



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

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

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

DATE: November 20, 2009

SUBJECT: AN ORDINANCE APPROVING AND AUTHORIZING A SECOND AMENDMENT TO AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Ecological Construction Laboratory - Super Energy Efficient Home FY 2007-2008)

Description

On the agenda of the November 24, 2009 meeting of the Urbana Community Development Commission is an Ordinance Approving and Authorizing a Second Amendment to a Community Housing Development Organization Agreement between the Urbana HOME Consortium and Ecological Construction Laboratory - Super Energy Efficient Home FY 2007-2008. The proposed amendment allocates additional available HOME funds needed to facilitate the construction of a new, affordable owner-occupied housing unit in Urbana. Ecological Construction Laboratory (e-co lab) may use the funds for land preparation, construction activities, costs, professional services, and downpayment assistance for the project. The unit will be designed to incorporate passive solar energy systems.

Issues

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

Background

At its March 24, 2009 meeting, the Community Development Commission recommended Urbana City Council approval of an amendment to a FY 2007-2008 CHDO Developer Agreement with e-co lab reallocating funds from a future e-co lab project to the project at 1007 West Fairview Avenue, Urbana. This provided funding to assist in the marketing and sale of the home as well as downpayment assistance for the eventual homebuyer. This reallocation reduced the amount available for funding the next planned project, to be located at 1302 W. Dublin St., Urbana. At the time the first agreement amendment was approved, staff indicated that a future Annual Action Plan (AAP) amendment and Agreement Amendment may be needed to increase the amount of funding available for the next eco-lab home (Super Energy Efficient Home).

The initial agreement for the 1007 West Fairview house provided \$25,000 of FY 2005-2006 HOME funds. Subsequently, e-co lab requested additional funding needed to augment the project in order to make it more marketable.

An FY 2007-2008 CHDO Developer Agreement with e-co lab that allocated \$31,000 in CHDO reserve funding to another Super Energy Efficient Home was amended to expand the number of homes called for from one to two. This effectively allowed e-co lab to access \$15,000 of the funds allocated in that agreement for use on 1007 West Fairview. The remaining \$16,000 is available for the next Super Energy Efficient Home (initially intended to be constructed at 901 North Division, Urbana).

The FY 2009-2010 AAP had allocated an additional \$14,000 in HOME CHDO reserve funds for the remaining Super Energy Efficient home, bringing the total available for the project in its current form to \$30,000. With the closure of the Urban League of Champaign County Development Corporation (ULCCDC) in late 2008, \$16,836 in CHDO funds became available for reallocation. The members of the HOME Technical Committee met and agreed that a fitting reallocation of these funds would be to the upcoming e-co lab home, now planned to be constructed at 1302 West Dublin Street, Urbana.

Approval of this amendment would bring the total HOME funding available for development of the house at 1302 West Dublin Street to \$46,836. The proposed Annual Action Plan (AAP) Amendment reflects staff recommendation for this re-allocation. This ordinance secures the contract modification in the event that the AAP funding amendment is recommended by CDC and approved by the Urbana City Council.

Options

1. Forward the Ordinance to the Urbana City Council with a recommendation for approval.
2. Forward the Ordinance 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

The proposed second amendment to the development agreement will not change the amount of HOME funding provided to the City by HUD. There is no fiscal impact to the City budget.

Recommendations

Staff recommends that the Community Development Commission forward the Ordinance to the Urbana City Council with a recommendation for approval.

Memorandum Prepared By:

Janel Gomez
HOME Grant Intern

Attachments:

1. AN ORDINANCE APPROVING AND AUTHORIZING A SECOND AMENDMENT TO AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (Ecological Construction Laboratory - Super Energy Efficient Home FY 2007-2008)
2. A Second Amendment to a Community Housing Development Organization (CHDO) Developer Agreement Between the Urbana HOME Consortium and Ecological Construction Laboratory – Super Energy Efficient HOME FY 2007-2008
3. Revised project budget (Pro-Forma) from E-co lab

ORDINANCE NO. _____

**AN ORDINANCE APPROVING AND AUTHORIZING A SECOND AMENDMENT TO AN URBANA HOME
CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT
(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 second 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 a second 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

A SECOND AMENDMENT TO A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) 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 ending June 30, 2008 and beginning July 1, 2008 ending June 30, 2009, 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, on April 6, 2009 the Urbana City Council passed Ordinance No. 2009-04-029 approving and authorizing an amendment to 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:

The GRANTOR agrees to provide the DEVELOPER a total amount not to exceed **\$47,836** in HOME Community Housing Development Organization (CHDO) set aside funds from Federal Fiscal Years (FY) 2007-2008 funds in the amount of \$31,000 and FY 2008-2009 funds in the amount of \$16,836 to be used for related development functions and providing downpayment assistance to low- to moderate-income households for homeownership opportunities. The DEVELOPER shall use the Funds in accordance with HOME program guidelines outline in 24 CFR Part 92 in carrying out the PROGRAM in the manner as described below:

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

b.) The DEVELOPER shall provide the GRANTOR with the updated 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: _____

Pro Forma – Affordable Passive House 1302 W. Dublin

11/18

Sources of Funds

HOME SALES (w/subsidized mortgages)

Mortgages 117,500

SUBSIDIES

Other Funding (donations+materials) 15,000

City of Urbana HOME 39,500

TOTAL SOURCES OF FUNDS **172,000**

Uses of Funds

ACQUISITION COSTS

Land 0

Taxes and Liens 0

LAND DEVELOPMENT

Sanitary Sewer 0

Storm Sewer 0

Street 0

Sidewalk 0

Tree Removal 0

Grading/Topsoil 0

Electric Power 0

Gas 0

Telephone 0

Cable TV 0

CONSTRUCTION COSTS

Buildings (1100 sqft @ \$130) 143,000

Donations 0

143,000

PROFESSIONAL FEES

Architect and Engineering 2000

Developer Fee 10000

Homeowner Training 0

Marketing & Realtor fee 3000

15,000

GENERAL PROVISIONS

Project Management 2000

Insurance 0

Permits 0

Taxes 0

Utilities/Security 0

2,000

FINANCING

Escrow Services 0

Construction Interest/Fees 8,000

Closing Costs 4,000

Real Estate Taxes 0

12,000

TOTAL USES OF FUNDS **172,000**