



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: AN ORDINANCE AUTHORIZING THE EXECUTION OF A REAL ESTATE OPTION AND CONTRACT FOR THE SALE OF CERTAIN REAL ESTATE TO ECOLOGICAL CONSTRUCTION LABORATORY FOR AFFORDABLE HOUSING DEVELOPMENT (401, 401½ and 403 EAST KERR AVENUE)

Description

On the agenda of the January 25, 2011 meeting of the Urbana Community Development Commission is an ordinance that would authorize the execution of a Real Estate Option and Contract for the Sale of 401, 401½ and 403 East Kerr Avenue to Ecological Construction Laboratory (e-co lab) for Affordable Housing Development. The option is needed to provide evidence of site control and would be included in e-co lab's application to the Illinois Housing Development Authority (IHDA) for Low Income Affordable Housing Tax Credits (LIHTC). If approved, the tax credits would be utilized to create a rent-to-own development that would allow low-income renters to purchase units in the development after the 15 year tax credit compliance period expires.

Issues

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

Background

The City acquired the 3.19 acre property on Kerr Avenue, between Cunningham Avenue and Division Street, in 2004 as a potential site for future housing development. The Kerr Avenue Project is a response to various goals and strategies from City Council, the 2005-2009 Consolidated Plan, and the 2005 Comprehensive Plan. In the fall of 2005, the Urbana City Council adopted a common goal to "develop a nationally recognized, model neighborhood that is affordable and uses a fraction of standard energy consumption".

Phase I of the project began in 2006 with a request for proposals for a design concept. Farr Associates of Chicago was selected as the design consultant, and a design charrette was held in

the summer of 2007. The outcome of Phase I was a report that presented two site design concepts and provided several recommendations regarding architectural and sustainable practices proposed to be employed in the project. The report was included as part of a RFQ/RFP that was issued in May of 2008. In response to the RFQ/RFP, Ecological Construction Laboratory (*e-co lab*) submitted a proposal to the City to serve as a development team leader, CHDO, and designer for development of the Kerr site. The original development proposal submitted by *e-co lab* called for 48 ultra energy-efficient dwelling units.

Since that time, staff has been working with *e-co lab* to identify a development partner to undertake the project. Due to the softening of the housing and loan markets, the developers who initially expressed interest in Kerr Avenue have been reluctant to commit to the project.

CURRENT PROPOSAL

In September, 2010, staff met with *e-co lab* and Tom DiGiovanni of Newhouse Development Co., an Atlanta, GA based developer who is interested in working with *e-co lab* and the City on the Kerr Avenue Project. Newhouse and *e-co lab* have proposed a project that would utilize Low Income Housing Tax Credits (LIHTC) to create a rent-to-own development that would allow low-income renters to purchase units in the development after the 15 year tax credit compliance period expires (copy of project summary attached).

The Newhouse and *e-co lab* presented a project overview to the Urbana City Council at its October 13, 2010 meeting and indicated that a requirement of the tax credit application is for the developer to provide evidence of ownership or control of the proposed development site in the form of a deed or real estate option. If the ordinance is approved, the Real Estate Option would be included in the tax credit application to be submitted to IHDA by the April 15, 2011 deadline.

If the Low Income Housing Tax Credits are approved by IHDA, the City would also be asked to provide additional financial assistance in the form of fee waivers as well as federal HOME and/or CDBG grant funding. Currently, the City has \$61,317 in CDBG funds and \$67,211 in HOME funds set aside for Kerr Avenue. Since *e-co lab* is a certified CHDO of the Urbana HOME Consortium, it is possible that some of the required 15 percent CHDO set-aside of HOME funds for affordable housing projects may be allocated by the Consortium to *e-co lab* for this project.

Options

1. Forward the Ordinance to the Urbana City Council with a recommendation for approval.
2. Forward the Ordinance to the Urbana City Council with a recommendation for approval, with suggested changes.
3. Do not recommend that City Council approve the Ordinance.

Fiscal Impacts

Because the City owns the property, there would be no current impact to the City budget. Approving the Ordinance would mean that the developer could exercise the Option at any time before December 31, 2011 in the event that IHDA awards tax credits to the project.

Recommendations

Staff recommends approval of the ordinance approving execution of the real estate option.

Memorandum Prepared By:

John A. Schneider
Manager, Grants Management Division

Attachments:

1. AN ORDINANCE AUTHORIZING THE EXECUTION OF A REAL ESTATE OPTION AND CONTRACT FOR THE SALE OF CERTAIN REAL ESTATE TO ECOLOGICAL CONSTRUCTION LABORATORY FOR AFFORDABLE HOUSING DEVELOPMENT (401, 401 ½ and 403 EAST KERR AVENUE)
2. REAL ESTATE OPTION 401, 401 ½ and 403 KERR AVENUE URBANA
 - a. Developer Agreement
3. Kerr Avenue Project Summary

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE EXECUTION OF A REAL ESTATE OPTION AND CONTRACT FOR THE SALE OF CERTAIN REAL ESTATE TO ECOLOGICAL CONSTRUCTION LABORATORY FOR AFFORDABLE HOUSING DEVELOPMENT (401, 401½ and 403 EAST KERR AVENUE)

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

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

WHEREAS, the City Council desires to sell the real estate commonly known as 401, 401 ½ and 403 East Kerr Avenue, which said property was acquired under the Community Development Program, in accordance with said Subsection (a) of Section 2-118 and the policy heretofore established with respect thereto; and

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

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

Section 1. That the Real Estate Option and Contract for Sale by and between the City of Urbana, Illinois, and Ecological Construction Laboratory, a copy of which said Real Estate Option and Contract for Sale is attached hereto and incorporated herein by reference, be and the same is approved.

Section 2. The Mayor of the City of Urbana, Illinois, is hereby authorized to execute said Real Estate Option and Contract for Sale in substantially the form attached hereto together with all necessary deeds and documents required by said Contract for and on behalf of the City of Urbana, Illinois.

Section 3. The Mayor of the City of Urbana, Illinois, is hereby authorized to execute minor modifications and extensions of time set forth in the said Real Estate Option and Contract for Sale for and on behalf of the City of Urbana, Illinois.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a three-fourths (3/4th's) vote of the alderpersons of the City of Urbana, Illinois, and the Mayor, at a regular meeting of said Council.

PASSED by the City Council this _____ day of _____,
_____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
_____.

Laurel Lunt Prussing, Mayor

REAL ESTATE OPTION
401, 401 ½ and 403 KERR AVENUE URBANA

This REAL ESTATE Option and CONTRACT (the "CONTRACT") is made as of the date of the last to execute of the parties hereto (the "Effective Date") by and between Ecological Construction Laboratory, LLC, an Illinois Not For Profit Company, ("OPTIONEE") and the City of Urbana, Illinois ("OPTIONOR").

W I T N E S S E T H

WHEREAS, the OPTIONOR is the owner of certain REAL ESTATE as later more specifically described in the CONTRACT attached; and

WHEREAS, the OPTIONEE desires to obtain an option to purchase said REAL ESTATE on such terms and conditions as are provided for therein; and

WHEREAS, OPTIONOR is willing to sell the said real estate to OPTIONEE as provided in the attached CONTRACT if the OPTIONEE is awarded federal Low Income Housing Tax Credits by the Illinois Housing Development Authority.

WHEREAS, the parties agreed upon the terms and conditions relating to an Option for the Purchase of the property, and now wish to reduce their agreement to writing.

NOW, THEREFORE, in consideration of the representations, promises, covenants, agreements and undertakings set forth in this CONTRACT, the OPTIONOR and the OPTIONEE hereby agree as follows:

Section 1. Grant of Option. OPTIONOR, in consideration of the payments of \$1,000.00 to be paid by OPTIONEE to OPTIONOR, hereby grants to Buyer, the exclusive right and option to purchase the REAL ESTATE described below and in the attached CONTRACT ("REAL ESTATE") for the option period as follows: Commencing as of the Effective Date and continuing until 5:00 p.m. on the 31st day of December, 2011, provided the OPTIONEE has been awarded the low income tax credits described above. The \$1,000.00 payment is payable upon the exercise of this option.

SUBJECT REAL ESTATE:

A part of the Northeast Quarter of Section 8, Township 19 North, Range 9 East of the Third Principal Meridian, Champaign County, Illinois, being more particularly described as follows:

Beginning at the northeast corner of Lot 1 of Mackey Subdivision, as shown on a plat recorded June 19, 1968 as Document Number 1968R778353 in the Office of the Recorder of Deeds, Champaign County, Illinois, said point also being on the southerly Right of Way line of Kerr Avenue; thence, southerly, along the east line of Lots 1 through 4

inclusive of said Mackey Subdivision, 245.30 feet, to the southeast corner of said Lot 4, said point also being on the northerly line of Crystal View Townhomes First Subdivision, as shown on a plat recorded March 24, 2009 as Document Number 2009R07821 in the Office of the Recorder of Deeds, Champaign County, Illinois; thence, easterly, along said northerly line of Crystal View Townhomes First Subdivision, 30.41 feet, to a northeasterly corner of said Crystal View Townhomes First Subdivision; thence, southerly, along an easterly line of said Crystal View Townhomes First Subdivision, 234.32 feet, to the northwesterly corner of Lot 7 of Andrew Barr's Subdivision as shown on a plat recorded October 5, 1894 in Plat Book A at page 257 in the Office of the Recorder of Deeds, Champaign County, Illinois; thence, easterly, along the north line of said Andrew Barr's Subdivision, 274.26 feet, to the westerly line of the east 205 feet 4 inches of the north 30 rods of Lot 30 of a subdivision of the Northeast Quarter of Section 8, Township 19 North, Range 9 East of the Third Principal Meridian, as per plat recorded in Plat Book "R" at page 238; thence, northerly, along said westerly line of the east 205 feet 4 inches of Lot 30, 475 feet, to its intersection with the southerly Right of Way line of Kerr Avenue; thence, westerly, along said southerly Right of Way line, 304.67 feet, to the Point of Beginning.

Said tract containing 3.17 acres, all situated in the City of Urbana, Champaign County and being commonly known as 401, 401½ and 403 East Kerr Avenue, Urbana Illinois.

PIN numbers: 91-21-08-280-008, 91-21-08-280-009 and 91-21-08-280-007

This OPTION and CONTRACT is made as of the date of the last to execute of the parties hereto, which date then is the "Effective Date".

OPTIONOR:
City of Urbana

OPTIONEE:
Ecological Construction Laboratory, LLC,
A Member Managed Illinois Not For Profit
Company,

BY: _____

BY: _____
Its Manager

Dated: _____

Dated: _____

CONTRACT FOR SALE OF REAL ESTATE

This Contract made and entered into this ____ day of _____, 2010, by and between the CITY of Urbana, Illinois, a municipal corporation of the State of Illinois (hereinafter referred to as the "CITY") as Seller, and Ecological Construction Laboratory, an Illinois not-for-profit company (hereinafter referred to as "E-CO LAB") as Buyer.

WITNESSETH:

IT IS MUTUALLY UNDERSTOOD AND AGREED BETWEEN THE PARTIES HERETO:

1. Sale. The CITY agrees to sell and convey, and E-CO LAB agrees to buy, the following described parcel of real estate:

SUBJECT REAL ESTATE:

A part of the Northeast Quarter of Section 8, Township 19 North, Range 9 East of the Third Principal Meridian, Champaign County, Illinois, being more particularly described as follows:

Beginning at the northeast corner of Lot 1 of Mackey Subdivision, as shown on a plat recorded June 19, 1968 as Document Number 1968R778353 in the Office of the Recorder of Deeds, Champaign County, Illinois, said point also being on the southerly Right of Way line of Kerr Avenue; thence, southerly, along the east line of Lots 1 through 4 inclusive of said Mackey Subdivision, 245.30 feet, to the southeast corner of said Lot 4, said point also being on the northerly line of Crystal View Townhomes First Subdivision, as shown on a plat recorded March 24, 2009 as Document Number 2009R07821 in the Office of the Recorder of Deeds, Champaign County, Illinois; thence, easterly, along said northerly line of Crystal View Townhomes First Subdivision, 30.41 feet, to a northeasterly corner of said Crystal View Townhomes First Subdivision; thence, southerly, along an easterly line of said Crystal View Townhomes First Subdivision, 234.32 feet, to the northwesterly corner of Lot 7 of Andrew Barr's Subdivision as shown on a plat recorded October 5, 1894 in Plat Book A at page 257 in the Office of the Recorder of Deeds, Champaign County, Illinois; thence, easterly, along the north line of said Andrew Barr's Subdivision, 274.26 feet, to the westerly line of the east 205 feet 4 inches of the north 30 rods of Lot 30 of a subdivision of the Northeast Quarter of Section 8, Township 19 North, Range 9 East of the Third Principal Meridian, as per plat recorded in Plat Book "R" at page 238; thence, northerly, along said westerly line of the east 205 feet 4 inches of Lot 30, 475 feet, to its intersection with the southerly Right of Way line of Kerr Avenue; thence, westerly, along said southerly Right of Way line, 304.67 feet, to the Point of Beginning.

Said tract containing 3.17 acres, all situated in the City of Urbana, Champaign County and being commonly known as 401, 401½ and 403 East Kerr Avenue, Urbana, Illinois (hereinafter referred to as “SUBJECT PROPERTY”).

PIN numbers: 91-21-08-280-008, 91-21-08-280-009 and 91-21-08-280-007

2. Purchase Price. The CITY agrees to convey title to SUBJECT PROPERTY for Ten Dollars (\$10.00) and other consideration as described herein.
3. Evidence of Title. Within a reasonable time, the CITY shall select and deliver on of the following to E-CO LAB as evidence of title:
 - a. A copy of a title insurance policy issued to the CITY by Allied Title Services, Inc. in connection with acquisition of SUBJECT PROPERTY by the CITY: the CITY warrants that it has done nothing to encumber SUBJECT PROPERTY since its acquisition of SUBJECT PROPERTY; or
 - b. A commitment of title insurance by a title insurance company regularly doing business in Champaign County, committing the company to issue a policy in the usual form insuring title to SUBJECT PROPERTY in the CITY subject to E-CO LAB’s contract rights, for the amount of the CITY’s purchase price or the minimum amount of title insurance, whichever is greater.

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

E-CO LAB shall notify the CITY, in writing, within a reasonable time after receipt of the evidence of title, of any objections which E-CO LAB may have thereto and unless so pointed out the evidence of title shall be conclusively presumed to be accepted by E-CO LAB.

The CITY shall have a reasonable time to cure any objections actually interfering with or impairing the merchantability of the title to SUBJECT PROPERTY. If the CITY is unable to cure such objections and is unable to procure a title policy insuring over such objections, then E-CO LAB shall have the option to terminate this Contract.

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

4. Conveyance. The CITY agrees to convey SUBJECT PROPERTY to E-CO LAB by good and sufficient Warranty Deed, subject to current taxes, covenants, conditions, restrictions, easements apparent or of record, and to all applicable zoning laws and ordinances. No legal right, title, or interest, except as Contract

Purchaser, in the SUBJECT PROPERTY or any improvements thereon, shall vest in E-CO LAB until delivery of said Warranty Deed to E-CO LAB in the manner and under the conditions prescribed herein.

5. Escrow. At the time the CITY delivers a Warranty Deed to E-CO LAB to convey title in SUBJECT PROPERTY to E-CO LAB, a Warranty Deed from E-CO LAB in favor of the CITY shall be placed in escrow with Allied Title, Champaign, Illinois (hereinafter referred to as “Escrow Agent”).

In the event that E-CO LAB causes complete construction of at least 40 residential units on SUBJECT PROPERTY and E-CO LAB obtains a certificate of occupancy for said residential units from the Urbana Building Safety Division on or before July 31, 2012, or on or before the date established in any modification of this Contract, the Escrow Agent shall destroy said Warranty Deed and give E-CO LAB written assurance of such destruction.

In the event that E-CO LAB has not started construction of any residential units on SUBJECT PROPERTY as of December 31, 2011, or as of the date established in any modification to this Contract, the Escrow Agent shall release said Warranty Deed to the CITY. It is understood and agreed that in such event CITY shall assume all obligations under any existing construction money mortgage.

In the event that E-CO LAB has begun construction of residential units on SUBJECT PROPERTY as of December 31, 2011, or as of the date established in any modification to this Contract, but has not obtained a Certificate of Occupancy for said residence as of that date, or as of the date established in any modification to this Contract, the CITY retains the right to pay E-CO LAB, in care of the Escrow Agent, an amount equivalent to the value of improvements in place on SUBJECT PROPERTY as of December 31, 2011, or as of the date established in any modification to this Contract, taking credit against said amount for any outstanding liens or encumbrances, including the balance due on any construction mortgage against SUBJECT PROPERTY, said liens including real estate taxes prorated up to the date the CITY assumes possession under this paragraph. Said value shall be certified to both E-CO LAB and the CITY by an architect licensed by the State of Illinois, doing business in Champaign County, Illinois, and mutually acceptable to E-CO LAB and the CITY. The Escrow Agent shall deliver said payment to E-CO LAB and release said Warranty Deed to the CITY.

6. Taxes and Assessments. The CITY shall pay all special assessments confirmed prior to the date of this Contract and real estate taxes assessed against SUBJECT PROPERTY for 2010 payable in 2011 up to the date of possession. E-CO LAB shall pay all special assessments and real estate taxes assessed against SUBJECT PROPERTY after the date of possession.

E-CO LAB shall promptly pay all bills for utilities and taxes associated with E-CO LAB’s possession and use of SUBJECT PROPERTY, including but not

limited to water, gas, electric, cable television, sewage treatment, and sewer benefit taxes.

7. Condition of SUBJECT PROPERTY. E-CO LAB agrees to accept SUBJECT PROPERTY in its “as-is” condition, and the CITY disclaims all warranties express or implied as to the condition of SUBJECT PROPERTY.

Compliance with Development Codes. Any residential units constructed pursuant to this Contract shall be constructed in accordance with all applicable land development, zoning, and building codes of the CITY of Urbana, Illinois, and with any and all covenants recorded for the subdivision in which SUBJECT PROPERTY is located. E-CO LAB shall be responsible for obtaining and paying for all permits required under said codes.

House Design. The design and quality of any residential units constructed pursuant to this Contract shall be approved by the Manager of the Grants Management Division of the CITY of Urbana, Illinois, acting on behalf of the CITY. Prior to issuance of any building permit by the Building Safety Division of the CITY of Urbana, Illinois, the Manager of the Grants Management Division of the CITY of Urbana, Illinois, acting on behalf of the CITY, may request alterations to the proposed house design so as to comply with this section.

8. Use of SUBJECT PROPERTY. The primary purpose of E-CO LAB activities undertaken pursuant to this Contract shall be construction of residential units for rent to a low-income household through a rent-to-own program that is required to be approved by the CITY prior to the undertaking of any construction work on the PROJECT. E-CO LAB shall ensure a safe working environment for construction at all times.

9. Limitation on Subsequent Sale of SUBJECT PROPERTY. Any residential units constructed by E-CO LAB on SUBJECT PROPERTY pursuant to this Contract may subsequently be sold by E-CO LAB only to a family having income at or below 60 percent of median family income for Champaign County based on household size. Applicable income limits are those certified by the Manager of the Grants Management Division of the CITY of Urbana, Illinois, acting on behalf of the CITY, to be in effect at the time E-CO LAB enters into a sales agreement on a residential unit. E-CO LAB shall keep records of compliance with this Section on file for inspection by representatives of the CITY and the U. S. Department of Housing and Urban Development.

To the extent allowable by law, the deed transferring title in SUBJECT PROPERTY from E-CO LAB to the initial purchaser shall include a provision restricting subsequent sales of SUBJECT PROPERTY to households having income at or below 60 percent of median family income for a period of ten (10) years from the date of the deed transferring title from E-CO LAB. Said deed restriction shall not apply in the event of possession by a financial institution as a

result of foreclosure proceedings.

10. Property Maintenance. E-CO LAB agrees to keep SUBJECT PROPERTY mowed and free of excess vegetation and debris at all times. E-CO LAB shall neither suffer nor commit any waste on or next to SUBJECT PROPERTY. E-CO LAB agrees to promptly respond to any notices received from the Urbana Department of Public Works with regard to violation of the CITY's nuisance codes and to promptly correct any violation cited by said department. E-CO LAB shall promptly pay all bills or charges incurred for materials, services, labor, or other like items which may create encumbrances against SUBJECT PROPERTY.
11. Construction Schedule. E-CO LAB agrees to construct residential units on SUBJECT PROPERTY such that a Certificate of Occupancy is issued for the newly constructed structure by the Building Safety Division of the CITY of Urbana, Illinois, on or before December 31, 2012, or on or before the date established in any modification to this Contract.

Storage of Building Materials. Building materials needed to construct any dwelling pursuant to this Contract shall be stored within property lines and shall not be placed in the public right-of-way.
12. CITY Held Harmless. E-CO LAB agrees to indemnify and hold the CITY, its officers, agents, and employees, harmless for any liability or damages of any nature or kind concerning undertaking of any activity pursuant to this Contract, including reasonable attorneys' fees incurred in defending against any such claim.
13. Assignment. Except for an assignment to a Special Purpose Entity in which E-CO LAB maintains an ownership interest and which is created specifically for the purpose of developing the SUBJECT PROPERTY, E-CO LAB shall not assign this Contract without prior written consent of the CITY to such assignment; provided, however, that the CITY shall not unreasonably withhold such consent and further provided that no such assignment shall act as a discharge or release of E-CO LAB's liability under this Contract.
14. Possession. CITY shall deliver possession of SUBJECT PROPERTY to E-CO LAB concurrently with closing of this transaction to be held on or before December 31, 2011.
15. Default. If E-CO LAB fails to perform any obligation imposed upon it by this Contract, the CITY may serve written notice of default upon E-CO LAB and if such default is not corrected within ten (10) days thereafter, this Contract shall terminate. In the event of failure of the CITY to perform the obligations imposed upon it by this Contract, E-CO LAB may terminate this Contract upon similar notice served upon the CITY and similar expiration of time period. The foregoing remedies in the event of a default are not intended to be exclusive, and the parties shall have the right to all other lawful remedies, including specific performance.

Default by the CITY of E-CO LAB shall entitle the non-defaulting party to claim as damages all reasonable costs, attorneys' fees, and expenses in connection with enforcement of this Contract.

- 16. Notices. Any notice required under this Contract to be served upon the CITY or E-CO LAB shall be personally delivered, or shall be mailed by certified mail to such parties at the address shown herein following their signatures, or at such other place as the parties may from time to time designate in writing.
- 17. Modification. No modification or extension of this Contract shall be effective unless in writing and executed by the parties hereto.
- 18. Terms Binding. All terms of this Contract shall be binding upon the heirs, legatees, devisees, representatives, and assignees of the parties.

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

SELLER:

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

BY :

Laurel Lunt Prussing, Mayor

ATTEST:

Phyllis D. Clark, CITY Clerk

BUYER:

Ecological Construction Laboratory, LLC,
A Manager Managed Illinois Not for Profit Company
Katrin Klingenberg
110 South Race Street, #202
Urbana, IL 61801

BY : _____
Its Manager

ATTEST: _____

Attachments – Developer Agreement

CITY OF URBANA
as a member of the URBANA HOME CONSORTIUM

HOME PROGRAM RENTAL HOUSING
DEVELOPER AGREEMENT

This Rental Housing Agreement, hereafter referred to as “Agreement”, is made as of this _____, by and between the City of Urbana, as a member of the Urbana HOME Consortium (hereinafter the “**LENDER**”) and **Ecological Construction Laboratory managing member of Highlands Crossing, LP**, hereinafter the “**BORROWER**”.

WITNESSETH

WHEREAS, the Congress of the United States has enacted the Cranston-Gonzales National Affordable Housing Act of 1990 which created the HOME Investment Partnerships Program (hereinafter the “HOME Program”) to provide funds to state and local government for affordable housing assistance that is most appropriate for local needs; and

WHEREAS, the City of Urbana, the City of Champaign, and Champaign County have been jointly designated as a Participating Jurisdiction by HUD for purposes of receiving HOME funds in the name of Urbana HOME Investment Partnerships Consortium under provisions of Title II of Cranston-Gonzales National Affordable Housing Act of 1990 as amended (42 U.S.C. 12701, et seq.) (hereinafter the “National Affordable Housing Act”); and

WHEREAS, BORROWER desires to serve as an owner, BORROWER and developer of an affordable rental housing development within the City of Urbana;

WHEREAS, the LENDER as a member of the Urbana HOME Consortium has authority under the provisions of the HOME Investment Partnerships Program (the “HOME Program”) to provide financial assistance for the development of a mixed-income, affordable residential rental development; and

WHEREAS, the BORROWER has submitted a proposal to the LENDER for assistance to construct a number of affordable rental dwelling units (hereafter the “PROJECT”) on a property, hereafter the “PROPERTY”) commonly known as The Villas at Highlands Crossing, legally described in Exhibit “C”, attached hereto and made a part hereof; and

WHEREAS, the LENDER has reviewed said proposal, and has conducted an evaluation of said PROJECT, including a comprehensive review of the site and building plans that will achieve the minimum property standard, as established by the LENDER, as part of said PROJECT and an estimated total cost of said PROJECT; and

WHEREAS, the LENDER has determined that the PROJECT is eligible for funding under the HOME Program, and

WHEREAS, the BORROWER has been fully informed regarding any and all requirements, and, obligations that must be met by the PROJECT in order to utilize HOME Program funds, including but not limited to the requirement that the after construction, the dwelling unit(s) must remain affordable to low-income households (60% of Area Median Income as established by HUD) for a period of 20 years from the date the PROJECT has achieved full initial occupancy, in accordance with 24 CFR Part 92, Sections 203, 251-253; and

WHEREAS, the BORROWER, after said evaluation and assessment of the PROJECT by the LENDER, and having been fully informed regarding the requirements of the HOME Program, is committed to commencing said PROJECT with the assistance of HOME Program funds on or before _____ and has made necessary arrangements to provide any required matching private contribution towards the cost of said PROJECT;

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, the parties hereto agree as follows:

ARTICLE I: HOME REQUIREMENTS

Section 1: USE of HOME Funds

The LENDER agrees to provide the BORROWER an amount not to exceed a total of \$ _____ (\$ _____ from its Federal Fiscal Year FY ____ HOME PROGRAM allocation) allocation to assist with the construction of ____ affordable rental dwelling units (hereafter the “CITY HOME ASSISTED UNITS”) out of a total of forty eight dwelling units (hereafter the “PROJECT HOME ASSISTED UNITS”) in the PROJECT that will be assisted with HOME funds on the site of 401,401 ½ and 403 East Kerr Avenue, now known as The Villas at Highlands Crossing. BORROWER shall comply with the following requirements:

- a.) Complete work on the PROJECT in accordance with the following documents:
 1. Scope of Work/Project Description including the schedule, attached hereto as Exhibit “A”
 2. The Budget, attached hereto as Exhibit “B”, each of which is incorporated by reference herein.
 3. The plans, drawings and specifications, as submitted to, and approved by, the City of Urbana Building Safety Division of the Department of Community Development Services are incorporated by reference herein.

- b.) Secure legal possession of the PROPERTY by means of a long-term lease having a term in excess of twenty years.

Section 2. HOME Project Requirements

The BORROWER shall comply with all income determinations and affordability requirements of the HOME Program for each CITY HOME ASSISTED UNIT described in subparagraph d below, as set forth in 24 CFR 92.203, 92.252, as applicable. The BORROWER shall determine each family is income eligible by determining the family’s annual income in accordance with the Part 5 (Section 8) methodology allowed in 24 CFR 92.203. The HOME assisted units in a rental housing project must be occupied only by households that are eligible as low-income families (60% of Area Median Income as established by HUD) and must meet the affordability requirements as described more fully in 24 CFR 92.252(e).

- a.) Affordability Period: For **twenty (20)** years following project completion (hereinafter referred to “the Affordability Period”), the BORROWER agrees to restrict the use of the CITY HOME ASSISTED UNITS to “affordable housing” by recording Deed Restrictions in form of a Regulatory and Land Use Restriction Agreement and with the same content as that executed under event date herewith.
- b.) Maximum Tenant Income: The maximum income for households residing in the CITY HOME ASSISTED UNITS cannot exceed sixty (60%) percent of the area median income, adjusted by family size, as defined annually by HUD, and at least three of the PROJECT HOME ASSISTED UNITS must be restricted to households whose income does not exceed fifty (50%) percent of the area median income.
- c.) Rent Limitations: The gross rent for all CITY HOME ASSISTED UNITS (base rent plus applicable utility allowance computed in accordance with Section 42 of the Internal Revenue Code and applicable HOME regulations) shall not exceed the maximum High HOME Rents as published annually by HUD, and issued annually by the LENDER. At least one of the PROJECT HOME ASSISTED UNITS must have rents that are no greater than the Low HOME rents as published by HUD and issued annually by the LENDER. IN accordance with the HOME regulations, the maximum allowable rent shall be calculated by subtracting applicable tenant paid utility allowances from applicable High or Low HOME rents. The initial monthly rent for each unit cannot exceed:

# of Bedrooms	High HOME Rents	Low HOME Rents
	\$	\$

- d.) CITY HOME ASSISTED UNIT Designation: PROJECT BORROWER in agreement with the LENDER has designated the dwelling units described below as the CITY HOME ASSISTED UNITS :

Designated City of Urbana HOME Units:

Size of Unit	Address of Units
	, Urbana, IL 61801

- e.) Increases in Tenant Income: To the extent specifically required by the regulations under the HOME Program, if an existing tenant's adjusted income increases to the extent that it exceeds eighty (80%) percent of the area median income, as defined annually by HUD, said tenant's rent shall be increased to an amount equal to thirty (30%) per cent of the family's adjusted monthly income. (If the loan is being made available for units that have been allocated a low-income housing tax credit by the State Housing Finance Agency pursuant to Section 42 of the Internal Revenue Code, and if and so long as applicable regulations under the HOME Program allow an exemption, such rental increase requirements shall not apply.)
- f.) Lease Provisions: All leases between the BORROWER and tenants residing in a CITY HOME ASSISTED UNIT shall be for not less than one (1) year in duration and shall comply with and not contain any of the prohibited lease provisions in accordance with 24 CFR 92.253.
- g.) Certification of Tenants' Income: PROJECT BORROWER shall submit or cause to be submitted to the LENDER within ninety (90) days of its fiscal year end the income records of all tenants that are or have been occupying CITY HOME ASSISTED UNITS within the preceding twelve (12) months, and verifying that those tenants meet the income guidelines set forth herein , or in the case of existing tenants in said CITY HOME ASSISTED UNITS whose income has increased above eighty (80%) per cent of area median income, as defined annually by HUD, that BORROWER has complied with applicable HOME Program regulations in filling the next available vacant units.
- h.) Non-Discrimination Against Subsidy Holders: The BORROWER shall not, in the provision of services, or in any other manner, discriminate against any person on the basis of age, race, color, creed, religion, sex, handicap, familial status or national origin.

Section 3. Other Program Requirements

The BORROWER shall comply with requirements imposed by Title VIII of the Civil Rights Act of 1968, and any related rules and regulations; all requirements imposed by

Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d et seq.; the HUD regulations issued here under, 24 CFR, Subtitle A, Part 1, the HUD requirements pursuant to these regulations; and Executive Order 11063.

In accordance with all rules and regulations issued by HUD under Section 504 of the Rehabilitation Act of 1973, the BORROWER shall not discriminate against any person on the basis of handicap.

The BORROWER shall comply with any rules and regulations issued by HUD under the Age Discrimination Act of 1975, (42 U.S.C. 6101-07) and implementing regulations at 24 CFR parts 146;

Cooperation in Equal Opportunity Compliance Reviews: The BORROWER shall cooperate with LENDER and HUD in conducting compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

Section 4. Property Standards

The BORROWER agrees that during the “Affordability Period” all CITY HOME ASSISTED UNITS shall be maintained in accordance with the minimum property standards as established by the LENDER, as well as meet all applicable State and local construction codes, rehabilitation standards, and zoning ordinances, at the time of project completion. All CITY HOME ASSISTED UNITS must meet the accessibility requirements at 24 CFR Part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

The BORROWER agrees to allow periodic inspections of the CITY HOME ASSISTED UNITS during normal business hours and upon reasonable notice to ensure that the property condition remains in accordance with the applicable standards listed in this subpart for the duration of the affordability period.

Section 5. Federal Program Requirements

- a.) Affirmative Marketing of Rental or Vacant Units: The BORROWER will affirmatively market any CITY HOME ASSISTED UNIT available for rent or purchase in a manner to attract tenants without regard to race, color, national origin, sex, religion, familial status or disability. The PROJECT BORROWER agrees, in soliciting tenants, to do the following:
- 1) Use the Equal Housing Opportunity logo in all advertising;
 - 2) Display a Fair Housing poster in the rental and sales office;

- 3) Where appropriate, advertise, use media, including minority outlets, likely to reach persons least likely to apply for the housing;
 - 4) Maintain files of the Project's affirmative marketing activities for five (5) years and provide access thereto to LENDER Staff;
 - 5) Not refrain from renting to any participating tenant holding a Section 8 Housing Choice Voucher, except for good cause, such as previous failure to pay rent and/or to maintain a rental unit, or the tenant's violation of other terms and conditions of tenancy;
 - 6) Comply with Section 8 Housing Choice Voucher Regulations when renting to any participating tenant; and
 - 7) Exercise affirmative marketing of the units when vacated; and
 - 8) Complete the Urbana HOME Consortium Affirmative Marketing Plan (see Exhibit D).
- b.) **Non-discrimination and Equal Opportunity:** In carrying out this Agreement, the BORROWER shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, familial status, handicap or national origin. The BORROWER shall take the necessary steps to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, familial status, handicap or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The BORROWER shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the government setting forth the provisions of this non-discrimination clause. The BORROWER, upon execution of this Agreement, shall agree that all qualified candidates will receive consideration for employment without regard to race, color, religion, sex, age, familial status, handicap or national origin. The BORROWER shall comply with LENDER Ordinance 26.5 Part 2, regarding Equal Employment Opportunity and Affirmative Action.
- c.) **Displacement, Relocation and Acquisition:** If applicable, BORROWER agrees to cooperate and assist the LENDER in the provision of relocation assistance for temporarily relocated and/or permanently displaced persons residing in the project at the levels in accordance with the requirements of

the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C.4201 to 4655) and 49 CFR, Part 24.

- d.) Labor Requirements: BORROWER and its contractors and subcontractors shall comply with Davis-Bacon Act (40 U.S.C. 276a-276a-5) with regard to all its requirements including wage rates paid pursuant to or as a result of this Agreement. BORROWER is responsible to ensure that all construction contracts and sub-contracts executed as a result of this Agreement shall include the applicable Davis Bacon Wage Decision and all other documentation required by the Davis-Bacon Act. Any contracts executed as a result of this Agreement may also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332). BORROWER shall complete necessary documentation as required by the Davis Bacon Act.

The Borrower agrees to comply with the Copeland Anti-Kick Back Act (18 U.S.C. 874 *et seq.*) and its implementing regulations of the U.S. Department of Labor at 29 CFR Part 5. The BORROWER shall maintain documentation that demonstrates compliance with hour and wage requirements of this part. Such documentation shall be made available to the Grantee for review upon request.

- e.) Disbarment & Suspension: The PROJECT SPONSOR certifies that it is not debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549. The PROJECT SPONSOR shall establish procedures to ensure they do not make any award to grantees and subgrantees (including contractors) at any tier in violation of the nonprocurement debarment and suspension common. The PROJECT SPONSOR shall verify and document that none of its grantees, subgrantees or contractors are debarred, suspended or otherwise excluded from participation through the effective use of the List of Parties Excluded from Federal Procurement or Nonprocurement programs (“List”). The PROJECT SPONSOR may request assistance from the GRANTOR to access the List and document results.
- f.) Conflict of Interest: The BORROWER guarantees that no member of, or Delegate to, the Congress of the United States shall be admitted to any share or part of this contract or to any benefit to arise from the same. The BORROWER agrees that no members of the governing body of the locality in which the BORROWER is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the Agreement during his/her tenure, or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the services performed under this Agreement. Unless

expressly permitted by HUD, BORROWER agrees that no person who is an employee, agent, consultant, officer, or elected or appointed official of the BORROWER and who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME Program funds, or who is in a position to participate in a decision making process to gain inside information with regard to such HOME-assisted activities, may obtain a financial interest or benefit from the HOME-assisted activity, or have any interest in any contract, subcontract, or agreement with respect thereto, or the proceeds there under, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one (1) year thereafter. Unless expressly permitted by the LENDER, no BORROWER, or officer, employee, agent or consultant of the BORROWER, may occupy a CITY HOME-ASSISTED UNIT.

- g) Compliance with Section 3. BORROWER shall comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 applies apply to all contract and subcontracts in excess of \$100,000 where City (LENDER) assistance exceeds \$200,000. Additionally, if no contracts or subcontracts exceed \$100,000, then Section 3 will only apply to the BORROWER.) The following forms are required to be completed and submitted to the LENDER;

- _____ Section 3 Policy
- _____ Section 3 Self-Certification
- _____ Section 3 Compliance in the Provision of Training, Employment, and Business Opportunities
- _____ Proposed Subcontractor Breakdown – Table A
- _____ Estimated Project Workforce Breakdown – Table B

(Note: The foregoing Certification forms will be provided by the LENDER to the BORROWER. The BORROWER| is responsible for distributing and collecting the Section 3 forms from each contractor and subcontractor associated with the project. (No work may begin until these forms are completed and returned to the LENDER).

- h.) Air and Water
The PROJECT SPONSOR agrees to comply with the following requirements insofar as they apply to the performance of this Agreement: Clean Air Act, 42 U.S.C. , 7401, *et seq.*;
Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder; Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

ARTICLE II: DISBURSEMENT OF FUNDS.

Section 1. Payment Generally

As consideration for the performance of the undertaking and completion of construction of aforementioned PROJECT, LENDER shall reimburse BORROWER for all eligible costs, as determined by the LENDER, in an amount not to exceed \$_____. Payment for PROJECT shall be made in accordance with the budget detailed in Exhibit B and shall be limited to the statement of work described in “Exhibit A”.

A request for disbursement shall be submitted by the BORROWER to the LENDER for HOME Program funds under this Agreement when funds are needed for payment of eligible HOME Program costs. The amount of each disbursement request shall be limited to the amount expended.

Section 2. Progress and Final Payments

The BORROWER may request from the LENDER progress payments as soon as portions of the work described in “Exhibit A” have been completed. The LENDER or his/her designee shall authorize said payments and said payments shall not be made until the LENDER or his/her designee approves the payment. If all conditions are met, and the work performed and materials supplied in a manner satisfactory to the LENDER, the BORROWER shall receive final payment.

ARTICLE III: RECORDKEEPING

The BORROWER must maintain such records and accounts, including program records, project records; financial records; program administration records; equal opportunity and fair housing records; MBE/WBE records; records demonstrating compliance with the income eligibility determination requirements of §92.203; recordkeeping requirements of 92.508; any records demonstrating compliance with the requirements of §92.353 regarding displacement, relocation and real property acquisitions; records demonstrating compliance with the labor requirements of § 92.354; records demonstrating compliance with the lead-based paint requirements of §92.355; debarment and suspension certifications required by 24 CFR parts 24 and 92; and any other records, as are deemed necessary by the LENDER to assure a proper accounting and monitoring of all HOME Program funds. The BORROWER shall retain all records and supporting documentation applicable to this Agreement for five (5) years after the “Affordability Period” has terminated.

ARTICLE IV: ENFORCEMENT

A default shall consist of any use of HOME Program funds for a purpose other than as authorized by this Agreement, noncompliance with the HOME Investment Partnerships Act, any material breach of the Agreement, failure to expend HOME Program funds in a

timely manner, or a misrepresentation in the application submission which, if known by LENDER and/or HUD, would have resulted in HOME Program funds not being provided. Upon due notice to the BORROWER of the occurrence of any such default and the provision of a reasonable opportunity to respond, the LENDER may take one or more of the following actions:

- (a) Direct the BORROWER to prepare and follow a schedule of actions for carrying out the affected activities, consisting of schedules, timetables and milestones necessary to implement the affected activities;
- (b) Establish and follow a management plan that assigns responsibilities for carrying out the remedial actions;
- (c) Cancel or revise activities likely to be affected by the performance deficiency, before expending HOME Program funds for the activities;
- (d) Reprogram HOME funds that have not yet been expended from affected activities to other eligible activities or withhold HOME Program funds;
- (e) Direct the BORROWER to reimburse the LENDER's program accounts in any amount not used in accordance with the requirements of 24 CFR Part 92, et al;
- (f) Suspend disbursement of HOME Program funds for affected activities;
- (g) Other appropriate action including, but not limited to, any remedial action legally available, such as affirmative litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions, termination of the Agreement and any other available remedies.

For purposes of this Agreement, a reasonable opportunity to respond to any default shall be thirty (30) days from receipt by BORROWER of the LENDER's written notice of default. No delay or omission by LENDER and/or HUD in exercising any right or remedy available to it under the Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any BORROWER default.

Unless the BORROWER'S default is waived, the LENDER may, upon twenty-four (24) hour written notice, terminate this Agreement for said default. Waiver by the LENDER of BORROWER'S default under this Agreement shall not be deemed to be a waiver of any other default nor shall it be termination notice.

Notices required herein, shall be considered received by the BORROWER and the LENDER if delivered in person with written proof thereof, or when deposited in the U.S. Mail, in a prepaid wrapper marked certified, return receipt requested.

ARTICLE V: NOTICES

The LENDER and the BORROWER agree that all notices required by the Agreement shall be in writing and delivered by certified mail with return receipt requested or hand

delivered to the office of the Chief Administrative Officer or duly authorized appointed representative of the LENDER or BORROWER as specified herein:

BORROWER:

Name: Clair Kaye
Title: President
Organization: Ecological Construction Laboratory
Address: 110 South Race Street, #202
Urbana, IL 61801

CITY OF URBANA - URBANA HOME CONSTORTIUM:

Name: Laurel Lunt Prussing
Title: Mayor
Organization: City of Urbana
Address: 400 S. Vine Street
Urbana, IL 61801

ARTICLE VI: SIGNATURE OF AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by its officers as of the date first written above.

CITY OF URBANA

BORROWER

BY: _____

BY: _____

ITS: Mayor

ITS: _____

ATTEST: _____

ATTEST: _____

STATE OF ILLINOIS)
) SS
COUNTY OF)

I the undersigned Notary Public in and for said City in the State aforesaid, DO HEREBY CERTIFY that Clair Kaye, President of Ecological Construction Laboratory, the managing member of Highland Crossing, LP, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act in his capacity as president of a member of the sole member of the general partner of the partnership, as the free and voluntary act of the foregoing partnership for the purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2011.

Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF CHAMPAIGN)

I, the undersigned Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Laurel Lunt Prussing personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed and delivered the said instrument as her free and voluntary act in her capacity as Mayor for the City of Urbana, Illinois, an Illinois municipal corporation, as authorized by the corporate authorities of said City for the purposes set forth therein.

Given under my hand and official seal, this ____ day of _____, 2011.

Notary Public

Exhibit A
Scope of Services/Project Description

The Villas at Highlands Crossing is a 48 rental unit new construction, family complex built on site of 401, 401½ and 403 East Kerr Avenue, Urbana, Illinois. The site is located approximately 0.75 miles north of downtown Urbana and 1.1 miles northeast of downtown Champaign, Illinois. The Champaign-Urbana area is approximately 130 miles south of Chicago, 175 miles northeast of St. Louis, Missouri, and 110 miles northwest of Indianapolis, Indiana.

The new development will include town homes, attached and detached single-family homes, apartment homes, community and maintenance buildings. The Villas at Highland Crossing will consist of 11 buildings, either two-stories in height, or two stories with below grade parking in height, in a variety of housing types. The buildings will be wood framed, and clad with exteriors of hardi-plank and other carefully selected decorative materials. The structures will have pitched roofs and other design elements that take advantage of their southern orientation.

Units will be built to meet the Passive House Building Energy Standard and have ultra energy efficient heating, air conditioning and hot water heating. In addition, the units will have carpeting, window treatments, range, refrigerator, dishwasher, and washers/dryers. Project features will include community gardens, bio-swales, pervious pavement, resident training in energy efficient practices and a “path to homeownership” through a rent to own program, along with on-site property management.

While 48 of the units will be subject to Section 42 restrictions, 4 of the 48 units will be subject to the HOME regulations. Forty four (44) units will be reserved for families at or below 60% of AMI and four (4) units will be rented to those at 50% AMI. At least three units will be fully accessible and all units will be visitable to the greatest extent possible in accordance with the City of Urbana Visitability Ordinance.

Following completion of construction, projected to be {Insert date} , the Villas at Highlands Crossing will lease according to the following schedule. *Tenants will be responsible for all electricity, including heating, hot water, and cooking, while the owner will be responsible for water, sewer, and trash removal.* The rents paid by all tenants will be affordable according to the guidelines of the Low-Income Housing Tax Credits and HOME Program.

Unit Type	# Of Units	Square Footage	Percent of AMI Target	Projected Net Rents	Market Rents	Discount to Market
2 bd / 2 ba			%	\$	\$	%
3 bd / 2 ba			%	\$	\$	%
4 bd / 2 ba			%	\$	\$	%
Totals						

The Villas at Highland Crossing Project Schedule:

Closing on Financing	
Start Construction	
Start Advertising	
Occupancy Begins	
Construction Completed	
100% Occupied	

DRAFT

Exhibit B
Budget - Owner's Sworn Statement

DRAFT

[Please see attached]

DRAFT

Exhibit C
Legal Description

A part of the Northeast Quarter of Section 8, Township 19 North, Range 9 East of the Third Principal Meridian, Champaign County, Illinois, being more particularly described as follows:

Beginning at the northeast corner of Lot 1 of Mackey Subdivision, as shown on a plat recorded June 19, 1968 as Document Number 1968R778353 in the Office of the Recorder of Deeds, Champaign County, Illinois, said point also being on the southerly Right of Way line of Kerr Avenue; thence, southerly, along the east line of Lots 1 through 4 inclusive of said Mackey Subdivision, 245.30 feet, to the southeast corner of said Lot 4, said point also being on the northerly line of Crystal View Townhomes First Subdivision, as shown on a plat recorded March 24, 2009 as Document Number 2009R07821 in the Office of the Recorder of Deeds, Champaign County, Illinois; thence, easterly, along said northerly line of Crystal View Townhomes First Subdivision, 30.41 feet, to a northeasterly corner of said Crystal View Townhomes First Subdivision; thence, southerly, along an easterly line of said Crystal View Townhomes First Subdivision, 234.32 feet, to the northwesterly corner of Lot 7 of Andrew Barr's Subdivision as shown on a plat recorded October 5, 1894 in Plat Book A at page 257 in the Office of the Recorder of Deeds, Champaign County, Illinois; thence, easterly, along the north line of said Andrew Barr's Subdivision, 274.26 feet, to the westerly line of the east 205 feet 4 inches of the north 30 rods of Lot 30 of a subdivision of the Northeast Quarter of Section 8, Township 19 North, Range 9 East of the Third Principal Meridian, as per plat recorded in Plat Book "R" at page 238; thence, northerly, along said westerly line of the east 205 feet 4 inches of Lot 30, 475 feet, to its intersection with the southerly Right of Way line of Kerr Avenue; thence, westerly, along said southerly Right of Way line, 304.67 feet, to the Point of Beginning.

Said tract containing 3.17 acres, all situated in the City of Urbana, Champaign County and being commonly known as 401, 401½ and 403 East Kerr Avenue, Urbana Illinois.

PIN numbers: 91-21-08-280-008, 91-21-08-280-009 and 91-21-08-280-007

Exhibit D
Affirmative Marketing Plan

**[Please see attached Copy of Affirmative Fair
Housing Marketing Plan, 5-pages]**

DRAFT



**Kerr Avenue Certified Passive House Development
Project Summary
Building a National Model for efficiency and a “Path to Homeownership”**

Prepared for:
Urbana City Council
October 18, 2010

Contacts:

e-co lab
Katrin Klingenberg
Executive Director
217.344.1294 (office)
katrin.klingenberg@e-colab.org
www.e-colab.org

Newhouse Development Company
Tom DiGiovanni, CPA
President and Managing Partner
202.630.8786 (office)
tom@newhousedev.com
www.newhousedev.com



**Kerr Avenue Certified Passive House Development
Project Summary**



Total Units: 48

Total Square Footage: 55,500

100% of Units reserved for residents at or below 60% AMI

100% of Units participating in "Path to Homeownership" Lease-Purchase Program

Unit Breakdown:

Single Family Detached [4 bedroom, 2 Bath; 1,400 sq ft]	4 Units
Single Family Attached [4 bedroom, 2 Bath; 1,400 sq ft]	2 Units
Single Family Attached [3 bedroom, 2 Bath; 1,280 sq ft]	4 Units
Townhomes [3 bedroom, 2 Bath; 1,360 sq ft]	18 Units
4Plex Apartments [2 bedroom, 1.5 Bath; 860 sq ft]	16 Units
2Plex Apartments [2 bedroom, 1.5 Bath; 934 sq ft]	4 Units

Estimated Building Cost/Sq Ft:

\$127 per square foot (hard/soft costs only)
\$161 per square foot (total costs)

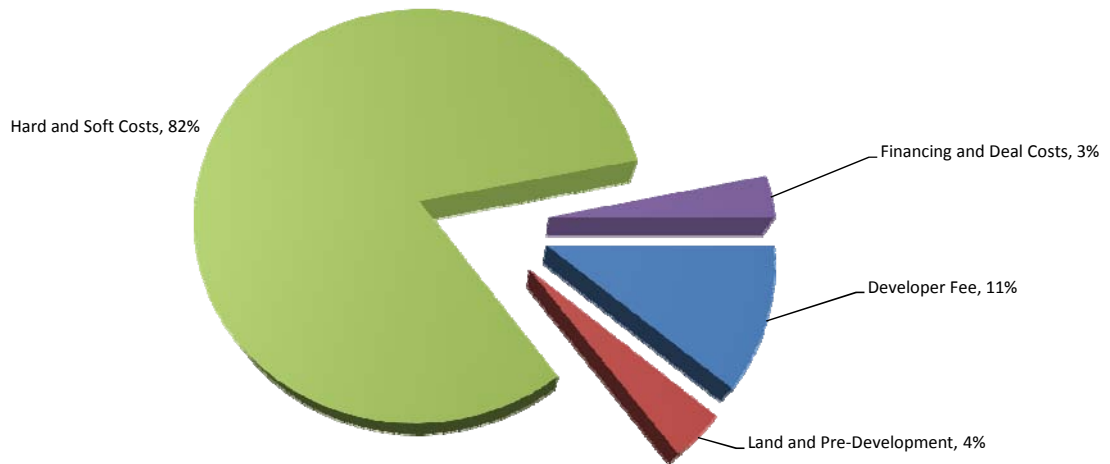
Estimated Total Project Cost:

\$9,005,000

Estimated Capital Structure:

63% - 67%	Low Income Housing Tax Credit - Federal
20% - 30%	Bank Financing (Traditional)
5% - 10%	City of Urbana (HOME, CDBG, Other)
0% - 5%	Other Gov't Sources
0% - 1%	Other Grant Sources (Corporate)
0% - 3%	Deferred Developer Fees

Projected Spend by Category



Projected Deal Structure:

General Partner:	e-co lab
Developer(s):	e-co lab and Newhouse Development Company
Owner:	e-co lab (units will be sold to tenants at end of compliance period)
Limited Partners:	TBD (terms will be based on tax credit syndication and final capital structure)



**Kerr Avenue Certified Passive House Development
Project Summary
Building a National Model for efficiency and a “Path to Homeownership”**

Four different Building Styles:



3 Bedroom Single Family



4 Bedroom Single Family



2 Bedroom Apartments



3 Bedroom Townhomes



**Kerr Avenue Certified Passive House Development
Project Summary
Building a National Model for efficiency and a “Path to Homeownership”**

Site Plan:



- 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			