



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor, City of Urbana

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

DATE: October 10, 2013

SUBJECT: A RESOLUTION AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE HOUSING AUTHORITY OF CHAMPAIGN COUNTY REGARDING REDEVELOPMENT OF ASPEN COURT AND URBANA TOWNHOMES

Description

Included on the agenda of the October 14, 2013 meeting of the Urbana Community of the Whole is a Resolution Authorizing the Execution of an Intergovernmental Agreement with the Housing Authority of Champaign County Regarding the Redevelopment of Urbana Townhomes and Aspen Court Apartments. As the current owner of Urbana Townhomes, the City was approached by the Housing Authority of Champaign County to enter into such an agreement in support of soliciting a private developer to redevelop both sites as a single undertaking, with the intent of remodeling the Aspen Court site and redeveloping Urbana Townhomes with a lower density mixed-income affordable housing development.

Background

The City of Urbana took title to Urbana Townhomes in December, 2012 after the final five buildings of the eight-building complex were condemned in August, 2012 and ultimately vacated by September 15, 2012. Due to the poor condition of the property, public safety nuisance it presented, and destabilizing impact on the already sensitive neighborhood, Council approved the acquisition of the property. The acquisition was made possible through foreclosure proceedings that ultimately led to the donation of the property to the City.

The City Council later approved a budget amendment in February, 2013 to demolish the structures on site. Community Development staff has worked with the Urbana Fire Rescue Services Department to demolish the units in the safest, most cost effective manner through a controlled burn exercise to be performed on six of the eight buildings, followed by demolition of the remaining two units and debris removal. The 93-unit complex tested positive for asbestos in June, 2013, and bids were later processed to remove the asbestos from the buildings in preparation for the burn. Remediation was then completed by a licensed asbestos abatement contractor in September, 2013.

The burns are expected to begin at the end of this month, with a second round of bids for the final phase of demolition and debris removal to occur by the middle of November, or immediately following the final Fire Department burn.

The City has also made previous efforts to revitalize the Aspen Court Apartments complex, which is adjacent to Urbana Townhomes, through a federal HOME Investment Partnerships Program grant allocation. The one-time grant allocation provided funding to rehabilitate 11 of the complex's 140 total units. At the time, the units selected for rehabilitation at 1301-1311 Ivanhoe Way were severely vandalized, with many of the units missing essential appliances, including furnaces and water heaters. As part of an overall rehabilitation effort, the project invested \$164,989 into repairing code deficiencies in the units. The units are under contract to remain affordable under the published HOME rents, which are established annually, through June, 2017.

In addition to the 11 affordable units funded by the City's HOME grant allocation, there are currently 48 HUD-subsidized project-based units in Aspen Court. The 48 HUD-subsidized units serve households at or below 50 percent of the median family income (MFI), as well as households at or below 30 percent MFI. Both the City's units and the HUD units will maintain their affordability as part of the overall redevelopment project.

In spite of these efforts and additional subsequent investment by the owner of the site, Aspen Court Apartments, LLC, the physical needs of the complex exceed the purview of the grant and continue to put pressure on the surrounding neighborhood. A major reinvestment is needed to bring the complex to full occupancy and provide necessary site improvements that will help stabilize the neighborhood, reduce crime, and improve the quality of life for residents. Without substantial reinvestment in the area, the complex is likely to continue to decline and negatively impact the neighborhood.

The proposed agreement would provide a vehicle whereby the Housing Authority and the City could begin to select a participating qualified developer who would be able to access the public and private funds necessary to reinvest and improve the neighborhood, at the benefit of existing and future residents.

Proposed Agreement

The Housing Authority of Champaign County (Housing Authority) recently approached City staff with an opportunity to redevelop both Aspen Court and Urbana Townhomes as a singular, lower density, mixed-income affordable housing development. As the owner of Urbana Townhomes, it is necessary for the City to indicate its willingness to participate in the project in order for the Housing Authority to solicit a developer and pursue this option. The Housing Authority intends to use project-based vouchers to assist with subsidizing the development. The developer would be expected to apply for Low-Income Housing Tax Credits from the Illinois Housing Development Authority (IHDA), as well as seek additional gap financing opportunities, to underwrite the development. IHDA has already indicated a willingness to offer 40 percent Tax Credits to help support the project.

The proposed Intergovernmental Agreement will affirm the City's commitment to the goals outlined in the *2005 Comprehensive Plan* and in the *City of Urbana and Urbana HOME Consortium FY 2010-2014 Consolidated Plan*:

- Goal 1: Provide decent affordable housing opportunities for low- and moderate-income households
 - Activity: Support construction of new affordable rental units through LIHTC, in compatible areas.
 - Activity: Support and provide guidance for for-profit developers building new affordable renter and owner units.
- Goal 2: Address barriers to obtaining affordable housing
 - Activity: Support efforts to increase accessible and visitable housing units for persons with disabilities
- Goal 3: Preserve and improve supply of affordable housing as a community resource
 - Activity: Rental Rehabilitation: Provide HOME funds for rehabilitation of rental housing units to rent to households with incomes at or below 60% of the area median.
- Goal 4: Work with the Housing Authority of Champaign County to improve conditions for residents of public housing.
 - Activity: Strongly encourage the Housing Authority of Champaign County to rehabilitate existing units and develop new units, which would be accessible to families, which include persons with disabilities.
- Goal 9: Preserve and support Urbana's neighborhoods as vibrant places to live.

The Housing Authority is requesting that the City consider including the Urbana Townhomes site as part of the redevelopment for the purpose of addressing the needs of the surrounding neighborhood in a coherent and holistic manner. At least one developer, Herman and Kittle Properties, Inc., has expressed interest in redeveloping the site and has presented their vision to the Housing Authority Board, Urbana City Council, and the Lierman Neighborhood Action Committee. Additional proposals will be procured by the Housing Authority when a formal Request for Proposals is published next month.

The proposed Intergovernmental Agreement will also require the review and acceptance by the Housing Authority Board. Any changes requested by the Board at its October 24, 2013 regular meeting may necessitate reapproval by the City Council.

Options

1. Approve the Resolution Authorizing the Execution of an Intergovernmental Agreement with the Housing Authority of Champaign County Regarding the Redevelopment of Urbana Townhomes and Aspen Court Apartments.
2. Approve the Resolution Authorizing the Execution of an Intergovernmental Agreement

with the Housing Authority of Champaign County Regarding the Redevelopment of Urbana Townhomes and Aspen Court Apartments with changes.

3. Do not approve the Resolution.

Fiscal Impacts

Approval of this Intergovernmental Agreement does not commit any City financial resources to the project at this time. Should a suitable developer be selected by the Housing Authority, further review of fiscal impacts will be conducted as the project progresses. Depending on the partnership structure agreed upon and subsequent long-term ownership of the site, the City could potentially recoup its investment into the Urbana Townhomes property, specifically costs incurred as a result of demolition activities. These decisions will need to be reached after a more thorough financial assessment of all viable options is completed.

Other potential financial impacts of a subsequent development project include any fee or permit waivers requested by the Developer for construction subsidy, federal grant allocations or other financial interests in the project, staff costs associated with plan review and inspections during the construction phase of the project, as well as subsequent routine inspections of the units as part of the Rental Registration Program.

The City and other taxing bodies will receive benefits from taxes generated by the increase in property value that would occur as a result of improvements to the neighborhood. The ultimate tax benefits of the project cannot be determined until the general partnership is made with the private developer, which would ultimately impact the City's tax base. Should the Housing Authority choose to own the land through a fee simple title or 99-year land lease, the property would be tax-exempt. However, as was the case with Crystal View Townhomes, should the majority ownership fall with the property manager, then the project would positively contribute to the City's property tax base, along with those of other taxing bodies.

Recommendation

Staff recommends approval of the Resolution as attached. The proposed agreement will allow the Housing Authority to move forward with soliciting a developer for the site, the partnership of which will allow additional capital investment into the neighborhood that could not be accomplished independently by either the owner of Aspen Court Apartments or the City of Urbana. The City has established a positive working relationship with the Lierman Neighborhood Action Committee (LNAC), and formal City participation in this process will facilitate public input into the future use of the site as plans are developed.

Memorandum Prepared By:

Jen Gonzalez
HOME Grant Coordinator
Grants Management Division

Attachments:

1. A RESOLUTION AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE HOUSING AUTHORITY OF CHAMPAIGN COUNTY REGARDING REDEVELOPMENT OF ASPEN COURT AND URBANA TOWNHOMES
2. INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF URBANA AND THE HOUSING AUTHORITY OF CHAMPAIGN COUNTY REGARDING REDEVELOPMENT OF ASPEN COURT AND URBANA TOWNHOMES
3. Site location map for Aspen Court and Urbana Townhomes

Cc: Edward Bland, HACC
Patty Smith, HACC
Cindi Herrera, HACC

RESOLUTION NO. 2013-10-051R

A RESOLUTION AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE HOUSING AUTHORITY OF CHAMPAIGN COUNTY REGARDING REDEVELOPMENT OF ASPEN COURT AND URBANA TOWNHOMES

WHEREAS, the City Council of the City of Urbana, Illinois, has found and determined that execution of an intergovernmental agreement with the Housing Authority of Champaign County as it relates to the redevelopment of Aspen Court and Urbana Townhomes is desirable and necessary to improve public safety and revitalize a distressed neighborhood.

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

Section 1. That an Intergovernmental Agreement pertaining to redevelopment of Aspen Court and Urbana Townhomes and related activities, between the City of Urbana and the Housing Authority of Champaign County, in substantially the 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 _____ day of _____,

_____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

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

Laurel Lunt Prussing, Mayor

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF
URBANA AND THE HOUSING AUTHORITY OF CHAMPAIGN COUNTY
REGARDING REDEVELOPMENT OF ASPEN COURT AND URBANA TOWNHOMES**

This Intergovernmental Agreement is entered into this ____ day of _____, 2013 by and between the City of Urbana and the Housing Authority of Champaign County (collectively, the “Parties”).

WHEREAS, City of Urbana (hereafter, the “City”) is a municipal corporation, a body politic, and a home rule unit of government pursuant to Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, the Housing Authority of Champaign County (hereafter, the “Authority”) was created by the Illinois State Legislature in 1939 to provide housing for low income families; and

WHEREAS, the Parties have an interest in the provision of quality affordable housing for very low and low income families as well as the overall economic health, well-being, quality of life, safety, and security within the City of Urbana generally including the Lierman neighborhood; and

WHEREAS, the Parties recognize that multi-family residential properties located in the City of Urbana commonly referred to as “Aspen Court” and “Urbana Townhomes” (collectively, the “Redevelopment Site” as defined in Exhibit A), in their current condition, are seriously distressed such as they have or are likely to present a threat to the overall economic health, well-being, quality of life, safety, and security of the Lierman neighborhood within the City of Urbana where the Redevelopment Site is located; and

WHEREAS, Urbana currently owns Urbana Townhomes; and

WHEREAS, Aspen Court is currently owned by a third person who is engaged in negotiations with another third person for a sale/purchase of Aspen Court which, in part, is contingent on the City and the Authority entering into this Agreement; and

WHEREAS, the revitalization of the Redevelopment Site is dependent in large part on a cooperative arrangement between the City, the Authority, and one or more third persons who wish to and/or intend to undertake any form of renovation of the Redevelopment Site; and

WHEREAS, the City and the Authority seek to enter into an arrangement in order to promote, foster and facilitate revitalization of the Redevelopment Site which may or will include one or more private developers who have or may express interest in undertaking the redevelopment of the Redevelopment Site or one or more portions thereof.

NOW THEREFORE in exchange for good, valuable and mutual consideration which each Party acknowledges as having in hand received and in consideration for the exchange of the covenants, terms and conditions contained in this Agreement, the Parties agree as follows:

SECTION 1 – REDEVELOPMENT PLAN: The City and the Authority shall cooperate and work with one another in order to develop, design, create, and adopt a plan for the revitalization (collectively, hereafter, “Redevelopment Plan”) of the Redevelopment Site. The Parties shall contribute such expertise as each may possess in undertaking and creating the Redevelopment Plan. Such Redevelopment Plan may include but may not be necessarily limited to demolition of all or parts of the buildings and fixtures, rehabilitation of some or all of the buildings and fixtures, and/or new construction on the Redevelopment Site or portions thereof for the purpose of providing mixed income multi-family rental dwelling units. Nothing herein shall be deemed to prohibit the Parties from retaining the services of or entering into one or more agreements with one or more third persons to prepare and/or assist in the preparation of the Redevelopment Plan or any portion thereof. In the event the Parties elect to retain the services of one or more third persons to prepare or assist in the preparation of the Redevelopment Plan, no such third person shall be hired or otherwise be retained unless and until the Parties agree on the formula for paying for the services of such third person.

SECTION 2 – DEVELOPMENT AGREEMENT: The Parties shall cooperate in seeking and soliciting one or more private developers to participate in the Redevelopment Plan and/or in undertaking all or a portion of any redevelopment project (hereafter, “Redevelopment Project”) which is or may be undertaken pursuant to the Redevelopment Plan at the Redevelopment Site. In the event that the Parties locate and jointly approve one or more such private developers, they shall undertake and participate in good faith in negotiations with such one or more private developers to arrive at mutually acceptable terms of agreement for undertaking of the Redevelopment Plan and the Redevelopment Project or portion thereof.

SECTION 3 – URBANA TOWNHOMES REDEVELOPMENT: The City, in its sole discretion and on terms acceptable to the City, may elect to transfer title to the Urbana Townhomes to another person, whether a governmental entity, not-for-profit entity, for-profit entity, or other private party in order to undertake and complete that part of the Redevelopment Project or a portion thereof involving the Urbana Townhomes. The Parties recognize that the City is currently developing and implementing a plan to demolish all or a portion of the Urbana Townhomes buildings and fixtures. In the event that the City undertakes such demolition of some or all of the Urbana Townhomes buildings and fixtures the City, at its sole discretion, shall be entitled, but is not necessarily obligated, to seek reimbursement for any and all costs and expenses or portion thereof from any person or persons to whom the City agrees to transfer title to Urbana Townhomes.

SECTION 4 – ASPEN COURT REDEVELOPMENT: The Parties shall exercise reasonable diligence and good faith efforts to encourage the owner of Aspen Court to participate in the Redevelopment Plan and the Redevelopment Project insofar as such Redevelopment Project includes and involves Aspen Court. In the event that the owner of Aspen Court elects to participate in such Redevelopment Project, the Parties shall use their reasonable best efforts and good faith to negotiate and enter into one or more agreements as is or are necessary with the owner of Aspen Court in order to undertake and complete that portion of the Redevelopment Project which involves Aspen Court. To the extent agreeable by the owner of Aspen Court, the Parties agree that the existing affordable multi-family rental dwelling units located at Aspen Court shall be preserved under any Redevelopment Project.

SECTION 5 – REDEVELOPMENT PLAN AND PROJECT FINANCING: The Parties anticipate that the Redevelopment Project will be financed through a variety of sources including but not necessarily limited to financial assistance from local, state and federal sources which include the City and the Authority. Such financing sources may include but shall not necessarily be limited to the issuance by the City and/or the Authority of Tax Exempt Bonds, Low Income Housing Tax Credits, HUD financing, private investment, gifts, and such other sources which are known to and/or have yet to be identified by the Parties. Notwithstanding the foregoing,

A. The City, at its sole election and upon terms and conditions agreeable to it, may –

- i. provide indirect financial assistance in connection with the Redevelopment Project including, but not necessarily limited to, waivers of fees, permit costs, and other applicable costs; and/or
- ii. provide and/or facilitate the provision of such other funds as are or may be available to the City for such a project; and/or
- iii. facilitate access to and use of funding sources available to the City which may be willing to fund or finance such a project; and/or
- iv. subordinate any City lien and/or financing currently in place, including but not necessarily limited to secondary HOME financing and/or demolition liens as is or may be needed in order to secure additional funding or financing for the Redevelopment Project or portion thereof provided that the units supported by such financing remain affordable as defined and through the terms stipulated in the HOME loan documents.

B. The Authority, at its sole election and upon terms and conditions agreeable to the Authority, may –

- i. provide “gap” financing; and/or
- ii. provide long-term project-based subsidies; and/or
- iii. provide and/or facilitate the provision of such other funds as are or may be available to the Authority for such a project; and/or
- iv. facilitate access to and use of funding sources available to the Authority which may be willing to fund or finance such a project.

Nothing herein shall constitute a representation, warranty, promise, or obligation by or on the part of the either Party to contribute that Party’s own funds to the Redevelopment Project. However, notwithstanding the foregoing, the Parties, jointly and separately, shall undertake reasonable good faith efforts to locate sources of funding, which may include but not necessarily

be limited to governmental and private sources of funding, to undertake and complete the Redevelopment Project.

SECTION 6 – APPLICABILITY OF CITY CODES: Nothing in this Agreement shall be deemed or construed as constituting a waiver of any City building, building maintenance, fire, life-safety, or other code, ordinance, rule or regulation which may be applicable to or govern the Redevelopment Project other than the waiver of such fees as the City may agree, but is not obligated, to waive as provided for in Section 5 of this Agreement. In the event that the Redevelopment Project is undertaken and completed, nothing in this Agreement shall be deemed or construed as constituting a waiver of any City building, building maintenance, fire, life-safety, or other code, ordinance, rule or regulation which may be applicable to or govern the properties which have, heretofore, been identified as Aspen Court and the Urbana Townhomes.

SECTION 7 – ANTICIPATED TIME FOR REDEVELOPMENT: To the reasonable extent practicable, the Parties shall make a reasonable good faith effort to complete such redevelopment funding applications as they deem proper in order to complete the Redevelopment Project by December 31, 2014. To the reasonable extent practicable, the Parties shall make a good faith effort, whether jointly or in cooperation with one or more private developers, to undertake and complete the Redevelopment Project on or before December 31, 2017. In the event that the Parties make a reasonable good faith effort to meet the aforesaid deadlines but fail to do so, such failure shall not be deemed to constitute a breach of or a default on this Agreement and the Parties shall continue to cooperate with each other in an effort to complete the Redevelopment Plan and Redevelopment Project in a reasonably timely manner.

SECTION 8 – DEFAULT AND CURE: In the event that either Party believes that the other Party has acted unreasonably or has defaulted in connection with any term, provision or covenant contained in this Agreement, that Party shall give written notice to the other Party which written notice shall identify the Section of this Agreement which the noticing Party believes has been breached. Such notice shall also specify in reasonable detail the means by which the other Party has acted unreasonably and/or breached this Agreement. The Party receiving the notice shall have fourteen (14) days in which to either cure the alleged unreasonable conduct or breach or provide in writing to the noticing Party why the recipient of the notice has not acted unreasonably or in breach of this Agreement. If the recipient of the notice believes that it has not acted unreasonably or otherwise in breach of this Agreement, that Party shall specify in detail why it believes it has acted reasonably and/or why it does not believe that it is in breach of this Agreement. In the event that the Parties cannot reach consensus on whether the recipient of the notice has either acted unreasonably or breached this Agreement, then either Party may terminate this Agreement by providing written notice to the other party which advises that the Agreement shall be deemed terminated on the ninetieth (90th) day of the date of such notice of termination.

SECTION 9: MISCELLANEOUS:

A. **Indemnity:** Each Party agrees to defend and hold harmless the other Party and its officers, agents, and employees from and for any and all losses, costs, expenses, demands, claims, causes, causes of action, judgments, and liabilities sustained and/or

alleged to have been sustained in connection with, as a result of, and/or arising out of the intentional, willful, wanton, or gross negligence of the other Party in connection with the performance or undertaking of any obligation provided for in this Agreement. Nothing herein shall be deemed, interpreted, or construed as constituting an or extending any indemnity, hold harmless, or duty to defend covenant to the intentional, willful, wanton, grossly negligent, or negligent acts of any third person unless one or both Parties to this Agreement otherwise agree in writing to indemnify and/or hold harmless such other third person. This indemnity, hold harmless, and duty to defend provision shall not expire until the statute of limitations, including any tolling period therefor, expires. In the event either Party to this Agreement seeks or elects to invoke the indemnity, hold harmless and/or duty to defend provision contained herein, such Party shall provide the other Party with written notice of such intent to exercise this Sub-Section and such notice shall provide such information as is necessary to inform or otherwise apprise the recipient of such notice of the basis and reason for seeking to exercise the terms, provisions and covenants contained in this Sub-Section.

B. Notices: Any and all notices required to be given by this Agreement shall be given in the following means and any such notice shall be deemed effective as hereinafter provided:

i. If by First Class U.S. Postal Service: Any and all notices sent by U.S. Postal Service shall be sent via First Class mail, registered or certified mail with return receipt requested. If any notice is placed in a properly addressed and stamped envelope, such notice shall be deemed effective five (5) business days after the date of placement with the U.S. Postal Service.

ii. If by facsimile transmission: Any and all notices sent by facsimile transmission shall be deemed effective the day after the date of transmission but only if the sending fax machine provides a written acknowledgement that the transmission was properly sent to the recipient Party's facsimile telephone number and received by the recipient Party's fax machine. If any one of the immediate afore-stated conditions is not met, the notice shall be deemed ineffective.

iii. If sent by overnight courier service: Any and all notices sent by overnight courier service shall be deemed effective the date after delivery of such notice but only if the said courier service provides or otherwise makes available a tracking of the delivery of such notice which tracking shall include the date and time when such delivery to the recipient Party was made.

iv. If by personal service: Any and all notices which are personally served on the recipient party shall be deemed effective the day after delivery is made but only if the person delivering any such notice executes an affidavit which states the date when such personal delivery was made.

C. Record Keeping: The Parties agree to keep and maintain any and all records and documents created in connection with the creation of the Redevelopment Plan and any undertaking of the Redevelopment Project. Such records shall be kept and maintained in accordance with the State Records Act (5 ILCS 160/1 *et seq*).

D. Severability: If any term or other provision of this Agreement is declared by a court or administrative agency of competent jurisdiction to be invalid, illegal or incapable of being enforced, all other conditions and provision of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of these transactions contemplated hereby is not affected in any manner materially adverse to either party. Notwithstanding the immediate foregoing, if in any such proceeding one Party's performance under this Agreement is declared to be unenforceable by the other Party, then this Agreement shall be deemed to automatically terminate with such termination date to be effective on the date when such declaration, finding, order, or decree is entered.

E. Entirety of Agreement: This Agreement constitutes the entire agreement between the parties; it supersedes any prior agreement or understanding between them, oral or written, with respect to the matters addressed herein, all of which are hereby canceled. However, nothing herein shall be deemed to supersede or render null, void or unenforceable any agreement which the City and/or the Authority has with the owner of Aspen Court involving the eleven units located at 1301-1311 Ivanhoe Way or any loan and/or mortgage arrangement which the City and the Owner of Aspen Court has or may have entered into regarding Aspen Court or any portion thereof.

F. Amendment or Modification: This Agreement may not be amended or modified except by an instrument in writing signed by both Parties.

G. Waiver: Any waiver or release by one Party of the other Party of any term, condition or covenant contained in this Agreement shall be deemed effective only if such waiver is contained in a writing signed by the Party granting such waiver. Any such waiver shall not be deemed, construed, or interpreted as a waiver or release of any other term, condition or covenant contained in this Agreement.

H. Execution in Counterparts: This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

I. Governing Law and Jurisdiction: The laws of the State of Illinois shall apply to any construction, interpretation, enforcement, or action for breach of this Agreement. In the event that any action is filed which seeks to interpret, enforce or declare breach of this Agreement, any such action shall be filed and maintained in the Sixth Judicial Circuit of the Circuit Court, Champaign County, Illinois.

J. Representations and Warranties of Authority to Execute: The Parties represent and warrant that the person executing this Agreement on the respective Party's behalf is duly authorized to do so.

K. Termination and Expiration of Agreement: This Agreement shall terminate upon the occurrence of any one of the following:

i. Completion of the Redevelopment Project as substantially provided for in such Redevelopment Plan or any amendment thereto.

ii. After a reasonable good faith effort has been undertaken by the Parties to undertake the Redevelopment Project in accordance therewith but without success and upon written notice of one Party to the other Party to such effect.

iii. Upon the Parties' failure, following reasonable good faith efforts, to obtain the necessary participation and financing by one or more third persons to undertake the Redevelopment Project.

iv. Upon mutual agreement of the Parties which Agreement shall be in writing whether for cause or without cause.

v. Upon a breach or default of this Agreement where the non-breaching or non-defaulting Party declares in writing that this Agreement shall be terminated as of a date provided in such notice of breach or notice of default.

For the City of Urbana:

For the Housing Authority of Champaign County:

By: _____

By: _____

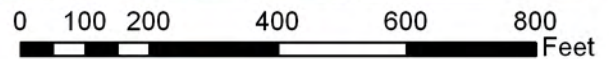
Its: _____



Its: _____

Attest: _____

Attest: _____

Urbana Townhomes and Aspen Court Site Location



-  Urbana Townhomes Parcel
-  Aspen Court Parcel