



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Elizabeth Tyler, AICP, City Planner/Director

FROM: Bob Grewe, AICP, Manager, Grants Management Division

DATE: April 23, 2004, 2004

SUBJECT: URBANA HOME CONSORTIUM COMMUNITY HOUSING
DEVELOPMENT ORGANIZATION DEVELOPER AGREEMENT
Homestead Affordable Homeownership Program (FY 2003 - 2004)

Description

On the agenda for the April 27, 2004 meeting of the Community Development Commission is a HOME Community Housing Development Organization (CHDO) agreement to pledge \$141,753 to the Homestead Corporation for the costs associated with their Affordable Homeownership Program.

Issues

The issue is whether the Community Development Commission should recommend approval of the agreement to the Urbana City Council.

Background

The Urbana City Council has approved the FY2002-2003 Annual Action Plan (AAP), which allocated \$40,000 of HOME CHDO funding to Homestead Corporation for rental housing development.

The Urbana City Council approved the FY 2003-2004 AAP, which allocated \$101,753 of HOME CHDO funding to Homestead Corporation for rental housing development.

January 12, 2004, the Urbana City Council amended the above referenced Annual Action Plans in order to reprogram the above referenced funds from rental housing to new housing development. This was at the request of Homestead Corporation, which indicated that it could not effectively implement the proposed rental housing development project due to the accelerated increase in the cost of purchasing single-family homes.

Homestead submitted a proposal dated November 10, 2003 for their Affordable Homeownership Program. A copy is included in the proposed agreement.

The balance of this agreement is very similar to the Eads at Lincoln Agreement that the City of Urbana executed with Homestead Corporation.

Jim Rose has indicated that he will apply for Federal Home Loan Bank funds during the next funding round.

Staff and Homestead have discussed the fact the homes to be constructed through this agreement will not have to meet the design guidelines that were in place at the Eads at Lincoln project. There guidelines included but were not limited to the following: minimum square footage of the house, two (2) car garage, exterior design similar to neighboring Eads homes. Under this agreement, Homestead will be able to be more innovative and creative in terms of how they increase affordability considerations into the design of the homes.

Options

1. Recommend the agreement as prepared to City Council
2. Recommend the agreement with amendments to City Council.
3. Do not recommend the agreement to City Council.

Fiscal Impacts

There would be no fiscal impact to the city budget. Funds for Homestead Corporation have been budgeted in FY 2002-2003 and FY 2003-2004 Annual Action Plans.

Recommendations

Staff recommends that the Community Development Commission forward a favorable recommendation to City Council for this agreement.

Memorandum Prepared By:

**Bob Grewe, AICP
Manager, Grants Management Division**

Attachments:

- (1) URBANA HOME CONSORTIUM
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT
HOMESTEAD CORPORATION Homestead Affordable Homeownership Program
(FY2003-2004)

- (2) AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION
OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING
DEVELOPMENT ORGANIZATION DEVELOPER AGREEMENT
(Homestead Affordable Homeownership Program FY 2003-2004)

URBANA HOME CONSORTIUM
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT
DEVELOPER AGREEMENT

Homestead Affordable Homeownership Program (FY2003-2004)

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 Homestead Corporation, an Illinois Not-For-Profit Organization (hereinafter "Homestead").

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 Partnership (hereinafter "HOME") Program funds in the name of the Urbana HOME Consortium under provisions of Title II of the Cranston-Gonzales 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 has received HOME Program funds from HUD for the period beginning July 1, 1995, and ending June 30, 2003, 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 2000-2004 (hereinafter the "Consolidated Plan") which budgets the following amounts for each fiscal year: \$1,036,000 for the period beginning July 1, 2001 and ending June 30, 2002; \$1,039,000 for the period beginning July 1, 2002 and ending June 30, 2003 and \$1,178,315 for the period beginning July 1, 2003 and ending June 30, 2004; in accordance with an Intergovernmental Agreement Concerning Administration of a Champaign/Urbana/Rantoul/Champaign County HOME Investment Partnerships Consortium executed by Mayor Tod Satterthwaite on behalf of the City on July 7, 1999 (hereinafter the "Intergovernmental Agreement"); and

WHEREAS, the Consolidated Plan promotes homeownership opportunities and recommends that the City expand home construction opportunities for low-income households; and

WHEREAS, Homestead Corporation desired to amend the use of the HOME CHDO and City of Urbana HOME allocation funds from developing affordable rental units to provide affordable homeownership opportunities; and

WHEREAS, Home Corporation submitted a proposal dated November 10, 2003 to provide affordable homeownership opportunities; and

WHEREAS, the appropriate Annual Action Plans have been amended to reflect this change in affordable housing programming and use of HOME fund; 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 Homestead for the Project.

NOW, THEREFORE, the parties hereby agree as follows.

1. **Preamble** The preamble set forth above is hereby incorporated and made part of this Urbana HOME Consortium Recipient Agreement (hereinafter the “Agreement”).
2. **Purpose** The purpose of this Agreement is to pledge HOME Consortium funds to Homestead to complete the Project.
3. **Pledge of HOME and Match Funds** The City pledges to Homestead \$141,753 in Urbana HOME Consortium funds for the Project as follows:
 - FY 2002-2003 CHDO 15% Set Aside Funds \$40,000
 - FY 2002-2003 Homestead Match Funds \$10,000
 - FY 2003-2004 CHDO 15% Set Aside Funds \$101,753
 - FY 2003-2004 Homestead Match Funds \$25,438

\$35,438 in matching funds must be provided by Homestead (matching funds will be structured and expended so as to be consistent with HUD guidance outlined in Notice: CPD 97-03).

4. **Use of HOME and Match Funds** Homestead agrees to utilize \$141,753 in HOME funds pledged by the City and to provide \$35,438 in Homestead’s matching funds to construct three (3) new houses on scattered sites, whereby two (2) units will be located in the City of Champaign and one (1) unit in the City of Urbana for sale to low-income households. Specific uses of said funds are identified in Exhibit 2.

The City shall disburse Downpayment and Closing Cost Assistance funds directly to a participating financial institution providing the homebuyer with mortgage financing when the following conditions have been met:

- The City receives written verification from a participating financial institution that first mortgage financing has been committed to the homebuyer.
- The City receives written verification that a certificate of occupancy or equivalent document has been issued for a completed house by the building code official of the City of Urbana.
- The City receives written certification of income for the household seeking downpayment assistance, said certification verifying eligibility of the household for downpayment assistance through the Project.
- The City receives all necessary project and demographic information required to complete HUD's Integrated Disbursement and Information System (IDIS) close-out.

The City shall pay for Professional and Administrative Services. Payment per the provisions outlined in the project budget is subject to appropriate documentation and if requested, evidence that the work has been completed.

The City shall provide payment of development fees to Homestead at the time of conveyance of a completed house on each building site to a qualified grantee. As such, payment at the time of each closing will be \$7,000. Unless requested by Homestead in writing and approved by the Manager of the Grants Management Division, Homestead shall be paid at the time the property is conveyed to the homebuyer. To request pre-payment, Homestead must document why the request is being made along with a statement by a licensed Illinois architect documenting the amount of work that has been completed on a house. Any remaining development fee after the pre-payment will be paid to Homestead at the time the house is conveyed to the homebuyer.

The City shall provide payment of management fees to Homestead in the amount \$6,000. Homestead shall provide required documentation of staff time and resources allocated to the Project. At its option, the City may withhold all or any portion of this payment if the City determines the construction progress of any one or more of the building sites is not satisfactory.

Homestead shall not request disbursement of HOME funds until HOME funds are needed to pay eligible costs related to the Project. 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 Homestead 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. Such documentation may include, but not be limited to performance-progress reports, lien waivers, etc. All checks shall be made payable to “Homestead Corporation.” All monies granted to Homestead pursuant to this Agreement shall be expended by March 31, 2004.

Downpayment assistance grants in an amount not to exceed \$51,000 will be provided to qualified homebuyers. Downpayment assistance grants will be provided in a manner consistent with the following schedule:

Median Family Income (MFI)	Downpayment Assistance (HOME funds)
<60% MFI	\$17,000
60.1% - 70.0 % MFI	\$16,000
70.1% - 80% MFI	\$15,000

Further, no payments shall be released to Homestead prior to the City of Urbana receiving environmental clearance from the Illinois Historic Preservation Agency stating no historical significance has been identified at the properties being acquired with HOME funds. City of Urbana will be responsible for obtaining the necessary environmental clearance documentation.

5. **Construction and Performance** Homestead will provide the City with two (2) copies of the architectural drawings, site plans and elevations for the Project no less than three (3) weeks prior to bidding the construction of the houses. City reserves the right to provide final approval of the drawings, site plan, elevations and other considerations related to the project. Homestead will not proceed with the bidding process, without final approval of the City.

Bids shall provide a timetable for construction progress describing dates certain for: 1) foundation completion, 2) exterior and weatherproofing, 3) all mechanical systems installed, and 4) certificate of occupancy issued. The City recognizes that poor climate conditions, events beyond Homestead’s control, and acts of God may delay such dates as described.

Homestead will ensure that all applicable permits are obtained and that the construction meets all applicable City of Urbana building codes, along with the 1995 Model Energy Code.

Homestead will ensure that the contractor(s) selected to build the three (3) houses will purchase a Performance Bond, or similar surety instrument, of type and amount that will

ensure that the project will be completed to the specifications outlined in the bid documents, house plans and this Agreement. A copy of the bond or surety instrument shall be provided to the City before the issuance of building permits.

Homestead 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 include information on all aspects of the home, including but not limited to architectural drawings, home warranty, appliance warranty, etc.

6. **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 the applicable visitability standards for each unit of government.
7. **Per Unit Amount of Home Funds** For the purposes of this Agreement, the Per-Unit Amount of HOME funds is the total amount of HOME funds invested in the real property at a given street address. Per Unit Amount of HOME Funds may include, but not be limited to the following: down payment subsidy, property acquisition, construction loan interest, management fees, development fees, and project delivery costs.
8. **Duration of the Terms of the Agreement** The terms of this Agreement will be in effect through the affordability period as determined by the HUD regulation cited below.

HUD Regulation 92.252 (e). Period of Affordability

Periods of Affordability. The HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. They must be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. The participating jurisdiction 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. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property.

Homeownership Activity Minimum period of affordability in years per unit amount of

HOME fund invested in the unit:

Homeownership Assistance HOME Amount Per-Unit HOME Investment Amount Per Unit	Minimum Years of Affordability in Years
Up to \$14,999	5
\$15,000-\$40,000	10
Above \$40,000	15

Considering the proposed project budgeted and amount of HOME funding anticipated to be invested in each housing unit, the term of this agreement and the affordability period for each unit constructed under this agreement shall be ten (10) years.

9. **Maximum Per Unit Subsidy Amount and Subsidy Layering** The amount of HOME funds the City and Homestead invests on a per-unit basis may not exceed the per-unit dollar limits established under section 221(d)(3)(ii) of the National Housing Act (12 U.S.C. 17151(d)(3)(ii)). The current subsidy limit for a three (3) bedroom home is \$76,501. These limits are subject to change. Further, the City will not invest any more HOME funds in the Project, in combination with other governmental assistance, which is necessary to provide affordable housing.

10. **Restrictions on Subsequent Sales of Certain Units** The City and Homestead agree that, a Land Use Restriction Agreement will be executed at closing for any house receiving funds pursuant to this Agreement. The Land Use Restriction Agreement shall include language to ensure that the affordability period will be honored through the duration of this Agreement and include provision restricting subsequent sale of said house and-or a provision for recapture of the HOME funds invested in the house, should the house not sell within a pre-determined about of time noted in the Land Use Restriction Agreement. City of Urbana, Grants Management staff will prepare this Land Use Restriction Agreement and the homebuyer will pay recording fees.

The terms of the resale provisions will be such that the house will be sold to a family having income at or below 80 percent of area median family income, as defined and updated annually by the U.S. Department of Housing and Urban Development, for the period of affordability determined by the HOME Investment Amount Per Unit, as defined above in Items 5 and 6. 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). City of Urbana agrees to enter all information provided into IDIS within 15 days of recipient. Should the Project be modified, after initial commencement date of the affordability period, a new affordability period will be re-

structured per the provisions of section 5,6,7 and 8 of this Agreement. This land use restriction shall not apply to properties repossessed by a financial institution as a result of foreclosure proceedings.

The terms of the recapture provision will be such that they reflect the HUD provisions in the HOME Final Rule 92.254. Details of a recapture provision will be provided in the Land Use Restriction Agreement.

Failure to ensure that the Land Use Restriction Agreement is executed at closing will result in withholding HOME funds until said item is addressed.

Homestead also agrees to reference this required Land Use Restriction Agreement in each of their construction/purchase agreements with the Homebuyers.

11. **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 Project in excess of the funding pledged herein. The City reserves the right to withhold pledged funds if the City is not satisfied with the terms and conditions of performance outlined in this Agreement.
12. **Affirmative Marketing** Homestead must adopt an affirmative marketing policy and procedure acceptable to HUD to attract homebuyers for their newly 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:
 - Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the City's affirmative marketing policy
 - Requirements and practices Homestead must adhere to in order to carry out the affirmative marketing procedures and requirements
 - Procedures to be used by Homestead 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 Homestead to affirmatively market units and records to assess the results of these actions
 - A description of how the Homestead will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

13. **Equal Employment** Homestead agrees that there shall be no discrimination against any person who is employed in carrying out the Project, 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. Homestead 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.

14. **Certifications** Homestead represents the following with respect to this Agreement.

- A. Homestead possesses legal authority to receive HOME Program funds from the City and to execute the Project as described herein.
- B. The governing body of Homestead 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 Homestead to act in connection with this Agreement and to provide such additional information as may be required.
- C. Homestead, 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. Homestead, 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), which provides that, to the greatest extent feasible, opportunities for training and employment that arise through the Project shall be given to low-income residents of Champaign County and that contracts in connection with the Project be awarded to business concerns located in or owned in substantial part by persons residing in Champaign County. Homestead agrees to comply with provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of

HUD set forth in 24 CFR Part 135, and all applicable rules and orders of HUD issued thereunder. Homestead certifies and agrees that it is under no contractual or other disability that would prevent Homestead from complying with these requirements. The responsibility to comply with Section 3 regulations includes the following.

- Including reference to Section 3 in each subcontract in excess of \$100,000.
 - Sending each labor organization or representative of workers with which Homestead has a collective bargaining agreement or other understanding a notice of the Homestead commitment under Section 3.
 - Posting copies of the notice in conspicuous places at work sites where both employees and applicants for employment positions can see the notice.
 - Refrain from filling any vacant employment and training positions after the contractor is selected but before the contract is executed to circumvent obligations under Section 3.
 - Refrain 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.
 - Directing efforts to award covered contracts to Section 3 business concerns in order of priority.
 - Directing efforts to employ and train Section 3 residents in the order of priority.
 - Documenting actions taken to comply with Section 3 requirements.
 - Submitting required Section 3 reports.
- E. Homestead agrees to give maximum feasible priority to very low-income persons when administering the Project described herein.
- F. Homestead acknowledges it shall match HOME CHDO funds disbursed by the City and pursuant to this Agreement in the amount of \$35,438.
- G. Homestead 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 Project. Homestead 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. Homestead shall separately and accurately identify use of HOME funds pursuant to this Agreement.

- H. Homestead 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 Homestead receives federal financial assistance.
- I. Homestead 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.
- J. Homestead 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 Homestead, 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, Homestead will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

- L. Homestead 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 Project.
- M. Homestead 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 and applicable HUD regulations. Homestead will ensure that all documents related to this Project shall be kept for a period of five years after project's affordability period has been completed (estimated at June 2021). 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-imbursement of expenses.
- N. Homestead 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. Homestead shall be liable to perform all acts to the City in the same manner as the City performs these functions to the Federal government.
- O. Homestead 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 Homestead, on account of personal injuries or death, or damages to property occurring, growing out of, incident to, or resulting under this Project, 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 Homestead 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.
- P. Homestead shall have full control of the ways and means of performing the services referred to herein. Homestead acknowledges and agrees that its employees, representatives, subcontractors, and agents may in no respect be considered employees of the City.
- Q. Homestead agrees that, to the greatest extent feasible, all construction-related expenditures made for the Project shall be made to Champaign County firms or individuals.

18. **Contingencies** This Agreement, including the provision of funds by the Urbana HOME Consortium for the Project as described herein, is contingent upon Continued access to FY 2002-2003 and FY 2003-2004 HOME Program funds, as amended, from HUD to the City of Urbana on behalf of the Urbana HOME Consortium in the amounts identified in applicable grant agreements.
19. **Assignment** Homestead shall not assign this Agreement, nor any part thereof, without prior written approval of the City.
20. **Modification** No modification of this Agreement, including modification of the administrative budget in *Exhibit 1*, shall be effective unless in writing and executed by the parties hereto.
21. **Termination** Unless otherwise extended through a modification, this Agreement shall terminate on June 15, 2006.
22. **Execution of Agreement.** This Agreement shall be binding upon the City and Homestead, 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

BY: _____

DATE: _____

ATTEST: _____

HOMESTEAD CORPORATION

BY: _____

DATE: _____

ATTEST: _____

Exhibit 1

A Proposal for the Construction, Marketing and Sale of Affordable, Single-Family Houses in the City of Champaign and the City of Urbana

Submitted by The Homestead Corporation of Champaign-Urbana on November 10, 2003

Exhibit 2

*Budget and Schedule for the Homestead Affordable Homeownership Program**

Activity	Expenses	HOME	FHLB	DCCA	Mortgage
Land Development	\$35,500	\$35,500			
Construction	\$235,797	\$0		\$6,000	\$229,797
Downpayment Assistance	\$73,500	\$51,000	\$22,500		
Professional Fees	\$41,500	\$41,500			
Management Fees	\$8,500	\$8,500			
Financing	\$5,253	\$5,253			
TOTAL	\$400,050	\$141,753	\$22,500	\$6,000	\$229,797

Pro-forma Sources and Uses of Funds, Schedule of Activities and Homeowner Subsidy Schedules prepared by Homestead Corporation are attached and made a part of this Exhibit 2.

Homeowner Subsidy Schedule

Median Family Income (MFI)	Downpayment Assistance (HOME funds)
<60% MFI	\$17,000
60.1% - 70.0 % MFI	\$16,000
70.1% - 80% MFI	\$15,000

ORDINANCE NO. _____

**AN ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION
OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING
DEVELOPMENT ORGANIZATION DEVELOPER AGREEMENT**

(Homestead Affordable Homeownership Program FY 2003-2004)

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

Section 1. That an Agreement providing \$141,753 in HOME funds, for the
construction of affordable single-family homes in the Cities of Urbana and
Champaign for use in the Homestead Corporation Affordable Homeownership
Program, between the City of Urbana and the Homestead Corporation, in 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 2. 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 _____,
_____.

Tod Satterthwaite, Mayor