



## 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:** August 20, 2015  
**SUBJECT: AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (1306 1/2 West Dublin Street)**

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### **Description**

Included on the agenda of the August 24, 2015 meeting of the Urbana Committee of the Whole is an Ordinance authorizing the sale of a City-owned property located at 1306 ½ W. Dublin Street, to Habitat for Humanity of Champaign County (Habitat). The City has immediate plans to demolish the existing dilapidated house on the property and clear the site. Following demolition and conveyance of the property, 1306 ½ W. Dublin Street can be combined with the neighboring half lot to the east, which is 1306 W. Dublin Street and is currently owned by Habitat. The two properties can form one full lot for redevelopment into new affordable housing. This action would address the FY 2015-2019 Consolidated Plan goal of providing decent affordable housing opportunities for low- and moderate-income households.

### **Issues**

The issue is whether the Urbana City Council should approve the Ordinance Authorizing the Sale of 1306 ½ West Dublin Street.

### **Background**

This property was originally acquired by the City through Ordinance 2015-05-053, which was passed on May 18, 2015, with the program entitled “Property Acquisition in Support of New Construction and Relocation/Clearance/Disposition,” which is supported by Community Development Block Grant (CDBG) funds. This program allows the City to purchase, clear, improve, and maintain lots in order to promote and support the development of affordable housing opportunities. This is accomplished through the conveyance of such properties to non-profit community housing developers. Since this property was acquired through CDBG funds, no public hearing is required regarding its sale. The house on the property is dilapidated and was purchased from Illini Home Buyers LLC with the intent of clearing the property and then transferring it to Habitat for future development with affordable housing.

The City of Urbana has supported affordable housing development by Habitat in the past by providing lots on which single-family, owner-occupied homes have been successfully completed.

The proposed contract, ordinance, and legal documents that would convey this property are attached to this memorandum. The contract terms are similar to those previously used to convey City-owned properties to not-for-profit organizations for construction of new single-family residences for sale to low- and moderate-income households.

The sales contract calls for the City to transfer the property by recording a warranty deed in favor of Habitat with the Champaign County Recorder of Deeds. In order to ensure that the City is protected in case of default by Habitat, a Quit Claim deed, executed by Habitat in favor of the City, shall be placed in escrow with the Department of Community Development Services, which is intended to be the Escrow Agent. Once new construction of a home by Habitat is complete, the Escrow Agent will destroy the Quit Claim Deed. In the event that Habitat has not built a new housing structure on the property as of September 8<sup>th</sup>, 2018, the City may file the Quit Claim deed and recover ownership of the property.

This address has been the site of a single-family residence since at least 1973. The price of the demolition including asbestos remediation is roughly \$11,800. The lot at 1306 ½ W. Dublin Street is currently listed as a half parcel, while its other half lies immediately to the east and is a vacant lot owned by Habitat. Each half lot measures approximately 33 feet wide and 132 feet deep.

Transferring the lot to Habitat for construction of new housing will achieve the goals outlined in the City of Urbana and Urbana HOME Consortium Consolidated Plan for FY 2015-2019 by providing an opportunity for increasing the supply of affordable housing available to low- and moderate-income households, as well as supporting new construction for homeownership sponsored by Community Housing Development Organizations (CHDOs) and other nonprofits. The clearance of this blighted property will also help to stabilize property values in the neighborhood.

## **Options**

1. Forward the Ordinance Authorizing the Sale of Certain Real Estate to the Urbana City Council with a recommendation for approval.
2. Forward the Ordinance Authorizing the Sale of Certain Real Estate to the Urbana City Council with a recommendation for approval with suggested changes.
3. Do not recommend that City Council approve the Ordinance.

## **Fiscal Impacts**

Transferring this lot to Habitat will eliminate maintenance costs that are incurred by the Community Development Block Grant (CDBG) Program. The clearance of this blighted property will have a positive effect on surrounding property values. If the lot is not conveyed to Habitat, then the City will continue to pay for ongoing maintenance until another viable affordable housing project is identified. Redevelopment of the property with a new single-family residence will add to the tax base of the City.

## **Recommendations**

Staff recommends approval of the conveyance of the subject city-owned property to Habitat for clearance and the development of affordable housing.

**Memorandum Prepared By:**

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**Matt Rejc  
Community Development Specialist  
Grants Management Division**

CC: Sheila Dodd, Habitat for Humanity of Champaign County

### **Attachments:**

1. AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE  
(1306 ½ W. Dublin Street)
  - a. Sales Contract
  - b. Settlement Sheet
  - c. Warranty Deed
  - d. Quit Claim Deed
2. Site location map for 1306 ½ W. Dublin Street
3. Photograph of the structure at 1306 ½ W. Dublin Street

ORDINANCE NO. 2015-08-095

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

**(1306 1/2 W. Dublin Street)**

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

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

WHEREAS, the City Council desires to sell the real estate commonly known as 1306 1/2 W. Dublin Street, in accordance with said Subsection (a) of Section 2-118 and the policy heretofore established with respect thereto; and

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

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

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

Section 2. The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute extensions of time set forth in the said Contract for and on behalf of the City of Urbana, Illinois.

Section 3. The Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is hereby authorized to attest to said execution of said Contract for Sale of Real Estate 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

**CONTRACT FOR SALE OF REAL ESTATE**

This Contract made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the City of Urbana, Illinois, a municipal corporation of the State of Illinois (hereinafter referred to as Seller), and Habitat for Humanity of Champaign, an Illinois not-for-profit corporation (hereinafter referred to as Buyer).

WITNESSETH:

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

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

DESCRIPTION OF REAL ESTATE:

The West Half (W1/2) of Lot Eight (8) of Block Fourteen (14) of the Seminary Addition to Urbana, situated in Champaign County, Illinois.

PIN: 91-21-07-256-009

Commonly known as 1306 1/2 West Dublin Street, Urbana, Illinois 61801

2. Purchase Price. Seller agrees to convey title to Subject Property for Ten Dollars (\$10.00) and other consideration as described herein.
3. Evidence of Title. Within a reasonable time, Seller shall select and deliver one of the following to Buyer as evidence of title:
  - a. A copy of the title insurance policy issued to the City in connection with acquisition of Subject Property by the City along with a warranty that the City has done nothing to encumber the Subject Property since its acquisition (ALTA statement); or
  - b. A commitment of title insurance issued by a title insurance company regularly doing business in Champaign County, committing the company to issue a policy in the usual form insuring title to Subject Property to Buyer for the amount of the Seller's purchase price or the minimum amount of title insurance, whichever is greater.

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

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

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

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

4. Conveyance.

- a. Seller agrees to convey Subject Property to Buyer by good and sufficient Warranty Deed, subject to current general taxes, covenants, conditions, restrictions, easements apparent or of record, and to all applicable zoning laws and ordinances.
  - b. At the time of closing of this transaction, a Warranty Deed from Seller in favor of Buyer shall be recorded with the Champaign County Recorders' Office and delivered to Buyer. At the same time, a Quit Claim Deed from Buyer in favor of Seller shall be placed in escrow with the City of Urbana Department of Community Development Services (hereinafter referred to as "Escrow Agent").
  - c. In the event that Buyer constructs a new single-family residence at the Subject Property on or before September 8, 2018, or on or before the date established in any modification to this Contract, the Escrow Agent shall destroy said Quit Claim Deed. This covenant shall remain in full force and effect following the closing on this transaction.
  - d. In the event that Buyer has not constructed a new single-family residence at the Subject Property as of September 8, 2018, or as of the date established in any modification to this Contract, Seller may pursue its rights under paragraph 17 (Default) and if this contract is terminated, the Escrow Agent shall release said Quit Claim Deed to Seller. This covenant shall remain in full force and effect following the closing on this transaction.
5. As an alternate to default, in the event that Buyer has begun construction of a single-family residence on Subject Property as of September 8, 2018, or as of the date established in any modification to this Contract, but has not completed construction as of that date, Seller retains the right to pay Buyer, in care of the Escrow Agent, an amount equivalent to the value of improvements in place on Subject Property as of September 8, 2018, or as of the date established in any modification to this Contract, taking credit against said amount for any outstanding liens or encumbrances against Subject Property, said liens including real estate taxes prorated up to the date Seller assumes possession

under this paragraph, and for any fees or professional expenses incurred by the Seller as a result of the assumption of the Subject Property under this paragraph. Said value shall be certified to both Buyer and Seller by an architect licensed by the State of Illinois, doing business in Champaign County, Illinois and mutually acceptable to Buyer and Seller. The Escrow Agent shall deliver said payment to Buyer, and release and record said Quit Claim Deed with the Champaign County Recorder's Office and deliver to the Seller. This covenant shall remain in full force and effect following the closing on this transaction.

Any and all escrow charges shall be paid by Buyer.

6. Taxes, Assessments and Notices. Real estate taxes apportioned through the date of possession shall be Sellers' expense. The proration thereof shall be calculated upon the basis of the most current tax information, including confirmed multipliers. Transfer tax and all special assessments and additional assessments which are a lien upon the real estate as of the date of this Contract shall be Sellers' expense. Any sanitary district, municipal sewer or recycling, regular condominium, homeowners or lake association dues or charges apportioned through the date of possession, and any special or additional assessments which have received final approval by said government entity or association, even if not yet billed or due, shall be Sellers' expense. All such taxes and special assessments shall constitute a credit to Buyers against the purchase price, and shall release Sellers from any further liability to Buyers in connection therewith. Only if the most current tax information is the most recent tax bill, will the proration of current taxes include any regular annual drainage assessment.
7. Condition of Subject Property. Buyer agrees to accept Subject Property in its "as-is" condition, and Seller disclaims all warranties express or implied as to the physical condition of Subject Property. It is understood and agreed that because the subject parcel will soon be vacant land, the Buyer waives receipt of any lead paint disclosure statements, or other statements regarding the condition of the premises as otherwise required by law.
8. Compliance with Development Codes. The new single-family construction pursuant to this Contract shall be built in accordance with all applicable land development, zoning, and building codes, and the visitability standards of the City of Urbana, Illinois, and with any and all covenants recorded for the subdivision in which Subject Property is located. Buyer shall be responsible for obtaining and paying for all permits required under said codes.
9. Use of Subject Property. The primary purpose of Buyer activities undertaken pursuant to this Contract shall be construction of a single-family residence.
10. Limitation on Subsequent Sale of Subject Property. Any residence constructed by Buyer on Subject Property following the demolition process may subsequently be sold by Buyer only to a household having income at or below 80 percent of median family income for Champaign County based on household size. Applicable income limits are those certified



by the Grants Management Division Manager of the Department of Community Development Services of the City of Urbana, Illinois, acting on behalf of the City, to be in effect at the time Buyer accepts a household into its Homeownership Program. Buyer shall keep record of compliance with this Section on file for inspection by representatives of the City and the U.S. Department of Housing and Urban Development.

11. Property Maintenance. Buyer agrees to keep Subject Property properly mowed and free of excess vegetation and debris at all times from the date of this contract until Buyer relinquishes ownership of the property. Buyer shall neither suffer nor commit any waste on or to Subject Property. Buyer agrees to promptly respond to any notices received from the City of Urbana, Illinois, with regard to violation of the City's nuisance codes and to promptly correct any violation cited by said City. Buyer shall promptly pay all bills or charges incurred for materials, services, labor, or other like items that may create encumbrances against Subject Property. Buyer will become responsible for all property maintenance as of the date of this Contract.
12. Construction Schedule. Buyer agrees to construct a single-family residence on Subject Property following demolition on or before September 8<sup>th</sup>, 2018, or, on or before a date established in any modification to this Contract.
13. Storage of Building Materials. Building materials needed to construct any residence on the Subject Property pursuant to this Contract shall be stored within property lines and shall not be placed in the public right-of-way.
14. Seller Held Harmless. Buyer agrees to indemnify and hold Seller, its officers, agents, and employees, harmless for any liability or damages of any nature or kind concerning undertaking of any activity pursuant to this Contract, including reasonable attorneys' fees incurred in defending against any such claim.
15. Assignment. Buyer shall not assign this Contract without prior written consent of Seller to such assignment.
16. Possession. City shall deliver possession of Subject Property to Buyer concurrently with closing of this transaction.
17. Default. If Buyer fails to perform any obligation imposed upon it by this Contract, Seller may serve written notice of default upon Buyer and if such default is not corrected within ten (10) days thereafter, this Contract shall terminate. In the event of failure of Seller to perform obligations imposed upon it by this Contract, Buyer may terminate this Contract upon similar notice served upon Seller and similar expiration of time period. The foregoing remedies in the event of default are not intended to be exclusive, and the parties shall have the right to all other lawful remedies, including specific performance. Default by Seller or Buyer shall entitle the non-defaulting party to claim as damages all

reasonable costs, attorneys' fees, and expenses in connection with enforcement of this Contract.

18. Notices. Any notice required under this Contract to be served upon Seller or Buyer shall be mailed by certified mail to such parties at the address shown herein above their signatures, or at such other place as the parties may from time to time designate in writing.
19. Modification. No modification or extension of this Contract shall be effective unless in writing and executed by the parties hereto.
20. Terms Binding. All terms of this Contract shall be binding upon the heirs, legatees, devisees, representatives, and assignees of the parties.

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

SELLER:

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

BY:

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

ATTEST:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

BUYER:

Habitat for Humanity  
119 East University Avenue  
Champaign, Illinois 61820

BY:

\_\_\_\_\_  
Executive Director

SETTLEMENT SHEET

BUYER: Habitat for Humanity of Champaign County  
SELLER: City of Urbana, Illinois  
ADDRESS: 1306 ½ W. Dublin Street, Urbana, Illinois  
PIN: 91-21-07-256-009  
DATE: \_\_\_\_\_, 2015 (\_\_\_\_\_ day of 365)

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GROSS PURCHASE PRICE:	\$10.00
ADDITIONS TO PURCHASE PRICE:	\$0.00
ADJUSTED PURCHASE PRICE:	\$10.00
CREDITS TO BUYER:	\$0.00
Down payment:	0.00
Real estate taxes:	0.00 (Seller's Responsibility)
Title services:	0.00 (POC by Seller)
Transfer tax:	0.00 (exempt)
Real estate commission:	0.00
Junk/debris liens:	0.00
UCSD:	0.00 (no service)
Sewer benefit tax:	0.00 (no service)
Recording fees:	0.00 (no encumbrances)
Stormwater Utility Fee:	0.00
BALANCE DUE SELLER LESS CREDITS:	\$10.00

SETTLEMENT SHEET ACCEPTED BY:

\_\_\_\_\_  
Executive Director  
Habitat for Humanity of Champaign County

\_\_\_\_\_  
Date

\_\_\_\_\_  
Manager, Grants Management Division  
City of Urbana, Illinois

\_\_\_\_\_  
Date

WARRANTY DEED

THIS INDENTURE WITNESSETH, that the Grantor, THE CITY OF URBANA, ILLINOIS, a municipal corporation duly organized and existing under and by virtue of the laws of the State of Illinois, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, and pursuant to authority given by the City Council of the City of Urbana, Illinois, by virtue of Ordinance No. \_\_\_\_\_, CONVEYS AND WARRANTS to HABITAT FOR HUMANITY OF CHAMPAIGN COUNTY, an Illinois not-for-profit corporation, the following described real estate, to-wit:

DESCRIPTION OF REAL ESTATE

The West Half (W1/2) of Lot Eight (8) of Block Fourteen (14) of the Seminary Addition to Urbana, situated in Champaign County, Illinois.

PIN: 91-21-07-256-009;

Commonly known as 1306 1/2 West Dublin Street, Urbana, Illinois 61801

Subject to:

- (1) Real estate taxes for the year 2014 and subsequent years;
- (2) Covenants, conditions, restrictions, and easements apparent or of record;
- (3) All applicable zoning laws and ordinances.

IN WITNESSETH, said Grantor has caused its corporate seal to be affixed, and has caused its name to be signed to these presents by LAUREL LUNT PRUSSING, its Mayor, and attested by Phyllis D. Clark, its City Clerk, this \_\_\_\_ day of \_\_\_\_\_, 2015.

CITY OF URBANA, ILLINOIS

By: \_\_\_\_\_  
Laurel Lunt Prussing, Mayor

ATTEST:

By: \_\_\_\_\_  
Phyllis D. Clark, City Clerk

This transaction is exempt under the provisions of 35 ILCS 200/31-45(b).

\_\_\_\_\_  
Date

\_\_\_\_\_  
Buyer, Seller, or Representative

Deed Prepared By:

\_\_\_\_\_  
Legal Division  
City of Urbana  
400 South Vine Street  
Urbana, Illinois 61801

Return Deed, Send Tax Bill To:

Habitat for Humanity of  
Champaign County  
119 E. University Ave.  
Champaign, Illinois 61820

QUIT CLAIM DEED

THIS INDENTURE WITNESSETH, that the Grantor, HABITAT FOR HUMANITY OF CHAMPAIGN COUNTY, an Illinois not-for-profit, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, CONVEYS AND QUIT CLAIMS to THE CITY OF URBANA, ILLINOIS, a municipal corporation, of 400 South Vine Street, in the City of Urbana, County of Champaign, and the State of Illinois, all interest in the following described real estate, to wit:

DESCRIPTION OF REAL ESTATE

The West Half (W1/2) of Lot Eight (8) of Block Fourteen (14) of the Seminary Addition to Urbana, situated in Champaign County, Illinois.

PIN: 91-21-07-256-009;

Commonly known as 1306 1/2 West Dublin Street, Urbana, Illinois 61801

Subject to:

- (1) Real estate taxes for the year 2014 and subsequent years;
- (2) Covenants, conditions, restrictions, and easements apparent or of record;
- (3) All applicable zoning laws and ordinances.

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

By:

\_\_\_\_\_  
Executive Director

STATE OF ILLINOIS )  
 ) ss.  
COUNTY OF CHAMPAIGN )

I, \_\_\_\_\_, a Notary Public in and for said county and state, do hereby certify that \_\_\_\_\_, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she is the Executive Director of Habitat for Humanity of Champaign County, an Illinois Not-for-Profit Corporation, that as said Executive Director, she is authorized **(by the bylaws of said corporation / by a resolution duly adopted by the Board of Directors of said corporation)** to sign said instrument, and that she signed and delivered the said instrument for the uses and purposes therein set forth.

Given under my hand and official seal, this \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Notary Public

This transaction is exempt under the provisions of 35 ILCS 200/31-45(b).

\_\_\_\_\_  
Date

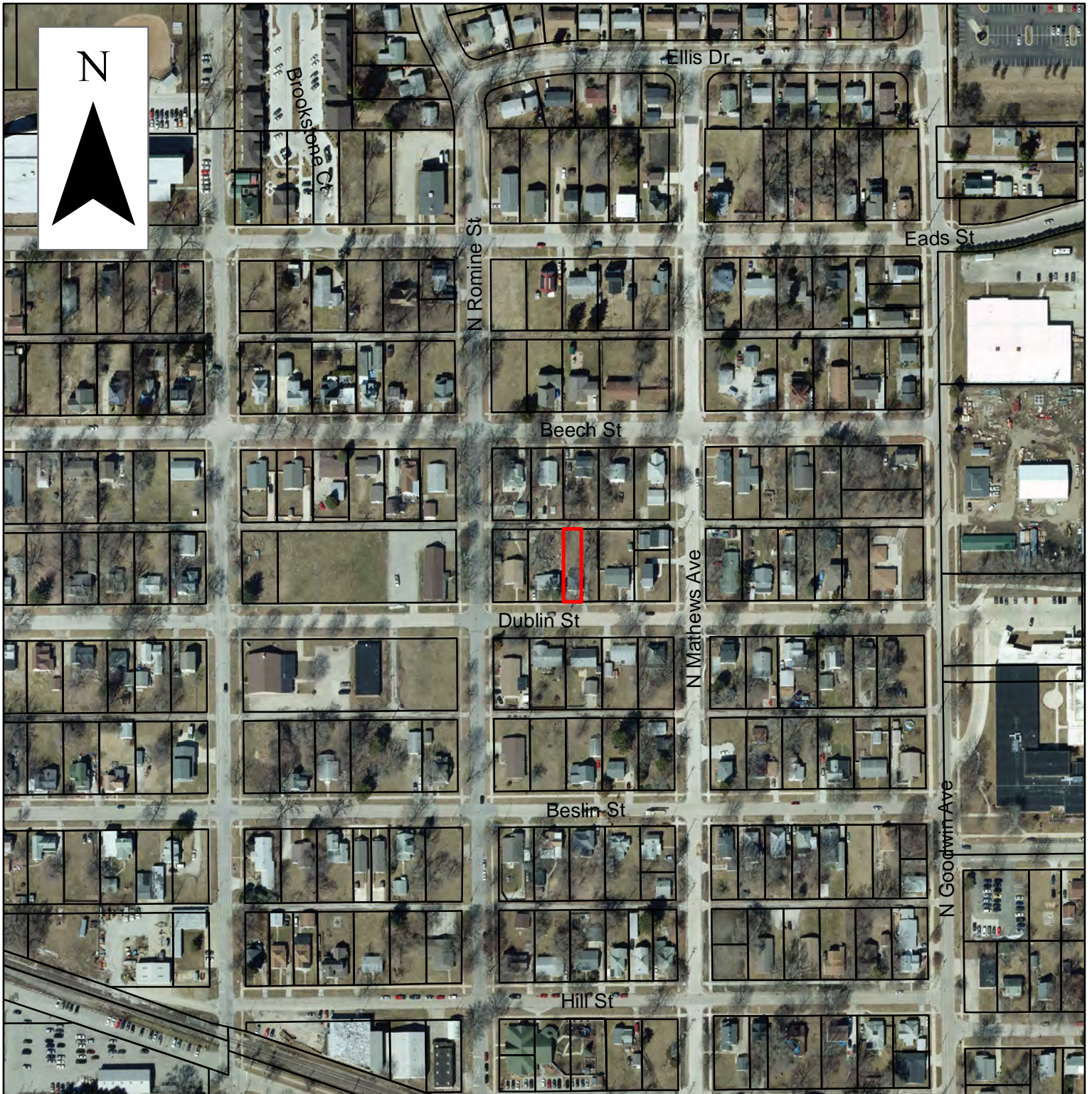
\_\_\_\_\_  
Buyer, Seller, or Representative

Deed Prepared By:

\_\_\_\_\_  
Legal Division  
City of Urbana  
400 South Vine Street  
Urbana, Illinois 61801


Return Deed, Send Tax Bill To:

Habitat for Humanity of  
Champaign County  
119 E. University Ave.  
Champaign, Illinois 61820



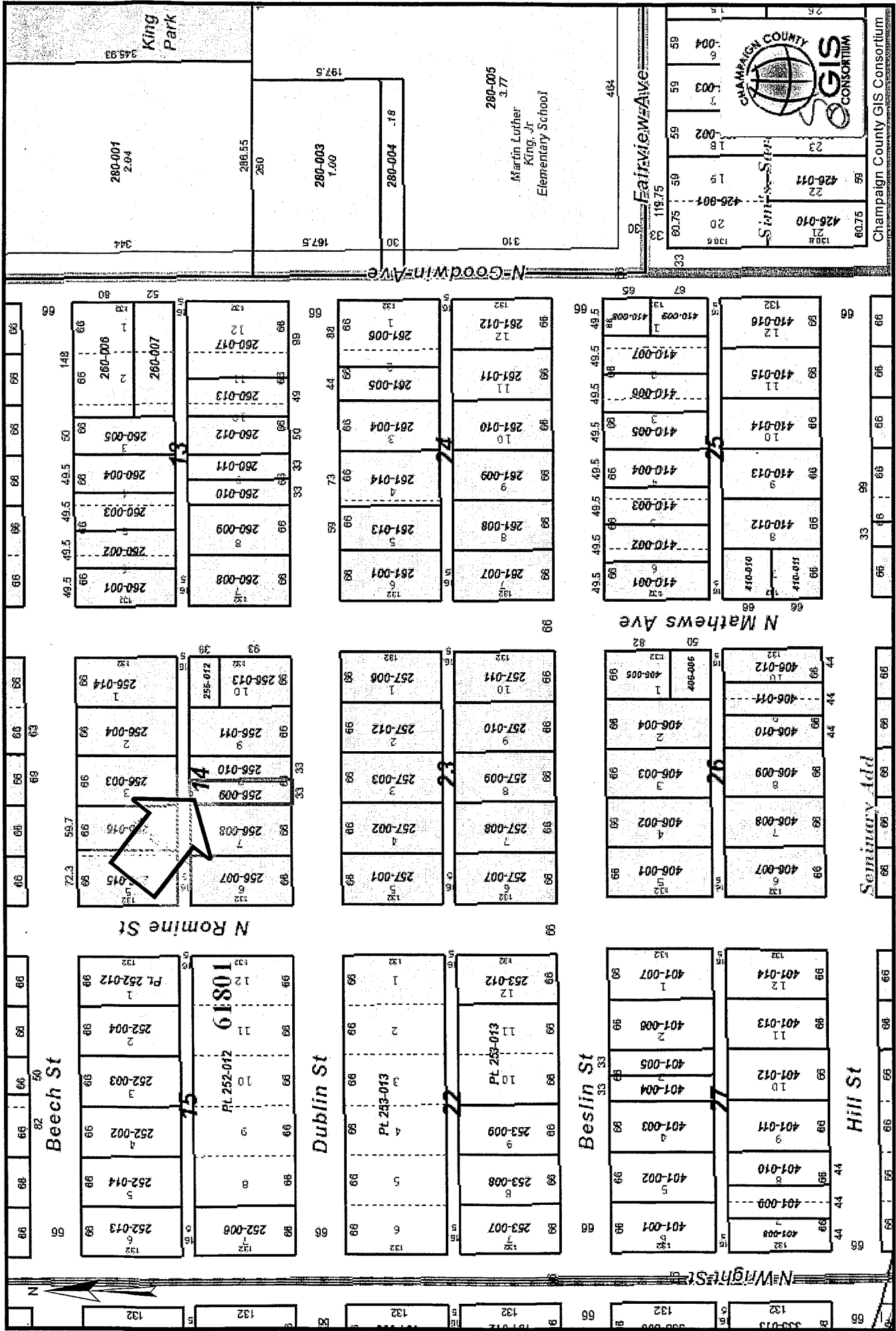
Subject: Property Acquisition  
Location Map

Location: 1306 1/2 W. Dublin Street

 1306 1/2 W. Dublin Street



# GIS Webmap Public Interface Champaign County, Illinois



This map application was prepared with geographic information system (GIS) data created by the Champaign County GIS Consortium (CCGIS), or other CCGIS member agency. These entities do not warrant or guarantee the accuracy or suitability of GIS data for any purpose. The GIS data within this application is intended to be used as a general index to spatial information and not intended for detailed, site-specific analysis or resolution of legal matters. Users assume all risk arising from the use or misuse of this application and information contained herein. The use of this application constitutes acknowledgment of this disclaimer.