

RESOLUTION NO. 2024-02-007R

**A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN
URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT
ORGANIZATION AGREEMENT**

(Habitat CHDO Developer PY 2023)

WHEREAS, the City of Urbana (“City”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, and the passage of this Resolution constitutes an exercise of the City’s home rule powers and functions as granted in the Illinois Constitution, 1970; and

WHEREAS, the City Council of the City of Urbana, Illinois, has found and determined that execution of the attached Community Housing Development Organization agreement is desirable and necessary to carry out one of the corporate purposes of the City of Urbana, to wit: implementation of Strategies and Objectives to Address the Affordable Housing Needs of Low and Moderate Income Households described in the *City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) FY 2020-2024 Consolidated Plan*.

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

Section 1. That an Agreement providing \$125,000 in HOME Program funds, for the creation of three (4) affordable single-family units, between the City of Urbana and Habitat for Humanity of Champaign County, in substantially the same form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same

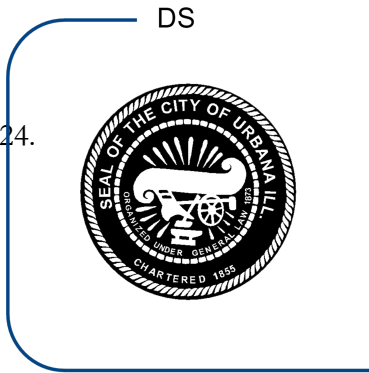
is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED BY THE CITY COUNCIL this 26th day of February, 2024.

AYES: Wu, Evans, Hursey, Wilken, Quisenberry

NAYS: None.

ABSTENTIONS: None.



DocuSigned by:



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Darcy E. Sandefur, City Clerk

APPROVED BY THE MAYOR this 4th day of March, 2024.

DocuSigned by:



0FB88E5B1B94C5...
Diane Wolfe Marlin, Mayor

URBANA HOME CONSORTIUM
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION
AGREEMENT

(Habitat CHDO Developer Agreement PY 2023)

THIS Affordable Homeownership Program Agreement, hereafter referred to as the “**AGREEMENT**”, made and entered into by and between the CITY OF URBANA, an Illinois Municipal Corporation, acting as lead entity for the Urbana HOME Consortium (hereinafter the “**GRANTOR**”), and HABITAT FOR HUMANITY OF CHAMPAIGN COUNTY, an Illinois Not-For-Profit Organization (hereinafter “**DEVELOPER**”).

WITNESSETH

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

WHEREAS, the Urbana HOME Consortium, CFDA #14.239, has received HOME Program funds from HUD for the period beginning **July 1, 2023**, and ending **June 30, 2024** to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County; and

WHEREAS, the Urbana City Council has adopted a Consolidated Plan for Program Years 2020-2024 (hereinafter the “Consolidated Plan”) and the City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2023-2024, which budgets Urbana HOME Consortium funds, including a fifteen percent set-aside for use by Community Housing Development Organizations (hereinafter “CHDOs”) in accordance with an Intergovernmental Agreement Concerning Administration of a Champaign/ Urbana/ Champaign County HOME Investment Partnerships Consortium executed by Mayor Tod Satterthwaite on behalf of the City on July 16, 2003 (hereinafter the “Intergovernmental Agreement”); and

WHEREAS, the GRANTOR, as the administrator of a HOME Program, has authority under the provisions of the HOME Program to provide financial assistance for the development of an affordable homeownership program; and

WHEREAS, DEVELOPER has applied to the GRANTOR for Urbana HOME Consortium funding for development assistance to provide financial assistance to families participating in DEVELOPER’S Affordable Homeownership Program, for sale to very low-income and low-income households (hereinafter the “Project”); and

WHEREAS, the Consolidated Plan promotes expansion of homeownership opportunities and recommends that the Urbana HOME Consortium expand homeownership opportunities for low-income households; and

WHEREAS, DEVELOPER has fulfilled all HOME Program requirements necessary to be certified as a CHDO; and

WHEREAS, DEVELOPER desires to serve as a project developer of an Affordable Homeownership Program (hereinafter the "PROGRAM") within the City of Champaign, the City of Urbana, and unincorporated Champaign County; and

WHEREAS, the GRANTOR has determined that the PROGRAM is eligible for funding under the HOME Program; and

WHEREAS, the GRANTOR has determined that the DEVELOPER has the ability to provide the required private matching funding to cover the cost of the PROGRAM; and

WHEREAS, the DEVELOPER has been fully informed regarding all requirements or obligations that must be met by DEVELOPER in order to utilize HOME Program funds for the PROGRAM, including but not limited to, the requirement that the assisted housing units must remain affordable to low-income households for a period of ten (10) or more years, in accordance with 24 CFR Part 92, Sections 203, 251-253; and

WHEREAS, the DEVELOPER, having been fully informed regarding the requirements of the HOME Program, is committed to starting the PROGRAM with the assistance of HOME Program funds on or before **March 1, 2024** and has made necessary arrangements to provide any required matching private contribution towards the cost of said PROGRAM.

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 CHDO Funds

The GRANTOR agrees to provide the DEVELOPER an amount not to exceed **\$125,000 (Urbana HOME Consortium CHDO)** from its Federal HOME allocations to be used primarily for development subsidy as well as providing down payment assistance to low- to moderate-income households for homeownership opportunities. The DEVELOPER shall use the Funds in accordance with the HOME program guidelines outlined in 24 CFR Part 92 in carrying out the PROGRAM in the manner as described below:

- a.) The DEVELOPER may only request HOME funds to be used for down payment assistance in combination with the development of a property wherein a development subsidy is being provided as part of an eligible CHDO project.

- b.) The DEVELOPER shall comply with the PROGRAM MANUAL prior to commitment of any work pursuant to this agreement. DEVELOPER shall provide GRANTOR a copy of its PROGRAM MANUAL in accordance with the HOME Program regulations for approval by Urbana City staff. The DEVELOPER shall provide the GRANTOR with the budget and financial projection for each home from the preliminary budget for the construction of each of house as provided in “Attachment 3” or in a similar document format as approved by the GRANTOR.
- c.) The DEVELOPER shall own or purchase the real property for the Project in the following locations: **1210 W Dublin Street, Urbana, IL; 511 W Beardsley Avenue, Champaign, IL; 313 Edgebrook Drive, Champaign, I; 1010 W Maple Street, Champaign, IL.**
- d.) The DEVELOPER shall complete the Affordable Homeownership Program in accordance with the homebuyer contract provisions as described in the PROGRAM MANUAL approved by Consortium staff, by reference made a part hereof.
- e.) The DEVELOPER shall incorporate the sample documents for the PROGRAM as part of the PROGRAM MANUAL, which is to be submitted to Urbana City staff prior to commitment of funds.

Section 2: Affordability

The DEVELOPER shall comply with all income determinations and affordability requirements of the HOME Program as set forth in HUD Regulations 24 CFR 92.203 or 92.254, as applicable. The DEVELOPER shall determine each family’s income eligibility by determining the family’s annual income in accordance with the Part 5 (Section 8) methodology allowed in 24 CFR 92.203. The DEVELOPER is not required to re-examine the family’s income at the time the HOME assistance is provided, unless more than six (6) months have elapsed since the DEVELOPER determined that the family qualified as income eligible.

The maximum purchase price shall not exceed **\$274,457**, which is 95% of the median purchase price of new housing for the metropolitan area as defined by the Single Family Mortgage Limits under Section 203(b) of the National Housing Act. The project shall be single-family housing, which includes one (1) to four (4) family residence or condominium unit. For rehabilitation activities, the maximum purchase price shall not exceed **\$142,405**, which is 95% of the median purchase price of existing housing for the metropolitan area as defined by the Single Family Mortgage Limits under Section 203(b) of the National Housing Act. The project shall be single-family housing, which includes one (1) to four (4) family residence or condominium unit.

The HOME-assisted housing shall be the principal residence of the qualified income eligible homebuyer from the date of initial occupancy (loan closing for purchase of the property) and shall remain the principal residence of the family for a period of ten years from the date of project completion (the Affordability Period). For purposes of this AGREEMENT, project completion means that all necessary title transfer requirements to the DEVELOPER have been performed; construction has been completed; the project complies with the requirements of 24 CFR Part 92 (including the property standards under 24 CFR 92.251); the final drawdown has been disbursed for the project; the DEVELOPER has submitted all necessary demographic and financial information to the GRANTEE in the form of the Activity Completion Report provided

in "Attachment 5"; and the project completion information has been entered in the integrated disbursement and information system (IDIS) established by HUD.

The affordability requirements as listed in Section 24 CFR 92.254(a) (4) apply without regard to the term of any loan or mortgage or the transfer of ownership. The affordability requirements shall be imposed by deed restrictions, covenants running with the land or other mechanism approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. Said restrictions shall include that the GRANTOR may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability.

Affordability Period

For allotted time period following project completion (hereinafter referred to "the Affordability Period"), the following restrictions shall apply. The DEVELOPER agrees to assist the GRANTOR in restricting the use of the property by recording a Mortgage, and Note (hereinafter the "DOCUMENTS") in form and with the same content as that executed under even date herewith. DOCUMENTS shall be identical in substantial form as the forms in "Attachment 4" attached hereto and by reference made a part hereof.

In the event the housing does not continue to be the principal residence of the family for the duration of the Affordability Period, the GRANTOR shall recapture a portion of the HOME Program assistance provided to the homebuyers in accordance with the terms and conditions provided in the loan agreement and note. The HOME Program funds provided under this AGREEMENT will be recaptured in accordance with 24 CFR 92.254(a)(5)(ii) and shall be repaid to the GRANTOR, recorded as CONSORTIUM program income in accordance with 24 CFR 92.503, and used in accordance with the requirements of the HOME Program.

Should the DEVELOPER sell or transfer ownership of property assisted with HOME funds to a homeowner who does not meet the income eligibility of the HOME program, DEVELOPER shall reimburse the CONSORTIUM the amount of HOME funds disbursed on the project by the CONSORTIUM. The CONSORTIUM shall deposit said funds in the local HOME Trust Account to be utilized for other affordable housing activities at the discretion of the CONSORTIUM.

Section 3: HOME Project Requirements

Project Requirements:

The GRANTOR shall provide HOME funds not to exceed **\$125,000** in accordance with 24 CFR 92.205(b) for eligible costs as described in 24 CFR 92.206 and 92.207. HOME Program funds will be disbursed on behalf of the DEVELOPER under the following terms and conditions;

HOME funds provided by the DEVELOPER to the eligible homebuyer as down payment assistance shall be in the form of a **Forgivable Loan** at 0% interest.

DEVELOPER shall comply with all HOME project requirements in subpart F of 24 CFR Part 92, including 92.250: Maximum per-unit subsidy amount and layering, which stipulates that the amount of HOME funds that a grantee may invest in affordable housing on a per-unit basis may not exceed the per-unit dollar limits established by HUD under Section 221.514(b)(1) and (c) of this title for elevator-type projects, involving nonprofit mortgagors, insured under Section 221(d)(3) of the National Housing Act that apply to the area in which the housing is located.

The GRANTOR and DEVELOPER agree that the DOCUMENTS will be executed between the GRANTOR and the HOMEBUYER at the initial purchase closing for any housing unit receiving funds under the PROGRAM pursuant to this AGREEMENT. The DOCUMENTS shall include language to ensure that the affordability period will be honored through the duration of this AGREEMENT and include provision for recapture of the HOME Program funds invested in the housing unit. GRANTOR staff will prepare these DOCUMENTS and the GRANTOR will pay recording fees for the DOCUMENTS.

This period of affordability shall commence the date that all necessary project information is provided to HUD via HUD's Integrated Disbursement and Information System (IDIS). GRANTOR agrees to enter all information provided into IDIS within 30 days of receipt. Should the PROJECT be modified after initial commencement date of the Affordability Period, a new Affordability Period may be re-structured.

The terms of the recapture provision will be such that they reflect the HUD provisions in the HOME Final Rule 24 CFR 92.254. Details of a recapture provision will be provided in the DOCUMENTS. Failure to ensure that the DOCUMENTS are executed at the initial purchase closing will result in withholding HOME Program funds until said item is addressed. DEVELOPER also agrees to reference these required DOCUMENTS in each of their PROGRAM Agreements with the Homebuyers.

List of Documents

The following documents are included as "Attachment 4- Affordable Homeownership Program Sample Documents," have been added to or made a part hereof by reference:

Mortgage
Note

Section 4: Property Standards

The DEVELOPER agrees that all housing purchased with HOME Funds shall meet the property standards, as established by the GRANTOR, as well as all applicable State and local construction codes, rehabilitation standards, and zoning ordinances at the time of project completion.

DEVELOPER will provide homebuyers with a "walk-through" of the house and explain all maintenance concerns that are necessary to ensure the house remains in good repair and provide a bound document that includes information on all aspects of the home, including but not limited to architectural drawings, home warranty, appliance warranty, etc.

DEVELOPER agrees to conduct rehabilitation activities in compliance with the most recent version of the Urbana HOME Consortium Property Rehabilitation Standards. This document stipulates that, among other regulations, repairs made to owner-occupied structures as a part of a rehabilitation activity shall have a life expectancy of at least five (5) years with a goal life expectancy of fifteen (15) years.

Section 5: Other Program Requirements

A. Affirmative Marketing of Vacant Units

DEVELOPER must adopt an affirmative marketing policy and procedure acceptable to HUD for homebuyers of newly renovated/constructed houses per 24 CFR 92.351. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. The affirmative marketing requirements and procedures adopted must include:

1. Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the CONSORTIUM's affirmative marketing policy.
2. Requirements and practices DEVELOPER must adhere to in order to carry out the affirmative marketing procedures and requirements.
3. Procedures to be used by DEVELOPER to inform and solicit applications from persons, in the housing market area, who are not likely to apply for the housing without special outreach.
4. Records that will be kept describing actions taken by DEVELOPER to affirmatively market units and records to assess the results of these actions.
5. A description of how the DEVELOPER will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

B. Non-discrimination and Equal Opportunity

DEVELOPER agrees that there shall be no discrimination against any person who is employed in carrying out the PROGRAM, or against any applicant for such employment, because of race, color, religion, sex, age, or national origin, or any other discrimination prohibited by Federal, State, County or local laws, including but not limited to employment, upgrading, demotion, or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. DEVELOPER further agrees to the following:

1. It shall be bound by said equal opportunity clause with respect to its own employment practices during the duration of its participation with the GRANTOR and HUD.
2. It shall furnish the GRANTOR and HUD with information as they may require for the supervision of such compliance and will otherwise assist the GRANTOR and HUD in the discharge of primary responsibility for securing compliance.

3. It shall carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the Secretary of Labor, the GRANTOR, or HUD.
4. It shall abide by the Human Rights Ordinance as set forth in Chapter 12 of the Urbana Code of Ordinances.

C. Displacement, Relocation and Acquisition

If applicable, DEVELOPER agrees to assist the GRANTOR to provide relocation assistance to persons temporarily relocated or permanently displaced at the levels described in and 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 and Section 104(d) of the Housing and Community Development Act, as applicable.

D. Labor and Contracting Requirements

PROJECT DEVELOPER and its contractors and subcontractors shall comply with the 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. 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).

E. Disbarment & Suspension

The DEVELOPER 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 DEVELOPER shall establish procedures to ensure they do not make any award to grantees and subgrantees (including contractors) at any tier in violation of the non-procurement debarment and suspension common rule. **The DEVELOPER 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 Non procurement programs ("List").** The DEVELOPER may request assistance from the GRANTOR to access the List and document results.

F. Conflict of Interest

The DEVELOPER 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 DEVELOPER agrees that no members of the governing body of the locality in which the DEVELOPER 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 U.S. Department and Housing and Urban Development ("HUD"), DEVELOPER agrees that no person who is an employee, agent, consultant, officer, or elected or appointed official of the DEVELOPER and who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME 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 GRANTOR, no DEVELOPER, or officer, employee, agent or consultant of the DEVELOPER, may occupy a HOME-assisted affordable housing unit in a project.

G. Air and Water

The DEVELOPER agrees to comply with the following requirements insofar as they apply to the performance of this Agreement:

1. Clean Air Act, 42 U.S.C. 7401, *et seq.*;
2. 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.

Section 6: Records and Reports

A. Records

DEVELOPER authorizes the GRANTOR and HUD to conduct on-site reviews, examine personnel records, and to conduct any other procedure or practice necessary to assure compliance with this AGREEMENT and applicable HUD regulations. DEVELOPER will ensure that all documents related to this Project shall be kept for a period of five (5) years after project's affordability period has been completed (estimated at 2039). Records to be retained include, but are not limited to timesheets; receipts and invoices for materials, supplies, and services; and documentation used to request re-imbursement of expenses.

DEVELOPER shall maintain such records and accounts, including program records, project records; financial records; program administration records; equal opportunity and fair housing records; affirmative marketing and MBE/WBE records; records demonstrating compliance with the income determination and requirements of 24 CFR 92.203; record keeping requirements of 24 CFR 92.508; records demonstrating compliance with the labor requirements of 24 CFR 92.354; records demonstrating compliance with the lead-based paint requirements of 24 CFR 92.355; records supporting exceptions to the conflict of interest prohibition pursuant to 24 CFR 92.356; debarment and suspension certifications required by 24 CFR parts 24 and 91; and any other records as are deemed necessary by the GRANTOR to assure a proper accounting and monitoring of all HOME Funds. In the event the GRANTOR determines that such records are not being adequately maintained by DEVELOPER, the GRANTOR may cancel this AGREEMENT in accordance with Article I Section 7 and Article II herein.

With respect to all matters covered by this AGREEMENT, records will be made available for examination, audit, inspection or copying purposes at any time during normal business hours and as often as the GRANTOR, HUD, representatives of the Comptroller General of the United States or other Federal agency may require. DEVELOPER will permit same to be examined and excerpts or transcriptions made or duplicated from such records, and audits made of all contracts, invoices, materials, records of personnel and of employment and other data relating to all matters covered by this AGREEMENT. The GRANTOR'S right of inspection and audit shall obtain likewise with reference to any audits made by any other agency, whether local, State or Federal.

The DEVELOPER shall retain all records and supporting documentation applicable to this AGREEMENT for the most recent five (5) year period, except as provided below:

- (a) For homeownership housing projects, records shall be retained for ten (10) years after the project completion date, except for documents imposing recapture provisions, which must be retained for five (5) years after the affordability period terminates.
- (b) Written agreements must be retained for five (5) years after the AGREEMENT terminates.
- (c) If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the required period, whichever is later.

B. Reports

The Developer must submit quarterly reports no more than ten (10) days after the end of each quarter. The following table lists the end of the quarter and the corresponding quarterly report due date:

Quarter	Period	Quarterly Report Due Date
1st	January 1 – March 31	April 10
2nd	April 1 – June 30	July 10
3rd	July 1 – September 30	October 10
4th	October 1 – December 31	January 10
5th	January 1 – March 31	April 10
6th	April 1 – June 30	July 10
7th	July 1 – September 30	October 10
8th	October 1 – December 31	January 10

The quarterly reports shall be submitted by the DEVELOPER quarterly until the final house has been constructed and transferred to the homebuyer. A sample is attached as "Attachment 5".

Section 7: Enforcing of Agreement

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 Program guidelines as outlined in 24 CFR Part 92, any material breach of the AGREEMENT, failure to timely comply with the audit requirements in Article XIII, failure to expend HOME Program funds in a timely manner, or a misrepresentation in the application submission which, if known by GRANTOR and/or HUD, would have resulted in HOME Program funds not being provided. Upon due notice to the DEVELOPER of the occurrence of any such default and the provision of a reasonable opportunity to respond, the GRANTOR may take one or more of the following actions:

- (a) Direct the DEVELOPER 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) Direct the DEVELOPER to 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 DEVELOPER to reimburse the GRANTOR'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 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 DEVELOPER of the GRANTOR'S written notice of default. No delay or omission by GRANTOR 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 DEVELOPER default.

Unless the DEVELOPER'S default is waived, the GRANTOR may, upon twenty-four (24) hour written notice, terminate this AGREEMENT for said default. Waiver by the GRANTOR of DEVELOPER'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 DEVELOPER and the GRANTOR if delivered in person, or when deposited in the U.S. Mail, postage prepaid certified mail, return receipt requested.

Section 8: Request for Disbursement of Funds

DEVELOPER shall not request disbursement of HOME Program funds until HOME Program funds are needed to pay eligible costs related to the PROGRAM. The amount of any request for funds shall not exceed the amount needed and shall be supported by appropriate documentation such as a sales contract, invoice, completed property maintenance inspection report, and performance-progress reports, and settlement statements from HOMEBUYER mortgage closings. The GRANTOR shall make payment to DEVELOPER within fourteen (14) calendar days of receipt of a complete and acceptable request by the GRANTOR. The GRANTOR reserves the right to withhold disbursement of funds until appropriate documentation is submitted. All checks shall be made payable to "Habitat For Humanity of Champaign County". All monies granted to DEVELOPER pursuant to this AGREEMENT shall be expended by **July 31, 2026**.

Further, no payments shall be released to DEVELOPER prior to the GRANTOR receiving environmental clearance from the Illinois Historic Preservation Agency stating no historical significance has been identified at the properties being developed with HOME Program funds and a flood plain map has been reviewed to prove the property is not located within a floodplain. GRANTOR will be responsible for obtaining the necessary environmental clearance documentation.

Section 9: Duration of Agreement

This AGREEMENT shall be effective as of the date executed by the Mayor and attested by the City Clerk and shall remain in effect until the latest of the following dates or events: **ten (10) years after the closing date of the project in the federal Integrated Disbursement & Information System (IDIS), which is the date that a request to destroy confidential client information will be considered by the City of Urbana**; the date that any ongoing investigation is formally concluded in writing regarding the project described herein by the United States Department of Housing and Urban Development or any of its agents.

Section 10: Conditions for Religious Organizations

The DEVELOPER ensures that HOME Program funds shall not be provided to primarily religious organizations, such as churches, for any activity including secular activities. In addition, HOME Program funds shall not be used to rehabilitate or construct housing owned by primarily religious organizations or to assist primarily religious organizations in acquiring housing. However, HOME Program funds may be used by a secular entity to acquire housing from a primarily religious organization, and a primarily religious entity may transfer title to its property to a wholly secular entity and the entity may participate in the HOME Program in accordance with the requirements of this 24 CFR Part 92.257. The entity may be an existing or newly established entity, which may be an entity established by the religious organization. The completed housing project must be used exclusively by the owner entity for secular purposes, available to all persons regardless of religion. In particular, there must be no religious or membership criteria for tenants of the property.

Section 11: Community Housing Development Organization (CHDO Provisions)

CHDO has been certified by the CONSORTIUM and has been found to be in compliance with the composition of a CHDO under the HOME Requirements. The CHDO agrees to maintain their CHDO status for the duration of the AGREEMENT.

CHDO may retain any and all proceeds resulting from this HOME investment. Proceeds are to be used as specified under ARTICLE XIII of this AGREEMENT.

ARTICLE II: COMPLIANCE WITH VISITABILITY STANDARDS

Any residence constructed pursuant to this Agreement within the corporate limits of the City of Urbana and the City of Champaign shall incorporate applicable visitability for the jurisdiction in which the project is located.

ARTICLE III: FINANCIAL RESPONSIBILITY

The allocation of funds by the GRANTOR pursuant to this AGREEMENT shall in no way obligate the GRANTOR for any financial responsibility incurred by the PROGRAM in excess of the funding pledged herein. The GRANTOR reserves the right to withhold pledged funds if the GRANTOR is not satisfied with the DEVELOPER'S compliance with the terms and conditions of performance outlined in this AGREEMENT.

ARTICLE IV: CERTIFICATIONS

DEVELOPER represents the following with respect to this AGREEMENT.

- A. DEVELOPER possesses legal authority to receive HOME Program funds from the GRANTOR and to execute the PROGRAM as described herein.
- B. The governing body of DEVELOPER has duly adopted or passed as an official act a resolution, motion, or similar action authorizing execution of this AGREEMENT including all understandings and assurances contained herein, and directing and designating the authorized representative of DEVELOPER to act in connection with this AGREEMENT and to provide such additional information as may be required.
- C. DEVELOPER, its successors and assigns, agrees to develop and operate the PROJECT in accordance with HOME Program regulations promulgated at 24 CFR Part 92 and with applicable building codes.
- D. DEVELOPER, its successors and assigns, agrees to comply with Section 3 of the Fair Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u), hereinafter referred to as "Section 3", which provides that, to the greatest extent feasible, opportunities for training and employment that arise through the PROGRAM shall be given to low-income residents of the Cities of Champaign,

Urbana or Unincorporated Champaign County and that contracts in connection with the PROGRAM be awarded to business concerns located in or owned in substantial part by persons residing in the Cities of Champaign , Urbana or Unincorporated Champaign County. DEVELOPER agrees to comply with provisions of said Section 3 and the regulations as issued pursuant thereto by the Secretary of HUD set forth in 24 CFR Part 135, and all applicable rules and orders of HUD issued there under. DEVELOPER certifies and agrees that it is under no contractual or other disability that would prevent DEVELOPER from complying with these requirements. DEVELOPER'S responsibility to comply with Section 3 regulations includes the following:

1. Including in each subcontract in excess of \$100,000 a requirement that the subcontractor comply with Section 3.
 2. Sending each labor organization or representative of workers with which DEVELOPER has a collective bargaining agreement or other understanding a notice of the DEVELOPER commitment under Section 3.
 3. Posting copies of the notice in conspicuous places at work sites where both employees and applicants for employment positions can see the notice.
 4. Refraining from allowing a subcontractor to postpone filling any vacant employment and training positions after the subcontractor is selected but before the contract with the subcontractor is executed for the purpose of circumventing obligations under Section 3.
 5. Refraining from entering into any contract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of Section 3 regulations.
 6. Directing efforts to award covered contracts to Section 3 business concerns in order of priority.
 7. Directing efforts to employ and train Section 3 residents in the order of priority.
 8. Documenting actions taken to comply with Section 3 requirements.
 9. Submitting required Section 3 reports.
- E. DEVELOPER agrees to give maximum feasible priority to very low-income persons when administering the PROGRAM described herein.
- F. DEVELOPER acknowledges it shall match HOME Program funds disbursed by the GRANTOR and pursuant to this AGREEMENT in the amount of **\$31,250** in non-federal funds as defined in 24 CFR Part 92.220.
- G. DEVELOPER shall comply with the regulations, policies, guidelines, and requirements of federal management circulars as they relate to the acceptance and use of Federal funds for the PROGRAM. DEVELOPER agrees to maintain financial records in accordance with applicable Federal guidelines; these include but are not limited to, the regulations stipulated at 2 CFR 200 and further elaborated upon in Attachment 9.

- H. DEVELOPER shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which DEVELOPER receives federal financial assistance.
- I. DEVELOPER shall comply with Executive Order 11246, and all regulations issued pursuant thereto, which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federal or federally assisted contracts. Such contractors and subcontractors shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.
- J. DEVELOPER shall establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- K. No Federal appropriated funds have been paid or will be paid, by or on behalf of DEVELOPER, to any person for influencing or attempting to influence an officer or employee of any agency including the GRANTOR, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than Federal appropriated funds have been paid, or will be paid to any person for influencing or attempting to influence an officer or employee of any agency including the GRANTOR, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, DEVELOPER will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- L. DEVELOPER shall give HUD and the Comptroller General through any authorized representative access to and the right to examine all records, books, papers, or documents related to the PROGRAM.
- M. DEVELOPER shall at all times observe and comply with all laws, ordinances, or regulations of Federal, State, and local governments which may in any manner affect the performance of this AGREEMENT. DEVELOPER shall be liable to

perform all acts to the GRANTOR in the same manner as the GRANTOR performs these functions to the Federal government.

- N. DEVELOPER shall be responsible for any and all claims, costs, causes, actions, and expenses, including, but not limited to, attorneys' fees incurred by reason of a law suit or claim for compensation arising in favor of any person, including the employees, officers, independent contractors, subcontractors, or agents of DEVELOPER, on account of personal injuries or death, or damages to property occurring, growing out of, incident to, or resulting under this PROGRAM, whether such loss, damage, injury, or liability is contributed to by the negligence of the GRANTOR or its officers, employees, or agents, or by the premises themselves or any equipment thereon whether latent or patent, or from other causes whatsoever, except that DEVELOPER shall have no liability for damages or the costs incident thereto caused by the sole negligence of the GRANTOR, or its officers, employees, or agents.
- O. DEVELOPER shall have full control of the ways and means of performing the services referred to herein. DEVELOPER acknowledges and agrees that its employees, representatives, subcontractors, and agents may in no respect be considered employees of the GRANTOR.
- P. DEVELOPER agrees that, to the greatest extent feasible, all construction-related expenditures made for the PROGRAM shall be made to City of Champaign, Urbana and Unincorporated Champaign County firms or individuals.

ARTICLE V: PROHIBITION AGAINST LOBBYING

PROJECT SPONSOR acknowledges that no funds disbursed pursuant to this Agreement shall be used to finance lobbying activities. Furthermore, PROJECT SPONSOR acknowledges that no PROJECT SPONSOR employee funded in whole or part pursuant to this Agreement shall engage in lobbying activities at any time during the term of this Agreement. For purposes of this Agreement the term "lobbying activities" shall include the following.

- A. Any activity related to the election or appointment of an individual to public office, including, but not limited to, contributions to campaign funds, solicitation in an attempt to influence the outcome of an election for public office, and preparation and dissemination of campaign materials
- B. Sponsorship of candidate forums
- C. Sponsorship of voter registration drives
- D. Provision of transportation to polling places
- E. Contributing financially to elected or appointed public officials in an attempt to influence legislation

- F. Hiring an individual or individuals to represent an organization and/or its position before elected or appointed public officials.

ARTICLE VI: NOTICES

Notices and communications under this AGREEMENT shall be sent first class, prepaid to the respective parties as follows.

TO THE GRANTOR: Grants Division
 Attn: Manager
 400 South Vine Street
 Urbana, Illinois 61801

TO THE DEVELOPER: Habitat for Humanity of Champaign County
 Attn: Executive Director
 119 E. University Ave
 Champaign, IL 61820

ARTICLE VII: CONTINGENCIES

This AGREEMENT, including the provision of funds by the GRANTOR for the PROJECT as described herein, is contingent upon GRANTOR'S receipt of HOME Investment Partnerships Program grant funds from the Department of Housing and Urban Development and the signing of GRANTOR and the DEVELOPER.

ARTICLE VIII: ASSIGNMENT

DEVELOPER shall not assign this AGREEMENT, nor any part thereof, without prior written approval of the GRANTOR.

ARTICLE IX: MODIFICATION

No modification of this AGREEMENT, including modification of the PROGRAM budget in "Attachment 3", shall be effective unless in writing and executed by the parties hereto.

ARTICLE X: EXECUTION OF AGREEMENT

This AGREEMENT shall be binding upon the GRANTOR and DEVELOPER, their successors and assigns, and shall be effective as of the date executed by the Mayor of Urbana and attested by the City Clerk.

ARTICLE XI: PROJECT PUBLICITY

Any news release or other type of publicity pertaining to the work performed pursuant to this AGREEMENT must recognize GRANTOR as a DEVELOPER, funded by HUD.

ARTICLE XII: MONITORING AND EVALUATING

The GRANTOR shall be responsible for monitoring and/or evaluating all aspects of the services provided by DEVELOPER under this AGREEMENT. The GRANTOR shall have access to and be able to make copies and transcriptions of such records as may be necessary in the determination of the GRANTOR or HUD to accomplish this monitoring and/or evaluation. In order to properly monitor or evaluate the DEVELOPER'S performance under this AGREEMENT, the GRANTOR shall make on-site inspections annually or as often as it deems necessary. Failure by the DEVELOPER to assist the GRANTOR in this effort, including allowing the GRANTOR to conduct the on-site inspections and have access to the DEVELOPER'S records, shall result in the imposition of sanctions as specified in Article I Section 7 herein.

Said evaluation may be accomplished by the GRANTOR through a management evaluation of the services provided under this AGREEMENT during the term of this AGREEMENT.

During the period of affordability, the GRANTOR shall perform on-site inspections to ensure units are the principal residence of the homebuyers and they are maintained to minimum property standards as determined by the code requirements as adopted by the local jurisdiction the Project is located in.

ARTICLE XIII: PROGRAM INCOME

DEVELOPER shall retain any proceeds from the sale of the property in the form of principal and interest on any mortgage issued through the sale, late payment fees, or any other income earned as a result of this PROJECT. Proceeds earned shall be used for expenses related to the furthering of affordable housing in the form of hard and soft costs associated with housing construction, provision of educational services related to homeownership, and operating expenses associated with carrying out affordable housing activities, which includes, but is not limited to: staff salaries, rent and utilities, taxes, marketing, etc. Furthermore, affordable housing initiatives undertaken with the support of proceeds from this PROJECT need not conform to the HOME regulations found at 24 CFR Part 92.

ARTICLE XIV: INDEMNIFICATION

DEVELOPER shall to the fullest extent allowed by law defend, hold harmless and indemnify the GRANTOR from and against any and all liability, injury, loss, claims, damages, costs, attorneys' fees and expenses of whatever kind or nature which the GRANTOR may sustain, suffer or incur or be required to pay by reason of:

- A. The loss of any monies paid to DEVELOPER;


- B. Fraud, defalcation or dishonesty on the part of any person representing, employed by, contracted or subcontracted by DEVELOPER;
- C. Any act, omission, wrongdoing, misconduct, want of care or skill, negligence or default on the part of DEVELOPER or any of its contractors, subcontractors, sub-subcontractors, materialmen, suppliers and laborers in the execution or performance of this AGREEMENT; or

The indemnity hereunder shall survive termination of the AGREEMENT. In the event that any action, suit or proceeding is brought against the GRANTOR upon any liability arising out of the AGREEMENT, or any other matter indemnified against, the GRANTOR at once shall give notice in writing thereof to DEVELOPER by registered or certified mail addressed to DEVELOPER. Upon receipt of such notice, DEVELOPER, at its own expense, shall defend against such action and take all such steps as may be necessary or proper to prevent the obtaining of a judgment against the GRANTOR.

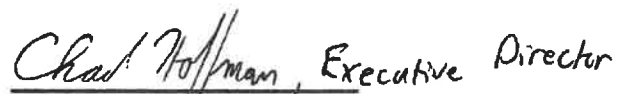
GRANTOR:


 Diane Wolfe Marlin, Mayor

02/28/2024
 Date


 Attest

DEVELOPER:

 Executive Director
 Signature

2/20/24
 Date

- Attachment 1 - Notice (the State of Illinois Prevailing Wage Act)**
- Attachment 2- Schedule of Program**
- Attachment 3- Sample Budget/ Financial Projections per Property**
- Attachment 4- Affordable Homeownership Program Sample Documents: Mortgage, and Note**
- Attachment 5- Sample Quarterly Report Required by the Urbana HOME Consortium**
- Attachment 6- LLL-Disclosure to Report Lobbying Activity**
- Attachment 7- Affordable Homeownership Program Sample Documents: Homebuyer Program Agreement**
- Attachment 8- MBE/WBE**
- Attachment 9- Statement of Special Conditions and Compliance with Uniform Administrative Requirements**
- Attachment 10- Affordable Homeownership Program Sample Documents: Indirect Homebuyer Assistance Land-Use Regulatory Agreement**

Attachment 1

Notice

The Illinois State Prevailing Wage Act (820 ILCS 130/0.01 et seq.) provides in part as follows: "Not less than the general prevailing rate of hourly wages for work of a similar character on public works in the locality in which the work is performed, and not less than the general prevailing rate of hourly wages for a legal, holiday and overtime work, shall be paid to all laborers, workers and mechanics employed by or on behalf of any public body engaged in the construction of public works." (820 ILCS 130/3, quoted in part).

The Act defines a public body as follows: "'Public body' means the state or any officer, board or commissioner of the state or any political subdivision or department thereof, or any institution supported in whole or part by public funds, authorized by law to construct public works . . ." (820 ILCS 130/2, quoted in part).

The Department of Labor has recently applied this provision to a not-for-profit corporation, indicating that it was the opinion of the Department that the not-for-profit, because of its State funding, was considered a public body for the purposes of the Prevailing Wage Act. You are encouraged to contact the Department of Labor for its guidance with respect to whether or not it considers your organization a "public body" under the Act for the purposes of the Prevailing Wage Act. If the Prevailing Wage Act applies, you are required to compensate all workers on the project, including volunteers, for work done on the project.

Since, by the terms of this agreement you are required to follow all local, State and Federal laws, if the State Prevailing Wage Act is applicable to your organization, then you are required to comply with the Act by the terms of this contract."

DEVELOPER: Habitat for Humanity of Champaign County

Signed by: Chad Hoffman

Title: Executive Director Date: 2/20/24

**Attachment 2
Program Schedule**

HABITAT AFFORDABLE HOMEOWNERSHIP PROGRAM

SCHEDULE OF ACTIVITIES

1210 W Dublin, Urbana – Anticipation of construction initiation by Spring 2024 with completion by late Fall 2024

511 W Beardsley, Champaign – Anticipation of construction initiation by Fall 2024 with completion by Spring 2025

313 Edgebrook, Champaign – Anticipation of construction initiation by Fall 2024 with completion by Spring 2025

1010 W Maple, Champaign – Anticipation of construction initiation by Spring 2024 with completion by Fall 2024.

Attachment 3

Sample Budget/ Financial Projections per Property

PRO FORMA -

HABITAT AFFORDABLE

SOURCES AND USES OF FUNDS

SUBSIDIES

Habitat Fund for Humanity	\$25,000
Champaign County ARPA	\$30,000
HOME CHDO Developer Subsidy	\$40,000
Homebuyer Downpayment	\$500
Private Donations	\$6,069
In Kind Donations	\$12,731
Yahoo Foundation	\$30,000
U of I Student Chapter Support	\$30,000
HOME Direct Homebuyer Assistance	\$0
Homebuyer Mortgage Payments 5 years	\$18,000

\$192,300

USES OF FUNDS

Soft Costs \$4,000

Property \$8,750

Maintenance \$1,750

\$10,500

Architect \$2,500

\$0

\$0

Legal Fees \$1,800

Appraisal \$500

Permits \$2,000

\$6,800

LAND DEVELOPMENT

Site Prep \$26,000

Sanitary Sewer \$2,300

Site Improvement \$7,500

Storage Shed \$0

Landscaping \$1,200

\$37,000

FINANCING

\$0

\$500

\$500

CONSTRUCTION

Buildings \$137,500

Change Orders \$0

\$137,500

\$192,300

Attachment 4
Habitat -Affordable Homeownership Program Sample Documents:
Mortgage, and Note

URBANA HOME CONSORTIUM
HOME BUYER ASSISTANCE
Habitat Affordable Homeownership Program

MORTGAGE

THIS MORTGAGE (“Mortgage”) is given on < Date, by <Borrower Name> (the “Borrower”) to the City of Urbana, Illinois, a unit of local government having its principal offices at 400 South Vine Street, Urbana, Illinois 61801, acting as the lead entity for the Urbana HOME Consortium (the “Grantor”). Borrower conditionally owes the Grantor a maximum amount of _____ **and no /100 [\$ _____]**. This debt is evidenced by Borrower’s promissory note (the “Note”) dated the same date as this Mortgage, a copy of which is attached hereto as Exhibit “A”, which provides for a ten year (10) term, hereinafter referred to as the “Affordability Period,” commencing on the date that this activity is marked as “Complete” on the U.S. Department of Housing and Urban Development’s Integrated Disbursement and Information System.

This Mortgage secures to the Grantor: (a) all repayment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums advanced by the Grantor pursuant to paragraph 7 of this Mortgage to protect the security of this Mortgage; and (c) the performance of Borrower’s covenants and agreements under this Mortgage and the Note.

For these purposes, Borrower hereby mortgages, grants and conveys to the Grantor, its successors and assigns, the real property described as:

Legal Description: <INSERT FULL LEGAL DESCRIPTION>;
Common address: < INSERT FULL ADDRESS HERE > ;
PIN: < PARCEL IDENTIFICATION NUMBER >;

located in the County of Champaign, State of Illinois, together with (a) all the improvements now or hereafter erected on the property and all easements, rights and appurtenances thereto; (b) all leases and licenses with respect to the property; (c) all rents, royalties and profits thereof; and (d) all fixtures and equipment now or hereafter in or on the property. All replacements and additions shall also be covered by this Mortgage. The real property referenced above and all of the other property subject to this mortgage is hereinafter referred to collectively in this Mortgage as the “Property”.

Borrower covenants that Borrower is the lawful owner of the Property conveyed by this Mortgage and has the full right and power to mortgage, grant and convey the Property and that the Property is unencumbered, except for the encumbrances of record described in Exhibit "B" hereto acceptable to the Grantor (the "Permitted Encumbrances"). Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any Permitted Encumbrances.

Borrower covenants to the Grantor as follows:

1. **Payment Under the Note.** Borrower agrees to promptly pay when due any amounts required to be paid by the Note.
2. **Application of Payments.** Unless applicable law provides otherwise, all payments received by the Grantor under paragraph 1 will be applied to principal due under the Note.
3. **Charges and Liens.** Borrower will pay all taxes, assessments, charges and fines attributable to the Property which may attain priority over this Mortgage. Borrower will pay these obligations on time directly to the person to whom payment is owed.

Borrower will promptly discharge any lien which may attain priority over this Mortgage unless Borrower: (a) agrees in writing to pay the obligation secured by the lien in a manner acceptable to the Grantor; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which, in the Grantor's opinion, operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to the Grantor subordinating the lien to this Mortgage. If the Grantor determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, the Grantor may give Borrower a notice identifying the lien. Borrower will satisfy the lien or take one or more of the actions set forth above within ten (10) days of the Grantor's giving of such notice.

4. **Hazard Insurance.** Borrower will keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and any other hazards for which the Grantor requires insurance. All policies of insurance hereunder will be from such companies and in such form and amounts as may be satisfactory to the Grantor, will name the Grantor as a loss payee and will include a provision requiring 30 days advance written notice to the Grantor prior to the termination or modification of such policy.

All insurance policies and renewals must be acceptable to the Grantor and must include a standard mortgage clause. The Grantor may hold the policies and renewals and, if the Grantor requires, Borrower will promptly give to the Grantor all receipts of paid premiums and renewal notices. Upon the occurrence of a loss covered by insurance, Borrower will give prompt notice to the insurance carrier and the Grantor. The Grantor may make proof of loss if not made promptly by Borrower.

Insurance proceeds will be applied to restoration or repair of the Property damaged if the Grantor determines that the restoration or repair is economically feasible and the Grantor's

security is not lessened by such restoration or repair. In such event, the Grantor has the right to collect and hold the insurance proceeds and make the proceeds available to Borrower from time to time for the payment of the cost and expense of repair and restoration upon receipt of satisfactory evidence that such cost or expense has been incurred. If the Grantor determines that the restoration or repair is not economically feasible or the Grantor's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property or does not answer within 30 days a notice from the Grantor that the insurance carrier has offered to settle a claim, then the Grantor may settle the claim with the insurance carrier and collect the insurance proceeds from the insurance carrier and may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due.

If under paragraph 19 the Property is acquired by the Grantor, Borrower's right to any insurance policies and all insurance proceeds resulting from damage to the Property prior to the Grantor's acquisition shall pass to the Grantor to the extent of the sums secured by this Mortgage immediately prior to such acquisition.

5. Preservation and Maintenance of Property. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate, or commit waste. Borrower shall cause the Property to comply with all local codes, ordinances, zoning ordinances, the Model Energy Code and the United States Department of Housing and Urban Development's ("HUD") Section 8 Housing Quality Standards, as set forth in Section 370.601 of the Rules.

6. Occupancy and Resale Restrictions. Borrower covenants that during the Affordability Period, the property shall be occupied and maintained as the principal residence of the Borrower.

Any sale or use of the Property for a purpose other than the principal residence of the Borrower within the Affordability Period, shall be considered a default of this agreement, and shall initiate repayment of the loan as required by the Note.

In the event of a foreclosure or deed in lieu of foreclosure relating to any other loan encumbering the Property, the Grantor shall have the right, but not the obligation, to acquire the Property prior to such foreclosure or deed in lieu of foreclosure to preserve the foregoing affordability provisions as provided in 24 CFR Part 92.254 (a)(4) of the Regulations.

7. Protection of the Grantor's Rights in the Property: Mortgage Insurance. If Borrower fails to perform the covenants and agreements contained in this Mortgage or there is a legal proceeding that might significantly affect the Grantor's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then the Grantor may do and pay for whatever is necessary to protect the value of the Property and the Grantor's rights in the Property. The Grantor's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although the Grantor may take action under this paragraph 7, the Grantor does not have to do so. Any amount disbursed by the Grantor under this paragraph 7 shall become additional debt of Borrower secured by this Mortgage.

8. **Inspection.** The Grantor or its agents may make reasonable entries upon and inspections of the Property. The Grantor shall give Borrower notice prior to the time of an inspection specifying reasonable cause for the inspection.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property or for conveyance in lieu of condemnation are hereby assigned and shall be paid to the Grantor and shall be applied to the sums secured by this Mortgage as if the Note had been prepaid on the date the condemnation award is approved, whether or not then due, with any excess paid to Borrower. If the Property is abandoned by Borrower or if, after notice by the Grantor to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to the Grantor within 30 days after the date the notice is given, the Grantor is authorized to accept such award or settlement and to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due.

10. **Borrower Not Released; Forbearance Not a Waiver.** Extension of the time for payment or modification of payment of the sums secured by this Mortgage granted by the Grantor to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. The Grantor shall not be required to commence proceedings against any successor in interest and may refuse to extend time for payment or otherwise modify payment of the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by the Grantor in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. **Successors and Assigns Bound.** The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of the Grantor and Borrower and shall be covenants running with, binding and burdening the Property, subject to the provisions of paragraphs 17 and 21.

12. **Loan Charges.** If the loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. The Grantor may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note. Notwithstanding anything to the contrary set forth in this paragraph 12, no interest or prepayment charge is payable under the Note.

13. **Legislation Affecting the Grantor's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, the Grantor, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by

paragraph 19. If the Grantor exercises this option, the Grantor shall take the steps specified in paragraph 19.

14. **Notices.** Any notices, demand, request or other communication that any party may desire or may be required to give to any other party hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) overnight courier; or (b) registered or certified United States mail, postage prepaid, return receipt requested.

The Borrower:

<Borrower name>

<Address >

<Contact Number>

The Grantor:

Urbana HOME Consortium

C/O City of Urbana – Administrative Agent

ATTN: Grants Management Division Manager

400 S. Vine Street

Urbana, IL 61801

217-384-2447

Such addresses may be changed by notice to the other party given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to subsection (a) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

15. **Governing Law; Severability.** This Mortgage shall be governed by the laws of the State of Illinois (without giving effect to Illinois choice of law principles). In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or Note, as the case may be, which can be given effect without the conflicting provision. To this end, the provisions of this Mortgage and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and this Mortgage.

17. **Transfer of the Property or a Beneficial Interest in Borrower.** In the event of (a) a default by Borrower, beyond any applicable cure period, of its obligations under the Note or this Mortgage, or (b) a sale, conveyance or other transfer of the Property for consideration, excluding, however, if Borrower are individuals, any sale, conveyance or transfer to a spouse upon a dissolution of marriage, or to a surviving spouse upon the death of a Borrower, then Borrower shall repay to the Grantor the Loan, or such portion of the Loan as may be due and payable under the terms of the Note.

Upon the occurrence of either of the foregoing events, the Grantor shall give Borrower notice of acceleration. This notice shall provide a period of not less than 30 days from the date the notice is given within which Borrower must pay all sums required by this paragraph 17. If Borrower fails to pay these sums prior to the expiration of this period, the Grantor may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.

18. **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower will have the right to have enforcement of this Mortgage discontinued at any time prior to the earlier of: (a) five (5) days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Mortgage; or (b) entry of a judgment enforcing this Mortgage. Those conditions are that Borrower: (w) pays the Grantor all sums which then would be due under this Mortgage and the Note had no acceleration occurred; (x) cures any default of any other covenants or agreements; (y) pays all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorneys' fees; and (z) takes such action as the Grantor may reasonably require to assure that the lien of this Mortgage, the Grantor's rights in the Property and Borrower's obligations to pay the sums secured by this Mortgage shall continue unchanged. Upon reinstatement by Borrower, this Mortgage and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

19. **Acceleration; Remedies.** Prior to any acceleration of the amounts owed to the Grantor under the Note or this Mortgage (other than an acceleration under paragraphs 13 and 17 unless applicable law provides otherwise) the Grantor shall give notice to Borrower following Borrower's breach of any covenant or agreement in this Mortgage (the "Default"). The notice shall specify: (a) the Default; (b) the action required to cure the Default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the Default must be cured; and (d) that failure to cure the Default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert, in the foreclosure proceeding, the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the Default is not cured on or before the date specified in the notice, the Grantor at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage by judicial proceeding. The Grantor shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence, and such sums shall be immediately due and payable and shall be secured by this Mortgage. Upon any sale of the Property made by virtue of judicial proceedings or a decree of foreclosure and sale, the Grantor may bid for and acquire the Property and in lieu of paying cash therefore may make settlement for the purchase price by crediting upon Borrower's indebtedness secured by this Mortgage, the sale price, after first deducting from the sale price the expenses of the sale and the cost of the foreclosure. The proceeds of any foreclosure sale of the Property shall be distributed and applied in the following order of priority: first, on account of all costs and expenses of the foreclosure proceedings; second, to repayment of the indebtedness of Borrower secured by this Mortgage; and third, any excess to Borrower, its successors and assigns.

20. **Possession.** Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, the Grantor (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by the Grantor or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not

limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage.

21. **Release.** Upon the expiration of the Affordability Period, the Grantor shall release this Mortgage without charge to Borrower. Borrower shall pay any recordation costs.

22. **Waiver of Homestead.** Borrower waives all right of Homestead Exemption in the Property, as described in 735 ILCS 5/12-901. The Borrower reserves the right, however, to seek a reduced assessment based on Homestead under 30 ILCS 200/16-80.

23. **Filing and Recording Fees.** Borrower shall pay all title insurance premiums, escrow charges, filing, registration or recording fees, and all expenses incident to the execution and acknowledgement of this Mortgage and all federal, state, county and municipal taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery and performance of this Mortgage.

By signing below, Borrower accepts and agrees to be bound by the terms and covenants in this Mortgage.

Borrower – < Name >

Approved:

City of Urbana, IL

Habitat for Humanity

STATE OF ILLINOIS)
) ss.
COUNTY OF CHAMPAIGN)

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that < Borrower Name > personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

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

Notary Public

EXHIBIT "A" (to mortgage)**PROMISSORY NOTE**

U.S. \$ _____

FOR VALUE RECEIVED, the undersigned, <Borrower Name >, ("Borrower") covenants and promise(s) to pay to the order of the City of Urbana (the "Payee"), a unit of local government, the principal sum of _____ and 00/100 Dollars (\$ _____), with interest in the amount of zero percent (0%) ("HOME Investment").

If, during the Affordability Period, as defined in the Mortgage, the subject property is sold, then the City shall receive a portion of the Deferred Loan (as herein below as outlined) from the Net Proceeds. The portion of Deferred Loan received by the City from the Net Proceeds is based upon the proration of the remaining years of the HOME Affordability Period at the time of a sale, conveyance or other transfer of the Residence, excluding those Permitted Transfers described in clause ii. The table below describes the portion of the Deferred Loan the City will receive from the Net Proceeds.

Sale occurs within:	1 st Year of 10 Year Period	2 nd Year of 10 Year Period	3 rd Year of 10 Year Period	4 th Year of 10 Year Period	5 th Year of 10 Year Period
Portion of Grant Received	90% (Max Amount to be recaptured: \$xxx)	80% (Max. Amount to be Recaptured: \$xxx)	70% (Max. Amount to be Recaptured: \$xxx)	60% (Max. Amount to be Recaptured: \$xxx)	50% (Max. Amount to be Recaptured: \$xxx)

Sale occurs within:	6 th Year of 10 Year Period	7 th Year of 10 Year Period	8 th Year of 10 Year Period	9 th Year of 10 Year Period	Year of 10 Year Period
Portion of Grant Received	40% (Max Amount to be recaptured: \$xxx)	30% (Max. Amount to be Recaptured: \$xxx)	20% (Max. Amount to be Recaptured: \$xxx)	10% (Max. Amount to be Recaptured: \$xxx)	0% (Max. Amount to be Recaptured: \$xxx)

For the purposes of this Note, the net proceeds are defined as the sale price minus:

- (a) (Sale in other than foreclosure proceeding) the amount of the loan repayment, other than the HOME Investment, the verified cost of any capital improvements made by the Borrower since purchase and reasonable closing costs, or
- (b) (Sale in foreclosure proceeding) the amount stated to be "surplus funds" as indicated in the "Report of Sale" filed with the Court.

The amount due shall not exceed the total amount of the original HOME investment. The period from the date of this Promissory Note to the date that is ten (10) years after the date of the execution of the sales contract for the property between Buyer and Habitat for Humanity of Champaign County which is _____ is referred to herein as the "Affordability

acknowledged that they signed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2024.

Notary Public

EXHIBIT "B" (to mortgage)

PERMITTED ENCUMBRANCES:

First mortgage in the amount of \$ <Amount of First Mortgage> __ with < Insert Name of First Mortgage Holder>.

Prepared by and Return to:

City of Urbana -Grants Management Division
Attn: Manager
400 South Vine Street
Urbana, Illinois 61801
(217) 384-2447

Approval by Financial Institution Lender

In Progress _____

Not Approved _____ Reason _____

Approved _____

IV. Contractor/Construction

Bidding Process:

Trade	BID ANNOUNCED	# BIDS RECEIVED	BIDS OPENED/ REVIEWED	BID ACCEPTED	CONTRACT SIGNED

CONTRACTOR	Name Address Phone #	Permit Issued	Start Date	Schedule # days to complete	Status In Progress / Delayed, etc.	Final Inspection	Complete
General							
Foundation/ Concrete							
Structural							
Plumbing							
Electrical							
Mechanical							
Insulation							
Drywall							

V. Overall Project Progress

Is the project proceeding according to the Projected Schedule of Activities submitted? _____

If not, please explain. _____

Is the project staying within the budget established? _____

If not, please explain: _____

VI. NOTES MISC

Attachment 6
Sample Standard Form –LLL, Disclosure Form to Report Lobbying

DISCLOSURE OF LOBBYING ACTIVITIES Approved by OMB Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352 0348-0046 (See reverse for public burden disclosure.)

1. Type of Federal Action: <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: ^{4c}		5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:
6. Federal Department/Agency:	7. Federal Program Name/Description: CFDA Number, if applicable: _____	
8. Federal Action Number, if known:	9. Award Amount, if known: \$	
10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i>	b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i>	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: _____ Print Name: _____ Title: _____ Telephone No.: _____ Date: _____	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

PRINT

INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of a covered Federal action, or a material change to a previous filing, pursuant to title 31 U.S.C. section 1352. The filing of a form is required for each payment or agreement to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, State and zip code of the reporting entity. Include Congressional District, if known. Check the appropriate classification of the reporting entity that designates if it is, or expects to be, a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the 1st tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in item 4 checks "Subawardee," then enter the full name, address, city, State and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organizational level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans, and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identified in item 1 (e.g., Request for Proposal (RFP) number; Invitation for Bid (IFB) number; grant announcement number; the contract, grant, or loan award number; the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitment for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, State and zip code of the lobbying registrant under the Lobbying Disclosure Act of 1995 engaged by the reporting entity identified in item 4 to influence the covered Federal action.
(b) Enter the full names of the individual(s) performing services, and include full address if different from 10 (a). Enter Last Name, First Name, and Middle Initial (MI).
11. The certifying official shall sign and date the form, print his/her name, title, and telephone number.

According to the Paperwork Reduction Act, as amended, no persons are required to respond to a collection of information unless it displays a valid OMB Control Number. The valid OMB control number for this information collection is OMB No. 0348-0046. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, DC 20503

Attachment 7

HOMEBUYER PROGRAM AGREEMENT

THIS HOMEBUYER PROGRAM AGREEMENT (“Agreement”), made as of this ____th day of _____, 20__, by and between _____ (“Owner”), who will purchase and will reside at _____ Property I.D. _____ (“Residence”), and the City of Urbana, Illinois, an Illinois unit of local government (“City”), having its principal offices at 400 S. Vine Street, Urbana, Illinois 61801.

WITNESSETH

WHEREAS, the City is a recipient of funds from the United States Department of Housing and Urban Development (“HUD”), as administrator of the HOME Investment Partnerships Program (“HOME Program”) pursuant to which HUD has agreed to make a Deferred Loan to the City, the proceeds of which are to be used to make forgivable Deferred Loans (individually, a “Deferred Loan”) to Eligible Homebuyers (as hereinafter defined) for the acquisition of Eligible Residences (as hereinafter defined) under the City’s Homebuyer Program (“Program”); and

WHEREAS, the Owner will be the owner of the fee simple title to the Residence and have applied to the City for a Deferred Loan in connection with the acquisition of the Residence (“Project”); and

WHEREAS, it is a condition of the making of the Deferred Loan that the Owner enter into and be bound by this Agreement.

In consideration of the recitals set forth above and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. **RECITALS.** The foregoing recitals are made a part of this Agreement.
2. **GENERAL CONDITIONS.** This Agreement and the Deferred Loan shall be subject to the terms and conditions of the HOME Investment Partnership Act, Code of Federal Regulations Title 24, Volume 1 [24CFR92.1 *et seq.*].
3. **OWNER REPRESENTATIONS AND WARRANTIES.** The Owner represents and warrants to the City as follows:
 - a. The Owner’s household has a gross annual income, as adjusted for family size, that is less than or equal to eighty percent (80%) of the median income for the metropolitan statistical area or county in which the Residence is located, as determined by HUD.
 - b. The Owner will hold fee simple title to the Project.
 - c. The Project will be the principal residence of the Owner, as defined by the United States Department of the Treasury, Internal Revenue Service (IRS) regarding the term “main home.”

- d. The Owner shall escrow property taxes and homeowners insurance.
- e. The Owner will occupy the Project as his principal residence within 30 days after the Deferred Loan is provided.
- f. Deferred Loan proceeds shall be used to pay only Eligible Costs (as that term is defined in Code of Federal Regulations Title 24, Volume 1 Section 92.205) in the form of downpayment assistance.
- g. The Owner will adhere to the provisions of the Agreement for the duration of the HOME Affordability Period (as hereinafter defined).

4. **TERMS AND CONDITIONS OF THE DEFERRED LOAN.** The Deferred Loan shall be subject to the following terms and conditions:

- a. **Amount and Interest.** The Deferred Loan shall be in the amount of _____ and 00/100 Dollars (\$ _____), shall bear no interest and be used by the Owner for the Project in form of downpayment assistance.
 - i. The purchase price of the Residence and any improvements purchased in connection therewith, including any attached items such as carpeting, curtain rods and light fixtures, but exclusive of any settlement or financing costs or any amount paid for property which is not real property or a fixture, is \$ _____. The Owner is not purchasing any unattached items from the Seller in connection with the purchase of the Residence, unless identified in Exhibit A attached hereto if necessary.
 - ii. The property value of the Residence, per appraisal dated _____, is \$ _____.
 - iii. The total purchase price, listed in clause i. and the appraised value, listed in clause ii., is less than 95 percent of the area median purchase price as established by the maximum Property Value Limit of **\$199,500** for a one-family dwelling, as established annually by HUD.
- b. **Term and Security.**
 - i. For the purposes of this Agreement, the "HOME Affordability Period" shall mean ten (10) years from _____; the date the Project is identified as "completed" in HUD's Integrated Disbursement Information System.
 - ii. The term "Eligible Properties" shall mean single-family residential detached and attached Residences located within the corporate boundaries of the City.
- c. **Recapture Provisions.** The City has adopted a Recapture Policy based upon the guidance found in Code of Federal Regulations Title 24, Section 92.254.
 - i. The Owner agrees, among other things, within the HOME Affordability Period, to notify the City of any proposed sale of the Residence.
 - ii. In the event of a sale, conveyance or other transfer of the Residence excluding any one or more of the following (each, a "Permitted Transfer"): any sale, conveyance or transfer (A) to a spouse upon a dissolution of marriage, (B) to the surviving spouse upon the death of a joint tenant Owner, (C) by will, or (D) upon foreclosure or deed in lieu of foreclosure, provided however that there are no Net Proceeds (as hereinafter defined) from the foreclosure or deed in lieu of foreclosure or that the City has received all or a portion of the Deferred Loan from the Net Proceeds (as herein below as outlined) from the foreclosure or deed in lieu of foreclosure, then the City shall receive a portion of the Deferred Loan (as herein below as outlined) from the Net Proceeds.
 - iii. The portion of Deferred Loan received by the City from the Net Proceeds is based upon the proration of the remaining years of the HOME Affordability Period at the time of a sale, conveyance or other transfer of the Residence, excluding those

Permitted Transfers described in clause ii. The table below describes the portion of the Deferred Loan the City will receive from the Net Proceeds.

Sale occurs within:	1 st Year of 10 Year Period	2 nd Year of 10 Year Period	3 rd Year of 10 Year Period	4 th Year of 10 Year Period	5 th Year of 10 Year Period
Portion of Grant Received	90% (Max Amount to be recaptured: \$xxx)	80% (Max. Amount to be Recaptured: \$xxx)	70% (Max. Amount to be Recaptured: \$xxx)	60% (Max. Amount to be Recaptured: \$xxx)	50% (Max. Amount to be Recaptured: \$xxx)

Sale occurs within:	6 th Year of 10 Year Period	7 th Year of 10 Year Period	8 th Year of 10 Year Period	9 th Year of 10 Year Period	Year of 10 Year Period
Portion of Grant Received	40% (Max Amount to be recaptured: \$xxx)	30% (Max. Amount to be Recaptured: \$xxx)	20% (Max. Amount to be Recaptured: \$xxx)	10% (Max. Amount to be Recaptured: \$xxx)	0% (Max. Amount to be Recaptured: \$xxx)

- iv. For the purposes of this Agreement, “Net Proceeds” of a sale are an amount equal to the sales price minus the amount of the loan repayment, other than the HOME Investment, and reasonable closing costs; or, in the event of a foreclosure, the amount stated to be “surplus funds” as indicated in the “Report of Sale” filed with the Court.
 - v. The amount due shall not exceed the total amount of the original HOME investment.
 - vi. As used herein, the term “Permitted Refinancing” shall mean a refinancing to lower the interest rate, decrease the loan term or lower the monthly payment of such first mortgage loan, but not a refinancing that increases the outstanding balance of such first mortgage loan, increases the interest rate or by any other means reduces borrower equity in the Residence or increases borrower obligations. Any Permitted Refinancing must be approved by the City, in writing, in advance.
 - vii. If none of the events described in clauses above occurs prior to the expiration of the HOME Affordability Period, or if any sale, conveyance or transfer of the Residence occurs due to a Permitted Transfer, the provisions of the Agreement and corresponding Deferred Loan Documents (as hereinafter defined) shall be forgiven in their entirety.
- d. Residency Status. In accordance with Section 92.254, Title 24 of the Code of Federal Regulations, the Project shall remain the principal residence of the Owner throughout the HOME Affordability Period regardless of the applicable Recapture Provisions of the Residence described in Section c.
- i. The Owner agrees, among other things, within the HOME Affordability Period, regardless of the applicable Recapture Provision of the Residence: to not vacate and then lease the Residence.
 - ii. Notwithstanding clause I, in the event that the Owner should vacate and then lease the Residence within the HOME Affordability Period, the Owner agrees, upon written demand from the City sent to the Owner’s last known address, to re-occupy the Residence within a reasonable time as determined by the City and remain in the Residence until the expiration of the HOME Affordability Period.

- iii. If re-occupancy, described in clause (ii), does not occur the Owner agrees to repay the total amount of the Deferred Loan, as set forth in Section a., to the City. The repayment shall become due and payable upon the City's demand.
 - iv. If none of the events described in clauses above occurs prior to the expiration of the HOME Affordability Period, the provisions of the Agreement and corresponding Deferred Loan Documents (as hereinafter defined) shall be forgiven in their entirety.
- e. Deferred Loan Documents. Upon the City's approval of the Project, the Owner shall deliver to the City executed copies of the following documents, in the numbers set forth below, and such other documents as the City may require, in its sole discretion, all executed in the manner indicated therein, and in form and substance acceptable to the City (collectively, including this Agreement, "Deferred Loan Documents):
- i. Notice of Use Restriction for Residences; and
 - ii. Any and all other documents and showings requested by the City.
- f. Payment. Any portion of the Deferred Loan required for the Project shall be disbursed at the closing.
- g. Errors and Omissions/Compliance. The Owner agrees, upon request by the City or its representative, to fully cooperate and adjust for clerical errors, any or all Deferred Loan documents if deemed necessary or desirable in the reasonable discretion of the City.
5. **HOME BUYER PROGRAM REQUIREMENTS.**
- a. Governmental Approvals. The Owner shall obtain or cause to be obtained all Federal, State and local governmental approvals required by law for the Project.
 - b. Compliance with Laws. The Owner shall cause the Project to comply with all Federal, State and local codes, ordinances, zoning ordinances, including but not limited to, the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 *et seq.*), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 *et seq.*), the Lead-Based Paint Exposure Reduction Act (15 U.S.C. 2601 *et seq.*), and 24 C.F.R. 35), each as respectively amended from time to time, and the housing quality standards set forth in the Agreement and Program Regulations. The Owner shall cause the Project to remain in compliance not only at time of Deferred Loan assistance, but throughout the HOME Affordability Period.
 - c. Certification of Income. The Owner shall, upon the City's request, certify as to its household income on the form provided by the City. The Owner shall provide such written evidence substantiating the information on such Certification of Income Eligibility as the City may require.
 - d. Certification of Occupancy. Within the HOME Affordability Period, the Owner shall comply with the Annual Certification of Occupancy that is required by the City. The Owner agrees, during the HOME Affordability Period, to sign annually an affidavit certifying that the Residence is still the principal residence of the Owner. The schedule of annual certification shall be provided to the Owner by the City upon closing of the Deferred Loan.
 - e. Inspection. The City shall have the right to inspect the Residence during the course of the Project. The Residence shall pass such inspection as determined by the City's inspector.
 - f. Insurance Proceeds. If the Owner receives insurance proceeds for any damage or destruction to the Residence occurring during the course of the Project, the Owner shall apply such proceeds to the repair of such damage or destruction, if practicable in the City's judgment.
6. **NON-DISCRIMINATION.** The Owner shall require that all contractors comply with all of the provisions of Paragraph 282 of the HOME Act, and all provisions of Federal, State and local laws relating to non-discrimination, as applicable.

7. **CONFLICTS**. Owner shall not enter into any contract or agreement with any party which is directly or indirectly controlling, controlled by or under common control with an employee, agent, consultant, officer or elected or appointed official of the City, or, in some circumstances, business associates or members of the family of such individuals (an "Affiliate"), except upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any Affiliate.
8. **RECORDS**. At the request of the City, the Owner shall furnish such reports, records and information in connection with the Project required by the City, and shall give specific answers to questions from the City from time to time relative to the Owner's income, assets, liabilities, or contracts, all relating to the Project, and the maintenance, occupancy, and physical condition of the Residence.
9. **INDEMNIFICATION**.
 - a. The Owner hereby agrees to indemnify the City and the City's respective officers, agents, employees or servants against and hold them harmless from, liabilities, claims, damages, losses and expenses, including, but not limited to, legal defense costs, attorney's fees, settlements or judgments, whether by direct suit or from third parties, arising out of the Owner's performance under this Agreement or the work performed by a contractor in connection with the Project, in any claim or suit brought by a person or third party against the City or the City's officers, agents, employees or servants.
 - b. If a claim or suit is brought against the City or the City's respective officers, agents, employees or servants, for which the Owner is responsible pursuant to Paragraph 9(a), the Owner shall defend, at the Owner's cost and expense, any suit or claim, and shall pay any resulting claims judgments, damages, losses, costs, expenses or settlements against the City or the City's respective officers, agents, employees or servants.
10. **DEFAULT**. Violation of any of the provisions of this Agreement by the Owner shall be deemed an "Event of Default" hereunder. The City shall give written notice of an Event of Default to the Owner, as provided in Paragraph 12 hereof. If (i) such Event of Default is not corrected to the satisfaction of the City within thirty (30) days after the date such notice is given, or within such further time as the City in its sole discretion permits (but if such Event of Default is of a nature that it cannot be cured within such thirty (30) day period, then so long as the Owner commences to cure within such thirty (30) day period and diligently pursues such cure to completion within a reasonable period not to exceed one hundred twenty (120) days from the date of such notice, it shall not be considered to be an Event of Default), or (ii) if there exists any Default under any other Deferred Loan Document, the City may declare a default under this Agreement ("Default"), effective on the date of such declaration of Default and notice thereof to the Owner, and upon such default the City may:
 - a. Terminate this Agreement;
 - b. Exercise any rights it may have under the Deferred Loan Documents; and
 - c. Exercise such other rights or remedies as may be available to the City, at law or in equity.

The City's remedies are cumulative, and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of any other remedy by the City. No waiver of any Event of Default of this Agreement by the City shall be deemed to be a waiver of any other Event of Default or a subsequent Event of Default. If the City fails to exercise, or delays in exercising, any right under this Agreement, such failure or delay shall not be deemed a waiver of such right or any other right.

11. **AMENDMENT.** This Agreement shall not be altered or amended except in a writing signed by the parties hereto.
12. **NOTICES.** Any notice, demand, request or other communication that any party may desire or may be required to give to any other party hereunder shall be given in writing, at the addresses set forth in the preliminary paragraph hereof, by any of the following means: (a) personal service; (b) electronic communication, whether by telegram or telecopier, together with confirmation of transmission; (c) overnight courier; or (d) registered or certified United States mail, postage prepaid, return receipt requested. Such addresses may be changed by notice to the other party given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to either subsection 12(a) or 12(b) hereof shall be served and effective upon such personal service or upon dispatch by such electronic means. Any notice, demand, request or other communication sent pursuant to subsection 12(c) shall be served and effective one business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection 12(d) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.
13. **SUCCESSORS.** This Agreement shall bind, and the benefits shall inure to, the parties hereto, their legal representatives, successors in office or interest and assigns, provided that the Owner may not assign this Agreement, its right to the Deferred Loan proceeds or any of its obligations hereunder without the prior written approval of the City.
14. **SURVIVAL OF OBLIGATIONS.** The Owner's obligations, excluding Recapture Provisions described in Section c. and Section d., as set forth in this Agreement, shall survive the disbursement of the Deferred Loan and HOME Affordability Period, and the Owner shall continue to cooperate with the City and furnish any documents, exhibits or showings required.
15. **CONSTRUCTION OF AGREEMENT.**
 - a. **Partial Invalidity.** If any term, covenant, condition or provision of this Agreement, or the application thereof to any circumstance, shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application thereof to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
 - b. **Gender.** The use of the plural in this Agreement shall include the singular, the singular shall include the plural, and the use of any gender shall be deemed to include all genders.
 - c. **Captions.** The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of the intent of any provision of the Agreement.
 - d. **Construction.** This Agreement shall be construed and interpreted in accordance with the laws of the State of Illinois.
16. **COUNTERPARTS.** This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same agreement.
17. **WAIVER OF JURY TRIAL.** THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PROGRAM OR THIS AGREEMENT.

18. **LIABILITY OF CITY.** In no event shall the City be liable to the Owner for consequential or incidental damages, including, without limitation, lost profits, whatever the nature of the breach by the City of its obligations under this agreement or the Deferred Loan Documents or in connection herewith or with the Project, and the Owner waives all claims for consequential and incidental damages and for all damages described in Paragraph 19 below.
19. **FUNDING.** The parties acknowledge that the Deferred Loan is to be funded with monies provided by HUD, and that the City is under no obligation to request such funds for any disbursement of Deferred Loan proceeds unless and until all necessary preconditions to disbursement have been satisfied to the City's satisfaction, and that significant time delays might result from the funding of such monies by HUD. Without limiting the generality of Paragraph 18 above, in no event shall the City be liable to the Owner for any damages whatsoever which might result in whole or in part from any delays in funding any proceeds of the Deferred Loan.

[Signatures on Next Page]

IN WITNESS THEREOF, I have hereunto set my hand and seal this _____ day of _____, 2024.

BUYER

STATE OF ILLINOIS,)
) SS
COUNTY OF CHAMPAIGN)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____, 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/she/they signed, sealed, and delivered the said instrument as a free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

GIVEN under my hand and notarial seal, this _____ day of _____ 2024.

Notary Public

CITY OF URBANA, an Illinois Municipal corporation,

By: _____
Grants Division Manager

Prepared by and Return to:
City of Urbana
Grants Division
400 South Vine Street
Urbana, Illinois 61801
(217) 384-2447

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ATTACHMENT 9: Statement of Special Conditions and Compliance with Uniform Administrative Requirements

The DEVELOPER understands and agrees that it is eligible to receive funds for Project No. **Habitat CHDO Developer PY 2023** pursuant to this agreement.

The following conditions, in addition to those established in the agreement itself, and other attachments thereto, and federal, state, county and city laws, regulations, and procedures pertinent to this PROJECT, have been set forth and must also be complied with in order for DEVELOPER to receive HOME Program Assistance for Project No. **Habitat CHDO Developer PY 2023**.

1. The DEVELOPER agrees that funds received from the City pursuant to this agreement shall be used to cover project costs. The DEVELOPER shall report semi-annually for periods ending December 31st and June 30th all program income generated by activities carried out with HOME funds made available under this agreement. The DEVELOPER shall manage program income generated during activities permitted under this agreement as per Article XIII of the Habitat CHDO Developer Agreement FY 2022-2023. The DEVELOPER shall follow the program income requirements as outlined in Section 200.307 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule ("Omni Circular").
6. The DEVELOPER agrees to submit semi-annual Progress Reports to the City in an agreed upon format. Progress Reports shall be due December 31st and June 30th. The City shall not process final billing requests for payment until a final Progress Report upon project completion is submitted.
7. The DEVELOPER agrees to maintain financial records in accordance with the applicable federal guidelines outlined in 2 CFR Part 200 and to separately and accurately identify use of HOME Program funds pursuant to this agreement.
8. The DEVELOPER acknowledges and affirms that it has the organizational capacity to adhere to collection and reporting requirements, regarding performance measures, as required by Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule Subpart D, Sections 200.300-200.303. Such performance measures will be decided upon by the DEVELOPER and the City's Housing and Grants Administrator. The DEVELOPER is permitted to demonstrate organizational capacity by various methods, including but not limited to:
 - Use of HUD-approved standard information collections when providing financial and performance information as outlined in 2 CFR Part 200;
 - Providing financial data showing performance accomplishments of the Grant award;
 - Cost information shall be distributed to the City to demonstrate cost effective practices;
 - DEVELOPER shall provide the City with the same information required by the Federal awarding agency under sections 200.301 and 200.210; and
 - All expenditures shall be accounted for, in compliance with requirements under section 200.302, as interpreted by the City.
9. The DEVELOPER agrees to follow either the procurement guidelines set forth in Section 200.320 of the Omni Circular, or the procurement guidelines/standards which the

DEVELOPER uses during its normal course of business; whichever of the two guidelines is more restrictive. If the procurement methods that the DEVELOPER uses during its normal course of business are more restrictive, those guidelines shall be used, and a copy of those guidelines will be attached to this agreement as Attachment D and will be incorporated into this agreement by reference. If the procurement guidelines set forth in Section 200.320 of the Omni Circular are more restrictive, then the program procurement methods shall be limited to procurement by (a) small purchase procedures; (b) sealed bids; (c) competitive proposals; or (d) noncompetitive proposals, as directed by and outlined in Section 200.320.

10. The DEVELOPER agrees to provide the City's Community Development Services Department with regular reports, and any other reports which the Department may require for compliance under this agreement, including reports on performance measures, as outlined in Section 200.301 of the Omni Circular. The DEVELOPER and the City shall decide upon such performance measures based on the requirements outlined by HUD for the category of eligible activities that the DEVELOPER'S program engages in. The DEVELOPER shall use HUD-approved information collection standards, when providing financial and performance information. The DEVELOPER shall provide financial data, and its relation to performance accomplishments, of the federal award. The DEVELOPER agrees to provide the City with (a) documents pertaining to procedures; (b) copies of all contracts and subcontracts for work financed in whole or in part with assistance provided under this agreement; and (c) (if applicable) regularly updated schedules of program activities.
11. The DEVELOPER shall obtain written permission from the Grants Management Division Manager or Community Development Director prior to any change in the approved budget or program plans following Omni Circular Section 200.308(C) (increase or decrease) of ten percent (10%) of the line item's budget or \$500, whichever is less, to any account under the DEVELOPER'S line item budget. In order for the City to approve such a request, the DEVELOPER'S written request must contain, at a minimum: (a) the reason and justification for the change; (b) the amounts to be changed; and (c) a description of which line items are affected. Changes made without the City's prior approval may result in non-reimbursement of expenditures from those affected line items.
12. The DEVELOPER shall carry sufficient insurance coverage to protect agreement assets from loss due to theft, fraud and/or undue physical damage, and as a minimum shall purchase a blanket fidelity bond covering all employees in an amount equal to any HOME cash advances. The DEVELOPER shall comply with the bonding and insurance requirements of the Omni Circular 200.310 and 200.325, Insurance and Bonding requirements.
13. The DEVELOPER further agrees to maintain written standards of conduct covering conflicts of interest, as outlined in the Omni Circular Sections 200.318(c)(1) & (2). These standards of conduct will include language stating that no employee, officer, or agent will participate in the selection, award or administration of a contract supported by HOME funds, if that employee, officer or agent has a real or apparent conflict of interest. Conflicts of interest arise if the employee, officer, agent, the immediate family member of such a person, the partner of such a person, or an organization which employs such a person or is about to employ such a person, has any financial or other interest in or may gain a tangible personal benefit from a firm considered for a contract. Such officers, employees or agents of the DEVELOPER may not solicit or accept anything of monetary value from contractors or subcontractors, unless it is an unsolicited gift of nominal value which would in no way influence the recipient to engage in conduct which would amount to a conflict of interests.

The written standards must also include standards of conduct covering organizational conflicts of interest, in which the DEVELOPER may be unable or appears to be unable to be impartial in conducting procurement actions due to relationships between the DEVELOPER and relationships with a parent company, affiliate, or subsidiary organization. The written standards provided by the DEVELOPER will include disciplinary actions to be applied for violations of such standards.

14. As a non-governmental entity, the DEVELOPER shall comply with the regulations, policies, guidelines, requirements and standards of federal guidelines outlined in 2 CFR Chapter I, Chapter II, Part 200, *et al*, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule" Omni Circular, as specified in this paragraph:

- Subpart B - "General Provisions";
- Subpart C - "Pre-Federal Award Requirements and Contents of Federal Awards," except for Section 200.203, "Notices of funding opportunities," 200.204, "Federal awarding agency review of merit of proposals," 200.205, "Federal awarding agency review of risk posed by applicants," and 200.207, "Specific conditions," which are required only for competitive federal awards;
- Subpart D - "Post Federal Award Requirements Standards for Financial and Program Management," except for:
 - A. Section 200.305, "Payment." The City shall follow the standards contained in 24 CFR 85.20(b)(7) and 85.21 in making payments to the DEVELOPER;
 - B. Section 200.306, "Cost Sharing or Matching";
 - C. Section 200.307, "Program Income." In lieu of paragraph 200.307, the DEVELOPER shall follow HOME program regulations;
 - D. Section 200.308, "Revision of Budget and Program Plans";
 - E. Section 200.311, "Real property." In lieu of 200.311, the DEVELOPER shall follow HOME program regulations;
 - F. 24 CFR 84.34(g) "Equipment." In lieu of the disposition provisions of paragraph 84.34(g), the following applies:
 - i. In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which HOME funds were used to acquire the equipment); and
 - ii. Equipment not needed by the DEVELOPER for HOME activities shall be transferred to the City for the HOME program or shall be retained after compensating the recipient;
 - G. 24 CFR 84.51(b), (c), (d), (e), (f), (g), and (h), "Monitoring the Reporting Program Performance";
 - H. 24 CFR 84.52, "Financial Reporting";
 - I. 24 CFR 84.53(b), "Retention and Access Requirements for Records," applies with the following exceptions:
 - i. The retention period referenced in paragraph 84.53(b) pertaining to individual HOME activities shall be eleven years following grant close out; and
 - ii. The retention period starts from the date of submission of the

annual performance and evaluation report, as prescribed in 24 CFR 91.520 in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;

J. 24 CFR 84.61 "Termination".

- Subpart D - "After-the Award Requirements," except for 24 CFR 84.71, "Closeout Procedures."

15. Records maintained by the DEVELOPER pursuant to this agreement shall be available for inspection upon request by the City and HUD.

**Attachment 10:
CITY OF URBANA
INDIRECT HOMEBUYER ASSISTANCE
LAND-USE REGULATORY AGREEMENT**

THIS LAND-USE REGULATORY AGREEMENT (the "Agreement") is made and entered into as of this ___ day of _____, _____, by and between <Buyer Name> (the "Borrower"), and the City of Urbana, Illinois, a unit of local government having its principal offices at 400 South Vine Street, Urbana, Illinois 61801, as the Lead Entity of the Urbana HOME Consortium (the "Grantor") as a condition of and in partial consideration for the Borrower's purchase of the property set forth below and delivery of a deed for that property to the Borrower pursuant to the agreement between the Borrower and Habitat for Humanity of Champaign County on <date property closed in IDIS>

RECITALS

- A. The Grantor receives funds to promote affordable housing from the U.S. Department of Housing and Urban Development ("HUD") through the HOME Investment Partnerships Program (the "HOME Program"), as authorized by Title II of the National Affordable Housing Act of 1990 (P.L. 101-165) (the "HOME Act") and the regulations promulgated thereunder and codified at 24 CFR Part 92 (the "HOME Regulations"), as may be amended and supplemented from time to time. All capitalized terms used herein and not otherwise defined shall have the meaning established in the HOME Act and the HOME Regulations.
- B. The Grantor has elected to utilize <amount of HOME funds committed> from the HOME Program to promote homeownership to low-income families through Habitat for Humanity of Champaign County's ("Habitat") Affordable Homeownership Program, whereby Habitat acquired property located at <address of unit> more particularly described in Exhibit A (the "Property") for re-sale to Borrower.
- C. The Grantor has determined that the rights and restrictions granted herein to the Grantor serve the public's interest in the creation and retention of affordable housing for low-income persons and families in the restriction of whom the Property may be resold to in order to assure the property's affordability by future low-income purchasers.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. **RECITALS.** The foregoing recitals are made a part of this Agreement.
2. **GENERAL CONDITIONS.** This Agreement shall be subject to, and Borrower agrees to comply with the terms and conditions of the HOME Act and Regulations, as amended and supplemented from time to time.
3. **BORROWER CERTIFICATIONS.** The Borrower certifies to the Grantor the following.
 - (a) **Household Income.** At the time of execution of this contract, the Borrower's family income does not exceed eighty percent (80.0%) of the median family income based upon family size, for Champaign County, Illinois as determined by U.S. Department of Housing and Urban Development (HUD).
4. **RESALE RESTRICTIONS DURING AFFORDABILITY PERIOD.** The Borrower agrees that this Agreement shall restrict the subsequent sale of the Property to a household having income at or below eighty percent (80.0%) of the median family income based upon family size, for Champaign County, Illinois as determined by HUD. This requirement will terminate _____ years from the date of that this activity is marked as "Completed" on HUD's Integrated Disbursement and Information System.
5. **ACTS REQUIRING GRANTOR'S APPROVAL.** Borrower shall occupy the Property as their principal residence until the conclusion of the affordability period, and not convey or transfer or encumber the Property, or permit the conveyance or transfer of the Property or any part thereof without the written approval from the Grantor.

In order to transfer the Property, the Grantor must document the household income of any new buyer to ensure that the new household's income is at or below eighty (80.0%) of the median family income based upon family size for Champaign County, Illinois as determined by HUD. Resale of the property will be conducted in the manner stipulated in the 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan and incorporated into this contract as Exhibit B.
6. **PROPERTY TRANSFER.** If Borrower transfers ownership of the Property during the affordability period as defined in Section 4, the Borrower is allowed to receive a fair return of investment in the property. Homeowner investment is defined as the sum of downpayment, capital improvements, and loan principal payments. The sales price may also encompass the increase in the value of owner equity and investment as calculated by the cumulative percentage of change which is calculated by the Housing Price Index (HPI) calculator of the Federal Housing Finance Agency. Resale provisions are subject to the Resale and Recapture Guidelines presented in greater detail in Exhibit B. Costs associated with repairs and maintenance shall not be included as homeowner investment. In this instance, the affordable price by which the property can be sold to a subsequent

buyer results in a monthly housing cost for principal, interest, taxes and insurance of not more than 30% of the gross monthly income for a household below 80% of the area median income for the Champaign County Area.

- (a) Transfer to Low-Income Family. Borrower will be allowed to retain all sales proceeds if the Property is transferred to a low-income family as defined in Section 5 and in the manner stipulated in the 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan.
7. FORECLOSURE. The affordability requirements as stated herein may terminate upon foreclosure or transfer in lieu of foreclosure in accordance with HUD regulations at 24 CFR Part 92.254(a). Said restrictions shall include that Grantor may use purchase options, rights of first refusal or other preemptive rights to purchase the property before foreclosure or deed in lieu of foreclosure to preserve affordability.
8. VIOLATION OF AGREEMENT BY BORROWER. Upon violation of the affordability requirements of this Agreement by the Borrower, Grantor shall give written notice thereof to Borrower. If such violation is not corrected to the satisfaction of Grantor within thirty (30) days after the date such notice is mailed, or within such further time as the Grantor in its sole discretion permits (but if such violation is of a nature that it cannot be cured within such thirty (30) day period, then so long as the Borrower commences to cure within such thirty (30) day period and diligently pursues such cure to completion within a reasonable period not to be considered a violation), Borrower may declare a default under this Agreement, effective on the date of such declaration of default and notice thereof to the Borrower, and upon such default Grantor may:
- (a) Require that the Property be purchased by a household that meets the affordability requirements in Section 4.
 - (b) If the Property cannot be purchased by a low-income family as defined in Section 4 or has been purchased by a non-low-income household as defined in Section 4, Grantor requires that the HOME investment as defined in "Recital B" be repaid to the Grantor.
9. TERMS OF AGREEMENT; COVENANTS RUN WITH PROPERTY. The requirements and agreements set forth in this Agreement shall be deemed to run with, bind, and burden the Property and shall be deemed to bind any New Buyer and any other future owners of the Property and the holder of any legal, equitable, or beneficial interest therein for the Affordability Period.
10. INDEMNIFICATION.
- (a) The Borrower shall indemnify the Grantor and the Grantor's officers, agents, employees, or servants against, and hold them harmless from, liabilities, claims, damages, losses, and expenses, including but not limited to, legal defense costs, attorneys' fees, settlements, or judgments, whether by direct suit or from third

parties, arising out of the Borrower's purchase of the Property in any claim or suit brought by a person or third party against the Grantor or the Grantor's officers, agents, employees, or servants.

(b) If a claim or suit is brought against the Grantor or the Grantor's officers, agents, employees, or servants, for which the Borrower is responsible pursuant to Subsection (a) above, the Borrower shall defend, at the Borrower's cost and expense, any suit or claim, and shall pay resulting claims, judgments, damages, losses, costs expenses, or settlements against the Grantor or the Grantor's officers, agents, employees, or servants.

- 11. AMENDMENT. This Agreement shall not be altered or amended except in writing and signed by the parties hereto.
- 12. COUNTERPARTS. This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same agreement.
- 13. NOTICES. Notices and communications under this Agreement shall be sent first class, prepaid to the respective parties as follows.

TO THE CITY: Grants Management Division
 City of Urbana
 400 South Vine Street
 Urbana, IL 61801

TO: <Borrower Name>
 <Borrower Address>

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written.

BORROWERS:
Customer Name

Signature

GRANTOR:
CITY OF URBANA, ILLINOIS

By: _____
Manager, Grants Management Division

Document Created By:
Grants Division
City of Urbana
400 South Vine Street
Urbana, IL 61801
217-384-2441

Return Document To:
Grants Division
City of Urbana
400 South Vine Street
Urbana, IL 61801
217-384-2441

Exhibit A: Legal Description

Exhibit B: City of Urbana Resale and Recapture Guidelines for HOME Program Activities

