



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Elizabeth Tyler, FAICP, City Planner/Director

FROM: John A. Schneider, Manager, Grants Management Division

DATE: March 20, 2009

SUBJECT: AN ORDINANCE APPROVING AND AUTHORIZING AN AMENDMENT TO A COMMUNITY HOUSING DEVELOPMENT AGREEMENT BETWEEN THE URBANA HOME CONSORTIUM AND THE ECOLOGICAL CONSTRUCTION LABORATORY – SUPER ENERGY EFFICIENT HOME FY 2007-2008

Description

On the agenda of the March 24, 2009 Community Development Commission meeting is an ordinance approving an amendment to an Urbana HOME Consortium Community Housing Development Organization (CHDO) Agreement - Ecological Construction Laboratory Super Energy Efficient Home – CHDO Developer FY 2007-2008. Ecological Construction Laboratory (e-co lab) submitted a letter dated January 5, 2009 (copy attached) to the Urbana HOME Consortium requesting \$15,000 of additional HOME funds for their single family Super Energy Efficient Home at 1007 West Fairview Ave, Urbana. The funds would be used to reduce the purchase price of the home and to assist with realtor fees.

The proposed amendment increases the number of units produced from one to two units, which would allow e-co lab to use immediately available FY 2007-2008 CHDO Reserve funding for the 1007 W. Fairview house. The balance would be available for the next Super Energy Efficient house, which is planned for 901 North Division Avenue, Urbana.

Issues

The issue is whether the Urbana Community Development Commission should forward the Ordinance to the Urbana City Council with a recommendation for approval.

Background

The Annual Action Plans (AAP) for FY 2005-2006 and FY 2007-2008 included projects with e-co lab to produce Super Energy Efficient Homes. The FY 2005-2006 AAP allocated \$25,000 (including match) of the City of Urbana's entitlement portion of HOME funding to be utilized for the construction of a home at 1007 W. Fairview Ave, Urbana. At that time, e-co lab had not yet been certified as a CHDO by the Urbana HOME Consortium. After e-co lab became a

certified CHDO, the FY 2007-2008 AAP allocated \$31,000 (including match) of CHDO Set Aside funds to produce another Super Energy Efficient home.

The FY 2005-2006 funds have been expended in the production of the Super Energy Efficient Home at 1007 W. Fairview Avenue in Urbana. The house has been on the market for over six months. Although there have been many inquiries and potential homebuyers, it remains unsold due to both current housing market conditions and difficulty in finding a low/moderate income homeowner who can qualify for a mortgage at the current purchase price. Ms. Klingenberg's letter indicated that a reduction in the purchase price of the home would help bridge the financing gap between the purchase price of the home and amount of a mortgage needed for a low/moderate income homebuyer to be able to purchase the home.

Another option to provide additional funds to e-co lab for the Fairview house is to amend the Annual Action Plan. However, due to the amount of time needed to process an Annual Action Plan Amendment, allocating additional funds by amending the CHDO agreement would make funds available much sooner. A future Annual Action Plan Amendment may be needed to increase the amount of funding available to the remaining e-co lab Super Energy Efficient house.

A recommendation from Community Development Commission is requested regarding e-co lab's request for funds via the proposed amendment to the FY 2007-2008 developer agreement.

Options

1. Forward the Ordinance approving an amendment to the HOME CHDO Developer Agreement to the Urbana City Council with a recommendation for approval.
2. Forward the Ordinance approving an amendment to the HOME CHDO Developer Agreement with suggested changes to the Urbana City Council with a recommendation for approval.
3. Do not recommend Council Approval of the Ordinance.

Fiscal Impacts

At this time there would be no fiscal impact to the City budget. Funds for the Ecological Construction Laboratory Super Energy Efficient Homes were allocated in the FY 2005-2006 and FY 2007-2008 Annual Action Plans and included in the City of Urbana budget. A future AAP amendment will be required to allocate additional funds to e-co lab's affordable homeownership programs to compensate for the increase in funding to the 1007 West Fairview Avenue home.

Recommendations

Staff recommends Community Development Commission forward the Ordinance approving the amendment to the Urbana City Council with a recommendation for approval. By moving forward with an amendment to the e-co lab CHDO Developer Agreement for FY 2007-2008, it will make additional funds for the home at 1007 West Fairview Avenue available as soon as possible.

Memorandum Prepared By:

Janel D. Gomez
HOME Grant Coordinator
Grants Management Division

Attachments:

- (1) An Amendment to a Community Housing Development Organization Developer Agreement Between the Urbana HOME Consortium and the Ecological Construction Laboratory – Super Energy Efficient Home FY 2007-2008
- (2) An Ordinance Approving and Authorizing the Execution of An Amendment to a Community Housing Development Organization Developer Agreement between the Urbana HOME Consortium and the Ecological Construction Laboratory – Super Energy Efficient Home FY 2007-2008
- (3) January 5, 2009 letter from Katrin Klingenberg, Ecological Construction Laboratory

**AN AMENDMENT TO A COMMUNITY HOUSING DEVELOPMENT
ORGANIZATION DEVELOPER AGREEMENT BETWEEN THE URBANA
HOME CONSORTIUM AND THE ECOLOGICAL CONSTRUCTION
LABORATORY**

(Super Energy Efficient Home FY 2007-2008)

This Amendment is made this _____ day of _____, **2009**, between the CITY OF URBANA, an Illinois Municipal Corporation, acting as lead entity for the Urbana HOME Consortium (hereinafter the “**GRANTOR**”), and **the Ecological Construction Laboratory**, 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 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, 2007, and ending June 30, 2008, to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County; and

WHEREAS, the City of Urbana (hereinafter CITY), as the administrator of a HOME Program, has authority of the under the provisions of the HOME Program to amend the HOME Agreements; and

WHEREAS, on July 9, 2007 the Urbana City Council passed Ordinance No. 2007-07-067 approving and authorizing the execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Ecological Construction Laboratory – Super Energy Efficient Home FY 2007-2008).

WHEREAS, the GRANTOR and the DEVELOPER desire to amend said Agreement to modify and clarify certain conditions,

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained, the parties agree to the following changes to the Agreement:

1) The DEVELOPER and GRANTOR agree that ARTICLE I: HOME REQUIREMENTS, Section 1: Use of HOME Funds, is changed as follows:

b.) The DEVELOPER shall provide the GRANTOR with the budget and financial projection for each home from the preliminary budget for the construction of two (2) passive solar homes as provided in "Attachment 3" or in a similar document format as approved by the GRANTOR.

All other provisions of said Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, and have caused this instrument to be executed by their duly authorized officials and corporate seals affixed hereto, all on the day and year first above written.

CITY

SUBGRANTEE

By: _____
Laurel Lunt Prussing, Mayor

By: _____

Date: _____

Date: _____

Attest: _____
City Clerk

Attest: _____

ORDINANCE NO. _____

AN AMENDMENT TO A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION DEVELOPER AGREEMENT BETWEEN THE URBANA HOME CONSORTIUM AND THE ECOLOGICAL CONSTRUCTION LABORATORY

(Super Energy Efficient Home FY 2007-2008)

WHEREAS, The City Council of the City of Urbana, Illinois, has found and determined that execution of the attached amendment to a 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 Consolidated Plan for Program Years 2005-2009*,

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

Section 1. That an amendment to a Community Housing Development Organization developer agreement between the Urbana HOME Consortium and the Ecological Construction Laboratory (Super Energy Efficient Home FY 2007-2008), in substantially the form of the copy of said Amendment 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 Amendment 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