



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: John A. Schneider, MPA, Manager, Community Development Services

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

DATE: January 19, 2018

SUBJECT: A RESOLUTION APPROVING AN AMENDMENT TO AN URBANA HOME CONSORTIUM SUBRECIPIENT AGREEMENT (Habitat for Humanity FY 2017-2018)

Description

Included on the agenda of the regular meeting of the Urbana Community Development Commission is a Resolution proposing an amendment to a previously executed Urbana HOME Consortium Subrecipient Agreement with Habitat for Humanity of Champaign County.

The agreement allocated \$150,000 from Champaign's allocation of HOME funds to assist Habitat for Humanity of Champaign County by partially subsidizing the creation of four new homeownership units to be sold to income-eligible buyers.

Issues

The issue is whether the Community Development Commission (CDC) should forward the Resolution approving an amendment to the Subrecipient Agreement between the Urbana HOME Consortium and Habitat for Humanity of Champaign County to the Urbana City Council with a recommendation for approval.

Background

On January 27, 2017, the City of Urbana issued a Request for Proposals with a deadline for proposal submission on February 27, 2017. Three responses were received, and the Urbana HOME Consortium Technical Committee examined the projects and conditionally awarded \$150,000 to each applicant, pending approval by the Urbana City Council. The funding proposed for this agreement with Habitat for Humanity is from the City of Champaign's allocation of FY 15-16 HOME funding.

To reallocate funding to the awarded projects, the City of Urbana was required to complete an Annual Action Plan amendment, which was the subject of a public hearing on March 28, 2017, and was approved by the Urbana City Council on May 1, 2017. The Subrecipient Agreement between the Urbana HOME Consortium and Habitat for Humanity of Champaign County was authorized by the Urbana City Council through Resolution No. 2017-08-52R signed on August 23, 2017. The Subrecipient Agreement was subsequently signed on August 30, 2017.

The existing approved agreement provided that the total award amount of \$150,000 was proposed to be split among new construction activities at 1206 Church Street and 1204 Church Street in Urbana and a rehabilitation activity at 610 Phillips Drive in Champaign, while the remaining \$37,500 was to be applied to a future project at a location yet to be determined. The two new construction activities on Church Street have been completed and sold to income-eligible buyers.

The mortgage lender for the purchaser of 610 Phillips Drive did not accept the HOME regulatory restrictions that the Urbana HOME Consortium is required to apply to all properties assisted with HOME funds. The home at 610 Phillips Drive was sold, but Habitat does not intend to seek reimbursement from the Urbana HOME Consortium for the activity.

Discussion

On January 2, 2018, Habitat requested that the Urbana HOME Consortium replace the affordable homeownership rehabilitation activity at 610 Phillips Drive with the new construction activity at 1404 W. Beslin Street in Urbana. Habitat would also like to designate the new construction project at 1406 W. Beslin Street as the fourth and final property to receive development subsidy through this Subrecipient Agreement.

The foundations for the two projects on Beslin have been completed, and construction on 1406 Beslin is expected to begin in March, while construction on 1404 Beslin is expected to start on May 1, 2018. Completion of both units is expected by the end of the summer.

Options

1. Forward the Resolution approving an amendment to an Urbana HOME Consortium Subrecipient Agreement with Habitat for Humanity of Champaign County to the Urbana City Council with a recommendation for approval.
2. Forward the Resolution, with suggested changes, to the Urbana City Council with a recommendation for approval.
3. Do not recommend Council approval of the Resolution.

Fiscal Impacts

There will be no fiscal impact on the City General Fund, as it would reallocate half of the \$150,000.00 in HOME funding administered under this Subrecipient Agreement to activities in different locations. The proposed amendment simply changes the location of the third activity and identifies the location of the final activity.

Programmatic Impacts

The new construction activities that would be made possible through the proposed amendment are in keeping with the goals and strategies outlined in the City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2015-2019. Since all \$150,000 of the award has already been committed to Habitat in HUD's Integrated Disbursement and Information System, the proposed

amendment would not be redirecting funding from any other activities.

Recommendations

Staff recommends approval of the proposed Resolution.

Prepared by:



Matthew Rejc, AICP
Community Development Coordinator
Grants Management Division

Attachments:

1. A RESOLUTION APPROVING AN AMENDMENT TO AN URBANA HOME CONSORTIUM SUBRECIPIENT AGREEMENT (Habitat for Humanity FY 2017-2018)
2. An Amendment to an Urbana HOME Consortium Subrecipient Agreement (Habitat for Humanity FY 2017-2018)

RESOLUTION NO. _____

**A RESOLUTION APPROVING AN AMENDMENT TO AN URBANA HOME
CONSORTIUM SUBRECIPIENT AGREEMENT**

(Habitat for Humanity FY 2017-2018)

WHEREAS, The City Council of the City of Urbana, Illinois, has found and determined that execution of the attached amendment to a subrecipient 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 2015-2019 Consolidated Plan*.

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

Section 1. That the Urbana City Council hereby approves the attached Amendment in substantially the same form as attached hereto.

Section 2. That an Amendment to an Agreement providing \$150,000 in HOME Program funds, for the creation of four (4) affordable single family units, between the City of Urbana and Habitat for Humanity of Champaign County, in substantially the form of the copy of said Amendment attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 3. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Amendment as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED BY THE CITY COUNCIL this _____ day of _____, _____.

AYES:

NAYS:

ABSTAINED:

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Diane Wolfe Marlin, Mayor

**AN AMENDMENT TO AN URBANA HOME CONSORTIUM SUBRECIPIENT
AGREEMENT**

(Habitat for Humanity FY 2017-2018)

THIS Amendment is made this ____ day of _____, 2018, 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 “**SUBRECIPIENT**”).

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.*) (herein after 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, 2015**, and ending **June 30, 2016**, to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County; and

WHEREAS, the GRANTOR, as the administrator of the Urbana HOME Consortium, has authority under the provisions of the HOME Program to amend HOME Agreement; and

WHEREAS, on August 21, 2017, the Urbana City Council passed a Resolution Approving and Authorizing the Execution of an Urbana HOME Consortium Subrecipient Agreement; and

WHEREAS, on August 30, 2017, the Urbana HOME Consortium and Habitat for Humanity of Champaign County executed an agreement dedicating \$150,000 in HOME funds for the purpose of an affordable homeownership program; and

WHEREAS, the GRANTOR and the SUBRECIPIENT desire to amend said Agreement to modify and clarify certain conditions,

NOW, THEREFORE, for and in consideration of the agreement and of the mutual covenants herein contained, the parties agree to the following changes to the Agreement:

1) The SUBRECIPIENT and the GRANTOR agree that Article I: HOME REQUIREMENTS, Section 1: Use of Funds, is changed as follows:

- c.) The SUBRECIPIENT shall own or purchase the real property for the Project in the following locations: **1204 Church Street, 1206 Church Street, 1404 Beslin Street, and 1406 Beslin Street in Urbana.**
- d.) ~~The SUBRECIPIENT shall own or purchase real property in the City of Champaign, City of Urbana, or unincorporated Champaign County on which one other single-family housing unit will be constructed or rehabilitated subject to HOME Program guidelines, in addition to the three properties identified in paragraph c.). **The SUBRECIPIENT shall provide the address of the property on which the one other single-family housing unit in question will be located within nine (9) months of the date on which this agreement is executed.**~~

Paragraph d.) of Article I, Section 1 is hereby deleted, as the SUBRECIPIENT has fulfilled its requirement.

All other provisions of said Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals, and have caused this instrument to be executed by their duly authorized officials and corporate seals affixed hereto, all on the day and year first above written.

GRANTOR:

SUBRECIPIENT:

Diane Wolfe Marlin, Mayor

Signature

Date

Title

Attest