



## 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:** January 21, 2011

**SUBJECT: HOME Funding Allocations – FY 2011-2012**

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### **Description**

Included on the agenda of the January 25, 2011 meeting of the Community Development Commission is a review of the HOME Investment Partnerships Program funding requests from local agencies for FY 2011-2012. In response to the invitation to area organizations for HOME Program funding requests, the City of Urbana and Urbana HOME Consortium received a total of four applications from Community Housing Development Organizations (CHDOs), non-profits, and for-profit entities. The Consortium's existing CHDOs, Homestead Corporation of Champaign-Urbana and Ecological Construction Laboratory, both submitted applications for Project and Operating funds, as well as CHDO recertification for the upcoming fiscal year.

Champaign County Neighborhood Alliance for Habitat, a newly formed subsidiary of Habitat for Humanity of Champaign County, applied for CHDO certification and submitted applications for both CHDO project and operating funding. Main Street Properties applied for a portion of the City of Urbana's HOME entitlement funding for a rental rehabilitation project.

In preparing the proposed budget for the City of Urbana and Urbana HOME Consortium Draft Annual Action Plan for Fiscal Year (FY) 2011-2012, staff utilized the same level of HOME funding as was awarded to the Urbana HOME Consortium in FY 2010-2011, which was **\$1,130,755**.

### **Issues**

The issue for the Community Development Commission (CDC) is to review and evaluate the HOME program applications for FY 2011-2012. However, as a result of readiness problems associated with the potential projects and CHDO certification, recommended funding amounts are not included in this memorandum. In the upcoming month, staff will work with the applicants and the HOME Consortium Technical Committee to determine recommended funding amounts for each request. The recommended funding amounts for each application will be included in the Draft City of Urbana and Urbana HOME Consortium Annual Action Plan (AAP) for FY 2011-2012, which will be reviewed by the CDC at its February 22, 2011 regular meeting.

The Draft AAP will then be made available for public review and comment for the required 30-day review period. At its March, 2011 meeting, the CDC will then be asked to forward a final recommendation regarding the plan to the Urbana City Council for final action.

## **Background**

Applications for FY 2011-2012 HOME funding for affordable housing projects were made available between December 6, 2010 and January 7, 2011. On December 6, 2010, staff conducted two training workshops to answer any questions about the application, activity eligibility, or the process. Staff was also available throughout the application period to answer questions and to assist with applications as requested.

In preparing the FY 2011-2012 Annual Action Plan, the City of Urbana has held several neighborhood meetings and public hearings to receive input regarding projected goals to address community needs for the upcoming fiscal year. The minutes from the six public hearings are provided as an attachment.

Applications requesting HOME Program CHDO Project and CHDO Operating funds were submitted by three agencies: Ecological Construction Laboratory (e-co lab), Homestead Corporation of Champaign Urbana (Homestead), Champaign County Neighborhood Alliance for Habitat (CCNAfH). Homestead and e-co lab are currently in the process of being re-certified as CHDOs in the Urbana Consortium, with recertification anticipated to be completed after staff concludes the annual monitoring process in February 2011.

Habitat for Humanity of Champaign County (Habitat for Humanity) has been working with staff to formulate a viable organization to be considered for CHDO funding during the past year. Habitat for Humanity's Board of Directors elected to form a subsidiary that would operate as a CHDO on behalf of its parent organization. The subsidiary, Champaign County Neighborhood Alliance for Habitat (CCNAfH), received its official Articles of Incorporation from the State of Illinois this past month and is awaiting non-profit status from the federal government. This may take several months to complete, and CCNAfH will not be eligible for CHDO Project funding under the HOME Program until this condition is met. However, CCNAfH has been diligent in meeting all other requirements of a certified CHDO by forming a board of directors that complies with the HOME regulations, as well as submitting acceptable bylaws and articles of incorporation documentation. Staff will continue to work with CCNAfH as it seeks to meet the standards set by HUD for operating CHDOs.

At its January 13, 2011 regular meeting, the Urbana HOME Consortium Technical Committee reviewed the applications for FY 2011-2012 CHDO funding. In accordance with an Intergovernmental Agreement executed in 2003, the Urbana HOME Consortium Technical Committee is comprised of representatives from the City of Urbana, the City of Champaign, and Champaign County, the three entities that make up the Urbana HOME Consortium. The technical committee meets regularly to ensure collaboration, discuss HOME related issues, and to formulate decisions regarding HOME related projects, including funding allocations to CHDOs. The Technical Committee agreed to delay funding recommendations until further information is obtained regarding the status of the CHDOs and timelines for their proposed projects.

Main Street Properties (MSP) applied for HOME funding to undertake rehabilitation of a rental property in Urbana. Any funding allocated to such a project would come from the City of Urbana's share of the HOME grant, also known as Urbana HOME Entitlement funds. The application requests \$83,967.60 of Urbana's HOME Entitlement to rehabilitate 36 rental units at the 1507 East Washington site in Urbana. The development has historically been under contract with Pioneer to offer housing to the local migrant population, but the owner has the choice of opting out of the contract within the coming year. The City of Urbana could potentially allocate some of its FY 2011-2012 HOME funding to a Rental Rehabilitation Program to assist the property requesting funding. However, this would reduce the amount traditionally allocated to the City's Housing Rehabilitation Program.

Summaries of the CHDO applications are included in this memorandum. Information for each application includes a brief description of the project, the score for each request, and the amount of funding requested. The applications will be scored based on HOME Program guidelines for assessing CHDO capacity and project capability. Areas assessed on the application include: project description, project readiness, financial feasibility, developer capacity, and project beneficiaries. Separate scoring sheets will be utilized to score the Project and Operating application sections.

## **I. OVERVIEW OF PROJECTED FY 2011-2012 HOME BUDGET:**

**1) Sub-Allocations for Administration, CHDO Project & CHDO Operating.** HUD regulations outline the parameters for Participating Jurisdictions (PJs) to make sub-allocations for particular categories of expenses from the overall HOME grant. PJs are limited to using no more than ten percent (10%) of the annual allocation for administrative expenses. In addition, at least 15% of the PJ's total HOME grant must be set aside as project funds for CHDO-administered projects. PJs also have the option to allocate up to 5% of their annual allocation for CHDO Operating Funds.

**2) Need for Tenant-Based Rental Assistance (TBRA).** Over the past two years, a need for rental assistance has been identified in the community. The Consortium members chose to fund the TBRA Program operated by the Champaign County Regional Planning Commission during FY 2009-2010 and FY 2010-2011. A total of **\$281,025** was allocated toward this initiative by the Consortium members as a whole. If the proposed Annual Action Plan Amendment to fund the Community Elements TBRA Program is approved, it is possible that the HOME Technical Committee will not fund the County's No Limits TBRA Program this year. The Committee will be discussing this option at its next regular meeting. This will not impact the CHDO Project set-aside funding (15%) or Operating set-aside (5%) available for FY 2011-2012.

**3) HOME Entitlement (*Shared by Consortium Members*).** After deducting the sub-allocations from the total HOME grant, the remaining amount, referred to as Entitlement (EN) funds, is divided among the Consortium members based on ratio provided by HUD as follows: 54.8% to City of Champaign; 12.7% to Champaign County; and 32.5% to City of Urbana. The amount of this fund is subject to change. The following breakdown of the proposed HOME program budget, which does not account for any possible Consortium-wide TBRA allocation, is provided below:

<b>PROJECTED FY 2011-2012 HOME BUDGET</b>				
			<u>HOME</u>	<u>Match</u>
<b>Anticipated HOME PROGRAM Allocation</b>		\$	<b>1,130,755</b>	
<i>Administration</i>	<i>10% (No Match Required)</i>	\$	<i>113,075</i>	
<i>CHDO Reserve</i>	<i>15% (CHDOs provide 25% Match)</i>	\$	<i>169,613</i>	<i>42,404</i>
<i>CHDO Operating</i>	<i>5% (No Match Required)</i>	\$	<i>56,538</i>	
<i>Remaining Balance to be distributed among Consortium Members</i>		\$	<b>791,529</b>	
<b>Distribution among Consortium Members</b>				
<i>City of Urbana Allocation</i>	<i>32.5%</i>	<i>25 % Local Match Required</i>	\$ <i>257,247</i>	<i>64,312</i>
<i>City of Champaign Allocation</i>	<i>54.8%</i>	<i>25 % Local Match Required</i>	\$ <i>433,758</i>	<i>108,439</i>
<i>Champaign County Allocation</i>	<i>12.7%</i>	<i>25 % Local Match Required</i>	\$ <i>100,524</i>	<i>25,131</i>

## **II. HOME FUNDING APPLICATIONS**

### **A. CHDO Project Funds**

CHDO Project Funds or CHDO Reserve (CR) may be used for projects that produce actual housing units in which the CHDO acts as an owner, a developer or a sponsor. Based on the anticipated FY 2011-2012 HOME program funding from HUD of \$1,130,755, the required 15% CHDO reserve is \$169,613. In addition to these funds, CR funding available from FY 2010-2011 must be allocated. During the allocation process last year, no viable CHDO Projects were identified and these funds were left unobligated. The two fiscal years' allocations represent \$339,227 in available funding. Three applications requesting these funds were received:

#### **1) Ecological Construction Laboratory**

**Project: The Villas at Highlands Crossing (401-403 Kerr Ave.)**

**Amount Requested: \$528,000**

##### ***2010-2014 Consolidated Plan Goals addressed:***

*Goal 1: Provide decent affordable housing to low- and moderate-income households.*

Ecological Construction Laboratory is requesting funds to construct a new 48-unit housing development off of Kerr Avenue that incorporates sustainability principles. The new development will include town homes, attached and detached single-family homes, apartment homes, community and maintenance buildings. The units are intended to be lease-purchase and would be targeted to persons at or below 60 percent Median Family Income (MFI).

E-co lab has one single-family housing project currently underway at 1302 West Dublin Street in Urbana and is also under contract for a Super Energy Efficient Duplex that does not yet have an identified site location. Previous completed projects include single-family homes at 1005 and 1007 West Fairview Avenue, Urbana.

During the Annual Action Process for FY 2010-2011, e-co lab submitted a similar application for a Kerr Avenue project that the Consortium decided was not yet ready to be funded based on the progress of the site planning and development team process. Since then, e-co lab has

partnered with Newhouse Development and will apply for Low Income Housing Tax Credits (LIHTC) to finance the project. The two organizations jointly submitted a Preliminary Site and Market Assessment to the Illinois Housing Development Authority as part of the LIHTC application process. Based on the score received from this preliminary application, e-co lab and Newhouse Development may be eligible to begin the full formal application process for these funds. If the full application is not approved during this funding cycle, the application may be modified and resubmitted in two subsequent cycles. The application is ultimately due on April 15, 2011. This leaves the timeline for this project unclear.

The Consortium funds that have been requested (\$528,000) represent more than three times the annual allocation received for CHDO projects (\$169,613). Based on the uncertain timeline for the project, the lengthy application process required to receive LIHTC funding, and the timeliness requirements imposed by the Department of Housing and Urban Development for expenditure of committed funds, it may not be possible to set aside funding for this project until additional financing is secured and construction can reasonably be expected to begin within a year. Staff will continue to work with e-co lab and Newhouse Development as they move forward with the LIHTC application process.

## **2) Homestead Corporation**

**Project: Single Family New Construction**

**Amount Requested: \$180,000**

### ***2010-2014 Consolidated Plan Goals addressed:***

*Goal 1: Provide decent affordable housing opportunities to low- and moderate-income households.*

Homestead has applied for CHDO funding to construct three affordable single-family homes as part of the organization's infill development strategy. The application indicates that the homes will benefit three (3) low-income households between 50 and 80 percent Median Family Income (MFI). Potential sites have not yet been identified for construction. The requested \$180,000 would be used to subsidize the cost of constructing the homes in order to maintain affordability to the low-income homebuyer upon sale.

The organization completed its 70-unit development in partnership with Brinshore Development in Fall 2009. Homestead is currently under contract to construct four (4) new single-family homes funded with FY 08-09 and FY 09-10 HOME allocations. Two of the homes will be located at 1107 and 1109 North Gregory Drive. Locations for the remaining two homes have not been identified. According to quarterly reports submitted by Homestead staff, they have had difficulty identifying qualified low-income buyers for its program.

## **3) Champaign County Neighborhood Alliance for Habitat (CCNFH)**

**Project: Home Builds – 2011 & 2012 Build Season**

**Amount Requested: \$315,000**

### ***2010-2014 Consolidated Plan Goals addressed:***

*Goal 1: Provide decent affordable housing opportunities to low- and moderate-income households.*

*Goal 2: Address barriers to obtaining affordable housing.*

*Goal 3: Preserve and improve supply of affordable housing as a community resource.*  
*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.*  
*Goal 9: Support educational services including financial literacy, homeownership education and debt management.*

Habitat for Humanity has been working with City staff to apply for CHDO certification during this past year. The organization began the process by creating a suborganization, Champaign County Neighborhood Alliance for Habitat (CCNAfH), which was incorporated and recognized by the State of Illinois in December 2010. The board is comprised of three representatives and meets the requirements stipulated by the HOME Program Final Rule, currently maintaining the minimum 1/3 low-income representation among its members.

CCNAfH is currently awaiting approval for its not-for-profit status as a 501(c)3 organization. Should the HOME Technical Committee elect to conditionally certify CCNAfH as a CHDO, the organization would not be eligible to receive funding until the non-profit application process is completed. This process can take several months to more than a year before confirmation of status is received. This may significantly delay the ability of CCNAfH to expend funds in a timely manner until the organization is formally approved.

The addition of a third organization eligible to receive CHDO funding would allow for more flexible use of funds, ultimately meeting more goals and strategies outlined in the *City of Urbana and Urbana Consortium Consolidated Plan 2010-2014*. Projects often take several years to develop, and policy changes implemented by HUD have placed additional pressure on HOME Consortia to expend grant allocations on a yearly basis. Habitat for Humanity's experience working in the community and strong staff capacity as a parent organization are an indication that CCNAfH will be able to successfully implement the goals of the HOME Program effectively.

CCNAfH has applied for \$315,000 in CHDO project funding, with the intention of completing a total of nine (9) single-family homes. Three (3) homes are scheduled for completion by December 2011, and the six (6) remaining homes are to be completed during the 2012 calendar year. As indicated on the application, each home requires approximately four (4) months to complete, and the total funding request per home is \$35,000. No sites have yet been identified for the construction of these projects.

## **B. CHDO Operating Funds**

HUD regulations allow PJs, at their discretion, to set aside 5% of the annual allocation for operating expenses of certified CHDOs. Consortium policies further cap annual CHDO Operating (CO) awards at a maximum of \$35,000 for each CHDO.

Three applications for CHDO Operating Funds were received as part of the FY 2011-2012 funding cycle. Two (2) of the three (3) agencies requesting operating funds are currently certified CHDOs and will be eligible for recertification given a successful monitoring visit. The third, CCNAfH, will only be eligible for funding if CHDO certification is received. The Consortium may allocate up to 5% to CHDOs for operating costs and is anticipating an allocation of \$56,538 for FY 2011-2012. Following is a summary of the CHDO Operating funds requested:

**1) Ecological Construction Laboratory (e-co lab)**

**Amount Requested: \$40,245**

*E-co lab has received CHDO Operating funds annually since FY 2006-2007.*

E-co lab is actively seeking a new executive director to run its day to day operations. Staff will be working with e-co lab once a director has been found in order to provide technical assistance and assist with the transition. E-co lab has \$4,209 remaining in FY 2009-2010 operating funding and has not begun drawing its FY 2010-2011 allocation of \$22,500. Staff shortages and lack of staff training have been a concern in the past. While Consortium staff is able to provide technical assistance as needed, a reliable, full-time staff team on e-co lab's part is needed to carry out the projects currently underway, in addition to the proposed project.

**2) Homestead Corporation**

**Amount Requested: \$25,000**

*Homestead has received CHDO Operating funds annually since FY 1998-1999.*

The City of Urbana has received all required quarterly reports and pay requests with supporting documentation from Homestead to date. Homestead has a strong staff capacity and consistently utilizes operating funds for eligible expenditures on a timely basis.

**3) Champaign County Neighborhood Alliance for Habitat (CCNAfH)**

**Amount Requested: \$100,000**

*Habitat is in the initial process of applying for CHDO status and has not received CHDO Operating funds in the past.*

According to the application submitted by CCNAfH, all operations will be run by Habitat for Humanity of Champaign County (Habitat) staff. Ms. Beverly Huffman, the current Executive Director for HfHCC, will run the daily operations of CCNAfH. The organization plans to utilize any operating funding received to hire a full time coordinator/ administrator to increase capacity. The estimated cost of the position, including benefits, is approximately \$30,000. Any Operating Funding allocated to CCNAfH would be contingent upon the organization's successful receipt of 501(c)3 status.

In anticipation of Habitat for Humanity's pending CHDO application during FY 2010-2011, the HOME Technical Committee agreed to set aside a portion of the CHDO Operating allocation for future use. A remaining \$11,538 was reserved with the expectation that Habitat for Humanity would apply for CHDO status during the fiscal year. These funds are still available and are being carried over to FY 2011-2012.

**C. Urbana Entitlement Funds**

**1) Main Street Properties**

**Project: The 1507 East Washington Project**

**Amount Requested: \$83,967.60**

**2010-2014 Consolidated Plan Goals addressed:**

*Goal 1: Provide decent affordable housing opportunities to low- and moderate-income households.*

*Goal 2: Address barriers to obtaining affordable housing.*

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

*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.*

*Goal 8: Support infrastructure improvements in Urbana's Community Development Target Area*

Main Street Properties, a local developer and property management company, has applied for HOME entitlement funding to help finance a rehabilitation project located at 1507 East Washington. The development consists of three existing buildings, each containing 12 units, for a total of 36 units. Each unit contains two bedrooms and one bathroom, with approximately 800 square feet. The unit falls within the Urbana Community Development Target Area, as stated in the application. The targeted population for this project includes extremely low-income households (at or below 30 percent MFI) and very low-income households (at or below 50 percent MFI). The owner wishes to upgrade the units with Urbana entitlement funding in order to maintain affordability for low-income tenants.

The City of Urbana's Entitlement Fund has historically been utilized for its Whole House Rehabilitation Program, which has successfully completed between four (4) and six (6) rehabilitation projects each year. Carryover Urbana Entitlement funding originally set aside for the Kerr Avenue Project was recently reallocated to a Rental Rehabilitation project at Aspen Court via an AAP Amendment in October 2010, in order to meet timeliness requirements.

## **Fiscal Impacts**

The total projected HOME grant award for FY 2010-2011 is anticipated to be **\$1,130,755** for the Consortium. HOME funding allocations have remained relatively stable since 2005 and increased slightly last year. The Consortium has planned accordingly for similar funding allocations in determining the budget.

## **Recommendations**

No funding recommendations are being made at this time. The Urbana Home Consortium Technical Committee will work to formulate recommendations, which will be presented to CDC at its regularly scheduled February 22, 2011 meeting.

**Memorandum Prepared By:**

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**Jen Gonzalez**  
**HOME Coordinator**  
**Grants Management Division**



**Attachments:**

1) Applications for Funding and Accompanying Scoring Sheets:

**a. CHDO Reserve (for Projects):**

E-co Lab – *The Villas at Highlands Crossing*  
Homestead – *Single Family New Construction*  
Habitat Alliance – *Home Builds – 2011 & 2012 Build Season*

**b. CHDO Operating (for Operating Funds only):**

E-co Lab – *CHDO Operating*  
Homestead – *CHDO Operating*  
Habitat Alliance – *CHDO Operating*

**c. Urbana Entitlement (for Projects):**

Main Street Properties – *The 1507 East Washington Project*

2) Public Hearing Minutes and Attendance sheets

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City of Urbana

City of Champaign

Champaign County

City of Urbana and Urbana HOME Consortium  
FY 2011-2012 HOME Funding Application Packet

Name of Organization: The 1507 East Washington Project

Project Funds Requested: \$ 83,917.10

<input checked="" type="checkbox"/>	<b>Application Component Checklist</b>	
	A. Applicant Information	
	B. Agency History of Performance	
	C. Partner Agencies	
	D. Project Objectives	
	E. Targeted Population	
	F. Project Location	
	G. Project Schedule	
	H. Construction	
	I. Budget and Funding Information	
	J. Matching Funds	
	K. Rental Management	
	L. Organizational Capacity	
	M. Procedural Information	
	N. Applicant Certification and Commitment of Responsibility	
<input checked="" type="checkbox"/>	<b>Additional Required Documentation to Include</b>	
	Board of Directors List (must include members' current address and sector they represent)	
	Board Resolution Approving Application	
	Strategic Business Plan	
	Most Recent Audit Report & Auditor Letters	Date of Audit:

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# Application Rating System *(office use only)*

Category	Maximum Points	Points Earned
<b>Project Description</b>	<b>40</b>	
Compliance with Con Plan goals & strategies	10	
Proposed accomplishments	10	
Time to completion	10	
Project schedule reasonable	10	
<b>Project Readiness</b>	<b>40</b>	
Procedures in place: Affirmative Marketing Plan, Citizen Participation Plan, Program Manual	10	
Site readiness: identified, controlled, etc.	10	
Pre-development: environmental review, easement review, project plans, etc.	10	
Status of other funding sources	10	
<b>Financial Feasibility</b>	<b>30</b>	
Eligibility of proposed use of funds	10	
Project budget: level of detail, reasonableness of costs	10	
Leveraging: proposed, status of	10	
<b>Developer Capacity</b>	<b>40</b>	
Current staff	10	
Access to skilled individuals	10	
Marketing capacity	10	
Past performance (adherence to project schedule, timeliness of expenditures, submission of quarterly reports, etc)	10	
<b>Project Beneficiaries</b>	<b>50</b>	
Type of households targeted: greatest need (individual, special needs, etc)	25	
Income level of beneficiaries: greatest need (30% MFI)	25	
<b>Total Points Possible</b>	<b>200</b>	



# A. Applicant Information

## Legal Applicant

Name of Organization	Stephanie Bond		
Street Address	123 West Main Street suite 220		
City, State, Zip	Urbana IL 61801		
Telephone Number	217 344 0700		
Fax Number	217 367 4157		
Federal ID Number	EIN 27-6489704		
Executive Director	same		
Telephone Number	217 377 6544 (additional)		
E-Mail Address	cto4rent@gmail.com		
Type of Applicant (Check one)		Public Non-Profit	<input type="checkbox"/>
Unit of Government		Private Non-Profit	<input type="checkbox"/>
Public Agency		CHDO	<input type="checkbox"/>

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

Application Preparer Name	Candice Sloan		
Title	Director of Operations		
Telephone & Fax Numbers	217 344 0700 217 367 4157		
E-Mail Address	office@gabesplace.com		
Project Contact Person	Candice Sloan or Steph Bond		
Title	"		
Telephone & Fax Numbers	"		
E-Mail Address	candice.sloan@gmail.com		
	candice@mspcu.com		



## B. Agency History of Performance

- Please list all projects the applicant has administered (regardless of whether they were funded with HOME funds) in the last three (3) years, indicating which projects are completed and which projects are underway.

Project	Funding Source	Status
* House Remodel	business-self	complete 8/09
98 bed Apt bldg	business-self	complete 8/10
1505 E Washington	"	complete 4/10
811 W Oregon	"	ongoing
Main Street Plaza bldg	"	complete 4/09

\* see attached

2. Does the organization currently operate any other programs other than the proposed HOME activity?     Yes     No

*If yes, please attach a list the program(s) and their funding source(s).*



## B. Agency History of Performance

Example of Work

House Remodel

Location: 803 S Second

Recognized need and viability for total house remodel in order to meet needs and increase rates. Three story house was completely gutted, and remodeled up to code and to improve the quality of housing provided. Staff of Gabe's Place completed project in house, under budget and on time for move in August 2009.



More examples:

98 Bed Apartment Building

102 East Gregory Champaign, Il 61820

<http://www.gabesplace.com/102eGregory.html>

1505 East Washington

Main Street Plaza

[www.mspcu.com](http://www.mspcu.com)

## C. Partner Agencies

- Please attach a sheet to this section or include a narrative below identifying any other agencies that are involved in this project and briefly describing the extent of their involvement. Include the agency name, address, phone, and contact person. Attach additional documentation, such as Memoranda of Understanding, award letters, agreements, etc, for each partner agency.

not applicable



## D. Project Objectives

Project Title:	The 1507 East Washington Project		
HOME Project or Entitlement Funds Requested:	\$ <u>83,967.<sup>00</sup></u> (total project cost – match = funds requested)		
<b>Type of Project (Check one)</b>			
Homebuyer	<input type="checkbox"/>	Rental Housing	<input checked="" type="checkbox"/>
Homeowner Rehabilitation	<input type="checkbox"/>	Tenant Based Rental Assistance	<input type="checkbox"/>
<b>History of Program (Check one)</b>			
New Program	<input checked="" type="checkbox"/>	Continued Program	<input type="checkbox"/>

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

<input checked="" type="checkbox"/>	
<input checked="" type="checkbox"/>	Provision of affordable housing
<input 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

- Which of the needs and strategies as identified in the Five-Year Strategic Plan of the City of Urbana and the Urbana HOME Consortium Consolidated Plan for Program Years 2010-2014 and/or the City of Champaign Consolidated Plan for Program Years 2010-2014 does this project address? (See Attachment 2)

Goal 1, strategy 1, activity 3&4

Goal 2, strategy 5, activity 4

Goal 3, strategy 1, activity 7

Goal 6, strategy 4, activity 3&4

Goal 8, strategy 1&2, located in tract 510.1





## E. Targeted Population

- Indicate the number of households that will be assisted by income range of Median Family Income. See Attachment 1 for 2010 income guidelines.

#	Income Level
15*	0-30%
15*	31-50%
	51-80%

- Will your project assist residents of Champaign, Urbana, Champaign County or a combination thereof? Please check all that apply. *\* depends on market demands/needs*

<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 served? Please check all that apply:

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

Please list 'Other' Special Needs Populations if applicable:

*young new families, new mothers, single parents, emergency housing relocation*



## F. Project Location

- In this section, please attach a precise and detailed location map and description of the project area. You must also include a map of the applicable floodplain or wetland areas with the project location clearly marked.



## F. Project Location

1507 East Washington Street Urbana, IL 61802

- 3 Buildings
- 3 Floors, 4 units/floor
- 12 Units per building
- 2 Bedroom/1 Bathroom
- Approximately 800 sq ft

Buildings sit behind 1505 East Washington 61802, owned, managed and currently leased as a restaurant/catering business opening February 2011

Building is located in tract 56.1 which is within the Target Community Development Area

See Attached:


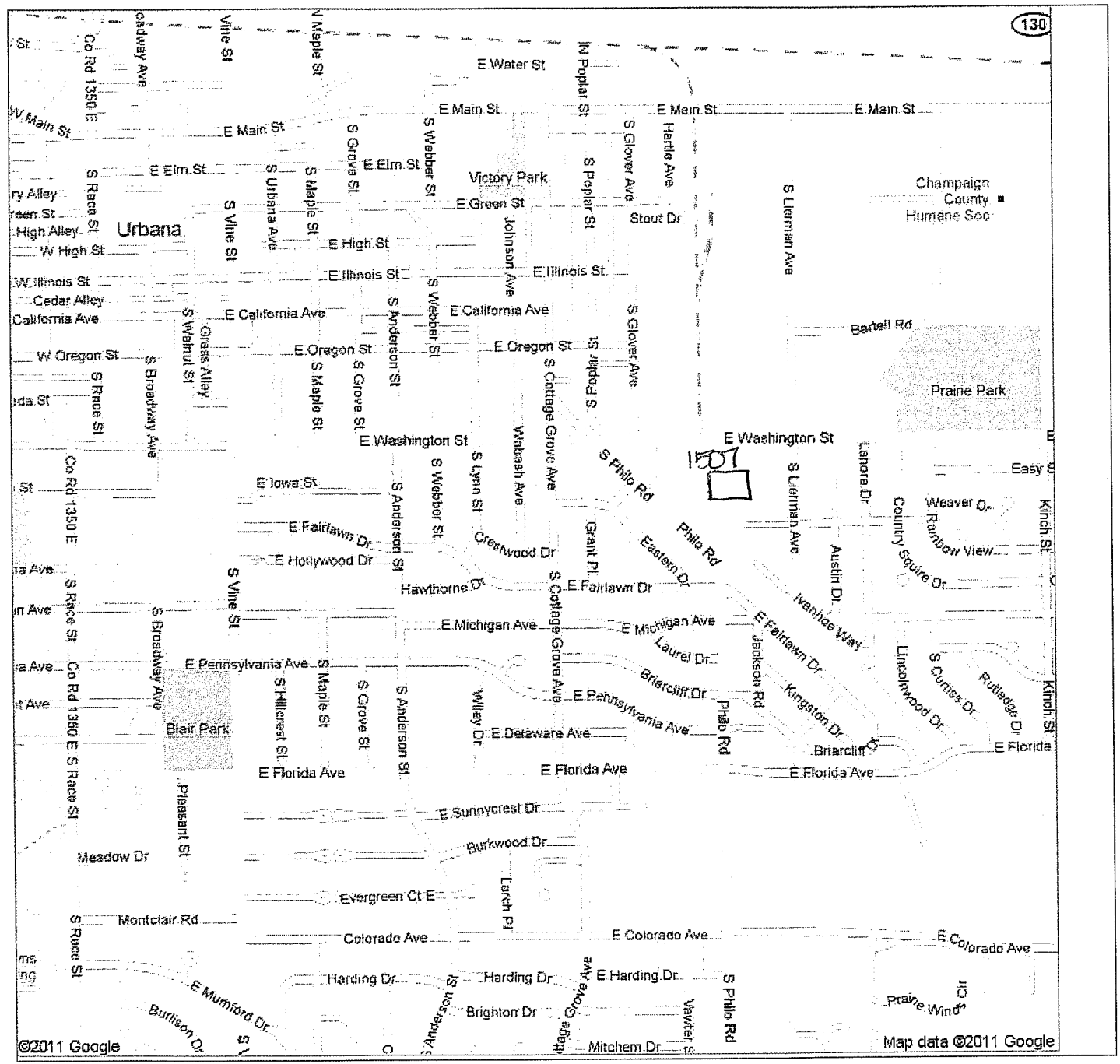
Google Location Map

Google Satellite Map

Community Development Target Area Map

# Google maps

**Get Google Maps on your phone**  
 Text the word "GMAPS" to 466453

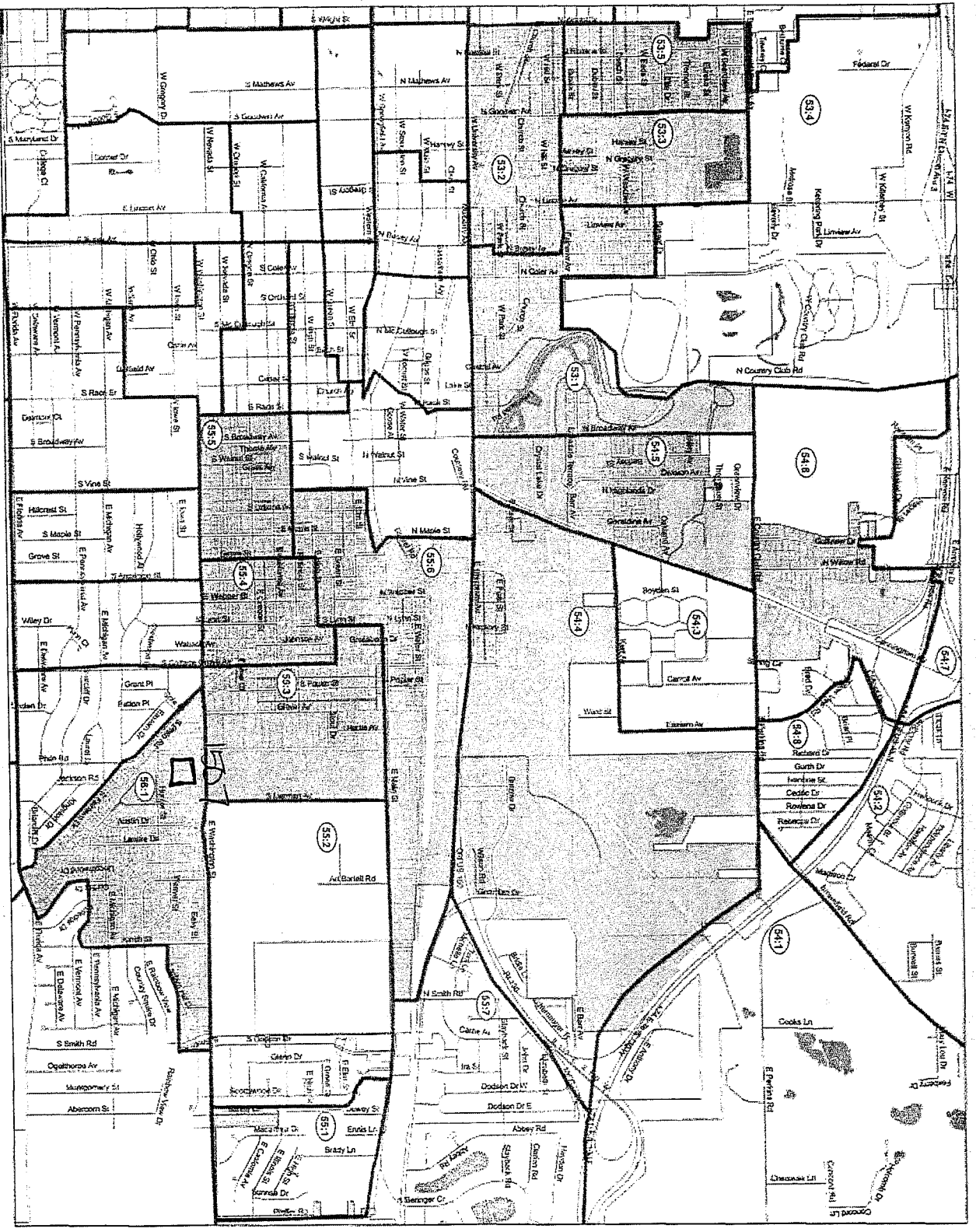


150 E Washington St, Urbana, IL 61802

Data SIO, NOAA, U.S. Navy, NGA, GEBCO  
© 2010 Google  
Image Champaign County GIS Consortium

Pointer: 40°06'16.12"N 88°16'24.09"W Elev: 748 ft Streaming 100% Eyeball: 4023 ft

# Community Development Target Area



CENSUS TRACT	BLOCK GROUP	LOW MOD INCOME%
53	1	64.1%
53	2	87.4%
53	3	81.0%
53	5	76.7%
54	4	79.3%
54	5	68.7%
54	6	51.5%
55	1	91.9%
55	3	69.5%
55	4	39.4%
55	5	48.1%
55	6	61.0%
56	1	58.7%

\* Based on Census 2000 Data

## Legend

- Urbana Corporate Boundary
- Roads
- Lakes
- CD Target Area
- Census Block Group Boundary
- Census Tract 55 Block Group 1

## G. Project Schedule

- What is the *maximum* time anticipated to complete the activity?

Beginning Date: \_\_\_\_\_ Ending Date: \_\_\_\_\_

- Please attach a separate project schedule to this section, describing the steps or phases necessary to complete the project.



## G. Project Schedule

Minimum Time:	Beginning August 2011	Completed July 2012
Maximum Anticipated:	Beginning August 2011	Completed July 2013

### Timelines variation factors:

- Funding source
- Market demands
- Option to renew whole or partial contract with Pioneer for temporary migrant housing set to expire 2012
- Availability of Materials
- Viability of current rates vs. Investment for upgrades
- Project can be broken into # of units, individual buildings etc

### Phases of Project

We will enter into this project using the same effective method that we have utilized in both our campus buildings and our commercial office building. The need for funding comes from the inability to sustain current rates given the investment that we feel the building needs to encourage and maintain quality decent family households.

- Removal and disposal of flooring, existing cabinets and vanity
- Material order and receiving projected delivery date
- Installation and preparation of subfloor/skimcoat
- Installation of flooring (carpeting in living/bedrooms; vinyl in kitchen/bathroom)
- Installation of cabinets, counters, and vanity
- Marketing of fully furnished, move in ready, affordable housing
- Re-installation of fixtures, appliances, trim
- Wall repair, Full paint of interior walls, trim and existing doors



## H. Construction

- Will your project involve existing structure/s or new construction?

existing 3 buildings located at  
1507 E. Washington Urbana, IL 61802

- Please attach an explanation of plans to obtain any necessary temporary or permanent easements. n/a

- Will the activity disturb land previously not disturbed (except for agriculture)? To the best of your knowledge, indicate below anything of historical or archaeological significance of the area. Please note: *you will be required to provide documentation of historic clearance of the project site prior to project commencement.* n/a

- Has the project been assessed for lead-based paint?  Yes  No  N/A

If yes, does the project contain lead-based paint?  Yes  No

If the project has not been assessed for LBP, is an assessment planned?

If the project contains lead-based paint, attach an explanation detailing how it will be addressed and who will be responsible. **Please note: You will be required to provide documentation of proper certification for any LBP work prior to project commencement.**

employees are certified as of 06/2010



# I. 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

- Will your project be funded over one year or multiple years?

Preference for one time 12 month timeline  
Flexibility according to funding availability

- Please describe the effect on the proposed activity if HOME funding is not awarded during this fiscal period:

Currently, apartments are contracted to provide temporary migrant housing for Pioneer. We have the option to continue this contract or begin pursuing long term tenants. Funding assistance is being sought to invest money into units so family oriented homes without burden to increase rates recoup large investment.

- Please provide a budget that provides, at a minimum, the same level of detail as the example provided below. Submitted budgets must include information indicating whether additional funds are secured or requested.



Budget Category	Per Unit Breakdown	Estimated Total Costs	HOME funds	25% Matching	complete
Project Predevelopment					
Wages for Organization Management Ordering and Scheduling		1000			yes
Design					
Menards Contrator Sales	0	0			yes
Final Development					
Project Admin/Management	60	2,160	1,620	540	
Cabinet Costs	1134.25	40,833	30,624.75	10,208.25	
Counter	339.95	12,238.20	9,178.65	3,059.55	
Installation	250	9,000	6,750	2,250	
Paint Materials	50	1,800	1,350	450	
Painting Contractor	200	7,200.00	5,400	1,800	
Carpet Materials	307	11,502	8,626.50	2,875.50	
Flooring Contractor	263	9,468	7,101	2,367	
Vinyl Materials	180	6,480	4,860	1,620	
Vinyl Floor Prep/Install	180	6,480	4,860	1,620	
Trash/Removal/Costs	111	3,996	2,997	999	
Misc construction materials	100	3,600	2,700	900	
Marketing	75	2,700	2,025	675	
Financing					
Two Units Are complete		-6,500			
<b>Total Project Budget</b>	<b>3250.2</b>	<b>111956.8</b>	<b>83,967.60</b>	<b>27,989.20</b>	

## J. 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
Self / From Business	27,989.20	Secured



## K. Rental Management

- For rental projects only, please indicate who will be providing on-going management of the project to insure compliance with the HOME regulations throughout the affordability period? Please attach a statement to this section or include narrative below.



## K. Rental Management

Gabe's Place Apartments will be managing the daily operations surrounding renting the units located at 1507 East Washington Urbana, IL 61802 as has been the case during the Pioneer migrant rental contract.

Management of the property to keep costs lower come from the capacity of Gabe's Place to continue managing the property integrating it into the normal model for marketing and leasing that is already operational for this property as well as the rest of the properties managed.

Currently Gabe's Place oversees the Pioneer contract for housing migrant workers over a period of 60 to 90 days annually. We originally pursued this contract as a remedy to the vacancy levels left in the building as well as to allow time for investment in the property, discourage crime and deter undesirable foot traffic.

During this period, we have also successfully acquired, rehabbed, marketed and leased the property located at 1505 East Washington which sits directly in front of the three apartment buildings. This property struggled and remained vacant with other owners under other management but is now set to open at as a restaurant and catering business.

Gabe's place maintenance and management staff have already completed the planning, materials and the first 2 of 36 units at 1507 East Washington as we move toward once again seeking long term tenants through increasing the quality of the interiors of the units in order to provide decent, affordable housing.

Grant funds aiding this project will allow us to both continue and expedite the progress and success we've had with 1507 East Washington by enabling us to invest in the property by remodeling the units. Grant funds will relieve the burden of the investment costs, thus allowing the rates to remain at \$500 to \$550 per month. The area is in severe need of affordable housing.

With management provided by Gabe's Place, we offer the unique experience and capability to understand the area and needs. Providing leasing that can span any increment of months, a month to month lease or as designated emergency move in ready housing. By recognizing and planning for the varying types of housing that the property can provide, we are able to meet the various needs of several types of tenants while also expanding the potential for this property to serve the community for housing in a way that the community and area doesn't currently have enough of.

The 1507 East Washington Project funding gives us the opportunity to utilize these funds in exactly the way that they were intended, resulting in apartments that remain affordable while also conducive to building a family home in a large, safe, and quality environment.

# L. Organizational Capacity

**Agency Mission Statement:** Please include a statement of your agency's mission.

**Agency Capacity:** Please complete the table below for each staff member that will be dedicated to the proposed project in whole or in part. In this section, please attach job descriptions for any positions currently vacant that will be incorporated into the project activity.

Name	Program Area	Years Experience	Full or Part Time
Stephane Bond	owner / operational	22	Full
Candice Sloan	management	5	Full
Amber Hendricks	Bookkeeping	7	Full
Rudolfo Trevino	Project Construction	15+	Full

**Access to Skilled Individuals:** Please attach a separate description of the agency's access to or relationship with skilled individuals in the categories listed below. The description should include the individual's name, brief job description, qualifications, and whether the individual is a paid staff member, a volunteer or a paid consultant.

- Bookkeeper/Accountant
- Housing Counselor
- Construction Manager
- Property Manager
- Lead Risk Assessor or Lead Construction Supervisor
- Grant Writer/Fundraiser

**Training and Certifications:** Please attach a separate description of relevant training attended by board members or paid staff over the last eighteen months, as well as any applicable certifications currently held by paid staff members.



## 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 Stephanie Bond (applicant name) assumes the responsibilities specified in the HOME regulations and certifies that:


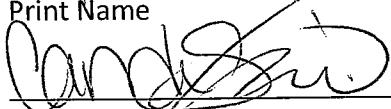
- A. It possesses the legal authority to apply for the allocation and to execute the proposed activity;
- B. It has resolved any audit findings for the prior fiscal year to the satisfaction of the Urbana HOME Consortium, the City of Urbana, the City of Champaign, Champaign County or any other federal 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.**

  
 \_\_\_\_\_  
 Authorized Signature  
 Stephane Band  
 \_\_\_\_\_  
 Print Name  
  
 \_\_\_\_\_  
 Attested By

Owner/Executor  
 \_\_\_\_\_  
 Title  
 1/6/2010  
 \_\_\_\_\_  
 Date  
 1/6/2010  
 \_\_\_\_\_  
 Date





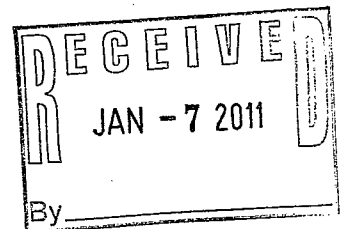
**Champaign County**  
**Neighborhood Alliance for Habitat**

**City of Urbana and Urbana HOME Consortium**

**FY2011-2012**

**HOME funding Application Packet**

January 6, 2011





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

[jmgonzalez@urbanaininois.us](mailto:jmgonzalez@urbanaininois.us)

City of Urbana

City of Champaign

Champaign County

**City of Urbana and Urbana HOME Consortium  
 FY 2011-2012 HOME Funding Application Packet**

Name of Organization: Champaign County Neighborhood Alliance for Habitat

Project Funds Requested: \$ \$35,000 X 9 Homes = \$315,000

✓	<b>Application Component Checklist</b>	
✓	A. Applicant Information	
✓	B. Agency History of Performance	
✓	C. Partner Agencies	
✓	D. Project Objectives	
✓	E. Targeted Population	
✓	F. Project Location	
✓	G. Project Schedule	
✓	H. Construction	
✓	I. Budget and Funding Information	
✓	J. Matching Funds	
	K. Rental Management	
✓	L. Organizational Capacity	
✓	M. Procedural Information	
	N. Applicant Certification and Commitment of Responsibility	
✓	<b>Additional Required Documentation to Include</b>	
✓	Board of Directors List (must include members' current address and sector they represent)	
✓	Board Resolution Approving Application	
✓	Strategic Business Plan	
	Most Recent Audit Report & Auditor Letters	Date of Audit:

# 2011-2012 HOME Grant Application Information

## HOME Grant Objectives

The National Affordable Housing Act of 1990 created the Home Investments Partnership (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 07, 2011**

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 John Schneider at 217-384-2447.

### **Application for Assistance**

Application training and assistance will be available in **two sessions on Monday, December 06, 2010**. 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 2nd floor conference room at the City of Urbana, 400 S. Vine St. Urbana, IL 61801. 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](http://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.

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)*

Category	Maximum Points	Points Earned
<b>Project Description</b>	<b>40</b>	
Compliance with Con Plan goals & strategies	10	
Proposed accomplishments	10	
Time to completion	10	
Project schedule reasonable	10	
<b>Project Readiness</b>	<b>40</b>	
Procedures in place: Affirmative Marketing Plan, Citizen Participation Plan, Program Manual	10	
Site readiness: identified, controlled, etc.	10	
Pre-development: environmental review, easement review, project plans, etc.	10	
Status of other funding sources	10	
<b>Financial Feasibility</b>	<b>30</b>	
Eligibility of proposed use of funds	10	
Project budget: level of detail, reasonableness of costs	10	
Leveraging: proposed, status of	10	
<b>Developer Capacity</b>	<b>40</b>	
Current staff	10	
Access to skilled individuals	10	
Marketing capacity	10	
Past performance (adherence to project schedule, timeliness of expenditures, submission of quarterly reports, etc)	10	
<b>Project Beneficiaries</b>	<b>50</b>	
Type of households targeted: greatest need (individual, special needs, etc)	25	
Income level of beneficiaries: greatest need (30% MFI)	25	
<b>Total Points Possible</b>	<b>200</b>	



# A. Applicant Information

## Legal Applicant

Name of Organization	Champaign County Neighborhood Alliance for Habitat		
Street Address	PO Box 1162		
City, State, Zip	Champaign, IL 61824		
Telephone Number	217-359-0507		
Fax Number	217-363-3373		
Federal ID Number	37-1277094		
Executive Director	Beverly Huffman		
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	
Title	
Telephone & Fax Numbers	
E-Mail Address	
Project Contact Person	
Title	
Telephone & Fax Numbers	
E-Mail Address	



## B. Agency History of Performance

- Please list all projects the applicant has administered (regardless of whether they were funded with HOME funds) in the last three (3) years, indicating which projects are completed and which projects are underway.

Year	Location	City	Funding	Status
2007	507 E. Bradley	Champaign	Thrivent Build & Illini Radio Group	Complete
2007	509 E. Bradley	Champaign	Thrivent Build & Illini Radio Group	Complete
2007	1105 N. Goodwin	Urbana	Horizon Hobby, Inc	Complete
2008	114 N. Cottage Grove	Urbana	Women Build Homes Committee	Complete
2008	1304 N. Carver	Champaign	Thrivent Build	Complete
2008	1306 N. Carver	Champaign	Thrivent Build	Complete
2009	708 N. Goodwin	Urbana	University of Illinois HFH Student Chapter	Complete
2009	1627 Lowry	Rantoul	Thrivent Build	Complete
2009	1521 W. Healey	Champaign	Women Build Homes	Complete
2010	1405 E Beslin	Urbana	Women Build Homes/Fund for Humanity	Complete
2010	1405 1/2 E Beslin	Urbana	Horizon Hobby, Inc	Complete

2. Does the organization currently operate any other programs other than the proposed HOME activity?      Yes      No

*If yes, please attach a list the program(s) and their funding source(s).*





## C. Partner Agencies

- Please attach a sheet to this section or include a narrative below identifying any other agencies that are involved in this project and briefly describing the extent of their involvement. Include the agency name, address, phone, and contact person. Attach additional documentation, such as Memoranda of Understanding, award letters, agreements, etc, for each partner agency.

United Way of Champaign County has pledged \$15,000 per year for 2009 & 2010 for Women Build Homes. We have recently received notice that the funds have been extended to a third year for 2011.

See	<b>Attachment A</b>	<b>United Way of Champaign County, Partner Agency Funding Agreement</b>
-----	---------------------	-----------------------------------------------------------------------------



# Project Objectives

<b>Project Title:</b>	Home Builds – 2011 & 2012 Build Season		
<b>HOME Project or Entitlement Funds Requested:</b>	$\$ \underline{35,000 \text{ per house } \times 9 \text{ houses } = \$315,000}$ <i>(total project cost – match = funds requested)</i>		
<b>Type of Project (Check one)</b>			
Homebuyer	X	Rental Housing	
Homeowner Rehabilitation		Tenant Based Rental Assistance	
<b>History of Program (Check one)</b>			
New Program		Continued Program	X

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

✓	
✓	Provision of affordable housing
✓	Expansion of capacity of non-profit housing developers
	Strengthening public housing agency housing programs
✓	Leveraging private sector participation

- Which of the needs and strategies as identified in the Five-Year Strategic Plan of the City of Urbana and the Urbana HOME Consortium Consolidated Plan for Program Years 2010-2014 and/or the City of Champaign Consolidated Plan for Program Years 2010-2014 does this project address? (See Attachment 2)

**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.*

**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 as well as the PAID program. 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.*

## Targeted Population

- Indicate the number of households that will be assisted by income range of Median Family Income. See Attachment 1 for 2010 income guidelines.

#	Income Level
	0-30%
9	30%-60%
	51-80%

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

<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 served? Please check all that apply:

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

Please list 'Other' Special Needs Populations if applicable:

---



---

## D. Project Location

- In this section, please attach a precise and detailed location map and description of the project area. You must also include a map of the applicable floodplain or wetland areas with the project location clearly marked.

**Land has not yet been acquired for these projects. HfHCC typically coordinates land donation with funding.**



## E. Project Schedule

- What is the *maximum* time anticipated to complete the activity?

Beginning Date: March 1, 2011 Ending Date: December 1, 2012

Each home takes approximately 4 months to complete. This request is for funding of three (3) homes to be built in the 2011 build season and six homes to be built in the 2012 build season.

- Please attach a separate project schedule to this section, describing the steps or phases necessary to complete the project.

See Attachment B – Build Schedule



## F. Construction

- Will your project involve existing structure/s or new construction?

new construction

- Please attach an explanation of plans to obtain any necessary temporary or permanent easements.

Necessary temporary or permanent easements will be obtained by the construction manager once properties are obtained.

- Will the activity disturb land previously not disturbed (except for agriculture)? To the best of your knowledge, indicate below anything of historical or archaeological significance of the area. Please note: *you will be required to provide documentation of historic clearance of the project site prior to project commencement.*

HfHCC builds are new construction in existing neighborhood, therefore they would not disturb land previously undisturbed. HfHCC does not accept property which would e o f historical or archaeological significance.

- Has the project been assessed for lead-based paint?  Yes  No  N/A

If yes, does the project contain lead-based paint?  Yes  No

If the project has not been assessed for LBP, is an assessment planned?

If the project contains lead-based paint, attach an explanation detailing how it will be addressed and who will be responsible. ***Please note: You will be required to provide documentation of proper certification for any LBP work prior to project commencement.***



# G. Budget and Funding Information

## Agency General Budget

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

CCNAfH is a new agency and currently has no funding sources. HfHCC funding sources are purely by donations at this time.

- Will your project be funded over one year or multiple years?

Each home will be funded and completed in a 12 month period

- Please describe the effect on the proposed activity if HOME funding is not awarded during this fiscal period:

Donations would need to be raised to cover the difference which could affect the number of homes built by at least 50%

- Please provide a budget that provides, at a minimum, the same level of detail as the example provided below. Submitted budgets must include information indicating whether additional funds are secured or requested.





## Home Build Budget

Description	3 BR Home	4 BR Home
Administration/General Conditions	\$1,750.00	\$1,750.00
Architect/Engineering	\$500.00	\$500.00
Porta Potty	\$275.00	\$275.00
Waste Removal	\$350.00	\$350.00
Temp Utilities	\$500.00	\$500.00
Misc.	\$150.00	\$150.00
Site Preparation	\$200.00	\$200.00
Demolition	\$0.00	\$0.00
Excavation	\$1,200.00	\$1,400.00
Gas	\$800.00	\$800.00
Sewer	\$4,000.00	\$4,000.00
Water	\$800.00	\$800.00
Electrical	\$700.00	\$700.00
Backfill	\$200.00	\$200.00
Fill Soil	\$200.00	\$200.00
Footing	\$3,000.00	\$3,250.00
Foundation Concrete	\$1,000.00	\$1,200.00
Foundation Masonry	\$1,200.00	\$1,500.00
Driveway & Sidewalks	\$3,500.00	\$3,500.00
Structure	\$150.00	\$150.00
Floor System	\$3,000.00	\$3,400.00
Walls	\$3,500.00	\$4,000.00
Roof Trusses/Framing	\$2,800.00	\$3,250.00
Exterior Finishes	\$0.00	\$0.00
Siding & Soffit	\$2,700.00	\$3,000.00
Windows	\$1,800.00	\$2,000.00
Exterior Doors	\$700.00	\$700.00
Roofing/Flashing	\$1,300.00	\$1,400.00
Drains & Gutters	\$350.00	\$350.00
Porches	\$2,400.00	\$2,400.00
Insulation	\$1,000.00	\$1,000.00
Foundation Insulation	\$525.00	\$525.00
Wall Insulation	\$650.00	\$1,000.00
Attic Insulation	\$200.00	\$350.00
Plumbing	\$6,300.00	\$6,300.00
Electrical	\$2,000.00	\$2,250.00
HVAC	\$5,300.00	\$5,300.00
Interior Finishes	\$1,100.00	\$1,400.00
Drywall	\$4,000.00	\$4,500.00
Paint	\$1,000.00	\$1,000.00
Interior Trim	\$1,500.00	\$1,750.00
Cabinets	\$2,250.00	\$2,250.00
Floor Coverings	\$3,000.00	\$3,500.00
Landscaping	\$1,400.00	\$1,400.00
Storage Shed	\$1,000.00	\$1,000.00
	<b>\$70,250.00</b>	<b>\$75,450.00</b>

Pledge, donated or grant funds are not assigned to specific costs unless designated by the contributor.



## H. 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.

<u>Project</u>	<u>Funded By</u>	<u>Source Amount</u>
Summer 2011	<b>Fund for Humanity</b> <i>HfHCC holds a zero percent interest mortgage on each home built. Principal payments are place in the Fund for Humanity to support future builds.</i>	\$35,000
Summer 2011	<b>Fund for Humanity</b> <i>HfHCC holds a zero percent interest mortgage on each home built. Principal payments are place in the Fund for Humanity to support future builds.</i>	\$35,000
Fall 2011/Spring 2012	<b>U of I Student Chapter</b> <i>The Student Chapter raises funds exclusively to build single family homes with HfHCC. They currently have over \$25K toward the fall 2011 project.</i>	\$35,000
Summer 2012	<b>Women Build Homes</b> <i>Women Build Homes is a committee that raises funds exclusively to build single family homes with Habitat for Humanity. They currently have over \$25K toward the summer 2012 project.</i>	\$35,000
Summer 2012	<b>Methodist Churches</b> <i>Representative of 10 Champaign county Methodist churches have verbally committed to raising funds for the "Angel Project".</i>	\$35,000
Summer 2012	<b>Rotary Clubs</b> <i>Habitat has met with representatives of each Rotary Club in Champaign County and representatives of these clubs have met and verbally committed to raising funds for a 2012 build.</i>	\$35,000
Summer 2012	<b>Health Clubs</b> <i>Habitat has met with 8 area health clubs who have verbally committed to raising funds for a 2012 build.</i>	\$35,000
Summer 2012	<b>Fund for Humanity</b> <i>HfHCC holds a zero percent interest mortgage on each home built. Principal payments are place in the Fund for Humanity to support future builds.</i>	\$35,000
Summer 2012	<b>Undetermined</b>	\$35,000



# I. Rental Management

- For rental projects only, please indicate who will be providing on-going management of the project to insure compliance with the HOME regulations throughout the affordability period? Please attach a statement to this section or include narrative below.

N/A



# J. Organizational Capacity

**Agency Mission Statement:** Please include a statement of your agency's mission.

The Champaign County Neighborhood Alliance for Habitat works in partnership with Habitat for Humanity of Champaign County to achieve their mission.

*Habitat for Humanity works in partnership with God and people everywhere, from all walks of life, to develop communities with God's people in need by building and renovating houses so that there are decent houses in decent communities in which people can live and grow into all that God intended.*

Note: Each Habitat affiliate is given a specific geographic territory. HfHCC's work is done exclusively in Champaign County. As an affiliate HfHCC works with local government and non-profit agencies to assure their efforts target the most appropriate communities within the county.

**Agency Capacity:** Please complete the table below for each staff member that will be dedicated to the proposed project in whole or in part. In this section, please attach job descriptions for any positions currently vacant that will be incorporated into the project activity.

Name	Program Area	Years Experience	Full or Part Time
Paul Zindars	Construction	15+	PT
Beverly Huffman	Executive Director	20+	PT
Gina Stierwalt	Development Director	5+	PT

**Access to Skilled Individuals:** Please attach a separate description of the agency's access to or relationship with skilled individuals in the categories listed below. The description should include the individual's name, brief job description, qualifications, and whether the individual is a paid staff member, a volunteer or a paid consultant.

- Bookkeeper/Accountant
- Housing Counselor



- Construction Manager
- Property Manager
- Lead Risk Assessor or Lead Construction Supervisor
- Grant Writer/Fundraiser

**CCNAfH will have access to HfHCC staff and committees, for list and job descriptions see Attachment C**

**Training and Certifications:** Please attach a separate description of relevant training attended by board members or paid staff over the last eighteen months, as well as any applicable certifications currently held by paid staff members.

## K. Procedural Information

*\*Note: Please see the City of Urbana website for changes to scheduled meetings: [www.urbanainillinois.us](http://www.urbanainillinois.us)*

- The Community Development Commission (CDC) is scheduled to review the HOME and CDBG Applications on January 24, 2011. 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 for on March 22, 2011 at the Regular meeting of the CDC. Staff will formally present all project funding recommendations as part of the FY 2011-2012 Annual Action Plan (AAP) draft.
- The Urbana City Council will review the FY 2011-2012 AAP and subsequent recommendations of the CDC at one of the regularly scheduled Committee of the Whole meetings held in April 2011.
- 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.

### **Upon Project Approval:**

- If the proposed project is approved, an Affirmative Marketing Plan, Citizen Participation Plan, and Program & Procedures Manual will be required. Please contact Consortium staff for more information.



# L. 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.**

*Beverly Hoffmann*  
 Authorized Signature

Beverly Hoffmann  
 Print Name

*Executive Director*  
 Title

1-6-2011  
 Date

\_\_\_\_\_  
 Attested By

\_\_\_\_\_  
 Date



Attachment 1

Median Family Income (MFI) Limits 2010

Median Income: \$64,900

Family Size	30% MFI (extremely low income)	50%MFI (very low income)	80% MFI (low income)
1 person	13,650	22,750	36,400
2 persons	15,600	26,000	41,600
3 persons	17,550	29,250	46,800
4 persons	19,450	32,450	51,900
5 persons	21,050	35,050	56,100
6 persons	22,600	37,650	60,250
7 persons	24,150	40,250	64,400
8 persons	25,700	43,850	68,550





## **Consolidated Plan 2010-2014**

### **Goals, Strategies and Activities to Address Local Funding Priorities and Community Need**

**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:** Provide Tenant Based Rental Assistance to households with incomes at or below 60% of the area median, targeting those at or below 125% of the poverty level.

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

**Activity:** Support new construction of affordable rental units sponsored by CHDOs and other nonprofits.

**Activity:** Support and provide guidance for for-profit developers building new affordable renter and owner units.

**Activity:** Support construction of new affordable rental units through LIHTC, in compatible areas.

**Activity:** Encourage the development of non-profit housing development organizations eligible for CHDO status.

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

**Activity:** Support and encourage homeownership education programs.

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

**Activity:** Support the development of local Lease Purchase Programs.

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

**Activity:** Develop new downpayment assistance programs for low-income buyers.

**Goal 2:** Address barriers to obtaining affordable housing

**Strategy:** Address issues faced by certain special populations, such as seniors and individuals in need of supportive service/ substance abuse treatment.

**Strategy:** Partner with other municipalities and agencies in the Consortium area to complete a housing needs study that will identify gaps in the housing stock, including an analysis of current housing availability and a projection of future housing needs.

**Strategy:** Provide assistance for affordable permanent housing for persons with targeted disabilities.

**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.

**Activity:** Access Grants: Provide grants for approximately 25 low-income residents over a five-year period to increase the supply of accessible and visitable housing.



**Strategy:** The Urbana Human Relations Division will promote community awareness of the Urbana Human Rights Ordinance and will provide fair housing training for landlords and tenants.

**Activity:** Education and training opportunities, which focus on eliminating barriers to affordable housing, will be encouraged.

**Activity:** Encourage the Urbana Human Relations Division, the Building Safety Division, and Persons Assuming Control of their Environment, Inc. (PACE) to join forces in an effort to acquaint developers with local codes and fair housing laws to insure that handicapped units are produced when new housing is constructed.

**Activity:** Support tenant advocacy and educational efforts by agencies such as the C-U Tenant Union.

**Activity:** Encourage landlord and community group distribution of information in multiple languages to help overcome language and/or cultural barriers.

**Activity:** The City could consider undertaking a discrimination testing program to obtain preliminary results to determine if further programs are necessary.

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

**Strategy:** Continue and expand city's repair and rehabilitation programs.

**Activity:** Senior Repair: Provide home repair service for approximately 175 very low-income elderly households over a five-year period to help maintain those households in their homes longer thus reducing demand for higher levels of sheltered care. In addition to home repair, the service would provide referrals to other home-care programs such as Meals on Wheels.

**Activity:** Emergency Grants: Provide emergency repair service for approximately 55 low-income residents over a five-year period to help maintain those households in their homes longer thus reducing demand for higher levels of sheltered care.

**Activity:** Whole House Rehabilitation: Provide loans and grants for major home improvements for low-income homeowners to approximately 25 households over the next five years.

**Activity:** GLO (if funding is available): Provide lead hazard reduction for approximately 22 single family residences over the next five years, in coordination with the Champaign-Urbana Public Health District and the Illinois Department of Public Health.

**Activity:** Purchase Rehabilitation Resale: Purchase housing that is structurally sound but in need of major code-related renovation, and rehabilitate property for sale as affordable housing to income-qualified households.

**Activity:** Acquisition-Rehabilitation: Provide funds for downpayment and rehabilitation to low-income homebuyers to purchase and rehabilitate properties that may be in need of repair.

**Activity:** Rental Rehabilitation: Provide HOME funds for rehabilitation of rental housing units to rent to households with incomes at or below 60% of the area median.

**Strategy:** Support and encourage home maintenance programs.

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



**Goal 4:** Work with Housing Authority of Champaign County (HACC) to improve conditions for residents of public housing.

**Strategy:** Promote substantial upgrading of the living environment for residents of Urbana public housing, particularly family units.

**Activity:** Assist in developing a plan, which partners with the private sector to use private dollars to leverage HOPE VI or other Federal funds, to redevelop units and to replace demolished units with a combination of new on-site units, scattered-site units and Section 8 rent subsidies.

**Strategy:** Encourage the Housing Authority of Champaign County to increase the number of affordable housing units available to extremely low-income households. Seek additional means of subsidizing very low-income households with rental assistance.

**Strategy:** Encourage the Housing Authority of Champaign County to increase the earning potential of extremely low-income households.

**Strategy:** Strongly encourage the Housing Authority of Champaign County to rehabilitate existing units and develop new units, which would be accessible to families, which include persons with disabilities.

**Strategy:** Encourage the Housing Authority of Champaign County to follow a similar process and design as the Burch Village and Lakeside Terrace redevelopment projects for the demolition or redevelopment of any other Public Housing units.

**Goal 5:** Support community efforts to provide services and training for low- and moderate-income residents.

**Strategy:** Encourage and support appropriate area social service agencies to provide additional economic assistance for persons who pay out-of-pocket expenses for medical and psychological services, perhaps by developing a centralized process to contact pharmaceutical companies with requests for donations of medicines.

**Strategy:** Encourage appropriate area social service agencies to expand recreational, educational, and cultural opportunities and alternatives for very low-income youth and young adults

**Strategy:** Support expansion of job-training programs for low-income individuals by area social service agencies, and encourage them to conduct a review of all available programs to determine if they meet current need.

**Strategy:** Support area providers such as the Senior Services Division of Champaign County Regional Planning Commission and Family Service of Champaign County in their efforts to provide supportive services to low-income elderly persons residing in Urbana.

**Strategy:** Support efforts by local service providers to area youth to increase supportive services available to at-risk youth.

**Strategy:** Encourage existing childcare facilities to expand services to late night/overnight and weekend hours.

**Strategy:** Support development of a program(s) by area agencies to provide transitional housing services and/or foster care to teen parents of young children.

**Strategy:** Encourage current and newly created companies to hire low-income persons by providing public incentives linked directly to hiring local residents.

**Strategy:** Support agencies that provide services to victims of domestic violence



**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:** Support the existing network of local homeless services.

**Activity:** Continue to provide leadership and support of Continuum of Care.

**Activity:** Provide support to emergency and transitional shelters through Consolidated Social Service Pool fund allocations.

**Strategy:** Improve and expand the existing network of local homeless services.

**Activity:** Support and encourage local efforts to acquire additional grant funding.

**Activity:** Support accurate and comprehensive data management through the Homeless Management Information System (HMIS) and annual surveys.

**Activity:** Encourage and support the expansion of transitional housing for women and children.

**Activity:** Encourage development of emergency shelter services or transitional housing for homeless two-parent households with children.

**Activity:** Encourage development of transitional living facilities for adults and youth with substance abuse issues.

**Activity:** Encourage the development of a shelter facility to provide emergency services for elderly persons who are victims of domestic violence.

**Strategy:** Regularly review and evaluate the needs of the community for homeless and homeless prevention service, and encourage local agencies to match service provided to community needs.

**Activity:** Encourage and support area agencies to develop services such as Supportive Housing and Safe Havens for targeted populations such as homeless teens, teen parents, families, persons with disabilities, etc.

**Activity:** Participate in the Urbana-Champaign Continuum of Care, Council of Service Providers to the Homeless, Supportive Housing Program.

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

**Activity:** Develop and support rental assistance programs (such as Tenant Based Rental Assistance, the No Limits Program, and Shelter Plus Care) with and without supportive services for extremely low and very low income persons.

**Activity:** Work with regional group to provide information and a support network in the case of a need for emergency relocation of residents of multifamily apartments when utilities are disconnected.

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

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

**Goal 7:** Support efforts to reduce the exposure of young children to lead-based paint hazards in their homes

**Strategy:** Coordinate public and private efforts to reduce lead poisoning hazards and protect young children

**Activity:** Encourage Private Funding

**Activity:** Expand Childhood Testing

**Activity:** Prevention Education

**Strategy:** Reduce lead-based paint hazards in residential housing, particularly homes occupied by young children

**Activity:** Lead Assessment in Housing Assistance Programs



- Activity:** Preserve and Expand Funding for Lead Hazard Reduction Activities
- Activity:** Temporary Relocation of Occupants during Lead Hazard Work
- Activity:** Lead Contractor Incentives
- Activity:** Distribution of Lead Contractor List

**Goal 8:** Support infrastructure improvements in Urbana's Community Development Target Area

**Strategy:** The majority of CDBG funds will be targeted toward improvements in and services to the City's Community Development Target Area.

**Strategy:** The City shall allocate to its designated Community Development Target Area its proportionate share of City capital improvement funds for upgrading infrastructure. CDBG funds may be set aside during one fiscal year for infrastructure projects scheduled in another fiscal year in order to fulfill a commitment to a scheduled project.

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

**Strategy:** Identify and encourage or assist in removal of blighting and deteriorated structures from neighborhoods.

**Activity:** Perform regular surveys of City to identify deteriorated housing and accessory structures that need to be addressed either through repair or removal.

**Activity:** Using CDBG funds, clear dilapidated accessory structures such as sheds and garages from income qualified owner-occupied properties

**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.

**Strategy:** Explore the creation of a Neighborhood Revitalization Strategy for low-income Urbana neighborhoods.

**Strategy:** Clearly identify and document designated Brownfields and seek additional funding sources to alleviate same.

**Strategy:** Through its Neighborhood Organizations, the City will support resident involvement in neighborhood housing development projects.

**Activity:** Encourage the creation and development of local groups concerned with furthering the interests of their neighborhood. Specifically, encourage such groups to accomplish non-profit status by obtaining a 501(c)3 designation, thus making them eligible for grant funding.



Attachment A

**LIVE UNITED**™



United Way of Champaign County

Partner Agency Funding Agreement

We are pleased to be able to provide funding to **Habitat for Humanity** and to enter into a partnership to work together to achieve our shared community goals. Please read all the details of this agreement below and affirm your acceptance of it by signing and returning one original copy by **June 26, 2009** to UWCC.

1. UWCC shall pay to **Habitat for Humanity** an annualized amount of **\$15,000** to fulfill the operations of Partner Agency's Program **Women Build** as detailed in its 2010-2011 Program Funding Application. This amount is to be paid on a monthly basis by electronic fund transfer on the first of the month beginning July 1, 2009 and continuing through June 30, 2010.
2. ***Women Build Program funding is for two years and will be renewed annually, contingent on campaign dollars raised and partner meeting performance and organizational expectations, as well as continuing to meet the Federation Requirements described in the Partner Agreement Appendix.***
3. Both the UWCC and the Partner Agency may make available the terms of this Agreement and all other relevant agreements between the parties. The Parties agree that the program description and amount of the grant funds may be publicly disclosed in materials developed by either the UWCC or the Partner Agency.
4. Agreement Contingencies may occur. Contingencies are defined as issues or concerns that are raised about one or more of the programs or about the organization's capacity. Contingencies may be issued at any point during the grant period, the application process or after the grant has been awarded. This agreement will be amended to reflect any contingencies issued once the grant cycle has begun. Contingencies are listed below for the Program.

Programs	Approved Funds	Contingencies
Women Build	\$15,000	Narrative due by November 1, 2009 on progress towards outcomes and how any of the UWCC allocation has been used up to that point.

**Partner Agencies can expect United Way of Champaign County to:**

1. Provide access to reasonable support from UWCC staff to assist with building partnerships, training opportunities and other types of capacity building assistance.
2. Utilize co-marketing materials as outlined in the appendix when appropriate, and to provide current UWCC marketing materials to all partner agencies.
3. Connect Partner Agencies, upon request, to volunteer recruitment and board members through our Volunteer Connections Coordinator and Community Impact Staff.
4. Provide Partner Agency with access to non-monetary resources and other in-kind donations as available.
5. Conduct an annual county wide fundraising campaign and use its best efforts to mobilize resources to meet human care needs in Champaign County.
6. Respect Partner Agency autonomy to determine its policies of operation and to administer its own internal affairs.
7. Utilize trained volunteers and staff who sign both a conflict of interest and confidentiality statement to matters regarding the making of Community Impact funding decisions.
8. Facilitate a monthly Executive Director's meeting.
9. Provide support and materials to aide in facilitation of a Partner Agency United Way campaign.

**United Way of Champaign County expects Agency Partners to:**

1. Maintain up to date contact information for their organization with UWCC staff liaison.
2. Adhere to all Partner Agency Agreement expectations, policies, financial and programmatic reporting deadlines as outlined in this agreement.
3. Maintain at all times, IRS 501 (c) (3) status.
4. Participate in a monthly Executive Director meeting.
5. Participate in trainings, discussions and other events that allow for partner input in the design and implementation of UWCC priorities.
6. Comply with and support all applicable laws concerning unlawful discrimination and have a written policy that is in compliance with such laws.
7. Supply UWCC (if applicable) with required information to apply to the Combined Federal Campaign on behalf of the agency.
8. Be governed by an active, rotating volunteer structure which is representative of the community and which meets at least quarterly. The governing body shall assume and fulfill the responsibility of managing the UWCC Partner Agency's affairs within the scope of their respective by-laws, mission and this Agreement. **The governing body must be represented at the UWCC panel review process.**
9. Support undesignated giving to the UWCC campaign. This includes **not actively soliciting in the workplace for designated contributions or for payroll deduction gifts independently of United Way and not advertising or promoting United Way campaign as a vehicle for designating contributions.**

10. Partner Agencies must promote the UWCC campaign for donations to the Community Impact Fund (undesignated gifts) **in a positive manner**.
11. To conduct an annual UWCC fundraising campaign among your employees and board members.
12. Identify the Partner Agency as an UWCC funded organization with the use of the UWCC logo on property, marketing materials, newsletters, advertisements, etc.
13. Meet with all other partners within the same Impact Area at least once a year to share lessons learned and best practices. UWCC will convene these sessions.
14. Notify UWCC in writing prior to implementing, or publicly announcing any significant changes in the agreed upon use of funding or agency structure that may affect the delivery of the funded program listed in this agreement. Changes might be those such as, but not limited to, changes in; program model, intended outcomes, client of program, agency administration or legal status.
15. If an agency fails to comply with these expectations the United Way Community Impact Committee will review agency's non-compliance, taking into consideration the nature and seriousness of the violation. After review of the situation the Partner Agency will receive a written reprimand that may include but is not limited to:
  - a. Forfeit or hold of allocations payment
  - b. Additional contingencies to existing agreement
  - c. Termination of agreement and loss of allocation.

**Conditions:**

1. **Type of Investment:**

This grant is issued through the multi-year Community Impact Fund. This agreement allows for funding to an agency program that is in alignment with the UWCC Impact Area: Basic Needs, Youth or Success By Six.
2. **Outcomes Based Funding:**

UWCC's mission and business model reflect a focus on measuring outcomes for funded programs.
3. **Financial Reporting Requirements:**

Partner Agency agrees to keep comprehensive and accurate financial records that conform to basic accounting and financial reporting requirements and to have these records audited annually by an independent auditing firm. A copy of each audit report must be submitted to UWCC no later than six (6) months after the end of the Partner Agency's fiscal year. Three different levels of requirements have been established that are based on the Partner Agency's overall budget. They are included in the Partner Agency Appendix.
4. **Restrictions on Funds:**

Grants issued through the UWCC are "restricted" funds to be used to support the operation of only the program(s) listed in the table on page 1.
5. **Counterterrorism:**

Agency is in compliance with the spirit and intent of the USA PATRIOT Act and other counterterrorism laws and will submit certification to UWCC indicating such compliance as requested.



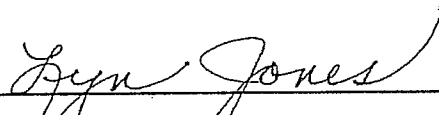
**Termination of Agreement:**

1. This Agreement shall remain in full force and effect until modified by mutual agreement of the parties or until revoked, in writing by either party. This agreement may be revoked by either party giving written notice of no less than 30 days of the desire to terminate the agreement. The party whom notice of termination is given shall have the right to a hearing before the governing board of the other party to request reconsideration of any such revocation.
2. UWCC reserves the right to immediately suspend this agreement when, in the opinion of the Board of Directors of UWCC the Partner Agency fails to comply with the terms set out in this Agreement or any other agreement actively in place at the time. The suspension shall remain in place until the failure to comply is resolved to the satisfaction of the UWCC. The Partner Agency has the right to request a formal written statement outlining the requirements for reinstatement of this agreement.

This agreement has been approved by the governing body of **Habitat for Humanity** and the United Way of Champaign County's Board of Director's.

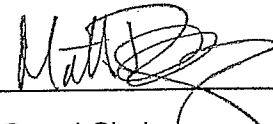
UWCC

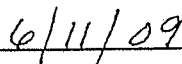
Partner Agency

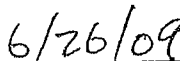
  
\_\_\_\_\_  
Executive Director/CEO

  
\_\_\_\_\_  
Executive Director/CEO

  
\_\_\_\_\_  
Board Chair

  
\_\_\_\_\_  
Board Chair

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Date



United Way  
of Champaign County

404 W. Church Street  
Champaign, IL 61820-3411  
217 352 5151  
217 352 6494 f  
[www.uwayhelps.org](http://www.uwayhelps.org)

June 29, 2010

Dear United Way Program Partners,

Enclosed is your second year contract for the FY10-11 Program Funding Cycle. United Way is pleased to be able to support the important work you do to help those in need. Champaign County is very fortunate to have such high caliber programs in place to meet the many challenges facing families and individuals in these tough economic times. Your contract will be from July 1, 2010 through June 30, 2011. We ask that you and your Board Chair sign both copies, keep one for yourself and mail the other back to United Way to either myself or Bev Baker at your earliest convenience.

I would also like to let you know that our Board voted last week to forego the upcoming funding cycle process that would normally begin this fall. They are currently in the midst of a strategic plan and do not have a completed plan in place. At this time they have voted to *extend the current funding cycle to include FY 12 (July 1, 2011 – June 30, 2012)*. Therefore, you should plan on a funding contract for FY 2012 that matches what you are currently receiving pending results of the annual campaign. We know that many of you have faced significant cuts from State funds and we feel that it would be nice for you to know that United Way funds are still there to help out.

There will be a mid-cycle review in the spring of 2011 that will resemble the mid-cycle process used each year. We are also working on a process that would allow you to request changes in the program(s) currently being funded. However, it is unlikely new programs will be accepted at this time unless requested by UWCC.

We will discuss this decision in more detail at the July Executive Director's meeting so please make plans to attend or send a representative in your absence. We look forward to our continued work with you to meet the needs of our community.

Sincerely,

A handwritten signature in cursive script that reads "Sue Grey".

Sue Grey  
Vice President, Community Impact

**LIVE UNITED.**

# LIVE UNITED™



## United Way of Champaign County Partner Agency Funding Agreement

We are pleased to be able to provide funding to **Habitat for Humanity** and to enter into a partnership to work together to achieve our shared community goals. Please read all the details of this agreement below and affirm your acceptance of it by signing and returning one original copy by **July 10, 2010** to UWCC.

1. UWCC shall pay to **Habitat for Humanity** an annualized amount of **\$15,000** to fulfill the operations of Partner Agency's Program **Women Build** as detailed in its 2010-2011 Program Funding Application. This amount is to be paid on a monthly basis by electronic fund transfer on the first of the month beginning July 1, 2010 and continuing through June 30, 2011.
2. ***Women Build Program funding is for one year and will be renewed annually, contingent on campaign dollars raised and partner meeting performance and organizational expectations, as well as continuing to meet the Federation Requirements described in the Partner Agreement Appendix.***
3. Both the UWCC and the Partner Agency may make available the terms of this Agreement and all other relevant agreements between the parties. The Parties agree that the program description and amount of the grant funds may be publicly disclosed in materials developed by either the UWCC or the Partner Agency.
4. Agreement Contingencies may occur. Contingencies are defined as issues or concerns that are raised about one or more of the programs or about the organization's capacity. Contingencies may be issued at any point during the grant period, the application process or after the grant has been awarded. This agreement will be amended to reflect any contingencies issued once the grant cycle has begun. Contingencies are listed below for the Program.

Programs	Approved Funds	Contingencies
Women Build	\$15,000	

**Partner Agencies can expect United Way of Champaign County to:**

1. Provide access to reasonable support from UWCC staff to assist with building partnerships, training opportunities and other types of capacity building assistance.

2. Utilize co-marketing materials as outlined in the appendix when appropriate, and to provide current UWCC marketing materials to all partner agencies.
3. Connect Partner Agencies, upon request, to volunteer recruitment and board members through our Volunteer Connections Coordinator and Community Impact Staff.
4. Provide Partner Agency with access to non-monetary resources and other in-kind donations as available.
5. Conduct an annual county wide fundraising campaign and use its best efforts to mobilize resources to meet human care needs in Champaign County.
6. Respect Partner Agency autonomy to determine its policies of operation and to administer its own internal affairs.
7. Utilize trained volunteers and staff who sign both a conflict of interest and confidentiality statement to matters regarding the making of Community Impact funding decisions.
8. Facilitate a monthly Executive Director's meeting.
9. Provide support and materials to aide in facilitation of a Partner Agency United Way campaign.

**United Way of Champaign County expects Agency Partners to:**

1. Maintain up to date contact information for their organization with UWCC staff liaison.
2. Adhere to all Partner Agency Agreement expectations, policies, financial and programmatic reporting deadlines as outlined in this agreement.
3. Maintain at all times, IRS 501 (c) (3) status.
4. Participate in a monthly Executive Director meeting.
5. Participate in trainings, discussions and other events that allow for partner input in the design and implementation of UWCC priorities.
6. Comply with and support all applicable laws concerning unlawful discrimination and have a written policy that is in compliance with such laws.
7. Supply UWCC (if applicable) with required information to apply to the Combined Federal Campaign on behalf of the agency.
8. Be governed by an active, rotating volunteer structure which is representative of the community and which meets at least quarterly. The governing body shall assume and fulfill the responsibility of managing the UWCC Partner Agency's affairs within the scope of their respective by-laws, mission and this Agreement. **The governing body must be represented at the UWCC panel review process.**
9. Support undesignated giving to the UWCC campaign. This includes **not actively soliciting in the workplace for designated contributions or for payroll deduction gifts independently of United Way and not advertising or promoting United Way campaign as a vehicle for designating contributions.**
10. Partner Agencies must promote the UWCC campaign for donations to the Community Impact Fund (undesignated gifts) **in a positive manner.**
11. To conduct an annual UWCC fundraising campaign among your employees and board members.

12. Identify the Partner Agency as an UWCC funded organization with the use of the UWCC logo on property, marketing materials, newsletters, advertisements, etc.
13. Meet with all other partners within the same Impact Area at least once a year to share lessons learned and best practices. UWCC will convene these sessions.
14. Notify UWCC in writing prior to implementing, or publicly announcing any significant changes in the agreed upon use of funding or agency structure that may affect the delivery of the funded program listed in this agreement. Changes might be those such as, but not limited to, changes in; program model, intended outcomes, client of program, agency administration or legal status.
15. If an agency fails to comply with these expectations the United Way Community Impact Committee will review agency's non-compliance, taking into consideration the nature and seriousness of the violation. After review of the situation the Partner Agency will receive a written reprimand that may include but is not limited to:
  - a. Forfeit or hold of allocations payment
  - b. Additional contingencies to existing agreement
  - c. Termination of agreement and loss of allocation.

**Conditions:**

**1. Type of Investment:**

This grant is issued through the multi-year Community Impact Fund. This agreement allows for funding to an agency program that is in alignment with the UWCC Impact Area: Basic Needs, Youth or Success By Six.

**2. Outcomes Based Funding:**

UWCC's mission and business model reflect a focus on measuring outcomes for funded programs.

**3. Financial Reporting Requirements:**

Partner Agency agrees to keep comprehensive and accurate financial records that conform to basic accounting and financial reporting requirements and to have these records audited annually by an independent auditing firm. A copy of each audit report must be submitted to UWCC no later than six (6) months after the end of the Partner Agency's fiscal year. Three different levels of requirements have been established that are based on the Partner Agency's overall budget. They are included in the Partner Agency Appendix.

**4. Restrictions on Funds:**

Grants issued through the UWCC are "restricted" funds to be used to support the operation of only the program(s) listed in the table on page 1.

**5. Counterterrorism:**

Agency is in compliance with the spirit and intent of the USA PATRIOT Act and other counterterrorism laws and will submit certification to UWCC indicating such compliance as requested.


Termination of Agreement:

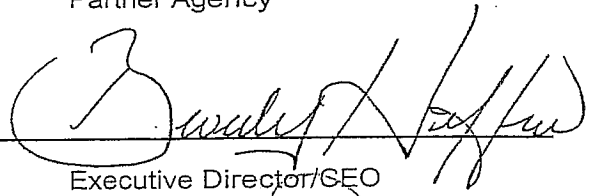
1. This Agreement shall remain in full force and effect until modified by mutual agreement of the parties or until revoked, in writing by either party. This agreement may be revoked by either party giving written notice of no less than 30 days of the desire to terminate the agreement. The party whom notice of termination is given shall have the right to a hearing before the governing board of the other party to request reconsideration of any such revocation.
2. UWCC reserves the right to immediately suspend this agreement when, in the opinion of the Board of Directors of UWCC the Partner Agency fails to comply with the terms set out in this Agreement or any other agreement actively in place at the time. The suspension shall remain in place until the failure to comply is resolved to the satisfaction of the UWCC. The Partner Agency has the right to request a formal written statement outlining the requirements for reinstatement of this agreement.


This agreement has been approved by the governing body of **Habitat for Humanity** and the United Way of Champaign County's Board of Director's.

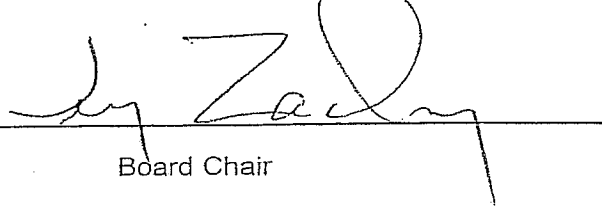
UWCC

Partner Agency

  
Executive Director/CEO

  
Executive Director/CEO

  
Board Chair

  
Board Chair

6/25/10  
Date

7/3/2010  
Date

# Attachment B

## BUILD SCHEDULE



	PreBuild	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11
Site prep	Professional Labor											
Foundation	Professional Labor											
Water/sewer												
Floor System		Professional Labor										
Framing			Professional Labor									
Trusses												
Windows & Doors												
Insulation Board												
Plumbing Rough-in				Professional Labor								
Heating Rough-in				Professional Labor								
Gas line				Professional Labor								
Electrical Rough-in						Professional Labor						
Insulation							Professional Labor					
Perm. power/water												
Inspections												
Drywall								Professional Labor				
Roofing												
Siding												
Soffite												
Porches												
Interior carpentry												
Install Cabinete												
Paint interior												
Electrical Trim out												
Plumbing Trim out												
Hvac Trim out												
Install Carpet												
Install vinyl												
Landscape												
Drivewalk												
Final Clean Up												
Final Inspections												

Professional Labor

Volunteer Labor

Inspections

## Attachment C Job Descriptions

### Construction Manager

**Position Reports to:** Executive Director (ED)  
**Position Status:** Full Time Salaried with Benefits  
**Hours:** Min 40 per week, weekends, evenings & special events required

Construction of simple, decent, affordable homes is the core mission of Habitat for Humanity of Champaign County (HfHCC). Fulfilling this mission with the actual construction of homes using primarily volunteer labor, Gifts-in-Kind (GIK) and contractors in conjunction with government and other local agencies is the responsibility of the Construction Manager (CM).

The following is an overview of the responsibilities and expectations for this position. It should not be taken as the limits of the job, but the core skills and performance needed to be successful.

#### Core Competencies

<b>Integrity</b>	Earns the trust, respect and confidence of others by consistently treating them with respect, honesty, and professionalism as we would like to be treated ourselves
<b>Results Oriented</b>	Focuses on results – identifies what needs to be done and uses good judgment to take appropriate actions to achieve desired outcomes. Works efficiently, setting a pace that assures achievement of goals.
<b>Cultural Advocacy</b>	Influences others to achieve understanding and commitment to act in support of the Mission, Values and Goals of Habitat for Humanity of Champaign County
<b>Customer Focus/Service Orientation</b>	Demonstrates concern and promotes actions that strive to exceed internal and external expectations. Acts professionally and calmly at all times when interacting with others.
<b>Protects the Assets of the Affiliate</b>	Makes decisions and takes actions that protect all affiliate resources, people, money and materials
<b>Safety</b>	Understands and follows applicable laws, regulations and other standards to establish and maintain a safe work environment
<b>Accountability</b>	Accepts personal responsibility for the quality and timeliness of their work. Can be relied upon to achieve excellent results with little need for oversight. Welcomes being held accountable by others

#### **Home Construction**

- Develop and Implement detailed and complete construction schedules and plans for each project. This plan should be broken down into appropriate segments and include lists of tasks, materials, tools and skills needed for each segment
- Assist Construction Volunteer Coordinator in assessing needs for each volunteer day and provide input for possible teams or team leaders
- Assure that appropriate permits, inspections and other legal standards are met for each build
- Assure that all tools and materials are available as needed for each day of construction
- Develop and implement volunteer training for leaders and line works both on site and off site to assure smooth, efficient work days
- Develop core volunteer group in conjunction with the Build Committee and Volunteer Committee. This group should be skilled and available for a variety of activities on both scheduled and unscheduled volunteer days.
- Develop and implement contingency plans in conjunction with the Build Volunteer Coordinator for delays due to weather or other factors
- Act as primary contractor with all skilled and paid labor, choosing sub-contractors, scheduling, negotiating prices and evaluated quality of service
- Work with local professional labor unions, businesses and organizations to garner discounts and GIKs

#### **Build Committee Leadership**

- Assist Committee in design approval for all Habitat homes assuring they meet HFHI guidelines as well as all local and federal regulations
- Assure that house plan are suitable for in-fill build locations, recognizing local property values and resale value of the Habitat home
- Make final decision for which house plan is used for each build project after hearing recommendation of the Committee
- Assure post-build evaluations are conducted which include, but are not limited to analysis of costs, efficiency, homeowner and volunteer satisfaction, possible process or design improvements



- Continue education and efforts for Habitat to be a leader in Green building
- Continuously update plans and processes to increase volunteer friendliness without increasing expenses or decreasing quality
- Oversee pre-closing and one year inspections
- Assure that any pre-closing or warranty repairs are completed in a time and effective manner
- Develop and maintain relationships with organizations that may provide support in the form of funding, land or other GIKs
- Develop and implement a "land bank" plan to assure Habitat has appropriate property accessible even before families or funding is available

#### Reporting

- Develop and implement build cost budget
- Develop and implement build cost analysis program
- Report progress of the above to ED, staff and the Board
- Report construction progress for each project on a regular basis to assure easy access by staff and Board
- Provide monthly Board report which includes current and future project updates, construction needs and other pertinent information

#### Other

- Assist with construction-related ReStore upgrades and building maintenance
- Assist ED and DD in actual fund raising as opportunities arise or requested

#### Skills Required

- Knowledge and skill in producing residential construction projects with particular emphasis on in-fill building
- Excellent knowledge of local building codes and all legal aspects of the construction process
- Experience in hiring, overseeing and evaluating sub-contractors
- Ability to develop and implement project budgets
- Experience in design work which includes energy efficient and green building techniques
- Ability to lead and train a wide variety of volunteers many of which have no construction experience
- Must be able to relate well to people in business, religious, political, and low-income communities and participate in a fast-paced, goal oriented work environment.
- Must be comfortable working in a non-profit environment, making wise use of limited resources and maximizing volunteer labor to reduce costs.
- Proficient in Word, Excel, Outlook. Ability to use Chief Architect or similar blueprint design software.
- Must effectively balance the need to work as a team player, yet be a highly independent self-starter. Must have outstanding organizational skills and the ability to effectively promote Habitat's mission.

### Development Director

**Position Reports to:** Executive Director (ED)  
**Position Status:** Full Time Salaried with Benefits  
**Hours:** Min 40 per week, weekends, evenings & special events required

The Development Director (DD) must be committed to excellence as they represent Habitat while serving our community. The DD is responsible for creating, planning and coordinating all aspects of fund raising, short-term and long-term, for Habitat for Humanity of Champaign County (HfHCC).

The following is an overview of the responsibilities and expectations for this position. It should not be taken as the limits of the job, but the core skills and performance needed to be successful.

#### Core Competencies

<b>Integrity</b>	Earns the trust, respect and confidence of others by consistently treating them with respect, honesty, and professionalism as we would like to be treated ourselves
<b>Results Oriented</b>	Focuses on results – identifies what needs to be done and uses good judgment to take appropriate actions to achieve desired outcomes. Works efficiently, setting a pace that assures achievement of goals.
<b>Cultural Advocacy</b>	Influences others to achieve understanding and commitment to act in support of the Mission, Values and Goals of Habitat for Humanity of Champaign County
<b>Customer Focus/Service Orientation</b>	Demonstrates concern and promotes actions that strive to exceed internal and external expectations. Acts professionally and calmly at all times when interacting with others.

**Protects the Assets of the Affiliate**

Makes decisions and takes actions that protect all affiliate resources, people, money and materials

**Safety**

Understands and follows applicable laws, regulations and other standards to establish and maintain a safe work environment

**Accountability**

Accepts personal responsibility for the quality and timeliness of their work. Can be relied upon to achieve excellent results with little need for oversight. Welcomes being held accountable by others

**Responsibilities and Duties:****Major Gifts**

The DD is the individual primarily responsible for producing major gifts. Specifically the DD's primary responsibility is to garner gifts that will significantly affect the number of homes built by HfHCC. To this end the DD is responsible for the following.

- Being thoroughly familiar and develop relationships with the current major contributors
- Setting major contribution goals for current year and for the next 3 years that includes
  - Strengthening long-term relationship
  - Increasing level of support
  - Expanding donor base
- Develop and implement networking methods for both current and potential major contributors
- Develop and implement contact plans for both current and potential major contributors

**Grant Writing**

Currently grants are the second largest funding resource for housing, therefore the DD's responsibilities in this area are:

- Assure that ongoing grants are continued
- Develop and implement plan for finding and obtaining new grants
- Respond to grant opportunities and coordinate affiliate efforts to obtain these grants

**Events**

- Act as a special advisor to committees such as Women Build Homes (WBH) in producing fund raising events. The DD is not to lead this effort, but should be available for questions and guidance
- Take primary leadership for HfHCC's annual Signature Event. Coordinate efforts of Signature Event committee members to assure this event meets all goals and expectations
- Take lead role in coordination of ground breakings and dedications to assure that primary donors (both financial and Gifts in Kind) are recognized and media coverage is used to increase awareness for potential donors and the community

**Leadership**

- Take lead role in the development of a long-term development that includes
  - Major gifts as described above
  - Other prospect lists with goals & dates
  - Strengthening long-term relationship current donors
  - Increasing level of support by current donors
  - Expanding donor base
  - Increase short term giving
  - Develop and maintain methods for planned giving including by not limited to monthly commitments and estate planning
- Assist Chairman in leadership of the Development Committee in the following:
  - Set short-term and long-term goals of the committee
  - Set schedule of fundraising events
  - Create contributor contact list, goals and networking opportunities for this list
  - Recognize and take advantage of networking opportunities within the community to secure new contributors, sustain and increase existing contributors
- Recognize, contact and create opportunities for fundraising via outside sources and organizations such as "High Heals After 5" and East Central Illinois Parrott Head Club
- Assist Committees (particularly the Volunteer Committee) in turning volunteers into donors
- Recruit and train volunteers to assist in fundraising activities

## **Marketing**

- Responsible for production of newsletters and other direct marketing materials which include a fundraising element
- Develop methods for encouraging volunteers to become donors and donors to become volunteers
- Assist ED in development of an overall marketing plan that will increase awareness of HfHCC in the community and with potential donors
- Assist ED in recognizing community events where HfHCC participation will result in awareness and increased donations

## **Administrative & Financial**

- The DD must understand the return on investment (ROI) for each fundraising endeavor. The must take the lead role in the following:
- Annual & long-term budget for income and expenses related to fundraising
- Budgets & goals for individual events or fundraising activities
- Data base entry of donors, potential donors and other information regarding HfHCC supporters
- Implement reporting structures for standard and unusual information to assure proper use and communication to staff, committees and the Board of Directors

## **Development Director**

### **Major Responsibilities**

The Executive Director is responsible and accountable to the Board of Directors for the effective and efficient financial, operational and administrative management of HfHCC&R. The Director provides overall leadership for the affiliate in accordance with the policies, objectives, and directions of the affiliate Board of Directors to promote the overall vision, direction, health and growth of the affiliate. The ED will supervise a diverse staff of 13 (five direct reports), with accountability to over 2,000 volunteers and 8,000 donors, and an organizational budget of \$1.3 million.

### **General Administration**

1. Designs, recommends and implements financial, operational and administrative programs.
2. Performs screening, hiring, and termination of management staff.
3. Provides direction, training, guidance and supervision for management staff, Board, and committee volunteers.
4. Administers daily office operations.
5. Insures that affiliate policies are carried out as directed.
6. Supports the activities of executive, financial, and resource development committees.
7. Administers fiscal control, accountability, budget reporting; and approves operational and building expenditures.
8. Provides execution of all grant and contract performance requirement.
9. Assists Board Chair in setting the agenda for Board meetings, attends Board meetings and provides reports of all affiliate activities to the Board.
10. Works closely with the Development Director to oversee all fund development and donor retention and recognition.
11. Works closely with the ReStore Director to oversee all store activities, including staffing, marketing, procurement of donated items, and financial activities.
12. Works closely with the Build Program staff to execute the construction and sale of a home including volunteer retention.

### **Leadership for Resource Development and Public Relations**

Supporting the Development Director and ReStore Director in

1. Seeking out and applying for grants for affiliate to augment the dollars provided for overhead costs and building homes.
2. Exploring funding sources within the community for continued operation.
3. Working with the Resource Development Committee to establish a resource development strategy and assist in its implementation.
4. Representing the affiliate to all interested communities.
5. Providing a positive visibility of the HfHCC&R affiliate in the communities served.

### Recruitment and Training

1. Assist in recruiting members of the community to serve on the HfHCC&R Board of Directors and established committees.
2. Assist in providing new Board Member orientation.
3. Arrange training opportunities for Board and committee members.

### Qualifications

1. BA Management, Human Resources, Business Administration, or related area; or an equivalent combination of education and life work experience.
2. Experience in financial and administrative management, including budgeting, accounting, and personnel procedures.
3. Demonstrated leadership abilities and strong organizational skills.
4. Strong servant leadership skills, comfort with working in diverse faith-based organizations, and ability to speak to Habitat's Christian roots
5. Ability to establish, foster and maintain effective working relationships with the Board of Directors, staff, volunteers, the public, and community service agencies.
6. A working knowledge of standard business software.
7. Effective interpersonal, verbal and written communication skills.

### Position

Full-time exempt position. Benefits include medical, dental and vision insurance, holiday, vacation, and personal time off. Salary is commensurate with experience. We are an equal opportunity employer.

### Additional Staff/Consultants

**Leigh-Anne Van Nierkerk** – Accountant

Contracted through Royal Accounting, St Joseph, IL

**Diana Zimmerman** – Intern

PT staff member in charge of build volunteer coordination

**HfHCC Build Committee** – members of the home development community which consult on build designs, location and management of quality and cost

**HfHCC Family Selection & Support Committee** – community members with experience working with low-income individuals to assure that families are selected and complete the home ownership program as designed by Habitat for Humanity

**HfHCC Finance Committee** – community members including the HfHCC Treasurer who assure that standard accounting practices and sound financial management is maintained

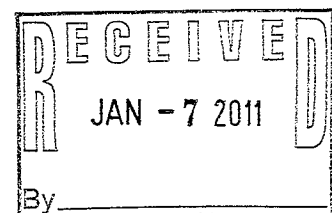


**Champaign County**  
**Neighborhood Alliance for Habitat**

**City of Urbana and Urbana HOME Consortium**

**FY2011-2012 CHDO**  
**Operating Application**

January 6, 2011







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 2011-2012 CHDO Operating Application

Name of Organization: Champaign County Neighborhood Alliance for Habitat

Operating Funds Requested: \$ 100,000

<b>Application Component Checklist</b>		
<input checked="" type="checkbox"/>	A. Applicant Submittal	
<input type="checkbox"/>	B. Application Rating System	
<input type="checkbox"/>	C. Applicant Information	
<input type="checkbox"/>	D. Reporting	
<input type="checkbox"/>	E. Operating Objectives	
<input type="checkbox"/>	F. Budget and Funding Information	
<input type="checkbox"/>	G. Procedural Information	
<input type="checkbox"/>	H. Applicant Certification and Commitment of Responsibility	
<b>Additional Required Documentation to Include</b>		
<input checked="" type="checkbox"/>	Board Resolution Approving Application	
<input type="checkbox"/>	Strategic Business Plan	
<input type="checkbox"/>	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, Friday, January 07, 2011**

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 John Schneider at 217-384-2447.

## **Application for Assistance**

Application training and assistance will be available in **two sessions on Monday, December 06, 2010**. 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 2nd floor conference room at the City of Urbana, 400 S. Vine St. Urbana, IL 61801. 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](http://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	
<b>Funding Description</b>	<b>50</b>	
Compliance with Con Plan goals & strategies	25	
Proposed accomplishments	25	
<b>Past Performance</b>	<b>50</b>	
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	
<b>Financial Feasibility</b>	<b>50</b>	
Eligibility of proposed expenditures	25	
Operating Budget: level of detail, reasonableness of requested costs	25	
<b>Current Capacity Needs</b>	<b>50</b>	
Gap identified in current staff capacity?	10	
Need for marketing opportunities	10	
Proposed use of funds will address identified gap in capacity	30	
<b>Total Points Possible</b>	<b>200</b>	



# C. Applicant Information

## Legal Applicant

Name of Organization	Champaign County Neighborhood Alliance for Habitat (CCNAH)		
Street Address	119 E University Ave, PO Box 1162		
City, State, Zip	Champaign, IL 61824		
Telephone Number	217-359-0507		
Fax Number	217-363-3373		
Federal ID Number	37-1277094		
Executive Director	Beverly Huffman		
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	<input type="checkbox"/>	Private Non-Profit	<input type="checkbox"/>
Public Agency	<input type="checkbox"/>	CHDO	<input checked="" type="checkbox"/>

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

Application Preparer Name	
Title	
Telephone & Fax Numbers	
E-Mail Address	
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 Fiscal Year 2009-2010 through the second quarter of Fiscal Year 2010-2011, which ended December 31, 2010.

Champaign County Neighborhood Alliance for Habitat is a new organization; therefore the attached documents are for the parent organization, Habitat for Humanity of Champaign County (HfHCC).

### Attached

(Please note that HfHCC Student Chapter Income, expenses and balance sheet is including in audited versions of the HfHCC financials but are NOT included in the financial statement document as they are not under the control of HfHCC)

- |                                              |           |
|----------------------------------------------|-----------|
| • FY10 Financial Statement                   | Exhibit A |
| • FY10 Balance Sheet                         | Exhibit B |
| • FY11 YTD Financial Statement               | Exhibit C |
| • FY11 Balance Sheet as of December 31, 2010 | Exhibit D |



## E. Operating Objectives

CHDO Operating Funds Requested:	\$ <u>100,000</u>		
<b>Type of Projects currently underway (indicate number of units for each activity)</b>			
Homebuyer	6 per year	Rental Housing	
Homeowner Rehabilitation	6 per year beginning fall of 2011	Tenant Based Rental Assistance	

Please list the current projects underway by project name and address below. No address if necessary if a lot has not yet been secured:

City of Champaign Stimulus Funds Project – Funding and lots have been committed by the City for 3 homes. 607 E Beardsley has been secured; the build will begin Spring 2011. The other 2 lots have not yet been secured, but we expect they will also be on Beardsley Ave and are planning to begin building early summer 2011.

## F. Budget and Funding Information

### Agency General Budget

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

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

All CCNAfH funds will go to HfHCC. HfHCC operating funds come from unrestricted donations and Habitat ReStore profits. Below is a summary of the FY10 income and expenses:



	Jul - Nov 10	YTD Budget	\$ Over Budget	Annual Budget
<b>Income</b>				
<b>4000 · Income</b>				
4109 · General Unrestricted Donations	\$29,432.66	\$6,612.60	\$3,501.21	\$30,000.00
4104 · Business Donations (unrestrict)	\$4,574.97	\$12,043.52	-\$7,468.55	\$35,000.00
4103 · Church Donations	\$2,490.00	\$2,698.74	-\$208.74	\$5,000.00
4111 · HFHI	\$174.72	\$0.00	\$174.72	\$0.00
4401 · Interest Income	\$484.38	\$416.62	\$67.76	\$1,000.00
4552 · FR/Appeals	\$2,545.00	\$9,981.72	-\$7,436.72	\$37,000.00
4651 · Homeowner Late Fees	\$447.42	\$208.31	\$239.11	\$500.00
4999 · Other Income	\$8,673.87	\$0.00	\$8,673.87	\$0.00
<b>Total 4000 · Income</b>	<b>\$48,823.02</b>	<b>\$31,961.51</b>	<b>-\$2,457.34</b>	<b>\$108,500.00</b>
<b>6000I · ReStore Income</b>				
6106 · Sale of Goods/Habitat T-Shirts	\$130.00	\$250.00	-\$120.00	\$600.00
6111 · Cash Contribution/ReStore	\$1,421.65	\$250.00	\$1,171.65	\$600.00
6112 · Sale of Goods	\$271,599.05	\$258,800.00	\$12,799.05	\$580,200.00
6113 · Pick Up and Delivery Fees	\$9,035.00	\$8,700.00	\$335.00	\$18,600.00
6114 · Sales Tax Discount	\$473.20	\$0.00	\$473.20	\$0.00
<b>Total 6000I · ReStore Income</b>	<b>\$282,658.90</b>	<b>\$268,000.00</b>	<b>\$14,658.90</b>	<b>\$600,000.00</b>
<b>Total Income</b>	<b>\$331,481.92</b>	<b>\$299,961.51</b>	<b>\$12,201.56</b>	<b>\$708,500.00</b>
<b>Expense</b>				
Total 5000 · Program Services	\$115,078.95	\$79,206.07	\$34,005.38	\$201,648.75
Total 6000 · ReStore expenses	\$229,181.00	\$242,803.15	-\$15,237.61	\$588,277.52
Total 7000 · Management & general	\$30,429.27	\$33,868.92	-\$3,448.25	\$74,788.50
Total 8000 · Fundraising expenses	\$52,268.34	\$53,782.56	-\$7,549.16	\$124,751.75
<b>Total Expense</b>	<b>\$426,957.56</b>	<b>\$409,660.70</b>	<b>\$7,770.36</b>	<b>\$989,466.52</b>
<b>Net Income</b>	<b>-\$95,475.64</b>	<b>-\$109,699.19</b>	<b>\$4,431.20</b>	<b>-\$280,966.52</b>

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

CCNAFH has no funding at this time. As CCNAFH's purpose is to support Habitat for Humanity of Champaign County (HfHCC) this document will discuss the projects that will be administered by HFHCC.



HfHCC uses approximately 2K volunteer hours per home build. Beginning in FY11 HfHCC's goal is to increase new home builds from 3 to 6 per year. This will require the recruitment and coordination of over 12,000 volunteer hours. Due to budget constraints HfHCC is currently operating without a build volunteer coordinator. CCNAFH is requesting funds full-time coordinator/administrator to assure that HfHCC capacity can be maintained and increased. Cost of this position with benefits is approximately \$30,000.

- **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:*

<b>Activity</b>	<b>HOME Funds Requested</b>
Rent	
Utilities	
Wages/Salaries	
Employee Education/Training	
Marketing materials	
Office Supplies	
Office Equipment, etc...	
<b>TOTAL OPERATING FUNDS REQUESTED</b>	

CCNAFH has no funding at this time. As CCNAFH's purpose is to support Habitat for Humanity of Champaign County (HfHCC) this document will discuss the projects that will be administered by HFHCC.

HfHCC's operating expenses must be paid from undesignated income (donations which have been submitted with instruction to be used specifically for construction costs) and ReStore proceeds.



The attached FY11 Financial Statement includes the FY11 Budget by department. Section F shows a summary of the Financial Statement including depreciation expenses. A detailed Financial Statement NOT INCLUDING depreciation is attached as **Exhibit E**. A summary of this depreciation are summarized below.

### Operating Income and Expenses Excluding Depreciation

	Jul - Nov 10	YTD Budget	\$ Over Budget	Annual Budget
<b>Income</b>				
<u>4000 · Income</u>				
4109 · General Unrestricted Donations	\$29,432.66	\$6,612.60	\$3,501.21	\$30,000.00
4104 · Business Donations (unrestrict)	\$4,574.97	\$12,043.52	-\$7,468.55	\$35,000.00
4103 · Church Donations	\$2,490.00	\$2,698.74	-\$208.74	\$5,000.00
4111 · HFHI	\$174.72	\$0.00	\$174.72	\$0.00
4401 · Interest Income	\$484.38	\$416.62	\$67.76	\$1,000.00
4552 · FR/Appeals	\$2,545.00	\$9,981.72	-\$7,436.72	\$37,000.00
4651 · Homeowner Late Fees	\$447.42	\$208.31	\$239.11	\$500.00
4999 · Other Income	\$8,673.87	\$0.00	\$8,673.87	\$0.00
<b>Total 4000 · Income</b>	<b>\$48,823.02</b>	<b>\$31,961.51</b>	<b>-\$2,457.34</b>	<b>\$108,500.00</b>
<b>Total 6000I · ReStore Income</b>	<b>\$282,658.90</b>	<b>\$268,000.00</b>	<b>\$14,658.90</b>	<b>\$600,000.00</b>
<b>Total Income</b>	<b>\$331,481.92</b>	<b>\$299,961.51</b>	<b>\$12,201.56</b>	<b>\$708,500.00</b>
<b>Expense</b>				
<b>Total 5000 · Program Services</b>	\$113,503.25	\$77,539.45	\$34,096.30	\$197,648.75
<b>Total 6000E · ReStore expenses</b>	\$200,651.10	\$216,136.53	-\$17,100.89	\$524,277.52
<b>Total 7000 · Management &amp; general</b>	\$27,277.97	\$30,535.61	-\$3,266.24	\$66,788.50
<b>Total 8000 · Fundraising expenses</b>	\$50,697.60	\$52,115.94	-\$7,453.28	\$120,751.75
<b>Total Expense</b>	<b>\$392,129.92</b>	<b>\$376,327.53</b>	<b>\$6,275.89</b>	<b>\$909,466.52</b>
<b>Net Income</b>	<b>-\$60,648.00</b>	<b>-\$76,366.02</b>	<b>\$5,925.67</b>	<b>-\$200,966.52</b>



## G. Procedural Information

*\*Note: Please see the City of Urbana website for changes to scheduled meetings:  
[www.urbanaininois.us](http://www.urbanaininois.us)*

- The Community Development Commission (CDC) is scheduled to review the HOME and CDBG Applications on January 24, 2011. 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 for on March 22, 2011 at the Regular meeting of the CDC. Staff will formally present all project funding recommendations as part of the FY 2011-2012 Annual Action Plan (AAP) draft.
- The Urbana City Council will review the FY 2011-2012 AAP and subsequent recommendations of the CDC at one of the regularly scheduled Committee of the Whole meetings held in April 2011.
- 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.





## H. 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.**

*[Handwritten Signature]*  
 Authorized Signature

*Beverly Huffman*  
 Print Name

\_\_\_\_\_  
 Attested By

*Executive Director*  
 Title

*Jan 6, 2011*  
 Date

\_\_\_\_\_  
 Date





**Exhibit A**  
**HfHCC Financial Report**  
**End of Year - FY10**

**Income**

	Actual	Budget	\$ Over Budget
4102 · In-Kind Contributions	24,432.03	10,000.00	14,432.03
4103 · Church Donations	3,585.00	7,000.00	-3,415.00
4104 · Business Donations(unrestricted)	17,481.82	20,000.00	-2,518.18
4105 · Gift Wrapping/Market Place Mall	8,333.03	0.00	8,333.03
4106 · Workplace Giving Campaigns	18,971.11	10,000.00	8,971.11
4107 · Habitat for Humanity Bike 500	8,044.00	5,000.00	3,044.00
4108 · Grants/Other	49,950.22	0.00	49,950.22
4109 · General Unrestricted Donations	27,868.60	20,000.00	7,868.60
4110 · Local Governments/Champaign Co.	0.00	29,998.00	-29,998.00
4111 · HFHI	2,468.51	0.00	2,468.51
4113 · Temp. Restricted Land Donations	0.00	0.00	0.00
4114-16 · Thrivent Build	20,517.41	70,000.00	-49,482.59
4114-18 · Horizon Hobby Build	35,000.00	0.00	35,000.00
4114-4 · Women Build	37,785.85	40,000.00	-2,214.15
4552-9 · FR Appeal/Mother's Day	4,080.00	3,000.00	1,080.00
4114-9 · Release of Temp. Restrict.Contr	700.00	0.00	700.00
4114 · Temp. Restricted Contribution - Other	2,990.32	0.00	2,990.32
4200 · Selling Price of Homes	149,499.00	162,665.00	-13,166.00
4401 · Interest Income	1,216.02	1,400.00	-183.98
4552-1 · FR Appeal/No Show Galla (Fall)	0.00	9,000.00	-9,000.00
4552-2 · FR Appeal/Holiday Appeal (Fall)	18,742.00	10,000.00	8,742.00
4552-3 · FR Info/Newsletter 1 (Spring)	7,098.00	2,500.00	4,598.00
4552-4 · FR Info/Newsletter 2 (Fall)	9,010.00	2,500.00	6,510.00
4650 · Amoritization of Mgage Discount	68,615.63	58,518.00	10,097.63
4651 · Homeowner Late Fees	681.26	500.00	181.26
4999 · Other Income	2,829.92	0.00	2,829.92
6106 · Sale of Goods/Habitat T-Shirts	525.00	1,200.00	-675.00
6111 · Cash Contribution/ReStore	7,272.17	500.00	6,772.17
6112 · Sale of Goods	568,986.74	618,000.00	-49,013.26
6113 · Pick Up and Delivery Fees	19,033.15	16,000.00	3,033.15
6114 · Sales Tax Discount	291.13	0.00	291.13
9010 · Contributions/Individuals	1,274.18	0.00	1,274.18
9020 · Contributions/Business	1,782.89	0.00	1,782.89
9040 · Contributions/Greek	3,474.00	4,000.00	-526.00
9051 · Grants/Orange Krush	2,900.00	5,000.00	-2,100.00
9052 · Grants/Other	2,000.00	0.00	2,000.00
9121 · Interest Income	748.90	0.00	748.90
9301 · Canning/Student Chapter	3,416.92	5,000.00	-1,583.08
9302 · Assembly Hall/Student Chapter	3,755.95	2,000.00	1,755.95
9303 · Bergners/Student Chapter	2,017.68	1,000.00	1,017.68
9305 · Appeals/Student Chapter	765.00	3,500.00	-2,735.00
9402 · Sand Volleyball/Student Chapter	1,068.26	1,000.00	68.26
9403 · Trick or Treat for Change	1,836.72	1,500.00	336.72
9405 · Hunger & Homelessness Week	441.00	0.00	441.00
9407 · Collegiate Challenge	30,239.78	11,500.00	18,739.78
9408 · Frisbee Tournament	86.47	1,500.00	-1,413.53
9409 · 5 K Race/Student Chapter	1,901.07	2,200.00	-298.93
9410 · Indoor Volleyball Tournament	510.00	1,000.00	-490.00
9620 · Misc. Income	3,415.49	1,500.00	1,915.49
<b>Total Income</b>	<b>1,177,642.23</b>	<b>1,138,481.00</b>	<b>39,161.23</b>
<b>Gross Profit</b>	<b>1,177,642.23</b>	<b>1,138,481.00</b>	<b>39,161.23</b>

**Exhibit A**  
**HfHCC Financial Report**  
**End of Year - FY10**

**Program Expenses**

5010 · Salaries / Program	70,858.04	93,587.50	-22,729.46
5040 · Health Insurance/Program	14,115.20	15,409.00	-1,293.80
5042 · Volunteer Workers Comp/Program	821.50	0.00	821.50
5043 · Workers Comp Insurance/Program	2,687.00	3,200.00	-513.00
5046 · Builders Risk Insurance	508.00	0.00	508.00
5048 · Insurance, Umbrella Policy	766.00	370.00	396.00
5050 · Payroll Taxes/Program	5,943.19	8,656.00	-2,712.81
5100 · Construction Costs	158,655.02	212,800.00	-54,144.98
5103 · Contingency/Program	23,218.53	5,000.00	18,218.53
5110 · Accounting Fees/Program	5,755.00	6,000.00	-245.00
5120 · Advertising/Program	81.72	1,800.00	-1,718.28
5150 · Land & Acquisition Costs	0.00	150.00	-150.00
5152 · Surveys/Programs	0.00	200.00	-200.00
5170 · Building Maintenance- Program	2,923.59	4,000.00	-1,076.41
5210 · Computer Software & Supply/Prog	862.10	600.00	262.10
5230 · Cost of Homes Transferred	480.00	0.00	480.00
5260 · Depreciation Expense/Program	30,252.60	32,000.00	-1,747.40
5330 · Fees/Program	728.10	0.00	728.10
5340 · Food	0.00	525.00	-525.00
5410 · Legal Fees/Program	5,587.50	2,000.00	3,587.50
5420 · Liability Insurance/Program	1,281.30	600.00	681.30
5430 · Licenses & Permits/Program	38.00	0.00	38.00
5460 · Office Equipment Rental/Program	1,221.15	500.00	721.15
5470 · Office Rent / Program	53,115.63	56,006.00	-2,890.37
5510 · Office Supplies/Program	872.10	1,000.00	-127.90
5530 · Photography & Videos/Program	0.00	215.00	-215.00
5540 · Postage & Freight/Program	254.16	680.00	-425.84
5550 · Printing/Program	470.89	500.00	-29.11
5570 · Property Taxes/Program	1,146.53	300.00	846.53
5610 · Public Relations/Program	72.25	0.00	72.25
5625 · Mortgage Discounts-Homes Sold	57,643.74	0.00	57,643.74
5640 · Small Tools/Program	218.00	989.00	-771.00
5670 · Telephone & Fax/Program	1,909.44	3,200.00	-1,290.56
5671 · Website/Internet/Email/Program	1,256.46	1,503.00	-246.54
5675 · Tithe/Program	2,014.00	6,500.00	-4,486.00
5700 · In-kind/Expense	24,432.03	10,000.00	14,432.03
5720 · Training, Travel, Lodging	6.44	500.00	-493.56
5740 · Utilities/Program	8,283.80	8,400.00	-116.20
5750 · Volunteer Recognition/Program	0.00	2,500.00	-2,500.00
5760 · Miscellaneous Program Expense	100.00	0.00	100.00
<b>Total 5000 · Program Services</b>	<b>478,579.01</b>	<b>479,690.50</b>	<b>-1,111.49</b>

**Exhibit A**  
**HfHCC Financial Report**  
**End of Year - FY10**

**ReStore Expenses**

6100 · Salaries & Wages /ReStore	196,853.64	204,020.00	-7,166.36
6040 · Health Insurance/ReStore	29,307.26	38,526.00	-9,218.74
6043 · Workers Comp Insurance/ReStore	2,628.00	3,200.00	-572.00
6050 · Payroll Taxes/ReStore	17,282.84	18,872.00	-1,589.16
6110 · Accounting & Audit Fees/ReStore	5,740.00	6,000.00	-260.00
6120 · Advertising/ReStore	4,287.97	5,800.00	-1,512.03
6130 · Auto Insurance/ReStore	666.00	1,800.00	-1,134.00
6170 · Building Maintenance/ReStore	2,954.94	4,000.00	-1,045.06
6210 · Computer Software and Supplies	139.60	600.00	-460.40
6260 · Depreciation Expense/ReStore	38,220.19	32,000.00	6,220.19
6310 · Volunteer Recognition/ReStore	655.29	1,500.00	-844.71
6320 · Dues/ ReStore	133.60	0.00	133.60
6330 · Licences & Fees / ReStore	449.00	350.00	99.00
6340 · Truck Expense Gas/Rep.ReStore	3,049.43	8,000.00	-4,950.57
6370-1 · Box Truck Loan Payment	1,163.43	1,986.93	-823.50
6370 · IFF Loan Repayment	4,198.90	4,660.94	-462.04
6410 · Legal Fees/ReStore	0.00	75.00	-75.00
6420 · Liability Insurance / ReStore	1,497.80	600.00	897.80
6450 · Store & Office Equip / ReStore	1,461.05	1,500.00	-38.95
6470 · Store Rent / ReStore	55,448.03	56,006.00	-557.97
6510 · Store & Office Supplies/ReStore	5,069.79	5,000.00	69.79
6540 · Postage & Freight/ReStore	254.16	1,000.00	-745.84
6550 · Printing/ ReStore	0.00	1,000.00	-1,000.00
6660 · Promotional Materials/ReStore	1,357.32	0.00	1,357.32
6670 · Telephone & Fax /ReStore	1,880.75	3,200.00	-1,319.25
6710 · Website/Internet/Email/ReStore	1,259.44	1,503.00	-243.56
6720 · Training,Travel,Lodging/ReStore	492.07	0.00	492.07
6740 · Utilities/ReStore	7,686.04	8,400.00	-713.96
<b>Total 6000E · ReStore expenses</b>	<b>384,136.54</b>	<b>409,599.87</b>	<b>-25,463.33</b>

**Exhibit A**  
**HfHCC Financial Report**  
**End of Year - FY10**

**M&G Expenses**

7010 · Salaries & Wages/M&G	24,256.33	19,400.00	4,856.33
7040 · Health Insurance / M&G	803.00	5,393.04	-4,590.04
7043 · Workers Comp Insurance/M&G	657.00	800.00	-143.00
7044 · D&O Liability Insurance/M&G	791.25	400.00	391.25
7050 · Payroll Taxes/M&G	1,966.53	1,794.00	172.53
7110 · Accounting Fees/M&G	1,435.00	1,500.00	-65.00
7120 · Advertising/M&G	0.00	250.00	-250.00
7170 · Building Maintenance/M&G	795.89	1,000.00	-204.11
7210 · Computer Software & Supplies/MG	256.40	150.00	106.40
7260 · Depreciation Expense/M&G	7,563.12	8,000.00	-436.88
7320 · Dues/M&G	251.90	0.00	251.90
7330 · Fees/M&G	1,301.23	800.00	501.23
7335 · Fees	200.03	0.00	200.03
7340 · Food - M&G	363.26	0.00	363.26
7410 · Legal Fees/M&G	1,575.00	1,000.00	575.00
7420 · Liability Insurance/M&G	427.58	150.00	277.58
7460 · Office Equipment Rental/M&G	427.25	500.00	-72.75
7470 · Office Rent	14,695.13	14,001.00	694.13
7510 · Office Supplies/M&G	1,890.99	1,500.00	390.99
7525 · Other Expenses/M&G	46.60	0.00	46.60
7540 · Postage & Freight/M&G	118.34	170.00	-51.66
7670 · Telephone/M&G	428.17	800.00	-371.83
7671 · Website/Internet/Email/M&G	318.51	376.00	-57.49
7720 · Training, Travel, Lodging M&G	243.96	0.00	243.96
7740 · Utilities/M&G	2,320.56	2,100.00	220.56
7755 · Intuit Payroll Service	747.35	100.00	647.35
<b>Total 7000 · Management &amp; general</b>	<b>63,880.38</b>	<b>60,184.04</b>	<b>3,696.34</b>



**Exhibit A**  
**HfHCC Financial Report**  
**End of Year - FY10**

**Fundraising Expenses**

8010 · Salary/Fundraising	59,517.75	59,812.50	-294.75
8040 · Health Insurance/Fundraising	10,218.07	11,179.54	-961.47
8043 · Workers Comp Ins/Fundraising	657.00	800.00	-143.00
8050 · Payroll Taxes/FR	4,914.95	5,532.66	-617.71
8110 · Accounting Fees/FR	1,435.00	1,500.00	-65.00
8120 · Advertising/Fundraising	275.60	1,700.00	-1,424.40
8170 · Building Maintenance/Fundraisin	751.24	1,000.00	-248.76
8210 · Computer Software & Supplies/FR	33.90	150.00	-116.10
8260 · Depreciation/Fundraising	6,932.86	8,000.00	-1,067.14
8310 · Donor Recognition/Fundraising	21.56	800.00	-778.44
8320 · Dues/Fundraising	166.90	750.00	-583.10
8340 · Food / Fundraising	39.53	0.00	39.53
8420 · Liability Insurance/Fundraising	354.07	150.00	204.07
8460 · Office Equip Rental/Fundraising	735.20	0.00	735.20
8470 · Office Rent/Fundraising	13,584.33	14,001.00	-416.67
8510 · Office Supplies/Fundraising	1,124.43	500.00	624.43
8540 · Postage & Freight/Fundraising	2,802.41	2,000.00	802.41
8670 · Telephone & Fax/Fundraising	307.10	800.00	-492.90
8671 · Website/Internet/Email/Fundrais	311.57	376.00	-64.43
8720 · Training, Travel, Lodging / FR	163.50	0.00	163.50
8740 · Utilities/Fundraising	1,855.78	2,100.00	-244.22
8800 · Fundraising Expense / Other	701.46	0.00	701.46
8801 · FR Appeal/No Show Gala (Fall)	0.00	3,000.00	-3,000.00
8803 · FR Appeal/Holiday Appeal (Fall)	3,169.56	2,000.00	1,169.56
8805-1 · FR Info/Newsletter 1 (Spring)	2,406.28	2,000.00	406.28
8805-2 · FR Info/Newsletter 2 (Fall)	2,188.70	1,500.00	688.70
8805-5 · FR Appeal/Mother's Day	2,013.00	2,000.00	13.00
8806 · Purse Event/Fundraising	3,528.09	0.00	3,528.09
<b>Total 8000 · Fundraising expenses</b>	<b>120,209.84</b>	<b>121,651.70</b>	<b>-1,441.86</b>

**Exhibit A**  
**HfHCC Financial Report**  
**End of Year - FY10**

**Student Expenses**

9210 · Computer Software Supplies	0.00	75.00	-75.00
9220 · Office Supplies/Student Chapter	25.21	75.00	-49.79
9320 · Dues & Fees/Student Chapter	100.00	100.00	0.00
9350 · Postage/Student Chapter	0.00	75.00	-75.00
9360 · Fundraising/Student Chapter	1,218.00	75.00	1,143.00
9381 · Quad Day-Activity Day/Student	91.25	150.00	-58.75
9382 · Sand Volleyball Tournament	547.25	25.00	522.25
9383 · Trick or Treat for Change	0.00	25.00	-25.00
9384 · Spring Break/Student Chapter	12,284.76	11,500.00	784.76
9385 · Frisbee Tournament/Student Chap	11.50	150.00	-138.50
9386 · 5 K Race/Student Chapter	529.93	150.00	379.93
9387 · Indoor Volleyball Tournament	0.00	25.00	-25.00
9388 · A Day Without a Home	10.21	25.00	-14.79
9389 · Hunger & Homelessness Week	80.75	25.00	55.75
9390 · Act-Speak-Build Week	0.00	25.00	-25.00
9391 · Misc. Expense	1,030.63	20.00	1,010.63
9501 · Appeals/Student Chapter	166.60	200.00	-33.40
9502 · Board Retreats & Picnic	0.00	50.00	-50.00
9675 · Tithe/Student Chapter	1,451.83	1,300.00	151.83
9710 · Collegiate Challenge Expenses	12,019.77	0.00	12,019.77
9730 · Travel, Food, and Lodging	467.45	0.00	467.45
9750 · Volunteer Recognition	0.00	210.00	-210.00
9880 · Homecoming/Student Chapter	123.45	100.00	23.45
9890 · Social/Student Chapter	101.97	200.00	-98.03
9895 · Family Connections/Student Chap	0.00	100.00	-100.00
Total 9500 · Student Expenses	<u>30,260.56</u>	<u>14,680.00</u>	<u>15,580.56</u>
<b>Total Expense</b>	<b><u>1,077,066.33</u></b>	<b><u>1,085,806.11</u></b>	<b><u>-8,739.78</u></b>
<b>Net Ordinary Income</b>	<b><u>100,575.90</u></b>	<b><u>52,674.89</u></b>	<b><u>47,901.01</u></b>
<b>Net Income</b>	<b><u><u>100,575.90</u></u></b>	<b><u><u>52,674.89</u></u></b>	<b><u><u>47,901.01</u></u></b>

**Exhibit B**  
**HfhCC Balance Sheet**  
**FY10 - End of Year**

**ASSETS**

**Checking/Savings**

9941 · HfhCC Build Account	\$72,850.18
1010 · Women Build Account	\$37,547.21
1011 · Amazing Days (Horizon)	\$26,483.47
1111 · Busey Bank/ Mortgage	\$163,924.63
6600 · Busey Bank/ Operating	\$76,316.57
1108 · UIUC Student Chapter RSO Charit	\$1.69
1120 · UIUC Student Chapter RSO	\$14,515.53
4693 · UIUC Student Chapter Operating	\$44,194.61
7285 · UIUC Home Builds Savings Accoun	\$187.61
<b>Total Checking/Savings</b>	<b>\$436,021.50</b>

**Other Current Assets**

1211 · Prepaid Expenses	\$17,082.61
<b>Total Other Current Assets</b>	<b>\$17,082.61</b>

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**Total Current Assets**      \$453,104.11

**Fixed Assets**

1301 · Cars, Trucks, & Trailers	\$43,473.48
1302 · A/D-Cars, Trucks, & Trailers	-\$25,244.53
1321 · Building Tools	\$3,735.37
1322 · A/D-Building Tools	-\$3,736.00
1351 · Computer and Related Equipment	\$19,461.00
1352 · A/D-Computer Equipment	-\$17,199.72
1361 · Store Fixtures & Equipment	\$365,805.55
1362 · A/D Store Fixtures, Equipment	-\$254,879.85
1420 · Foreclosed - Homes	\$1,989.86
1411 · Land for Development	\$3,500.00
1441 · Leasehold Improvements	\$12.84
<b>Total Fixed Assets</b>	<b>\$136,918.00</b>

**Other Assets**

1501 · Construction in Progress	\$25,205.04
1601 · Mortgages Receivable	\$1,426,322.34
1602 · Unamortized Mortgage Discount	-\$529,169.97
<b>Total Other Assets</b>	<b>\$922,357.41</b>

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**TOTAL ASSETS**      **\$1,512,379.52**

**Exhibit B**  
**HfhCC Balance Sheet**  
**FY10 - End of Year**

**CURRENT LIABILITIES**

Other Current Liabilities

2111 · Accrued Expenses-Other	\$462.48
2122 · Escrow Accrued RE Tax & Insuran	\$4,920.38
2200 · Accrued Payroll Liabilities	
2210 · Accrued FICA and Fed W/H	-\$449.58
2220 · Accrued State W/H	-\$92.32
2230 · Accrued State Unemployment	-\$513.78
Total 2200 · Accrued Payroll Liabilities	-\$1,055.68

2260 · Other Payroll Liabilities	-\$1,279.94
2302 · Down Payments	\$500.00
2303 · Sales Tax Collected/ReStore	\$4,444.09
2321 · IL Facilities Note Payable	\$59,695.33
2322 · IFF Box Truck Loan	\$22,355.99
Total Other Current Liabilities	\$90,042.65

Total Current Liabilities	\$90,042.65
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Total Liabilities	\$90,042.65
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**Equity**

3900 · Retained Earnings	\$1,167,924.59
3901 · Temporarily restricted equity	\$127,696.16
3902 · Student Retained Earnings	\$21,802.00
Net Income	\$104,914.12
Total Equity	\$1,422,336.87

<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$1,512,379.52</b>
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**Exhibit C**  
**HfHCC Financial Report**  
**November 2010**

	Jul - Nov 10	YTD Budget	\$ Over Budget	Annual Budget
<b>Income</b>				
<b>4000 - Income</b>				
4109 - General Unrestricted Donations				
4109-7 - IL Football Parking	\$1,020.00			
4109-6 - Ha Ha for Habitat	\$13,258.08			
4109-5 - Community/Org Fundraisers	\$3,031.76			
4109-4 - United Way Donations	\$1,864.01			
4109-3 - Cars for Homes	\$120.00			
4109-2 - Gift Wrapping/Market Place Mall	\$0.00	\$0.00	\$0.00	\$5,000.00
4109-1 - General Donations -Unrestricted	\$10,113.81	\$6,612.60	\$3,501.21	\$25,000.00
4109-8 - Misc Donations	\$25.00			
4104 - Business Donations (unrestrict)				
4104-4 - Work Place Giving- United Way	\$1,520.35	\$3,971.37	-\$2,451.02	\$10,000.00
4104-3 - Workplace Giving-Individuals	\$896.54	\$2,083.31	-\$1,186.77	\$5,000.00
4104-2 - Matching Gifts	\$375.22	\$4,166.62	-\$3,791.40	\$10,000.00
4104-1 - Business Donations(unrestricted)	\$1,782.86	\$1,822.22	-\$39.36	\$10,000.00
4103 - Church Donations	\$2,490.00	\$2,698.74	-\$208.74	\$5,000.00
4111 - HFHI	\$174.72	\$0.00	\$174.72	\$0.00
4401 - Interest Income	\$484.38	\$416.62	\$67.76	\$1,000.00
4552 - FR/Appeals				
4552-2 - FR Appeal/Holiday Appeal	\$0.00	\$608.43	-\$608.43	\$20,000.00
4552-3 - FR Info/Newsletter 1 (Spring)	\$1,000.00	\$523.79	\$476.21	\$8,000.00
4552-4 - FR Info/Newsletter 2 (Fall)	\$1,545.00	\$8,849.50	-\$7,304.50	\$9,000.00
4651 - Homeowner Late Fees	\$447.42	\$208.31	\$239.11	\$500.00
4999 - Other Income	\$8,673.87	\$0.00	\$8,673.87	\$0.00
<b>Total 4000 - Income</b>	<b>\$48,823.02</b>	<b>\$31,961.51</b>	<b>-\$2,457.34</b>	<b>\$108,500.00</b>
<b>6000I - ReStore Income</b>				
6106 - Sale of Goods/Habitat T-Shirts	\$130.00	\$250.00	-\$120.00	\$600.00
6111 - Cash Contribution/ReStore	\$1,421.65	\$250.00	\$1,171.65	\$600.00
6112 - Sale of Goods	\$271,599.05	\$258,800.00	\$12,799.05	\$580,200.00
6113 - Pick Up and Delivery Fees	\$9,035.00	\$8,700.00	\$335.00	\$18,600.00
6114 - Sales Tax Discount	\$473.20	\$0.00	\$473.20	\$0.00
<b>Total 6000I - ReStore Income</b>	<b>\$282,658.90</b>	<b>\$268,000.00</b>	<b>\$14,658.90</b>	<b>\$600,000.00</b>
<b>Total Income</b>	<b>\$331,481.92</b>	<b>\$299,961.51</b>	<b>\$12,201.56</b>	<b>\$708,500.00</b>

**Exhibit C**  
**HfHCC Financial Report**  
**November 2010**

**Expense**

**5000 · Program Services**

5370 · Loans - Interest Expense

5370-1 · IFF Loan Interest	\$54.23	\$24.56	\$29.67	\$59.00
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5370-2 · IFF Loan Interest Expense	\$14.98	\$31.69	-\$16.71	\$76.00
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5010 · Salaries / Program	\$24,042.32	\$25,820.00	-\$1,777.68	\$62,247.00
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5040 · Health Insurance/Program	\$7,163.46	\$3,506.00	\$3,657.46	\$8,420.00
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5042 · Volunteer Workers Comp/Program	\$89.88	\$128.15	-\$38.27	\$359.50
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5043 · Workers Comp Insurance/Program	\$1,909.83	\$841.33	\$1,068.50	\$3,968.00
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5046 · Builders Risk Insurance	\$168.00	\$168.00	\$0.00	\$672.00
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5047 · Property Insurance	\$32.25	\$32.25	\$0.00	\$129.00
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5048 · Insurance, Umbrella Policy	\$0.00	\$312.50	-\$312.50	\$1,250.00
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5050 · Payroll Taxes/Program	\$1,900.43	\$2,622.00	-\$721.57	\$6,297.00
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5110 · Accounting Fees/Program	\$4,068.75	\$3,840.00	\$228.75	\$4,000.00
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5120 · Advertising/Program	\$10.00	\$0.00	\$10.00	\$100.00
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5170 · Building Maintenance- Program	\$151.26	\$206.40	-\$55.14	\$500.00
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5210 · Computer Software & Supply/Prog	\$621.00	\$545.91	\$75.09	\$824.00
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5230 · Cost of Homes Transferred	\$0.00	\$0.00	\$0.00	\$500.00
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5250 · Dedications/Program	\$281.27	\$200.00	\$81.27	\$600.00
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5260 · Depreciation Expense/Program	\$1,575.70	\$1,666.62	-\$90.92	\$4,000.00
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5310 · Donor Recognition	\$0.00	\$300.00	-\$300.00	\$600.00
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5330 · Fees/Program	\$1,206.00	\$75.45	\$1,130.55	\$500.00
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5340 · Food	\$63.14	\$250.00	-\$186.86	\$600.00
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5410 · Legal Fees/Program				
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5410-1 · CHDO Legal Fees	\$1,867.50			
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**Exhibit C**  
**HfHCC Financial Report**  
**November 2010**

5420 · Liability Insurance/Program	\$46.00	\$16.69	\$29.31	\$121.50
5430 · Licenses & Permits/Program	\$0.00	\$0.00	\$0.00	\$54.00
5450 · Office Equipment/Program	\$0.00	\$1,054.52	-\$1,054.52	\$1,500.00
5460 · Office Equipment Rental/Program	\$258.24	\$286.62	-\$28.38	\$688.00
5470 · Office Rent / Program	\$4,039.68	\$3,020.81	\$1,018.87	\$7,250.00
5480 · Storage Unit Rent	\$200.00	\$1,000.00	-\$800.00	\$2,400.00
5510 · Office Supplies/Program	\$670.97	\$105.51	\$565.46	\$500.00
5530 · Photography & Videos/Program	\$0.00	\$150.00	-\$150.00	\$300.00
5540 · Postage & Freight/Program	\$59.00	\$372.55	-\$313.55	\$625.00
5550 · Printing/Program	\$0.00	\$208.31	-\$208.31	\$500.00
5570 · Property Taxes/Program	\$114.96	\$250.00	-\$135.04	\$500.00
5625 · Mortgage Discounts-Homes Sold	\$62,026.14	\$25,000.00	\$37,026.14	\$60,000.00
5660 · Taxes-Other/Program	\$120.31	\$375.00	-\$254.69	\$900.00
5670 · Telephone & Fax/Program	\$724.09	\$454.21	\$269.88	\$1,250.00
5671 · Website/Internet/Email/Program	\$61.46	\$584.73	-\$523.27	\$1,000.00
5675 · Tithe/Program	\$0.00	\$0.00	\$0.00	\$5,300.00
5700 · In-kind/Expense	\$0.00	\$4,060.47	-\$4,060.47	\$18,000.00
5720 · Training, Travel, Lodging	\$45.00	\$416.62	-\$371.62	\$1,000.00
5740 · Utilities/Program	\$621.50	\$379.12	\$242.38	\$1,000.00
5750 · Volunteer Recognition/Program	\$109.40	\$0.00	\$109.40	\$900.00
5760 · Miscellaneous Program Expense	\$42.05		\$42.05	\$0.00
5999 IFF Building Modifications	\$720.15	\$900.05	-\$179.90	\$2,158.75
<b>Total 5000 · Program Services</b>	<b>\$115,078.95</b>	<b>\$79,206.07</b>	<b>\$34,005.38</b>	<b>\$201,648.75</b>

**Exhibit C**  
**HfHCC Financial Report**  
**November 2010**

6000E · ReStore expenses

6370 · Loan Interest Expenses

6370-1 · IFF Loan Repayment	\$1,404.29	\$1,012.06	\$392.23	\$2,429.00
6370-3 · Box Truck Loan Payment	\$465.92	\$418.51	\$47.41	\$1,004.48
6800 · Register/check/creditcard fees				
6800-2 · Credit Card Processing Fees	\$838.28			
6800-1 · Check Approval Fees	\$141.06			
6010 · Salaries & Wages /ReStore	\$81,964.21	\$93,690.00	-\$11,725.79	\$226,575.00
6040 · Health Insurance/ReStore	\$15,784.42	\$21,289.63	-\$5,505.21	\$51,095.00
6042 · Volunteer Workers Comp Insuranc	\$636.12			
6043 · Workers Comp Insurance/ReStore	\$2,294.01	\$1,291.12	\$1,002.89	\$5,955.01
6050 · Payroll Taxes/ReStore	\$6,570.10	\$10,589.00	-\$4,018.90	\$25,415.00
6110 · Accounting & Audit Fees/ReStore	\$4,068.75	\$3,679.44	\$389.31	\$4,000.00
6120 · Advertising/ReStore	\$881.40	\$2,500.00	-\$1,618.60	\$6,000.00
6130 · Auto Insurance/ReStore	\$0.00	\$375.00	-\$375.00	\$1,500.00
6170 · Building Maintenance/ReStore	\$2,420.28	\$3,337.10	-\$916.82	\$8,000.00
6210 · Computer Software and Supplies	\$146.00	\$449.00	-\$303.00	\$449.00
6260 · Depreciation Expense/ReStore	\$28,529.90	\$26,666.62	\$1,863.28	\$64,000.00
6310 · Volunteer Recognition/ReStore	\$239.46	\$0.00	\$239.46	\$1,750.00
6320 · Dues/ ReStore	\$200.00	\$14.55	\$185.45	\$150.00
6330 · Licences & Fees / ReStore	\$62.00	\$182.18	-\$120.18	\$200.00
6340 · Truck Expense Gas/Rep.ReStore	\$2,225.83	\$2,250.54	-\$24.71	\$5,000.00
6410 · Legal Fees/ReStore	\$0.00	\$0.00	\$0.00	\$100.00
6420 · Liability Insurance / ReStore	\$770.00	\$187.98	\$582.02	\$1,600.00
6450 · Store & Office Equip / ReStore	\$258.24	\$795.22	-\$536.98	\$1,500.00
6470 · Store Rent / ReStore	\$55,034.71	\$48,333.31	\$6,701.40	\$116,000.00
6510 · Store & Office Supplies/ReStore	\$1,182.09	\$2,196.10	-\$1,014.01	\$6,000.00
6540 · Postage & Freight/ReStore	\$15.00	\$372.55	-\$357.55	\$625.00
6550 · Printing/ ReStore	\$0.00	\$208.31	-\$208.31	\$500.00
6670 · Telephone & Fax /ReStore	\$1,100.18	\$612.22	\$487.96	\$1,250.00
6671 · Website/Internet/Email/ReStore	\$61.46	\$588.03	-\$526.57	\$1,000.00
6675 · Tithe/ReStore	\$0.00	\$0.00	\$0.00	\$5,140.00
6720 · Training,Travel,Lodging/ReStore	\$596.59	\$148.37	\$448.22	\$500.00
6740 · Utilities/ReStore	\$9,768.29	\$7,215.57	\$2,552.72	\$16,000.00
6999 IFF Building Modification	\$11,522.41	\$14,400.74	-\$2,878.33	\$34,540.03
<b>Total 6000E · ReStore expenses</b>	<b>\$229,181.00</b>	<b>\$242,803.15</b>	<b>-\$15,237.61</b>	<b>\$588,277.52</b>



**Exhibit C**  
**HfHCC Financial Report**  
**November 2010**

<u>7000 · Management &amp; general</u>				
7370 · Loan Interest Expenses				
7370-1 · IFF Loan Interest	\$138.43	\$110.81	\$27.62	\$266.00
7010 · Salaries & Wages/M&G	\$8,183.52	\$9,351.00	-\$1,167.48	\$22,595.00
7040 · Health Insurance / M&G	\$1,589.02	\$2,045.00	-\$455.98	\$4,915.00
7043 · Workers Comp Insurance/M&G	\$146.91	\$66.75	\$80.16	\$267.00
7044 · D&O Liability Insurance/M&G	\$158.25	\$158.25	\$0.00	\$633.00
7050 · Payroll Taxes/M&G	\$644.67	\$940.00	-\$295.33	\$2,249.00
7110 · Accounting Fees/M&G	\$4,068.75	\$3,679.44	\$389.31	\$4,000.00
7120 · Advertising/M&G	\$0.00	\$100.00	-\$100.00	\$100.00
7170 · Building Maintenance/M&G	\$302.54	\$513.23	-\$210.69	\$1,000.00
7210 · Computer Software & Supplies/MG	\$146.00	\$326.19	-\$180.19	\$449.00
7260 · Depreciation Expense/M&G	\$3,151.30	\$3,333.31	-\$182.01	\$8,000.00
7320 · Dues/M&G	\$0.00	\$238.10	-\$238.10	\$300.00
7330 · Fees/M&G	\$262.85	\$280.96	-\$18.11	\$1,000.00
7335 · Fees	\$8.60			
7340 · Food - M&G	\$0.00	\$48.03	-\$48.03	\$100.00
7410 · Legal Fees/M&G	\$0.00	\$1,023.46	-\$1,023.46	\$1,500.00
7420 · Liability Insurance/M&G	\$92.00	\$20.56	\$71.44	\$200.00
7460 · Office Equipment Rental/M&G	\$334.97	\$286.62	\$48.35	\$688.00
7470 · Office Rent	\$6,879.35	\$6,041.62	\$837.73	\$14,500.00
7510 · Office Supplies/M&G	\$639.05	\$625.00	\$14.05	\$1,500.00
7525 · Other Expenses/M&G	\$0.00	\$0.00	\$0.00	\$100.00
7540 · Postage & Freight/M&G	\$15.00	\$368.70	-\$353.70	\$625.00
7670 · Telephone/M&G	\$729.85	\$711.02	\$18.83	\$1,250.00
7671 · Website/Internet/Email/M&G	\$58.47	\$593.08	-\$534.61	\$1,000.00
7720 · Training, Travel, Lodging M&G	\$129.84	\$416.62	-\$286.78	\$1,000.00
7740 · Utilities/M&G	\$1,186.03	\$800.82	\$385.21	\$2,000.00
7755 · Intuit Payroll Service	\$262.00	\$101.07	\$160.93	\$500.00
7999 IFF Building Modification	\$1,440.30	\$1,800.09	-\$359.79	\$4,317.50
<b>Total 7000 · Management &amp; general</b>	<b>\$30,429.27</b>	<b>\$33,868.92</b>	<b>-\$3,448.25</b>	<b>\$74,788.50</b>

**Exhibit C**  
**HfHCC Financial Report**  
**November 2010**

<u>8000 · Fundraising expenses</u>				
8103 · Organizational Fundraising				
8103-1 · Angel Project Expenses	\$34.90			
8370 · Loan Interest Expenses				
8370-1 · IFF Loan Interest	\$69.19	\$55.44	\$13.75	\$133.00
8902 · WBH Fundraising Expenses				
8902-1 · WBH Purse Event Expenses	\$372.43	\$0.00	\$372.43	\$4,750.00
8901 · Fundraising Events Expenses				
8901-2 · Gift Wrapping Expenses	\$116.04			
8901-1 · HaHA Habitat Expenses	\$5,884.00			
8010 · Salary/Fundraising	\$24,942.32	\$25,820.00	-\$877.68	\$62,247.00
8040 · Health Insurance/Fundraising	\$4,319.46	\$4,979.00	-\$659.54	\$11,951.00
8043 · Workers Comp Ins/Fundraising	\$389.04	\$0.00	\$389.04	\$0.00
8050 · Payroll Taxes/FR	\$1,457.84	\$2,625.00	-\$1,167.16	\$6,300.00
8110 · Accounting Fees/FR	\$4,068.76	\$3,840.00	\$228.76	\$4,000.00
8120 · Advertising/Fundraising	\$0.00	\$250.00	-\$250.00	\$600.00
8170 · Building Maintenance/Fundraisin	\$153.81	\$201.19	-\$47.38	\$500.00
8210 · Computer Software & Supplies/FR	\$146.00	\$0.00	\$146.00	\$449.00
8260 · Depreciation/Fundraising	\$1,570.74	\$1,666.62	-\$95.88	\$4,000.00
8310 · Donor Recognition/Fundraising	\$0.00	\$0.00	\$0.00	\$500.00
8320 · Dues/Fundraising	\$105.00	\$516.47	-\$411.47	\$750.00
8420 · Liability Insurance/Fundraising	\$46.00	\$12.40	\$33.60	\$100.00
8460 · Office Equip Rental/Fundraising	\$181.43	\$286.62	-\$105.19	\$688.00
8470 · Office Rent/Fundraising	\$3,439.65	\$3,020.81	\$418.84	\$7,250.00
8510 · Office Supplies/Fundraising	\$308.67	\$208.20	\$100.47	\$500.00
8540 · Postage & Freight/Fundraising	\$653.73	\$1,468.29	-\$814.56	\$3,125.00
8670 · Telephone & Fax/Fundraising	\$724.05	\$581.87	\$142.18	\$1,250.00
8671 · Website/Internet/Email/Fundrais	\$78.31	\$581.97	-\$503.66	\$1,000.00
8720 · Training, Travel, Lodging / FR	\$106.00	\$208.31	-\$102.31	\$500.00
8740 · Utilities/Fundraising	\$617.70	\$452.01	\$165.69	\$1,000.00
8800 · Fundraising Expense / Other	\$88.87	\$208.31	-\$119.44	\$500.00
8803 · FR Appeal/Holiday Appeal (Fall)	\$0.00	\$3,500.00	-\$3,500.00	\$3,500.00
8805 · FR Info/Newsletters				
8805-1 · FR Info/Newsletter 1 (Spring)	\$0.00	\$0.00	\$0.00	\$2,400.00
8805-2 · FR Info/Newsletter 2 (Fall)	\$1,674.25	\$2,400.00	-\$725.75	\$2,400.00
8805-5 · FR Appeal/Mother's Day	\$0.00	\$0.00	\$0.00	\$2,200.00
8999 IFF Building Modification	\$720.15	\$900.05	-\$179.90	\$2,158.75
<b>Total 8000 · Fundraising expenses</b>	<b>\$52,268.34</b>	<b>\$53,782.56</b>	<b>-\$7,549.16</b>	<b>\$124,751.75</b>
<b>Total Expense</b>	<b>\$426,957.56</b>	<b>\$409,660.70</b>	<b>\$7,770.36</b>	<b>\$989,466.52</b>
<b>Net Income</b>	<b>-\$95,475.64</b>	<b>-\$109,699.19</b>	<b>\$4,431.20</b>	<b>-\$280,966.52</b>

**Exhibit D**  
**HfHCC Balance Sheet**  
**As of November 30, 2010**

**ASSETS**

**Current Assets**

**Checking/Savings**

9941 · HfHCC Build Account	\$68,529.97
1010 · Women Build Account	\$33,567.16
1011 · Amazing Days (Horizon)	\$14,209.62
1111 · Busey Bank/ Mortgage	\$143,612.45
6600 · Busey Bank/ Operating	\$126,073.26
1108 · UIUC Student Chapter RSO Charit	\$1.69
1120 · UIUC Student Chapter RSO	\$14,515.53
4693 · UIUC Student Chapter Operating	\$53,082.69
7285 · UIUC Home Builds Savings Accoun	\$169.75
<b>Total Checking/Savings</b>	<b>\$453,762.12</b>

**Other Current Assets**

1211 · Prepaid Expenses	\$660.00
<b>Total Other Current Assets</b>	<b>\$660.00</b>

**Total Current Assets**      **\$454,422.12**

**Fixed Assets**

1301 · Cars, Trucks, & Trailers	\$43,473.48
1302 · A/D-Cars, Trucks, & Trailers	-\$28,563.98
1321 · Building Tools	\$3,735.37
1322 · A/D-Building Tools	-\$3,736.00
1351 · Computer and Related Equipment	\$20,266.00
1352 · A/D-Computer Equipment	-\$17,686.35
1361 · Store Fixtures & Equipment	\$365,805.55
1362 · A/D Store Fixtures, Equipment	-\$285,901.41
1420 · Foreclosed - Homes	\$1,989.86
1411 · Land for Development	\$3,500.00
1441 · Leasehold Improvements	\$12.84
<b>Total Fixed Assets</b>	<b>\$102,895.36</b>

**Other Assets**

1501 · Construction in Progress	\$3,663.30
1601 · Mortgages Receivable	\$1,487,089.10
1602 · Unamortized Mortgage Discount	-\$567,779.86
<b>Total Other Assets</b>	<b>\$922,972.54</b>

**TOTAL ASSETS**      **\$1,480,290.02**

**Exhibit D**  
**HfHCC Balance Sheet**  
**As of November 30, 2010**

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

2101 · Accounts Payable	\$6,979.47
<b>Total Accounts Payable</b>	<b>\$6,979.47</b>

**Other Current Liabilities**

2111 · Accrued Expenses-Other	\$3,036.28
2122 · Escrow Accrued RE Tax & Insuran	-\$1,227.46
2200 · Accrued Payroll Liabilities	
2210 · Accrued FICA and Fed W/H	\$200.86
2220 · Accrued State W/H	-\$5.00
2230 · Accrued State Unemployment	-\$1,323.83
<b>Total 2200 · Accrued Payroll Liabilities</b>	<b>-\$1,127.97</b>
2260 · Other Payroll Liabilities	-\$4,394.10
2302 · Down Payments	-\$2,988.00
2303 · Sales Tax Collected/ReStore	\$4,451.62
<b>Total Other Current Liabilities</b>	<b>-\$2,249.63</b>

<b>Total Current Liabilities</b>	<b>\$4,729.84</b>
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<b>Total Liabilities</b>	<b>\$4,729.84</b>
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**Equity**

3900 · Retained Earnings	\$1,274,010.38
3901 · Temporarily restricted equity	\$127,696.16
3902 · Student Retained Earnings	\$21,802.00
Net Income	\$52,051.64
<b>Total Equity</b>	<b>\$1,475,560.18</b>

<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$1,480,290.02</b>
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**Exhibit E**  
**HfHCC Financial Report Excluding Depreciation**  
**November 2010**

	<b>Jul - Nov 10</b>	<b>YTD Budget</b>	<b>\$ Over Budget</b>	<b>Annual Budget</b>
<b>Income</b>				
<b>4000 · Income</b>				
<b>4109 · General Unrestricted Donations</b>				
4109-7 · IL Football Parking	\$1,020.00			
4109-6 · Ha Ha for Habitat	\$13,258.08			
4109-5 · Community/Org Fundraisers	\$3,031.76			
4109-4 · United Way Donations	\$1,864.01			
4109-3 · Cars for Homes	\$120.00			
4109-2 · Gift Wrapping/Market Place Mall	\$0.00	\$0.00	\$0.00	\$5,000.00
4109-1 · General Donations -Unrestricted	\$10,113.81	\$6,612.60	\$3,501.21	\$25,000.00
4109-8 · Misc Donations	\$25.00			
<b>4104 · Business Donations (unrestrict)</b>				
4104-4 · Work Place Giving- United Way	\$1,520.35	\$3,971.37	-\$2,451.02	\$10,000.00
4104-3 · Workplace Giving-Individuals	\$896.54	\$2,083.31	-\$1,186.77	\$5,000.00
4104-2 · Matching Gifts	\$375.22	\$4,166.62	-\$3,791.40	\$10,000.00
4104-1 · Business Donations(unrestricted)	\$1,782.86	\$1,822.22	-\$39.36	\$10,000.00
4103 · Church Donations	\$2,490.00	\$2,698.74	-\$208.74	\$5,000.00
4111 · HFHI	\$174.72	\$0.00	\$174.72	\$0.00
4401 · Interest Income	\$484.38	\$416.62	\$67.76	\$1,000.00
<b>4552 · FR/Appeals</b>				
4552-2 · FR Appeal/Holiday Appeal	\$0.00	\$608.43	-\$608.43	\$20,000.00
4552-3 · FR Info/Newsletter 1 (Spring)	\$1,000.00	\$523.79	\$476.21	\$8,000.00
4552-4 · FR Info/Newsletter 2 (Fall)	\$1,545.00	\$8,849.50	-\$7,304.50	\$9,000.00
4651 · Homeowner Late Fees	\$447.42	\$208.31	\$239.11	\$500.00
4999 · Other Income	\$8,673.87	\$0.00	\$8,673.87	\$0.00
<b>Total 4000 · Income</b>	<b>\$48,823.02</b>	<b>\$31,961.51</b>	<b>-\$2,457.34</b>	<b>\$108,500.00</b>
<b>6000I · ReStore Income</b>				
6106 · Sale of Goods/Habitat T-Shirts	\$130.00	\$250.00	-\$120.00	\$600.00
6111 · Cash Contribution/ReStore	\$1,421.65	\$250.00	\$1,171.65	\$600.00
6112 · Sale of Goods	\$271,599.05	\$258,800.00	\$12,799.05	\$580,200.00
6113 · Pick Up and Delivery Fees	\$9,035.00	\$8,700.00	\$335.00	\$18,600.00
6114 · Sales Tax Discount	\$473.20	\$0.00	\$473.20	\$0.00
<b>Total 6000I · ReStore Income</b>	<b>\$282,658.90</b>	<b>\$268,000.00</b>	<b>\$14,658.90</b>	<b>\$600,000.00</b>
<b>Total Income</b>	<b>\$331,481.92</b>	<b>\$299,961.51</b>	<b>\$12,201.56</b>	<b>\$708,500.00</b>

**Exhibit E**  
**HfHCC Financial Report Excluding Depreciation**  
**November 2010**

**Expense**

**5000 · Program Services**

5370 · Loans - Interest Expense

5370-1 · IFF Loan Interest	\$54.23	\$24.56	\$29.67	\$59.00
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5370-2 · IFF Loan Interest Expense	\$14.98	\$31.69	-\$16.71	\$76.00
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5010 · Salaries / Program	\$24,042.32	\$25,820.00	-\$1,777.68	\$62,247.00
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5040 · Health Insurance/Program	\$7,163.46	\$3,506.00	\$3,657.46	\$8,420.00
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5042 · Volunteer Workers Comp/Program	\$89.88	\$128.15	-\$38.27	\$359.50
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5043 · Workers Comp Insurance/Program	\$1,909.83	\$841.33	\$1,068.50	\$3,968.00
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5046 · Builders Risk Insurance	\$168.00	\$168.00	\$0.00	\$672.00
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5047 · Property Insurance	\$32.25	\$32.25	\$0.00	\$129.00
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5048 · Insurance, Umbrella Policy	\$0.00	\$312.50	-\$312.50	\$1,250.00
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5050 · Payroll Taxes/Program	\$1,900.43	\$2,622.00	-\$721.57	\$6,297.00
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5110 · Accounting Fees/Program	\$4,068.75	\$3,840.00	\$228.75	\$4,000.00
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5120 · Advertising/Program	\$10.00	\$0.00	\$10.00	\$100.00
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5170 · Building Maintenance- Program	\$151.26	\$206.40	-\$55.14	\$500.00
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5210 · Computer Software & Supply/Prog	\$621.00	\$545.91	\$75.09	\$824.00
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5230 · Cost of Homes Transferred	\$0.00	\$0.00	\$0.00	\$500.00
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5250 · Dedications/Program	\$281.27	\$200.00	\$81.27	\$600.00
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5310 · Donor Recognition	\$0.00	\$300.00	-\$300.00	\$600.00
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5330 · Fees/Program	\$1,206.00	\$75.45	\$1,130.55	\$500.00
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5340 · Food	\$63.14	\$250.00	-\$186.86	\$600.00
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5410 · Legal Fees/Program

5410-1 · CHDO Legal Fees	\$1,867.50			
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**Exhibit E**  
**HfHCC Financial Report Excluding Depreciation**  
**November 2010**

5420 · Liability Insurance/Program	\$46.00	\$16.69	\$29.31	\$121.50
5430 · Licenses & Permits/Program	\$0.00	\$0.00	\$0.00	\$54.00
5450 · Office Equipment/Program	\$0.00	\$1,054.52	-\$1,054.52	\$1,500.00
5460 · Office Equipment Rental/Program	\$258.24	\$286.62	-\$28.38	\$688.00
5470 · Office Rent / Program	\$4,039.68	\$3,020.81	\$1,018.87	\$7,250.00
5480 · Storage Unit Rent	\$200.00	\$1,000.00	-\$800.00	\$2,400.00
5510 · Office Supplies/Program	\$670.97	\$105.51	\$565.46	\$500.00
5530 · Photography & Videos/Program	\$0.00	\$150.00	-\$150.00	\$300.00
5540 · Postage & Freight/Program	\$59.00	\$372.55	-\$313.55	\$625.00
5550 · Printing/Program	\$0.00	\$208.31	-\$208.31	\$500.00
5570 · Property Taxes/Program	\$114.96	\$250.00	-\$135.04	\$500.00
5625 · Mortgage Discounts-Homes Sold	\$62,026.14	\$25,000.00	\$37,026.14	\$60,000.00
5660 · Taxes-Other/Program	\$120.31	\$375.00	-\$254.69	\$900.00
5670 · Telephone & Fax/Program	\$724.09	\$454.21	\$269.88	\$1,250.00
5671 · Website/Internet/Email/Program	\$61.46	\$584.73	-\$523.27	\$1,000.00
5675 · Tithe/Program	\$0.00	\$0.00	\$0.00	\$5,300.00
5700 · In-kind/Expense	\$0.00	\$4,060.47	-\$4,060.47	\$18,000.00
5720 · Training, Travel, Lodging	\$45.00	\$416.62	-\$371.62	\$1,000.00
5740 · Utilities/Program	\$621.50	\$379.12	\$242.38	\$1,000.00
5750 · Volunteer Recognition/Program	\$109.40	\$0.00	\$109.40	\$900.00
5760 · Miscellaneous Program Expense	\$42.05		\$42.05	\$0.00
5999 IFF Building Modifications	\$720.15	\$900.05	-\$179.90	\$2,158.75
<b>Total 5000 · Program Services</b>	<b>\$113,503.25</b>	<b>\$77,539.45</b>	<b>\$34,096.30</b>	<b>\$197,648.75</b>

**Exhibit E**  
**HfHCC Financial Report Excluding Depreciation**  
**November 2010**

6000E · ReStore expenses

6370 · Loan Interest Expenses				
6370-1 · IFF Loan Repayment	\$1,404.29	\$1,012.06	\$392.23	\$2,429.00
6370-3 · Box Truck Loan Payment	\$465.92	\$418.51	\$47.41	\$1,004.48
6800 · Register/check/creditcard fees				
6800-2 · Credit Card Processing Fees	\$838.28			
6800-1 · Check Approval Fees	\$141.06			
6010 · Salaries & Wages /ReStore	\$81,964.21	\$93,690.00	-\$11,725.79	\$226,575.00
6040 · Health Insurance/ReStore	\$15,784.42	\$21,289.63	-\$5,505.21	\$51,095.00
6042 · Volunteer Workers Comp Insuranc	\$636.12			
6043 · Workers Comp Insurance/ReStore	\$2,294.01	\$1,291.12	\$1,002.89	\$5,955.01
6050 · Payroll Taxes/ReStore	\$6,570.10	\$10,589.00	-\$4,018.90	\$25,415.00
6110 · Accounting & Audit Fees/ReStore	\$4,068.75	\$3,679.44	\$389.31	\$4,000.00
6120 · Advertising/ReStore	\$881.40	\$2,500.00	-\$1,618.60	\$6,000.00
6130 · Auto Insurance/ReStore	\$0.00	\$375.00	-\$375.00	\$1,500.00
6170 · Building Maintenance/ReStore	\$2,420.28	\$3,337.10	-\$916.82	\$8,000.00
6210 · Computer Software and Supplies	\$146.00	\$449.00	-\$303.00	\$449.00
6310 · Volunteer Recognition/ReStore	\$239.46	\$0.00	\$239.46	\$1,750.00
6320 · Dues/ ReStore	\$200.00	\$14.55	\$185.45	\$150.00
6330 · Licences & Fees / ReStore	\$62.00	\$182.18	-\$120.18	\$200.00
6340 · Truck Expense Gas/Rep.ReStore	\$2,225.83	\$2,250.54	-\$24.71	\$5,000.00
6410 · Legal Fees/ReStore	\$0.00	\$0.00	\$0.00	\$100.00
6420 · Liability Insurance / ReStore	\$770.00	\$187.98	\$582.02	\$1,600.00
6450 · Store & Office Equip / ReStore	\$258.24	\$795.22	-\$536.98	\$1,500.00
6470 · Store Rent / ReStore	\$55,034.71	\$48,333.31	\$6,701.40	\$116,000.00
6510 · Store & Office Supplies/ReStore	\$1,182.09	\$2,196.10	-\$1,014.01	\$6,000.00
6540 · Postage & Freight/ReStore	\$15.00	\$372.55	-\$357.55	\$625.00
6550 · Printing/ ReStore	\$0.00	\$208.31	-\$208.31	\$500.00
6670 · Telephone & Fax /ReStore	\$1,100.18	\$612.22	\$487.96	\$1,250.00
6671 · Website/Internet/Email/ReStore	\$61.46	\$588.03	-\$526.57	\$1,000.00
6675 · Tithe/ReStore	\$0.00	\$0.00	\$0.00	\$5,140.00
6720 · Training,Travel,Lodging/ReStore	\$596.59	\$148.37	\$448.22	\$500.00
6740 · Utilities/ReStore	\$9,768.29	\$7,215.57	\$2,552.72	\$16,000.00
6999 IFF Building Modification	\$11,522.41	\$14,400.74	-\$2,878.33	\$34,540.03
<b>Total 6000E · ReStore expenses</b>	<b>\$200,651.10</b>	<b>\$216,136.53</b>	<b>-\$17,100.89</b>	<b>\$524,277.52</b>



**Exhibit E**  
**HfHCC Financial Report Excluding Depreciation**  
**November 2010**

<u>7000 · Management &amp; general</u>				
7370 · Loan Interest Expenses				
7370-1 · IFF Loan Interest	\$138.43	\$110.81	\$27.62	\$266.00
7010 · Salaries & Wages/M&G	\$8,183.52	\$9,351.00	-\$1,167.48	\$22,595.00
7040 · Health Insurance / M&G	\$1,589.02	\$2,045.00	-\$455.98	\$4,915.00
7043 · Workers Comp Insurance/M&G	\$146.91	\$66.75	\$80.16	\$267.00
7044 · D&O Liability Insurance/M&G	\$158.25	\$158.25	\$0.00	\$633.00
7050 · Payroll Taxes/M&G	\$644.67	\$940.00	-\$295.33	\$2,249.00
7110 · Accounting Fees/M&G	\$4,068.75	\$3,679.44	\$389.31	\$4,000.00
7120 · Advertising/M&G	\$0.00	\$100.00	-\$100.00	\$100.00
7170 · Building Maintenance/M&G	\$302.54	\$513.23	-\$210.69	\$1,000.00
7210 · Computer Software & Supplies/MG	\$146.00	\$326.19	-\$180.19	\$449.00
7320 · Dues/M&G	\$0.00	\$238.10	-\$238.10	\$300.00
7330 · Fees/M&G	\$262.85	\$280.96	-\$18.11	\$1,000.00
7335 · Fees	\$8.60			
7340 · Food - M&G	\$0.00	\$48.03	-\$48.03	\$100.00
7410 · Legal Fees/M&G	\$0.00	\$1,023.46	-\$1,023.46	\$1,500.00
7420 · Liability Insurance/M&G	\$92.00	\$20.56	\$71.44	\$200.00
7460 · Office Equipment Rental/M&G	\$334.97	\$286.62	\$48.35	\$688.00
7470 · Office Rent	\$6,879.35	\$6,041.62	\$837.73	\$14,500.00
7510 · Office Supplies/M&G	\$639.05	\$625.00	\$14.05	\$1,500.00
7525 · Other Expenses/M&G	\$0.00	\$0.00	\$0.00	\$100.00
7540 · Postage & Freight/M&G	\$15.00	\$368.70	-\$353.70	\$625.00
7670 · Telephone/M&G	\$729.85	\$711.02	\$18.83	\$1,250.00
7671 · Website/Internet/Email/M&G	\$58.47	\$593.08	-\$534.61	\$1,000.00
7720 · Training, Travel, Lodging M&G	\$129.84	\$416.62	-\$286.78	\$1,000.00
7740 · Utilities/M&G	\$1,186.03	\$800.82	\$385.21	\$2,000.00
7755 · Intuit Payroll Service	\$262.00	\$101.07	\$160.93	\$500.00
7999 IFF Building Modification	\$1,440.30	\$1,800.09	-\$359.79	\$4,317.50
<b>Total 7000 · Management &amp; general</b>	<b>\$27,277.97</b>	<b>\$30,535.61</b>	<b>-\$3,266.24</b>	<b>\$66,788.50</b>

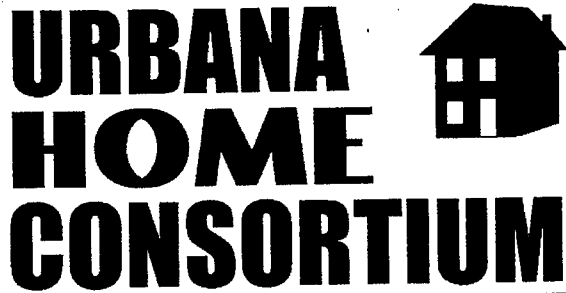
**Exhibit E**  
**HfHCC Financial Report Excluding Depreciation**  
**November 2010**

<u>8000 · Fundraising expenses</u>				
8103 · Organizational Fundraising				
8103-1 · Angel Project Expenses	\$34.90			
8370 · Loan Interest Expenses				
8370-1 · IFF Loan Interest	\$69.19	\$55.44	\$13.75	\$133.00
8902 · WBH Fundraising Expenses				
8902-1 · WBH Purse Event Expenses	\$372.43	\$0.00	\$372.43	\$4,750.00
8901 · Fundraising Events Expenses				
8901-2 · Gift Wrapping Expenses	\$116.04			
8901-1 · HaHA Habitat Expenses	\$5,884.00			
8010 · Salary/Fundraising	\$24,942.32	\$25,820.00	-\$877.68	\$62,247.00
8040 · Health Insurance/Fundraising	\$4,319.46	\$4,979.00	-\$659.54	\$11,951.00
8043 · Workers Comp Ins/Fundraising	\$389.04	\$0.00	\$389.04	\$0.00
8050 · Payroll Taxes/FR	\$1,457.84	\$2,625.00	-\$1,167.16	\$6,300.00
8110 · Accounting Fees/FR	\$4,068.76	\$3,840.00	\$228.76	\$4,000.00
8120 · Advertising/Fundraising	\$0.00	\$250.00	-\$250.00	\$600.00
8170 · Building Maintenance/Fundraisin	\$153.81	\$201.19	-\$47.38	\$500.00
8210 · Computer Software & Supplies/FR	\$146.00	\$0.00	\$146.00	\$449.00
8310 · Donor Recognition/Fundraising	\$0.00	\$0.00	\$0.00	\$500.00
8320 · Dues/Fundraising	\$105.00	\$516.47	-\$411.47	\$750.00
8420 · Liability Insurance/Fundraising	\$46.00	\$12.40	\$33.60	\$100.00
8460 · Office Equip Rental/Fundraising	\$181.43	\$286.62	-\$105.19	\$688.00
8470 · Office Rent/Fundraising	\$3,439.65	\$3,020.81	\$418.84	\$7,250.00
8510 · Office Supplies/Fundraising	\$308.67	\$208.20	\$100.47	\$500.00
8540 · Postage & Freight/Fundraising	\$653.73	\$1,468.29	-\$814.56	\$3,125.00
8670 · Telephone & Fax/Fundraising	\$724.05	\$581.87	\$142.18	\$1,250.00
8671 · Website/Internet/Email/Fundrais	\$78.31	\$581.97	-\$503.66	\$1,000.00
8720 · Training, Travel, Lodging / FR	\$106.00	\$208.31	-\$102.31	\$500.00
8740 · Utilities/Fundraising	\$617.70	\$452.01	\$165.69	\$1,000.00
8800 · Fundraising Expense / Other	\$88.87	\$208.31	-\$119.44	\$500.00
8803 · FR Appeal/Holiday Appeal (Fall)	\$0.00	\$3,500.00	-\$3,500.00	\$3,500.00
8805 · FR Info/Newsletters				
8805-1 · FR Info/Newsletter 1 (Spring)	\$0.00	\$0.00	\$0.00	\$2,400.00
8805-2 · FR Info/Newsletter 2 (Fall)	\$1,674.25	\$2,400.00	-\$725.75	\$2,400.00
8805-5 · FR Appeal/Mother's Day	\$0.00	\$0.00	\$0.00	\$2,200.00
8999 IFF Building Modification	\$720.15	\$900.05	-\$179.90	\$2,158.75
<b>Total 8000 · Fundraising expenses</b>	<b>\$50,697.60</b>	<b>\$52,115.94</b>	<b>-\$7,453.28</b>	<b>\$120,751.75</b>
<b>Total Expense</b>	<b>\$392,129.92</b>	<b>\$376,327.53</b>	<b>\$6,275.89</b>	<b>\$909,466.52</b>
<b>Net Income</b>	<b>-\$60,648.00</b>	<b>-\$76,366.02</b>	<b>\$5,925.67</b>	<b>-\$200,966.52</b>

**Exhibit E**  
**HfHCC Financial Report Excluding Depreciation**  
**November 2010**







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 2011-2012 HOME Funding Application Packet**

Name of Organization: Homestead Corporation of Champaign-Urbana

Project Funds Requested: \$ 180,000

<input type="checkbox"/>	<b>Application Component Checklist</b>		
X	A. Applicant Information		
X	B. Agency History of Performance		
X	C. Partner Agencies		
X	D. Project Objectives		
X	E. Targeted Population		
X	F. Project Location		
X	G. Project Schedule		
X	H. Construction		
X	I. Budget and Funding Information		
X	J. Matching Funds		
X	K. Rental Management		
X	L. Organizational Capacity		
X	M. Procedural Information		
X	N. Applicant Certification and Commitment of Responsibility		
<input type="checkbox"/>	<b>Additional Required Documentation to Include</b>		
X	Board of Directors List (must include members' current address and sector they represent)		
X	Board Resolution Approving Application		
X	Strategic Business Plan		
X	Most Recent Audit Report & Auditor Letters	Date of Audit:	12/31/09

**RECEIVED**  
 JAN - 7 2011  
 By \_\_\_\_\_

# 2011-2012 HOME Grant Application Information

## HOME Grant Objectives

The National Affordable Housing Act of 1990 created the Home Investments Partnership (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 07, 2011**

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 John Schneider at 217-384-2447.

## **Application for Assistance**

Application training and assistance will be available in **two sessions on Monday, December 06, 2010**. 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 2nd floor conference room at the City of Urbana, 400 S. Vine St. Urbana, IL 61801. 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](http://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.

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)*

Category	Maximum Points	Points Earned
<b>Project Description</b>	<b>40</b>	
Compliance with Con Plan goals & strategies	10	
Proposed accomplishments	10	
Time to completion	10	
Project schedule reasonable	10	
<b>Project Readiness</b>	<b>40</b>	
Procedures in place: Affirmative Marketing Plan, Citizen Participation Plan, Program Manual	10	
Site readiness: identified, controlled, etc.	10	
Pre-development: environmental review, easement review, project plans, etc.	10	
Status of other funding sources	10	
<b>Financial Feasibility</b>	<b>30</b>	
Eligibility of proposed use of funds	10	
Project budget: level of detail, reasonableness of costs	10	
Leveraging: proposed, status of	10	
<b>Developer Capacity</b>	<b>40</b>	
Current staff	10	
Access to skilled individuals	10	
Marketing capacity	10	
Past performance (adherence to project schedule, timeliness of expenditures, submission of quarterly reports, etc)	10	
<b>Project Beneficiaries</b>	<b>50</b>	
Type of households targeted: greatest need (individual, special needs, etc)	25	
Income level of beneficiaries: greatest need (30% MFI)	25	
<b>Total Points Possible</b>	<b>200</b>	





# A) Applicant Information

## Legal Applicant

Name of Organization	Homestead Corporation of Champaign-Urbana		
Street Address	306 W Griggs St.		
City, State, Zip	Urbana, IL 61801		
Telephone Number	(217) 328-9373		
Fax Number	(217) 344-3327		
Federal ID Number	37-1314292		
Executive Director	Aaron P. Smith		
Telephone Number	(217) 328-9373		
E-Mail Address	homesteadcorp@gmail.com		
Type of Applicant (Check one)		Public Non-Profit	
Unit of Government		Private Non-Profit	
Public Agency		CHDO	X

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

Application Preparer Name	
Title	
Telephone & Fax Numbers	
E-Mail Address	
Project Contact Person	
Title	
Telephone & Fax Numbers	
E-Mail Address	



# Agency History of Performance

- Please list all projects the applicant has administered (regardless of whether they were funded with HOME funds) in the last three (3) years, indicating which projects are completed and which projects are underway.

Project	Funding Source	Status
Douglass Infill	Urbana HOME 07-08	Completed
Douglass Infill	Urbana HOME 08-09 Suppl.	Completed
Crystal View	HOME	Completed
Crystal View	CDBG	Completed
1107 and 1109 N Gregory Dr. Urbana, IL	Urbana HOME 08-09 and 09-10	Underway

2. Does the organization currently operate any other programs other than the proposed HOME activity?  Yes  No

*If yes, please attach a list the program(s) and their funding source(s).*



## B) Partner Agencies

- Please attach a sheet to this section or include a narrative below identifying any other agencies that are involved in this project and briefly describing the extent of their involvement. Include the agency name, address, phone, and contact person. Attach additional documentation, such as Memoranda of Understanding, award letters, agreements, etc, for each partner agency.

NOT APPLICABLE



# C) Project Objectives

Project Title:			
HOME Project or Entitlement Funds Requested:		\$ 180,000.00	
<i>(total project cost – match = funds requested)</i>			
<b>Type of Project (Check one)</b>			
Homebuyer	X	Rental Housing	
Homeowner Rehabilitation		Tenant Based Rental Assistance	
<b>History of Program (Check one)</b>			
New Program		Continued Program	X

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

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

Which of the needs and strategies as identified in the Five-Year Strategic Plan of the City of Urbana and the Urbana HOME Consortium Consolidated Plan for Program Years 2010-2014 and/or the City of Champaign Consolidated Plan for Program Years 2010-2014 does this project address? (See Attachment 2)

**Goal 1:** Provide decent affordable housing opportunities for low- and moderate-income households; **Strategy:** Expand homeownership opportunities for low and moderate income households.



# Targeted Population

- Indicate the number of households that will be assisted by income range of Median Family Income. See Attachment 1 for 2010 income guidelines.

#	Income Level
	0-30%
	31-50%
3	51-80%

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

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

- Will your project target special needs populations? Please circle:  
 YES                      NO



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

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

Please list 'Other' Special Needs Populations if applicable:

---



## D) Project Location

- In this section, please attach a precise and detailed location map and description of the project area. You must also include a map of the applicable floodplain or wetland areas with the project location clearly marked.

SITES HAVE NOT BEEN IDENTIFIED YET



# E) Project Schedule

What is the *maximum* time anticipated to complete the activity?

Beginning Date: July 1, 2011 Ending Date: Dec. 31, 2012

- Please attach a separate project schedule to this section, describing the steps or phases necessary to complete the project.

SEE ATTACHED PROJECT SCHEDULE





# F) Construction

- Will your project involve existing structure/s or new construction?

This project will only involve new construction.

- Please attach an explanation of plans to obtain any necessary temporary or permanent easements.

Not available.

- Will the activity disturb land previously not disturbed (except for agriculture)? To the best of your knowledge, indicate below anything of historical or archaeological significance of the area. Please note: *you will be required to provide documentation of historic clearance of the project site prior to project commencement.*

No, sites under consideration would be cleared in-fill lots in developed areas.

- Has the project been assessed for lead-based paint? Yes \_\_\_\_\_ No X N/A

If yes, does the project contain lead-based paint? \_\_\_\_\_ Yes \_\_\_\_\_ No

If the project has not been assessed for LBP, is an assessment planned?

If the project contains lead-based paint, attach an explanation detailing how it will be addressed and who will be responsible. ***Please note: You will be required to provide documentation of proper certification for any LBP work prior to project commencement.***



# G) Budget and Funding Information

## Agency General Budget

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

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

<b>Funding Source</b>	<b>Amount</b>
Developer's Fees	\$38,054.00
SRO Rental Income	\$25,456.00
Social Services Funding Grant	\$5,750.00
Donations	\$3,608.00

- Will your project be funded over one year or multiple years?

It will be funded over just one year.

Please describe the effect on the proposed activity if HOME funding is not awarded during this fiscal period:

If funds are not awarded the proposed activity will have to be delayed until funds can be secured from other sources or at a later time to carry out the project.



- Please provide a budget that provides, at a minimum, the same level of detail as the example provided below. Submitted budgets must include information indicating whether additional funds are secured or requested.

SEE ATTACHED PRO-FORMA BUDGET FOR THE PROJECT



Budget Category	Proposed Costs	HOME Funds	Other Funds	Secured or Requested?
<b>Project Pre-Development</b> <ul style="list-style-type: none"> <li>• Wages/Salaries</li> <li>• Fringe Benefits</li> <li>• Marketing</li> <li>• Materials</li> <li>• Other Costs</li> </ul>				
<b>Land/Property Acquisition</b>				
<b>Design</b> <ul style="list-style-type: none"> <li>• Consulting Fees</li> <li>• Materials</li> <li>• Other Costs</li> </ul>				
<b>Final Development</b> <ul style="list-style-type: none"> <li>• Wages/Salaries</li> <li>• Fringe Benefits</li> <li>• Materials</li> <li>• Soft Costs</li> <li>• Development Fees</li> <li>• Other Costs</li> </ul>				
<b>Construction</b> <ul style="list-style-type: none"> <li>• Electrical</li> <li>• Plumbing</li> <li>• Heating</li> <li>• Interior Rehab</li> <li>• Exterior Rehab</li> <li>• Grounds</li> <li>• Improvements</li> <li>• Framing</li> <li>• Rough-In</li> <li>• Finish</li> <li>• <b>Contingency</b></li> <li>• Other</li> </ul>				
<b>Maintenance</b> <ul style="list-style-type: none"> <li>• Grounds</li> <li>• Other Maintenance</li> </ul>				
<b>Financing</b>				
<b>TOTAL PROJECT BUDGET</b>				



# H) 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
Donated Land	\$23,822.00	secured
Waived Permits	\$24,403.00	secured



## D) **Rental Management**

- For rental projects only, please indicate who will be providing on-going management of the project to insure compliance with the HOME regulations throughout the affordability period? Please attach a statement to this section or include narrative below.

NOT APPLICABLE



# J) Organizational Capacity

## Agency Mission Statement:

The mission of the Homestead Corporation is to assure an adequate supply of good quality, affordable housing for all people with inadequate resources.

**Agency Capacity:** Please complete the table below for each staff member that will be dedicated to the proposed project in whole or in part. In this section, please attach job descriptions for any positions currently vacant that will be incorporated into the project activity.

Name	Program Area	Years Experience	Full or Part Time
Aaron P. Smith	Homeownership Program	3	full

**Access to Skilled Individuals:** Please attach a separate description of the agency's access to or relationship with skilled individuals in the categories listed below. The description should include the individual's name, brief job description, qualifications, and whether the individual is a paid staff member, a volunteer or a paid consultant.

- Bookkeeper/Accountant
- Housing Counselor
- Construction Manager
- Property Manager
- Lead Risk Assessor or Lead Construction Supervisor
- Grant Writer/Fundraiser

**Training and Certifications:** Please attach a separate description of relevant training attended by board members or paid staff over the last eighteen months, as well as any applicable certifications currently held by paid staff members.



## K) Procedural Information

*\*Note: Please see the City of Urbana website for changes to scheduled meetings:  
[www.urbanaininois.us](http://www.urbanaininois.us)*

- The Community Development Commission (CDC) is scheduled to review the HOME and CDBG Applications on January 24, 2011. 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 for on March 22, 2011 at the Regular meeting of the CDC. Staff will formally present all project funding recommendations as part of the FY 2011-2012 Annual Action Plan (AAP) draft.
- The Urbana City Council will review the FY 2011-2012 AAP and subsequent recommendations of the CDC at one of the regularly scheduled Committee of the Whole meetings held in April 2011.
- 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.

### **Upon Project Approval:**

- If the proposed project is approved, an Affirmative Marketing Plan, Citizen Participation Plan, and Program & Procedures Manual will be required. Please contact Consortium staff for more information.





# 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 Homestead Corporation of Champaign-Urbana 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.

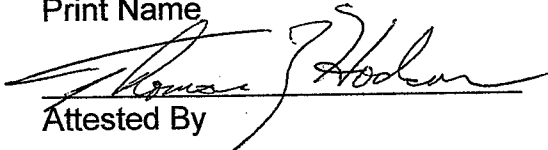
**This certification must be signed by the individual authorized to submit the application as determined by applicant's governing Board of Directors and who will be authorized to execute HOME Program agreements.**

  
Authorized Signature

Executive Director  
Title

Aaron P. Smith  
Print Name

1/7/2011  
Date

  
Attested By

1/7/2011  
Date



Attachment 1

**Median Family Income (MFI) Limits 2010**

**Median Income: \$64,900**

<b>Family Size</b>	<b>30% MFI (extremely low income)</b>	<b>50%MFI (very low income)</b>	<b>80% MFI (low income)</b>
1 person	13,650	22,750	36,400
2 persons	15,600	26,000	41,600
3 persons	17,550	29,250	46,800
4 persons	19,450	32,450	51,900
5 persons	21,050	35,050	56,100
6 persons	22,600	37,650	60,250
7 persons	24,150	40,250	64,400
8 persons	25,700	43,850	68,550



## Attachment 2

### **Consolidated Plan 2010-2014 Goals, Strategies and Activities to Address Local Funding Priorities and Community Need**

**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:** Provide Tenant Based Rental Assistance to households with incomes at or below 60% of the area median, targeting those at or below 125% of the poverty level.

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

**Activity:** Support new construction of affordable rental units sponsored by CHDOs and other nonprofits.

**Activity:** Support and provide guidance for for-profit developers building new affordable renter and owner units.

**Activity:** Support construction of new affordable rental units through LIHTC, in compatible areas.

**Activity:** Encourage the development of non-profit housing development organizations eligible for CHDO status.

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

**Activity:** Support and encourage homeownership education programs.

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

**Activity:** Support the development of local Lease Purchase Programs.

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

**Activity:** Develop new downpayment assistance programs for low-income buyers.

**Goal 2:** Address barriers to obtaining affordable housing

**Strategy:** Address issues faced by certain special populations, such as seniors and individuals in need of supportive service/ substance abuse treatment.

**Strategy:** Partner with other municipalities and agencies in the Consortium area to complete a housing needs study that will identify gaps in the housing stock, including an analysis of current housing availability and a projection of future housing needs.

**Strategy:** Provide assistance for affordable permanent housing for persons with targeted disabilities.

**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.

**Activity:** Access Grants: Provide grants for approximately 25 low-income residents over a five-year period to increase the supply of accessible and visitable housing.

**Strategy:** The Urbana Human Relations Division will promote community awareness of the Urbana Human Rights Ordinance and will provide fair housing training for landlords and tenants.



**Activity:** Education and training opportunities, which focus on eliminating barriers to affordable housing, will be encouraged.

**Activity:** Encourage the Urbana Human Relations Division, the Building Safety Division, and Persons Assuming Control of their Environment, Inc. (PACE) to join forces in an effort to acquaint developers with local codes and fair housing laws to insure that handicapped units are produced when new housing is constructed.

**Activity:** Support tenant advocacy and educational efforts by agencies such as the C-U Tenant Union.

**Activity:** Encourage landlord and community group distribution of information in multiple languages to help overcome language and/or cultural barriers.

**Activity:** The City could consider undertaking a discrimination testing program to obtain preliminary results to determine if further programs are necessary.

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

**Strategy:** Continue and expand city's repair and rehabilitation programs.

**Activity:** Senior Repair: Provide home repair service for approximately 175 very low-income elderly households over a five-year period to help maintain those households in their homes longer thus reducing demand for higher levels of sheltered care. In addition to home repair, the service would provide referrals to other home-care programs such as Meals on Wheels.

**Activity:** Emergency Grants: Provide emergency repair service for approximately 55 low-income residents over a five-year period to help maintain those households in their homes longer thus reducing demand for higher levels of sheltered care.

**Activity:** Whole House Rehabilitation: Provide loans and grants for major home improvements for low-income homeowners to approximately 25 households over the next five years.

**Activity:** GLO (if funding is available): Provide lead hazard reduction for approximately 22 single family residences over the next five years, in coordination with the Champaign-Urbana Public Health District and the Illinois Department of Public Health.

**Activity:** Purchase Rehabilitation Resale: Purchase housing that is structurally sound but in need of major code-related renovation, and rehabilitate property for sale as affordable housing to income-qualified households.

**Activity:** Acquisition-Rehabilitation: Provide funds for downpayment and rehabilitation to low-income homebuyers to purchase and rehabilitate properties that may be in need of repair.

**Activity:** Rental Rehabilitation: Provide HOME funds for rehabilitation of rental housing units to rent to households with incomes at or below 60% of the area median.

**Strategy:** Support and encourage home maintenance programs.

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

**Goal 4:** Work with Housing Authority of Champaign County (HACC) to improve conditions for residents of public housing.



**Strategy:** Promote substantial upgrading of the living environment for residents of Urbana public housing, particularly family units.

**Activity:** Assist in developing a plan, which partners with the private sector to use private dollars to leverage HOPE VI or other Federal funds, to redevelop units and to replace demolished units with a combination of new on-site units, scattered-site units and Section 8 rent subsidies.

**Strategy:** Encourage the Housing Authority of Champaign County to increase the number of affordable housing units available to extremely low-income households. Seek additional means of subsidizing very low-income households with rental assistance.

**Strategy:** Encourage the Housing Authority of Champaign County to increase the earning potential of extremely low-income households.

**Strategy:** Strongly encourage the Housing Authority of Champaign County to rehabilitate existing units and develop new units, which would be accessible to families, which include persons with disabilities.

**Strategy:** Encourage the Housing Authority of Champaign County to follow a similar process and design as the Burch Village and Lakeside Terrace redevelopment projects for the demolition or redevelopment of any other Public Housing units.

**Goal 5:** Support community efforts to provide services and training for low- and moderate-income residents.

**Strategy:** Encourage and support appropriate area social service agencies to provide additional economic assistance for persons who pay out-of-pocket expenses for medical and psychological services, perhaps by developing a centralized process to contact pharmaceutical companies with requests for donations of medicines.

**Strategy:** Encourage appropriate area social service agencies to expand recreational, educational, and cultural opportunities and alternatives for very low-income youth and young adults

**Strategy:** Support expansion of job-training programs for low-income individuals by area social service agencies, and encourage them to conduct a review of all available programs to determine if they meet current need.

**Strategy:** Support area providers such as the Senior Services Division of Champaign County Regional Planning Commission and Family Service of Champaign County in their efforts to provide supportive services to low-income elderly persons residing in Urbana.

**Strategy:** Support efforts by local service providers to area youth to increase supportive services available to at-risk youth.

**Strategy:** Encourage existing childcare facilities to expand services to late night/overnight and weekend hours.

**Strategy:** Support development of a program(s) by area agencies to provide transitional housing services and/or foster care to teen parents of young children.

**Strategy:** Encourage current and newly created companies to hire low-income persons by providing public incentives linked directly to hiring local residents.

**Strategy:** Support agencies that provide services to victims of domestic violence

**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:** Support the existing network of local homeless services.

**Activity:** Continue to provide leadership and support of Continuum of Care.



**Activity:** Provide support to emergency and transitional shelters through Consolidated Social Service Pool fund allocations.

**Strategy:** Improve and expand the existing network of local homeless services.

**Activity:** Support and encourage local efforts to acquire additional grant funding.

**Activity:** Support accurate and comprehensive data management through the Homeless Management Information System (HMIS) and annual surveys.

**Activity:** Encourage and support the expansion of transitional housing for women and children.

**Activity:** Encourage development of emergency shelter services or transitional housing for homeless two-parent households with children.

**Activity:** Encourage development of transitional living facilities for adults and youth with substance abuse issues.

**Activity:** Encourage the development of a shelter facility to provide emergency services for elderly persons who are victims of domestic violence.

**Strategy:** Regularly review and evaluate the needs of the community for homeless and homeless prevention service, and encourage local agencies to match service provided to community needs.

**Activity:** Encourage and support area agencies to develop services such as Supportive Housing and Safe Havens for targeted populations such as homeless teens, teen parents, families, persons with disabilities, etc.

**Activity:** Participate in the Urbana-Champaign Continuum of Care, Council of Service Providers to the Homeless, Supportive Housing Program.

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

**Activity:** Develop and support rental assistance programs (such as Tenant Based Rental Assistance, the No Limits Program, and Shelter Plus Care) with and without supportive services for extremely low and very low income persons.

**Activity:** Work with regional group to provide information and a support network in the case of a need for emergency relocation of residents of multifamily apartments when utilities are disconnected.

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

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

**Goal 7:** Support efforts to reduce the exposure of young children to lead-based paint hazards in their homes

**Strategy:** Coordinate public and private efforts to reduce lead poisoning hazards and protect young children

**Activity:** Encourage Private Funding

**Activity:** Expand Childhood Testing

**Activity:** Prevention Education

**Strategy:** Reduce lead-based paint hazards in residential housing, particularly homes occupied by young children

**Activity:** Lead Assessment in Housing Assistance Programs

**Activity:** Preserve and Expand Funding for Lead Hazard Reduction Activities

**Activity:** Temporary Relocation of Occupants during Lead Hazard Work

**Activity:** Lead Contractor Incentives

**Activity:** Distribution of Lead Contractor List

**Goal 8:** Support infrastructure improvements in Urbana's Community Development Target Area



**Strategy:** The majority of CDBG funds will be targeted toward improvements in and services to the City's Community Development Target Area.

**Strategy:** The City shall allocate to its designated Community Development Target Area its proportionate share of City capital improvement funds for upgrading infrastructure. CDBG funds may be set aside during one fiscal year for infrastructure projects scheduled in another fiscal year in order to fulfill a commitment to a scheduled project.

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

**Strategy:** Identify and encourage or assist in removal of blighting and deteriorated structures from neighborhoods.

**Activity:** Perform regular surveys of City to identify deteriorated housing and accessory structures that need to be addressed either through repair or removal.

**Activity:** Using CDBG funds, clear dilapidated accessory structures such as sheds and garages from income qualified owner-occupied properties

**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.

**Strategy:** Explore the creation of a Neighborhood Revitalization Strategy for low-income Urbana neighborhoods.

**Strategy:** Clearly identify and document designated Brownfields and seek additional funding sources to alleviate same.

**Strategy:** Through its Neighborhood Organizations, the City will support resident involvement in neighborhood housing development projects.

**Activity:** Encourage the creation and development of local groups concerned with furthering the interests of their neighborhood. Specifically, encourage such groups to accomplish non-profit status by obtaining a 501(c)3 designation, thus making them eligible for grant funding.





**HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA**

**HOMESTEAD'S AFFORDABLE HOMEOWNERSHIP PROGRAM**

January 7, 2011

**SCHEDULE OF ACTIVITIES  
FY 11**

	J11	F11	M11	A11	M11	J11	J11	A11	S11	O11	N11	D11
HOME Application	XX	XXXX	XXXX									
Site Acquisition				XXXX	XXXX	XXXX						
Design Preparation							XXXX	XX				
Homebuyer Marketing							XX	XXXX	XXXX	XXXX	XXXX	XXXX
Construction Loan Closing								XX				
Home #1 Construction								XX	XXXX	XXXX	XXXX	XXXX
Home #2 Construction												
Home #3 Construction												

**SCHEDULE OF ACTIVITIES  
FY 12**

	J12	F12	M12	A12	M12	J12	J12	A12	S12	O12	N12	D12
HOME Application												
Site Acquisition												
Design Preparation												
Homebuyer Marketing	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX					
Construction Loan Closing		XX					XX					
Home #1 Construction												
Home #2 Construction		XX	XXXX	XXXX	XXXX	XXXX						
Home #3 Construction							XX	XXXX	XXXX	XXXX	XXXX	

PRO FORMA -  
SOURCES AND USES OF FUNDS

HOMESTEAD'S AFFORDABLE  
HOMEOWNERSHIP PROGRAM  
( 3 new homes )

01/07/11

SOURCES OF FUNDS

HOME SALES (w/subsidized mortgages)	
Bank Mortgages (3 Homes)	246,000
	<b>246,000</b>

SUBSIDIES	
PAID/PACE/Other Grants	8000
City of Urbana HOME CHDO	180,000

USES OF FUNDS **188,000**

TOTAL SOURCES OF FUNDS **434,000**

ACQUISITION COSTS

Land	0
Liens and Taxes	0
	<b>0</b>

PROFESSIONAL FEES

Architect and Engineering	6,000
Developer Fee	30,000
Legal Fees	2,500
Marketing	500
	<b>39,000</b>

LAND DEVELOPMENT

Sanitary Sewer	2,000
Storm Sewer	0
Street	0
Sidewalk	0
Tree Removal	0
Grading/Topsoil/Sod/Landscaping	3,000
Electric Power	0
Gas	0
Telephone	0
Cable TV	0
	<b>5,000</b>

GENERAL PROVISIONS

Permits	
Insurance	
	<b>0</b>

CONSTRUCTION

Buildings	360,000
Contingency @ 5%	18,000
	<b>378,000</b>

FINANCING

Escrow Services	1,500
Construction Interest/Fees	3,400
Closing Costs-Construction	500
Closing Costs-Mortgages	6,200
Real Estate Taxes	400
	<b>12,000</b>

TOTAL USES OF FUNDS **434,000**

Homestead Corporation of Champaign-Urbana

Organizational Structure and Capacity

*Access to Skilled Individuals*

- Bookkeeper/Accountant

Brown & Associates Accounting

John Mench

Provides monthly payroll services for the Corporation

Advanced accounting degree and many years of experience

Paid consultant/contractual agreement for services

Christine Elliot

Provides monthly bookkeeping services

Works as bookkeeper/accountant for Robeson's Inc.

Paid consultant/contractual agreement for services

- Attorney

Richard Joy

Provides legal consultation and services for real estate transactions

Partner in the law firm of Dobbins, Fraker, Tennant, Joy & Perlstein

Paid consultant/verbal agreement for services

- Architect

Earl Ohrnstein

Provides architectural services for the Homeownership Program

Principal of ADG Ltd.- Archtecturaal Design Group

Paid consultant/contractual agreement for services

## Homestead Corporation of Champaign-Urbana

### Organizational Structure and Capacity

#### *Training and Certifications*

In March of 2010, Homestead Corporation staff attended the two-day Renewable Energy Conference at UIUC and attended multiple workshops on issues related to energy conference and renewable energy sources and how to incorporate them into new construction and building renovation.

Also, in March of 2010, Homestead Corporation staff attended a one-day CHDO training presented by Housing Action Illinois and sponsored by the Urbana HOME consortium at the Champaign Public Library

In April of 2010, Homestead Corporation staff received a two-day training on Supportive Housing Dimensions of Quality from the Supportive Housing Providers Association in Bloomington, IL.

In August of 2010, Homestead Corporation staff attended a two-day training on Affordable Homeownership Programs for CHDO's other development corporations presented by HUD in St. Louis, IL.

In October of 2010, Homestead staff attended the one-day IHDA Governor's Conference on Affordable Housing in Chicago, IL and attended multiple workshops on current issues facing developers of affordable housing.

In November of 2010, Homestead Corporation staff attended workshops on current issues facing developers of affordable housing and those providing housing to the homeless presented by Housing Action Illinois as part of their 2010 Convention over two-days in Bloomington, IL.

**HOMESTEAD CORPORATION OF  
CHAMPAIGN-URBANA  
BOARD OF DIRECTORS**

**FY 2011-2012**

Tom Hodson, President (2011)  
**Attorney at Law**  
**Private Sector**  
2011 O'Donnell Dr.  
Champaign, IL 61821  
(w) 239.6652 (h) 356.5551  
thodson@aol.com

Kulapan Waranyuwat, Vice-Pres. (2012)  
**University of Illinois Student Advisor**  
**Private Sector**  
2601 Sheridan Dr.  
Champaign, IL 61821  
(h) 369.2048  
waranyuw@gmail.com

Alan Nudo, Treasurer (2013)  
**Robeson's, Inc.**  
**Private Sector**  
2001 Brynebruk Dr.  
Champaign, IL 61820  
(w) 351.4223 (h) 355.9225  
alnudo@robasons.com

Kasey Umland, Secretary (2011)  
**University YMCA**  
**Low-Income Sector, Below 80% AMI**  
208 W. Washington  
Champaign, IL 61820  
(w) 337.1514 (h) 721.4316  
kasey@universityymca.org

Shawna Abner-Davis (2012)  
**Cunningham Children's Home**  
**Private Sector**  
1603 W. Healey St.  
Champaign, IL 61821  
(w) 337.9373 (h) 398.5117  
sabnerdavis@cunninghamhome.org

Ted Apy-Tuhiso (2012)  
**County Social Services Worker**  
**Low-Income Sector, Below 80% AMI**  
39 ½ Caledonia Rd.  
Asheville, NC 28803-2536  
(w) 828.329.5179 (h/c) 351.2133  
futurenobody@yahoo.com

Tori Exum-Johnson (2012)  
**University of Illinois HR**  
**Low-Income Sector, C. Tract 53:3**  
1105 N. Harvey St.  
Urbana, IL 61801  
(w) 333.2137 (h) 328.3177  
texum@illinois.edu

Len Heumann (2011)  
**Retired UIUC Professor**  
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1101 W. Healey St.  
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lheumann@illinois.edu

Natalie Otis (2012)  
**Canaan Academy**  
**Low-Income Sector, Below 80% AMI**  
116 E. Stebbins Dr.  
Urbana, IL 61801  
(w) 367.6591 (h) 621.6902  
njotis@eiu.edu

Jenna Prochaska (2012)  
**Center for Parent-Child Studies**  
**Low-Income Sector, Below 80% AMI**  
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Savoy, IL 61874  
(w) 244.2538 (h) 815.262.9787  
jprocha2@illinois.edu

Carol Shupp (2011)  
**Retired**  
**Private Sector**  
507 W. Vermont Ave.  
Urbana, IL 61801  
(h) 328.3015  
cashupp@sbcglobal.net

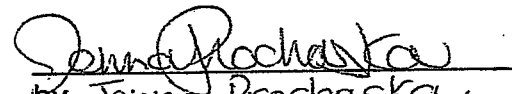
Shirley Stillinger (2012)  
**Retired**  
**Low-Income Sector, Below 80% AMI**  
1003 S. Busey Ave.  
Urbana, IL 61801  
(h) 344.6743  
shirley.stillinger@gmail.com

Jack Monkman\*\*  
PMB 8313  
P.O. Box 2428  
Pensacola, FL 32513  
(Advisory Member)\*\*

## RESOLUTION

The Homestead Corporation of Champaign-Urbana by this Resolution of its Directors, adopted pursuant to a motion duly made, seconded and carried by the necessary majority of the quorum present, does hereby approve the submission of an Urbana HOME Consortium Community Housing Development Organization Funding Application for Operating Funds for FY 2011-2012 in the amount of \$25,000, and for Project Funds for FY 2011-2012 AHP Program funds in the amount of \$180,000.

Adopted at the meeting of the Board of Directors of Homestead Corporation at Champaign, Illinois on the 15 day of December, 2010.

  
by Jenna Prochaska  
acting - Secretary of Homestead Corporation

# **HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA**

## **Two-Year Strategic Business Plan**

### **FY 2011:**

In 2011, the Homestead Corporation plans on marketing, constructing and selling three new single-family homes through the Affordable Homeownership Program in Urbana and Champaign. The Corporation was successful in completing three proposed new single-family homes in 2008 and 2009 for the City of Champaign's Douglass Park Neighborhood Infill Housing Project. In 2007 and 2008, Homestead Corporation received funding from the HOME Consortium to support the construction of the three new homes for the Douglass Park Infill Housing Project. The project began in October of 2007, with the last of the three homes completed in June 2009.

Also, in 2011 we plan on working with the FAA 391 class at UIUC to do some project planning for Homestead based on the analysis the class completed in 2010 of the unmet needs in the provision of housing for the homeless in the Champaign-Urbana area.

### **FY 2012:**

In 2012, the Homestead Corporation anticipates continued development activities associated with our Affordable Homeownership Program, constructing three more affordable single family homes in Champaign and Urbana. We also anticipate beginning work on developing a project based on our project planning activities carried out with the FAA 391 class at UIUC.

### **Long Range Goals:**

The long range goals of the Homestead Corporation include the development of multi-family affordable rental units, the construction of additional new single-family homes for sale to low and moderate income families and the development of additional special needs housing with supportive services for the homeless and low-income households. Funding for these projects would come from a variety of sources including the Department of Housing and Urban Development, the Illinois Housing Development Authority, the Federal Home Loan Bank of Chicago, the Corporation for Supportive Housing, and the cities of Urbana and Champaign.



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

November 24, 2010

To the Board of Directors  
Homestead Corporation of Champaign-Urbana  
Urbana, Illinois

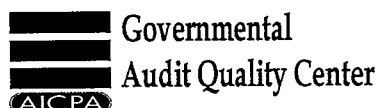
We have audited the consolidated financial statements of Homestead Corporation of Champaign-Urbana and Subsidiary (Homestead) for the year ended December 31, 2009 and have issued our report thereon dated November 24, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing our audit. We have communicated such information in our letter to you dated February 12, 2010. Professional standards also require that we communicate to you the following information related to our audit.

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Homestead are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are:

- a. The estimated useful lives of fixed assets
- b. The estimated value of the developer fee receivable



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS



Management's estimate of the useful lives of fixed assets is based on industry averages and past experience with similar assets. Management's estimate of the developer fee receivable is based on contract clauses specifying how the fee is earned and projected dates for the receipts of the fee installments. We evaluated the key factors and assumptions used to develop the estimates in determining that the estimates are reasonable to the financial statements taken as a whole.

#### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit. However, delays in receipt of and reconciliation of items related to the Crystal View project from Brinshore Development, LLC lead to delays in the completion of the financial audit. Also, obtaining information from funding agencies on direct and indirect federal dollars received and related CFDA numbers for single audit compliance testing was difficult to obtain which caused delays in completion of the single audit.

#### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached adjustments in the Adjusting Journal Entries Report in our judgment indicate matters that could have a material effect on the Homestead's financial reporting process. However, all but AJE 18 resulted from items identified by management prior to or shortly after the start of our audit fieldwork. As a result, their presence has not resulted in communication of a significant deficiency or material weakness in internal controls. In addition, the attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial both individually and in the aggregate to the financial statements taken as a whole.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated November 24, 2010.

#### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a

consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Homestead's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Homestead and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Martin, Hood, Friese & Associates, LLC

A handwritten signature in black ink, appearing to read "Mitchell R. Schluter". The signature is written in a cursive style with a long horizontal flourish at the end.

Mitchell R. Schluter, CPA

Client: 3449 - Homestead Corporation of Champaign-Urbana  
 Engagement: AUD - 3449 Homestead Corporation of Champaign-Urbana  
 Period Ending: 12/31/2009  
 Trial Balance: TB  
 Workpaper: TB-02 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		<b>TB-01</b>		
To remove donated land sold in 2009. Journal entry provided by Aaron Smith before fieldwork				
40100-6656	In-Kind Land Expense		13,400.00	
11111-1355	Donated Land for Resale			13,400.00
<b>Total</b>			<b>13,400.00</b>	<b>13,400.00</b>
<b>Adjusting Journal Entries JE # 2</b>				
To record two lots of Donated Land for AHP Development donated in 2009. Journal entry provided by Aaron Smith before fieldwork				
11111-1355	Donated Land for Resale		23,822.00	
40100-5989	In-Kind Revenue			23,822.00
<b>Total</b>			<b>23,822.00</b>	<b>23,822.00</b>
<b>Adjusting Journal Entries JE # 3</b>				
To record Depreciation Expense for 2009. Discussed with and approved by Aaron Smith, E.D., on 4/23/10.				
30310-6600	Depreciation		37,262.00	
11111-1495	Accumulated Depreciation			37,262.00
<b>Total</b>			<b>37,262.00</b>	<b>37,262.00</b>
<b>Adjusting Journal Entries JE # 6</b>		<b>L-01</b>		
To properly record a liability for expenses incurred before year-end and paid after year-end. Discussed with and approved by Aaron Smith, Executive Director, on 5/12/10.				
10100-6452	Telephone		40.00	
30310-6203	Events		120.00	
30310-6340	Legal Expense		128.00	
30310-6450	Electricity		2,063.00	
30310-6451	Water		8.00	
30310-6452	Telephone		12.00	
30310-6453	Sewer		482.00	
30310-6455	Grounds Maintenance		170.00	
30310-6456	Cleaning & Maintenance		191.00	
30310-6525	Garbage & Trash Removal		95.00	
30310-6720	Property & Liability Insurance		2,007.00	
40100-6340	Legal Expense		6,440.00	
11111-2110	Accounts Payable - Operations			11,756.00
<b>Total</b>			<b>11,756.00</b>	<b>11,756.00</b>
<b>Adjusting Journal Entries JE # 7</b>		<b>R-20</b>		
To gross up revenue and expenses for noncash sales of AHP homes, and to reverse expenses and gain on sale previously recorded related to this transaction. Discussed				
40100-5998	Gain on Sale of Property		11,300.00	
40100-6659	Cost of Sales		112,200.00	
40100-5991	Housing Sales			112,600.00
40100-6657	Misc. Development Expense			10,900.00
<b>Total</b>			<b>123,500.00</b>	<b>123,500.00</b>
<b>Adjusting Journal Entries JE # 8</b>		<b>C-01</b>		
To record revenue and expense from 08-09 Grant that City of Urbana paid directly to homeowner during closing for 510 E Eureka. Discussed with and approved by Aaron				
40100-6651	Down Payment Assistance		12,500.00	
40100-5995	AHP Housing Development			12,500.00
<b>Total</b>			<b>12,500.00</b>	<b>12,500.00</b>
<b>Adjusting Journal Entries JE # 9</b>				
To adjust Petty Cash to actual. Journal entry provided by Aaron Smith, Executive Director before fieldwork				
30310-6590	Misc. Operating & Maintenance		43.00	
11111-1100	Petty cash			43.00
<b>Total</b>			<b>43.00</b>	<b>43.00</b>
<b>Adjusting Journal Entries JE # 11</b>		<b>C-01</b>		

Client: 3449 - Homestead Corporation of Champaign-Urbana  
 Engagement: AUD - 3449 Homestead Corporation of Champaign-Urbana  
 Period Ending: 12/31/2009  
 Trial Balance: TB  
 Workpaper: TB-02 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
To gross up revenues and expenses for grant money transferred directly to another entity directly from the granting agency. Discussed with and approved by Aaron Smith				
50100-6657	Development Expense		303,004.00	
50100-5994	CHDO / HOME			303,004.00
<b>Total</b>			<b>303,004.00</b>	<b>303,004.00</b>
<b>Adjusting Journal Entries JE # 12</b>				
To adjust Deposit Liability to actual balance. Discussed with and approved by Aaron Smith on 6/1/10.				
11111-2191	Tenant Deposit - SRO	B-00	214.00	
40100-6460	Repairs			214.00
<b>Total</b>			<b>214.00</b>	<b>214.00</b>
<b>Adjusting Journal Entries JE # 13</b>				
To properly record revenue and expense related to the receipt and subsequent pass-through of a closing fee from ConAgra. Discussed with and approved by Aaron Smith,				
50100-6657	Development Expense	R-30	10,000.00	
50100-5999	Closing Fees			10,000.00
<b>Total</b>			<b>10,000.00</b>	<b>10,000.00</b>
<b>Adjusting Journal Entries JE # 14</b>				
To properly record revenue and expense from the receipt and subsequent pass-through of funds from the Federal HOME Loan program.				
50100-6657	Development Expense	C-01	280,000.00	
50100-5985	Federal HOME Loan			280,000.00
<b>Total</b>			<b>280,000.00</b>	<b>280,000.00</b>
<b>Adjusting Journal Entries JE # 15</b>				
To record in-kind land contribution				
20250-6657	Misc. Development Expense		1,000,000.00	
20250-5991	In-Kind Land Contribution			1,000,000.00
<b>Total</b>			<b>1,000,000.00</b>	<b>1,000,000.00</b>
<b>Adjusting Journal Entries JE # 16</b>				
To record sale of crystal view tax credit				
20250-6657	Misc. Development Expense		425,000.00	
20250-5992	Sale of Crystal View Tax Credit			425,000.00
<b>Total</b>			<b>425,000.00</b>	<b>425,000.00</b>
<b>Adjusting Journal Entries JE # 17</b>				
Record CV Development Fee Earned at present value.				
11111-1148	Crystal View Development Fee Receivable - Current		4,950.00	
11111-1149	Crystal View Development Fee Receivable - Long Term		72,154.00	
11111-1150	Crystal View Development Fee Discount - Current			197.00
11111-1151	Crystal View Development Fee Discount - Long Term			4,714.00
50100-5996	Home Development			72,193.00
<b>Total</b>			<b>77,104.00</b>	<b>77,104.00</b>
<b>Adjusting Journal Entries JE # 18</b>				
Record second quarter accrual and receivable on general operating grant.				
11111-1143	A/R City of Urbana HOME	C-01	6,314.00	
10100-5994	CHDO / HOME			6,314.00
<b>Total</b>			<b>6,314.00</b>	<b>6,314.00</b>
<b>Adjusting Journal Entries JE # 19</b>				
To adjust revenue and expense for the sale of State Tax Credits, donation from investor, and fees paid to broker.				
50100-5999	Closing Fees		10,000.00	
50100-6657	Development Expense		25,000.00	
20250-5992	Sale of Crystal View Tax Credit			15,000.00
50100-5970	Cash Contributions			10,000.00
50100-6657	Development Expense			10,000.00

11/24/2010  
4:00 PM

Client: 3449 - Homestead Corporation of Champaign-Urbana  
Engagement: AUD - 3449 Homestead Corporation of Champaign-Urbana  
Period Ending: 12/31/2009  
Trial Balance: TB  
Workpaper: TB-02 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
Total			<u>35,000.00</u>	<u>35,000.00</u>

Client: 3449 - Homestead Corporation of Champaign-Urbana  
 Engagement: AUD - 3449 Homestead Corporation of Champaign-Urbana  
 Period Ending: 12/31/2009  
 Trial Balance: TB  
 Workpaper: TB-03 - Reclassifying Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
<b>Reclassifying Journal Entries JE # 4</b>		N-00		
To reclassify the current portion of Long-Term Debt				
11111-2169	NP Busey Bank - SRO		762.00	
11111-2170	Notes Payable Current			762.00
<b>Total</b>			<u>762.00</u>	<u>762.00</u>
<b>Reclassifying Journal Entries JE # 5</b>		S-01		
To reclassify Director's Salary as provided by Aaron Smith.				
30310-6110	Exec Director Salary		8,500.00	
30310-6130	FICA / Med payroll taxes		2,402.00	
30310-6711	FUTA/SUTA Payroll taxes		101.00	
40100-6110	Exec Director Salary		8,500.00	
40100-6140	Employee Health Insurance		449.00	
50100-6110	Exec Director Salary		8,500.00	
50100-6140	Employee Health Insurance		449.00	
10100-6110	Exec Director Salary			25,500.00
10100-6130	FICA / Med payroll taxes			2,402.00
10100-6140	Employee Health Insurance			714.00
10100-6711	FUTA/SUTA Payroll taxes			101.00
30310-6140	Employee Health Insurance			184.00
<b>Total</b>			<u>28,901.00</u>	<u>28,901.00</u>
<b>Reclassifying Journal Entries JE # 10</b>		R-01		
To reclassify restricted cash for repairs into a separate account for reporting purposes				
11111-1190	Restricted Net Asset - Grant		4,100.00	
11111-1110	SRO Replacement Reserve - Busey			4,100.00
<b>Total</b>			<u>4,100.00</u>	<u>4,100.00</u>

NPO-CX-12.2: AUDIT DIFFERENCE EVALUATION FORM

Index

Organization:

Statement of Financial Position Date:

Completed by:

Date:

**Instructions:** This form should be used to accumulate known audit differences detected by nonsampling substantive tests (including differences in accounting estimates) and projected audit differences from substantive procedures that used sampling. The auditor should review the guidance beginning at paragraph 1112.15 before concluding whether to reflect the effect of prior-year unadjusted audit differences in evaluating audit differences in the current period. This form should not include normal closing entries. At the end of the audit, the auditor should evaluate all uncorrected audit differences, individually and in the aggregate, in relation to individual amounts, subtotals, or totals in the financial statements and conclude on whether they materially misstate the financial statements taken as a whole. See section 1112. The notes following the table provide footnote explanations and a listing of qualitative considerations in evaluating materiality.

Description (Nature) of Audit Difference	Known (K) or Likely (L)	Cause	Workpaper Reference	Financial Statements Effect—Amount of Over (Under) Statement of:						
				Total Assets	Total Liabilities	Net Assets	Revenues	Expenses	Change in Net Assets	Working Capital
none noted									\$0	
									\$0	
									\$0	
									\$0	
									\$0	
									\$0	
									\$0	
									\$0	
<b>Total</b>				\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Audit Adjustments Subsequently Booked									\$0	
<b>Net Unadjusted Audit Differences—This Year</b>				\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Effect of Unadjusted Audit Differences—Prior Years</b>									\$0	
<b>Net Audit Differences</b>				\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Financial Statement Caption Totals</b>				1,306,382	279,902	\$1,026,480	2,729,574	2,662,016	\$67,558	83,957
<b>Net Audit Differences as % of F/S Captions</b>				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Urbana, Illinois

**Consolidated Financial Statements  
and Supplementary Information**

For the Year Ended

December 31, 2009

MARTIN, HOOD, FRIESE & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS



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2507 South Neil St.  
Champaign, Illinois 61820  
Phone 217.351.2000  
Fax 217.351.7726  
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## INDEPENDENT AUDITORS' REPORT

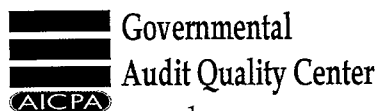
To the Board of Directors  
Homestead Corporation of Champaign-Urbana  
Urbana, Illinois

We have audited the accompanying consolidated statement of financial position of Homestead Corporation of Champaign-Urbana and Subsidiary (the Corporation) as of December 31, 2009, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Homestead Corporation of Champaign-Urbana and Subsidiary as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a separate report dated November 24, 2010 on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations,



- 1 -

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information included in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements of Homestead Corporation of Champaign-Urbana and Subsidiary. This schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Martin, Wood, Fries & Associates, LLC*

Champaign, Illinois  
November 24, 2010

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Consolidated Statement of Financial Position

December 31, 2009

ASSETS

<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 69,344
Restricted Cash - Building Repairs	4,100
Grants Receivable	6,314
Development Fee Receivable, Net of Discount	4,753
Total Current Assets	84,511
<b>Property and Equipment, Net</b>	1,127,028
<b>Other Assets</b>	
Development Fee Receivable, Net of Current Portion and Discount	67,440
Land Held for Future Construction	23,822
Deposits Held in Trust - Tenant Security Deposits	3,581
Total Other Assets	94,843
Total Assets	\$ 1,306,382

LIABILITIES AND NET ASSETS

<b>Current Liabilities</b>	
Accounts Payable	\$ 11,756
Tenant Security Deposits	3,581
Mortgage Payable, Current Portion	12,620
Total Current Liabilities	27,957
<b>Long-Term Liabilities</b>	
Mortgage Payable, Net of Current Portion	251,945
Total Liabilities	279,902
<b>Net Assets</b>	
Unrestricted:	
Undesignated	995,624
Board Designated	2,934
Temporarily Restricted	27,922
Total Net Assets	1,026,480
Total Liabilities and Net Assets	\$ 1,306,382

The notes following Exhibit D are an integral part of this financial statement.

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Consolidated Statement of Activities

For the Year Ended December 31, 2009

	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue</b>			
Grants:			
City of Urbana Home Consortium	\$ 36,187	\$ -	\$ 36,187
Urbana CHDO Operating Grants	323,318	-	323,318
Federal HOME Loan	280,000	-	280,000
City of Urbana CDBG	95,000	-	95,000
Department of Commerce and Economic Opportunity (DCEO)	174,115	-	174,115
Development Fees	87,043	-	87,043
Cunningham Township Grants	5,250	-	5,250
Community Foundation Grants	-	3,000	3,000
Rental Income:			
HUD Rental Assistance	76,747	-	76,747
Tenant Rent Payments	54,159	-	54,159
Housing Sales	112,600	-	112,600
In-Kind Land Donations	-	23,822	23,822
In-Kind Land Contribution	1,000,000	-	1,000,000
Sale of Crystal View Tax Credit	440,000	-	440,000
Cash Contributions	5,940	11,100	17,040
Miscellaneous	1,293	-	1,293
Net Assets Released from Restrictions	25,900	(25,900)	-
Total Support and Revenue	2,717,552	12,022	2,729,574
<b>Expenses</b>			
Program Services:			
Homestead Apartments	158,371	-	158,371
Crystal View Development	2,310,350	-	2,310,350
Housing Development	167,362	-	167,362
Supporting Services:			
General and Administrative	25,933	-	25,933
Total Expenses	2,662,016	-	2,662,016
<b>Change in Net Assets</b>	55,536	12,022	67,558
<b>Net Assets, January 1, 2009</b>	943,022	15,900	958,922
<b>Net Assets, December 31, 2009</b>	\$ 998,558	\$ 27,922	\$ 1,026,480

The notes following Exhibit D are an integral part of this financial statement.

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2009

	Program Services			Total Program Services	General and Administrative	Total
	Homestead Apartments	Crystal View Development	Housing Development			
Crystal View Development	\$ -	\$ 2,301,369	\$ -	\$ 2,301,369	\$ -	\$ 2,301,369
Building Construction	-	-	124,009	124,009	-	124,009
Personnel Wages and Taxes	34,532	8,949	8,949	52,430	10,998	63,428
Depreciation	37,262	-	-	37,262	-	37,262
Electricity	23,752	-	-	23,752	-	23,752
Interest	17,169	-	158	17,327	-	17,327
In-Kind Land Expense	-	-	13,400	13,400	-	13,400
Down Payment Assistance	-	-	12,500	12,500	-	12,500
Property Insurance	8,028	-	-	8,028	1,100	9,128
Janitorial	8,266	-	-	8,266	-	8,266
Professional Fees	2,500	-	-	2,500	4,500	7,000
Water and Sewer	7,000	-	-	7,000	-	7,000
Legal Fees	128	-	6,440	6,568	-	6,568
Telephone	5,158	-	-	5,158	1,100	6,258
Repairs and Maintenance	3,558	-	(214)	3,344	1,463	4,807
Management Fees	2,400	-	-	2,400	-	2,400
Grounds Maintenance	1,684	-	-	1,684	-	1,684
Property Taxes	1,500	-	161	1,661	-	1,661
Trash Removal	1,611	-	-	1,611	-	1,611
Workmen's Compensation	-	-	-	-	1,559	1,559
Security Expense	1,460	-	-	1,460	-	1,460
Architect and Engineer Fees	-	-	1,350	1,350	-	1,350
Events	120	-	-	120	1,171	1,291
Office Expenses	697	-	-	697	567	1,264
Membership Dues	-	-	-	-	915	915
Bookkeeping Fees	42	17	-	59	771	830
Miscellaneous	1,504	15	609	2,128	1,789	3,917
<b>Total Expenses</b>	<b>\$ 158,371</b>	<b>\$ 2,310,350</b>	<b>\$ 167,362</b>	<b>\$ 2,636,083</b>	<b>\$ 25,933</b>	<b>\$ 2,662,016</b>

The notes following Exhibit D are an integral part of this financial statement.

HOMESTEAD CORPORATION OF CHAMPAIGN URBANA  
AND SUBSIDIARY

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2009

<b>Cash Flows from Operating Activities</b>	
Change in Net Assets	\$ 67,558
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
In-Kind Land Expense	13,400
In-Kind Land Donations	(23,822)
Depreciation	37,262
Decrease (Increase) in Assets:	
Grant Receivable	(6,314)
Development Fee Receivable	(72,193)
Tenant Security Deposits Held in Trust	2,404
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	11,756
Tenant Security Deposits	96
Total Adjustments	<u>(37,411)</u>
Net Cash Provided by Operating Activities	<u>30,147</u>
 <b>Cash Flows from Financing Activities</b>	
Principal Payments on Mortgages Payable	<u>(11,630)</u>
 <b>Net Increase in Cash and Cash Equivalents</b>	 18,517
 <b>Cash and Cash Equivalents, January 1, 2009</b>	 <u>54,927</u>
 <b>Cash and Cash Equivalents, December 31, 2009</b>	 <u>\$ 73,444</u>
 <b>Supplemental Disclosure of Cash Flow Information</b>	
Cash Paid for Interest	<u>\$ 17,327</u>
 <b>Non-Cash Investing and Financing Activities</b>	
Advances on Line of Credit for Acquisition of Construction	
Materials Paid Directly by Title Company	<u>\$ 101,700</u>
Principal Payments on Line of Credit through	
Housing Sales Paid Directly By Title Company	<u>\$ (101,700)</u>

The notes following this Exhibit are an integral part of this financial statement.

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2009

**1. Nature of Activities**

Homestead Corporation of Champaign-Urbana (Homestead), a nonprofit organization, receives substantially all its support from grants and private contributions in order to provide affordable housing for low and moderate income families. Homestead currently has one property in service, the Homestead Apartments (a single-room-occupancy facility with twenty-five units). Homestead receives Section 8 rent assistance from the United States Department of Housing and Urban Development (HUD) for the Homestead Apartments. Rental income is derived primarily from operating leases with terms of typically one year or less. Homestead also manages a program entitled "Housing Development", which encompasses the management of various low-income housing construction projects.

During 2006, Homestead's Board of Directors elected to form Homestead Crystal View, Inc. (a taxable not-for-profit entity) for the purpose of acquiring the land and improvements necessary for the reconstruction of the Lakeside Terrace Public Housing Development in Urbana, Illinois. Homestead is the sole shareholder of Homestead Crystal View, Inc.; and Homestead Crystal View, Inc. holds a 25 percent ownership in Crystal View, LLC, which is the managing member and 0.009 percent owner of the development company Crystal View Townhomes, L.P. Development and construction of the Crystal View project began during fiscal year 2009 and it was added as another program for Homestead in the current year.

Approximately 31 percent of total fiscal year 2009 consolidated support and revenue relates to funding from City of Urbana Grants, Federal HOME Loan program, and the Department of Commerce and Economic Opportunity for Crystal View Development program. In addition, the program also includes an in-kind land contribution and related sale of tax credits representing another 53 percent of total fiscal year 2009 consolidated support and revenue.

**2. Summary of Significant Accounting Policies**

*Consolidation*

The consolidated financial statements include the accounts of Homestead Corporation of Champaign-Urbana and its wholly owned subsidiary Homestead Crystal View, Inc. All material intercompany transactions have been eliminated.



### *Grant Revenue*

Homestead receives all of its grant revenue from federal, state, and local agencies. Revenue received from those grants is recognized to the extent of program expenses (up to the contract ceiling). The excess or deficit of grant receipts over program expenses is accounted for as deferred grant revenue or grants receivable, respectively, until the corresponding expenses are incurred or the grant monies are received.

### *Contributions*

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires (when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

### *Cash and Cash Equivalents*

For purposes of the consolidated statement of cash flows, Cash and Cash Equivalents include demand deposits as well as time deposits with maturities within three months at issuance.

### *Property and Equipment*

Property is recorded at cost or, if donated, at fair market value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets. Maintenance, repairs, and minor additions are charged to expense when incurred.

### *Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### *Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Income Taxes*

Homestead is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

*Uncertain Tax Positions*

The consolidated financial statements for the year ended December 31, 2009 include no interest or penalties related to taxes. Homestead is not aware of any tax position for which a significant change is reasonably possible within the next year. By statute, as of December 31, 2009, Homestead's federal and Illinois tax filings for the fiscal years 2006 through 2009 remain open for review by tax authorities.

*Subsequent Events*

Homestead has evaluated subsequent events through November 24, 2010, the date on which the consolidated financial statements were available to be issued.

**3. Land Held for Future Construction**

Land held for future construction consists of land upon which a home will be built within the Affordable Homeownership Program. Upon construction, the home will be sold to a local family at Homestead's cost. Homestead received the parcel of land as a donation from a local municipality and treats that donation as temporarily restricted net assets until the property is sold to the home owner. Homestead expects to sell the property within one year of the start of construction.

Land Held for Future Construction	<u>\$ 23,822</u>
-----------------------------------	------------------

**4. Tenant Security Deposits Held in Trust**

Tenant security deposits totaling \$3,581 as of December 31, 2009 are held in cash accounts as required by the United States Department of Housing and Urban Development Section 8 Housing Assistance Payments Program.

**5. Property and Equipment, Net**

The property and equipment of Homestead consist of the following at December 31, 2009:

Land	\$	93,556
Land Improvements		3,138
Buildings and Improvements - Held for Leasing		1,451,664
Furniture and Equipment - Held for Leasing		6,550
Furniture and Equipment		4,013
Total Property and Equipment		<u>1,558,921</u>
Less: Accumulated Depreciation - Items Held for Leasing		(427,880)
Less: Accumulated Depreciation		<u>(4,013)</u>
Property and Equipment, Net	\$	<u><u>1,127,028</u></u>

**6. Lines of Credit**

Homestead maintains a \$12,000 unsecured line of credit with PNC Bank. The line of credit is due on demand and accrues interest at a variable rate based on the lender's prime rate plus 4.0 percent. At December 31, 2009, the interest rate was 7.25 percent and there was no outstanding balance on this line of credit.

**7. Mortgage Payable**

Homestead has a mortgage payable to PNC Bank with an outstanding balance at December 31, 2009 of \$264,565. Payments of \$2,400 including interest at 6.25 percent are due monthly and a balloon payment for the remaining balance is due April 10, 2013. The mortgage payable is secured by the Homestead Apartments building.

The future minimum principal payments for these notes are as follow:

<u>Fiscal Year</u>		
2010	\$	12,620
2011		13,432
2012		14,296
2013		<u>224,217</u>
Total	\$	<u><u>264,565</u></u>

**8. Board Designated Net Assets**

Board designated net assets consist of the following at December 31, 2009:

Homestead Apartments Replacement Reserve	\$	<u><u>2,934</u></u>
------------------------------------------	----	---------------------

**9. Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of the following at December 31, 2009:

Land Held for Future Construction	\$ 23,822
Cash Restricted for Building Repairs	4,100
Total Temporarily Restricted Net Assets	<u>\$ 27,922</u>

**10. Forgivable Loans and Reserves**

Homestead received and expended funds related to development and construction of Homestead Apartments housing facility (SRO) completed in fiscal year 1999. In the current year, Homestead received and expended funds related to the development and construction of the Crystal View project. The sources for these forgivable loans and grants include the United States Department of Housing and Urban Development HOME Investment Partnerships Program through the Cities of Champaign and Urbana and the Federal Home Loan Bank of Chicago. The agreements do not require interest or principal repayment of these funds as long as the property is not sold and the program continues to provide affordable low-income housing for a specified number of years as defined in each individual agreement (unless prior written consent is obtained). Because the conditions for repayment of these amounts are considered unlikely to occur, Homestead considers these loans as grants income and has included them as support and revenue in the Statement of Activities in the year they were earned. Homestead would be liable for the entire balance, should there be a default. A summary of these forgivable grants and loans by the ending of their period of affordability fiscal year which have been included in income through December 31, 2009 is as follows:

*SRO*

Period of Affordability Expires 2014	\$ 744,894
Period of Affordability Expires 2029	125,000

*Crystal View*

Period of Affordability Expires 2025	109,690
Period of Affordability Expires 2030	303,004
Period of Affordability Expires 2040	280,000
Total	<u>\$ 1,562,588</u>

**11. Conditional Grant Revenue**

Homestead has various grants with the City of Urbana, the Illinois Department of Commerce and Economic Opportunity, and Cunningham Township. The agreements are conditioned upon Homestead acquiring and improving various single-family homes within Champaign-Urbana, Crystal View project development, or providing certain

administrative services for their housing programs. These grants are conditioned upon Homestead's expenditure of eligible costs related to the agreements. Homestead will recognize revenue when the respective condition is met in future years. At December 31, 2009, the maximum amount remaining for Homestead to receive in future periods under these grants included the following:

Home Development Program	\$ 170,340
Crystal View Development	127,635
General Administrative Services	<u>15,378</u>
Total Conditional Grant Revenue	<u><u>\$ 313,353</u></u>

**12. Rent Increases**

Under the Section 8 regulatory agreement, Homestead may not increase rents charged to tenants without prior approval from HUD. A rent increase was approved and occurred during 2009 for Homestead Apartments.

**13. Crystal View Townhomes Development**

Project final approval and construction began in 2009 and was completed as of the date of this report. The initial design of the project is for Homestead to obtain and invest in the development of the project through its subsidiary Homestead Crystal View, Inc. The contracts currently in place run through December 31, 2107, or if other certain events occur prior to that date then that shall constitute a liquidating event. Those events include: consent of the members to dissolve, bankruptcy of any member, sale of all or substantially all the property, any other events that make it unlawful, impossible, or unfeasible according to the Manager's judgment to carry on the business of the Company. The grants and forgivable loans related to the project obtained by Homestead and contributed through Homestead Crystal View, Inc. and subsequently Crystal View, LLC for ultimate use by Crystal View Townhomes, L.P. have periods of affordability clauses (related to specific use of the property) attached to them that Homestead is responsible for. It is management's belief and project intent that it will meet all the period of affordability requirements and that none of the funds will be returned. Therefore, all proceeds received related to this project have been included in Homestead as revenue and related development expenses. Based on the accounting method used to account for funding sources in Homestead, Homestead Crystal View, Inc. does not have any activity as of and for the year ended December 31, 2009. Therefore, although these financial statements are considered consolidated, the activity presented represents only the balances and activities of Homestead for the year ended December 31, 2009.

### *Development Fee*

Part of the overall cost of the Crystal View project is payment of a development fee to both the primary developer (85 percent of the fee) and secondary developer (15 percent of the fee). The total development fee associated with the project is \$1,532,580.

Homestead is the secondary developer on the project and is entitled to \$229,887 of the fee. The fee is earned at different intervals and has a payout schedule separate from the earnings schedule. Based on the agreement, the fee was 40 percent earned through December 31, 2009 (Homestead's earned portion was \$91,954) with the remaining 60 percent to be earned upon placement of units in services (expected to be in 2010). The payment of the development fee is over a separate schedule. For the period ended December 31, 2009, Homestead has received \$14,850 with the remaining development fee earned and unpaid is included in Development Fee Receivable and discounted based on the expected payment receipt dates using an interest rate of 5 percent. The amount presented as the Development Fee Receivable at December 31, 2009 is considered a significant estimate in these financial statements.

The following table represents the status of the Development Fee Receivable as of December 31, 2009:

Development Fee Receivable	\$ 77,104
Less: Discount on Development Fee Receivable	<u>(4,911)</u>
Total Development Fee Receivable	72,193
Current Portion of Development Fee Receivable, Net of Discount	<u>(4,753)</u>
Non-Current Portion of Development Fee Receivable, Net of Discount	<u><u>\$ 67,440</u></u>

### *Lease and Lease Assignment*

Homestead entered into a lease for the ground as the initial tenant with the Housing Authority of Champaign County effective December 1, 2008, which expires November 30, 2107, for total rent for the entire term of \$99. Homestead then assigned the lease to Crystal View Townhomes L.P. effective December 1, 2008. The leased property is the site of the Crystal View Townhomes development. Final approval of all contracts and agreements as well as construction on the development began in fiscal year 2009. As part of the construction phase Crystal View Townhomes, L.P. had an appraisal done on the property and determined that the contribution to the project related to the lease assignment would be \$1,000,000. In addition, as part of the contribution, tax credits spanning over future years related to the land contribution in the amount of \$500,000 were awarded. These tax credits were then sold to a third party at a discounted value of \$440,000. Since Homestead obtained the original lease and executed the related lease assignment, both amounts have been included in Homestead's revenue and related Crystal View Development expense for the year ended December 31, 2009.

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Consolidated Schedule of Support, Revenue, and Expenses by Function

For the Year Ended December 31, 2009

	Program Services			Total Program Services	General and Administrative	Total
	Homestead Apartments	Crystal View Development	Housing Development			
<b>Support and Revenue</b>						
Grants:						
City of Urbana Home Consortium	\$ -	\$ -	\$ 36,187	\$ 36,187	\$ -	\$ 36,187
Urbana CHDO Operating Grants	-	303,004	-	303,004	20,314	323,318
Federal HOME Loan	-	280,000	-	280,000	-	280,000
City of Urbana CDBG	-	95,000	-	95,000	-	95,000
Department of Commerce and Economic Opportunity (DCEO)	-	174,115	-	174,115	-	174,115
Development Fees	-	87,043	-	87,043	-	87,043
Cunningham Township Grants	-	-	-	-	5,250	5,250
Community Foundation Grants	3,000	-	-	3,000	-	3,000
Rental Income:						
HUD Rental Assistance	76,747	-	-	76,747	-	76,747
Tenant Rent Payments	54,159	-	-	54,159	-	54,159
Housing Sales	-	-	112,600	112,600	-	112,600
In-Kind Revenue	-	-	23,822	23,822	-	23,822
In-Kind Land Contribution	-	1,000,000	-	1,000,000	-	1,000,000
Sale of Crystal View Tax Credit	-	440,000	-	440,000	-	440,000
Cash Contributions	1,100	10,000	-	11,100	5,940	17,040
Miscellaneous	1,276	-	-	1,276	17	1,293
<b>Total Support and Revenue</b>	<u>136,282</u>	<u>2,389,162</u>	<u>172,609</u>	<u>2,698,053</u>	<u>31,521</u>	<u>2,729,574</u>
<b>Expenses</b>						
Crystal View Development Expenses	-	2,301,369	-	2,301,369	-	2,301,369
Building Construction	-	-	124,009	124,009	-	124,009
Personnel Wages and Taxes	34,532	8,949	8,949	52,430	10,998	63,428
Electricity	23,752	-	-	23,752	-	23,752
Interest	17,169	-	158	17,327	-	17,327
In-Kind Land Expense	-	-	13,400	13,400	-	13,400
Down Payment Assistance	-	-	12,500	12,500	-	12,500
Property Insurance	8,028	-	-	8,028	1,100	9,128
Janitorial	8,266	-	-	8,266	-	8,266
Professional Fees	2,500	-	-	2,500	4,500	7,000
Water and Sewer	7,000	-	-	7,000	-	7,000
Legal Fees	128	-	6,440	6,568	-	6,568
Telephone	5,158	-	-	5,158	1,100	6,258
Repairs and Maintenance	3,558	-	(214)	3,344	1,463	4,807
Management Fees	2,400	-	-	2,400	-	2,400
Grounds Maintenance	1,684	-	-	1,684	-	1,684
Property Taxes	1,500	-	161	1,661	-	1,661
Trash Removal	1,611	-	-	1,611	-	1,611
Workmen's Compensation	-	-	-	-	1,559	1,559
Security Expense	1,460	-	-	1,460	-	1,460
Architect and Engineer Fees	-	-	1,350	1,350	-	1,350
Events	120	-	-	120	1,171	1,291
Office Expenses	697	-	-	697	567	1,264
Membership Dues	-	-	-	-	915	915
Bookkeeping Fees	42	17	-	59	771	830
Miscellaneous	1,504	15	609	2,128	1,789	3,917
<b>Total Expenses</b>	<u>121,109</u>	<u>2,310,350</u>	<u>167,362</u>	<u>2,598,821</u>	<u>25,933</u>	<u>2,624,754</u>
Excess (Deficit) of Support and Revenue over Expenses Before Depreciation	15,173	78,812	5,247	99,232	5,588	104,820
Depreciation	37,262	-	-	37,262	-	37,262
<b>Change in Net Assets</b>	<u>\$ (22,089)</u>	<u>\$ 78,812</u>	<u>\$ 5,247</u>	<u>\$ 61,970</u>	<u>\$ 5,588</u>	<u>\$ 67,558</u>

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Urbana, Illinois

**Report of Federal Financial Assistance**

For the Year Ended

December 31, 2009

MARTIN, HOOD, FRIESE & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Homestead Corporation of Champaign-Urbana  
Urbana, Illinois

We have audited the consolidated financial statements of Homestead Corporation of Champaign-Urbana and Subsidiary (Homestead) as of and for the year ended December 31, 2009 and have issued our report thereon dated November 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Homestead's internal control over financial reporting 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 Homestead's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Homestead's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 Homestead's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. We considered the deficiencies described as items 09-01 and 09-02 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Homestead's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Homestead in a separate letter dated November 24, 2010.

Homestead's responses to the findings identified in our audit are described in the accompany Schedule of Findings and Questioned Costs. We did not audit Homestead's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Martin, Wood, Fries & Associates, LLC*

Urbana, Illinois  
November 24, 2010

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors  
Homestead Corporation of Champaign-Urbana  
Urbana, IL

**Compliance**

We have audited the compliance of Homestead Corporation of Champaign-Urbana and Subsidiary (Homestead) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Homestead's major federal programs for the year ended December 31, 2009. Homestead's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Homestead's management. Our responsibility is to express an opinion on Homestead's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Homestead's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Homestead's compliance with those requirements.

In our opinion, Homestead complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described as items 09-03 and 09-04 in the accompanying Schedule of Findings and Questioned Costs

### **Internal Control over Compliance**

Management of Homestead is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Homestead's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Homestead's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described as items 09-03 and 09-04 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

### **Schedule of Expenditures of Federal Awards**

We have audited the consolidated financial statements of Homestead Corporation of Champaign-Urbana and Subsidiary as of and for the year ended December 31, 2009 and have issued our report thereon dated November 24, 2010, which contained an unqualified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of

Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements as a whole.

Homestead's responses to the findings identified in our audit are described in the accompany Schedule of Findings and Questioned Costs. We did not audit Homestead's response and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Martin, Wood, Fries & Associates, LLC*

Champaign, Illinois  
November 24, 2010

HOMESTEAD COPORATION OF CHAMPAIGN-URBANA AND SUBSIDIARY

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2009

Federal Grantor/ Pass-Through Grantor/Program Title	CFDA Number	Contract Number	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>			
<i>Pass-Through Programs From City of Urbana, Illinois:</i>			
Community Development Block Grant Crystal View Townhomes	* 14.218	FY2005-06/FY 2007-08-A-01 CDBG	\$ 95,000
<i>Pass-Through Programs From City of Champaign, Illinois:</i>			
Community Development Block Grant FY1995-1996 Forgivable Loan Total CFDA #14.218	* 14.218	N/A	240,000 <u>335,000</u>
<i>Pass-Through Programs From City of Urbana, Illinois:</i>			
HOME Investment Partnerships Program FY2008-2009 Community Housing Development Organization (CHDO); FY2009-2010 Community Housing Development Organization (CHDO); Crystal View Community Housing Development Organization (CHDO); FY2008-2009 Affordable Housing Program (AHP) FY2008-2009 Affordable Housing Program (AHP) Douglass Park Infill Program FY1995-1996 Forgivable Loan FY1996-1997 Forgivable Loan FY1996-1997 Community Housing Development Organization (CHDO) Forgivable Loan	* 14.239 * 14.239 * 14.239 * 14.239 * 14.239 * 14.239 * 14.239	0809-HSC-OP 0910-HC-OP N/A 0809-HC-CD 0809-HC-CD2 N/A N/A N/A	7,686 6,314 303,004 85,000 24,690 120,000 54,041 120,000
<i>Pass-Through Programs From City of Champaign, Illinois:</i>			
HOME Investment Partnerships Program FY1996-1997 Forgivable Loan FY1997-1998 Community Housing Development Organization (CHDO) Forgivable Loan FY1997-1998 Community Housing Development Organization (CHDO) Forgivable Loan Total CFDA #14.239	* 14.239 * 14.239 * 14.239	N/A N/A N/A	108,000 80,700 22,153 <u>931,588</u>
<i>Pass-Through Programs From Housing Authority of Champaign County, Illinois:</i>			
Section 8 Moderate Rehabilitation	14.249	IL006SC0001	76,747
<b>Total Federal Expenditures</b>			<b>\$ 1,343,335</b>

\* - Denotes Major Program

Notes to Schedule of Expenditures of Federal Awards

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Homestead Corporation of Champaign-Urbana and Subsidiary and is presented on the accrual basis of accounting for the year ended December 31, 2009. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the consolidated financial statements.

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2009

**1. Summary of Auditors' Results**

- (i) Type of audit report issued on the consolidated financial statements: Unqualified
- (ii) The audit disclosed two significant deficiencies in internal control that are required to be reported in accordance with *Government Auditing Standards*. The significant deficiencies are considered material weaknesses.
- (iii) The audit did not disclose instances of noncompliance material to the consolidated financial statements that are required to be reported in accordance with *Government Auditing Standards*.
- (iv) The audit disclosed two significant deficiencies in internal control over major federal awards. The significant deficiencies are considered material weaknesses in internal control over major federal programs.
- (v) Type of report issued on compliance for the major program: Unqualified
- (vi) The audit disclosed findings required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- (vii) Major Programs include:
  - U.S. Department of Housing and Urban Development:
    - Community Development Block Grant – CFDA #14.218
    - HOME Investment Partnerships Program – CFDA #14.239
- (viii) The dollar threshold used to distinguish Type A and Type B programs was \$300,000.
- (ix) Homestead Corporation of Champaign-Urbana and Subsidiary do not qualify as a low risk auditee.



## 2. Findings: Consolidated Financial Statement Audit

### 09-01: Consolidated Financial Statement Preparation

#### Material Weakness

##### *Criteria*

Management and those charged with governance of Homestead Corporation of Champaign-Urbana and Subsidiary (Homestead) are responsible for the design and oversight of internal control. The overall goal of internal control is to prevent or detect material misstatements of Homestead's consolidated financial statements and footnotes. In effect, the quality of the consolidated financial statements and related notes should be a result of the internal controls.

##### *Conditions*

As a service performed in conjunction with the audit, we drafted the required consolidated financial statements and footnotes of Homestead for 2009. In order to fulfill its internal control responsibility related to the preparation of Homestead's consolidated financial statements, management or those charged with governance must be in a position in fact and appearance to make an informed judgment on the consolidated financial statements and footnotes we drafted to prevent or detect material misstatements. Management and those charged with governance of Homestead did not apply adequate procedures to the consolidated financial statement and footnotes we drafted.

##### *Questioned Costs*

None

##### *Population of Items Tested*

None

##### *Cause of Conditions*

Homestead's management does not possess the necessary accounting skills, knowledge, or experience to fulfill their internal control responsibilities in relation to the preparation of the consolidated financial statements and footnotes. This situation is not unusual for an entity your size, which has historically relied on the expertise of its auditor in the preparation of the consolidated financial statements and footnotes.

### *Effects of Conditions*

Management and those charged with governance will not be able to prevent or detect material misstatements of Homestead's consolidated financial statements and footnotes.

### *Auditor's Recommendations*

In order to address this lack of internal control in the preparation of the consolidated financial statements and footnotes, we suggest the following for your consideration:

Prior to signing the management representation letter, a member of management or a board member who possesses adequate accounting skills, knowledge, or experience should:

1. Obtain the trial balance account grouping schedule that supports the consolidated financial statement amounts from the preparer and review for reasonableness of groupings and for agreement with the consolidated financial statements.
2. Obtain the schedules documenting the calculation of amounts included in the footnotes to the consolidated financial statements from the preparer. Then review for reasonableness and agreement with the consolidated financial statement footnotes.
3. Obtain from the preparer a current disclosure checklist that conforms to the requirements of the American Institute of Certified Public Accountants and review the checklist to ensure the propriety and completeness of the consolidated financial statements and footnotes.

### *View of Responsible Official*

Management concurs with the finding.

**09-02: Crystal View Grant Reconciliation**

### **Material Weakness**

#### *Criteria*

Management is responsible for reconciling development grant expenses and project equity credited by the developer on a timely basis to ensure grant monies are spent on allowable activities, within a reasonable time period, and in accordance with the respective grant agreements.

*Conditions*

During our audit procedures, it was noted there was a discrepancy between the amount Homestead disbursed to fund Crystal View project development related to the Department of Commerce and Economic Opportunity (DECO) grants and the amount reported as received by the Crystal View project developer as project contributed equity. The amount of the discrepancy was approximately \$74,000.

*Questioned Costs*

None

*Population of Items Tested*

None

*Cause of Conditions*

Homestead's management was unaware of the discrepancy until it was brought to their attention during the audit.

*Effects of Conditions*

Management and those charged with governance will not be able to detect and follow up on material differences between project contributions made and project equity credited by the project developer to the organization within a timely period as they relate to the construction and development of the Crystal View project. This could affect the ability of Homestead to fulfill its grant obligations ensuring that funds are spent on allowable activities, within a reasonable time period, and in accordance with the respective grant agreements.

*Auditor's Recommendations*

We recommend Homestead's management perform monthly reconciliations between grant disbursements and Crystal View project equity assigned by the developer to eliminate similar problems in the future for all project funding. This will ensure that project funds received are expended in accordance with the respective funding agreements, within a reasonable time period, and on allowable activities.

*View of Responsible Official*

Management concurs with the finding.

**3. Findings and Questioned Costs: Major Federal Award Program Audit**

**09-03:** Completion and Submission of the required Single Audit for the Year Ended December 31, 2009

- Community Development Block Grant – CFDA #14.218
- HOME Investment Partnerships Program – CFDA #14.239

**Material Weakness**

*Criteria*

Section 320(a) of OMB Circular A-133 states that the (single audit) reporting package must be submitted no later than nine months after the end of the audit period.

*Conditions*

Homestead did not submit a single audit report to the Single Audit Clearinghouse within nine months following the end of its fiscal year December 31, 2009.

*Questioned Costs*

None

*Population of Items Tested*

None

*Cause of Conditions*

Management was unaware of the requirement for submitting a Single Audit reporting package if federal funds were expended above the \$500,000 threshold.

*Effects of Conditions*

Homestead is not satisfying the federal single audit reporting requirements. Homestead is also potentially allowing errors, misstatements, instances of noncompliance, and material weaknesses in internal controls that may be identified by a timely audit to persist unaddressed for an unreasonable period amount of time.

### *Auditor's Recommendations*

We recommend Homestead's management review the single audit requirements described in OMB Circular A-133 and make arrangements to have a timely audit conducted and submit the reporting package within the nine months deadline.

### *View of Responsible Official*

Management concurs with the finding and will make every effort to submit the audit for the year ended December 31, 2010 by its due date of September 30, 2011.

### **09-04: Procurement Suspension and Debarment**

- Community Development Block Grant – CFDA #14.218
- HOME Investment Partnerships Program – CFDA #14.239

### **Material Weakness**

#### *Criteria*

- Procurement standards require an entity with federal funding to have a written code of conduct and procedure policy to govern federal contracting activities. In addition, all sub-award contracts involving federal funding are required to include a listing of minimum federal provisions in the contract to govern the activities of the subcontractor.

#### *Conditions*

The following items were noted during testing:

- Homestead did not have a written code of conduct and procurement policy.
- A subcontractor agreement lacks all the required federal contract provisions, including a clause requiring written certification from the subcontractor that the company was not debarred, suspended, or proposed for debarment by the federal government at the time of the award.

#### *Questioned Costs*

None

*Population of Items Tested*

The auditor tested one procurement contract greater than \$25,000.

*Cause of Conditions*

Management was unaware of the required federal provisions to be included in the subcontractor agreement as listed in OMB Circular A-102.

*Effects of Conditions*

A sub-award contract lacking the information identified above puts Homestead at risk for disbursing federal funds to an ineligible subcontractor and increases the risk of funding being abused.

*Auditor's Recommendations*

Homestead should review OMB Circular A-102 related to the required federal contract provisions along with procurement requirements and add the applicable provisions to the current and all future contracts with subcontractor. Homestead should also draft and approve a written code of conduct and procurement policy. We also recommend a follow-up with existing and future contractors to ensure they are complying with federal requirements.

*View of Responsible Official*

Management concurs with the finding.

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Schedule of Prior Audit Findings for Federal Awards

For the Year Ended December 31, 2009

Homestead Corporation of Champaign-Urbana and Subsidiary did not have a single audit in the prior year. No prior year audit findings to report.



306 W. Griggs Street Urbana, IL 61801  
Phone 217.328.9373 Fax 217.344.3327

## CORRECTIVE ACTION PLAN

December 13, 2010

Cognizant or Oversight Agency for Audit

Homestead Corporation of Champaign-Urbana respectfully submits the following corrective action plan for the year ended December 31, 2009.

Name and Address of Independent Public Accounting Firm:

Martin, Hood, Friese and Associates, LLC  
2507 South Neil Street  
Champaign, IL 61820

Audit Period: January 1, 2009 to December 31, 2009

The findings from the November 24, 2010 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### FINDINGS—FINANCIAL STATEMENT AUDIT

09-01: Financial Statement Preparation

#### Material Weakness

##### *Conditions*

Management and those charged with governance of Homestead did not apply adequate procedures to the financial statements and notes we drafted.

##### *Questioned Costs*

None

##### *Cause of Conditions*

Homestead's management does not possess the necessary accounting skills, knowledge, or experience to fulfill their internal control responsibilities in relation to the financial statements and notes. This situation is not unusual for an entity your size, which has historically relied on the expertise of its auditor in the preparation of the financial statements and notes.

#### Corrective Action Proposed

Prior to signing a management representation letter to an independent public auditor a member of





management or a board member will:

1. Obtain the trial balance account grouping schedule that supports the financial statement amounts from the financial statement preparer and review for reasonableness of groupings and for agreement with the financial statements.
2. Obtain the schedules documenting the calculation of amounts included in the Notes to the Financial Statements from the financial statement notes preparer, and then review for agreement with the financial statement notes and for reasonableness.
3. Obtain from the financial statement preparer a current disclosure checklist that conforms to the requirements of the American *Institute* of Certified Public Accountants and review the checklist to ensure the propriety and completeness of the financial statements and notes.

However, Homestead will have to continue to rely on an independent public accounting firm to prepare Homestead's financial statements and to help detect material misstatements of Homestead's financial statements and financial statement notes, as Homestead lacks management or board members with adequate accounting skills, knowledge or experience to administer this level of internal control in the preparation of the financial statements and notes. It is not cost-effective or practical for Homestead to hire additional staff to carry out this role in addition to the services provided by an independent public accounting firm.

#### **Responsible Party**

Aaron P. Smith, Executive Director

#### **Completion Date for Proposed Action**

Immediate

#### **09-02: Crystal View Grant Reconciliation**

#### **Material Weakness**

##### *Conditions*

During our audit procedures, it was noted there was a discrepancy between the amount Homestead disbursed to fund Crystal View project development related to the Department of Commerce and Economic Opportunity (DCEO) grants and the amount reported as received by the Crystal View Project Developer as project contributed equity. The amount of the discrepancy was approximately \$74,000.

##### *Questioned Costs*

None

##### *Cause of Conditions*

Homestead's management was unaware of the discrepancy until it was brought to their attention during the audit.

#### **Corrective Action Proposed**



306 W. Griggs Street Urbana, IL 61801  
Phone 217.328.9373 Fax 217.344.3327

The specific discrepancy described has been corrected. Homestead will in future perform monthly reconciliations between grant disbursements and project equity assigned to eliminate similar problems in the future for all project funding and to help ensure proper documentation that project contributions are expended in accordance with the grant agreements, within a reasonable time period, and on allowable activities.

**Responsible Party**

Aaron Smith, Executive Director

**Completion Date for Proposed Action**

December 6, 2010

**09-03:** Completion and Submission of the required Single Audit for the Year Ended December 31, 2009

- Community Development Block Grant – CFDA #14.218
- HOME Investment Partnership Program – CFDA #14.239

*Conditions*

Homestead did not submit a single audit report to the Single Audit Clearinghouse within nine months following the end of its fiscal year December 31, 2009.

*Questioned Costs*

None

*Cause of Conditions*

Management was unaware of the requirement for submitting a Single Audit reporting package if federal funds were expended above the \$500,000 threshold.

**Proposed Corrective Action**

Homestead will make arrangements to have a timely audit conducted and submit the reporting package with the nine month deadline.

**Responsible Party**

Aaron Smith, Executive Director

**Completion Date for Proposed Action**

September 30, 2011

**09-04:** Procurement Suspension and Debarment

- Community Development Block Grant – CFDA #14.218

*The mission of Homestead Corporation is to assure an adequate supply of good quality, affordable housing for all people with inadequate resources.*



306 W. Griggs Street Urbana, IL 61801  
Phone 217.328.9373 Fax 217.344.3327

- HOME Investment Partnership Program – CFDA #14.239

#### *Conditions*

The following items were noted during testing:

- Homestead did not have a written code of conduct and procurement policy
- A subcontractor agreement lacks all the required federal contract provisions, including a clause requiring a written certification from the subcontractor that the company was not debarred, suspended, or proposed for debarment by the federal government at the time of the award.

#### *Questioned Costs*

None

#### *Cause of Conditions*

Management was unaware of the required federal provisions to be included in the subcontractor agreement as listed in OMB Circular A-102.

#### **Proposed Corrective Action**

Although Homestead failed to include a written clause requiring written certification from the subcontractor that the company was not debarred, suspended, or proposed for debarment in its agreement, written certification of non-debarment was obtained from all subcontractors. Also, although Homestead did not adopt its own written code of conduct and procurement it did follow the procurement policies specified in its grant agreements. Monitoring of contractors to ensure they were complying with federal requirements was done on a monthly basis.

In future, Homestead will draft and approve a written code of conduct and procurement policy, and will add the applicable provisions to the current and all future contracts with subcontractors to help ensure that they are complying with federal requirements.

#### **Responsible Party**

Aaron Smith, Executive Director

#### **Completion Date for Proposed Actions**

January 26, 2011

Respectfully Submitted,

Aaron P. Smith  
Executive Director



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 2011-2012 CHDO Operating Application

Name of Organization: <u>Homestead Corporation of Champaign-Urbana</u>			
Operating Funds Requested: \$ <u>25,000</u>			
<input type="checkbox"/> <b>Application Component Checklist</b>			
X	A. Application Submittal		
X	B. Application Rating System		
X	C. Applicant Information		
X	D. Reporting		
X	E. Operating Objectives		
X	F. Budget and Funding Information		
X	G. Procedural Information		
X	H. Applicant Certification and Commitment of Responsibility		
<input type="checkbox"/> <b>Additional Required Documentation to Include</b>			
X	Board Resolution Approving Application		
X	Strategic Business Plan		
X	Most Recent Audit Report & Auditor Letters	Date of Audit:	12/31/09

**RECEIVED**  
 JAN - 7 2011  
 By \_\_\_\_\_

## **A. Application Submittal**

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

**4:00 pm, Friday, January 07, 2011**

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 John Schneider at 217-384-2447.

### **Application for Assistance**

Application training and assistance will be available in **two sessions on Monday, December 06, 2010**. 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 2nd floor conference room at the City of Urbana, 400 S. Vine St. Urbana, IL 61801. 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](http://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.

<b>Category</b>	<b>Max. Points</b>	
<b>Funding Description</b>	<b>50</b>	
Compliance with Con Plan goals & strategies	25	
Proposed accomplishments	25	
<b>Past Performance</b>	<b>50</b>	
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	
<b>Financial Feasibility</b>	<b>50</b>	
Eligibility of proposed expenditures	25	
Operating Budget: level of detail, reasonableness of requested costs	25	
<b>Current Capacity Needs</b>	<b>50</b>	
Gap identified in current staff capacity?	10	
Need for marketing opportunities	10	
Proposed use of funds will address identified gap in capacity	30	
<b>Total Points Possible</b>	<b>200</b>	

### C. Applicant Information

#### Legal Applicant

Name of Organization	Homestead Corporation of Champaign-Urbana		
Street Address	306 W Griggs St.		
City, State, Zip	Urbana, IL 61801		
Telephone Number	(217) 328-9373		
Fax Number	(217) 344-3327		
Federal ID Number	37-1314292		
Executive Director	Aaron P. Smith		
Telephone Number	(217) 328-9373		
E-Mail Address	homesteadcorp@gmail.com		
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	
Title	
Telephone & Fax Numbers	
E-Mail Address	
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 Fiscal Year 2009-2010 through the second quarter of Fiscal Year 2010-2011, which ended December 31, 2010.



**E. Operating Objectives**

<b>CHDO Operating Funds Requested:</b>	\$ <u>25,000</u>		
<b>Type of Projects currently underway (<i>indicate number of units for each activity</i>)</b>			
Homebuyer	3	Rental Housing	95
Homeowner		Tenant Based Rental	
Rehabilitation		Assistance	

Please list the current projects underway by project name and address below. No address if necessary if a lot has not yet been secured:

- 1107 and 1109 N. Gregory Dr, Urbana, IL (Homebuyer)
- Address yet to be determined (Homebuyer)
- Crystal View Townhomes, 102 E. Stebbins Dr, Urbana, IL (Rental – 70 units)
- Homestead Apartments, 306 W. Griggs St, Urbana, IL (Rental – 25 units)
- 
- 





**F. Budget and Funding Information**

**Agency General Budget**

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

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

<b>Funding Source</b>	<b>Amount</b>
SRO Rental Income	\$25,456.00
Developer's Fees	\$38,054.00
Social Service Funding Grant	\$5,750.00
Donations	\$3,608.00

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

At current staffing levels, if CHDO Operating funds are not awarded, current staff would  
have to spend more time on finding additional funding for operations from other sources  
rather than focusing that staff time on development activities.



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.*

<b>Activity</b>	<b>HOME Funds Requested</b>
<b>Wages/Compensation/Benefits</b>	\$17,000.00
<b>Employee Education/Training</b>	\$400.00
<b>Utilities</b>	\$2,800.00
<b>Communication Costs</b>	\$1,000.00
<b>Taxes</b>	\$900.00
<b>Insurance</b>	\$2,400.00
<b>Office Equipment</b>	\$140.00
<b>Office Expenses/Supplies</b>	\$235.00
<b>Marketing</b>	\$125.00
<b>TOTAL OPERATING FUNDS REQUESTED</b>	<b>\$25,000.00</b>



## G. Procedural Information

*\*Note: Please see the City of Urbana website for changes to scheduled meetings:  
[www.urbanainillinois.us](http://www.urbanainillinois.us)*

- The Community Development Commission (CDC) is scheduled to review the HOME and CDBG Applications on January 24, 2011. 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 for on March 22, 2011 at the Regular meeting of the CDC. Staff will formally present all project funding recommendations as part of the FY 2011-2012 Annual Action Plan (AAP) draft.
- The Urbana City Council will review the FY 2011-2012 AAP and subsequent recommendations of the CDC at one of the regularly scheduled Committee of the Whole meetings held in April 2011.
- 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.



## **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 Homestead Corporation of Champaign-Urbana 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.

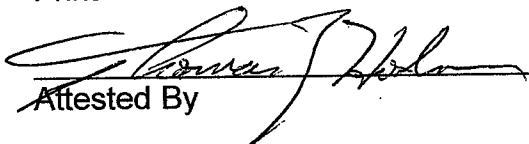
**This certification must be signed by the individual authorized to submit the application as determined by applicant's governing Board of Directors and who will be authorized to execute HOME Program agreements.**

  
 Authorized Signature

Executive Director  
 Title

Aaron P. Smith  
 Print Name

1/7/2011  
 Date

  
 Attested By

1/7/2011  
 Date



## RESOLUTION

The Homestead Corporation of Champaign-Urbana by this Resolution of its Directors, adopted pursuant to a motion duly made, seconded and carried by the necessary majority of the quorum present, does hereby approve the submission of an Urbana HOME Consortium Community Housing Development Organization Funding Application for Operating Funds for FY 2011-2012 in the amount of \$25,000, and for Project Funds for FY 2011-2012 AHP Program funds in the amount of \$180,000.

Adopted at the meeting of the Board of Directors of Homestead Corporation at Champaign, Illinois on the 15 day of December, 2010.

Jenna Prochaska  
by Jenna Prochaska  
acting - Secretary of Homestead Corporation

# HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA

## Two-Year Strategic Business Plan

### FY 2011:

In 2011, the Homestead Corporation plans on marketing, constructing and selling three new single-family homes through the Affordable Homeownership Program in Urbana and Champaign. The Corporation was successful in completing three proposed new single-family homes in 2008 and 2009 for the City of Champaign's Douglass Park Neighborhood Infill Housing Project. In 2007 and 2008, Homestead Corporation received funding from the HOME Consortium to support the construction of the three new homes for the Douglass Park Infill Housing Project. The project began in October of 2007, with the last of the three homes completed in June 2009.

Also, in 2011 we plan on working with the FAA 391 class at UIUC to do some project planning for Homestead based on the analysis the class completed in 2010 of the unmet needs in the provision of housing for the homeless in the Champaign-Urbana area.

### FY 2012:

In 2012, the Homestead Corporation anticipates continued development activities associated with our Affordable Homeownership Program, constructing three more affordable single family homes in Champaign and Urbana. We also anticipate beginning work on developing a project based on our project planning activities carried out with the FAA 391 class at UIUC.

### Long Range Goals:

The long range goals of the Homestead Corporation include the development of multi-family affordable rental units, the construction of additional new single-family homes for sale to low and moderate income families and the development of additional special needs housing with supportive services for the homeless and low-income households. Funding for these projects would come from a variety of sources including the Department of Housing and Urban Development, the Illinois Housing Development Authority, the Federal Home Loan Bank of Chicago, the Corporation for Supportive Housing, and the cities of Urbana and Champaign.

November 24, 2010

To the Board of Directors  
Homestead Corporation of Champaign-Urbana  
Urbana, Illinois

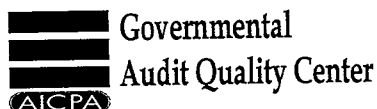
We have audited the consolidated financial statements of Homestead Corporation of Champaign-Urbana and Subsidiary (Homestead) for the year ended December 31, 2009 and have issued our report thereon dated November 24, 2010. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing our audit. We have communicated such information in our letter to you dated February 12, 2010. Professional standards also require that we communicate to you the following information related to our audit.

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Homestead are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2009. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements are:

- a. The estimated useful lives of fixed assets
- b. The estimated value of the developer fee receivable



CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS



Management's estimate of the useful lives of fixed assets is based on industry averages and past experience with similar assets. Management's estimate of the developer fee receivable is based on contract clauses specifying how the fee is earned and projected dates for the receipts of the fee installments. We evaluated the key factors and assumptions used to develop the estimates in determining that the estimates are reasonable to the financial statements taken as a whole.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit. However, delays in receipt of and reconciliation of items related to the Crystal View project from Brinshore Development, LLC lead to delays in the completion of the financial audit. Also, obtaining information from funding agencies on direct and indirect federal dollars received and related CFDA numbers for single audit compliance testing was difficult to obtain which caused delays in completion of the single audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The attached adjustments in the Adjusting Journal Entries Report in our judgment indicate matters that could have a material effect on the Homestead's financial reporting process. However, all but AJE 18 resulted from items identified by management prior to or shortly after the start of our audit fieldwork. As a result, their presence has not resulted in communication of a significant deficiency or material weakness in internal controls. In addition, the attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial both individually and in the aggregate to the financial statements taken as a whole.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated November 24, 2010.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a

consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Homestead's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of Homestead and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Martin, Hood, Friese & Associates, LLC



Mitchell R. Schluter, CPA

Client: 3449 - Homestead Corporation of Champaign-Urbana  
 Engagement: AUD - 3449 Homestead Corporation of Champaign-Urbana  
 Period Ending: 12/31/2009  
 Trial Balance: TB  
 Workpaper: TB-02 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>		<b>TB-01</b>		
To remove donated land sold in 2009. Journal entry provided by Aaron Smith before fieldwork				
40100-6656	In-Kind Land Expense		13,400.00	13,400.00
11111-1355	Donated Land for Resale			13,400.00
<b>Total</b>			<u>13,400.00</u>	<u>13,400.00</u>
<b>Adjusting Journal Entries JE # 2</b>				
To record two lots of Donated Land for AHP Development donated in 2009. Journal entry provided by Aaron Smith before fieldwork				
11111-1355	Donated Land for Resale		23,822.00	23,822.00
40100-5989	In-Kind Revenue			23,822.00
<b>Total</b>			<u>23,822.00</u>	<u>23,822.00</u>
<b>Adjusting Journal Entries JE # 3</b>				
To record Depreciation Expense for 2009. Discussed with and approved by Aaron Smith, E.D., on 4/23/10.				
30310-6600	Depreciation		37,262.00	37,262.00
11111-1495	Accumulated Depreciation			37,262.00
<b>Total</b>			<u>37,262.00</u>	<u>37,262.00</u>
<b>Adjusting Journal Entries JE # 6</b>		<b>L-01</b>		
To properly record a liability for expenses incurred before year-end and paid after year-end. Discussed with and approved by Aaron Smith, Executive Director, on 5/12/10.				
10100-6452	Telephone		40.00	
30310-6203	Events		120.00	
30310-6340	Legal Expense		128.00	
30310-6450	Electricity		2,063.00	
30310-6451	Water		8.00	
30310-6452	Telephone		12.00	
30310-6453	Sewer		482.00	
30310-6455	Grounds Maintenance		170.00	
30310-6456	Cleaning & Maintenance		191.00	
30310-6525	Garbage & Trash Removal		95.00	
30310-6720	Property & Liability Insurance		2,007.00	
40100-6340	Legal Expense		6,440.00	
11111-2110	Accounts Payable - Operations			11,756.00
<b>Total</b>			<u>11,756.00</u>	<u>11,756.00</u>
<b>Adjusting Journal Entries JE # 7</b>		<b>R-20</b>		
To gross up revenue and expenses for noncash sales of AHP homes, and to reverse expenses and gain on sale previously recorded related to this transaction. Discussed				
40100-5998	Gain on Sale of Property		11,300.00	
40100-6659	Cost of Sales		112,200.00	
40100-5991	Housing Sales			112,600.00
40100-6657	Misc. Development Expense			10,900.00
<b>Total</b>			<u>123,500.00</u>	<u>123,500.00</u>
<b>Adjusting Journal Entries JE # 8</b>		<b>C-01</b>		
To record revenue and expense from 08-09 Grant that City of Urbana paid directly to homeowner during closing for 510 E Eureka. Discussed with and approved by Aaron				
40100-6651	Down Payment Assistance		12,500.00	12,500.00
40100-5995	AHP Housing Development			12,500.00
<b>Total</b>			<u>12,500.00</u>	<u>12,500.00</u>
<b>Adjusting Journal Entries JE # 9</b>				
To adjust Petty Cash to actual. Journal entry provided by Aaron Smith, Executive Director before fieldwork				
30310-6590	Misc. Operating & Maintenance		43.00	43.00
11111-1100	Petty cash			43.00
<b>Total</b>			<u>43.00</u>	<u>43.00</u>
<b>Adjusting Journal Entries JE # 11</b>		<b>C-01</b>		

Client: **3449 - Homestead Corporation of Champaign-Urbana**  
 Engagement: **AUD - 3449 Homestead Corporation of Champaign-Urbana**  
 Period Ending: **12/31/2009**  
 Trial Balance: **TB**  
 Workpaper: **TB-02 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
To gross up revenues and expenses for grant money transferred directly to another entity directly from the granting agency. Discussed with and approved by Aaron				
50100-6657	Development Expense		303,004.00	
50100-5994	CHDO / HOME			303,004.00
<b>Total</b>			<u><u>303,004.00</u></u>	<u><u>303,004.00</u></u>
<b>Adjusting Journal Entries JE # 12</b>				
To adjust Deposit Liability to actual balance. Discussed with and approved by Aaron Smith on 6/1/10.				
11111-2191	Tenant Deposit - SRO	B-00	214.00	
40100-6460	Repairs			214.00
<b>Total</b>			<u><u>214.00</u></u>	<u><u>214.00</u></u>
<b>Adjusting Journal Entries JE # 13</b>				
To properly record revenue and expense related to the receipt and subsequent pass-through of a closing fee from ConAgra. Discussed with and approved by Aaron Smith,				
50100-6657	Development Expense	R-30	10,000.00	
50100-5999	Closing Fees			10,000.00
<b>Total</b>			<u><u>10,000.00</u></u>	<u><u>10,000.00</u></u>
<b>Adjusting Journal Entries JE # 14</b>				
To properly record revenue and expense from the receipt and subsequent pass-through of funds from the Federal HOME Loan program.				
50100-6657	Development Expense	C-01	280,000.00	
50100-5985	Federal HOME Loan			280,000.00
<b>Total</b>			<u><u>280,000.00</u></u>	<u><u>280,000.00</u></u>
<b>Adjusting Journal Entries JE # 15</b>				
To record in-kind land contribution				
20250-6657	Misc. Development Expense		1,000,000.00	
20250-5991	In-Kind Land Contribution			1,000,000.00
<b>Total</b>			<u><u>1,000,000.00</u></u>	<u><u>1,000,000.00</u></u>
<b>Adjusting Journal Entries JE # 16</b>				
To record sale of crystal view tax credit				
20250-6657	Misc. Development Expense		425,000.00	
20250-5992	Sale of Crystal View Tax Credit			425,000.00
<b>Total</b>			<u><u>425,000.00</u></u>	<u><u>425,000.00</u></u>
<b>Adjusting Journal Entries JE # 17</b>				
Record CV Development Fee Earned at present value.				
11111-1148	Crystal View Development Fee Receivable - Current		4,950.00	
11111-1149	Crystal View Development Fee Receivable - Long Term		72,154.00	
11111-1150	Crystal View Development Fee Discount - Current			197.00
11111-1151	Crystal View Development Fee Discount - Long Term			4,714.00
50100-5996	Home Development			72,193.00
<b>Total</b>			<u><u>77,104.00</u></u>	<u><u>77,104.00</u></u>
<b>Adjusting Journal Entries JE # 18</b>				
Record second quarter accrual and receivable on general operating grant.				
11111-1143	A/R City of Urbana HOME		6,314.00	
10100-5994	CHDO / HOME			6,314.00
<b>Total</b>			<u><u>6,314.00</u></u>	<u><u>6,314.00</u></u>
<b>Adjusting Journal Entries JE # 19</b>				
To adjust revenue and expense for the sale of State Tax Credits, donation from investor, and fees paid to broker.				
50100-5999	Closing Fees		10,000.00	
50100-6657	Development Expense		25,000.00	
20250-5992	Sale of Crystal View Tax Credit			15,000.00
50100-5970	Cash Contributions			10,000.00
50100-6657	Development Expense			10,000.00

11/24/2010  
4:00 PM

Client: **3449 - Homestead Corporation of Champaign-Urbana**  
Engagement: **AUD - 3449 Homestead Corporation of Champaign-Urbana**  
Period Ending: **12/31/2009**  
Trial Balance: **TB**  
Workpaper: **TB-02 - Adjusting Journal Entries Report**

<u>Account</u>	<u>Description</u>	<u>W/P Ref</u>	<u>Debit</u>	<u>Credit</u>
Total			<u>35,000.00</u>	<u>35,000.00</u>

Client: 3449 - Homestead Corporation of Champaign-Urbana  
 Engagement: AUD - 3449 Homestead Corporation of Champaign-Urbana  
 Period Ending: 12/31/2009  
 Trial Balance: TB  
 Workpaper: TB-03 - Reclassifying Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
<b>Reclassifying Journal Entries JE # 4</b>		N-00		
To reclassify the current portion of Long-Term Debt				
11111-2169	NP Busey Bank - SRO		762.00	
11111-2170	Notes Payable Current			762.00
<b>Total</b>			<u>762.00</u>	<u>762.00</u>
<b>Reclassifying Journal Entries JE # 5</b>		S-01		
To reclassify Director's Salary as provided by Aaron Smith.				
30310-6110	Exec Director Salary		8,500.00	
30310-6130	FICA / Med payroll taxes		2,402.00	
30310-6711	FUTA/SUTA Payroll taxes		101.00	
40100-6110	Exec Director Salary		8,500.00	
40100-6140	Employee Health Insurance		449.00	
50100-6110	Exec Director Salary		8,500.00	
50100-6140	Employee Health Insurance		449.00	
10100-6110	Exec Director Salary			25,500.00
10100-6130	FICA / Med payroll taxes			2,402.00
10100-6140	Employee Health Insurance			714.00
10100-6711	FUTA/SUTA Payroll taxes			101.00
30310-6140	Employee Health Insurance			184.00
<b>Total</b>			<u>28,901.00</u>	<u>28,901.00</u>
<b>Reclassifying Journal Entries JE # 10</b>		R-01		
To reclassify restricted cash for repairs into a separate account for reporting purposes				
11111-1190	Restricted Net Asset - Grant		4,100.00	
11111-1110	SRO Replacement Reserve - Busey			4,100.00
<b>Total</b>			<u>4,100.00</u>	<u>4,100.00</u>

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NPO-CX-12.2: AUDIT DIFFERENCE EVALUATION FORM

Organization:

Statement of Financial Position Date:

Completed by:

Date:

**Instructions:** This form should be used to accumulate known audit differences detected by nonsampling substantive tests (including differences in accounting estimates) and projected audit differences from substantive procedures that used sampling. The auditor should review the guidance beginning at paragraph 1112.15 before concluding whether to reflect the effect of prior-year unadjusted audit differences in evaluating audit differences in the current period. This form should not include normal closing entries. At the end of the audit, the auditor should evaluate all uncorrected audit differences, individually and in the aggregate, in relation to individual amounts, subtotals, or totals in the financial statements and conclude on whether they materially misstate the financial statements taken as a whole. See section 1112. The notes following the table provide footnote explanations and a listing of qualitative considerations in evaluating materiality.

Description (Nature) of Audit Difference	Known (K) or Likely (L)	Cause	Workpaper Reference	Financial Statements Effect—Amount of Over (Under)					Statement of:		
				Total Assets	Total Liabilities	Net Assets	Revenues	Expenses	Change in Net Assets	Working Capital	
none noted										\$0	
										\$0	
										\$0	
										\$0	
										\$0	
										\$0	
										\$0	
										\$0	
										\$0	
<b>Total</b>				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Less Audit Adjustments Subsequently Booked										\$0	
Net Unadjusted Audit Differences—This Year				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effect of Unadjusted Audit Differences—Prior Years										\$0	\$0
Net Audit Differences				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Financial Statement Caption Totals				1,306,382	279,902	\$1,026,480	2,729,574	2,662,016	\$67,558		83,957
Net Audit Differences as % of F/S Captions				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Urbana, Illinois

**Consolidated Financial Statements  
and Supplementary Information**

For the Year Ended

December 31, 2009

MARTIN, HOOD, FRIESE & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS



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INDEPENDENT AUDITORS' REPORT

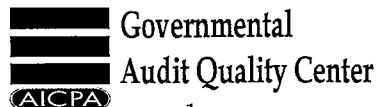
To the Board of Directors  
Homestead Corporation of Champaign-Urbana  
Urbana, Illinois

We have audited the accompanying consolidated statement of financial position of Homestead Corporation of Champaign-Urbana and Subsidiary (the Corporation) as of December 31, 2009, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Homestead Corporation of Champaign-Urbana and Subsidiary as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a separate report dated November 24, 2010 on our consideration of the Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations,



contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information included in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements of Homestead Corporation of Champaign-Urbana and Subsidiary. This schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Martin, Wood, Pines & Associates, LLC*

Champaign, Illinois  
November 24, 2010

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Consolidated Statement of Financial Position

December 31, 2009

ASSETS

**Current Assets**

Cash and Cash Equivalents	\$	69,344
Restricted Cash - Building Repairs		4,100
Grants Receivable		6,314
Development Fee Receivable, Net of Discount		4,753
Total Current Assets		84,511

**Property and Equipment, Net**

1,127,028

**Other Assets**

Development Fee Receivable, Net of Current Portion and Discount		67,440
Land Held for Future Construction		23,822
Deposits Held in Trust - Tenant Security Deposits		3,581
Total Other Assets		94,843

Total Assets

\$ 1,306,382

LIABILITIES AND NET ASSETS

**Current Liabilities**

Accounts Payable	\$	11,756
Tenant Security Deposits		3,581
Mortgage Payable, Current Portion		12,620
Total Current Liabilities		27,957

**Long-Term Liabilities**

Mortgage Payable, Net of Current Portion		251,945
Total Liabilities		279,902

**Net Assets**

Unrestricted:		
Undesignated		995,624
Board Designated		2,934
Temporarily Restricted		27,922
Total Net Assets		1,026,480

Total Liabilities and Net Assets

\$ 1,306,382

The notes following Exhibit D are an integral part of this financial statement.

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Consolidated Statement of Activities

For the Year Ended December 31, 2009

	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue</b>			
Grants:			
City of Urbana Home Consortium	\$ 36,187	\$ -	\$ 36,187
Urbana CHDO Operating Grants	323,318	-	323,318
Federal HOME Loan	280,000	-	280,000
City of Urbana CDBG	95,000	-	95,000
Department of Commerce and Economic Opportunity (DCEO)	174,115	-	174,115
Development Fees	87,043	-	87,043
Cunningham Township Grants	5,250	-	5,250
Community Foundation Grants	-	3,000	3,000
Rental Income:			
HUD Rental Assistance	76,747	-	76,747
Tenant Rent Payments	54,159	-	54,159
Housing Sales	112,600	-	112,600
In-Kind Land Donations	-	23,822	23,822
In-Kind Land Contribution	1,000,000	-	1,000,000
Sale of Crystal View Tax Credit	440,000	-	440,000
Cash Contributions	5,940	11,100	17,040
Miscellaneous	1,293	-	1,293
Net Assets Released from Restrictions	25,900	(25,900)	-
Total Support and Revenue	2,717,552	12,022	2,729,574
<b>Expenses</b>			
Program Services:			
Homestead Apartments	158,371	-	158,371
Crystal View Development	2,310,350	-	2,310,350
Housing Development	167,362	-	167,362
Supporting Services:			
General and Administrative	25,933	-	25,933
Total Expenses	2,662,016	-	2,662,016
<b>Change in Net Assets</b>	55,536	12,022	67,558
<b>Net Assets, January 1, 2009</b>	943,022	15,900	958,922
<b>Net Assets, December 31, 2009</b>	\$ 998,558	\$ 27,922	\$ 1,026,480

The notes following Exhibit D are an integral part of this financial statement.

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Consolidated Statement of Functional Expenses

For the Year Ended December 31, 2009

	Program Services			Total Program Services	General and Administrative	Total
	Homestead Apartments	Crystal View Development	Housing Development			
Crystal View Development	\$ -	\$ 2,301,369	\$ -	\$ 2,301,369	\$ -	\$ 2,301,369
Building Construction	-	-	124,009	124,009	-	124,009
Personnel Wages and Taxes	34,532	8,949	8,949	52,430	10,998	63,428
Depreciation	37,262	-	-	37,262	-	37,262
Electricity	23,752	-	-	23,752	-	23,752
Interest	17,169	-	158	17,327	-	17,327
In-Kind Land Expense	-	-	13,400	13,400	-	13,400
Down Payment Assistance	-	-	12,500	12,500	-	12,500
Property Insurance	8,028	-	-	8,028	1,100	9,128
Janitorial	8,266	-	-	8,266	-	8,266
Professional Fees	2,500	-	-	2,500	4,500	7,000
Water and Sewer	7,000	-	-	7,000	-	7,000
Legal Fees	128	-	6,440	6,568	-	6,568
Telephone	5,158	-	-	5,158	1,100	6,258
Repairs and Maintenance	3,558	-	(214)	3,344	1,463	4,807
Management Fees	2,400	-	-	2,400	-	2,400
Grounds Maintenance	1,684	-	-	1,684	-	1,684
Property Taxes	1,500	-	161	1,661	-	1,661
Trash Removal	1,611	-	-	1,611	-	1,611
Workmen's Compensation	-	-	-	-	1,559	1,559
Security Expense	1,460	-	-	1,460	-	1,460
Architect and Engineer Fees	-	-	1,350	1,350	-	1,350
Events	120	-	-	120	1,171	1,291
Office Expenses	697	-	-	697	567	1,264
Membership Dues	-	-	-	-	915	915
Bookkeeping Fees	42	17	-	59	771	830
Miscellaneous	1,504	15	609	2,128	1,789	3,917
<b>Total Expenses</b>	<b>\$ 158,371</b>	<b>\$ 2,310,350</b>	<b>\$ 167,362</b>	<b>\$ 2,636,083</b>	<b>\$ 25,933</b>	<b>\$ 2,662,016</b>

The notes following Exhibit D are an integral part of this financial statement.

HOMESTEAD CORPORATION OF CHAMPAIGN URBANA  
AND SUBSIDIARY

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2009

<b>Cash Flows from Operating Activities</b>	<u>\$ 67,558</u>
Change in Net Assets	
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
In-Kind Land Expense	13,400
In-Kind Land Donations	(23,822)
Depreciation	37,262
Decrease (Increase) in Assets:	
Grant Receivable	(6,314)
Development Fee Receivable	(72,193)
Tenant Security Deposits Held in Trust	2,404
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	11,756
Tenant Security Deposits	96
Total Adjustments	<u>(37,411)</u>
Net Cash Provided by Operating Activities	30,147
 <b>Cash Flows from Financing Activities</b>	
Principal Payments on Mortgages Payable	<u>(11,630)</u>
 <b>Net Increase in Cash and Cash Equivalents</b>	18,517
 <b>Cash and Cash Equivalents, January 1, 2009</b>	<u>54,927</u>
 <b>Cash and Cash Equivalents, December 31, 2009</b>	<u><u>\$ 73,444</u></u>
 <b>Supplemental Disclosure of Cash Flow Information</b>	
Cash Paid for Interest	<u><u>\$ 17,327</u></u>
 <b>Non-Cash Investing and Financing Activities</b>	
Advances on Line of Credit for Acquisition of Construction	
Materials Paid Directly by Title Company	<u>\$ 101,700</u>
Principal Payments on Line of Credit through	
Housing Sales Paid Directly By Title Company	<u><u>\$ (101,700)</u></u>

The notes following this Exhibit are an integral part of this financial statement.

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Notes to Consolidated Financial Statements

December 31, 2009

**1. Nature of Activities**

Homestead Corporation of Champaign-Urbana (Homestead), a nonprofit organization, receives substantially all its support from grants and private contributions in order to provide affordable housing for low and moderate income families. Homestead currently has one property in service, the Homestead Apartments (a single-room-occupancy facility with twenty-five units). Homestead receives Section 8 rent assistance from the United States Department of Housing and Urban Development (HUD) for the Homestead Apartments. Rental income is derived primarily from operating leases with terms of typically one year or less. Homestead also manages a program entitled "Housing Development", which encompasses the management of various low-income housing construction projects.

During 2006, Homestead's Board of Directors elected to form Homestead Crystal View, Inc. (a taxable not-for-profit entity) for the purpose of acquiring the land and improvements necessary for the reconstruction of the Lakeside Terrace Public Housing Development in Urbana, Illinois. Homestead is the sole shareholder of Homestead Crystal View, Inc.; and Homestead Crystal View, Inc. holds a 25 percent ownership in Crystal View, LLC, which is the managing member and 0.009 percent owner of the development company Crystal View Townhomes, L.P. Development and construction of the Crystal View project began during fiscal year 2009 and it was added as another program for Homestead in the current year.

Approximately 31 percent of total fiscal year 2009 consolidated support and revenue relates to funding from City of Urbana Grants, Federal HOME Loan program, and the Department of Commerce and Economic Opportunity for Crystal View Development program. In addition, the program also includes an in-kind land contribution and related sale of tax credits representing another 53 percent of total fiscal year 2009 consolidated support and revenue.

**2. Summary of Significant Accounting Policies**

*Consolidation*

The consolidated financial statements include the accounts of Homestead Corporation of Champaign-Urbana and its wholly owned subsidiary Homestead Crystal View, Inc. All material intercompany transactions have been eliminated.



### *Grant Revenue*

Homestead receives all of its grant revenue from federal, state, and local agencies. Revenue received from those grants is recognized to the extent of program expenses (up to the contract ceiling). The excess or deficit of grant receipts over program expenses is accounted for as deferred grant revenue or grants receivable, respectively, until the corresponding expenses are incurred or the grant monies are received.

### *Contributions*

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires (when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets.

### *Cash and Cash Equivalents*

For purposes of the consolidated statement of cash flows, Cash and Cash Equivalents include demand deposits as well as time deposits with maturities within three months at issuance.

### *Property and Equipment*

Property is recorded at cost or, if donated, at fair market value at the time of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the individual assets. Maintenance, repairs, and minor additions are charged to expense when incurred.

### *Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### *Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Income Taxes*

Homestead is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

*Uncertain Tax Positions*

The consolidated financial statements for the year ended December 31, 2009 include no interest or penalties related to taxes. Homestead is not aware of any tax position for which a significant change is reasonably possible within the next year. By statute, as of December 31, 2009, Homestead's federal and Illinois tax filings for the fiscal years 2006 through 2009 remain open for review by tax authorities.

*Subsequent Events*

Homestead has evaluated subsequent events through November 24, 2010, the date on which the consolidated financial statements were available to be issued.

**3. Land Held for Future Construction**

Land held for future construction consists of land upon which a home will be built within the Affordable Homeownership Program. Upon construction, the home will be sold to a local family at Homestead's cost. Homestead received the parcel of land as a donation from a local municipality and treats that donation as temporarily restricted net assets until the property is sold to the home owner. Homestead expects to sell the property within one year of the start of construction.

Land Held for Future Construction	<u>\$ 23,822</u>
-----------------------------------	------------------

**4. Tenant Security Deposits Held in Trust**

Tenant security deposits totaling \$3,581 as of December 31, 2009 are held in cash accounts as required by the United States Department of Housing and Urban Development Section 8 Housing Assistance Payments Program.

**5. Property and Equipment, Net**

The property and equipment of Homestead consist of the following at December 31, 2009:

Land	\$	93,556
Land Improvements		3,138
Buildings and Improvements - Held for Leasing		1,451,664
Furniture and Equipment - Held for Leasing		6,550
Furniture and Equipment		4,013
Total Property and Equipment		<u>1,558,921</u>
Less: Accumulated Depreciation - Items Held for Leasing		(427,880)
Less: Accumulated Depreciation		(4,013)
Property and Equipment, Net	\$	<u><u>1,127,028</u></u>

**6. Lines of Credit**

Homestead maintains a \$12,000 unsecured line of credit with PNC Bank. The line of credit is due on demand and accrues interest at a variable rate based on the lender's prime rate plus 4.0 percent. At December 31, 2009, the interest rate was 7.25 percent and there was no outstanding balance on this line of credit.

**7. Mortgage Payable**

Homestead has a mortgage payable to PNC Bank with an outstanding balance at December 31, 2009 of \$264,565. Payments of \$2,400 including interest at 6.25 percent are due monthly and a balloon payment for the remaining balance is due April 10, 2013. The mortgage payable is secured by the Homestead Apartments building.

The future minimum principal payments for these notes are as follow:

<u>Fiscal Year</u>		
2010	\$	12,620
2011		13,432
2012		14,296
2013		224,217
Total	\$	<u><u>264,565</u></u>

**8. Board Designated Net Assets**

Board designated net assets consist of the following at December 31, 2009:

Homestead Apartments Replacement Reserve	\$	<u><u>2,934</u></u>
------------------------------------------	----	---------------------

**9. Temporarily Restricted Net Assets**

Temporarily restricted net assets consist of the following at December 31, 2009:

Land Held for Future Construction	\$	23,822
Cash Restricted for Building Repairs		4,100
Total Temporarily Restricted Net Assets	\$	<u>27,922</u>

**10. Forgivable Loans and Reserves**

Homestead received and expended funds related to development and construction of Homestead Apartments housing facility (SRO) completed in fiscal year 1999. In the current year, Homestead received and expended funds related to the development and construction of the Crystal View project. The sources for these forgivable loans and grants include the United States Department of Housing and Urban Development HOME Investment Partnerships Program through the Cities of Champaign and Urbana and the Federal Home Loan Bank of Chicago. The agreements do not require interest or principal repayment of these funds as long as the property is not sold and the program continues to provide affordable low-income housing for a specified number of years as defined in each individual agreement (unless prior written consent is obtained). Because the conditions for repayment of these amounts are considered unlikely to occur, Homestead considers these loans as grants income and has included them as support and revenue in the Statement of Activities in the year they were earned. Homestead would be liable for the entire balance, should there be a default. A summary of these forgivable grants and loans by the ending of their period of affordability fiscal year which have been included in income through December 31, 2009 is as follows:

*SRO*

Period of Affordability Expires 2014	\$	744,894
Period of Affordability Expires 2029		125,000

*Crystal View*

Period of Affordability Expires 2025		109,690
Period of Affordability Expires 2030		303,004
Period of Affordability Expires 2040		280,000
Total	\$	<u>1,562,588</u>

**11. Conditional Grant Revenue**

Homestead has various grants with the City of Urbana, the Illinois Department of Commerce and Economic Opportunity, and Cunningham Township. The agreements are conditioned upon Homestead acquiring and improving various single-family homes within Champaign-Urbana, Crystal View project development, or providing certain

administrative services for their housing programs. These grants are conditioned upon Homestead's expenditure of eligible costs related to the agreements. Homestead will recognize revenue when the respective condition is met in future years. At December 31, 2009, the maximum amount remaining for Homestead to receive in future periods under these grants included the following:

Home Development Program	\$ 170,340
Crystal View Development	127,635
General Administrative Services	<u>15,378</u>
Total Conditional Grant Revenue	<u><u>\$ 313,353</u></u>

**12. Rent Increases**

Under the Section 8 regulatory agreement, Homestead may not increase rents charged to tenants without prior approval from HUD. A rent increase was approved and occurred during 2009 for Homestead Apartments.

**13. Crystal View Townhomes Development**

Project final approval and construction began in 2009 and was completed as of the date of this report. The initial design of the project is for Homestead to obtain and invest in the development of the project through its subsidiary Homestead Crystal View, Inc. The contracts currently in place run through December 31, 2107, or if other certain events occur prior to that date then that shall constitute a liquidating event. Those events include: consent of the members to dissolve, bankruptcy of any member, sale of all or substantially all the property, any other events that make it unlawful, impossible, or unfeasible according to the Manager's judgment to carry on the business of the Company. The grants and forgivable loans related to the project obtained by Homestead and contributed through Homestead Crystal View, Inc. and subsequently Crystal View, LLC for ultimate use by Crystal View Townhomes, L.P. have periods of affordability clauses (related to specific use of the property) attached to them that Homestead is responsible for. It is management's belief and project intent that it will meet all the period of affordability requirements and that none of the funds will be returned. Therefore, all proceeds received related to this project have been included in Homestead as revenue and related development expenses. Based on the accounting method used to account for funding sources in Homestead, Homestead Crystal View, Inc. does not have any activity as of and for the year ended December 31, 2009. Therefore, although these financial statements are considered consolidated, the activity presented represents only the balances and activities of Homestead for the year ended December 31, 2009.

### *Development Fee*

Part of the overall cost of the Crystal View project is payment of a development fee to both the primary developer (85 percent of the fee) and secondary developer (15 percent of the fee). The total development fee associated with the project is \$1,532,580. Homestead is the secondary developer on the project and is entitled to \$229,887 of the fee. The fee is earned at different intervals and has a payout schedule separate from the earnings schedule. Based on the agreement, the fee was 40 percent earned through December 31, 2009 (Homestead's earned portion was \$91,954) with the remaining 60 percent to be earned upon placement of units in services (expected to be in 2010). The payment of the development fee is over a separate schedule. For the period ended December 31, 2009, Homestead has received \$14,850 with the remaining development fee earned and unpaid is included in Development Fee Receivable and discounted based on the expected payment receipt dates using an interest rate of 5 percent. The amount presented as the Development Fee Receivable at December 31, 2009 is considered a significant estimate in these financial statements.

The following table represents the status of the Development Fee Receivable as of December 31, 2009:

Development Fee Receivable	\$ 77,104
Less: Discount on Development Fee Receivable	<u>(4,911)</u>
Total Development Fee Receivable	72,193
Current Portion of Development Fee Receivable, Net of Discount	<u>(4,753)</u>
Non-Current Portion of Development Fee Receivable, Net of Discount	<u><u>\$ 67,440</u></u>

### *Lease and Lease Assignment*

Homestead entered into a lease for the ground as the initial tenant with the Housing Authority of Champaign County effective December 1, 2008, which expires November 30, 2107, for total rent for the entire term of \$99. Homestead then assigned the lease to Crystal View Townhomes L.P. effective December 1, 2008. The leased property is the site of the Crystal View Townhomes development. Final approval of all contracts and agreements as well as construction on the development began in fiscal year 2009. As part of the construction phase Crystal View Townhomes, L.P. had an appraisal done on the property and determined that the contribution to the project related to the lease assignment would be \$1,000,000. In addition, as part of the contribution, tax credits spanning over future years related to the land contribution in the amount of \$500,000 were awarded. These tax credits were then sold to a third party at a discounted value of \$440,000. Since Homestead obtained the original lease and executed the related lease assignment, both amounts have been included in Homestead's revenue and related Crystal View Development expense for the year ended December 31, 2009.

**HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY**

**Consolidated Schedule of Support, Revenue, and Expenses by Function**

For the Year Ended December 31, 2009

	Program Services			Total Program Services	General and Administrative	Total
	Homestead Apartments	Crystal View Development	Housing Development			
<b>Support and Revenue</b>						
Grants:						
City of Urbana Home Consortium	\$ -	\$ -	\$ 36,187	\$ 36,187	\$ -	\$ 36,187
Urbana CHDO Operating Grants	-	303,004	-	303,004	20,314	323,318
Federal HOME Loan	-	280,000	-	280,000	-	280,000
City of Urbana CDBG	-	95,000	-	95,000	-	95,000
Department of Commerce and Economic Opportunity (DCEO)	-	174,115	-	174,115	-	174,115
Development Fees	-	87,043	-	87,043	-	87,043
Cunningham Township Grants	-	-	-	-	5,250	5,250
Community Foundation Grants	3,000	-	-	3,000	-	3,000
Rental Income:						
HUD Rental Assistance	76,747	-	-	76,747	-	76,747
Tenant Rent Payments	54,159	-	-	54,159	-	54,159
Housing Sales	-	-	112,600	112,600	-	112,600
In-Kind Revenue	-	-	23,822	23,822	-	23,822
In-Kind Land Contribution	-	1,000,000	-	1,000,000	-	1,000,000
Sale of Crystal View Tax Credit	-	440,000	-	440,000	-	440,000
Cash Contributions	1,100	10,000	-	11,100	5,940	17,040
Miscellaneous	1,276	-	-	1,276	17	1,293
<b>Total Support and Revenue</b>	<u>136,282</u>	<u>2,389,162</u>	<u>172,609</u>	<u>2,698,053</u>	<u>31,521</u>	<u>2,729,574</u>
<b>Expenses</b>						
Crystal View Development Expenses	-	2,301,369	-	2,301,369	-	2,301,369
Building Construction	-	-	124,009	124,009	-	124,009
Personnel Wages and Taxes	34,532	8,949	8,949	52,430	10,998	63,428
Electricity	23,752	-	-	23,752	-	23,752
Interest	17,169	-	158	17,327	-	17,327
In-Kind Land Expense	-	-	13,400	13,400	-	13,400
Down Payment Assistance	-	-	12,500	12,500	-	12,500
Property Insurance	8,028	-	-	8,028	1,100	9,128
Janitorial	8,266	-	-	8,266	-	8,266
Professional Fees	2,500	-	-	2,500	4,500	7,000
Water and Sewer	7,000	-	-	7,000	-	7,000
Legal Fees	128	-	6,440	6,568	-	6,568
Telephone	5,158	-	-	5,158	1,100	6,258
Repairs and Maintenance	3,558	-	(214)	3,344	1,463	4,807
Management Fees	2,400	-	-	2,400	-	2,400
Grounds Maintenance	1,684	-	-	1,684	-	1,684
Property Taxes	1,500	-	161	1,661	-	1,661
Trash Removal	1,611	-	-	1,611	-	1,611
Workmen's Compensation	-	-	-	-	1,559	1,559
Security Expense	1,460	-	-	1,460	-	1,460
Architect and Engineer Fees	-	-	1,350	1,350	-	1,350
Events	120	-	-	120	1,171	1,291
Office Expenses	697	-	-	697	567	1,264
Membership Dues	-	-	-	-	915	915
Bookkeeping Fees	42	17	-	59	771	830
Miscellaneous	1,504	15	609	2,128	1,789	3,917
<b>Total Expenses</b>	<u>121,109</u>	<u>2,310,350</u>	<u>167,362</u>	<u>2,598,821</u>	<u>25,933</u>	<u>2,624,754</u>
Excess (Deficit) of Support and Revenue over Expenses Before Depreciation	15,173	78,812	5,247	99,232	5,588	104,820
Depreciation	37,262	-	-	37,262	-	37,262
<b>Change in Net Assets</b>	<u>\$ (22,089)</u>	<u>\$ 78,812</u>	<u>\$ 5,247</u>	<u>\$ 61,970</u>	<u>\$ 5,588</u>	<u>\$ 67,558</u>

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Urbana, Illinois

**Report of Federal Financial Assistance**

For the Year Ended

December 31, 2009

MARTIN, HOOD, FRIESE & ASSOCIATES, LLC

CERTIFIED PUBLIC ACCOUNTANTS



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Homestead Corporation of Champaign-Urbana  
Urbana, Illinois

We have audited the consolidated financial statements of Homestead Corporation of Champaign-Urbana and Subsidiary (Homestead) as of and for the year ended December 31, 2009 and have issued our report thereon dated November 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Homestead's internal control over financial reporting 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 Homestead's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Homestead's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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 Homestead's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. We considered the deficiencies described as items 09-01 and 09-02 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Homestead's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Homestead in a separate letter dated November 24, 2010.

Homestead's responses to the findings identified in our audit are described in the accompany Schedule of Findings and Questioned Costs. We did not audit Homestead's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, and federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Martin Wood, Fries & Associates, LLC*

Urbana, Illinois  
November 24, 2010

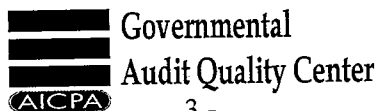
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors  
Homestead Corporation of Champaign-Urbana  
Urbana, IL

**Compliance**

We have audited the compliance of Homestead Corporation of Champaign-Urbana and Subsidiary (Homestead) with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Homestead's major federal programs for the year ended December 31, 2009. Homestead's major federal program is identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Homestead's management. Our responsibility is to express an opinion on Homestead's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Homestead's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Homestead's compliance with those requirements.



In our opinion, Homestead complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended December 31, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described as items 09-03 and 09-04 in the accompanying Schedule of Findings and Questioned Costs

### **Internal Control over Compliance**

Management of Homestead is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Homestead's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Homestead's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described as items 09-03 and 09-04 in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

### **Schedule of Expenditures of Federal Awards**

We have audited the consolidated financial statements of Homestead Corporation of Champaign-Urbana and Subsidiary as of and for the year ended December 31, 2009 and have issued our report thereon dated November 24, 2010, which contained an unqualified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of

Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organization*, and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic consolidated financial statements as a whole.

Homestead's responses to the findings identified in our audit are described in the accompany Schedule of Findings and Questioned Costs. We did not audit Homestead's response and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, Board of Directors, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Martin, Wood, Fries & Associates, LLC*

Champaign, Illinois  
November 24, 2010

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA AND SUBSIDIARY

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2009

Federal Grantor/ Pass-Through Grantor/Program Title	CFDA Number	Contract Number	Federal Expenditures
<b>U.S. Department of Housing and Urban Development</b>			
<i>Pass-Through Programs From City of Urbana, Illinois:</i>			
Community Development Block Grant Crystal View Townhomes	* 14.218	FY2005-06/FY 2007-08-A-01 CDBG	\$ 95,000
<i>Pass-Through Programs From City of Champaign, Illinois:</i>			
Community Development Block Grant FY1995-1996 Forgivable Loan Total CFDA #14.218	* 14.218	N/A	240,000 <u>335,000</u>
<i>Pass-Through Programs From City of Urbana, Illinois:</i>			
HOME Investment Partnerships Program FY2008-2009 Community Housing Development Organization (CHDO) FY2009-2010 Community Housing Development Organization (CHDO) Crystal View Community Housing Development Organization (CHDO) FY2008-2009 Affordable Housing Program (AHP) FY2008-2009 Affordable Housing Program (AHP) Douglass Park Infill Program FY1995-1996 Forgivable Loan FY1996-1997 Forgivable Loan FY1996-1997 Community Housing Development Organization (CHDO) Forgivable Loan	* 14.239 * 14.239 * 14.239 * 14.239 * 14.239 * 14.239 * 14.239	0809-HSC-OP 0910-HC-OP N/A 0809-HC-CD 0809-HC-CD2 N/A N/A N/A	7,686 6,314 303,004 85,000 24,690 120,000 54,041 120,000
<i>Pass-Through Programs From City of Champaign, Illinois:</i>			
HOME Investment Partnerships Program FY1996-1997 Forgivable Loan FY1997-1998 Community Housing Development Organization (CHDO) Forgivable Loan FY1997-1998 Community Housing Development Organization (CHDO) Forgivable Loan Total CFDA #14.239	* 14.239 * 14.239 * 14.239	N/A N/A N/A	108,000 80,700 22,153 <u>931,588</u>
<i>Pass-Through Programs From Housing Authority of Champaign County, Illinois:</i>			
Section 8 Moderate Rehabilitation	14.249	IL006SC0001	76,747
<b>Total Federal Expenditures</b>			<b>\$ 1,343,335</b>

\* - Denotes Major Program

Notes to Schedule of Expenditures of Federal Awards

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Homestead Corporation of Champaign-Urbana and Subsidiary and is presented on the accrual basis of accounting for the year ended December 31, 2009. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in, the preparation of the consolidated financial statements.

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2009

**1. Summary of Auditors' Results**

- (i) Type of audit report issued on the consolidated financial statements: Unqualified
- (ii) The audit disclosed two significant deficiencies in internal control that are required to be reported in accordance with *Government Auditing Standards*. The significant deficiencies are considered material weaknesses.
- (iii) The audit did not disclose instances of noncompliance material to the consolidated financial statements that are required to be reported in accordance with *Government Auditing Standards*.
- (iv) The audit disclosed two significant deficiencies in internal control over major federal awards. The significant deficiencies are considered material weaknesses in internal control over major federal programs.
- (v) Type of report issued on compliance for the major program: Unqualified
- (vi) The audit disclosed findings required to be reported in accordance with Section 510(a) of OMB Circular A-133.
- (vii) Major Programs include:  
  
U.S. Department of Housing and Urban Development:
  - Community Development Block Grant – CFDA #14.218
  - HOME Investment Partnerships Program – CFDA #14.239
- (viii) The dollar threshold used to distinguish Type A and Type B programs was \$300,000.
- (ix) Homestead Corporation of Champaign-Urbana and Subsidiary do not qualify as a low risk auditee.



## 2. Findings: Consolidated Financial Statement Audit

### 09-01: Consolidated Financial Statement Preparation

#### Material Weakness

##### *Criteria*

Management and those charged with governance of Homestead Corporation of Champaign-Urbana and Subsidiary (Homestead) are responsible for the design and oversight of internal control. The overall goal of internal control is to prevent or detect material misstatements of Homestead's consolidated financial statements and footnotes. In effect, the quality of the consolidated financial statements and related notes should be a result of the internal controls.

##### *Conditions*

As a service performed in conjunction with the audit, we drafted the required consolidated financial statements and footnotes of Homestead for 2009. In order to fulfill its internal control responsibility related to the preparation of Homestead's consolidated financial statements, management or those charged with governance must be in a position in fact and appearance to make an informed judgment on the consolidated financial statements and footnotes we drafted to prevent or detect material misstatements. Management and those charged with governance of Homestead did not apply adequate procedures to the consolidated financial statement and footnotes we drafted.

##### *Questioned Costs*

None

##### *Population of Items Tested*

None

##### *Cause of Conditions*

Homestead's management does not possess the necessary accounting skills, knowledge, or experience to fulfill their internal control responsibilities in relation to the preparation of the consolidated financial statements and footnotes. This situation is not unusual for an entity your size, which has historically relied on the expertise of its auditor in the preparation of the consolidated financial statements and footnotes.

### *Effects of Conditions*

Management and those charged with governance will not be able to prevent or detect material misstatements of Homestead's consolidated financial statements and footnotes.

### *Auditor's Recommendations*

In order to address this lack of internal control in the preparation of the consolidated financial statements and footnotes, we suggest the following for your consideration:

Prior to signing the management representation letter, a member of management or a board member who possesses adequate accounting skills, knowledge, or experience should:

1. Obtain the trial balance account grouping schedule that supports the consolidated financial statement amounts from the preparer and review for reasonableness of groupings and for agreement with the consolidated financial statements.
2. Obtain the schedules documenting the calculation of amounts included in the footnotes to the consolidated financial statements from the preparer. Then review for reasonableness and agreement with the consolidated financial statement footnotes.
3. Obtain from the preparer a current disclosure checklist that conforms to the requirements of the American Institute of Certified Public Accountants and review the checklist to ensure the propriety and completeness of the consolidated financial statements and footnotes.

### *View of Responsible Official*

Management concurs with the finding.

**09-02: Crystal View Grant Reconciliation**

### **Material Weakness**

#### *Criteria*

Management is responsible for reconciling development grant expenses and project equity credited by the developer on a timely basis to ensure grant monies are spent on allowable activities, within a reasonable time period, and in accordance with the respective grant agreements.

### *Conditions*

During our audit procedures, it was noted there was a discrepancy between the amount Homestead disbursed to fund Crystal View project development related to the Department of Commerce and Economic Opportunity (DECO) grants and the amount reported as received by the Crystal View project developer as project contributed equity. The amount of the discrepancy was approximately \$74,000.

### *Questioned Costs*

None

### *Population of Items Tested*

None

### *Cause of Conditions*

Homestead's management was unaware of the discrepancy until it was brought to their attention during the audit.

### *Effects of Conditions*

Management and those charged with governance will not be able to detect and follow up on material differences between project contributions made and project equity credited by the project developer to the organization within a timely period as they relate to the construction and development of the Crystal View project. This could affect the ability of Homestead to fulfill its grant obligations ensuring that funds are spent on allowable activities, within a reasonable time period, and in accordance with the respective grant agreements.

### *Auditor's Recommendations*

We recommend Homestead's management perform monthly reconciliations between grant disbursements and Crystal View project equity assigned by the developer to eliminate similar problems in the future for all project funding. This will ensure that project funds received are expended in accordance with the respective funding agreements, within a reasonable time period, and on allowable activities.

### *View of Responsible Official*

Management concurs with the finding.

### 3. Findings and Questioned Costs: Major Federal Award Program Audit

09-03: Completion and Submission of the required Single Audit for the Year Ended December 31, 2009

- Community Development Block Grant – CFDA #14.218
- HOME Investment Partnerships Program – CFDA #14.239

#### Material Weakness

##### *Criteria*

Section 320(a) of OMB Circular A-133 states that the (single audit) reporting package must be submitted no later than nine months after the end of the audit period.

##### *Conditions*

Homestead did not submit a single audit report to the Single Audit Clearinghouse within nine months following the end of its fiscal year December 31, 2009.

##### *Questioned Costs*

None

##### *Population of Items Tested*

None

##### *Cause of Conditions*

Management was unaware of the requirement for submitting a Single Audit reporting package if federal funds were expended above the \$500,000 threshold.

##### *Effects of Conditions*

Homestead is not satisfying the federal single audit reporting requirements. Homestead is also potentially allowing errors, misstatements, instances of noncompliance, and material weaknesses in internal controls that may be identified by a timely audit to persist unaddressed for an unreasonable period amount of time.

### *Auditor's Recommendations*

We recommend Homestead's management review the single audit requirements described in OMB Circular A-133 and make arrangements to have a timely audit conducted and submit the reporting package within the nine months deadline.

### *View of Responsible Official*

Management concurs with the finding and will make every effort to submit the audit for the year ended December 31, 2010 by its due date of September 30, 2011.

### **09-04: Procurement Suspension and Debarment**

- Community Development Block Grant – CFDA #14.218
- HOME Investment Partnerships Program – CFDA #14.239

### **Material Weakness**

#### *Criteria*

- Procurement standards require an entity with federal funding to have a written code of conduct and procedure policy to govern federal contracting activities. In addition, all sub-award contracts involving federal funding are required to include a listing of minimum federal provisions in the contract to govern the activities of the subcontractor.

#### *Conditions*

The following items were noted during testing:

- Homestead did not have a written code of conduct and procurement policy.
- A subcontractor agreement lacks all the required federal contract provisions, including a clause requiring written certification from the subcontractor that the company was not debarred, suspended, or proposed for debarment by the federal government at the time of the award.

#### *Questioned Costs*

None

*Population of Items Tested*

The auditor tested one procurement contract greater than \$25,000.

*Cause of Conditions*

Management was unaware of the required federal provisions to be included in the subcontractor agreement as listed in OMB Circular A-102.

*Effects of Conditions*

A sub-award contract lacking the information identified above puts Homestead at risk for disbursing federal funds to an ineligible subcontractor and increases the risk of funding being abused.

*Auditor's Recommendations*

Homestead should review OMB Circular A-102 related to the required federal contract provisions along with procurement requirements and add the applicable provisions to the current and all future contracts with subcontractor. Homestead should also draft and approve a written code of conduct and procurement policy. We also recommend a follow-up with existing and future contractors to ensure they are complying with federal requirements.

*View of Responsible Official*

Management concurs with the finding.

HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA  
AND SUBSIDIARY

Schedule of Prior Audit Findings for Federal Awards

For the Year Ended December 31, 2009

Homestead Corporation of Champaign-Urbana and Subsidiary did not have a single audit in the prior year. No prior year audit findings to report.



306 W. Griggs Street Urbana, IL 61801  
Phone 217.328.9373 Fax 217.344.3327

## CORRECTIVE ACTION PLAN

December 13, 2010

Cognizant or Oversight Agency for Audit

Homestead Corporation of Champaign-Urbana respectfully submits the following corrective action plan for the year ended December 31, 2009.

Name and Address of Independent Public Accounting Firm:

Martin, Hood, Friese and Associates, LLC  
2507 South Neil Street  
Champaign, IL 61820

Audit Period: January 1, 2009 to December 31, 2009

The findings from the November 24, 2010 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### FINDINGS—FINANCIAL STATEMENT AUDIT

09-01: Financial Statement Preparation

#### Material Weakness

##### *Conditions*

Management and those charged with governance of Homestead did not apply adequate procedures to the financial statements and notes we drafted.

##### *Questioned Costs*

None

##### *Cause of Conditions*

Homestead's management does not possess the necessary accounting skills, knowledge, or experience to fulfill their internal control responsibilities in relation to the financial statements and notes. This situation is not unusual for an entity your size, which has historically relied on the expertise of its auditor in the preparation of the financial statements and notes.

#### Corrective Action Proposed

Prior to signing a management representation letter to an independent public auditor a member of





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management or a board member will:

1. Obtain the trial balance account grouping schedule that supports the financial statement amounts from the financial statement preparer and review for reasonableness of groupings and for agreement with the financial statements.
2. Obtain the schedules documenting the calculation of amounts included in the Notes to the Financial Statements from the financial statement notes preparer, and then review for agreement with the financial statement notes and for reasonableness.
3. Obtain from the financial statement preparer a current disclosure checklist that conforms to the requirements of the American *Institute* of Certified Public Accountants and review the checklist to ensure the propriety and completeness of the financial statements and notes.

However, Homestead will have to continue to rely on an independent public accounting firm to prepare Homestead's financial statements and to help detect material misstatements of Homestead's financial statements and financial statement notes, as Homestead lacks management or board members with adequate accounting skills, knowledge or experience to administer this level of internal control in the preparation of the financial statements and notes. It is not cost-effective or practical for Homestead to hire additional staff to carry out this role in addition to the services provided by an independent public accounting firm.

#### **Responsible Party**

Aaron P. Smith, Executive Director

#### **Completion Date for Proposed Action**

Immediate

**09-02:** Crystal View Grant Reconciliation

#### **Material Weakness**

##### *Conditions*

During our audit procedures, it was noted there was a discrepancy between the amount Homestead disbursed to fund Crystal View project development related to the Department of Commerce and Economic Opportunity (DCEO) grants and the amount reported as received by the Crystal View Project Developer as project contributed equity. The amount of the discrepancy was approximately \$74,000.

##### *Questioned Costs*

None

##### *Cause of Conditions*

Homestead's management was unaware of the discrepancy until it was brought to their attention during the audit.

#### **Corrective Action Proposed**



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The specific discrepancy described has been corrected. Homestead will in future perform monthly reconciliations between grant disbursements and project equity assigned to eliminate similar problems in the future for all project funding and to help ensure proper documentation that project contributions are expended in accordance with the grant agreements, within a reasonable time period, and on allowable activities.

**Responsible Party**

Aaron Smith, Executive Director

**Completion Date for Proposed Action**

December 6, 2010

**09-03:** Completion and Submission of the required Single Audit for the Year Ended December 31, 2009

- Community Development Block Grant – CFDA #14.218
- HOME Investment Partnership Program – CFDA #14.239

*Conditions*

Homestead did not submit a single audit report to the Single Audit Clearinghouse within nine months following the end of its fiscal year December 31, 2009.

*Questioned Costs*

None

*Cause of Conditions*

Management was unaware of the requirement for submitting a Single Audit reporting package if federal funds were expended above the \$500,000 threshold.

**Proposed Corrective Action**

Homestead will make arrangements to have a timely audit conducted and submit the reporting package with the nine month deadline.

**Responsible Party**

Aaron Smith, Executive Director

**Completion Date for Proposed Action**

September 30, 2011

**09-04:** Procurement Suspension and Debarment

- Community Development Block Grant – CFDA #14.218

*The mission of Homestead Corporation is to assure an adequate supply of good quality, affordable housing for all people with inadequate resources.*



306 W. Griggs Street Urbana, IL 61801  
Phone 217.328.9373 Fax 217.344.3327

- HOME Investment Partnership Program – CFDA #14.239

#### *Conditions*

The following items were noted during testing:

- Homestead did not have a written code of conduct and procurement policy
- A subcontractor agreement lacks all the required federal contract provisions, including a clause requiring a written certification from the subcontractor that the company was not debarred, suspended, or proposed for debarment by the federal government at the time of the award.

#### *Questioned Costs*

None

#### *Cause of Conditions*

Management was unaware of the required federal provisions to be included in the subcontractor agreement as listed in OMB Circular A-102.

#### **Proposed Corrective Action**

Although Homestead failed to include a written clause requiring written certification from the subcontractor that the company was not debarred, suspended, or proposed for debarment in its agreement, written certification of non-debarment was obtained from all subcontractors. Also, although Homestead did not adopt its own written code of conduct and procurement it did follow the procurement policies specified in its grant agreements. Monitoring of contractors to ensure they were complying with federal requirements was done on a monthly basis.

In future, Homestead will draft and approve a written code of conduct and procurement policy, and will add the applicable provisions to the current and all future contracts with subcontractors to help ensure that they are complying with federal requirements.

#### **Responsible Party**

Aaron Smith, Executive Director

#### **Completion Date for Proposed Actions**

January 26, 2011

Respectfully Submitted,

Aaron P. Smith  
Executive Director



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 2011-2012 HOME Funding Application Packet**

Name of Organization: The Ecological Construction Laboratory		<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <b>RECEIVED</b>          JAN - 7 2011          By _____       </div>
Project Funds Requested: \$ 528,000		
<input checked="" type="checkbox"/>	<b>Application Component Checklist</b>	
<input checked="" type="checkbox"/>	A. Applicant Information	
<input checked="" type="checkbox"/>	B. Agency History of Performance	
<input checked="" type="checkbox"/>	C. Partner Agencies	
<input checked="" type="checkbox"/>	D. Project Objectives	
<input checked="" type="checkbox"/>	E. Targeted Population	
<input checked="" type="checkbox"/>	F. Project Location	
<input checked="" type="checkbox"/>	G. Project Schedule	
<input checked="" type="checkbox"/>	H. Construction	
<input checked="" type="checkbox"/>	I. Budget and Funding Information	
<input checked="" type="checkbox"/>	J. Matching Funds	
<input checked="" type="checkbox"/>	K. Rental Management	
<input checked="" type="checkbox"/>	L. Organizational Capacity	
<input checked="" type="checkbox"/>	M. Procedural Information	
<input checked="" type="checkbox"/>	N. Applicant Certification and Commitment of Responsibility	
<input checked="" type="checkbox"/>	<b>Additional Required Documentation to Include</b>	
<input checked="" type="checkbox"/>	Board of Directors List (must include members' current address and sector they represent)	
<input checked="" type="checkbox"/>	Board Resolution Approving Application	
<input checked="" type="checkbox"/>	Strategic Business Plan	
<input checked="" type="checkbox"/>	Most Recent Audit Report & Auditor Letters	Date of Audit: <b>12/31/2009</b>

# 2011-2012 HOME Grant Application Information

## HOME Grant Objectives

The National Affordable Housing Act of 1990 created the Home Investments Partnership (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 07, 2011**

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 John Schneider at 217-384-2447.

### **Application for Assistance**

Application training and assistance will be available in **two sessions on Monday, December 06, 2010**. 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 2nd floor conference room at the City of Urbana, 400 S. Vine St. Urbana, IL 61801. 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.urbanainillinois.us](http://www.urbanainillinois.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.

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)*

Category	Maximum Points	Points Earned
<b>Project Description</b>	<b>40</b>	
Compliance with Con Plan goals & strategies	10	
Proposed accomplishments	10	
Time to completion	10	
Project schedule reasonable	10	
<b>Project Readiness</b>	<b>40</b>	
Procedures in place: Affirmative Marketing Plan, Citizen Participation Plan, Program Manual	10	
Site readiness: identified, controlled, etc.	10	
Pre-development: environmental review, easement review, project plans, etc.	10	
Status of other funding sources	10	
<b>Financial Feasibility</b>	<b>30</b>	
Eligibility of proposed use of funds	10	
Project budget: level of detail, reasonableness of costs	10	
Leveraging: proposed, status of	10	
<b>Developer Capacity</b>	<b>40</b>	
Current staff	10	
Access to skilled individuals	10	
Marketing capacity	10	
Past performance (adherence to project schedule, timeliness of expenditures, submission of quarterly reports, etc)	10	
<b>Project Beneficiaries</b>	<b>50</b>	
Type of households targeted: greatest need (individual, special needs, etc)	25	
Income level of beneficiaries: greatest need (30% MFI)	25	
<b>Total Points Possible</b>	<b>200</b>	

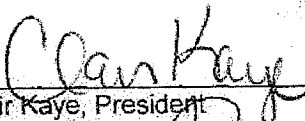


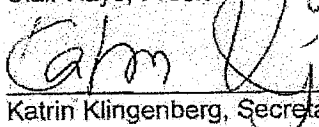


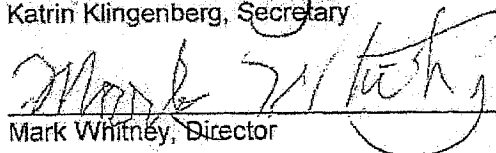
January 4, 2011

**Resolution to Apply for City of Urbana HOME Consortium HOME Funds**

The Board of Directors of the *Ecological Construction Laboratory* does hereby approve the submission of one City of Urbana HOME Consortium FY 2011 - 2012 HOME Project Funding Application.

  
\_\_\_\_\_  
Clair Kaye, President

  
\_\_\_\_\_  
Katrin Klingenberg, Secretary

  
\_\_\_\_\_  
Mark Whitney, Director



# A. Applicant Information

## Legal Applicant

Name of Organization	<b>The Ecological Construction Laboratory</b>		
Street Address	<b>110 S Race St Suite 202</b>		
City, State, Zip	<b>Urbana, IL 61802</b>		
Telephone Number	<b>217-344-1294</b>		
Fax Number			
Federal ID Number	<b>30-0211695</b>		
Executive Director	<b>Natasha Elliott</b>		
Telephone Number	<b>217-344-1294</b>		
E-Mail Address	<b>natasha@e-colab.org</b>		
Type of Applicant (Check one)		Public Non-Profit	
Unit of Government		Private Non-Profit	
Public Agency		CHDO	<b>X</b>

# B. Agency History of Performance

- Please list all projects the applicant has administered (regardless of whether they were funded with HOME funds) in the last three (3) years, indicating which projects are completed and which projects are underway.

Project	Funding Source	Status
1007 Fairview	HOME funds/ Donations	Sold
1302 W Dublin	HOME / Mortgage	Under Construction
Super Energy Efficient Duplex	HOME	Design documents are complete
Stanton House	Private Mortgage	Complete

2. Does the organization currently operate any other programs other than the proposed HOME activity?    \_\_\_ Yes      X   No



If yes, please attach a list the program(s) and their funding source(s).

## C. Partner Agencies

- Please attach a sheet to this section or include a narrative below identifying any other agencies that are involved in this project and briefly describing the extent of their involvement. Include the agency name, address, phone, and contact person. Attach additional documentation, such as Memoranda of Understanding, award letters, agreements, etc, for each partner agency.

**Passive House Institute US**

**Katrin Klingenberg  
110 S Race St Suite 202  
Urbana IL 61802  
217-344-1294**

**Involvement: Passive House Consulting for Passive House Design and construction as well as PH Certification.**

**IBACOS**

**Dave Stecher  
214 Liberty Ave. Pittsburgh PA 15222  
412-765-3664**

**Involvement: Building Performance and Monitoring Research**

**New House Development**

**Tom DiGiovanni  
202-630-8786**

**Involvement: Developer**

**Darcy Bean Custom Construction**

**Darcy Bean  
608 West John St  
Champaign, IL 61820  
217-398-4919**

**Involvement: Potential Builder (GC)**

## D. Project Objectives

<b>Project Title:</b>	<b>Villas at Highlands Crossing (401-403 Kerr Ave.)</b>
<b>HOME Project or Entitlement Funds Requested:</b>	<b>\$ <u>528,000</u></b>



<i>(total project cost – match = funds requested)</i>			
<b>Type of Project (Check one)</b>			
Homebuyer		Rental Housing	<b>X</b>
Homeowner Rehabilitation		Tenant Based Rental Assistance	
<b>History of Program (Check one)</b>			
New Program	<b>X</b>	Continued Program	

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

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

- Which of the needs and strategies as identified in the Five-Year Strategic Plan of the City of Urbana and the Urbana HOME Consortium Consolidated Plan for Program Years 2010-2014 and/or the City of Champaign Consolidated Plan for Program Years 2010-2014 does this project address? (See Attachment 2)

**Goal 1: Provide decent affordable housing to low- and – moderate income households**

**Strategy 1: Increasing supply of affordable housing available to low and moderate income households.**

- **Activity: Support new construction for homeownership**
- **Activity: Support construction of new affordable rental units through LHTC incompatible areas**

**Strategy 2: Expand homeownership opportunities for low and moderate income households**

- **Activity: Support Housing Authority of Champaign County's Section 8 to Homeownership Program**

## E. Targeted Population

- Indicate the number of households that will be assisted by income range of Median Family Income. See Attachment 1 for 2010 income guidelines.



<b>#</b>	<b>Income Level</b>
	0-30%
<b>48</b>	31-50%
	51-80%

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

✓	
x	Champaign residents
x	Urbana residents
x	Champaign County residents

- Will your project target special needs populations? Please circle:  
YES                      **NO**

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

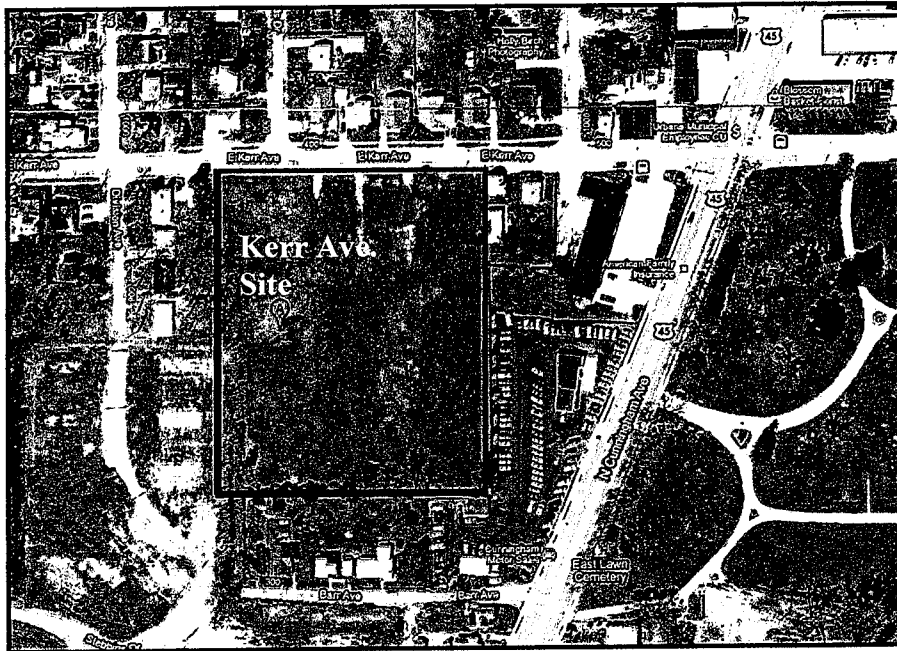
✓	<b>Please check all that apply</b>	
	Homeless	Developmentally Disabled
	Chronically Homeless	Elderly
	Seriously Mentally Ill	Frail Elderly
	Chronic Substance Abuse	Veterans
	Physically Disabled	Persons with HIV/AIDS
	Victims of Domestic Violence	Other

Please list 'Other' Special Needs Populations if applicable: n/a

## F. Project Location

- In this section, please attach a precise and detailed location map and description of the project area. You must also include a map of the applicable floodplain or wetland areas with the project location clearly marked. – **Below is an outline of the proposed area. A more detailed map is attached**





## G. Project Schedule

- What is the *maximum* time anticipated to complete the activity? **Two and a half years**
- Please attach a separate project schedule to this section, describing the steps or phases necessary to complete the project. Please See Estimated Timeline for Development

## H. Construction

- Will your project involve existing structure/s or new construction?  
New Construction
- Please attach an explanation of plans to obtain any necessary temporary or permanent easements. **No easements should be necessary**
- Will the activity disturb land previously not disturbed (except for agriculture)? To the best of your knowledge, indicate below anything of historical or archaeological significance of the area. Please note: *you will be required to provide documentation of historic clearance of the project site prior to project commencement.*

**The Villas at Highlands Crossing**  
**Estimated Project Timeline**  
 401-403 E. Kerr Ave, Urbana, IL

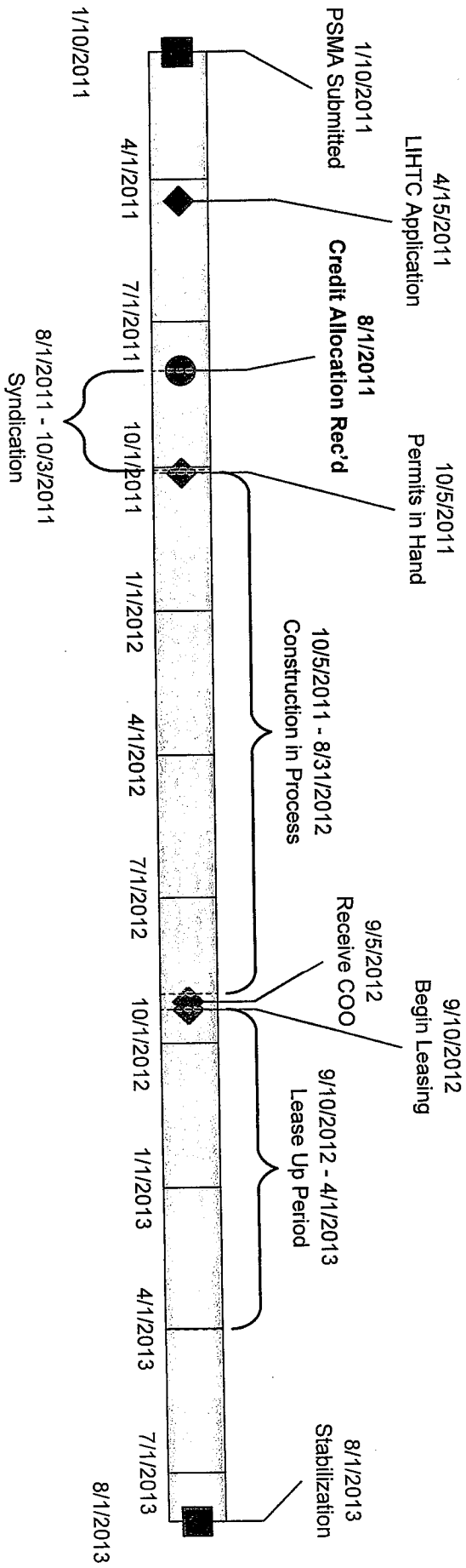




Image Champaign County GIS Consortium  
© 2009 Tele Atlas

- 1 New development: Crystal View Townhomes
- 2 Bike path will connect each community
- 3 Existing neighborhood conditions - mostly single family
- 4 Potential wind power generation (pending funding)
- 5 Bio Swales and rain gardens will line the permeable pavement to absorb rainwater and prevent run-off
- 6 Community gardens provide a food source, a community component, educational opportunity, carbon emissions reductions, and beauty
- 7 Ponds collect rainwater and wildlife

Townhouse		First Built Phase	
Gatehouse		Second Built Phase	
Apartment			
Single Family			
Quadplex			

**Because the City of Urbana owns the land, we assume it has no historical or archeological significance.**

- Has the project been assessed for lead-based paint?  Yes  No  N/A

If yes, does the project contain lead-based paint?  Yes  No

If the project has not been assessed for LBP, is an assessment planned?

If the project contains lead-based paint, attach an explanation detailing how it will be addressed and who will be responsible. *Please note: You will be required to provide documentation of proper certification for any LBP work prior to project commencement.*

## I. Budget and Funding Information

### Agency General Budget

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

- Will your project be funded over one year or multiple years? Multiple years
- Please describe the effect on the proposed activity if HOME funding is not awarded during this fiscal period:

If funding is not awarded for this year the project will be significantly delayed

- Please provide a budget that provides, at a minimum, the same level of detail as the example provided below. Submitted budgets must include information indicating whether additional funds are secured or requested.





Budget Category	Proposed Costs	HOME Funds	Other Funds	Secured or Requested?
<b>Project Pre-Development</b> <ul style="list-style-type: none"> <li>• Wages/Salaries</li> <li>• Fringe Benefits</li> <li>• Marketing</li> <li>• Materials</li> <li>• Other Costs</li> </ul>	\$40,500		\$40,500	Requested
<b>Land/Property Acquisition</b>	\$1,010		\$1,010	Requested
<b>Design</b> <ul style="list-style-type: none"> <li>• Consulting Fees</li> <li>• Materials</li> <li>• Other Costs</li> </ul>	\$48,000		48,000	Requested
<b>Final Development</b> <ul style="list-style-type: none"> <li>• Wages/Salaries</li> <li>• Fringe Benefits</li> <li>• Materials</li> <li>• Soft Costs</li> <li>• Development Fees</li> <li>• Other Costs</li> <li>• Professional Fees</li> <li>• Cap I and Reserves</li> </ul>	\$974,228 \$80,000 \$200,000		\$1,000,000 254,228	Requested
<b>Construction</b> <ul style="list-style-type: none"> <li>• Electrical</li> <li>• Plumbing</li> <li>• Heating</li> <li>• Interior Rehab</li> <li>• Exterior Rehab</li> <li>• Grounds</li> <li>• Improvements</li> <li>• Framing</li> <li>• Rough-In</li> <li>• Finish</li> <li>• Contingency</li> <li>• Other</li> </ul>	\$7,117,917 \$286,637	\$528,000	\$5,641,873 \$1,234,681	Requested
<b>Maintenance</b> <ul style="list-style-type: none"> <li>• Grounds</li> <li>• Other Maintenance</li> </ul>				
<b>Financing</b>	\$110,000		\$110,000	Requested
<b>TOTAL PROJECT BUDGET</b>	<b>\$8,858,292</b>	<b>\$528,000</b>	<b>\$8,330,292</b>	



## J. 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.

**Total Project Cost: \$8,858,292 Match Requirement: \$2,214,573**

Source	Amount	Secured or Requested
Loan(s)	\$1,540,862	Request pending tax credit
Deferred Developer Fee	\$243,557	Requested
Illinois Clean Energy	\$528,000	Request pending tax credit
Housing Counseling Services	\$24,000	Requested
Volunteer Hours	\$326,430	Requested
Design Consultations - Private	\$10,000	Secured

## K. Rental Management

- For rental projects only, please indicate who will be providing on-going management of the project to insure compliance with the HOME regulations throughout the affordability period? Please attach a statement to this section or include narrative below.

The management company has not yet been selected, but will be a company that is qualified to manage the property in accordance with all of the requirements of the Low Income Housing Tax Credit program in Illinois.

## L. Organizational Capacity

### Agency Mission Statement:

To develop, research, refine, promote, and execute sustainable residential building designs, systems, and components which significantly reduce energy and material requirements for maintenance and operation of the structure during service life, for low income housing and experimental construction projects.



**Agency Capacity:** Please complete the table below for each staff member that will be dedicated to the proposed project in whole or in part. In this section, please attach job descriptions for any positions currently vacant that will be incorporated into the project activity.

Name	Program Area	Years Experience	Full or Part Time
Katrin Klingenberg	Architecture/ Design	14	PT
Clair Kaye	Civil Engineering	18	PT
Natasha Elliott	Administrative/Outreach	3	FT

**Access to Skilled Individuals:** Please attach a separate description of the agency's access to or relationship with skilled individuals in the categories listed below. The description should include the individual's name, brief job description, qualifications, and whether the individual is a paid staff member, a volunteer or a paid consultant.

- Bookkeeper/Accountant – Mary Hays and Angie Ellis
- Housing Counselor – Me as of July 2011 but PAID or CIDMCE
- Construction Manager – Darcy Bean
- Property Manager – TBD
- Lead Risk Assessor or Lead Construction Supervisor – N/A

**Training and Certifications:** Please attach a separate description of relevant training attended by board members or paid staff over the last eighteen months, as well as any applicable certifications currently held by paid staff members.

**Katrin Klingenberg, Board Member/ Founder has attended the following conferences (and presented at a majority of them) over the last 18 months. (Please see attached resume)**

**Natasha Elliott is the Interim Executive Director for e-co lab and will begin training to become a certified housing counselor in early February of 2011.**

- March 2010** Property Management Workshop  
Housing Action Illinois, Capacity Building for Community Housing Developers
- May 2010** Grant Writing and Proposal Development Workshop  
Parkland Business Training Center and Do Good Consulting
- May 2010** HUD Part 5 Income Verification Training  
City of Champaign Illinois, Neighborhood Services Division
- July 2010** Construction Management Workshop  
Housing Action Illinois, Capacity Building for Community Housing Developers





Passive House Institute US

**KATRIN A. KLINGENBERG**                      1996      Ball State University, Master of Architecture  
1994      Technische Universität Berlin, Germany, Bachelor of Architecture

**BIOGRAPHY**

**PROFESSIONAL EXPERIENCE**

Executive Director                      Passive House Institute US | PHIUS, Co-founder  
2007-Present, Urbana, IL

Executive Director                      Ecological Construction Laboratory, e-co lab, Founder  
2003-2008, Urbana, IL

Principal                                      Nicolas Smith / Katrin Klingenberg, Design/Build  
2002-2003, Chicago, IL

Project Architect                      Moorhead Gruber Architects  
2003-2004 Champaign IL

                                                            Howard Holtzman & Assoc.,  
2001-2003, Kildeer IL

                                                            Solomon Cordwell Buenz & Assoc. Inc.,  
2000-2001, Chicago IL

Architect                                      Murphy / Jahn Inc.,  
1997-2000, Chicago IL

**PROFESSIONAL REGISTRATIONS**

Registered Architect, Germany  
2000-Present

**PROFESSIONAL AFFILIATIONS**

Chamber of Architects, Lower Saxony  
2000-Present, Germany

**ACADEMIC EXPERIENCE**

Visiting Assistant Professor              University of Illinois at Urbana-Champaign, School of Architecture  
2008, Urbana, IL

Visiting Assistant Professor              University of Illinois at Urbana-Champaign, School of Architecture  
2004, Urbana, IL

Adjunct Assistant Professor              University of Illinois at Chicago, School of Architecture  
2001-2002, Chicago IL

**LECTURES, CONFERENCES, PUBLICATIONS**

5<sup>th</sup> North American Passive House Conference, Portland, OR: Dec 10, Organizer and Presenter: "The Third Load – Humidity in Passive Houses"

Excellence in Building Conference, EEBA, Portland, OR: Oct 10 Participant and Presenter "Passive Houses and Beyond – toward Net Zero Energy Homes"



Passive House Institute US

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14<sup>th</sup> International Passive House Conference, Dresden, Germany: May 10, Participant

Affordable Comfort Inc., Annual National Conference, Austin, TX: Jun 10: Participant and Presenter "Passive House Energy Metrics"

BuildingEnergy10, NESEA, Boston, Participant, March 10: Participant and Presenter "Passive House case Study and measured Performance - the Smith house", One day workshop "Passive House Design Principles"

RESNET Annual National Conference, Raleigh, NC: Feb 10: Presenter "The Passive House Standard"

4<sup>th</sup> North American Passive House Conference, Urbana, IL: Nov 09 Organizer and Presenter

Alliance to save Energy, Net Zero Energy Home Workshop, Washington, DC: Sep 09, Invited Participant

Affordable Comfort Inc., Annual National Conference, Kansas City, MO: Jun 09: Presenter "Ecological Superinsulated Wall Assemblies for Passive Houses", "Mini-Need Mechanical Systems for Ultra Low Load Homes"

13<sup>th</sup> International Passive House Conference, Frankfurt, Germany: Apr 09, Presenter "Climatic Challenges of the US"

"Homes for a Changing Climate": K. Klingenberg, M. Kernagis, M. James, Low Carbon Productions, California, Nov 2008

3<sup>rd</sup> North American Passive House Conference, Duluth, MN: Nov 08 Organizer and Presenter

12<sup>th</sup> International Passive House Conference, Nuremberg, Germany Apr 08: Presenter "A Passive House Project on Martha's Vineyard"

Midwest Energy Efficiency Alliance, Chicago, IL: Nov 07 Co-presenter with Dr. Wolfgang Feist from the Passivhaus Institut Darmstadt, Germany "Passive Houses in Europe and the US"

2<sup>nd</sup> North American Passive House Conference, Urbana, IL: Nov 07 Organizer, Presenter "Passive House Metrics" "A Passive House Project on Martha's Vineyard"

Excellence in Building Conference 25<sup>th</sup> Anniversary, EEBA, St. Paul, MN: Oct 07 Presenter "Advanced Passive Homes"

West Coast Green, San Francisco, CA: Sep 07 Presenter "Adapting the European Passive House Concept in the US"

ACI Summit: Moving Existing Homes Toward Carbon Neutrality, Participant, San Francisco, Jul 07

9<sup>th</sup> Annual Illinois Leadership Conference, University of Illinois at Urbana-Champaign, Champaign, IL: June 07 Presenter "The Ecological Construction Laboratory"

Energy Design Update, Aspen Publishers, Vol. 27, No.5 May 07, pp. 1-4, Article by Martin Holladay: "Urbana Gets Another Passivhaus"

11<sup>th</sup> International Passive House Conference, Bregenz, Austria: Apr 07 Presenter "Passive House under Construction in California – the Tahan Residence"

BuildingEnergy07, NESEA, Boston, Participant, March 07

The Vineyard Energy Project, Vineyard Haven & Wellfleet, MA: March 07 Presenter: Two Passive House Workshops titled "Passive House Design Principles"

Iowa State University, Women in Sustainable Design Lecture Series, Ames, IA: Feb 07 Presenter "Climate Change & Passive Housing"

First North American Passive House Symposium, Bemidji, MN:  
Oct 07 Co-organizer, Presenter "The Fairview House - a low-income Passive House"

Building America Expert Meeting, IBACOS, Pittsburgh, PA: June 06 Presenter "Passive Housing: Designing for Energy Efficiency and Comfort"

**Passive House Institute US | PHIUS**

110 S Race St Ste 202

Urbana Illinois 61801

ph 217.819.7988

[www.passivehouse.us](http://www.passivehouse.us)



10<sup>th</sup> International Passive House Conference, Hanover, Germany: May 06

BuildingEnergy06, NESEA, Boston: March 06 Presenter "American zero-energy Homes"

9<sup>th</sup> International Passive House Conference, Ludwigshafen, Germany: Apr 05 Presenter "The Ecological Construction Laboratory: Strategies for Passive House Implementation in the US"

2005 Planning Institute, University of Illinois at Urbana-Champaign, IL: March 05 Presenter "Environmentally friendly Homes"

"PHPP 2004: Planning Aid for Passive Houses" Apr 04 Translation by: Dr. Feist, W., Klingenberg, K, *Schnieders, J.: Dr. Feist, Wolfgang, Passivhaus Institut, Darmstadt, Germany, 04*

Energy Design Update, Aspen Publishers, Vol. 24, No.5 May 04, pp. 1-5, Article by Martin Holladay: An Illinois "Passivhaus"

8<sup>th</sup> European Passive House Conference, Krems, Austria: Apr 04 Presenter "Passive Houses in the USA"

Ecological Construction Symposium, Urbana, IL: Oct 03 Presenter "Construction process of the Smith House"

Portfolio of Work in: L. Lokko, I. Marjanovic, K. Ruedi Ray: "*The Portfolio: An Architecture Student's Handbook*", Architectural Press, Oxford, UK 2003

TOM DIGIOVANNI, CPA



## Professional Bio

After graduating from Rochester Institute of Technology with a degree in Accounting and a minor in Economics, Tom DiGiovanni began his business career with "Big 4" accounting firm Ernst & Young, working on financial and operational audits for a diverse group of business clients that included banks, technology firms, manufacturers, wholesale/retail distributors, hospitals, government agencies and multinationals. He passed all four parts of the CPA exam on the same try, and a short time later was recruited into private industry as the National Finance Manager for the Laird Group, plc. At the age of 25, Tom was promoted and became the youngest Controller in the history of that company, helping to oversee 3 different acquisitions, more than 60% sales growth and the creation of a national brand in a two year period.

Mr. DiGiovanni then moved on to head up Finance and Operations at Bensussen Deutsch & Associates (BD&A), a Seattle based branding, marketing and merchandising firm. Over a six year period as Senior Vice President and Chief Financial Officer, he helped BD&A manage explosive 1,700% growth to more than \$125 million in annual sales. The company became a leader and innovator within its industry and was twice recognized by Inc. magazine as one of the 500 fastest growing companies in the US.

Tom next took on the role of Chief Operating Officer for Teradius, a Seattle based high tech start up where he led the successful effort to secure a launch client and raise over \$1 million in seed funding. Shortly thereafter, he acquired an equity stake in Zebra Hill Marketing, another brand marketing firm. Tom assumed the role of CFO, and subsequently President of Zebra Hill, and over the next two years he guided the company to profitable growth of more than 70%, before ultimately helping to negotiate its sale to a larger competitor.

In 2003, Tom founded Newhouse Development Co. With an emphasis on smart, sustainable building projects, he quickly built the company into an early leader in "green" development in the Seattle marketplace. At the same time, he maintained a consulting practice that focused on the business, tax, financial and complex accounting issues related to "fast growth" companies, including sales growth, infrastructure needs, internal controls, enterprise risks and cash flow strategies.

In 2008, Tom relocated to the Atlanta area where for two years he devoted a large portion of his time to public service as the Chief Financial Officer for the Atlanta Development Authority (ADA). In his role at ADA, Tom oversaw finance and operations for more than 40 different related business entities which together generated more than \$1 billion per year in development related deal flow and held a combined commercial real estate portfolio worth more than \$650 million.

Tom has a strong belief in the need for more energy efficient and sustainable buildings. Toward that end, he has added to his green building background by completing the training needed to become a **Certified Passive House Consultant**. He is currently working with the non-profit firm e-co lab on a Certified Passive House multi-family residential project that will be a national model for energy efficiency as well as one of the first affordable housing developments to use Low Income Housing Tax Credits in a way that provides a "Path to Homeownership" for low income residents. As the Acting Executive Director for the Passive House Alliance, Tom also took on the responsibility of launching a nationwide non-profit organization that promotes the Passive House Building Energy Standard through public outreach, education, support of industry professionals and advocacy.

In addition to the above, Tom is a former member of the Board of Directors for the Georgia State University CFO Council and the Advisory Board for the Georgia State University Executive Master's Degree in Finance program. He is a licensed CPA in the states of Washington and Georgia and he specializes in providing top notch business strategy, creative financing structures and enterprise risk assessments for growing businesses.

## **Attachment A: Board Member List**

**Name:** Clair Kaye, President

**Address:** 1096 Co Rd 1200 N Toledo, IL 62468

**Employer:** Lightning Seed Co.

**Sector:** Private

**Name:** Katrin Klingenberg, Founder/Member

**Address:** 206 ½ Brady Lane Urbana IL 61802

**Employer:** Passive House Institute US

**Sector:** Low Income

Katrin resides in Census Tract 55 Block Group 1. Attached is a copy of mail/registration from the Secretary of State that verifies her address.

**Name:** Mark Whitney, Member

**Employer:** Unemployed

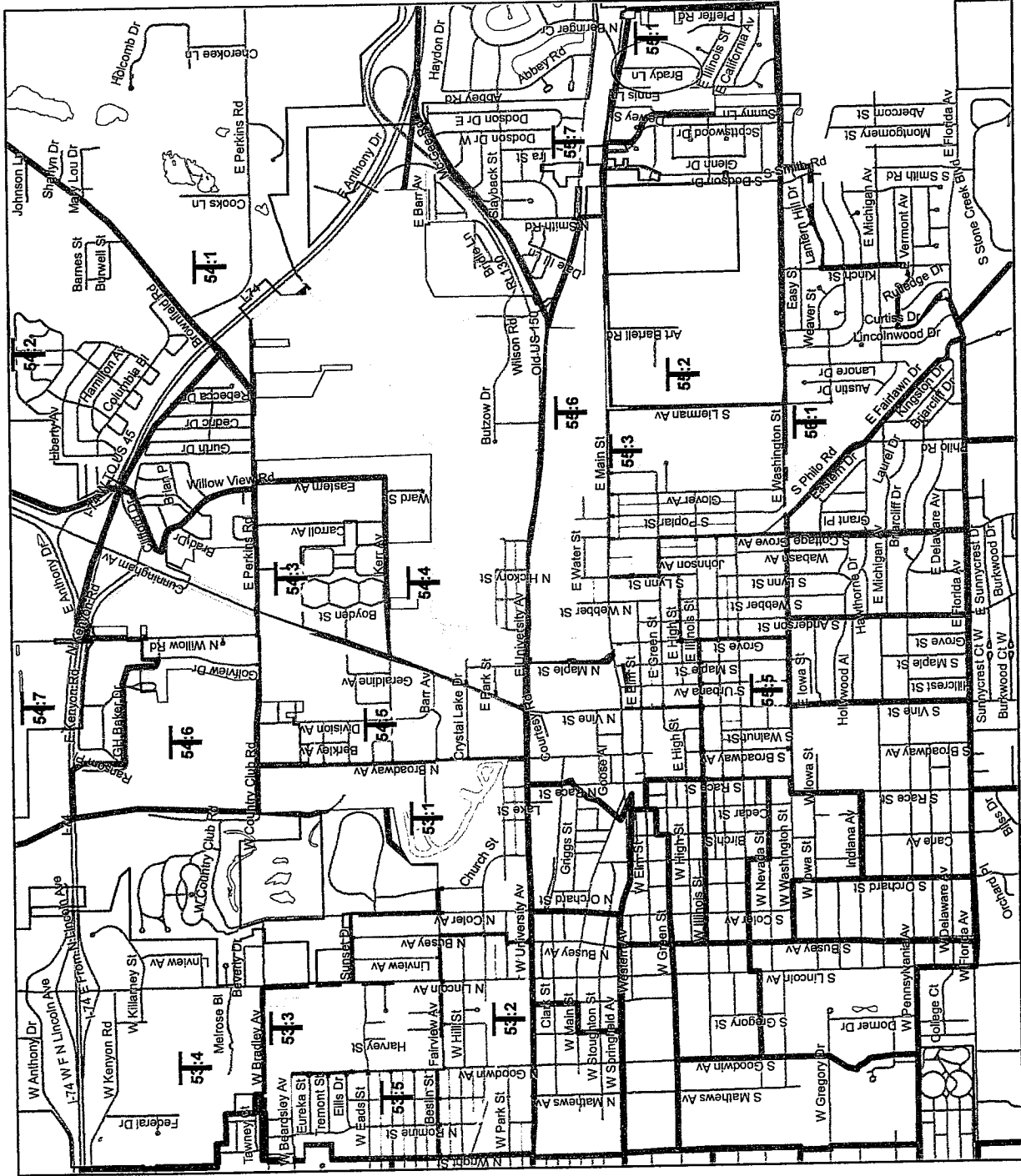
**Address:** 1202 ½ S. Thomas Dr. Champaign IL 61821

**Sector:** Private



# Map 1: Community Development Target Area







Approved July 1, 2005  
 Urbana City Council



CENSUS TRACT	BLOCK GROUP	LOW INCOME%	MOD INCOME%
53	1	64.1%	
53	2	87.4%	
53	3	81.0%	
53	5	76.7%	
54	4	79.3%	
54	5	68.7%	
54	6	51.5%	
55	1	91.9%	
55	3	69.5%	
55	4	39.4%	
55	5	48.1%	
55	6	61.0%	
56	1	58.7%	

\* Based on Census 2000 Data

## Legend

-  Urbana Corporate Boundary
-  Roads
-  Lakes
-  CD Target Area
-  Census Block Group Boundary
-  Census Tract 55 Block Group 1

# M. Procedural Information

*\*Note: Please see the City of Urbana website for changes to scheduled meetings:  
[www.urbanainillinois.us](http://www.urbanainillinois.us)*

- The Community Development Commission (CDC) is scheduled to review the HOME and CDBG Applications on January 24, 2011. 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 for on March 22, 2011 at the Regular meeting of the CDC. Staff will formally present all project funding recommendations as part of the FY 2011-2012 Annual Action Plan (AAP) draft.
- The Urbana City Council will review the FY 2011-2012 AAP and subsequent recommendations of the CDC at one of the regularly scheduled Committee of the Whole meetings held in April 2011.
- 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.

## **Upon Project Approval:**

- If the proposed project is approved, an Affirmative Marketing Plan, Citizen Participation Plan, and Program & Procedures Manual will be required. Please contact Consortium staff for more information.



# 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 Ecological Construction Lab. (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.**

Natasha Elliott  
Authorized Signature

NATASHA ELLIOTT  
Print Name

\_\_\_\_\_  
Attested By

Executive Director  
Title

1-6-11  
Date

\_\_\_\_\_  
Date



# **e-co lab Strategic Business Plan for 2010-2013**

## e-co lab Strategic Business Plan for 2009-2013

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7. Future Staffing Structure	X
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## e-co lab Strategic Business Plan for 2009-2013

### 1. Overview and Background

The Ecological Construction Laboratory (e-co Lab) is a non-profit (501c3) entity founded in 2003 exclusively to develop, research, refine, promote, and execute affordable and energy efficient residential buildings, designs, systems and components based on the Passive House Design Standard.

The target population for projects initiated by e-co Lab is low income residents of the Urbana-Champaign community with research efforts aimed toward achieving greater affordability and broader market penetration of the Passive House Design Standard both locally and across the U.S.

The Passive House Design Standard, is a certifiable building standard far more stringent than Energy Star and other U.S. standards. The Passive House Standard requires reducing the operational energy load (of new buildings) by 90% when compared to existing buildings. The Passive House Design Standard was originally established in Germany in 1992 by Dr. Wolfgang Feist of the Passivhaus Institute (PHI, [www.passivehouse.com](http://www.passivehouse.com)). Buildings are now certified in the U.S and Canada by the Passive House Institute US (PHIUS, [www.passivehouse.us](http://www.passivehouse.us)).

e-co Lab's founder, architect and educator Katrin Klingenberg is the preeminent U.S. Passive House expert and co-founder of the Passive House Institute U.S. (PHIUS).

Toward achieving the goal of affordable and energy efficient residential buildings, designs, systems and components,, e-co Lab has developed the following programs

- **Affordable-Green Housing Development (A-G HD)**
- **Affordable-Green Technical Assistance (A-G TA)**
- **Affordable-Green Home Building Education (A-G HBE)**
- **Affordable-Green Building Materials Center (A-G BMC) – future**

Each of these programs has a number of current initiatives and/or future initiatives.

e-co Lab is served by a board of directors and a staff of two.

## e-co lab Strategic Business Plan for 2009-2013

### 2. Vision, Mission, Values

#### A. Vision

Significantly reduce energy consumption in our community and region while helping low-income residents achieve freedom from the burden of ever-increasing high home energy bills.

#### B. Mission

e-co Lab seeks to raise awareness of and demand for the exceptional energy efficiencies offered to residential building projects by the Passive House Standard, through research, teaching, and the development of Passive House Standard housing that is affordable to low-income residents of the greater Urbana-Champaign community.

#### C. Core Values

- Stewardship – Using environmental, social and economic resources so they are not depleted or permanently damaged.
- Integrity – Addressing the environmental, social and economic challenges of moving the expectations of building design and construction toward the Passive House Standard with honesty, patience and a commitment to clear communication.
- Collaboration – Sharing e-co Lab's resources for the good of the community and region.



## **e-co lab Strategic Business Plan for 2009-2013**

### **3. Strategic Objectives**

e-co Lab will benchmark its progress by achieving the following strategic objectives. These objectives represent the priorities to be followed in developing all major projects and initiatives in the next five years. An annual plan of work will outline the level of effort on these by e-co Lab each year.

#### **A. Technical Rigor**

1. Adhere to best sustainable building practices and use the most advanced energy efficiency strategies and technology available in all our development projects and technical assistance activities.
2. Promote best sustainable building practices and use the most advanced energy efficiency strategies and technology available in all our research and education activities in the community and region.

#### **B. Global Perspective:**

1. Educate ourselves, our community and region on issues of climate change, energy economics, energy security and social impacts of climate change.

#### **C. Local Perspective:**

1. Design and develop affordable homes that meet the Passive House Design Standard for qualifying low-income residents.

#### **D. Community Leadership:**

1. Demonstrate and promote the viability of affordable, carbon neutral construction for all low-income housing development in our community and region.
2. Work with existing low-income housing developers in our community and region to significantly reduce the carbon footprint of existing and new housing developments.

#### **E. Precautionary Principle:**

1. Design and develop all projects avoiding use of any material which contain hazardous chemicals which have been known to adversely affect human health in their production, use or disposal.
2. Design and develop all projects avoiding use of any material which poses a known current or future threat to the environment in its production, installation, use or disposal.
3. Provide information to local home owners and builders to help them make appropriate building material selections which avoid degradation and depletion of natural resources; avoid human health risk in manufacture, use and disposal; contribute to improved productivity and quality of life; help to sustain biodiversity and maintain diverse planetary ecosystems; and are carbon neutral or carbon sequestering in manufacture, use and disposal.

#### **F. Green Building Education:**

1. Provide workshops and seminars for local and regional home designers, builders, developers and community planners designed to introduce them to

## **e-co lab Strategic Business Plan for 2009-2013**

best sustainable building practices and the most advanced energy efficiency strategies and technology available for new home construction as well as home energy retrofit.

2. Offer introductory presentations on the Passive House Design Standard to local and regional community, professional and educational entities.

### **G. Sustainability Partnerships:**

1. Partner with community and regional organizations whose missions are allied with ours to support and advance our common goals.
2. Provide education and technical support to encourage adherence to the Passive House Design Standards by other community housing, construction, environmental and planning organizations.

### **4. Future Performance Measures**

e-co Lab will benchmark its progress by achieving the following performance measures. Taken as a whole, these represent the measures of success on its core strategies and a basis for evaluating e-co Lab.

#### **A. Technical Rigor:**

1. Provided all staff and volunteers with an appropriate level of guidance and training in the best sustainable building practices and use of the most advanced energy efficiency strategies and technology available.
2. Produced high quality research and education materials which effectively document and communicate best sustainable building practices and use of the most advanced energy efficiency strategies and technology available.

#### **B. Global Perspective:**

1. Created and distributed a newsletter which highlights our local program activities as well as addressing issues of climate change, energy economics, energy security and social impacts of climate change -making clear the relevancy to our community and region.

#### **C. Local Perspective:**

1. Designed and developed a significant number of individual affordable homes and/or duplexes that meet the Passive House Design Standard for qualifying low-income residents in our community and region.
2. Completed construction of the Kerr Avenue Development.

#### **D. Community Leadership:**

1. Completed and distributed case study reports on several affordable Passive House Projects which demonstrate the viability of affordable, carbon neutral construction for low-income families.
2. Worked with the other low-income housing developers in our community and region to significantly reduce the carbon footprint of their development work. Documented the results of this effort.

## e-co lab Strategic Business Plan for 2009-2013

### E. Precautionary Principle:

1. Designed and developed all projects avoiding use of any material which contain hazardous chemicals which have been known to adversely affect human health in their production, use or disposal.
2. Designed and developed all projects avoiding use of any material which poses a current or future threat to the environment in its production, installation, use or disposal.
3. Developed an information clearinghouse for home owners and builders to help them make appropriate building material selections.

### F. Green Building Education:

1. Developed and regularly delivered workshops and seminars for local and regional home designers, builders, developers and community planners designed to introduce them to best sustainable building practices and the most advanced energy efficiency strategies and technology available for new home construction as well as home energy retrofit.
2. Organized and hosted an annual ecological construction symposium.
3. Offered multiple introductory presentations on the Passive House Design Standard to local and regional community, professional and educational entities.

### G. Sustainability Partnerships:

1. Established formal partnerships with community and regional organizations whose missions are allied with ours to support and advance our common goals.
2. Provided Passive House design alternatives to other low-income housing developers in our community and region and offered reduced-fee Passive House consulting services to those organizations.

5. Board Governance and Advisory Structure: As part of the strategic business planning process, e-co lab has reviewed its board governance and advisory processes. Based upon this review, an expansion of the governance and advisory structure was recommended and appears as figure 1 on page 13.

A. e-co Lab's by-laws currently call for the board of directors to consist of no less than three (3) and no more than eight (8) board members. The current board has three members. *It is recommended that* the board solicit new membership to increase the size of the board to a total of eight members. In future as the agency grows in capacity and expands the type and quantity of services offered it is recommended that the bylaws be reviewed and amended to allow for a minimum of five (5) members and a maximum of (15) members to better support the expanded services and mission. The current by-laws call for board members to serve for two (2) year terms. *It is recommended that* the board members terms be revised in the by-laws such that directors shall be elected for terms of three years and shall hold office until their successors are duly elected. *It is also recommended that* the by-laws state that directors may only serve up to a

## e-co lab Strategic Business Plan for 2009-2013

maximum of two terms in succession, with a minimum of one year elapsing before beginning a third term.

The current by-laws do not restrict board membership to residents of the State of Illinois or U.S citizens. *It is recommended that* the majority of board members be recruited from the local community in order to better support the local mission. It is required by e-co Lab's status as a Community Housing Development Organization (CHDO) that no less than one-third (1/3) of the board members shall be either low-income themselves, a resident of a low-income neighborhood or an elected representative of a low-income neighborhood or organization. The by-laws also state that no more than one-third (1/3) of the board members may be public officials.

In addition, the by-laws state that to the extent possible the board members should represent the following professional disciplines or public interests:

- Residential Real Estate Lending
- Residential Real Estate Development or Building Construction
- Rental Housing Management
- Community Planning
- Fund Raising
- Concern with Housing Problems in the Community

*It is recommended that* the following areas of expertise / disciplines also be considered as a part of the board expansion process:

- Peak Oil and Climate Change
- Energy auditing / Residential energy retrofit
- Legal Counsel
- Residential Real Estate Sales
- Passive House Design Standard
- Building Science

The expanded board will be responsible for:

- Evaluating the strategic direction of the organization
- Serving as thought leaders in the area of affordable energy efficient housing development and the most advanced residential energy conservation strategies.
- Suggesting possible nominees to the board who can make significant contributions to the work of the board and the organization.
- Providing access to funding sources.
- Fiduciary oversight, such as reviewing the organization's annual financial statements.
- Serve on committees or task forces.
- Inform others about the organization.

## e-co lab Strategic Business Plan for 2009-2013

B. *It is recommended that e-co lab develop formal standing committees within the Board of Trustees as follows.*

1. *Executive Committee* with the following officers:

- President
- Vice President
- Secretary / Treasurer
- One member of the Board at large
- The Executive director

2. *Development Committee* composed of at least three Board members and additional community representatives recruited for knowledge and skill in the field, if the committee chooses.

- Recommend actions needed to give the public a wider understanding of the purpose, function and place in the community of e-co Lab.
- Oversee the development and maintenance of informational material and promotional material and publicity
- Analyze the public image of e-co Lab and recommend the required action for improvement.
- Recommend an annual fundraising goal and plan to the Board
- Monitor and evaluate the performance of e-co Lab's development program.
- Assist in recruitment of volunteers and Board members to participate in fundraising efforts.

3. *Audit Committee* composed of at least two Board members and up to two members from the community. One of the members shall be designated the "financial expert" and should be a CPA, CMA or MBA, or have had a position of a CFO or CEO. Others on the committee include the Board Treasurer and, ex officio, the Board president and the executive director.

This committee shall assist the Board in fulfilling its financial oversight responsibilities. The committee should review the organization's financial reports and other financial information; the effectiveness of the organization's systems of internal controls; and the organization's auditing, accounting and financial reporting process, while providing independence and objective oversight.

In discharging its oversight role, the committee should be empowered to investigate any matter relating to the agency's accounting, auditing, internal control and financial reporting practices brought to its attention. The committee should have full access to all agency books, records, facilities and personnel. The committee may retain outside counsel, auditors or other advisors.

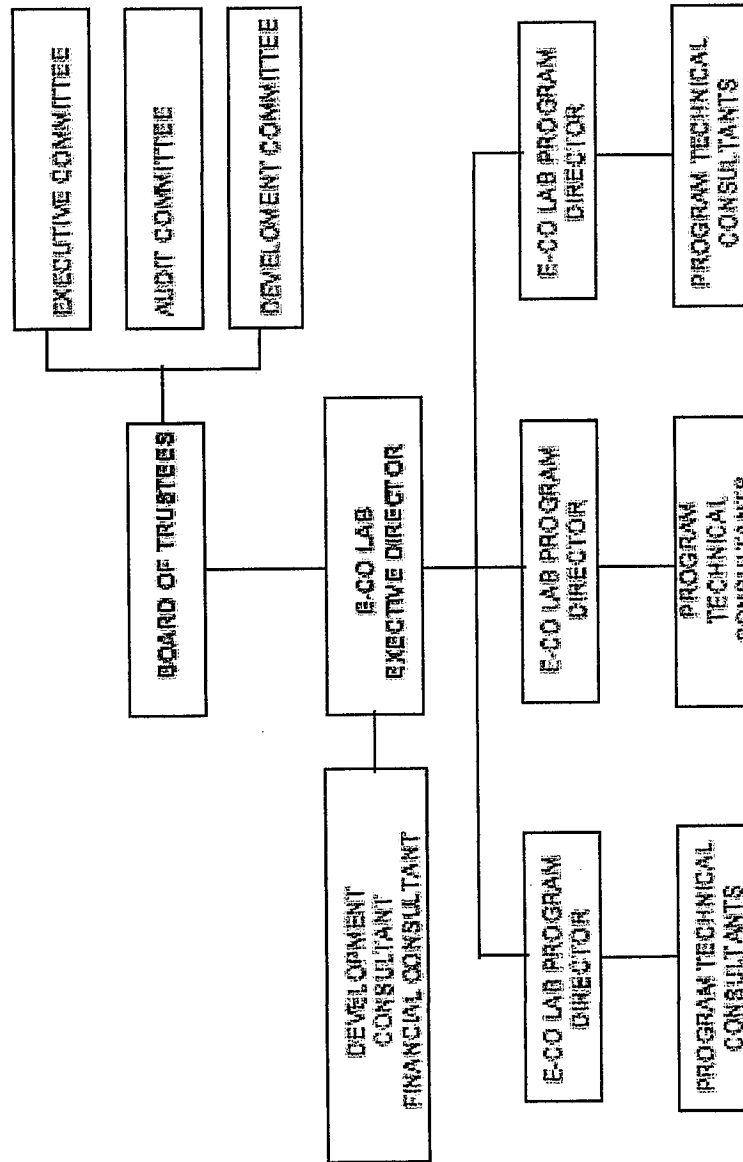
The general recurring activities of the committee in carrying out its oversight roles are to:

- Serve as an independent and objective entity to monitor the organization's financial reporting process and internal control system.

## e-co lab Strategic Business Plan for 2009-2013

- Provide an open avenue of communication among the independent auditor, the executive director and the Board.
  - Recommend to the Board the appointment of the independent auditor to be engaged by the agency, including the scope of the audit and establishing the audit fee.
  - Review and evaluate the performance of the independent auditor and review with the Board any proposed change in choice of auditor.
  - Schedule a meeting with the Board and the independent auditor to review the following: the annual audit report including financial statements and footnotes, an evaluation of internal controls and computerized information system controls and any serious difficulties or disputes with management encountered during the audit. The committee may choose to meet with the auditor prior to the Board meeting.
4. Additional Standing Committees for consideration with future board growth include the following:
- *Administrative Services Committee* to review and recommend personnel policies and standards.
  - *Governance Committee* for ongoing review and recommendations to enhance the quality and future viability of the Board of Directors.
  - *Program Planning Committee* and related *Advisory Committees* to prepare a long range plans for program development for approval of the Board of Directors; Consider all program changes, modifications, and additions within the framework of the strategic plan and to make recommendation to the Board of Directors concerning programs; Propose program standards and priorities to the Board of Directors; monitor the effectiveness of programs and services of e-co Lab; ensure maximum coordination and cooperation with other community, state and regional entities; supervise the work of program advisory committees; coordinate its activities with other Board and staff committees.

FIGURE 1. ECOLOGICAL CONSTRUCTION LABORATORY ORGANIZATIONAL CHART



## e-co lab Strategic Business Plan for 2009-2013

6. Future Staffing Structure: As part of the strategic business planning process, e-co Lab has developed a forecast of its staffing structure as it evolves to the Year 2013. This staffing structure appears in Figure 1, previous page.

The following role responsibilities will be implemented as future positions evolve at e-co Lab.

- A. Executive Director – The Executive Director will serve as the Chief Administrative Officer responsible for establishing the vision, strategy, and direction of the organization in cooperation with the Board of Directors. In addition he/she will be specifically responsible for the following:
- **Building organizational capacity through effective strategic development of programs and services**
  - **Fundraising development**
  - **Board development**
  - **Public and community education**
  - **Research**
  - **Publications**
  - **Public speaking and networking.**
- B. Program Director – The Program Director will serve as the manager responsible for direct oversight of e-co Lab's current programs:
- **Affordable-Green Housing Development (A-G HD)**
  - **Affordable-Green Technical Assistance (A-G TA)**
  - **Affordable-Green Home Building Education (A-G HBE)**
- In the future* as these programs grow and expand and other programs are developed additional Program Director positions will be developed to oversee programs individually.
- **Affordable-Green Building Materials Center (A-G BMC) – future**
- C. Development Director – This is a *future position* (part time) anticipated in the expansion of e-co Lab. The position would focus on
- **Cultivation of Major Gifts**
  - **Development of Grants for programs and projects**
  - **Management of annual fundraising campaigns, events.**
- D. Office Manager / Administrative Support – This is a *future position* (part time) anticipated in the expansion of e-co Lab. The position would focus on general office management including filing organization, mail processing, phone reception, conference material development /organization and other office organization tasks as assigned. This position would report to the Executive Director. If the position



## e-co lab Strategic Business Plan for 2009-2013

were to expand to full time the position might be able to provide part time support to Program Directors as well.

### E. Current Consultants

- Bookkeeper/Accountant: He/She is a paid consultant who handles e-co lab's payroll and taxes and performs our annual financial audits. This consultant reports directly to the Executive Director. As e-co Lab continues to grow the work of this consultant might be replaced in part by a full or part time CFO, financial manager or bookkeeper position within the agency.
- Construction Manager: He/She is a paid consultant serving as a construction manager for e-co lab. He/She provides construction quality assurance. This consultant reports directly to the Program Director of the Affordable-Green Housing Development (A-G HD) Program.
- Grant Researcher/Writer/Fundraiser- He/She is a paid consultant who provides grant research and grant writing services. This consultant reports directly to the Executive Director. As e-co Lab continues to grow the work of this consultant might be replaced in part by a full or part time Development Director position and/or by building capacity for these services within existing staff positions.

F. Future Consultants – As e-co Lab continues to grow, it is likely that independent contractors will serve with specific technical expertise to support the programs and mission of e-co Lab.

- Homebuyer / Credit Counselor – The Homebuyer / Credit Counselor would report to the Program Director for the Affordable-Green Housing Development (A-G HD) Program. As e-co Lab continues to grow the work of this consultant might be replaced in part by a full or part time Homebuyer / Credit Counselor position and/or by building capacity for these services with existing staff positions.
- Passive House Consultants – Passive House Consultants may be engaged in the future for project development if program capacity expands beyond a level that current staff can manage in-house. Passive House Consultants would report to the Program Director for the Affordable-Green Housing Development (A-G HD) Program or the Affordable-Green Technical Assistance (A-G TA) Program depending on the type of project.
- Energy Auditors – e-co Lab may, in future, partner with local Energy Auditors on a consultant basis to respond to a growing need in the low-income community. Energy Auditor Consultants would report to the Program Director for the Affordable-Green Technical Assistance (A-G TA) Program.

G. Office Assistant – e-co Lab may, in future, contract for temporary part time help for to meet specific project needs (i.e. large fundraising campaigns or marketing efforts).

## **e-co lab Strategic Business Plan for 2009-2013**

7. Future Resource Requirements The following resources will be required in order to fully implement the strategic objectives of this business plan. These resource requirements are reflected in a five-year financial forecast which is part of this strategic plan.

A. Technical Rigor:

This objective will require funding for staff training in the Passive House Design Standard and/or formalized partnership with the Passive House Institute U.S. providing for the Passive House training and access to conferences to be made available to incoming staff.

It will further require that staff members be provided with time and resources to research and study best sustainable building practices and use of the most advanced energy efficiency strategies and technology available.

This objective will also be served by providing funding to and/or partnerships with outside entities to support research which provides third party measurement and verification (e.g. University faculty or students, IBACOS, BPRA, etc.)

B. Global Perspective:

This objective will require input from outside expertise on issues of climate change, energy economics, energy security and social impacts of climate change – to help provide the global perspective.

In addition it will require the resources of staff and/or consultants to regularly publish the newsletter.

C. Local Perspective:

This objective will require significant grant funding to realize specific home building objectives for low-income residents.

It will also require partnership with a sustainable housing developer to realize the Kerr Avenue project objectives.

This objective would be well served by adding expertise in real estate sales to our Board of Directors and/or finding a local real estate sales expert willing to donate services.

D. Community Leadership:

This objective will require significant strengthening of the partnerships with the other low-income housing developers in our community and region (e.g. Community Housing Collaborative members).

E. Precautionary Principle:

This objective will require ongoing research and documentation of projects which demonstrate adherence to this principle.

It will also benefit from the creation of partnerships with manufacturers and distributors of materials which meet this objective.

## **e-co lab Strategic Business Plan for 2009-2013**

A Program Director staff position will have to be funded and filled to fully realize the goals of an Affordable-Green Building Materials Center (A-G BMC) Program.

### **F. Green Building Education:**

A Program Director staff position will have to be funded and filled to fully realize the goal of an Affordable-Green Home Building Education (A-G HBE) Program.

### **G. Sustainability Partnerships:**

This objective will require substantial local and regional partnerships as well as conference call capabilities and potentially video conferencing resources.

**PASSIVE HOUSE INSTITUTE US**

**FINANCIAL STATEMENTS**

**December 31, 2009**

# PASSIVE HOUSE INSTITUTE US

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HAYS & ASSOCIATES, P.C.

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THOMAS D. HAYS, C.P.A.  
MARY LEE BRADY, C.P.A.

CERTIFIED PUBLIC ACCOUNTANTS

To the Executive Board  
Passive House Institute US  
Urbana, IL

The accompanying financial statements of the Passive House Institute US (formerly Ecological Construction Laboratory) for the year ended December 31, 2009 have been compiled by us, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We did not audit or review the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

*Hays & Associates, P.C.*  
Hays & Associates, P.C.  
Certified Public Accountants

Passive House Institute US  
Statement of Financial Position  
December 31, 2009

**ASSETS**

<b>CASH</b>		
Checking/First Federal	\$6,375.00	
Checking/National City	<u>49,488.72</u>	
Total Cash		\$55,863.72
 <b>ACCOUNTS RECEIVABLE</b>		
Paypal Receivable	<u>31,555.01</u>	
Total Accounts Receivable		31,555.01
 <b>INVENTORY</b>		
Inventory/Future Buildings	893.59	
Inventory/Building In Progress	<u>0.00</u>	
Total Inventory		893.59
 <b>FIXED ASSETS</b>		
Equipment	457.89	
Accumulated Depr-Equipment	<u>(331.00)</u>	
Total Fixed Assets		126.89
 <b>OTHER ASSETS</b>		
Prepaid Insurance	<u>225.34</u>	
Total Other Assets		<u>225.34</u>
 <b>TOTAL ASSETS</b>		 <b><u><u>\$88,664.55</u></u></b>

**LIABILITIES & NET ASSETS**

<b>LIABILITIES</b>		
Escrow	0.00	
Construction Loan Payable	0.00	
Accts Payable-DCEO Grant	6,375.00	
Accts Payable-K. Klingenberg	11,038.27	
Accts Payable-Vendors/Subcontractors	<u>1,465.00</u>	
Total Liabilities		18,878.27
 <b>NET ASSETS</b>		
Unrestricted	<u>69,786.28</u>	
Total Net Assets		<u>69,786.28</u>
 <b>TOTAL LIABILITIES &amp; NET ASSETS</b>		 <b><u><u>\$88,664.55</u></u></b>

The accompanying notes are an integral part of these financial statements.

Passive House Institute US  
Statement of Activities  
Year Ended December 31, 2009

Support

Design Schematics	\$2,400.00
Donations/Cash	5,475.00
Grants	12,627.00
Gain (Loss) on sale of Inventory	(37,639.60)
Conference	58,736.00
Sale of Books	7,457.50
Training Seminars	79,448.24
PHPH Handbook/CD Sales	15,375.00
Miscellaneous	285.22

Total Support	\$144,164.36
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Expenses

Program Services	
Accounting	\$1,532.87
Bank Charges	64.00
Blueprints	9.00
Commissions/Fees	4,263.71
Conference	22,168.01
Consulting	4,345.77
Depreciation	66.00
Dues/Subscriptions	405.28
Insurance	14,138.51
Legal Fees	6,303.25
Licenses	4,565.44
Meals & Entertainment	28.43
Miscellaneous	123.38
Office	282.24
Payroll Taxes	3,232.42
Postage	501.41
Professional Fees/Architects	1,100.00
Rent	3,840.73
Sales Tax	14.00
Stationery & Printing	66.97
Subcontractors	292.53
Telephone	1,052.38
Training Seminar Expense	8,174.46
Transfer to Ecolab LLC	12,590.51
Travel	36.35
Utilities	988.25
Wages	26,390.03
Total Program Services	116,575.93

Increase in Unrestricted Net Assets before Cumulative Effect of Change in Accounting Principle:	27,588.43
-------------------------------------------------------------------------------------------------------	-----------

Cumulative effect on prior year of a change in method of accounting for equipment:	0.00
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Cumulative effect on prior year of a change in method of accounting for investments:	0.00
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TOTAL INCREASE IN NET ASSETS	27,588.43
NET ASSETS, beginning of year	42,197.85

NET ASSETS, end of year	\$69,786.28
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Passive House Institute US  
Statement of Cash Flows  
Year Ended December 31, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (Decrease) in Net Assets	\$27,588.43
Adjustments to reconcile increase (decrease) in net assets to net cash used by operations	
(Increase) Decrease in Prepaid Expenses	646.51
(Increase) Decrease in Inventory	156,740.91
Depreciation (Non-cash)	66.00
(Increase) Decrease in Accounts Receivable	(31,555.01)
Increase (Decrease) in Accounts Payable	<u>(110,302.13)</u>
 NET CASH USED BY OPERATING ACTIVITIES	 43,184.71

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of property and equipment	0.00
Acquisition of Stock	<u>0.00</u>
 NET CASH USED BY INVESTING ACTIVITIES	 0.00

INCREASE (DECREASE) IN CASH 43,184.71

CASH, beginning of year 12,679.01

CASH, end of year \$55,863.72

The accompanying notes are an integral part of these financial statements

Passive House Institute US  
Notes to Financial Statements  
December 31, 2009

(1) General

- (a) The Ecological Construction Laboratory is an Illinois nonprofit organization that has been in existence since 11/01/03. During this year they have changed their name to Passive House Institute U.S. (or PHIUS). The mission remains the same.
- (b) The organization was founded for the following purposes:
  - i. building energy-efficient homes for low-income families
  - ii. provide energy education through assistance, training & consulting to individuals, builders, etc.
  - iii. research and develop new energy-efficient materials and construction solutions
- (c) The Ecological Construction Laboratory is exempt under Section 501(C) (3) of the Internal Revenue Code.

(2) Summary of Significant Accounting Policies

- (a) The organization maintains its financial statements on the accrual basis of accounting.
- (b) Donations of Securities are handled as follows:
  - i. The donation is recorded at the value of the securities on the date received.
  - ii. The securities are sold and the amount of the deposit is equal to the value of the stock sold less commissions and any other fees.
  - iii. The gain or loss on the sale is put into the income category "Gain (Loss) on Sale of Securities" and includes the commission and fees that are an ordinary part of the sale of any security.



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

jmgonzalez@urbanaininois.us

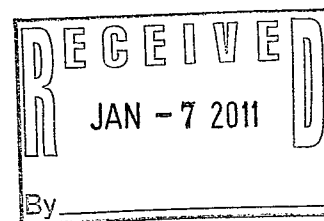
City of Urbana

City of Champaign

Champaign County

**City of Urbana and Urbana HOME Consortium  
 FY 2011-2012 CHDO Operating Application**

Name of Organization: <u>The Ecological Construction Laboratory</u>			
Operating Funds Requested: \$ <u>40,245</u>			
<input checked="" type="checkbox"/>	<b>Application Component Checklist</b>		
<input checked="" type="checkbox"/>	A. Applicant Submittal		
<input checked="" type="checkbox"/>	B. Application Rating System		
<input checked="" type="checkbox"/>	C. Applicant Information		
<input checked="" type="checkbox"/>	D. Reporting		
<input checked="" type="checkbox"/>	E. Operating Objectives		
<input checked="" type="checkbox"/>	F. Budget and Funding Information		
<input checked="" type="checkbox"/>	G. Procedural Information		
<input checked="" type="checkbox"/>	H. Applicant Certification and Commitment of Responsibility		
<input checked="" type="checkbox"/>	<b>Additional Required Documentation to Include</b>		
<input checked="" type="checkbox"/>	Board Resolution Approving Application		
<input checked="" type="checkbox"/>	Strategic Business Plan		
<input checked="" type="checkbox"/>	Most Recent Audit Report & Auditor Letters	Date of Audit:	12/31/2009



# A. Application Submittal

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

**4:00 pm, Friday, January 07, 2011**

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 John Schneider at 217-384-2447.

## Application for Assistance

Application training and assistance will be available in **two sessions on Monday, December 06, 2010**. 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 2nd floor conference room at the City of Urbana, 400 S. Vine St. Urbana, IL 61801. 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](http://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	
<b>Funding Description</b>	<b>50</b>	
Compliance with Con Plan goals & strategies	25	
Proposed accomplishments	25	
<b>Past Performance</b>	<b>50</b>	
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	
<b>Financial Feasibility</b>	<b>50</b>	
Eligibility of proposed expenditures	25	
Operating Budget: level of detail, reasonableness of requested costs	25	
<b>Current Capacity Needs</b>	<b>50</b>	
Gap identified in current staff capacity?	10	
Need for marketing opportunities	10	
Proposed use of funds will address identified gap in capacity	30	
<b>Total Points Possible</b>	<b>200</b>	



# C. Applicant Information

## Legal Applicant

Name of Organization	The Ecological Construction Laboratory		
Street Address	110 South Race St. Suite 202		
City, State, Zip	Urbana, IL 61801		
Telephone Number	217-344-1294		
Fax Number	n/a		
Federal ID Number	30-0211695		
Executive Director	Natasha Elliott		
Telephone Number	217-344-1294		
E-Mail Address	natasha@e-colab.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	
Title	
Telephone & Fax Numbers	
E-Mail Address	
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 Fiscal Year 2009-2010 through the second quarter of Fiscal Year 2010-2011, which ended December 31, 2010.





# HOME CHDO and CHDO Quarterly Report

Organization: Ecological Construction Laboratory

Quarter: July-September October-December January-March April-June

Completed By: N. Elliott Date: 1-6-11

Project Site: 1302 W. Durbin

### I. Property & Planning

Site Preparation Status:

IN PROGRESS

Date:

COMPLETE

Date: 10-1-10

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

### II. Design Documents:

Development

Completion Date 9-1

Review

Completion Date 9-1

Approved By Building Safety

Date: 9-17

Permit Issued

Date: 9-17

Have there been changes to the design documents? no

### III. Homebuyer Outreach

List the agencies and/or activities which you have undertaken toward the goal of identifying homebuyers this quarter: we've located potential realtors most have a fee of 5-6% which is a bit much.

Potential Homebuyers Identified: One met income guidelines the other did not.

Income Verification Process for Potential Homebuyer:

In Progress X

Approved \_\_\_\_\_ %MFI: \_\_\_\_\_ Not Approved: \_\_\_\_\_







## HOME CHDO and CHDO Quarterly Report

### V. Overall Project Progress

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

no

If not, please explain: The bank is waiting on their appraiser before awarding the construction loan

Is the project staying within the budget established? yes

If not, please explain: \_\_\_\_\_

### VI. NOTES MISC

Homebuyer Search:

we need to get a realtor that's willing to work w/us @ 2-3%  
It's been a 6% across the board  
my biggest discount came from Andy @ Caldwell who'll work on 4% depending on the sales time. The flyers generated interest from people who weren't ready to buy. Today I created a listing on Trulia.com - a website I recently learned of from Jen. I attached a portion of an email from a lady who noticed the flyer, displayed interest, seemed to qualify, and backed out.

1/6/2011

Gmail - e-co lab: Own a Home question...

Reply



**Amy Colaluca** show details 11/11/10

to Natasha

My credit score according to the Credit Karma website is 640, and gross income (before child support, taxes medical and mandatory retirement contributions) is \$45,675. I have one child who lives with me but claim two on my taxes due to the support I pay each year (\$7,824).

# E. Operating Objectives

CHDO Operating Funds Requested:	\$ <u>40,245</u>		
<b>Type of Projects currently underway (indicate number of units for each activity)</b>			
Homebuyer	2	Rental Housing	48
Homeowner Rehabilitation		Tenant Based Rental Assistance	

Please list the current projects underway by project name and address below. No address if necessary if a lot has not yet been secured:

1302 E Dublin Ave. Urbana, IL 61802 – SF Passive Home

401-403 Kerr Ave. Urbana, IL 61802 – Highland Crossing Affordable Housing Development

Designs complete for a Super Energy Efficient Duplex

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# F. Budget and Funding Information

## Agency General Budget

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

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

Not receiving operating funding will result in the reduced staff.

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.*

Activity	HOME Funds Requested
Rent	\$5,400
Utilities	\$2,145
Wages/Salaries	\$28,500
Employee Education/Training	\$2,000
Marketing materials	\$2,200
Office Supplies	\$0
Office Equipment, etc...	\$0
<b>TOTAL OPERATING FUNDS REQUESTED</b>	<b>\$40,245</b>



## G. Procedural Information

*\*Note: Please see the City of Urbana website for changes to scheduled meetings:  
[www.urbanaininois.us](http://www.urbanaininois.us)*

- The Community Development Commission (CDC) is scheduled to review the HOME and CDBG Applications on January 24, 2011. 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 for on March 22, 2011 at the Regular meeting of the CDC. Staff will formally present all project funding recommendations as part of the FY 2011-2012 Annual Action Plan (AAP) draft.
- The Urbana City Council will review the FY 2011-2012 AAP and subsequent recommendations of the CDC at one of the regularly scheduled Committee of the Whole meetings held in April 2011.
- 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.



## H. 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 Ecological Construction Laboratory 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.**

Natasha Elliott  
Authorized Signature

Executive Director  
Title

NATASHA ELLIOTT  
Print Name

1-6-11  
Date

\_\_\_\_\_  
Attested By

\_\_\_\_\_  
Date



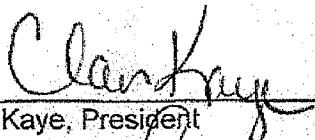





January 4, 2011

**Resolution to Apply for City of Urbana HOME Consortium HOME Funds**

The Board of Directors of the *Ecological Construction Laboratory* does hereby approve the submission of one City of Urbana HOME Consortium FY 2011 - 2012 HOME Operating Funding Application.

  
\_\_\_\_\_  
Clair Kaye, President

  
\_\_\_\_\_  
Katrin Klingenberg, Secretary

  
\_\_\_\_\_  
Mark Whitney, Director

**PASSIVE HOUSE INSTITUTE US**

**FINANCIAL STATEMENTS**

**December 31, 2009**

# PASSIVE HOUSE INSTITUTE US

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FINANCIAL STATEMENTS:	
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Statement of Activities.....	5
Statement of Cash Flows.....	6
Notes to Financial Statements.....	7



HAYS & ASSOCIATES, P.C.

---

THOMAS D. HAYS, C.P.A.  
MARY LEE BRADY, C.P.A.

CERTIFIED PUBLIC ACCOUNTANTS

To the Executive Board  
Passive House Institute US  
Urbana, IL

The accompanying financial statements of the Passive House Institute US (formerly Ecological Construction Laboratory) for the year ended December 31, 2009 have been compiled by us, in accordance with standards established by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We did not audit or review the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

*Hays & Associates, P.C.*  
Hays & Associates, P.C.  
Certified Public Accountants

Passive House Institute US  
Statement of Financial Position  
December 31, 2009

**ASSETS**

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**TOTAL ASSETS**

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**LIABILITIES & NET ASSETS**

**LIABILITIES**

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Accts Payable-Vendors/Subcontractors	<u>1,465.00</u>	
Total Liabilities		18,878.27

**NET ASSETS**

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Total Net Assets		<u>69,786.28</u>

**TOTAL LIABILITIES & NET ASSETS**

**\$88,664.55**

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Year Ended December 31, 2009

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Year Ended December 31, 2009

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# **e-co lab Strategic Business Plan for 2010-2013**

## e-co lab Strategic Business Plan for 2009-2013

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2. Vision, Mission and Values	X
3. Core Strategies	X
4. Strategic Objectives and Initiatives	X
5. Future Performance Measures	X
6. Board Governance and Advisory Structure	X
7. Future Staffing Structure	X
8. Future Resource Requirements	X
9. Five Year Financial Forecast	X

## e-co lab Strategic Business Plan for 2009-2013

### 1. Overview and Background

The Ecological Construction Laboratory (e-co Lab) is a non-profit (501c3) entity founded in 2003 exclusively to develop, research, refine, promote, and execute affordable and energy efficient residential buildings, designs, systems and components based on the Passive House Design Standard.

The target population for projects initiated by e-co Lab is low income residents of the Urbana-Champaign community with research efforts aimed toward achieving greater affordability and broader market penetration of the Passive House Design Standard both locally and across the U.S.

The Passive House Design Standard, is a certifiable building standard far more stringent than Energy Star and other U.S. standards. The Passive House Standard requires reducing the operational energy load (of new buildings) by 90% when compared to existing buildings. The Passive House Design Standard was originally established in Germany in 1992 by Dr. Wolfgang Feist of the Passivhaus Institute (PHI, [www.passivehouse.com](http://www.passivehouse.com)). Buildings are now certified in the U.S and Canada by the Passive House Institute US (PHIUS, [www.passivehouse.us](http://www.passivehouse.us)).

e-co Lab's founder, architect and educator Katrin Klingenberg is the preeminent U.S. Passive House expert and co-founder of the Passive House Institute U.S. (PHIUS).

Toward achieving the goal of affordable and energy efficient residential buildings, designs, systems and components,, e-co Lab has developed the following programs

- **Affordable-Green Housing Development (A-G HD)**
- **Affordable-Green Technical Assistance (A-G TA)**
- **Affordable-Green Home Building Education (A-G HBE)**
- **Affordable-Green Building Materials Center (A-G BMC) – future**

Each of these programs has a number of current initiatives and/or future initiatives.

e-co Lab is served by a board of directors and a staff of two.

## **e-co lab Strategic Business Plan for 2009-2013**

### **2. Vision, Mission, Values**

#### **A. Vision**

Significantly reduce energy consumption in our community and region while helping low-income residents achieve freedom from the burden of ever-increasing high home energy bills.

#### **B. Mission**

e-co Lab seeks to raise awareness of and demand for the exceptional energy efficiencies offered to residential building projects by the Passive House Standard, through research, teaching, and the development of Passive House Standard housing that is affordable to low-income residents of the greater Urbana-Champaign community.

#### **C. Core Values**

- Stewardship – Using environmental, social and economic resources so they are not depleted or permanently damaged.
- Integrity – Addressing the environmental, social and economic challenges of moving the expectations of building design and construction toward the Passive House Standard with honesty, patience and a commitment to clear communication.
- Collaboration – Sharing e-co Lab's resources for the good of the community and region.

## **e-co lab Strategic Business Plan for 2009-2013**

### **3. Strategic Objectives**

e-co Lab will benchmark its progress by achieving the following strategic objectives. These objectives represent the priorities to be followed in developing all major projects and initiatives in the next five years. An annual plan of work will outline the level of effort on these by e-co Lab each year.

#### **A. Technical Rigor**

1. Adhere to best sustainable building practices and use the most advanced energy efficiency strategies and technology available in all our development projects and technical assistance activities.
2. Promote best sustainable building practices and use the most advanced energy efficiency strategies and technology available in all our research and education activities in the community and region.

#### **B. Global Perspective:**

1. Educate ourselves, our community and region on issues of climate change, energy economics, energy security and social impacts of climate change.

#### **C. Local Perspective:**

1. Design and develop affordable homes that meet the Passive House Design Standard for qualifying low-income residents.

#### **D. Community Leadership:**

1. Demonstrate and promote the viability of affordable, carbon neutral construction for all low-income housing development in our community and region.
2. Work with existing low-income housing developers in our community and region to significantly reduce the carbon footprint of existing and new housing developments.

#### **E. Precautionary Principle:**

1. Design and develop all projects avoiding use of any material which contain hazardous chemicals which have been known to adversely affect human health in their production, use or disposal.
2. Design and develop all projects avoiding use of any material which poses a known current or future threat to the environment in its production, installation, use or disposal.
3. Provide information to local home owners and builders to help them make appropriate building material selections which avoid degradation and depletion of natural resources; avoid human health risk in manufacture, use and disposal; contribute to improved productivity and quality of life; help to sustain biodiversity and maintain diverse planetary ecosystems; and are carbon neutral or carbon sequestering in manufacture, use and disposal.

#### **F. Green Building Education:**

1. Provide workshops and seminars for local and regional home designers, builders, developers and community planners designed to introduce them to

## **e-co lab Strategic Business Plan for 2009-2013**

best sustainable building practices and the most advanced energy efficiency strategies and technology available for new home construction as well as home energy retrofit.

2. Offer introductory presentations on the Passive House Design Standard to local and regional community, professional and educational entities.

### **G. Sustainability Partnerships:**

1. Partner with community and regional organizations whose missions are allied with ours to support and advance our common goals.
2. Provide education and technical support to encourage adherence to the Passive House Design Standards by other community housing, construction, environmental and planning organizations.

## **4. Future Performance Measures**

e-co Lab will benchmark its progress by achieving the following performance measures. Taken as a whole, these represent the measures of success on its core strategies and a basis for evaluating e-co Lab.

### **A. Technical Rigor:**

1. Provided all staff and volunteers with an appropriate level of guidance and training in the best sustainable building practices and use of the most advanced energy efficiency strategies and technology available.
2. Produced high quality research and education materials which effectively document and communicate best sustainable building practices and use of the most advanced energy efficiency strategies and technology available.

### **B. Global Perspective:**

1. Created and distributed a newsletter which highlights our local program activities as well as addressing issues of climate change, energy economics, energy security and social impacts of climate change -making clear the relevancy to our community and region.

### **C. Local Perspective:**

1. Designed and developed a significant number of individual affordable homes and/or duplexes that meet the Passive House Design Standard for qualifying low-income residents in our community and region.
2. Completed construction of the Kerr Avenue Development.

### **D. Community Leadership:**

1. Completed and distributed case study reports on several affordable Passive House Projects which demonstrate the viability of affordable, carbon neutral construction for low-income families.
2. Worked with the other low-income housing developers in our community and region to significantly reduce the carbon footprint of their development work. Documented the results of this effort.

## e-co lab Strategic Business Plan for 2009-2013

### E. Precautionary Principle:

1. Designed and developed all projects avoiding use of any material which contain hazardous chemicals which have been known to adversely affect human health in their production, use or disposal.
2. Designed and developed all projects avoiding use of any material which poses a current or future threat to the environment in its production, installation, use or disposal.
3. Developed an information clearinghouse for home owners and builders to help them make appropriate building material selections.

### F. Green Building Education:

1. Developed and regularly delivered workshops and seminars for local and regional home designers, builders, developers and community planners designed to introduce them to best sustainable building practices and the most advanced energy efficiency strategies and technology available for new home construction as well as home energy retrofit.
2. Organized and hosted an annual ecological construction symposium.
3. Offered multiple introductory presentations on the Passive House Design Standard to local and regional community, professional and educational entities.

### G. Sustainability Partnerships:

1. Established formal partnerships with community and regional organizations whose missions are allied with ours to support and advance our common goals.
2. Provided Passive House design alternatives to other low-income housing developers in our community and region and offered reduced-fee Passive House consulting services to those organizations.

5. Board Governance and Advisory Structure: As part of the strategic business planning process, e-co lab has reviewed its board governance and advisory processes. Based upon this review, an expansion of the governance and advisory structure was recommended and appears as figure 1 on page 13.

A. e-co Lab's by-laws currently call for the board of directors to consist of no less than three (3) and no more than eight (8) board members. The current board has three members. *It is recommended that* the board solicit new membership to increase the size of the board to a total of eight members. In future as the agency grows in capacity and expands the type and quantity of services offered it is recommended that the bylaws be reviewed and amended to allow for a minimum of five (5) members and a maximum of (15) members to better support the expanded services and mission. The current by-laws call for board members to serve for two (2) year terms. *It is recommended that* the board members terms be revised in the by-laws such that directors shall be elected for terms of three years and shall hold office until their successors are duly elected. *It is also recommended that* the by-laws state that directors may only serve up to a

## e-co lab Strategic Business Plan for 2009-2013

maximum of two terms in succession, with a minimum of one year elapsing before beginning a third term.

The current by-laws do not restrict board membership to residents of the State of Illinois or U.S citizens. *It is recommended that* the majority of board members be recruited from the local community in order to better support the local mission. It is required by e-co Lab's status as a Community Housing Development Organization (CHDO) that no less than one-third (1/3) of the board members shall be either low-income themselves, a resident of a low-income neighborhood or an elected representative of a low-income neighborhood or organization. The by-laws also state that no more than one-third (1/3) of the board members may be public officials.

In addition, the by-laws state that to the extent possible the board members should represent the following professional disciplines or public interests:

- Residential Real Estate Lending
- Residential Real Estate Development or Building Construction
- Rental Housing Management
- Community Planning
- Fund Raising
- Concern with Housing Problems in the Community

*It is recommended that* the following areas of expertise / disciplines also be considered as a part of the board expansion process:

- Peak Oil and Climate Change
- Energy auditing / Residential energy retrofit
- Legal Counsel
- Residential Real Estate Sales
- Passive House Design Standard
- Building Science

The expanded board will be responsible for:

- Evaluating the strategic direction of the organization
- Serving as thought leaders in the area of affordable energy efficient housing development and the most advanced residential energy conservation strategies.
- Suggesting possible nominees to the board who can make significant contributions to the work of the board and the organization.
- Providing access to funding sources.
- Fiduciary oversight, such as reviewing the organization's annual financial statements.
- Serve on committees or task forces.
- Inform others about the organization.



## e-co lab Strategic Business Plan for 2009-2013

B. *It is recommended that e-co lab develop formal standing committees within the Board of Trustees as follows.*

1. *Executive Committee* with the following officers:

- President
- Vice President
- Secretary / Treasurer
- One member of the Board at large
- The Executive director

2. *Development Committee* composed of at least three Board members and additional community representatives recruited for knowledge and skill in the field, if the committee chooses.

- Recommend actions needed to give the public a wider understanding of the purpose, function and place in the community of e-co Lab.
- Oversee the development and maintenance of informational material and promotional material and publicity
- Analyze the public image of e-co Lab and recommend the required action for improvement.
- Recommend an annual fundraising goal and plan to the Board
- Monitor and evaluate the performance of e-co Lab's development program.
- Assist in recruitment of volunteers and Board members to participate in fundraising efforts.

3. *Audit Committee* composed of at least two Board members and up to two members from the community. One of the members shall be designated the "financial expert" and should be a CPA, CMA or MBA, or have had a position of a CFO or CEO. Others on the committee include the Board Treasurer and, ex officio, the Board president and the executive director.

This committee shall assist the Board in fulfilling its financial oversight responsibilities. The committee should review the organization's financial reports and other financial information; the effectiveness of the organization's systems of internal controls; and the organization's auditing, accounting and financial reporting process, while providing independence and objective oversight.

In discharging its oversight role, the committee should be empowered to investigate any matter relating to the agency's accounting, auditing, internal control and financial reporting practices brought to its attention. The committee should have full access to all agency books, records, facilities and personnel. The committee may retain outside counsel, auditors or other advisors.

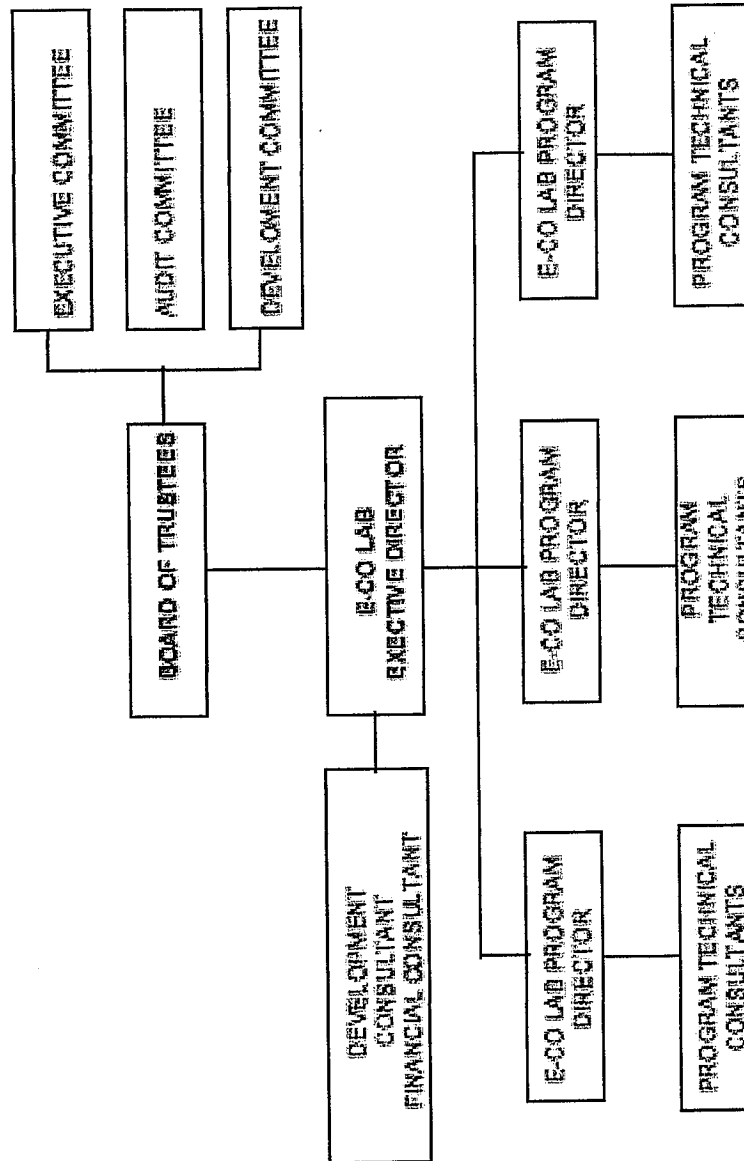
The general recurring activities of the committee in carrying out its oversight roles are to:

- Serve as an independent and objective entity to monitor the organization's financial reporting process and internal control system.

## e-co lab Strategic Business Plan for 2009-2013

- Provide an open avenue of communication among the independent auditor, the executive director and the Board.
  - Recommend to the Board the appointment of the independent auditor to be engaged by the agency, including the scope of the audit and establishing the audit fee.
  - Review and evaluate the performance of the independent auditor and review with the Board any proposed change in choice of auditor.
  - Schedule a meeting with the Board and the independent auditor to review the following: the annual audit report including financial statements and footnotes, an evaluation of internal controls and computerized information system controls and any serious difficulties or disputes with management encountered during the audit. The committee may choose to meet with the auditor prior to the Board meeting.
4. Additional Standing Committees for consideration with future board growth include the following:
- *Administrative Services Committee* to review and recommend personnel policies and standards.
  - *Governance Committee* for ongoing review and recommendations to enhance the quality and future viability of the Board of Directors.
  - *Program Planning Committee* and related *Advisory Committees* to prepare a long range plans for program development for approval of the Board of Directors; Consider all program changes, modifications, and additions within the framework of the strategic plan and to make recommendation to the Board of Directors concerning programs; Propose program standards and priorities to the Board of Directors; monitor the effectiveness of programs and services of e-co Lab; ensure maximum coordination and cooperation with other community, state and regional entities; supervise the work of program advisory committees; coordinate its activities with other Board and staff committees.

FIGURE 1. ECOLOGICAL CONSTRUCTION LABORATORY ORGANIZATIONAL CHART



## e-co lab Strategic Business Plan for 2009-2013

6. Future Staffing Structure: As part of the strategic business planning process, e-co Lab has developed a forecast of its staffing structure as it evolves to the Year 2013. This staffing structure appears in Figure 1, previous page.

The following role responsibilities will be implemented as future positions evolve at e-co Lab.

- A. Executive Director – The Executive Director will serve as the Chief Administrative Officer responsible for establishing the vision, strategy, and direction of the organization in cooperation with the Board of Directors. In addition he/she will be specifically responsible for the following:

- **Building organizational capacity through effective strategic development of programs and services**
- **Fundraising development**
- **Board development**
- **Public and community education**
- **Research**
- **Publications**
- **Public speaking and networking.**

- B. Program Director – The Program Director will serve as the manager responsible for direct oversight of e-co Lab's current programs:

- **Affordable-Green Housing Development (A-G HD)**
- **Affordable-Green Technical Assistance (A-G TA)**
- **Affordable-Green Home Building Education (A-G HBE)**

*In the future* as these programs grow and expand and other programs are developed additional Program Director positions will be developed to oversee programs individually.

- **Affordable-Green Building Materials Center (A-G BMC) – future**

- C. Development Director – This is a *future position* (part time) anticipated in the expansion of e-co Lab. The position would focus on

- **Cultivation of Major Gifts**
- **Development of Grants for programs and projects**
- **Management of annual fundraising campaigns, events.**

- D. Office Manager / Administrative Support – This is a *future position* (part time) anticipated in the expansion of e-co Lab. The position would focus on general office management including filing organization, mail processing, phone reception, conference material development /organization and other office organization tasks as assigned. This position would report to the Executive Director. If the position

## **e-co lab Strategic Business Plan for 2009-2013**

were to expand to full time the position might be able to provide part time support to Program Directors as well.

### **E. Current Consultants**

- Bookkeeper/Accountant: He/She is a paid consultant who handles e-co lab's payroll and taxes and performs our annual financial audits. This consultant reports directly to the Executive Director. As e-co Lab continues to grow the work of this consultant might be replaced in part by a full or part time CFO, financial manager or bookkeeper position within the agency.
- Construction Manager: He/She is a paid consultant serving as a construction manager for e-co lab. He/She provides construction quality assurance. This consultant reports directly to the Program Director of the Affordable-Green Housing Development (A-G HD) Program.
- Grant Researcher/Writer/Fundraiser- He/She is a paid consultant who provides grant research and grant writing services. This consultant reports directly to the Executive Director. As e-co Lab continues to grow the work of this consultant might be replaced in part by a full or part time Development Director position and/or by building capacity for these services within existing staff positions.

F. Future Consultants – As e-co Lab continues to grow, it is likely that independent contractors will serve with specific technical expertise to support the programs and mission of e-co Lab.

- Homebuyer / Credit Counselor – The Homebuyer / Credit Counselor would report to the Program Director for the Affordable-Green Housing Development (A-G HD) Program. As e-co Lab continues to grow the work of this consultant might be replaced in part by a full or part time Homebuyer / Credit Counselor position and/or by building capacity for these services with existing staff positions.
- Passive House Consultants – Passive House Consultants may be engaged in the future for project development if program capacity expands beyond a level that current staff can manage in-house. Passive House Consultants would report to the Program Director for the Affordable-Green Housing Development (A-G HD) Program or the Affordable-Green Technical Assistance (A-G TA) Program depending on the type of project.
- Energy Auditors – e-co Lab may, in future, partner with local Energy Auditors on a consultant basis to respond to a growing need in the low-income community. Energy Auditor Consultants would report to the Program Director for the Affordable-Green Technical Assistance (A-G TA) Program.

G. Office Assistant – e-co Lab may, in future, contract for temporary part time help for to meet specific project needs (i.e. large fundraising campaigns or marketing efforts).

## e-co lab Strategic Business Plan for 2009-2013

7. Future Resource Requirements The following resources will be required in order to fully implement the strategic objectives of this business plan. These resource requirements are reflected in a five-year financial forecast which is part of this strategic plan.

A. Technical Rigor:

This objective will require funding for staff training in the Passive House Design Standard and/or formalized partnership with the Passive House Institute U.S. providing for the Passive House training and access to conferences to be made available to incoming staff.

It will further require that staff members be provided with time and resources to research and study best sustainable building practices and use of the most advanced energy efficiency strategies and technology available.

This objective will also be served by providing funding to and/or partnerships with outside entities to support research which provides third party measurement and verification (e.g. University faculty or students, IBACOS, BPRA, etc.)

B. Global Perspective:

This objective will require input from outside expertise on issues of climate change, energy economics, energy security and social impacts of climate change – to help provide the global perspective.

In addition it will require the resources of staff and/or consultants to regularly publish the newsletter.

C. Local Perspective:

This objective will require significant grant funding to realize specific home building objectives for low-income residents.

It will also require partnership with a sustainable housing developer to realize the Kerr Avenue project objectives.

This objective would be well served by adding expertise in real estate sales to our Board of Directors and/or finding a local real estate sales expert willing to donate services.

D. Community Leadership:

This objective will require significant strengthening of the partnerships with the other low-income housing developers in our community and region (e.g. Community Housing Collaborative members).

E. Precautionary Principle:

This objective will require ongoing research and documentation of projects which demonstrate adherence to this principle.

It will also benefit from the creation of partnerships with manufacturers and distributors of materials which meet this objective.

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A Program Director staff position will have to be funded and filled to fully realize the goals of an Affordable-Green Building Materials Center (A-G BMC) Program.

### **F. Green Building Education:**

A Program Director staff position will have to be funded and filled to fully realize the goal of an Affordable-Green Home Building Education (A-G HBE) Program.

### **G. Sustainability Partnerships:**

This objective will require substantial local and regional partnerships as well as conference call capabilities and potentially video conferencing resources.