



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: Kelly H. Mierkowski, Grants Management Division Manager
DATE: July 22, 2016
SUBJECT: **A RESOLUTION APPROVING HOME LOAN DOCUMENTS BETWEEN THE URBANA HOME CONSORTIUM AND HIGHLAND GREEN, LLC.**

A RESOLUTION APPROVING A CDBG INFRASTRUCTURE AGREEMENT BETWEEN THE CITY OF URBANA AND HIGHLAND GREEN, LLC.

Description

As a requirement of the Low Income Housing Tax Credits (LIHTC) which are being used to finance the construction of the Highland Green residential development, the City of Urbana and Urbana HOME Consortium must convey federal Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) subsidies to Highland Green in the form of a loan.

A HOME developer agreement was executed between the Urbana HOME Consortium and the development entity, Highland Green, LLC, on July 20, 2016 (Resolution #2016-06-043R). That agreement committed \$291,580 to the project. To implement the project, it is now necessary for the Urbana HOME Consortium to complete the documents listed below to effectuate the transfer of funds in the form of a loan:

- HOME Land Use Restriction
- HOME Promissory Note
- HOME Mortgage

The HOME Land Use Restriction agreement records the requirements of the HOME funding on the physical real estate, effectively acting as a lien on the property to ensure that the HOME funds are used in accordance with Federal regulations. The Promissory Note and Mortgage are standard loan documents which will also be recorded onto the property. They will specify the amount of HOME funding to be conveyed to the developer, as well as the various regulations that accompany the funds.

In addition to the HOME funds, a total of \$208,420 from the City of Urbana's CDBG allocation is also proposed to be dedicated to the development of infrastructure on and around the Highland

Green development site. This funding must also be transferred in the form of a loan, and requires the following documents to be executed with Highland Green, LLC:

- CDBG Infrastructure Agreement
- CDBG Promissory Note
- CDBG Mortgage

The Infrastructure Agreement specifies the amount of CDBG funding that the City is planning to use to subsidize this project, as well as the specific regulations that govern the use of CDBG funds. It will be recorded against the real estate along with a Promissory Note and a Mortgage that are separate from the HOME documents.

Highland Green, LLC's legal counsel requested that the subject documents be prepared as close as possible to the financial and property transfer closing date, which is anticipated to be some time in August. The HOME Rental Housing Developer Agreement was reviewed by the Community Development Commission and has already been approved by the City Council on July 5, 2016, helping the Urbana HOME Consortium to expend its funds by the HOME commitment deadline of July 31, 2016.

Background

The City of Urbana released a request for proposals (RFP) in December of 2011 for "a sustainable neighborhood consisting of energy-efficient, affordable, owner-occupied homes on City-owned property located at 401-403 East Kerr Avenue." Brinshore Development, based in Northbrook, IL, as well as the Urbana-based Homestead Corporation of Champaign-Urbana, were selected to implement their proposal. These firms were also responsible for developing the Crystal View Townhomes, which was a redevelopment of the Lakeside Terrace public housing site. The proposed Highland Green development involves 33 units consisting of the following types of single-family homes and duplexes:

- 9 – 1-bedroom Single Family (1-story, approximately 840 sf) (1 accessible, 1 adaptable, 1 HVI)
- 6 – 2-bedroom Single Family (1-story, approximately 990 sf) (2 accessible, 1 adaptable)
- 6 – 2-bedroom Duplex (2-story, approximately 1216 sf)
- 6 – 3-bedroom Single Family (2-story, approximately 1483 sf) (1 accessible if lift installed, 1 adaptable)
- 6 – 3-bedroom Duplex (2-story, approximately 1483 sf)

One of the more recent additions to the project includes a community garden with a pedestrian pathway linking Highland Green to Crystal View Townhomes. Brinshore Development and the Homestead Corporation are also working with the Housing Authority of Champaign County, which has dedicated nine Veterans Affairs Supportive Housing (VASH) vouchers to the development. VASH vouchers are used to subsidize supportive housing for homeless veterans, which includes case management and clinical services. The three development organizations (Brinshore Development, the Housing Authority of Champaign County, and the Homestead Corporation of Champaign-Urbana) have formed Highland Green, LLC to act as the official

development entity for this project.

Highland Green was approved for Low-Income Housing Tax Credits (LIHTC) by the Illinois Housing Development Authority (IHDA) on October 20, 2015, providing a critical financing mechanism for the project. After falling short in accessing these highly competitive funds in previous years, this approval was an important breakthrough that has allowed this development to proceed financially. According to the developers' pro forma, the LIHTC provide almost three-quarters of the permanent financing needed to complete Highland Green.

To fill part of the remaining funding gap to accomplish the project, Brinshore Development submitted an application for HOME Investment Partnerships (HOME) funds to the City of Urbana on September 22, 2015. City Staff has been consulting with the City's Consortium partners at the City of Champaign and the Champaign County Regional Planning Commission, and recently agreed to a division of funds that will provide the anticipated \$291,580 HOME amount to the Highland Green development.

The City of Urbana has also determined that CDBG funds may be used to meet a number of different infrastructural needs that will be required at the Highland Green site to enable the construction of housing units. The developer estimates that site utilities will cost \$915,409, which are eligible expenses under the CDBG program. The current amount of CDBG funding proposed to be transferred to Highland Green, LLC is \$208,420.

The remaining financing is provided through a construction loan, a private mortgage, an IHDA program separate from the LIHTC, funds from the Federal Home Loan Bank of Chicago's Affordable Housing Program, and donation tax credits. Highland Green's proximity to Crystal View Townhomes, which was also developed in part by Brinshore Development through HOME funds, allows for the sharing of amenities such as common areas and community rooms between the two developments.

Discussion

The proposed HOME funding will be used to fund the construction of two specific designated units in the development. Upon completion, these designated HOME units will be subject to restrictions on rent, property maintenance, occupancy, and other factors during the HUD-mandated 20-year affordability period. The developer is aware of these restrictions and is familiar with the proper use of HOME funds on other projects.

In terms of CDBG funds for infrastructure development, the proposed agreement would transfer funds to the developers for the construction of a new private drive that will run through the development, as well as for sidewalks, storm and sanitary sewers, and other related infrastructure, including lighting, waste collection areas, and signage. The City Engineer has allowed for a waiver of the stormwater detention requirement for the project due to its proximity to the Saline Branch and the capacity of storm sewers in the vicinity. The project will involve an upgrading of storm sewers in the area sufficient to meet the demand for the project, as well as for the adjoining site at 405/407 East Kerr Avenue which has granted an easement for the improvement. Part of the agreements include a provision granting permission to the Urbana

Police Department and Parking Enforcement Division to enforce no-parking regulations on private property in order to maintain clear access throughout the property for emergency vehicles.

Federal funds are critical to providing the development team with the capacity to construct Highland Green in a manner that meets the City's goals to provide affordable housing at this site. Use of the funds on this shovel-ready project will allow the City to meet its timeliness goals for both HOME and CDBG funds. Funds that are not committed or expended by the deadlines imposed by the federal government are recaptured by the U.S. Department of Housing and Urban Development.

Goals and Objectives

The parcels that are now 401-403 E. Kerr Avenue were originally purchased by the City in 2004. This property acquisition was made using CDBG funds for the intended purpose of affordable housing. Since that time, the construction of affordable housing on that site has been a long-standing goal, which has been expressed through numerous documents and plans.

Highland Green is referred to in the 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan as an anticipated project. The Plan specifically mentions residential development on the Kerr Avenue site as a strategy for overcoming barriers to affordable housing, especially for veterans. This residential development was also referred to as a potential use of City of Urbana HOME Neighborhood Revitalization Funds in the project summary section of the Consolidated Plan. The use of these funds for the project will help to fulfill this goal of the Consolidated Plan.

The development of Highland Green will also help the City to progress with regards to the Urbana City Council and Mayor Goal below:

Goal 7: Quality of Life

Objective 2: Continue to promote affordable housing opportunities and work to eliminate homelessness.

Action/tactic a: Work with developers to provide affordable housing opportunities.

Action/tactic c: Continue to work with Community Housing Development Organizations to create new housing affordable housing opportunities, including those on vacant infill properties where homes have been removed.

The proposed "Kerr Ave. energy-efficient housing project" was specifically mentioned as an implementation step for the above action/tactic a.

This development will also help to fulfill the following Goals and Objectives found in the 2005 Urbana Comprehensive Plan:

Goal 2.0 New development in an established neighborhood will be compatible with the overall urban design and fabric of that neighborhood.

Objectives

2.4 Promote development that residents and visitors recognize as being of high quality and aesthetically pleasing.

Goal 15.0 Encourage compact, contiguous and sustainable growth patterns.

Objectives

15.1 Plan for new growth and development to be contiguous to existing development where possible in order to avoid “leapfrog” development.

Goal 19.0 Provide a strong housing supply to meet the needs of a diverse and growing community.

Objectives

19.2 Encourage residential developments that offer a variety of housing types, prices and designs.

Goal 39.0 Seek to improve the quality of life for all residents through community development programs that emphasize social services, affordable housing and economic opportunity.

Objectives

39.2 Implement strategies to address social issues related to housing, disabilities, poverty and community development infrastructure.

Goal 40.0 Make affordable housing available for low-income and moderate-income households.

Objectives

40.1 Promote strategies identified in the Consolidated Plan to provide additional affordable housing opportunities in Urbana-Champaign.

40.2 Work to promote the development and capacity of Community Housing Development Organizations (CHDOs) to develop affordable housing opportunities.

Goal 42.0 Promote accessibility in residential, commercial and public locations for disabled residents.

Objectives

42.1 Ensure that new developments are sensitive to the mobility and access needs of the disabled.

42.3 Ensure that new developments include adequate access for the disabled through compliance with ADA requirements and other measures.

42.4 Encourage residential developers to consider the market for disabled residents and visitors and to promote the provision of accessible and adaptable units.

Fiscal Impacts

There will be no direct fiscal impact on the City General Fund, as the \$500,000 being dedicated to Highland Green LLC. through these agreements would consist only of Federal grant funding.

The commitment of HOME funds to this project is critical to meeting the current HOME commitment shortfall by the deadline of July 31, 2016. Funds not committed by that deadline would need to be repaid to HUD. Dedicating CDBG funds to this project will also help to maintain the City's timeliness in terms of expending CDBG funds as well.

According to an analysis completed by the developer, the development will contribute approximately \$1,150 annually per unit to all taxing bodies. This estimate amounts to a total of roughly \$38,000 per year for the entire 33-unit development, and \$4,819 per year for the City of Urbana. Portions of the project may also be eligible for tax abatement under the City's new Enterprise Zone.

Programmatic Impacts

Construction of affordable housing at the Highland Green site has been a goal of the Mayor and City Council for several years and that goal has been expressed in various City documents, including the Urbana City Mayor and Council Goals, the findings of the 2007 Kerr Avenue Sustainable Neighborhood Design Charette, the 2005 Urbana Comprehensive Plan, the 2010-2014 City of Urbana and Urbana HOME Consortium Consolidated Plan, and the 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan.

Options

The Community Development Commission can:

1. Forward one or both of the Resolutions approving the agreements with Highland Green, LLC. to the Urbana City Council with a recommendation for approval.
2. Forward one or both of the Resolutions approving the agreements, with suggested changes, to the Urbana City Council with a recommendation for approval.
3. Do not recommend approval to the Urbana City Council of one or both Resolutions.

Recommendations

Staff recommends that the Community Development Commission forward the Resolutions approving HOME loan documents and CDBG infrastructure funding, for the construction of housing and related infrastructure respectively, to the Urbana City Council with recommendations for approval.

Prepared by:



Matthew Rejc
Community Development Coordinator
Grants Management Division

Attachments:

1. A RESOLUTION APPROVING HOME LOAN DOCUMENTS BETWEEN THE URBANA HOME CONSORTIUM AND HIGHLAND GREEN, LLC.
2. A RESOLUTION APPROVING A CDBG INFRASTRUCTURE AGREEMENT BETWEEN THE CITY OF URBANA AND HIGHLAND GREEN, LLC.
3. HOME Land Use Restriction
4. HOME Promissory Note
5. HOME Mortgage
6. CDBG Infrastructure Agreement
7. CDBG Promissory Note
8. CDBG Mortgage

RESOLUTION NO. _____

A RESOLUTION APPROVING A CDBG INFRASTRUCTURE AGREEMENT BETWEEN THE CITY OF URBANA AND HIGHLAND GREEN, LLC.

WHEREAS, the City has been designated as an entitlement community by the U. S. Department of Housing and Urban Development (hereinafter "HUD") under provisions of the Housing and Community Development Act of 1974, as amended, and, as an entitlement community, the City has received an entitlement of Community Development Block Grant (hereinafter "CDBG") funds for the period beginning July 1, 2014 and ending June 30, 2015, as well as the period beginning July 1, 2015 and ending June 30, 2016, pursuant to the CDBG Program; and,

WHEREAS, the Urbana City Council has adopted an Annual Action Plan for the year beginning July 1, 2014 and ending June 30, 2015, and for the year beginning July 1, 2015 and ending June 30, 2016 which allocates a CDBG budget and authorizes allocation of CDBG funds for the development of the Highland Green development (hereinafter "PROJECT"); and

Whereas, the PROJECT is an affordable, mixed-income Low Income Housing Tax Credit development, which PROJECT includes construction of certain infrastructure improvements that will become public-right-of-way upon PROJECT completion; and

WHEREAS, the City has the right and authority under said CDBG Program to allocate a portion of its funds to the Subgrantee for purposes of undertaking and completing said activities; and,

WHEREAS, the City, as a condition of its assistance to the Subgrantee, requires the Subgrantee to file with the City certain attachments which are hereby incorporated and made a part hereof.

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

Section 1. That the *Infrastructure Agreement* between the City of Urbana and Highland Green LLC., in substantially the form as attached hereto and incorporated herein by reference, is hereby approved.

Section 2. That the Mayor is hereby designated as the authorized representative of the City of Urbana to take any action necessary in connection with said Annual Action Plans to implement the CDBG program and to provide such additional information as may be required.

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

RESOLUTION NO. _____

A RESOLUTION APPROVING A HOME DEVELOPER AGREEMENT BETWEEN THE URBANA HOME CONSORTIUM AND HIGHLAND GREEN, LLC.

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 the United States Department of Housing and Urban Development (hereinafter "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, Highland Green, LLC (hereinafter the "BORROWER") desires to serve as an owner, BORROWER and developer of an affordable rental housing development within the City of Urbana; and

WHEREAS, the Urbana HOME Consortium (hereinafter 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 Highland Green; 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 after construction, the dwelling unit(s) must remain affordable to low-income households (80% 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 June 1, 2017 and has made necessary arrangements to provide any required matching private contribution towards the cost of said PROJECT; and

WHEREAS, the BORROWER and the Urbana HOME Consortium have entered into a *Rental Housing Agreement between the Urbana HOME Consortium and Highland Green LLC.*, as described in Resolution 2016-06-043R, which was approved on July 5, 2016; and

WHEREAS, the BORROWER requires the HOME funds to be conveyed in the form of a loan.

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

Section 1. That the loan documents related to the *Rental Housing Agreement between the Urbana HOME Consortium and Highland Green LLC.*, in

substantially the form as attached hereto and incorporated herein by reference, are hereby approved.

Section 2. That the Mayor is hereby designated as the authorized representative of the City of Urbana to take any action necessary in connection with said Annual Action Plans to implement the HOME program and to provide such additional information as may be required.

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



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

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

FROM: Kelly H. Mierkowski, Manager, Grants Management Division

DATE: July 22, 2016

SUBJECT: AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (401-403 E. Kerr Avenue)

Description

Included on the agenda of the July 26, 2016 meeting of the Community Development Commission is an Ordinance Authorizing the sale of 401 and 403 East Kerr Avenue to the Homestead Corporation of Champaign-Urbana for the purpose of developing affordable housing. The property has been owned by the City of Urbana since 2004 and has been held by the City in anticipation of the Highland Green affordable housing development. The sale of the subject properties would allow the development team, consisting of Brinshore Development, LLC, the Homestead Corporation of Champaign-Urbana, and the Housing Authority of Champaign County, to take possession of the property and begin construction on the complex in summer/fall of 2016. The Homestead Corporation of Champaign-Urbana will initially take possession of the property from the City, and will then transfer the property to Highland Green, LLC for development of the housing units.

This transfer of real estate will help to facilitate the construction of affordable housing at the subject properties, which has been a goal of the Mayor and City Council for several years. That goal has also been expressed in various other City documents, including the Urbana City Mayor and Council Goals, the 2005 Urbana Comprehensive Plan, the 2010-2014 City of Urbana and Urbana HOME Consortium Consolidated Plan, and the 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan.

In accordance with Sec. 2-118 of the Urbana City Code, a public hearing is required before the sale of any City-owned real estate can be authorized. The public hearing on the sale of this real estate is scheduled for August 1, 2016 at 7pm in the Urbana City Council Chambers.

Issues

The issue is whether the Community Development Commission should recommend that the Urbana City Council approve the Ordinance Authorizing the sale of 401-403 E. Kerr Avenue.

Background

Highland Green was approved for Low-Income Housing Tax Credits (LIHTC) by the Illinois Housing Development Authority (IHDA) on October 20, 2015. LIHTC provide a critical financing mechanism which allowed the project to be financially feasible. The project had not been successful in obtaining LIHTC in previous years due to stiff competition, and the recent approval was an important breakthrough which has allowed this development to proceed financially.

With the transfer of this property to the Highland Green development team, the developers would be able to begin construction when possible. The use of the proposed Urbana HOME Consortium federal funds on this project necessitates that the developers begin construction within 12 months of signing the agreement dedicating HOME funds.

Options

1. Approve the Ordinance Authorizing the Sale of Certain Real Estate (401-403 E. Kerr Avenue).
2. Approve the Ordinance Authorizing the Sale of Certain Real Estate (401-403 E. Kerr Avenue) with amendments.
3. Do not approve the Ordinance.

Fiscal Impacts

The properties are not currently generating tax revenue because they are owned by the City. However, according to an analysis completed by the developer, the development will contribute approximately \$1,150 annually per unit to all taxing bodies. This estimate amounts to a total of roughly \$38,000 per year for the entire 33-unit development, and \$4,819 per year for the City of Urbana. Portions of the project may also be eligible for tax abatement under the City's new Enterprise Zone.

Programmatic Impacts

Construction of affordable housing at the Highland Green site has been a goal of the Mayor and City Council for several years and that goal has been expressed in various City documents, including the Urbana City Mayor and Council Goals, the findings of the 2007 Kerr Avenue Sustainable Neighborhood Design Charrette, the 2005 Urbana Comprehensive Plan, the 2010-2014 City of Urbana and Urbana HOME Consortium Consolidated Plan, and the 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan.

Recommendations

Staff recommends that the Community Development Commission forward the Ordinance Authorizing the Sale of Certain Real Estate (401-403 E. Kerr Avenue) to the Urbana City Council with a recommendation for approval.

Prepared by:



Matthew Rejc
Community Development Coordinator
Grants Management Division

Attachments

1. AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (401-403 E. Kerr Avenue)
2. Real Estate Transfer Agreement
3. Location Map

Exhibit A:
REAL ESTATE TRANSFER AGREEMENT

This agreement is made between the City of Urbana, Illinois, a municipal corporation of the State of Illinois (the "Seller"), and Homestead Corporation of Champaign-Urbana, an Illinois corporation (the "Buyer"), each a "party" and together the "parties," and is effective on the last date signed by a party hereto. The parties agree as follows:

1. **Sale.** Seller agrees to sell and convey, and Buyer agrees to buy, the following described parcel of real estate (the "Subject Property"):

A PART OF THE NORTHEAST QUARTER OF SECTION 8, TOWNSHIP 19 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, CITY OF URBANA, 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 778353 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 AND 403 EAST KERR AVENUE.

PERMANENT INDEX NUMBERS: 91-21-08-280-035 AND 91-21-08-280-009.

2. **Price.** Seller agrees to convey title to Subject Property for \$10.00 and other consideration as described herein.
3. **Condition of Subject Property.** Buyer agrees to accept Subject Property in its “as-is” condition, and Seller disclaims all warranties express or implied as to the physical condition of Subject Property.
4. **Use of Subject Property.** The primary purpose of Buyer’s activities undertaken pursuant to this agreement is construction of a 33-unit affordable rental development (the “Project”).
5. **Conveyance.** Seller agrees to convey Subject Property to Buyer by good and sufficient warranty deed, subject to current general taxes, covenants, conditions, restrictions, easements apparent or of record, and to all applicable zoning laws and ordinances.
6. **Title.**
 - A. The Buyer shall obtain a commitment for title insurance issued by a title insurance company doing business in Champaign County, committing the company to issue a policy in the usual form insuring title to the Subject Property in the Buyer’s name for the purchase price or the minimum amount of title insurance, whichever is greater. The Buyer shall pay the premium, search, and other charges for such policy. Within a reasonable time before closing, the Buyer shall deliver a copy of the commitment for title insurance to the Seller.
 - B. Permissible exceptions 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.
7. **Taxes and assessments.** The Subject Property is exempt from payment of real estate taxes in accordance with 35 ILCS 200/15-75, and, thus, there is no need for provision of real estate tax payment. The Seller represents to the Buyer that no bills for utilities or other taxes associated with the Buyer’s possession and use of the Premises, including but not limited to water, gas, electric, cable television, sewage treatment, sewer use taxes, stormwater utility fees, and recycling taxes, will be outstanding and not fully satisfied at the time of closing.

8. **Closing; possession.** The parties shall hold the closing not later than 30 days after the Seller's City Council approves this agreement, as provided in Paragraph 17. The closing will take place at the Urbana City Building, 400 S. Vine Street, Urbana, Illinois, 61801, or at such other place as the parties may agree. The Seller shall deliver possession of the Premises to the Buyer concurrently with the closing of this transaction.

9. **Environmental review.** Notwithstanding any other provision of this agreement, Buyer shall have no obligation to purchase the Subject Property, and no transfer of title to the Buyer may occur, unless and until Illinois Housing Development Authority has provided Buyer and/or Seller with a written notification that:

- A. It has completed a federally required environmental review and its request for release of federal funds has been approved and, subject to any other contingencies in this agreement:
 - (1) the purchase may proceed; or
 - (2) the purchase may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the purchase of the Subject Property; or
- B. It has determined that the purchase is exempt from federal environmental review and a request for release of funds is not required. Illinois Housing Development Authority shall use its best efforts to conclude the environmental review of the property expeditiously.

10. **Compliance with governmental requirements.** Buyer shall construct the Project in accordance with all applicable land development, zoning, and building codes, the visibility standards of the Seller, a site plan first approved by the Seller's Community Development Services Department, and all covenants recorded for the subdivision in which Subject Property is located. Buyer shall be responsible for obtaining and paying for all permits required under said codes. This covenant shall remain in full force and effect following the closing of this transaction.

11. **Construction schedule.** Buyer agrees to construct the Project on the Subject Property on or before July 5, 2017, or, on or before a date established in any modification to this agreement. This covenant shall remain in full force and effect following the closing of this transaction.

12. **Assignment.** Buyer shall not assign this agreement without prior written consent of Seller to such assignment. This covenant shall remain in full force and effect following the closing of this transaction.

13. **Default.** If Buyer fails to perform any obligation imposed upon it by this agreement, Seller may serve written notice of default upon Buyer and if such default is not corrected within ten (10) days thereafter, this agreement shall terminate. In the event of failure of Seller to perform obligations imposed upon it by this agreement, Buyer may terminate this agreement

upon similar notice served upon Seller and similar expiration of time. The foregoing remedies in the event of default are not intended to be exclusive, and the parties shall have the right to all other lawful remedies, including specific performance. Default by Seller or Buyer shall entitle the non-defaulting party to claim as damages all reasonable costs, attorneys' fees, and expenses in connection with enforcement of this agreement.

14. **Entire agreement.** This agreement constitutes the entire agreement between the parties. It supersedes all other agreements or understandings between them pertaining to the matter of this agreement and may not be modified except by a writing signed by both parties.

15. **Notices.** Except where the terms of this agreement expressly provide otherwise, the parties shall give all notices required or permitted by this agreement in writing, at the address shown herein above each party's signature, unless another address is provided in writing. Notices will be deemed given when personally delivered; deposited in the U.S. mail, postage prepaid, first class; or delivered to a commercial courier.

16. **Authority.** Each party represents to the other that the person signing this agreement on behalf of the party is authorized and empowered to enter into this agreement by and on behalf of such party and that this agreement is a legal, valid, and binding obligation of such party, enforceable against the other in accordance with its terms.

17. **City Council approval.** This agreement will be valid only after the Seller's City Council approves it by resolution or ordinance. If the Seller's City Council does not approve this agreement, this agreement will terminate and will be of no further force or effect, and the parties will be relieved of all liability to each other hereunder.

18. **Terms binding.** All terms of this agreement are binding upon the heirs, legatees, devisees, representatives, and assignees of the parties.

19. **Counterparts.** The parties are permitted to sign this agreement in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures delivered by email in Adobe Portable Document Format (PDF) or by facsimile will be deemed original signatures for all purposes.

[Signature page follows]

