provision will be such that they reflect the HUD provisions in the HOME Final Rule 24 CFR 92.254. Details of a recapture provision will be provided in the DOCUMENTS. Failure to ensure that the DOCUMENTS are executed at the initial purchase closing will result in withholding HOME Program funds until said item is addressed. DEVELOPER also agrees to reference these required DOCUMENTS in each of their PROGRAM Agreements with the Homebuyers.

List of Documents

The following documents are included as "Attachment 4- Affordable Homeownership Program Sample Documents," have been added to or made a part hereof by reference:

Mortgage
Note

Section 4: Property Standards

The DEVELOPER agrees that all housing purchased with HOME Funds shall meet the property standards, as established by the GRANTOR, as well as all applicable State and local construction codes, rehabilitation standards, and zoning ordinances at the time of project completion.

DEVELOPER will provide homebuyers with a "walk-through" of the house and explain all maintenance concerns that are necessary to ensure the house remains in good repair and provide

a bound document that includes information on all aspects of the home, including but not limited to architectural drawings, home warranty, appliance warranty, etc.

Section 5: Other Program Requirements

A. Affirmative Marketing of Vacant Units

DEVELOPER must adopt an affirmative marketing policy and procedure acceptable to HUD for homebuyers of newly renovated/constructed houses 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:

1. Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the CONSORTIUM's affirmative marketing policy.
2. Requirements and practices DEVELOPER must adhere to in order to carry out the affirmative marketing procedures and requirements.
3. Procedures to be used by DEVELOPER to inform and solicit applications from persons, in the housing market area, who are not likely to apply for the housing without special outreach.
4. Records that will be kept describing actions taken by DEVELOPER to affirmatively market units and records to assess the results of these actions.
5. A description of how the DEVELOPER will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

B. Non-discrimination and Equal Opportunity

DEVELOPER agrees that there shall be no discrimination against any person who is employed in carrying out the PROGRAM, or against any applicant for such employment, because of race, color, religion, sex, age, or national origin, or any other discrimination prohibited by Federal, State, County or local laws, 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. DEVELOPER further agrees to the following:

1. It shall be bound by said equal opportunity clause with respect to its own employment practices during the duration of its participation with the GRANTOR and HUD.
2. It shall furnish the GRANTOR and HUD with information as they may require for the supervision of such compliance and will otherwise assist the GRANTOR and HUD in the discharge of primary responsibility for securing compliance.
3. 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 GRANTOR, or HUD.
4. It shall abide by the Human Rights Ordinance as set forth in Chapter 12 of the Urbana Code of Ordinances.

C. Displacement, Relocation and Acquisition

If applicable, DEVELOPER agrees to assist the GRANTOR to provide relocation assistance to persons temporarily relocated or permanently displaced at the levels described in and 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 and Section 104(d) of the Housing and Community Development Act, as applicable.

D. Labor and Contracting Requirements

PROJECT DEVELOPER and its contractors and subcontractors shall comply with the Davis-Bacon Act (40 U.S.C. 276a-276a-5) with regard to all its requirements including wage rates paid pursuant to or as a result of this AGREEMENT. Any contracts executed as a result of this AGREEMENT may also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332).

E. Disbarment & Suspension

The DEVELOPER 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 DEVELOPER 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 rule. **The DEVELOPER 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 Non procurement programs ("List").** The DEVELOPER may request assistance from the GRANTOR to access the List and document results.

F. Conflict of Interest

The DEVELOPER 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 DEVELOPER agrees that no members of the governing body of the locality in which the DEVELOPER 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 U.S. Department and Housing and Urban Development ("HUD"), DEVELOPER agrees that no person who is an employee, agent, consultant, officer, or elected or appointed official of the DEVELOPER and who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME 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 DEVELOPER, or officer, employee, agent or consultant of the DEVELOPER, may occupy a HOME-assisted affordable housing unit in a project.

G. Air and Water

The DEVELOPER agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

1. Clean Air Act, 42 U.S.C. 7401, *et seq.*;
2. 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.

Section 6: Records and Reports

A. Records

DEVELOPER authorizes the GRANTOR 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 and applicable HUD regulations. DEVELOPER will ensure that all documents related to this Project shall be kept for a period of five (5) years after project's affordability period has been completed (estimated at 2028). 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-imbusement of expenses.

DEVELOPER shall maintain such records and accounts, including program records, project records; financial records; program administration records; equal opportunity and fair housing records; affirmative marketing and MBE/WBE records; records demonstrating compliance with the income determination and requirements of 24 CFR 92.203; record keeping requirements of 24 CFR 92.508; records demonstrating compliance with the labor requirements of 24 CFR 92.354; records demonstrating compliance with the lead-based paint requirements of 24 CFR 92.355; records supporting exceptions to the conflict of interest prohibition pursuant to 24 CFR 92.356; debarment and suspension certifications required by 24 CFR parts 24 and 91; and any other records as are deemed necessary by the GRANTOR to assure a proper accounting and monitoring of all HOME Funds. In the event the GRANTOR determines that such records are not being adequately maintained by DEVELOPER, the GRANTOR may cancel this AGREEMENT in accordance with Article I Section 7 and Article II herein.

With respect to all matters covered by this AGREEMENT, records will be made available for examination, audit, inspection or copying purposes at any time during normal business hours and as often as the GRANTOR, HUD, representatives of the Comptroller General of the United States or other Federal agency may require.

DEVELOPER will permit same to be examined and excerpts or transcriptions made or duplicated from such records, and audits made of all contracts, invoices, materials, records of personnel and of employment and other data relating to all matters covered by this AGREEMENT. The GRANTOR'S right of inspection and audit shall obtain likewise with reference to any audits made by any other agency, whether local, State or Federal.

The DEVELOPER shall retain all records and supporting documentation applicable to this AGREEMENT for the most recent five (5) year period, except as provided below:

- (a) For homeownership housing projects, records shall be retained for five (5) years after the project completion date, except for documents imposing recapture provisions, which must be retained for five (5) years after the affordability period terminates.
- (b) Written agreements must be retained for five (5) years after the AGREEMENT terminates.
- (c) If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

B. Reports

The Developer must submit quarterly reports no more than ten (10) days after the end of each quarter. The following table lists the end of the quarter and the corresponding quarterly report due date:

Quarter	Period	Quarterly Report Due Date
1	July 1 – September 30	October 10, 2013
2	October 1 – December 31	January 10, 2014
3	January 1 – March 31	April 10, 2014
4	April 1 – June 30	July 10, 2014

The quarterly reports shall be submitted by the DEVELOPER quarterly until the final house has been constructed and transferred to the homebuyer. A sample is attached as “Attachment 5”.

Section 7: Enforcing of Agreement

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 Program guidelines as outlined in 24 CFR Part 92, any material breach of the AGREEMENT, failure to timely comply with the audit requirements in Article XIII, 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 DEVELOPER 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 DEVELOPER 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) Direct the DEVELOPER to 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 DEVELOPER 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 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 DEVELOPER 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 DEVELOPER default.

Unless the DEVELOPER'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 DEVELOPER'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 DEVELOPER and the GRANTOR if delivered in person, or when deposited in the U.S. Mail, postage prepaid certified mail, return receipt requested.

Section 8: Request for Disbursement of Funds

DEVELOPER shall not request disbursement of HOME Program funds until HOME Program funds are needed to pay eligible costs related to the PROGRAM. The amount of any request for funds shall not exceed the amount needed and shall be supported by appropriate documentation such as a sales contract, invoice, completed property maintenance inspection report, and performance-progress reports, and settlement statements from HOMEBUYER mortgage closings. The GRANTOR shall make payment to DEVELOPER within fourteen (14) calendar days of receipt of a complete and acceptable request by the GRANTOR. The GRANTOR reserves the right to withhold disbursement of funds until appropriate documentation is

submitted. All checks shall be made payable to "Champaign County Neighborhood Alliance for Habitat." All monies granted to DEVELOPER pursuant to this AGREEMENT shall be expended by **June 30, 2015**.

Further, no payments shall be released to DEVELOPER prior to the GRANTOR receiving environmental clearance from the Illinois Historic Preservation Agency stating no historical significance has been identified at the properties being developed with HOME Program funds and a flood plain map has been reviewed to prove the property is not located within a floodplain. GRANTOR will be responsible for obtaining the necessary environmental clearance documentation.

Section 9: Duration of Agreement

This AGREEMENT shall be effective as of the date executed by the Mayor and attested by the City Clerk and shall remain in effect until the latest of the following dates or events: **June 30, 2015**; the GRANTOR'S complete and full disbursement of HOME Program funds to DEVELOPER as described in "Attachment 3"; or all homes have been constructed and transferred to subsequent homeowners for use as affordable housing in accordance with 24 CFR Part 92.

Section 10: Conditions for Religious Organizations

The DEVELOPER ensures that HOME Program funds shall not be provided to primarily religious organizations, such as churches, for any activity including secular activities. In addition, HOME Program funds shall not be used to rehabilitate or construct housing owned by primarily religious organizations or to assist primarily religious organizations in acquiring housing. However, HOME Program funds may be used by a secular entity to acquire housing from a primarily religious organization, and a primarily religious entity may transfer title to its property to a wholly secular entity and the entity may participate in the HOME Program in accordance with the requirements of this 24 CFR Part 92.257. The entity may be an existing or newly established entity, which may be an entity established by the religious organization. The completed housing project must be used exclusively by the owner entity for secular purposes, available to all persons regardless of religion. In particular, there must be no religious or membership criteria for tenants of the property.

Section 11: Community Housing Development Organization (CHDO Provisions)

CHDO has been certified by the CONSORTIUM and has been found to be in compliance with the composition of a CHDO under the HOME Requirements. The CHDO agrees to maintain their CHDO status for the duration of the AGREEMENT.

Any program income generated from the PROGRAM may be kept and used by the CHDO and does not need to be returned to the GRANTOR.

ARTICLE II: COMPLIANCE WITH VISITABILITY STANDARDS

Any residence constructed pursuant to this Agreement within the corporate limits of the City of Urbana and the City of Champaign shall incorporate applicable visitability for the jurisdiction in which the project is located.

ARTICLE III: FINANCIAL RESPONSIBILITY

The allocation of funds by the GRANTOR pursuant to this AGREEMENT shall in no way obligate the GRANTOR for any financial responsibility incurred by the PROGRAM in excess of the funding pledged herein. The GRANTOR reserves the right to withhold pledged funds if the GRANTOR is not satisfied with the DEVELOPER'S compliance with the terms and conditions of performance outlined in this AGREEMENT.

ARTICLE IV: CERTIFICATIONS

DEVELOPER represents the following with respect to this AGREEMENT.

- A. DEVELOPER possesses legal authority to receive HOME Program funds from the GRANTOR and to execute the PROGRAM as described herein.
- B. The governing body of DEVELOPER 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 DEVELOPER to act in connection with this AGREEMENT and to provide such additional information as may be required.
- C. DEVELOPER, its successors and assigns, agrees to develop and operate the PROJECT in accordance with HOME Program regulations promulgated at 24 CFR Part 92 and with applicable building codes.
- D. DEVELOPER, its successors and assigns, agrees to comply with Section 3 of the Fair Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u), hereinafter referred to as "Section 3", which provides that, to the greatest extent feasible, opportunities for training and employment that arise through the PROGRAM shall be given to low-income residents of the Cities of Champaign, Urbana or Unincorporated Champaign County and that contracts in connection with the PROGRAM be awarded to business concerns located in or owned in substantial part by persons residing in the Cities of Champaign, Urbana or Unincorporated Champaign County. DEVELOPER agrees to comply with provisions of said Section 3 and the regulations as issued pursuant thereto by the Secretary of HUD set forth in 24 CFR Part 135, and all applicable rules and orders of HUD issued there under. DEVELOPER certifies and agrees that it is under no contractual or other disability that would prevent DEVELOPER from

complying with these requirements. DEVELOPER'S responsibility to comply with Section 3 regulations includes the following:

1. Including in each subcontract in excess of \$100,000 a requirement that the subcontractor comply with Section 3.
 2. Sending each labor organization or representative of workers with which DEVELOPER has a collective bargaining agreement or other understanding a notice of the DEVELOPER commitment under Section 3.
 3. Posting copies of the notice in conspicuous places at work sites where both employees and applicants for employment positions can see the notice.
 4. Refraining from allowing a subcontractor to postpone filling any vacant employment and training positions after the subcontractor is selected but before the contract with the subcontractor is executed for the purpose of circumventing obligations under Section 3.
 5. Refraining from entering into any contract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of Section 3 regulations.
 6. Directing efforts to award covered contracts to Section 3 business concerns in order of priority.
 7. Directing efforts to employ and train Section 3 residents in the order of priority.
 8. Documenting actions taken to comply with Section 3 requirements.
 9. Submitting required Section 3 reports.
- E. DEVELOPER agrees to give maximum feasible priority to very low-income persons when administering the PROGRAM described herein.
- F. DEVELOPER acknowledges it shall match HOME Program funds disbursed by the GRANTOR and pursuant to this AGREEMENT in the amount of \$40,320.00 in non-federal funds as defined in 24 CFR Part 92.220.
- G. DEVELOPER 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 PROGRAM. DEVELOPER 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. DEVELOPER shall separately and accurately identify use of HOME funds pursuant to this AGREEMENT.
- H. DEVELOPER 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 DEVELOPER receives federal financial assistance.

- I. DEVELOPER shall comply with Executive Order 11246, and all regulations issued pursuant thereto, 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.
- J. DEVELOPER 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.
- K. No Federal appropriated funds have been paid or will be paid, by or on behalf of DEVELOPER, to any person for influencing or attempting to influence an officer or employee of any agency including the GRANTOR, 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 GRANTOR, 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, DEVELOPER will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- L. DEVELOPER 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 PROGRAM.
- M. DEVELOPER 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. DEVELOPER shall be liable to perform all acts to the GRANTOR in the same manner as the GRANTOR performs these functions to the Federal government.

- N. DEVELOPER 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 law suit or claim for compensation arising in favor of any person, including the employees, officers, independent contractors, subcontractors, or agents of DEVELOPER, on account of personal injuries or death, or damages to property occurring, growing out of, incident to, or resulting under this PROGRAM, whether such loss, damage, injury, or liability is contributed to by the negligence of the GRANTOR 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 DEVELOPER shall have no liability for damages or the costs incident thereto caused by the sole negligence of the GRANTOR, or its officers, employees, or agents.
- O. DEVELOPER shall have full control of the ways and means of performing the services referred to herein. DEVELOPER acknowledges and agrees that its employees, representatives, subcontractors, and agents may in no respect be considered employees of the GRANTOR.
- P. DEVELOPER agrees that, to the greatest extent feasible, all construction-related expenditures made for the PROGRAM shall be made to City of Champaign, Urbana and Unincorporated Champaign County firms or individuals.

ARTICLE V: PROHIBITION AGAINST LOBBYING

PROJECT SPONSOR acknowledges that no funds disbursed pursuant to this Agreement shall be used to finance lobbying activities. Furthermore, PROJECT SPONSOR acknowledges that no PROJECT SPONSOR 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.

- A. 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
- B. Sponsorship of candidate forums
- C. Sponsorship of voter registration drives
- D. Provision of transportation to polling places
- E. Contributing financially to elected or appointed public officials in an attempt to influence legislation

- F. Hiring an individual or individuals to represent an organization and/or its position before elected or appointed public officials.

ARTICLE VI: NOTICES

Notices and communications under this AGREEMENT shall be sent first class, prepaid to the respective parties as follows.

TO THE GRANTOR: Grants Management Division
 Attn: Manager
 400 South Vine Street
 Urbana, Illinois 61801

TO THE DEVELOPER: Champaign County Neighborhood Alliance for Habitat
 Attn: Executive Director
 119 E. University Ave
 Champaign, IL 61820

ARTICLE VII: CONTINGENCIES

This AGREEMENT, including the provision of funds by the GRANTOR for the PROJECT as described herein, is contingent upon GRANTOR'S receipt of HOME Investment Partnerships Program grant funds from the Department of Housing and Urban Development and the signing of GRANTOR and the DEVELOPER.

ARTICLE VIII: ASSIGNMENT

DEVELOPER shall not assign this AGREEMENT, nor any part thereof, without prior written approval of the GRANTOR.

ARTICLE IX: MODIFICATION

No modification of this AGREEMENT, including modification of the PROGRAM budget in "Attachment 3", shall be effective unless in writing and executed by the parties hereto.

ARTICLE X: EXECUTION OF AGREEMENT

This AGREEMENT shall be binding upon the GRANTOR and DEVELOPER, their successors and assigns, and shall be effective as of the date executed by the Mayor of Urbana and attested by the City Clerk.

ARTICLE XI: PROJECT PUBLICITY

Any news release or other type of publicity pertaining to the work performed pursuant to this AGREEMENT must recognize GRANTOR as a DEVELOPER, funded by HUD.

ARTICLE XII: MONITORING AND EVALUATING

The GRANTOR shall be responsible for monitoring and/or evaluating all aspects of the services provided by DEVELOPER under this AGREEMENT. The GRANTOR shall have access to and be able to make copies and transcriptions of such records as may be necessary in the determination of the GRANTOR or HUD to accomplish this monitoring and/or evaluation. In order to properly monitor or evaluate the DEVELOPER'S performance under this AGREEMENT, the GRANTOR shall make on-site inspections annually or as often as it deems necessary. Failure by the DEVELOPER to assist the GRANTOR in this effort, including allowing the GRANTOR to conduct the on-site inspections and have access to the DEVELOPER'S records, shall result in the imposition of sanctions as specified in Article I Section 7 herein.

Said evaluation may be accomplished by the GRANTOR through a management evaluation of the services provided under this AGREEMENT during the term of this AGREEMENT.

During the period of affordability, the GRANTOR shall perform on-site inspections to ensure units are the principal residence of the homebuyers and they are maintained to minimum property standards as determined by the code requirements as adopted by the local jurisdiction the Project is located in.

ARTICLE XIII: INDEMNIFICATION

DEVELOPER shall to the fullest extent allowed by law defend, hold harmless and indemnify the GRANTOR from and against any and all liability, injury, loss, claims, damages, costs, attorneys' fees and expenses of whatever kind or nature which the GRANTOR may sustain, suffer or incur or be required to pay by reason of:

- A. The loss of any monies paid to DEVELOPER;
- B. Fraud, defalcation or dishonesty on the part of any person representing, employed by, contracted or subcontracted by DEVELOPER;
- C. Any act, omission, wrongdoing, misconduct, want of care or skill, negligence or default on the part of DEVELOPER or any of its contractors, subcontractors, sub-subcontractors, materialmen, suppliers and laborers in the execution or performance of this AGREEMENT; or

The indemnity hereunder shall survive termination of the AGREEMENT. In the event that any action, suit or proceeding is brought against the GRANTOR upon any liability arising out of the

AGREEMENT, or any other matter indemnified against, the GRANTOR at once shall give notice in writing thereof to DEVELOPER by registered or certified mail addressed to DEVELOPER. Upon receipt of such notice, DEVELOPER, at its own expense, shall defend against such action and take all such steps as may be necessary or proper to prevent the obtaining of a judgment against the GRANTOR.

GRANTOR:

DEVELOPER:

Laurel Lunt Prussing, Mayor

Signature

Date

Title

Attest

- Attachment 1 - Notice (the State of Illinois Prevailing Wage Act)**
- Attachment 2- Schedule of Program**
- Attachment 3- Sample Budget/ Financial Projections per Property**
- Attachment 4- Affordable Homeownership Program Sample Documents: Mortgage, and Note**
- Attachment 5- Sample Quarterly Report Required by the Urbana HOME Consortium**
- Attachment 6- LLL-Disclosure to Report Lobbying Activity**
- Attachment 7- MBE/WBE**

Attachment 1

Notice

The Illinois State Prevailing Wage Act (820 ILCS 130/0.01 et seq.) provides in part as follows: "Not less than the general prevailing rate of hourly wages for work of a similar character on public works in the locality in which the work is performed, and not less than the general prevailing rate of hourly wages for a legal, holiday and overtime work, shall be paid to all laborers, workers and mechanics employed by or on behalf of any public body engaged in the construction of public works." (820 ILCS 130/3, quoted in part).

The Act defines a public body as follows: "'Public body' means the state or any officer, board or commissioner of the state or any political subdivision or department thereof, or any institution supported in whole or part by public funds, authorized by law to construct public works . . ." (820 ILCS 130/2, quoted in part).

The Department of Labor has recently applied this provision to a not-for-profit corporation, indicating that it was the opinion of the Department that the not-for-profit, because of its State funding, was considered a public body for the purposes of the Prevailing Wage Act. You are encouraged to contact the Department of Labor for its guidance with respect to whether or not it considers your organization a "public body" under the Act for the purposes of the Prevailing Wage Act. If the Prevailing Wage Act applies, you are required to compensate all workers on the project, including volunteers, for work done on the project.

Since, by the terms of this agreement you are required to follow all local, State and Federal laws, if the State Prevailing Wage Act is applicable to your organization, then you are required to comply with the Act by the terms of this contract."

DEVELOPER: Champaign County Neighborhood Alliance for Habitat

Signed by: _____

Title: _____ Date: _____

**Attachment 2
Program Schedule**

**CHAMPAIGN COUNTY NEIGHBORHOOD ALLIANCE FOR HABITAT
AFFORDABLE HOMEOWNERSHIP PROGRAM
SCHEDULE OF ACTIVITIES FY 12-13**

[see attached]

Attachment 3
Sample Budget/ Financial Projections per Property

[see attached]

Attachment 4
Neighborhood Alliance -Affordable Homeownership Program Sample Documents:
Mortgage, and Note

URBANA HOME CONSORTIUM
HOMEBUYER ASSISTANCE
Neighborhood Alliance Affordable Homeownership
Program

MORTGAGE

THIS MORTGAGE ("Mortgage") is given on < Date,
_____, by <Borrower Name> (the
"Borrower") to the City of Urbana, Illinois, a unit of local
government having its principal offices at 400 South Vine Street,
Urbana, Illinois 61801, acting as the lead entity for the Urbana
HOME Consortium (the "Grantor"). Borrower conditionally owes
the Grantor a maximum amount of _____ **and**
no /100 [S _____]. This debt is evidenced by Borrower's
promissory note (the "Note") dated the same date as this Mortgage,
a copy of which is attached hereto as Exhibit "A", which provides
for a ten year (10) term, hereinafter referred to as the "Affordability
Period," commencing on _____.

This Mortgage secures to the Grantor: (a) all repayment of the debt evidenced by the
Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other
sums advanced by the Grantor pursuant to paragraph 7 of this Mortgage to protect the security of
this Mortgage; and (c) the performance of Borrower's covenants and agreements under this
Mortgage and the Note.

For these purposes, Borrower hereby mortgages, grants and conveys to the Grantor, its
successors and assigns, the real property described as:

Legal Description: <INSERT FULL LEGAL DESCRIPTION>;
Common address: < INSERT FULL ADDRESS HERE > ;
PIN: < PARCEL IDENTIFICATION NUMBER >;

located in the County of Champaign, State of Illinois, together with (a) all the improvements
now or hereafter erected on the property and all easements, rights and appurtenances thereto; (b)
all leases and licenses with respect to the property; (c) all rents, royalties and profits thereof; and
(d) all fixtures and equipment now or hereafter in or on the property. All replacements and
additions shall also be covered by this Mortgage. The real property referenced above and all of
the other property subject to this mortgage is hereinafter referred to collectively in this Mortgage
as the "Property".

Borrower covenants that Borrower is the lawful owner of the Property conveyed by this Mortgage and has the full right and power to mortgage, grant and convey the Property and that the Property is unencumbered, except for the encumbrances of record described in Exhibit "B" hereto acceptable to the Grantor (the "Permitted Encumbrances"). Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any Permitted Encumbrances.

Borrower covenants to the Grantor as follows:

1. **Payment Under the Note.** Borrower agrees to promptly pay when due any amounts required to be paid by the Note.
2. **Application of Payments.** Unless applicable law provides otherwise, all payments received by the Grantor under paragraph 1 will be applied to principal due under the Note.
3. **Charges and Liens.** Borrower will pay all taxes, assessments, charges and fines attributable to the Property which may attain priority over this Mortgage. Borrower will pay these obligations on time directly to the person to whom payment is owed.

Borrower will promptly discharge any lien which may attain priority over this Mortgage unless Borrower: (a) agrees in writing to pay the obligation secured by the lien in a manner acceptable to the Grantor; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which, in the Grantor's opinion, operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to the Grantor subordinating the lien to this Mortgage. If the Grantor determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, the Grantor may give Borrower a notice identifying the lien. Borrower will satisfy the lien or take one or more of the actions set forth above within ten (10) days of the Grantor's giving of such notice.

4. **Hazard Insurance.** Borrower will keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and any other hazards for which the Grantor requires insurance. All policies of insurance hereunder will be from such companies and in such form and amounts as may be satisfactory to the Grantor, will name the Grantor as a loss payee and will include a provision requiring 30 days advance written notice to the Grantor prior to the termination or modification of such policy.

All insurance policies and renewals must be acceptable to the Grantor and must include a standard mortgage clause. The Grantor may hold the policies and renewals and, if the Grantor requires, Borrower will promptly give to the Grantor all receipts of paid premiums and renewal notices. Upon the occurrence of a loss covered by insurance, Borrower will give prompt notice to the insurance carrier and the Grantor. The Grantor may make proof of loss if not made promptly by Borrower.

Insurance proceeds will be applied to restoration or repair of the Property damaged if the Grantor determines that the restoration or repair is economically feasible and the Grantor's security is not lessened by such restoration or repair. In such event, the Grantor has the right to

collect and hold the insurance proceeds and make the proceeds available to Borrower from time to time for the payment of the cost and expense of repair and restoration upon receipt of satisfactory evidence that such cost or expense has been incurred. If the Grantor determines that the restoration or repair is not economically feasible or the Grantor's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property or does not answer within 30 days a notice from the Grantor that the insurance carrier has offered to settle a claim, then the Grantor may settle the claim with the insurance carrier and collect the insurance proceeds from the insurance carrier and may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due.

If under paragraph 19 the Property is acquired by the Grantor, Borrower's right to any insurance policies and all insurance proceeds resulting from damage to the Property prior to the Grantor's acquisition shall pass to the Grantor to the extent of the sums secured by this Mortgage immediately prior to such acquisition.

5. **Preservation and Maintenance of Property.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate, or commit waste. Borrower shall cause the Property to comply with all local codes, ordinances, zoning ordinances, the Model Energy Code and the United States Department of Housing and Urban Development's ("HUD") Section 8 Housing Quality Standards, as set forth in Section 370.601 of the Rules.

6. **Occupancy and Resale Restrictions.** Borrower covenants that during the Affordability Period, the property shall be occupied and maintained as the principal residence of the Borrower.

Any sale or use of the Property for a purpose other than the principal residence of the Borrower within the Affordability Period, shall be considered a default of this agreement, and shall initiate repayment of the loan as required by the Note.

In the event of a foreclosure or deed in lieu of foreclosure relating to any other loan encumbering the Property, the Grantor shall have the right, but not the obligation, to acquire the Property prior to such foreclosure or deed in lieu of foreclosure to preserve the foregoing affordability provisions as provided in 24 CFR Part 92.254 (a)(4) of the Regulations.

7. **Protection of the Grantor's Rights in the Property: Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Mortgage or there is a legal proceeding that might significantly affect the Grantor's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then the Grantor may do and pay for whatever is necessary to protect the value of the Property and the Grantor's rights in the Property. The Grantor's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although the Grantor may take action under this paragraph 7, the Grantor does not have to do so. Any amount disbursed by the Grantor under this paragraph 7 shall become additional debt of Borrower secured by this Mortgage.

8. **Inspection.** The Grantor or its agents may make reasonable entries upon and inspections of the Property. The Grantor shall give Borrower notice prior to the time of an inspection specifying reasonable cause for the inspection.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property or for conveyance in lieu of condemnation are hereby assigned and shall be paid to the Grantor and shall be applied to the sums secured by this Mortgage as if the Note had been prepaid on the date the condemnation award is approved, whether or not then due, with any excess paid to Borrower. If the Property is abandoned by Borrower or if, after notice by the Grantor to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to the Grantor within 30 days after the date the notice is given, the Grantor is authorized to accept such award or settlement and to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due.

10. **Borrower Not Released; Forbearance Not a Waiver.** Extension of the time for payment or modification of payment of the sums secured by this Mortgage granted by the Grantor to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower' successors in interest. The Grantor shall not be required to commence proceedings against any successor in interest and may refuse to extend time for payment or otherwise modify payment of the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower' successors in interest. Any forbearance by the Grantor in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. **Successors and Assigns Bound.** The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of the Grantor and Borrower and shall be covenants running with, binding and burdening the Property, subject to the provisions of paragraphs 17 and 21.

12. **Loan Charges.** If the loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. The Grantor may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note. Notwithstanding anything to the contrary set forth in this paragraph 12, no interest or prepayment charge is payable under the Note.

13. **Legislation Affecting the Grantor's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, the Grantor, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by

paragraph 19. If the Grantor exercises this option, the Grantor shall take the steps specified in paragraph 19.

14. **Notices.** Any notices, demand, request or other communication that any party may desire or may be required to give to any other party hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) overnight courier; or (b) registered or certified United States mail, postage prepaid, return receipt requested.

The Borrower:

<Borrower name>

<Address >

<Contact Number>

The Grantor:

Urbana HOME Consortium

C/O City of Urbana – Administrative Agent

ATTN: Grants Management Division Manager

400 S. Vine Street

Urbana, IL 61801

217-384-2447

Such addresses may be changed by notice to the other party given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

15. **Governing Law; Severability.** This Mortgage shall be governed by the laws of the State of Illinois (without giving effect to Illinois choice of law principles). In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or Note, as the case may be, which can be given effect without the conflicting provision. To this end, the provisions of this Mortgage and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and this Mortgage.

17. **Transfer of the Property or a Beneficial Interest in Borrower.** In the event of (a) a default by Borrower, beyond any applicable cure period, of its obligations under the Note or this Mortgage, or (b) a sale, conveyance or other transfer of the Property for consideration, excluding, however, if Borrower are individuals, any sale, conveyance or transfer to a spouse upon a dissolution of marriage, or to a surviving spouse upon the death of a Borrower, then Borrower shall repay to the Grantor the Loan, or such portion of the Loan as may be due and payable under the terms of the Note.

Upon the occurrence of either of the foregoing events, the Grantor shall give Borrower notice of acceleration. This notice shall provide a period of not less than 30 days from the date the notice is given within which Borrower must pay all sums required by this paragraph 17. If Borrower fails to pay these sums prior to the expiration of this period, the Grantor may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.

18. **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower will have the right to have enforcement of this Mortgage discontinued at any time prior to the earlier of: (a) five (5) days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Mortgage; or (b) entry of a judgment enforcing this Mortgage. Those conditions are that Borrower: (w) pays the Grantor all sums which then would be due under this Mortgage and the Note had no acceleration occurred; (x) cures any default of any other covenants or agreements; (y) pays all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorneys' fees; and (z) takes such action as the Grantor may reasonably require to assure that the lien of this Mortgage, the Grantor's rights in the Property and Borrower's obligations to pay the sums secured by this Mortgage shall continue unchanged. Upon reinstatement by Borrower, this Mortgage and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

19. **Acceleration; Remedies.** Prior to any acceleration of the amounts owed to the Grantor under the Note or this Mortgage (other than an acceleration under paragraphs 13 and 17 unless applicable law provides otherwise) the Grantor shall give notice to Borrower following Borrower's breach of any covenant or agreement in this Mortgage (the "Default"). The notice shall specify: (a) the Default; (b) the action required to cure the Default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the Default must be cured; and (d) that failure to cure the Default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert, in the foreclosure proceeding, the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the Default is not cured on or before the date specified in the notice, the Grantor at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage by judicial proceeding. The Grantor shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence, and such sums shall be immediately due and payable and shall be secured by this Mortgage. Upon any sale of the Property made by virtue of judicial proceedings or a decree of foreclosure and sale, the Grantor may bid for and acquire the Property and in lieu of paying cash therefore may make settlement for the purchase price by crediting upon Borrower's indebtedness secured by this Mortgage, the sale price, after first deducting from the sale price the expenses of the sale and the cost of the foreclosure. The proceeds of any foreclosure sale of the Property shall be distributed and applied in the following order of priority: first, on account of all costs and expenses of the foreclosure proceedings; second, to repayment of the indebtedness of Borrower secured by this Mortgage; and third, any excess to Borrower, its successors and assigns.

20. **Possession.** Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, the Grantor (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by the Grantor or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not

limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage.

21. **Release.** Upon the expiration of the Affordability Period, the Grantor shall release this Mortgage without charge to Borrower. Borrower shall pay any recordation costs.

22. **Waiver of Homestead.** Borrower waives all right of Homestead Exemption in the Property, as described in 735 ILCS 5/12-901. The Borrower reserves the right, however, to seek a reduced assessment based on Homestead under 30 ILCS 200/16-80.

23. **Filing and Recording Fees.** Borrower shall pay all title insurance premiums, escrow charges, filing, registration or recording fees, and all expenses incident to the execution and acknowledgement of this Mortgage and all federal, state, county and municipal taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery and performance of this Mortgage.

By signing below, Borrower accepts and agrees to be bound by the terms and covenants in this Mortgage.

 Borrower – < Name >

Approved:

 City of Urbana, IL

 Champaign County Neighborhood Alliance for Habitat

STATE OF ILLINOIS)
) ss.
 COUNTY OF CHAMPAIGN)

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that < Borrower Name > personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of _____, _____

 Notary Public

EXHIBIT "A" (to mortgage)

PROMISSORY NOTE

U.S. \$ _____

FOR VALUE RECEIVED, the undersigned, <Borrower Name >, ("Borrower") covenants and promise(s) to pay to the order of the City of Urbana (the "Payee"), a unit of local government, the principal sum of _____ and 00/100 Dollars (\$ _____), with interest in the amount of zero percent (0%) ("HOME Investment").

If, during the Affordability Period, as defined in the Mortgage, the subject property is sold, the amount due and payable under the Note shall be a proportional share of the net proceeds of the sale determined as set forth below. For the purposes of this Note, the net proceeds are defined as the sale price minus:

- (a) (Sale in other than foreclosure proceeding) the amount of the loan repayment, other than the HOME Investment, the verified cost of any capital improvements made by the Borrower since purchase and reasonable closing costs, or
- (b) (Sale in foreclosure proceeding) the amount stated to be "surplus funds" as indicated in the "Report of Sale" filed with the Court.

The net proceeds shall be divided proportionately as set forth in the following mathematical formulas:

$$\frac{\text{HOME Investment}}{\text{HOME investment} + \text{Homeowner investment}} \times \text{Net Proceeds} = \text{Recaptured HOME Investment}$$

$$\frac{\text{Homeowner Investment}}{\text{HOME investment} + \text{Homeowner investment}} \times \text{Net Proceeds} = \text{Amount to Homeowner}$$

The amount due shall not exceed the total amount of the original HOME investment. The period from the date of this Promissory Note to the date that is ten (10) years after the date of the execution of the sales contract for the property between Buyer and Urban League of Champaign County which is _____ is referred to herein as the "Affordability Period". This note will be forgiven in its full amount upon expiration of the Affordability Period.

Borrower agrees to repay to the Payee, and the Payee shall have the right to accelerate payment of, the outstanding principal balance upon the earliest to occur, within the Affordability Period, of the following:

- (i) a default by the Borrower, beyond any applicable cure period, under the Mortgage or any other document evidencing or securing the Loan; or

- (ii) the sale, conveyance or transfer of ownership of the Property, provided, however, that if the Borrower is an individual, that no transfer to a spouse upon a dissolution of a marriage or to a surviving spouse upon the death of Borrower, as the case may be, shall be deemed to be a sale, conveyance or transfer for purposes of this subparagraph.

The Payee may exercise the foregoing right to accelerate, regardless of any prior forbearance, in accordance with the terms of the Mortgage. If suit is brought to collect the sums due under this Note, the Payee shall be entitled to collect all reasonable costs and expenses of suit, including, but not limited to, reasonable attorneys' fees.

Presentment, notice of dishonor and protest are hereby waived by all Borrower, sureties, guarantors and endorsers hereof. This Note shall be the joint and several obligation of all Borrowers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns. Any subsequent holder of this Note shall have the same rights under this Note as Payee.

Any notice to Borrower provided for in this Note shall be given as set forth in Paragraph 14 of the Mortgage securing payment of this Note.

This Note is governed by the Mortgage securing the same executed on the same date as this Note and evidences money borrowed by Borrower for the Property.

Property Address: < Insert address , City, State >

Borrower – < Borrower Name >

STATE OF ILLINOIS)
) ss.
COUNTY OF CHAMPAIGN)

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that < Borrower Name > personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2013.

Notary Public

EXHIBIT "B" (to mortgage)

PERMITTED ENCUMBRANCES:

First mortgage in the amount of \$ <Amount of First Mortgage> with < Insert Name of First Mortgage Holder>.

Prepared by and Return to:

City of Urbana -Grants Management Division
Attn: Manager
400 South Vine Street
Urbana, Illinois 61801
(217) 384-2447

Attachment 5
Sample Quarterly Report Required By the Urbana HOME Consortium

Champaign County Neighborhood Alliance for Habitat
Affordable Homeownership Program
Quarterly Progress Report

Month: _____
Completed By: _____ Date _____

I. Property & Planning

Site Preparation Status:
IN PROGRESS Date: _____
COMPLETE Date: _____

If not complete, explain how this goal is being accomplished: _____

II. Design Documents:

Development	Completion Date	_____	
Review	Completion Date	_____	
Approved By Building Safety	Date	_____	Permit Issued _____

Have there been changes to the design documents? _____

III. Homebuyer Outreach

Outreach: List the agencies and/or activities which you have undertaken this month toward the goal of identifying homebuyers: _____

Potential Homebuyers Identified: _____

Income Verification Process For Potential Homebuyer
In Progress _____
Not Approved _____ Reason _____

Approved _____ Income at _____%MFI

Approval by Financial Institution Lender

In Progress _____

Not Approved _____ Reason _____

Approved _____

IV. Contractor/Construction

Bidding Process:

Trade	BID ANNOUNCED	# BIDS RECEIVED	BIDS OPENED/ REVIEWED	BID ACCEPTED	CONTRACT SIGNED

CONTRACTOR	Name Address Phone #	Permit Issued	Start Date	Schedule # days to complete	Status In Progress / Delayed, etc	Final Inspection	Complete
General							
Foundation/ Concrete							
Structural							
Plumbing							
Electrical							
Mechanical							
Insulation							
Drywall							

V. Overall Project Progress

Is the project proceeding according to the Projected Schedule of Activities submitted? _____

If not, please explain. _____

Is the project staying within the budget established? _____

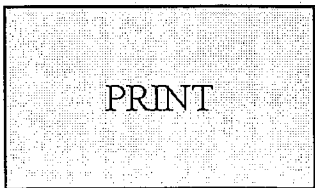
If not, please explain: _____

VI. NOTES MISC

Attachment 6
Sample Standard Form –LLL, Disclosure Form to Report Lobbying

DISCLOSURE OF LOBBYING ACTIVITIES Approved by OMB Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352 0348-0046 (See reverse for public burden disclosure.)

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: 4c	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency:	7. Federal Program Name/Description: CFDA Number, if applicable: _____	
8. Federal Action Number, if known:	9. Award Amount, if known: \$ _____	
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI):	b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI):	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

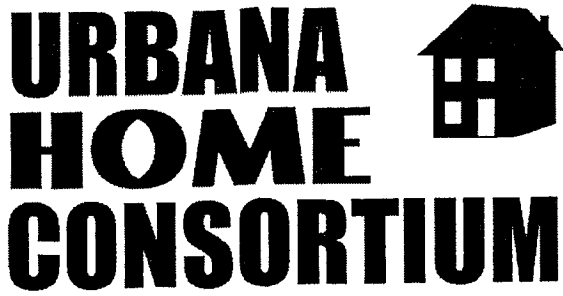


INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

. According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503



400 South Vine St.
 Urbana, IL 61801
 (217) 384-2335

jmgonzalez@urbanaininois.us

City of Urbana

City of Champaign

Champaign County

**City of Urbana and Urbana HOME Consortium
 FY 2012-2013 HOME Funding Application Packet**

Name of Organization: Champaign County Neighborhood Alliance for Habitat

HOME Funds Requested: \$ 200,000

Points Possible*	Application Components
5	A. Applicant Information
5	B. Executive Summary
20	C. Project Location
5	D. Project Objectives
30	E. Targeted Population
20	F. Project Schedule
20	G. Matching Funds
30	H. Project Management and Capacity
60	I. Program and Procedures
30	J. Affirmative Marketing Plan
20	K. Tenant Selection Plan
5	L. Board Resolution
-	M. Procedural Information
5	N. Applicant Certification and Commitment of Responsibility

*Note: See page 4 for details regarding point allocation

2012-2013 HOME Grant Application Information

HOME Grant Objectives

The National Affordable Housing Act of 1990 created the Home Investment Partnerships (HOME) Program. The federal program is designed to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary and affordable housing for low and very-low income families. The Urbana HOME Consortium receives annual federal entitlement of HOME funds to implement the Act locally.

HOME funds are used to achieve the following objectives:

- To provide decent affordable housing to lower-income households
- To expand the capacity of non-profit housing providers
- To strengthen the ability of state and local governments to provide housing
- To leverage private sector participation

Eligible HOME activities are defined within the following categories:

- Housing Rehabilitation
- Homebuyer Activities
- Rental Housing Activities
- Tenant Based Rental Assistance

Eligible Applicants

Individuals, non-profit organizations, public agencies, and for-profit entities are eligible to apply for HOME funds. A private non-profit organization, when acting as the developer, sponsor, and/or owner of affordable housing, may also apply for designation as a "Community Housing Development Organization" (CHDO), and may apply for a special set-aside percentage of HOME funds for eligible operational costs.

Application Submittal

To be considered for funding, applications must be submitted no later than:

4:00 pm, Friday, January 13, 2012

To: City of Urbana
Grants Management Division
400 S. Vine St.
Urbana, IL 61801



Applications submitted after this deadline **or that are incomplete** may not be considered for funding. Questions regarding the application or application process should be directed to Jen Gonzalez at 217-384-2335 or Kelly H. Mierkowski at 217-384-2447.

Application for Assistance

Application training and assistance will be available in **two sessions on Monday, December 12, 2011**. The first training session will be at 10:00 am in the City of Urbana Council Chambers and the second at 5:30 pm in the Department of Community Development Services Conference Room at the City of Urbana, 400 S. Vine St. Urbana, IL 61801. Please check in at the front desk. The training sessions are free and open to all interested parties. Reservation is not required.

The City of Urbana Consolidated Plan for Program Years 2010-2014 is available online at www.urbanaininois.us or in the Community Development Office of the City of Urbana. The Consolidated Plan outlines the funding priorities for the City of Urbana and the Urbana HOME Consortium. The following objectives have been set for the 2012-2013 HOME funded activities and are explained in detail in the Consolidated Plan.

- To provide decent housing
- To provide a suitable living environment
- To expand economic opportunities

Application Review

All complete applications submitted by the deadline will be reviewed and evaluated by Grants Management Division Staff. The review process is designed to ensure that HOME funds are allocated to proposals that demonstrate need for financial assistance, an ability to carry out well-designed projects, and are consistent with the City of Urbana and the HOME Consortium's affordable housing goals.

In its recommendation to the Community Development Commission and City Council, consideration will be given to the past performance of the applicant in undertaking and completing previous HOME funded projects. Proposal awards are subject to available funding. The Urbana City Council makes the final determination of grant awards. The rating system follows on the next page.



Application Rating System *(office use only)*

Application Components	Maximum Points	Points Earned
A. Applicant Information <i>Five points will be awarded if completed as required.</i>	5	
B. Executive Summary <i>Five points will be awarded if this section is completed as required.</i>	5	
C. Project Location <i>10 points will be awarded if a site has been identified for the project, and another 10 points will be awarded if the property is secured. Proof of a secure title must be included to earn these extra points.</i>	20	
D. Project Objectives <i>Five points will be awarded if the project meets at least one of the goals listed in Attachment "A"</i>	5	
E. Targeted Population <i>30 points will be awarded if the proposed project will serve families at or below 30% Median Family Income (MFI), 20 points will be awarded if serving families between 31-50% MFI, and 10 points will be awarded for serving families between 51-80% MFI.</i>	30	
F. Project Schedule <i>Points will be awarded based on the level of detail provided (10) and the reasonableness of the project timeline (10).</i>	20	
G. Matching Funds <i>20 points will be awarded for projects leveraging match funds that are already secured or inherent to the project. 10 points will be awarded for projects relying on match credit from previously completed projects.</i>	20	
H. Project Management and Capacity <i>40 points will be awarded to applicants demonstrating significant capacity to manage the project independently and in compliance with all HOME Program regulations, as evidenced by staff experience. 20 points will be awarded to applicants demonstrating access to skilled individuals who have knowledge of HOME Program procedures or who have worked with similar HUD programs.</i>	30	
I. Program and Procedures <i>A maximum of 30 points will be awarded for submission of each of these documents. Points will be allocated based on the detail provided, compliance with HOME Program regulations, and the scope of relevant issues described in each document.</i>	60	



<p>J. Affirmative Marketing Plan <i>A maximum of 30 points will be awarded for this document on the basis of compliance with applicable Federal regulations, measure of outreach to be undertaken, level of detail, as well as any examples submitted of proposed marketing efforts (i.e. copies of flyers, newspaper advertisements, etc).</i></p>	30	
<p>K. Tenant Selection Plan <i>This is a required component of all proposed rental projects, and points are awarded based on the level of detail provided regarding the basis for accepting or rejecting potential tenants. To receive the maximum number of points, samples of the rental application, income verification procedures, and other written materials should be included in the plan.</i></p>	20	
<p>L. Board Resolution <i>A signed resolution must be submitted regarding the Board's approval of the application in its final form. Minutes from the meeting must also be attached.</i></p>	5	
<p>M. Procedural Information <i>This is for information purposes only. Applicants will be expected to present their application at one or more of the meetings listed in this section.</i></p>	-	
<p>N. Applicant Certification and Commitment of Responsibility <i>Signature must be provided by the person granted rights to sign on behalf of the organization, as indicated in the agency's bylaws or articles of incorporation.</i></p>	5	
<p>Total Points</p>	255	



A. Applicant Information

Legal Applicant

Name of Organization	Champaign County Neighborhood Alliance for Habitat
Street Address	119 E University Ave
City, State, Zip	Champaign, IL 61820
Telephone Number	217-819-5111
Fax Number	217-363-3373
Federal ID Number	27-4409838
Executive Director	Paul Zindars
Telephone Number	217-819-5111
E-Mail Address	director@cuhabitat.org

B. Executive Summary

Please provide a summary of your proposed project:

Neighborhood Alliance proposes to construct four homes in FY 12/13 in partnership with Habitat for Humanity of Champaign County. Partner families are currently in various stages of the application and verification process. Once approved, they will select sites within the HOME Consortium service area. CHDO funds will be used to pay for 50% of the construction costs of each home, along with a developer fee.

Neighborhood Alliance has partnered with Habitat for Humanity since 2011. Habitat has completed 62 homes and is currently in various construction phases of an additional three homes due to be complete in October 2012.



C. Project Location

Address:

Neighborhood Alliance allows partner families to select lots within the Cities of Champaign and Urbana or unincorporated Champaign County. New single family homes will be constructed and then sold to the families at a zero interest loan. Specific sites will be selected once families are approved. Habitat for Humanity currently has four lots available for the families to select.

D. Project Objectives

Indicate which HOME Objective this project meets. Please check all that apply.

<input type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	Provision of affordable housing
<input checked="" type="checkbox"/>	Expansion of capacity of non-profit housing developers
<input type="checkbox"/>	Strengthening public housing agency housing programs
<input checked="" type="checkbox"/>	Leveraging private sector participation

Please indicate below one strategy or activity that this project will address as identified in the "Goals, Strategies, and Activities to Address," excerpted from *City of Urbana and the Urbana HOME Consortium (Champaign/Urbana/Champaign County) FY 2010-2014 Consolidated Plan* (See Attachment A):

Goal 1: Provide decent affordable housing opportunities for low- and moderate-income households

Strategy: Increase supply of affordable housing available to low and moderate income households.

Activity Support new construction for homeownership sponsored by CHDOs and other nonprofits.

HFHCC builds new homes for families with incomes of 30%-60% of median income for Champaign County.

Strategy: Expand homeownership opportunities for low and moderate income households.

Activity: Support and encourage homeownership education programs.

HFHCC's homeowner program requires partner families to complete courses in home budgeting, home maintenance and credit management.



Activity: Support the Housing Authority of Champaign County's Section 8 Homeownership program.

Section 8 Homeownership funds can be used to purchase HfHCC homes. Neighborhood Alliance staff has met with the Housing Authority to foster this relationship. There are currently two applicants in the verification process who are candidates for the Section 8 program.

Activity: Directly encourage homeownership through downpayment assistance programs such as programs funded with Private activity bond funds.

HFHCC's homeowner program introduces partner families to and encourages them to use downpayment programs such as the DPP (DownPayment Plus Advantage) & PACE grants. HfHCC consistently assists partner families in finding additional downpayment assistance.

Goal 2: Address barriers to obtaining affordable housing

Strategy: Support efforts to increase accessible and visitable housing units for persons with disabilities.

Activity: Encourage housing developers to include visitability/accessibility measures in new construction efforts.

All HFHCC homes are built to "visitability" standards.

Goal 3: Preserve and improve supply of affordable housing as a community resource.

Strategy: Support and encourage home maintenance programs.

Activity: Encourage counseling and educational opportunities and resources, which teach homeownership maintenance skills.

HFHCC's homeowner program requires partner families to complete courses in home budgeting, home maintenance and credit management.

Goal 6: Provide Support for existing agencies delivering services to homeless individuals and families and encourage the expansion of local services to meet community homeless needs.

Strategy: Take steps to stabilize households at risk of homelessness.

Activity: Support programs offering permanent housing solutions for low and extremely low income households (see Goal 1)

HFHCC builds new homes for families with incomes of 30%-60% of median income for Champaign County.

Activity: Support educational services including financial literacy, homeowner education and debt management.

HFHCC's homeowner program requires partner families to complete courses in home budgeting, home maintenance and credit management.



Goal 9: Preserve and support Urbana’s neighborhoods as vibrant places to live.

Strategy: Acquire and clear deteriorated housing and vacant lots for donation to non-profit home construction programs. Acquisition and clearance efforts may be implemented in the CD Target areas and will be focused on the King Park Neighborhood in accordance with the King Park Neighborhood Plan.

Activity: Using HOME and/or CDBG funds to acquire vacant properties and deteriorated and/or substandard structures that will be cleared as necessary, for donation to a non-profit housing developer for the purpose of new construction of affordable housing. The City will properly maintain such properties until transfer of ownership occurs.

HfHCC homes are built primarily on lots obtained by local government due to abandonment or their need of demolition and replacement.

E. Targeted Population

Indicate the number of households that will be assisted by income range of Median Family Income. (Refer to Chart below)

#	Income Level
	0-30%
2	31-50%
2	51-80%

Median Family Income (MFI) Limits 2011
Median Income: \$67,100

Family Size	30% MFI (extremely low income)	50% MFI (very low income)	80% MFI (low income)
1 person	14,150	23,500	37,600
2 persons	16,150	26,850	43,000
3 persons	18,150	30,200	48,350
4 persons	20,150	33,550	53,700
5 persons	21,800	36,250	58,000
6 persons	23,400	38,950	62,300
7 persons	25,000	41,650	66,600
8 persons	26,600	44,300	70,900

Will your project assist residents of Champaign, Urbana, Champaign County or a combination thereof? Please check all that apply.



<input type="checkbox"/>	
<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	Champaign residents
<input checked="" type="checkbox"/>	Urbana residents
<input checked="" type="checkbox"/>	Champaign County residents

Will your project *target* special needs populations? Please circle:

YES

NO

If yes, which special needs populations will be *targeted*? Please check all that apply:

<input checked="" type="checkbox"/>	<i>Please check all that apply</i>	
<input type="checkbox"/>	Homeless	Developmentally Disabled
<input type="checkbox"/>	Chronically Homeless	Elderly
<input type="checkbox"/>	Seriously Mentally Ill	Frail Elderly
<input type="checkbox"/>	Chronic Substance Abuse	Veterans
<input type="checkbox"/>	Physically Disabled	Persons with HIV/AIDS
<input type="checkbox"/>	Victims of Domestic Violence	Other

Please list 'Other' Special Needs Populations if applicable:

F. Project Schedule

Please attach a separate project schedule to this section, describing the steps or phases necessary to complete the project. Note: you must be able to begin the project within 12 months of contract execution.

Each home takes approximately 4 months to complete. This request is for funding of four homes to be built in the 2012 and 2013 build season.

G. Matching Funds

Applicants are required to provide at least 25% of the total project cost. Match is defined as any funds or resources, **other than federal funds**, dedicated by the applicant toward the



successful completion of the proposed project. Please list all sources of matching funds. Use a separate sheet if necessary and attach it to this section of the application.

Source	Amount	Secured or Requested
Habitat for Humanity Fund for Humanity	\$160,000	Secured
Gifts in Kind	\$100,000	Secured
Lowe's Grant	\$5,000	Secured
Home Depot Framing Hope	Variable	Secured

H. Project Management & Capacity

Please indicate the person(s) responsible for the on-going management of the project to ensure compliance with the HOME regulations throughout the affordability period? Please also note any prior experience your staff has with HUD requirements and regulations in a narrative below. Be sure to include the names of each specific grant and/or HUD program.

Sheila Dodd, Executive Director of Habitat for Humanity, will oversee the management of the grant along with Paul Zindars, Executive Director of Champaign County Neighborhood Alliance for Habitat. Sheila Dodd has twenty years experience working with the HOME program. Paul Zindars has experience working with the HOME program for seven years and the Neighborhood Stabilization Program (NSP) for two years. NSP has funded three homes where Paul Zindars has acted as the construction manager.

Please provide contact information for the staff above (if other than applicant):

Name	Phone	Email Address

I. Program and Procedures

Include a copy of a *Program Manual* and a *Policies & Procedures Manual* that will be followed in carrying out this program. (Note: this section is optional; however, if you choose not to submit this portion of the application, you will not receive any points for this section.)



J. Affirmative Marketing Plan

AFFIRMATIVE FAIR HOUSING MARKETING PLAN

Direction of Marketing Activities

This plan is designed to attract applications for occupancy from all potentially eligible groups of people in the housing market regardless of race, color, religion, sex, age, familial status, national origin or disability. All radio, TV or newspaper advertisement, pamphlets, brochures, etc. will identify the equal housing opportunity slogan.

The office should be wheelchair accessible and there should be ample parking available outside the office. Accessible parking spaces shall be designated as reserved for the disabled by a sign showing the international symbol of accessibility. The sign should be mounted on a post at a height readily visible from an occupied vehicle. In snow, the sign needs to be visible above piled snow.

Staff Training

All staff persons responsible for home ownership program will have training on Federal, State, and local fair housing laws and regulations and in the requirements of fair housing marketing and in those actions necessary to carry out the marketing plan.

Service/Therapy Animals

Service or therapy animals should always be allowed at the request of a potential partner family. A service animal will have a certificate of training from the school that trained it. A therapy animal will have a doctor's statement allowing the use of the animal. The doctor's statement should be provided to management as a matter of record.

Reasonable Accommodation

Reasonable accommodation is a request made by the partner family or potential partner family that may affect policy or procedure. Staff will always attempt to reasonably accommodate the request of someone with a disability.

K. Tenant Selection Plan

Include a copy of the Tenant Selection Plan that will be followed in carrying out this program. (Note: This only applies to rental projects.)

L. Board Resolution



All not-for-profit organizations must include a copy of a Board Resolution indicating the Board's approval of this application in its final form. A copy of the minutes from the meeting must also be attached.

The Board is scheduled to meet the end of March and a copy of the minutes and resolution will be provided at that time.

M. Procedural Information

**Note: Please see the City of Urbana website for changes to scheduled meetings:
www.urbanaininois.us*

- The Community Development Commission (CDC) is scheduled to review the HOME and CDBG Applications on January 24, 2012 during its regular monthly meeting at 7 p.m. in the Urbana City Council chambers. It is strongly recommended that organization representatives present their proposed projects at this meeting.
- A Public Hearing is scheduled for March 27, 2012 at the regular meeting of the CDC. Staff will formally present all project funding recommendations as part of the FY 2012-2013 Annual Action Plan (AAP) draft.
- The Urbana City Council will review the FY 2012-2013 AAP (and subsequent recommendations of the CDC) at one of the regularly scheduled Urbana City Council Committee of the Whole meetings held in April 2012.
- Once the Urbana City Council has approved the Annual Action Plan (with any changes) at its regular meeting in April, the following week the City Council will vote on the Final AAP.

N. Applicant Certification and Commitment of Responsibility

As the official designated by the governing body, I hereby certify that if approved by the Urbana HOME Consortium, the City of Urbana, the City of Champaign, or Champaign County for a HOME funding allocation, the __Champaign County Neighborhood Alliance for Habitat (applicant name) assumes the responsibilities specified in the HOME regulations at 24 CFR Part 92 and certifies that:



- A. It possesses the legal authority to apply for the allocation and to execute the proposed activity;
- B. It has resolved any audit findings for the prior fiscal year to the satisfaction of the Urbana HOME Consortium, the City of Urbana, the City of Champaign, Champaign County or any other federal agency by which the finding was made;
- C. It is not currently suspended or debarred from receiving federal funds;
- D. Before committing funds to a project, it will evaluate the project in accordance with the guidelines it adopts for the purpose and will not invest any more HOME funds in combination with other governmental assistance than is necessary to provide affordable housing;
- E. If a CHDO, its board composition complies with and will continue to comply with the requirements for CHDOs in the definition contained in 24 CFR Section 92.2;
- F. It will comply with all statutes and regulations governing the HOME program;
- G. The information, statements and attachments contained in support of this application are given for the purpose of obtaining financial assistance from the Urbana HOME Consortium, the City of Urbana, the City of Champaign, and Champaign County are true and correct to the best of my knowledge and belief. Representations made in the application will be the basis of the written HOME agreement if funding is awarded. All information contained in this application is acknowledged to be public information;
- H. The applicant understands and agrees that if false information provided in this application has the effect of increasing the applicant's competitive advantage, the Urbana HOME Consortium, the City of Urbana, the City of Champaign and Champaign County will disqualify the applicant and may hold the applicant ineligible to apply for HOME funds until any issue of restitution is resolved;
- I. If false information is discovered after the award of HOME funds, the Urbana HOME Consortium, the City of Urbana, the City of Champaign and Champaign County may terminate the applicant's written agreement and recapture all HOME funds expended;
- J. The applicant shall not, in the provision of services or in any other manner, discriminate against any person on the basis of race, religion, sex, national origin, familial status, or handicap;
- K. The applicant agrees that verification of any of the information contained in this application may be obtained from any source named herein;



- L. The applicant will at all times indemnify and hold the Urbana HOME Consortium, the City of Urbana, the City of Champaign and Champaign County harmless against all losses, costs, damages, expenses, and liabilities of any nature directly or indirectly resulting from, arising out of or relating to the Urbana HOME Consortium, the City of Urbana, the City of Champaign and Champaign County's acceptance, consideration, approval, or disapproval of this request and the issuance or non-issuance of HOME funds herewith.

This certification must be signed by the individual authorized to submit the application as determined by applicant's governing Board of Directors and who will be authorized to execute HOME Program agreements.

Paul Zindars
Authorized Signature

Paul Zindars
Print Name

Construction Manager
Title

March 7, 2012
Date



RESOLUTION NO. _____

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT

(Neighborhood Alliance Operating FY 2012-2013)

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 RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Urbana City Council hereby approves the minor amendment to the City of Urbana and Urbana HOME Consortium Annual Action Plans for FY 2011-2012 and FY 2012-2013 in substantially the same form as attached hereto.

Section 2. That an Agreement providing \$28,000 in HOME Program Operating funds, for administration and operating expenses related to the continued operation and agency capacity expansion, between the City of Urbana and Champaign County Neighborhood Alliance for Habitat, 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 3. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver 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 _____ day of _____,
_____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

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

Laurel Lunt Prussing, Mayor

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

(Champaign County Neighborhood Alliance for Habitat CHDO Operating FY 2012-2013)

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 **Champaign County Neighborhood Alliance for Habitat**, a not-for-profit corporation incorporated under the laws of the State of Illinois (hereinafter "**Neighborhood Alliance**").

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, 2010**, and ending **June 30, 2013**, 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 Plans FY 2011-2012 and FY 2012-2013* (hereinafter the "AAPs") which budgets 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, **Neighborhood Alliance** has fulfilled all HOME Program requirements necessary to be certified as a CHDO; and

WHEREAS, **Neighborhood Alliance** has been designated as an eligible recipient of CHDO funds for the Urbana HOME Consortium for **FY 2012-2013**; and

WHEREAS, Neighborhood Alliance has applied to the City for 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 Neighborhood Alliance 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 and FY 2012-2013** Urbana HOME Consortium funds to provide Neighborhood Alliance with administrative and operating activities to complete the Operating Activities.
3. **Pledge of HOME and Match Funds** The City pledges to Neighborhood Alliance **\$28,000** 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.

Neighborhood Alliance 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 Neighborhood Alliance 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 "**Champaign County Neighborhood Alliance for Habitat.**" All monies granted to Neighborhood Alliance pursuant to this Agreement shall be expended by Neighborhood Alliance by **June 30, 2014**.

4. **Eligible Uses of Funds.** Neighborhood Alliance 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 Neighborhood Alliance** 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. **Neighborhood Alliance** 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 Neighborhood Alliance** represents the following with respect to this Agreement.
 - A. **Neighborhood Alliance** 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 **Neighborhood Alliance** 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 **Neighborhood Alliance** to act in connection with this Agreement and to provide such additional information as may be required.

- C. **Neighborhood Alliance**, its successors and assigns, agrees to fulfill the Operating Activities in accordance with HOME Program regulations promulgated at 24 CFR Part 92.
- D. **Neighborhood Alliance** acknowledges there is no match requirement for these HOME CHDO funds disbursed by the City in the amount of **\$28,000**.
- E. **Neighborhood Alliance** 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. **Neighborhood Alliance** 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. **Neighborhood Alliance** shall separately and accurately identify use of HOME funds pursuant to this Agreement.
- F. **Neighborhood Alliance** 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 **Neighborhood Alliance** receives federal financial assistance.
- G. **Neighborhood Alliance** 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. **Neighborhood Alliance** 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 **Neighborhood Alliance**, 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, **Neighborhood Alliance** 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. **Neighborhood Alliance** 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. **Neighborhood Alliance** 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. **Neighborhood Alliance** 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 June, 2019**). 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. **Neighborhood Alliance** 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. **Neighborhood Alliance** 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. **Neighborhood Alliance** 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 **Neighborhood Alliance**, 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 **Neighborhood Alliance** 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. **Neighborhood Alliance** shall have full control of the ways and means of performing the services referred to herein. **Neighborhood Alliance** acknowledges and agrees that its employees, representatives, subcontractors, and agents may in no respect be considered employees of the City.

8. **Affirmative Marketing.** **Neighborhood Alliance** 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 **Neighborhood Alliance** must adhere to in order to carry out the affirmative marketing procedures and requirements
- Procedures to be used by **Neighborhood Alliance** 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 **Neighborhood Alliance** to affirmatively market units and records to assess the results of these actions
- A description of how the **Neighborhood Alliance** 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** **Neighborhood Alliance** acknowledges that no funds disbursed pursuant to this Agreement shall be used to finance lobbying activities. Furthermore, **Neighborhood Alliance** acknowledges that no **Neighborhood Alliance** 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** **Neighborhood Alliance** 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:

<u>Expenses Incurred During:</u>	<u>Pay Request Submitted:</u>
July-September	by October 14 th
October-December	by January 13 th
January-March	by April 13 th
April-June	by June 15 th

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 **Neighborhood Alliance** 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, **Neighborhood Alliance** 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 **Neighborhood Alliance** understands and abides by all applicable local state and federal regulations involved in the use of HOME funds, the City requires that **Neighborhood Alliance** 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** **Neighborhood Alliance** agrees that if the City determines that **Neighborhood Alliance** has not complied with or is not complying with the provisions of this Agreement and so notifies **Neighborhood Alliance** by written notice of said violations and **Neighborhood Alliance** 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: Executive Director
Champaign County Neighborhood Alliance for Habitat
119 E University Ave
Champaign, IL 61820

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 the construction of four single-family units as described in Agreement Number FY01213-NA-CD.
15. **Assignment Neighborhood Alliance** 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, **Neighborhood Alliance**, certifies that it is not debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549.

Neighborhood Alliance 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.

Neighborhood Alliance 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”). **Neighborhood Alliance** 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 **June 30, 2015**.
19. **Execution of Agreement.** This Agreement shall be binding upon the City and **Neighborhood Alliance**, 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, Mayor

Date

Attest: Phyllis D. Clark, City Clerk

Champaign County Neighborhood Alliance for Habitat

Printed Name

Signature

Date

Exhibit 1

**Champaign County Neighborhood Alliance for Habitat
HOME Operating Budget
FY 2012-2013**

Examples of Eligible Expenses Under the HOME Program:

Staff Salaries & Benefits
Employee Education
Utilities
Communication
Taxes
Insurance
Office Equipment
Office Supplies
Marketing

TOTAL EXPENSES **\$28,000**



400 South Vine St.
 Urbana, IL 61801
 (217) 384-2335

jmgonzalez@urbanaininois.us

City of Urbana

City of Champaign

Champaign County

**City of Urbana and Urbana HOME Consortium
 FY 2012-2013 CHDO Operating Application**

Name of Organization: Champaign County Neighborhood Alliance for Habitat

Operating Funds Requested: \$ 28,250

<input checked="" type="checkbox"/>	Application Component Checklist	
	A. Applicant Submittal	
	B. Application Rating System	
	C. Applicant Information	
	D. Reporting	
	E. Operating Objectives	
	F. Budget and Funding Information	
	G. Procedural Information	
	H. Applicant Certification and Commitment of Responsibility	
<input checked="" type="checkbox"/>	Additional Required Documentation to Include	
	Board Resolution Approving Application	
	Strategic Business Plan	
	Most Recent Audit Report & Auditor Letters	Date of Audit:

A. Application Submittal

To be considered for funding, applications must be submitted no later than:

4:00 pm, Wednesday, February 07, 2012

To: The City of Urbana
Grants Management Division
400 S. Vine St.
Urbana, IL 61801

Applications submitted after this deadline or that are incomplete may not be considered for funding. Questions regarding the application or application process should be directed to Jen Gonzalez at 217-384-2335 or Kelly Mierkowski at 217-384-2447.

The City of Urbana Consolidated Plan for Program Years 2010-2014 is available online at www.urbanaininois.us or in the Community Development Office of the City of Urbana. The Consolidated Plan outlines the funding priorities for the City of Urbana and of the Urbana HOME Consortium. The following priorities have been set for the 2011-2012 HOME funded activities and are explained in detail in the Consolidated Plan.

- To provide decent housing
- To provide a suitable living environment
- To expand economic opportunities

Application Review

All complete applications submitted by the deadline will be reviewed and evaluated by Grants Management Division Staff. The review process is designed to ensure that HOME funds are allocated to proposals that demonstrate need for financial assistance, an ability to carry out well-designed projects, and are consistent with the City of Urbana and the HOME Consortium's affordable housing goals.



B. Application Rating System *(office use only)*

In its recommendation to the Community Development Commission and City Council, consideration will be given to the past performance of the applicant in undertaking and completing previous HOME funded projects. Proposal awards are subject to available funding. The Urbana City Council makes the final determination of grant awards. The rating system below is a component of this decision process.

Category	Max. Points	
Funding Description	50	
Compliance with Con Plan goals & strategies	25	
Proposed accomplishments	25	
Past Performance	50	
Adherence to project schedules, timeliness of expenditures	20	
Submission of Quarterly Reports	10	
If Operating Funds previously received, evidence of increased program delivery since last FY (marketing, bricks and mortar, staff accessibility, timeliness of responses, etc)	20	
Financial Feasibility	50	
Eligibility of proposed expenditures	25	
Operating Budget: level of detail, reasonableness of requested costs	25	
Current Capacity Needs	50	
Gap identified in current staff capacity?	10	
Need for marketing opportunities	10	
Proposed use of funds will address identified gap in capacity	30	
Total Points Possible	200	



C. Applicant Information

Legal Applicant

Name of Organization	Champaign County Neighborhood Alliance for Habitat		
Street Address	119 E University Ave		
City, State, Zip	Champaign, IL 61820		
Telephone Number	217-819-5111		
Fax Number	217-363-3373		
Federal ID Number	27-4409838		
Executive Director	Paul Zindars		
Telephone Number	217-819-5111		
E-Mail Address	director@cuhabitat.org		
Type of Applicant (Check one)		Public Non-Profit	<input type="checkbox"/>
Unit of Government		Private Non-Profit	<input type="checkbox"/>
Public Agency		CHDO	<input checked="" type="checkbox"/>

If application preparer and/or project contact person is not the Executive Director:

Application Preparer Name	Sheila Dodd
Title	Executive Director, Habitat for Humanity
Telephone & Fax Numbers	217-819-5111
E-Mail Address	director@cuhabitat.org
Project Contact Person	
Title	
Telephone & Fax Numbers	
E-Mail Address	



D. Reporting

In order to be considered for future CHDO operating funds, all outstanding quarterly reports must be completed and submitted with this application. To this section of the application, please attach any reports for the first and second quarters of Fiscal Year 2011-2012.



E. Operating Objectives

CHDO Operating Funds Requested:	\$ <u>28,250</u>		
Type of Projects currently underway (indicate number of units for each activity)			
Homebuyer New Construction	4	Rental New Construction	
Acquisition Rehabilitation		Rental Rehabilitation	

Please list the current projects underway by project name and address below.

901 N Division, Urbana, IL

Families have selected lots on Beslin and Dublin in Urbana and construction is planned to begin in April 2012.

An additional ten families are in various stages of the application process. The fourth homeowner will be identified by April 30, 2012. At that time, the family will select a lot within the HOME Consortium service area.



Budget and Funding Information

Agency General Budget

Does the organization receive operating funds from other sources? Yes No

How much annually and from what other sources? Attach documentation if necessary.

Funding Source	Amount
Habitat for Humanity of Champaign County – fund for development, United Way grant, donations.	\$25,000 per house

- Please describe the effect on the staffing capacity if operating funding is not awarded during this fiscal period:

Neighborhood Alliance currently has no operational funding and is utilizing funds from Habitat to operate the CHDO. If the operating funds are not received, it will have an impact on the available unrestricted donations and funds provided to Habitat for Humanity of Champaign County.

A Family Support person will be hired to work with the families through the application and homeownership process. Operating funds will help support this person whose primary function is to ensure the families are successful in homeownership. Funds will be used to provide pre and post purchase support for financial education, budgeting, and access to resources as needed by the families.

Please provide a budget that provides, at a minimum, the same level of detail as the example provided below. HUD defines the following activities below as eligible operating costs under the HOME Program. Please indicate which of these activities would be funded using operating funds, as well as how much is requested for each activity:

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.



Sample Budget:

Activity	HOME Funds Requested
Rent	
Utilities	
Wages/Salaries	\$25,500
Employee Education/Training	\$2,750
Marketing materials	
Office Supplies	
Office Equipment, etc...	
TOTAL OPERATING FUNDS REQUESTED	\$28,250

Salary and training line items will cover the Family Support and Director positions. Currently the CHDO Director is Paul Zindars who also oversees the construction projects.



Procedural Information

**Note: Please see the City of Urbana website for changes to scheduled meetings:
www.urbanaininois.us*

- The Community Development Commission (CDC) is scheduled to review the HOME and CDBG Applications on March 27, 2012. It is strongly recommended that Organizations present their Applications at this meeting, as there will not be another opportunity to do so before the CDC makes its recommendations to the Urbana City Council. A Public Hearing is tentatively scheduled this date. Staff will formally present all project funding recommendations as part of the FY 2012-2013 Annual Action Plan (AAP) draft.
- The Urbana City Council will review the FY 2012-2013 AAP and subsequent recommendations of the CDC at one of the regularly scheduled Committee of the Whole meetings held in April 2012.
- Once the Committee of the Whole has approved the Annual Action Plan (with any changes) at its regular meeting in April, the following week the City Council will vote on the Final AAP.



F. Applicant Certification and Commitment of Responsibility

As the official designated by the governing body, I hereby certify that if approved by the Urbana HOME Consortium, the City of Urbana, the City of Champaign, or Champaign County for a HOME funding allocation, the __Champaign County Neighborhood Alliance for Habitat (applicant name) assumes the responsibilities specified in the HOME regulations and certifies that:

- A. It possesses the legal authority to apply for the allocation and to execute the proposed activity;
- B. It has resolved any audit findings for the prior fiscal year to the satisfaction of the Urbana HOME Consortium, the City of Urbana, the City of Champaign, Champaign County or any other federal agency by which the finding was made;
- C. It is not currently suspended or debarred from receiving federal funds;
- D. Before committing funds to a project, it will evaluate the project in accordance with the guidelines it adopts for the purpose and will not invest any more HOME funds in combination with other governmental assistance than is necessary to provide affordable housing;
- E. If a CHDO, its board composition complies with and will continue to comply with the requirements for CHDOs in the definition contained in 24 CFR Section 92.2;
- F. It will comply with all statutes and regulations governing the HOME program;
- G. The information, statements and attachments contained in support of this application are given for the purpose of obtaining financial assistance from the Urbana HOME Consortium, the City of Urbana, the City of Champaign, and Champaign County are true and correct to the best of my knowledge and belief. Representations made in the application will be the basis of the written HOME agreement if funding is awarded. All information contained in this application is acknowledged to be public information;
- H. The applicant understands and agrees that if false information provided in this application has the effect of increasing the applicant's competitive advantage, the Urbana HOME Consortium, the City of Urbana, the City of Champaign and Champaign County will disqualify the applicant and may hold the applicant ineligible to apply for HOME funds until any issue of restitution is resolved;



- I. If false information is discovered after the award of HOME funds, the Urbana HOME Consortium, the City of Urbana, the City of Champaign and Champaign County may terminate the applicant's written agreement and recapture all HOME funds expended;
- J. The applicant shall not, in the provision of services or in any other manner, discriminate against any person on the basis of race, religion, sex, national origin, familial status, or handicap.
- K. The applicant agrees that verification of any of the information contained in this application may be obtained from any source named herein.
- L. The applicant will at all times indemnify and hold the Urbana HOME Consortium, the City of Urbana, the City of Champaign and Champaign County harmless against all losses, costs, damages, expenses, and liabilities of any nature directly or indirectly resulting from, arising out of or relating to the Urbana HOME Consortium, the City of Urbana, the City of Champaign and Champaign County's acceptance, consideration, approval, or disapproval of this request and the issuance or non-issuance of HOME funds herewith.

This certification must be signed by the individual authorized to submit the application as determined by applicant's governing Board of Directors and who will be authorized to execute HOME Program agreements.

Paul Zindars
 Authorized Signature

Paul Zindars
 Print Name

Construction Manager
 Title

3/7/2012
 Date





**CITY OF URBANA & URBANA HOME CONSORTIUM PROPOSED
AMENDMENTS TO FY 2008-2009, 2010-2011, 2011-2012 & FY 2012-2013
ANNUAL ACTION PLANS (TBRA Programs, CHDO Demolition Funds, &
1107 N Gregory CHDO Project) PUBLIC HEARING MINUTES**

Friday, March 1, 2013, 10:00 a.m.

City Council Chambers, 400 S. Vine Street, Urbana, IL

Present:

- City of Urbana Grants Management Division: Jennifer Gonzalez
- Bridget Evans and Lee Ankely, UTUC (see attached sign-in sheet)

Ms. Gonzalez called the public hearing to order at 10:05 a.m. The purpose of this public hearing was to provide an opportunity for the public to provide input and for the City to accept comments regarding the proposed amendments to the FY 2008-2009, 2010-2011, 2011-2012 and FY 2012-2013 City of Urbana and Urbana HOME Consortium Annual Action Plans.

The City of Urbana receives HOME Investment Partnerships Program (HOME) funding from the Department of Housing and Urban Development (HUD) to benefit low- and moderate-income citizens within the City of Urbana for the purpose of building affordable housing.

Notice of this public hearing was placed on the City's website on February 15, 2013; faxed, mailed and emailed to various social service agencies and citizens. Questions and comments may also be directed in writing before the close of business on Monday, March 18, 2013 to Kelly H. Mierkowski, Manager, Grants Management Division, City of Urbana, 400 S. Vine St, Urbana, IL 61801 or khmierkowski@urbanaininois.us.

Ms. Gonzalez explained these amendments would modify funding for three program activities: Tenant Based Rental Assistance, a Community Housing Development Organization (CHDO) rental unit with Homestead Corporation of Champaign-Urbana (Homestead), and a CHDO demolition fund for Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance).

Ms. Evans and Ms. Ankely inquired about the process for taking amendments to the City Council. Ms. Gonzalez explained that the Community Development Commission regularly meets every fourth Tuesday of the month to make recommendations to the City Council, and those recommendations are then forwarded before the Council takes action on the agenda item.

Ms. Gonzalez referred Ms. Evans and Ms. Ankely to the Urbana City website for a video of the most recent meeting, which covered the proposed amendments on February 26, 2013 for further information. Seeing no further comments, Ms. Gonzalez adjourned the public hearing at 10:09 a.m.

Respectfully Submitted,



Jen Gonzalez, Grant Coordinator



**CITY OF URBANA & URBANA HOME CONSORTIUM
PROPOSED AMENDMENTS
TO FY 2011-2012 & FY 2012-2013 ANNUAL ACTION PLANS
(Winter 2012 CDBG Amendment & Winter 2012 HOME CHDO Amendment)
PUBLIC HEARING MINUTES**

**Tuesday, January 8, 2013, 7:00 p.m.
City Council Chambers, 400 S. Vine Street, Urbana, IL**

Present:

- City of Urbana Grants Management Division: Kelly H. Mierkowski, Connie Eldridge, Jennifer Gonzalez, Jenell Hardy
- Esther Patt, Champaign-Urbana Tenant Union; Lisa Benson, Community Elements (see attached sign-in sheet)

Ms. Mierkowski called the public hearing to order at 7:41p.m., immediately following the public hearing for the Draft FY 2013-2014 Annual Action Plan. The purpose of this public hearing was to provide an opportunity for the public to provide input and for the City to accept comments regarding the proposed amendments to the FY 2011-2012 and FY 2012-2013 City of Urbana and Urbana HOME Consortium Annual Action Plans.

The City of Urbana receives Community Development Block Grant (CDBG) funding from the Department of Housing and Urban Development (HUD) to benefit low- and moderate-income citizens within the City of Urbana. The Urbana HOME Consortium, of which the City of Urbana is the lead entity, receives HOME funding allocations from HUD for the purpose of building affordable housing.

Notice of this public hearing was placed on the City's website on December 21, 2012; faxed, mailed and emailed to various social service agencies and citizens; and published on Friday, December 21, 2012 in Champaign-Urbana's local newspaper, *The News-Gazette*. Questions and comments may also be directed in writing, beginning December 21, 2012 and ending before the close of business on Tuesday, January 22, 2013 to Kelly H. Mierkowski, Manager, Grants Management Division, City of Urbana, 44 S. Vine St, Urbana, IL 61801 or khmierkowski@urbanaillinois.us.

Ms. Mierkowski explained these amendments were placing unobligated and carryover funds into projects. The CDBG amendment also renamed the project *Neighborhood Sidewalks (FY 11-12 c.o.)* to *Lanore/Adams/Fairlawn Multi-Use Path Project (FY 11-12 c.o.)*. The HOME amendment allocated reserved HOME funds to a specific Community Housing Development Organization (CHDO). Neighborhood Alliance, which is the CHDO for Habitat for Humanity of Champaign County, will build four houses in Champaign County.

Lisa Benson, Community Elements, asked about green development. Jen Gonzalez reviewed the Ecological Construction Laboratory's current project at 1302 West Dublin Street, Urbana. Eco-lab would like to provide consulting services to Brinshore Development and Homestead Corporation on the City's Kerr Avenue Redevelopment project.

Esther Patt, Champaign-Urbana Tenant Union, inquired if the Kerr Avenue Redevelopment project would serve extremely low income persons. Ms. Gonzalez believed the regulations usually require four percent of the persons to be at 30% or below Median Family Income (MFI). There was discussion if this federal requirement was directed at persons with physical disabilities who would need accessible units. Ms. Patt added that new construction has been very expensive, and many persons with disabilities cannot afford wheelchair accessible units. An exception is new Tax Credit Housing, which may be less expensive for renters.

In response to Ms. Benson and Ms. Patt, Ms. Gonzalez explained the Kerr Avenue Redevelopment project still needs to receive funding. Brinshore Development and Homestead Corporation submitted a two-phased project, a mixture of rental and owner-occupied townhomes. Ms. Patt discussed the Housing Authority's redevelopment of the former Dunbar Court and Joanne Dorsey Homes sites and the number of project based rental subsidies. These are partnerships between the non-profit developer, which receives the tax credits, and the Housing Authority. Ms. Patt is concerned the majority of tax credit housing units will not be affordable to people who really need the help.

Ms. Mierkowski adjourned the public hearing at 7:48 p.m.

Respectfully Submitted

Connie Eldridge, Recording Secretary



NEIGHBORHOOD MEETING FOR THE CITY OF URBANA &
URBANA HOME CONSORTIUM FY 2013-2014 ANNUAL ACTION PLAN
PUBLIC HEARING for the Proposed CDBG & HOME Amendments to the
FY 2011-2012 & 2012-2013 Annual Action Plans



7 PM, TUESDAY, JANUARY 8, 2013
CITY COUNCIL CHAMBERS, 400 Vine St, Urbana - SIGN-IN SHEET

NAME	ADDRESS	PHONE	ORGANIZATION
Esther Patti	Home: 706 S. Coler #3, Urbana Office: 44 E. Main, Suite 208 Ch.	Home: 217-344-8394 Office: 217-352-6220	Champaign-Urbana Tenant Union
Kelly A. Benson	400 S. Vine St., Urbana Champaign IL Community Elements	384-2441 693-4627	City of Urbana Community Elements
Conair Eldridge	City of Urbana 400 S. Vine Urbana	384-2447	City of Urbana
Jen Gonzalez	"	384-2335	"
Janel Hardy	400 S. Vine St. City of Urbana	328 8263	City of Urbana



**UNAPPROVED
MINUTES
COMMUNITY DEVELOPMENT COMMISSION MEETING
Tuesday, February 26, 2013, City Council Chambers
400 South Vine Street, Urbana, IL 61801**

Call to Order: Chairperson Cobb called the meeting to order at 7:02 p.m.

Roll Call: Jennifer Gonzalez called the roll. A quorum was present.

Commission Members Present: Fred Cobb, Janice Bengtson, Chris Diana, Jerry Moreland, Brad Roof, Anne Heinze Silvis, George Francis

Commission Members Absent: Gregory Hayes

Others Present: Elizabeth Tyler, Kelly H. Mierkowski, Jennifer Gonzalez, and Jenell Hardy, Community Development Services; Rev. Eugene Barnes, Metanoia; Jennifer Speaker, Max Mahalek, Matthew Rejc, Kiera House, UIUC; Sheila Dodd, Habitat for Humanity; Aaron Smith, Homestead Corporation of Champaign Urbana.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the January 22, 2013 minutes. Commissioner Silvis moved to approve the minutes, and Commissioner Roof seconded the motion. The motion carried unanimously.*

Petitions and Communications: Reverend Dr. Eugene Barnes of the New Life Church of Faith in Lincoln Square Mall addressed his concerns regarding non-compliance with the Faith Based Initiative. The Initiative was designed to end discrimination between the federal government and faith based organizations. To be in compliance, governmental entities must acknowledge on its website the faith based organizations currently partnering in Federally-funded projects, in accordance with Executive Order 13279. Reverend Barnes also reference Public Law 104-193 in connection with the Faith Based Initiative and requested that the City of Urbana make an effort to comply with this Executive Order, as amended.

Staff Report: Elizabeth Tyler, Community Development Director, addressed an item from the January 22, 2013 meeting of the CDC that raised concern amongst the commissioners. Ms. Tyler provided additional information regarding the budget amendments. She explained each of the three funding sources involved in the amendments: CDBG, CIP and TIF-District 3. Ms. Tyler also explained in detail the importance of the programs and the annual timeliness test that is performed by HUD in May, both of which require the CDBG funds to be invested in several projects.

Commissioner Francis asked why the TIF 3 funds are being used to augment the proposed projects when the funds were not previously mentioned to the CDC in the past.

Commissioner Bengtson asked if there were street lights currently in the Lanore/Adams neighborhood. Ms. Tyler responded that there were no lights in the area, and that the path will

have some innovative lighting that will be presented later. She went on to describe the proposed use of the amended funds, one of which is the demolition of Urbana Townhomes. Ms. Tyler described the current condition of the units and the public request to demolish the units in an effort to improve the health and safety of the neighborhood.

Commissioner Francis inquired about the cost of demolition and the reasoning behind utilizing the CDBG funds instead of another funding pool for the one-time expense. Ms. Tyler explained that there are limited funds available for the project and that CDBG is necessary to allow the demolition to move forward.

Commissioner Francis asked what would be the impact of the programs under the CDC. Ms. Tyler went over a budget spreadsheet detailing the amendment and how each funding pool would be used. Commissioner Francis expressed frustration over the funding decisions and the CDC's inability to provide input on the amendment as presented. Ms. Tyler continued to discuss the purpose of the funds and the time constraints involved in expending such funds in a timely manner.

Commissioner Roof asked when the City acquired Urbana Townhomes and if it was known at that time what would be done with the property. Ms. Tyler responded that it was acquired sometime in December, and the property was creating distress in the neighborhood. Commissioner Roof expressed concern over the liability of taking on a distressed property, and Ms. Tyler indicated that the liability was already present due to a noncompliant property owner.

Commissioner Francis and Commissioner Roof raised concerns over the procedural measures in place governing the Council's review of CDC recommendations. Commissioner Roof requested that the Commission's recommendations be highlighted and brought to the attention of Council in a manner.

Commissioner Diana voiced concern regarding the manner in which the budget amendments were presented and the rate at which the project moved forward, which he felt was outside of the normal procedure in which projects are normally presented to the CDC.

Commissioner Bengston provided insight regarding the public comments provided during the Petitions and Communications portion of the January 22, 2013 meeting of the CDC. A delegation from the Ellis Neighborhood attended the meeting and requested City assistance for sewer repairs in the neighborhood. Ms. Bengston indicated that the presence of the neighborhood at the meeting and the ensuing discussion influenced her vote regarding the proposed budget amendment. Commissioners Diana and Roof indicated that this had not influenced their vote.

Commissioner Cobb asked if the City could reimburse the CDBG funds. Ms. Tyler explained that the budget does not operate in such a way.

Commissioner Roof stressed the need for an additional mechanism to communicate the sentiment of the Commission to the City Council when it conflicts with staff recommendations. Ms. Tyler assured Commissioner Roof that staff would be looking into how to highlight such situations in the memos moving forward.

Commissioner Silvis commented on three issues involving the Commission: procedural efficacy, acknowledgement of the Commission's recommendations, and appropriateness of the funding allocations. Ms. Silvis stressed the importance of the partnership of the CDC with both the staff and City Council. She expressed appreciation for the improvements being made to the King Park area and the Lanore/Adams area and highlighted the progress the City has made so far.

Ms. Tyler presented a diagram of the Lanore/Adams path. The path would connect the AMVETS II and LNAC Neighborhoods. The area is an old railroad right-of way that is currently not in use, and there have been security issues. The planned pathway is currently designed at 8 feet wide and compliant with the Americans with Disabilities Act (ADA).

Commissioner Francis asked why the engineers did not opt for a street instead of a pathway. Ms. Tyler replied that the engineers indicated that a road was not necessary for connectivity and traffic management in the area. The neighborhood was originally built without the street. Ms. Tyler went on to present examples of lighting and landscaping planned as part of the project. She explained that the project will start the first week in March and be completed by May 1st.

This project is funded by CDBG and has been approved by the neighborhood. Because the project is proceeding, the City will not have to send funds back to HUD. Mr. Roof asked for information regarding the timeliness calculation used by HUD in regard to expenditure of funds. Ms. Mierkowski explained that as a grant allocation gets smaller, entities are required to spend funds more quickly due to the manner in which the calculation is applied.

Commissioner Francis inquired about the funds that would be returned if the amendment were not passed. Commissioner Diana questioned the renaming of the project since there were already funds set aside for sidewalks. Ms. Mierkowski explained that the project description of "sidewalks" limited the expenditure of CDBG funds and would not allow for landscaping and lighting. Renaming the project was necessary to allow for a broader project scope. Commissioner Diana indicated that the urgency of the project was attributable to engineering of the project rather than the timeliness of funding expenditures.

Ms. Tyler explained that the Public Works Department has a lot of projects that are going on at any given time, and the City is working hard to get everything completed in a timely manner for all of their projects. Commissioner Cobb thanked Ms. Tyler for her presentation.

Ms. Mierkowski reviewed the staff briefing memorandum dated February 26, 2013. The City is still awaiting a response from HUD regarding the City's Consolidated Annual Performance and Evaluation Report (CAPER) closeout letter. The CDC is invited to a ribbon cutting ceremony for the Hunter/Lanore and Hunter/Austin Street lights on April 19, 2013 at 12:15pm. Ms. Mierkowski reported that the Council has revised their consolidated Social Service Funding Process. Staff presented key areas for funding based on historical allocations, and Council approved a scoring sheet and created some guiding principles as part of the application process. Council will vote on Monday on the final application, and Ms. Mierkowski indicated that she would bring the final information to CDC once it has been approved.

Commissioner Francis questioned the need to bring the materials to CDC if they have already been approved by Council, and Ms. Mierkowski explained that CDC still needs to select priorities for the CDBG portion of the funding pool as part of the process.

Commissioner Diana left the meeting at 8:40pm.

Old Business: Commissioner Cobb inquired about the Issue that was raised a last month's meeting during Petitions and Communications in regard to the sewer issue in the Ellis Neighborhood. Ms. Mierkowski replied that the residents had been contacted and have received information in regard to the City's Emergency Grants, which may help with the cost of sewer repair. Council is discussing the issue as well.

Commissioner Roof asked for an update on the solution that is currently being discussed for the sewer issue, stating that the solutions so far have been on a case by case basis. He asked if there is an infrastructure solution that would have broader impact. Ms. Tyler noted that the sewer system cannot be replaced, and the issue rests with the connection to the sewers, not the main lines themselves. She noted that there are no income restrictions for certain grants provided through Public Works related to sewer repair.

New Business: **An Ordinance Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2011-2012 and FY 2012-2013 Annual Action Plans (Winter 2012 HOME CHDO Amendment)** – Ms. Gonzalez reviewed the amendment, which outlines changes to CHDO funding allocations. Neighborhood Alliance for Habitat has lined up a set of homebuyer participants for the next build year and is ready to begin construction. She also noted that the Urbana HOME Consortium switched a rolling application period for Community Housing Development Organization project funds so that a CHDO can apply at any time during the build year.

There is currently \$159,279.89 available in CHDO project funding, and Neighborhood Alliance requested \$200,000. The Urbana HOME Consortium met in a regular HOME Technical Committee meeting to discuss the project funding application and agreed to fund Neighborhood Alliance for the full amount currently available. Based on past performance of Neighborhood Alliance, the Committee felt that the organization could build four homes within the required timeline imposed by HUD.

She also talked about awarding CHDO operating funds on a per unit basis to incentivize construction of unit in order to impact more families in the area. The Committee agreed that \$7,000 per unit would be reasonable. Neighborhood Alliance will be building 4 units, and as such, the Committee recommended an operating fund award of \$28,000. Commission Cobb asked if the CHDOs were agreeable to the prorated funding plan. Ms. Gonzalez said that Neighborhood Alliance was very happy with the award.

An Ordinance Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2008-2009, FY 2010-2011, FY 2011-2012 & FY 2012-2013 Annual Action Plans (TBRA Programs, CHDO Demolition Funds, & 1107 N Gregory CHDO)

Ms. Gonzalez explained the first part of the second amendment regarding the TBRA re-allocation of funds through the following agencies: The City of Champaign, Champaign County, Community Elements and the Center for Women in Transition. The Consortium is seeing a shortfall of expenditures and decided to address the current unmet need of housing for those at or below 30 percent of the Median Family Income through additional Tenant Based Rental Assistance contracts.

An \$80,000 award is proposed for the Center for Women in Transition, a \$55,000 award is recommended for Community Elements, Inc., \$100,000 was requested by Champaign County Regional Planning Commission, and the City of Champaign has set aside \$148,805.80 to potentially be slated for an Emergency Family Shelter as a transitional step for those graduating out of the Emergency program.

She noted that the contracts were not yet in place in order to allow each entity to review drafts and to decide the best way to split up the monitoring of each contract. For example, the City of Champaign traditionally has allocated funds to the Center for Women in Transition, and the \$80,000 proposed funding allocation would likely be contracted by the City of Champaign, rather than directly by the City of Urbana as lead entity.

She also noted that all of the TBRA program funds would be available to anyone within the County area, with the exception of the Center for Women in Transition which assists only residents of the City of Champaign. She pointed out that the County is currently considering opening up its service area to include incorporated areas of the County, such as Rantoul or Mahomet since they have clients the work in those communities and would like to rent there if possible. This would require an amendment to the County's current program manual.

Ms. Gonzalez explained the second part of the second amendment which reallocated funds from previously awarded homebuyer projects at 1107 N Gregory, Urbana and 1304 Williamsburg, Champaign. Homestead was unable to find buyers for either property and has requested to take some of the funds originally slated for the 1304 Williamsburg house and to put them into the 1107 N Gregory unit, converting it to a CHDO Sponsor rental project similar to the 510 E Beardsley project being constructed for the Center for Women in Transition.

She noted that the unit would have to be converted to a rental unit due to restrictions imposed by the Department of Housing and Urban Development. Converting the unit to a CHDO Sponsor unit allows for an exit strategy for Homestead Corporation since the unit was not originally financed as a rental activity. There was approximately \$205,000 available between both units, and the amendment will fully subsidize the 1107 N Gregory unit, which is partially constructed, at the full construction cost of \$153,100. The project at 1304 Williamsburg will be cancelled and then those funds will be applied to 1107 N Gregory. Community Elements will be the nonprofit to operate the unit at the time of closing and for the full 20-year affordability period.

The third part of the second amendment allows for a \$14,000 demolition fund to be set up for Neighborhood Alliance to allow them to demolish dilapidated structures on lots that are donated by the City in order to clear them for affordable housing construction. One of the lots requested by Neighborhood Alliance has a parking lot that needs to be removed for \$2,000, and the

remaining \$12,000 represents the average cost of a single-family demolition in the Community Development Target Area that will be used when Neighborhood Alliance requests another lot in the next year.

Aaron Smith, Executive Director of Homestead Corporation, stated that the only way to get the unit completed at 1107 N Gregory would be to convert it to a rental unit. Commissioner Cobb asked if there were clients to move into the unit. Mr. Smith responded that Community Elements already has clients lined up to rent the affordable unit.

Commissioner Francis moved that the CD Commission forward both Ordinances with a recommendation for approval to the Urbana City Council. The motion was seconded by Commissioner Moreland. The motion carried unanimously.

A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2012-2013 (Neighborhood Alliance)

A Resolution Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Agreement (Champaign County Neighborhood Alliance for Habitat Affordable Homeownership Program FY 2012-2013)

A Resolution Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Agreement (Champaign County Neighborhood Alliance for Habitat CHDO Operating March 2013)

Ms. Gonzalez noted that HUD has changed the regulations in regard to certifying Community Housing Development Organizations, and the Consortium is now required to certify a CHDO each time a new funding award is made. Commissioner Roof asked if this is a new rule, and Ms. Gonzalez explained that the Consortium historically has recertified CHDOs on an annual basis. HUD now requires that every time a new contract is executed, a CHDO must be certified again. Commissioner Roof asked if the process had been streamlined, and Ms. Gonzalez stated that the process is still the same.

Commissioner Heinz-Silvis moved to forward the three Resolutions with a recommendation for approval to the Urbana City Council. The motion carried unanimously.

An Ordinance Authorizing the Sale of Certain Real Estate (1409 Beech Street)

An Ordinance Authorizing the Sale of Certain Real Estate (1411 Beech Street)

Ms. Gonzalez stated that the two lots had been acquired by the City of Urbana, and Neighborhood Alliance had requested the lots on behalf of two homebuyers who would like to build there as part of the Affordable Homeownership Program.

Commissioner Moreland moved that the Community Development Commission forward the two Resolutions with a recommendation for approval to the Urbana City Council. Commissioner Heinz-Silvis seconded the motion.

Roof asked about the commitment regarding the contract obligation of breaking ground within 12 months and the mechanism of a Quit Claim Deed. Ms. Gonzalez stated that the Quit Claim Deed is rarely used, but when a CHDO does not break ground in twelve months the City must cancel the project because of HUD regulations. The Quit Claim Deed allows the City to take back ownership of the property easily so that it can be transferred to another CHDO that is ready to build.

The Commission moved to a vote, and the motion carried unanimously.

Draft City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) Annual Action Plan – FY 2013-2014

Ms. Mierkowski explained the sequestration, which is part of the Budget Control Act of 2011 and was scheduled to take effect on March 3, 2013 will reduce our HOME and CDBG allocations by 8.2%. In light of the estimates provided by HUD, and in keeping with the estimates used by surrounding entities, the Annual Action Plan budgets for an 8.2% cut.

In accordance with the Consolidated Plan, several Neighborhood Hearings were held in January to the public and for Social Service Agencies.

Ms. Hardy explained the summary sheet outlining the planned expenditure of CDBG funds. Public facilities are not slated for funding in 2013-2014. Consolidated social service funding is estimated at \$5,000 from CDBG funding. This is reduction from the previous year.

Commissioner Roof asked if the programs in this year's plan are the same as last year. Ms. Hardy indicated that the programs are the same, and the funding is slightly lower due to the projected budget cuts. She noted that not all programs were cut equally in an effort to maintain current levels of service to the community, such as with the Access Grants and Senior Repair Grant Programs.

Commissioner Bengtson left the meeting at 9:37pm.

Commissioner asked how the 8.2% was calculated. Ms. Mierkowski indicated that the information used to project the budget cuts was provided by the National Community Development Association. She also called staff at the Village of Rantoul and the City of Champaign to verify that the budget estimates were in line with the national projections.

There was discussion about the carryover funds listed in the Annual Action Plan. Ms. Hardy explained that each project receives a funding year designation based on the Annual Action Plan in which it first appears. Commissioner Roof asked about how carryover is available in total. Ms. Mierkowski pointed out where the unobligated funds are listed under infrastructure for Kerr

Avenue in the Annual Action Plan. Ms. Gonzalez noted that the Kerr Avenue project is on hold due to lack of Tax Credit financing. The remaining funds are allocated to property acquisition.

Commissioners Heinz-Silvis and Roof asked for an inventory of the lots currently held that have been acquired. Commissioner Rood asked for a history of the level of inventory and a goal for the lot inventory moving forward at the next CD Commission meeting. Commissioner Heinz-Silvis noted that the demolition of Urbana Townhomes will also provide additional land to develop for affordable housing.

Ms. Gonzalez presented her HOME Annual Action Plan items on page 40. Ten percent is allocated to administration, 15 percent is set aside for Community Housing Development Organizations for project funding, 5 percent is allocated to operating funds for CHDOs, and the remainder is split amongst the Consortium Members.

She mentioned that the City is looking to start a down payment plan utilizing Federal Home Loan Bank (FHLB) funding, in partnership with Busey Bank. Carryover funds would be used to start up the program in the hopes of extending the program with FHLB funds in the coming year.

Commissioner Cobb asked if the Annual Action Plan materials would be posted on the City's website. Ms. Mierkowski responded that the Draft is already posted and is available for review and public comment. A public hearing is scheduled for March 26, 2013.

Adjournment: Chairperson Cobb adjourned the meeting at 9:44 p.m.

Recorded by Jen Gonzalez, Grant Coordinator

UNAPPROVED