



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Mayor Diane Wolfe Marlin and City Council Members

FROM: Lorrie Pearson, AICP, Community Development Services Director
Sheila Dodd, Manager, Grants Management Division

DATE: March 11, 2021

SUBJECT: **A RESOLUTION CERTIFYING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR THE URBANA HOME CONSORTIUM (First Followers PY 2020)**

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (First Followers CHDO Developer PY 2020)

A RESOLUTION APPROVING AND AUTHORIZING THE EXECUTION OF AN URBANA HOME CONSORTIUM COMMUNITY HOUSING DEVELOPMENT ORGANIZATION AGREEMENT (First Followers CHDO Operating PY 2020)

Background

The U.S. Department of Housing and Urban Development (HUD) requires that 15 percent of each annual allocation of HOME Investment Partnerships (HOME) Program funding be provided to a certified Community Housing Development Organization. Approval of the Resolutions certifying First Followers as a Community Housing Development Organization (CHDO) would ensure eligibility to receive funding proposed using Federal Program Year (PY) 2020 CHDO Project and Operating funds through the HOME Investment Partnerships Program. The proposed funding of \$29,998 in project funds would assist First Followers in creating two single-family rental units. This funding would be in addition to the \$20,600 Council awarded First Followers on February 22 for their Welcome Home Program from a COVID-related funding source.

Certification

CHDOs are required to submit a certification application annually. Certification requirements include board make-up, nonprofit status, history of serving the community, and a number of other criteria. The City has received a completed CHDO Certification Application from First Followers.

Proposed Projects

First Followers is requesting \$29,998 for project funding and \$26,110 for operating costs. Below is the funding breakdown for each unit:

CHDO	Project Address	Funding Type	Amount
First Followers	511 W. Columbia St, Champaign, IL	CHDO Construction Financing	\$14,999 (Project) + \$13,055 (Operating)
First Followers	612 W Columbia St, Champaign, IL	CHDO Construction Financing	\$14,999 (Project)+ \$13,055 (Operating)

According to the application submitted, both properties have single-family residential rental units. Rehabilitation is anticipated to start in the spring of 2021. The remaining construction financing sources for the projects include private donations and donated labor. These funds also serve as the match requirement stipulated in the HOME program guidelines of a minimum of 25 percent leverage using non-Federal funds.

Up to five percent of a Participating Jurisdiction’s total HOME allocation may be used to provide general operating assistance (CHDO Operating) to CHDOs that are receiving set-aside funds for an activity. Eligible operating expenses are reasonable and necessary costs for the operation and capacity building of the CHDO, and include salaries, wages, benefits, or other compensation; employee training; office rent and utilities; communication costs; taxes and insurance; equipment, materials, and supplies.

At its October 27, 2020, regular meeting, the Urbana Community Development Commission unanimously agreed to forward the Resolutions Certifying a CHDO for the Urbana HOME Consortium and the Resolutions Approving and Authorizing the Execution of an Urbana HOME Consortium CHDO Agreement to the City Council with a recommendation for approval. Staff has been working with First Followers to get documentation in place to qualify as a CHDO.

The proposed projects are all in keeping with the goals and strategies outlined in the *City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2020-2024*. CHDO project activities are funded by the 15 percent HOME Set-Aside and cannot be used for any other program or activity.

Options

1. Forward the Resolutions to City Council with a recommendation for approval as part of the consent agenda.
2. Forward the Resolutions to City Council with a recommendation for approval with suggested changes.
3. Do not forward the Resolutions to allocate CHDO funds to First Followers.

Fiscal Impacts

There will be no change to the City General Fund as a direct result of executing the proposed contracts. The City manages HOME funds as a pass-through agency, and all requests for grant funding are made on a reimbursement schedule. Funding that is not committed to a CHDO in a manner acceptable to HUD is considered a shortfall and will be at risk of being de-obligated by HUD.

Recommendation

Staff and the Community Development Commission recommend that the Resolutions Certifying First Followers as a CHDO, Approving a Developer Agreement with First Followers, and approving a CHDO Operating Agreement.

RESOLUTION NO. 2021-03-012R

A RESOLUTION CERTIFYING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR THE URBANA HOME CONSORTIUM

(First Followers PY 2020)

WHEREAS, the Urbana HOME Consortium was established to administer HOME Investment Partnership (HOME) funds to address affordable housing needs; and

WHEREAS, an organization must be certified as a Community Housing Development Organization (CHDO) in order to qualify for funding; and

WHEREAS, First Followers is a nonprofit sponsor developing affordable rental units for extremely low and low income individuals; and

WHEREAS, City Council of the City of Urbana, Illinois, has found and determined that certification of First Followers as a Community Housing Development Organization for the Urbana HOME Consortium for FY 2020-2021 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 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 First Followers meets the requirements to be certified as a Community Housing Development Organization (CHDO) for the Urbana HOME Consortium for the projects described in the Urbana HOME Consortium Community Housing Development Organization Developer Agreement (First Followers CHDO Developer PY 2020), and as such, be eligible to request specific HOME funds set aside for use by CHDOs, under regulations set forth by the U.S. Department of Housing and Urban Development.

Section 2. That said certification and the benefits afforded by it be in effect for the duration of the projects specified in the Urbana HOME Consortium Community Housing Development Organization Developer Agreement (First Followers CHDO Developer PY 2020), or until such time that Council be informed of conditions necessitating a change in the status of First Followers as a CHDO.

Section 3. First Followers will comply with any and all of the requirements based upon such certification including any applicable regulations of HUD and the Urbana HOME Consortium.

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

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

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

Diane Wolfe Marlin, Mayor

RESOLUTION NO. 2021-03-014R

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

(First Followers CHDO Developer PY 2020)

WHEREAS, the City Council of the City of Urbana, Illinois has certified First Followers as a Community Housing Development Organization under the Urbana HOME Consortium guidelines; and

WHEREAS, First Followers is a nonprofit sponsor developing affordable rental units for extremely low and low income individuals; and

WHEREAS, First Followers requests CHDO funding to assist in creating affordable housing rental units; 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 \$29,998 in HOME Program funds, for the creation of two (2) affordable rental units, between the City of Urbana and First Followers, a certified Community Housing Development Organization, 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 ____ day of _____, _____.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

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

Diane Wolfe Marlin, Mayor

URBANA HOME CONSORTIUM
COMMUNITY HOUSING DEVELOPMENT CORPORATION
RENTAL HOUSING SPONSOR AGREEMENT
(FirstFollowers)

THIS Rental Housing Agreement, hereafter referred to as the “**AGREEMENT**”, is made as of this _____ day of March, 2020, by and between the CITY OF URBANA, an Illinois unicipal Corporation, acting as lead entity for the Urbana HOME Consortium (hereinafter the “**GRANTOR**”), and **FirstFollowers**, an Illinois Not-For-Profit Organization (hereinafter “**PROJECT SPONSOR**” and sometimes referred to herein as “**CHDO**”).

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 Partnership (hereinafter “HOME”) Program funds (CFDA 14.239) in the name of the Urbana HOME Consortium under provisions of Title II of the Cranston-Gonzales National Affordable Housing Act of 1990, as amended (42 U.S.C. 12701 *et seq.*) (herein after the “National Affordable Housing Act”);

WHEREAS, the Urbana HOME Consortium has received HOME Program funds from HUD during the period beginning July 1, 2020, and ending June 30, 2021 to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County;

WHEREAS, the Urbana City Council has adopted a Consolidated Plan for Program Years 2020-2024 (hereinafter the “Consolidated Plan”) which budget Urbana HOME Consortium funds for the respective periods, 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”);

WHEREAS, the GRANTOR as the administrator of a HOME Program has authority under the provisions of the HOME Investment Partnerships Program (the “HOME Program”) to provide financial assistance for the renovations of two low-income rental homes for the purpose of single-tenant occupancy.

WHEREAS, the PROJECT SPONSOR has submitted a request to the GRANTOR for assistance to participate through an affiliated entity, IFR Holdings, LLC – Hotel Series, an Illinois Limited Liability Company Series, and in the leasehold ownership and development of the real estate located at 512 E. Columbia Avenue, Champaign, Illinois, and 611 E. Columbia

Avenue, Champaign, Illinois, and legally described in “Exhibit C”, attached hereto and made a part hereof;

WHEREAS, PROJECT SPONSOR has submitted a request to the GRANTOR for assistance for the benefit of the Project;

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

WHEREAS, PROJECT SPONSOR desires to serve as a sponsor of First Followers rental units for individuals with felony convictions.

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

WHEREAS, the GRANTOR has determined that the PROJECT SPONSOR has the ability to provide the required private matching funding to cover the cost of the Project; and

WHEREAS, the PROJECT SPONSOR has been fully informed regarding all requirements or obligations that must be met by PROJECT SPONSOR in order to utilize HOME Program funds for the Project, including but not limited to the requirement that the assisted housing unit(s) must remain affordable to low-income households for a period of Twenty (20) Years in accordance with 24 CFR Part 92, Sections 203, 251, 252 and 253;

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

ARTICLE I: HOME REQUIREMENTS

Section 1. USE of HOME Funds

The GRANTOR agrees to provide the PROJECT SPONSOR the total amount not to exceed **\$29,998** from its Federal Fiscal Year 2020-2021 HOME PROGRAM allocations to be used in conjunction with the rehabilitation of two single family units. Funds shall be used for the purposes as described below or in the attached Exhibits to this Agreement.

- a.) The project description and project schedule is provided as Exhibit “A”.
- b.) The budget for completing tasks is provided as Exhibit “B”.
- c.) On December 1, 2020 the PROJECT SPONSOR held a leasehold interest in the real property legally described in Exhibit “C”.
- d.) Subsequently, the PROJECT SPONSOR assigned its leasehold interest to First Followers.

- e.) The rehabilitation of the units and will be completed in accordance with the plans, drawings, and specifications submitted to, approved by and on file with the Building Safety Division of the the City of Champaign.

Section 2. Affordability

The PROJECT SPONSOR shall comply with all income determinations and affordability requirements of the HOME Program as set forth in 24 CFR 92.203, 92.252, as applicable. The PROJECT SPONSOR shall determine each family is income eligible by determining the family’s annual income in accordance with the Part 5 (Section 8) methodology allowed in 24 CFR 92.203. The HOME assisted units in a rental housing (HOUSING) project must be occupied only by households that are eligible as low-income families and must meet the affordability requirements for not less than the applicable period as described in 24 CFR 92.252(e).

- a.) Affordability Period: The PROJECT SPONSOR agrees to restrict the use of the property by recording a Regulatory and Land Use Restriction Agreement in substantially the form as provided in Exhibit “D” dated as of even date herewith and entered into by the PARTNERSHIP, the PROJECT SPONSOR, and the GRANTOR. For the first five (5) years following project completion (hereinafter referred to “the Affordability Period”), the restrictions listed below shall apply:
 - i. Maximum Tenant Income: Subject to the applicable HOME Program regulations the maximum income for households residing in HOME-assisted units cannot exceed sixty (60%) percent of the medium income, adjusted by family size as defined annually by HUD. For projects with five or more HOME-assisted units, a minimum of 20% of the assisted units must be restricted to households whose gross income does not exceed fifty (50%) percent of the median income.
 - ii. Rent Limitations: The gross rent for all units (including applicable utility allowances computed in accordance with Section 42 of the Internal Revenue Code and applicable HOME regulations) shall not exceed the maximum High HOME Rents as published annually by HUD. For projects with five or more HOME-assisted units, a minimum of 20% of the assisted units must have rents that are no greater than the Low HOME rents as published by HUD. The initial monthly rent for each unit including utilities cannot exceed:

Efficiency units at \$725
1 bedroom units at \$730
2 bedroom units at \$862

If the tenant pays for utilities, the rent must be reduced by the utility allowance. The utility allowance prepared by the local public housing

authority and distributed by the GRANTOR is to be used when adjusting rents for tenant paid utilities.

- iii. Fixed Unit Designation: PROJECT SPONSOR in agreement with the GRANTOR has designated the two City of Urbana/Urbana HOME Consortium HOME-assisted units as fixed.
- iv. Increases in Tenant Income: To the extent specifically required by the regulations under the HOME Program, if an existing tenant's adjusted income increases to the extent that it exceeds eighty (80%) percent of the median income for the Metropolitan Statistical Area (MSA), as defined annually by HUD, said tenant's rent shall be increased to an amount equal to thirty (30%) per cent of the family's adjusted monthly income. (If the loan is being made available for units that have been allocated a low-income housing tax credit by the State Housing Finance Agency pursuant to Section 42 of the Internal Revenue Code, and if and so long as applicable regulations under the HOME Program allow an exemption, such rental increase requirements shall not apply.)
- v. Lease Provisions: All leases between the PROJECT SPONSOR, or its assigns and its tenants shall be for not less than one (1) year in duration and shall comply with all the provisions of 24 CFR 92.253.
- vi. Certification of Tenants' Income: PROJECT SPONSOR shall submit or cause to be submitted to the CONSORTIUM within ninety (90) days of its fiscal year end the income records of all tenants that are or have been occupying units within the preceding twelve (12) months, and verifying that all tenants meet the income guidelines set forth above, or in the case of existing tenants whose income has increased above such income guideline, that PROJECT SPONSOR has complied with applicable HOME Program regulations in filling vacant units.
- vii. Non-Discrimination Against Subsidy Holders: The PROJECT SPONSOR shall not, in the provision of services, or in any other manner, discriminate against any person on the basis of age, race, color, creed, religion, sex, handicap, familial status or national origin. Unwed parents, families with children born out of wedlock, and recipients of public assistance shall not be excluded from the participation in, or be denied the benefits of the Section 8 Existing Housing Program because of such status.

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.

Section 3. HOME Project Requirements

Project Requirements:

The GRANTOR shall provide HOME funds not to exceed **\$29,998** as a grant 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 PROJECT SPONSOR under the following terms and conditions:

The Grant shall be evidenced by a Regulatory and Land Use Restriction Agreement in the substantially the form as attached hereto as Exhibit "D". The Regulatory and Land Use Restriction Agreement shall be executed by the PARTNERSHIP, providing, among other things, for certain restrictions on the use of the Project and repayment of the Grant upon violation of such restrictions.

The PROJECT SPONSOR shall comply with all HOME project requirements in subpart F of 24 CFR Part 92.250 Maximum per-unit subsidy amount and layering. 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 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 PROJECT SPONSOR shall comply with requirements imposed by Title VIII of the Civil Rights Act of 1968, and any related rules and regulations. The PROJECT SPONSOR shall comply with all requirements imposed by Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d et seq.; the HUD regulations issued there under, 24 CFR, Subtitle A, Part 1, the HUD requirements pursuant to these regulations; and Executive Order 11063.

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

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

The PROJECT SPONSOR shall cooperate with GRANTOR and HUD in conducting compliance reviews and complaint investigations pursuant to all applicable civil rights statutes, Executive Orders, and all related rules and regulations.

Section 4. Property Standards

The PROJECT SPONSOR agrees that all construction and housing constructed with HOME Program funds shall meet all applicable HOME Program Regulations, state and local construction codes, rehabilitation standards, and zoning ordinances, at the time of project completion. All housing must meet the accessibility requirements at 24 CFR Part 8, which

implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

The PROJECT SPONSOR agrees to maintain the property to the applicable standards listed in this subpart for the duration of the affordability period.

Section 5. Other Program Requirements

- a.) Affirmative Marketing of Rental or Vacant Units
The PROJECT SPONSOR will affirmatively market any unit available for rent or purchase in a manner to attract tenants or homebuyers without regard to race, color, national origin, sex, religion, familial status or disability. The PROJECT SPONSOR agrees, in soliciting tenants, to do the following:
- 1) Use the Equal Housing Opportunity logo in all advertising;
 - 2) Display a Fair Housing poster in the rental and sales office;
 - 3) Where appropriate, advertise, use media, including minority outlets, likely to reach persons least likely to apply for the housing;
 - 4) Maintain files of the Project's affirmative marketing activities for five (5) years after the expiration of the affordability period and provide access thereto to GRANTOR Staff;
 - 5) Not refrain from renting to any tenant holding a Section 8 Existing Housing Certificate, except for good cause, such as previous failure to pay rent and/or to maintain a rental unit, or the tenant's violation of other terms and conditions of tenancy;
 - 6) Comply with Section 8 Existing Housing Regulations when renting to any Section 8 tenant;
 - 7) Exercise affirmative marketing of the units when vacated; and
 - 8) Verify all information concerning the Applicant, or family members, which may be obtained from any source by the Champaign County Housing Authority, or its assignees or designees.
- b.) Non-discrimination and Equal Opportunity
In carrying out this Agreement, the PROJECT SPONSOR shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, familial status, handicap or national origin. The PROJECT SPONSOR shall take the necessary steps to ensure that applicants for

employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, age, familial status, handicap or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The PROJECT SPONSOR shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by the government setting forth the provisions of this non-discrimination clause. The PROJECT SPONSOR, upon execution of this Agreement, shall agree that all qualified candidates will receive consideration for employment without regard to race, color, religion, sex, age, familial status, handicap or national origin. The PROJECT SPONSOR shall comply with GRANTOR Ordinance 26.5 Part 2, regarding Equal Employment Opportunity and Affirmative Action.

- c.) Displacement, Relocation, and Acquisition
If applicable, PROJECT SPONSOR agrees to provide relocation assistance for displaced persons 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.
- d.) Labor and Contracting Requirements
PROJECT SPONSOR 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 PROJECT SPONSOR certifies that it is not debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549. The PROJECT SPONSOR shall establish procedures to ensure they do not make any award to grantees and subgrantees (including contractors) at any tier in violation of the nonprocurement debarment and suspension common. The PROJECT SPONSOR shall verify and document that none of its grantees, subgrantees or contractors are debarred, suspended or otherwise excluded from participation through the effective use of the List of Parties Excluded from Federal Procurement or Nonprocurement programs (“List”). The PROJECT SPONSOR may request assistance from the GRANTOR to access the List and document results
- f.) Conflict of Interest
The PROJECT SPONSOR 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 PROJECT SPONSOR

agrees that no members of the governing body of the locality in which the PROJECT SPONSOR is situated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the Agreement during his/her tenure, or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the services performed under this Agreement. Unless expressly permitted by HUD, PROJECT SPONSOR agrees that no person who is an employee, agent, consultant, officer, or elected or appointed official of the PROJECT SPONSOR and who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME Program funds, or who is in a position to participate in a decision making process to gain inside information with regard to such HOME-assisted activities, may obtain a financial interest or benefit from the HOME-assisted activity, or have any interest in any contract, subcontract, or agreement with respect thereto, or the proceeds there under, either for himself or herself or for those with whom he or she has family or business ties, during his or her tenure or for one (1) year thereafter. Unless expressly permitted by the GRANTOR, no PROJECT SPONSOR, or officer, employee, agent or consultant of the PROJECT SPONSOR, may occupy a HOME-assisted affordable housing unit in a project.

g.) Air and Water

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

- Clean Air Act, 42 U.S.C. , 7401, *et seq.*;
- Federal Water Pollution Control Act, as amended, 33 U.S.C., 1251, *et seq.*, as amended, 1318 relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued thereunder; Environmental Protection Agency (EPA) regulations pursuant to 40 CFR Part 50, as amended.

- h.) PROJECT SPONSOR shall comply with the provisions of the Copeland Anti-Kick-Back Act (18 U.S.C. 874) as supplemented in the AGENCY of Labor Regulations (29 CFR Part 3), as amended.

Section 6. Records and Reports

A. Records

PROJECT SPONSOR authorizes the GRANTOR and HUD, during normal business hours and upon reasonable notice, to conduct on-site reviews, to examine personnel records, and to conduct any other reasonable procedure or practice necessary to assure compliance with this AGREEMENT and applicable HUD regulations. PROJECT SPONSOR will ensure that all documents related to this Project shall be kept for a period of five (5) years after the Project's affordability period has been completed (estimated year 2025). Records to be retained include, but are not limited to timesheets; receipts and

invoices for materials, supplies, and services; and documentation used to request reimbursement of expenses.

PROJECT SPONSOR 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 PROJECT SPONSOR, 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 during normal business hours, upon reasonable notice, and as often as the GRANTOR, HUD, representatives of the Comptroller General of the United States or other Federal agency may reasonably require. PROJECT SPONSOR 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 PROJECT SPONSOR will provide the GRANTOR with a certified audit of the PROJECT SPONSOR'S records representing the Fiscal Year during which the PROJECT becomes complete, pursuant to the requirements of OMBCircular A-133

The PROJECT SPONSOR 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 housing projects, records shall 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 PROJECT SPONSOR must submit quarterly reports no more than ten (10) days after the end of each quarter until completion of project. 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 PROJECT SPONSOR until the final building has been constructed and rented.

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 PROJECT SPONSOR 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 PROJECT SPONSOR 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 PROJECT SPONSOR 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 PROJECT SPONSOR 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 PROJECT SPONSOR 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 PROJECT SPONSOR default.

Unless the PROJECT SPONSOR'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 PROJECT SPONSOR'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 PROJECT SPONSOR and the GRANTOR if delivered in person, or when deposited in the U.S. Mail, postage prepaid certified mail, return receipt requested.

Section 8. Requests for Disbursement of Funds – Progress and Final Payments

A request for disbursement shall be submitted by the PROJECT SPONSOR to the GRANTOR as needed. The PROJECT SPONSOR may not request disbursement of HOME Program funds under this Agreement until the funds are needed for payment of eligible HOME Program project related costs and the amount of each disbursement request shall be limited to the amount expended.

The amount of any request for funds shall be supported by appropriate documentation such as Contractor's Verified Statement, and Architect's performance-progress reports. Upon approval or request, the GRANTOR shall make payment to PROJECT SPONSOR within fourteen (14) business days of receipt of a complete and acceptable request by the GRANTOR.

The GRANTOR reserves the right to withhold disbursement of funds until all associated appropriate documentation is submitted, including, but not limited to submittal of Certified Payroll reports as required by the Davis Bacon Act. The GRANTOR or his/her designee shall authorize the schedule for said payments. If all conditions are met, and the work performed and materials supplied are satisfactory to the GRANTOR, the PROJECT SPONSOR shall receive final payment.

All checks shall be made payable to "FirstFollowers." All monies granted to PROJECT SPONSOR pursuant to this AGREEMENT shall be expended by December 31st, 2022.

Reimbursement for expenditures shall be made in accordance with the budget detailed in "Exhibit B"-and shall be limited by the statement of work described in "Exhibit A".

Further, no payments shall be released to PROJECT SPONSOR prior to the GRANTOR receiving environmental clearance in the form of a "Phase I" or comparable environmental audit of the Development, performed by a company acceptable to the GRANTOR, and such other environmental assessments, as the GRANTOR may, in its sole discretion, require.

Section 9. Duration of Agreement

This AGREEMENT shall be effective as of the date executed by the Mayor and shall remain in effect until December 31st, 2022.

Section 10. Conditions for Religious Organizations

The PROJECT SPONSOR 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 re-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 during the period of this funding cycle.

If the PROJECT SPONSOR generates income from the sale of the property or as a result of any default on the Regulatory and Land Use Agreement, the income must be documented and returned to the CONSORTIUM.

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 PROJECT SPONSOR'S compliance with the terms and conditions of performance outlined in this AGREEMENT.

ARTICLE IV: CERTIFICATIONS

PROJECT SPONSOR represents the following with respect to this AGREEMENT.

- A. PROJECT SPONSOR possesses legal authority to receive HOME Program funds from the GRANTOR and to execute the PROGRAM as described herein.
- B. The governing body of PROJECT SPONSOR 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 PROJECT SPONSOR to act in connection with this AGREEMENT and to provide such additional information as may be required.
- C. PROJECT SPONSOR, 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. PROJECT SPONSOR, 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. PROJECT SPONSOR 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. PROJECT SPONSOR certifies and agrees that it is under no contractual or other disability that would prevent PROJECT SPONSOR from complying with these requirements. PROJECT SPONSOR'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 PROJECT SPONSOR has a collective bargaining agreement or other understanding a notice of the PROJECT SPONSOR 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. Refrain 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. PROJECT SPONSOR agrees to give maximum feasible priority to very low-income persons when administering the PROGRAM described herein.
- F. PROJECT SPONSOR acknowledges the Project shall match HOME Program funds disbursed by the GRANTOR and shall provide acceptable documentation of said match funds pursuant to this AGREEMENT in the amount of **\$6,000** in non-federal funds as defined in 24 CFR Part 92.220.
- G. PROJECT SPONSOR 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. PROJECT SPONSOR agrees to maintain financial records in accordance with applicable Federal guidelines; OMB circulars A-110, A-122, and A-133; the following requirements of 24 CFR Part 84: 84.2, 84.5, 84.13, 84.16, 84.21, 84.22, 84.26 - 84.28, 84.30, 84.31, 84.34 - 84.37, 84.40 - 84.48, 84.51, 84.60 - 84.62, 84.72, and 84.73. PROJECT SPONSOR shall separately and accurately identify use of HOME funds pursuant to this AGREEMENT.
- H. PROJECT SPONSOR 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 PROJECT SPONSOR receives federal financial assistance.

- I. PROJECT SPONSOR 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. PROJECT SPONSOR 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 PROJECT SPONSOR, 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, PROJECT SPONSOR will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- L. PROJECT SPONSOR 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. PROJECT SPONSOR 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. PROJECT SPONSOR 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. PROJECT SPONSOR 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 PROJECT SPONSOR, 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 PROJECT SPONSOR 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. PROJECT SPONSOR acknowledges and agrees that its employees, representatives, subcontractors, and agents may in no respect be considered employees of the GRANTOR.
- P. PROJECT SPONSOR agrees that, to the greatest extent feasible, all construction-related expenditures made for the PROGRAM shall be made to City of Champaign, City of Urbana, and Unincorporated Champaign County firms or individuals.
- Q. The PROJECT SPONSOR further warrants and agrees to include or cause to be included, the criteria and requirements of ARTICLE I: HOME REQUIREMENTS of this agreement, in every nonexempt subcontract. The PROJECT SPONSOR also agrees to take such action as the federal, state or local government may direct to enforce aforesaid provisions.

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

The GRANTOR and the PROJECT SPONSOR agree that all notices required by the Agreement shall be in writing and delivered by mail or hand delivered to the office of the Chief Administrative Officer or duly authorized appointed representative of the GRANTOR or PROJECT SPONSOR as specified herein:

PROJECT SPONSOR:

Name: Marlon Mitchell
Title: Executive Director
Organization: FirstFollowers
Address: PO Box 8923
Champaign, IL 61826

URBANA CONSTORTIUM:

Name: Sheila Dodd
Title: Manager, Grants Management Division
Organization: City of Urbana
Address: 400 S. Vine Street
Urbana, IL 61801

ARTICLE VII: CONTINGENCIES

This AGREEMENT, including the provision of funds by the GRANTOR for the PROJECT as described herein, is contingent upon the signing of GRANTOR and the PROJECT SPONSOR.

ARTICLE VIII: ASSIGNMENT

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

ARTICLE IX: MODIFICATION

No modification of this AGREEMENT 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 PROJECT SPONSOR, their successors and assigns, and shall be effective as of the date first written above.

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 PROJECT SPONSOR, 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 PROJECT SPONSOR 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 PROJECT SPONSOR'S performance under this AGREEMENT, the GRANTOR shall make on-site inspections annually or as often as it deems necessary. Failure by the PROJECT SPONSOR to assist the GRANTOR in this effort, including allowing the GRANTOR to conduct the on-site inspections and have access to the PROJECT SPONSOR'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 tenants 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: INDEMNIFICATION

Except to the extent any such loss, damage, injury, or liability is caused by the gross negligence or willful misconduct of the GRANTOR or its officers, employees, or agents, PROJECT SPONSOR 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 PROJECT SPONSOR;
- B. Fraud, defalcation, or dishonesty on the part of any person representing, employed by, contracted or subcontracted by PROJECT SPONSOR; or
- C. Any act, omission, wrongdoing, misconduct, want of care or skill, negligence or default on the part of PROJECT SPONSOR or any of its contractors, subcontractors, sub-subcontractors, materialmen, suppliers and laborers in the execution or performance of this AGREEMENT.

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 PROJECT SPONSOR by registered or certified mail addressed to PROJECT SPONSOR. Upon receipt of such notice, PROJECT SPONSOR, 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.

SIGNATURE OF AGREEMENT

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be executed by its officers as of the date indicated below:

GRANTOR:

PROJECT SPONSOR:

Diane Wolfe Marlin, Mayor

Signature

Date

Title

Attest

Attest

Exhibit A
Project Description/ Scope of Services/ and Project Schedule

Exhibit A
Scope of Services/Project Description

The project will renovate/upgrade two low-income homes. The homes are located at 512 E. Columbia Avenue and 611 E. Columbia Avenue in Champaign, IL. The homes are each five-bedroom units, which will be converted into single-tenant occupancy rooms. These units will be rental units made available to individuals with felony convictions.

Exhibit B
Budget – Owner’s Sworn Statement

PRO FORMA - FirstFollowers
SOURCES AND USES OF FUNDS Workforce Development Program

611 E. Columbia, Champaign

SOURCES OF FUNDS - Development

SUBSIDIES

Private Donations	\$3,438
In Kind Donations	\$3,438

SOURCES OF FUNDS	\$6,875
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USES OF FUNDS

CONSTRUCTION

Renovation	\$20,625
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TOTAL USES OF FUNDS	\$27,500
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Exhibit C
Location of Project – Legal Description

(Tract 1)

Lot 12 in Block 17 of Seminary Addition to Urbana, now a Part of the City of Champaign, as per Plat recorded November 16, 1863 in Deed Record "Y", Page 208 - 209, situated in Champaign County, Illinois.

PIN: 46-21-07-180-013

Commonly known as: 512 E. Columbia Ave., Champaign, IL 61820

(Tract 2)

Lot 1 in Block 21 of Seminary Addition to Urbana, now a Part of the City of Champaign, as per Plat recorded November 16, 1863 in Deed Record "Y", Page 208 - 209, situated in Champaign County, Illinois.

PIN: 46-21-07-184-006

Commonly known as: 611 E. Columbia Ave., Champaign, IL 61820

Exhibit D
Sample
Regulatory and Land Use Restriction Agreement

This instrument was prepared by:

After recording, return to:

City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801
Attn: Sheila Dodd, Manager

REGULATORY AND LAND USE RESTRICTION AGREEMENT
(City Grant to Sponsor)

THIS REGULATORY AND LAND USE RESTRICTION AGREEMENT (“Regulatory Agreement”) is made and entered into as of _____, by and between IFR Holdings, LLC an Illinois limited partnership, having a principal place of business at PO Biox 751, Savoy, IL 61874 (“Borrower”), **First Followers**, an Illinois non-profit corporation (the “Sponsor”) and the **City of Urbana**, Illinois, a municipal corporation of the State of Illinois (“City”), having its principal offices at 400 S. Vine Street, Urbana, IL 61801.

RECITALS

A. Borrower is the leasehold owner of that certain real property legally described in Exhibit A attached hereto and by this reference made a part hereof (the “Real Estate”).

B. The City has been designated a Participating Jurisdiction and receives HOME Program funds under the Cranston-Gonzalez National Affordable Housing Act of 1990, The HOME Investment Partnerships Act, as amended (The "Act"), which is implemented by the HOME Investment Partnerships Program, 24 CFR Part 92, as amended ("HOME Program"); and

C. The City has agreed to make a grant (the “Grant”) to Sponsor of Twenty Nine Thousand Nine Hundred Ninety Eight and No/100ths Dollars (\$29,998.00), so that Sponsor may loan such amounts to Borrower (“Loan”). The Loan is to be used for the eligible costs associated with the rehabilitation of two affordable housing rental units, as more fully set forth herein.

D. As an inducement to City to make the Grant, Borrower has agreed to enter into this Regulatory Agreement in accordance with the terms, conditions, and covenants set forth below and consents to be regulated and restricted by City as herein provided and has agreed to certain rental restrictions as provided for in Title II of the National Affordable Housing Act of 1990 (P.L. 101-165) (“HOME Act”) and the regulations promulgated thereunder and codified at 24 CFR Part 92 as the same may be amended and supplemented from time to time, and as applicable (the “Regulations”).

E. Borrower has executed and delivered to Sponsor its Note (“Note”) as evidence of its indebtedness to Sponsor in the principal amount of the Loan or so much thereof as may hereafter be advanced upon the Loan to Borrower by Sponsor, payable at the time and in the manner as specified in the Note.

F. The Loan is evidenced, secured and governed by, among other things: (a) the Note, (b) the Subordinate Leasehold Mortgage of even date herewith executed by Borrower and recorded on in the Recorder’s Office of Champaign County (“Mortgage”), (c) Community Housing Development Corporation Rental Housing Sponsor Agreement, dated as of substantially even date herewith (“Project Agreement”), and (d) this Regulatory Agreement. The Regulatory Agreement, the Project Agreement, the Note, the Mortgage, and all other documents executed by Borrower which evidence, govern or secure the Loan are collectively referred to as the “Loan Documents.”

F. Capitalized terms used herein and not otherwise defined shall have the meanings established in the Project Agreement, and, if not defined therein, then in the HOME Act, and if not defined therein, in the Regulations.

AGREEMENTS

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. Incorporation. The foregoing recitals are made a part of this Regulatory Agreement as fully and with the same force and effect as if repeated herein at length.

2. Regulatory Compliance. Borrower agrees that at all times its acts regarding the Real Estate and the improvements now or hereinafter located thereon (together referred to as the “Project”) shall be in conformance with the HOME Act and the Regulations and any additional rules, regulations, policies and procedures of City promulgated under the HOME Act, all as the same may be amended and supplemented from time to time. The Borrower shall obtain all Federal, State and local governmental approvals required by law for the Project. The Borrower shall cause the Project to comply with all local codes, ordinances, zoning ordinances, and the United States Department of Housing and Urban Development’s (“HUD”) Section 8 Housing Quality Standards, as set forth in Section 371.601 of the Rules.

3. Occupancy and Rental Restrictions. Borrower further represents, warrants, covenants and agrees that:

- a. The Project, which is located at 512 E Columbia and 612 E Columbia, Champaign, IL Champaign County, will consist of rehabilitation of two single family units. Said City HOME Units shall be rented to households at 50% or less of median family income, in accordance with the requirements of the HOME Program, including compliance with the Current Maximum Allowable Rents for projects funded by the HOME Program.
- b. [*Intentionally omitted.*]
- c. In the advertising, marketing and rental of City HOME Units and the selection of tenants for the Project, Borrower agrees to abide by the terms and conditions of the Tenant Selection Plan executed by Borrower and approved by City, Affirmative Fair Housing Marketing Plan executed by Borrower and approved by City, the Project Agreement (as such documents may be amended from time to time with the prior written consent of City), the HOME Act, the Regulations, and all applicable ordinances, regulations, rules, procedures and requirements of City.
- d. Borrower shall not, in the selection of tenants, in the provision of services, or in any other manner unlawfully discriminate against any person on the grounds of race, color, creed, religion, sex, unfavorable military discharge, ancestry, handicap, national origin, marital status, familial status, or because the prospective tenant is receiving governmental rental assistance. Borrower shall comply with all of the provisions of Paragraph 3805/13 of the HOME Act, Sections 92.350 and 92.351 of the Regulations and all other provisions of Federal, State and local law relative to non-discrimination.
- e. In the management, maintenance, and operation of the Project, Borrower agrees to abide by the terms and conditions of the Project Agreement, as such document may be amended from time to time with the prior written approval of City. Borrower shall be responsible for ensuring any management agent's compliance with the HOME Act, the Regulations, and all applicable ordinances, regulations and statutes and the rules, procedures and requirements of City.
- f. On forms approved by City, Borrower shall obtain from each prospective tenant, prior to its admission to the Project, a determination of income in accordance with Section 92.203(a) of the Regulations (the "Determination"), and at such intervals thereafter as required by City conduct a reexamination of income in accordance with Section 92.252(h) of the Regulations (the "Reexamination") from all such tenants. Borrower shall submit the initial Determination and results of each subsequent Reexamination to City in the manner prescribed by City.
- g. In the manner prescribed by City, Borrower shall obtain written evidence substantiating the information given for the initial Determination and each subsequent Reexamination and shall retain such evidence in its files at the Project or at the offices of Borrower for three (3) years after the year to which such evidence pertains.

- h. Rent for the City HOME Units shall not be greater than the rent allowed under the terms of the Project Agreement. Any increases in rents for the City HOME Units in accordance with the Project Agreement, are subject to the provisions of outstanding leases, and, in any event, Borrower must provide tenants of those City HOME Units not less than thirty (30) days' prior written notice before implementing any increase in rents.
- i. The City HOME Units shall be deemed to comply with this Paragraph 3, despite a temporary noncompliance with this Paragraph, if (i) the noncompliance is caused by increases in the incomes of tenants already occupying such City HOME Units, and (ii) actions satisfactory to City are being taken to ensure that all vacancies are filled in accordance with this Paragraph 3 until the noncompliance is corrected. Subject to the limitations set forth in Section 92.252(i)(2) of the Regulations with respect to low-income housing tax credits, if applicable, tenants that no longer qualify as Low-Income tenants must pay as rent an amount not less than thirty percent (30%) of the Family's Adjusted monthly Income, as recertified annually.
- j. Borrower shall require all tenants occupying City HOME Units to execute a lease in a form approved by City in accordance with Section 92.253 of the Regulations (24 CFR 92.253), as amended, and any and all applicable provisions of the Rules.
- k. Borrower shall cause all Loan proceeds to be used for eligible activities and eligible costs and for the benefit of eligible beneficiaries, as such terms are defined in Sections 92.205 and 92.206 of the Regulations (24 CFR 92.205 and 92.206).
- l. Borrower shall submit to City on an annual basis the rent schedule for the City HOME Units reflecting the actual rates being charged at the Project.
- m. Borrower shall not evict any Tenant from a City HOME Unit in the Project without good cause.
- n. Within thirty (30) days after the end of each calendar year Borrower shall certify to City that, at the time of such certification and during the preceding calendar year, Borrower was in compliance with the requirements of this Paragraph 3, or, if Borrower is not or has not been in compliance with such requirements, Borrower shall give notice to City of its failure to comply and the corrective action Borrower is taking or has taken.
- o. Subject to termination in the event of foreclosure or transfer in lieu of foreclosure as provided in Section 92.252(e) of the Regulations, the occupancy and rental restriction provisions of this Section 3 shall remain in effect for a period of twenty (20) years from the date of Project Completion (the "Affordability Period"). In the event of foreclosure or deed in lieu of foreclosure relating to any other loan encumbering the project, the City shall have the right, but not the obligation, to acquire the project prior to such foreclosure or deed in lieu of foreclosure to preserve the foregoing affordability provisions as provided in Section 92.252 of the Regulations, provided that any such acquisition shall be subject to existing mortgages between Borrower and Senior Lender (as defined in the

Mortgage).

4. Acts Requiring City Approval. Except as permitted pursuant to the other Loan Documents, Borrower shall not without the prior written approval of City, which may be given or withheld in City's sole discretion:

- a. Convey, transfer or encumber the Project or any part thereof, or permit the conveyance, transfer, or encumbrance of the Project or any part thereof.
- b. Convey, assign or transfer any right to manage or receive the rents and profits from the Project.
- c. Rent any City HOME Unit for less than one (1) year, unless otherwise mutually agreed in writing by Borrower and the tenant in accordance with the Regulations.
- d. Lease or sublease any non-residential facility in the Project or amend or modify any such lease or sublease, which, to the best of Borrower's knowledge, would result in a conflict of interest between any of the parties to such contracts and City, its Board members, officers, employees, agents or members of their respective immediate families.
- e. Require, as a condition of the occupancy or leasing of any City HOME Unit in the Project, any consideration or deposit other than the pre-payment of the first month's rent plus a security deposit in an amount not to exceed one (1) month's rent to guarantee the performance by the tenant of the covenants of such lease. Any funds collected by Borrower as security deposits shall be kept separate and apart from all other funds of the Project.

5. Program Requirements. Borrower further covenants, represents and warrants to Sponsor as follows:

- a. Flood Insurance. If required by Sponsor, the Borrower shall procure flood insurance satisfactory to the Sponsor if the Project is located in a 100-year flood plain.
- b. Scope of Work. The Sponsor and the Borrower agree that the only work to be done in connection with the Project shall be that described in the Project Agreement.
- c. Insurance Proceeds. If the Borrower received insurance proceeds for any damage or destruction to the Property occurring during the Affordability Period, the Borrower shall apply such proceeds to the repair of such damage or destruction, in accordance with the provisions set forth in the Mortgage.
- d. Cooperation and Project Design. Borrower shall expeditiously complete construction of the Project, as set forth in the Project Agreement. Borrower shall design and construct the Project in conformity with (i) applicable Federal, State and local statutes, regulations, ordinances, standards and codes (except as otherwise approved

by City), (ii) industry practices in Illinois and (iii) applicable rules, contracts, agreements, procedures, guides and other requirements of City provided to Borrower in writing.

- e. Furnishing Records, Reports and Information. At the request of Sponsor, the Borrower shall furnish such records and information as required by the Sponsor in connection with the maintenance, occupancy and physical condition of the Property. At the request of Sponsor, Borrower shall furnish such reports, projections, certifications, budgets, financial reports, operating reports, tax returns and analyses as required pursuant to the Regulations and any other applicable statutes, rules and regulations.
- f. Audit. The Project and the equipment, buildings, plans, specifications, offices, apparatus, devices, books, contracts, records, documents and other papers relating thereto, and the books and records relating to Borrower, shall at all times be maintained in reasonable condition for proper audit, and shall be subject to examination, inspection and copying at the office of Borrower by Sponsor or its agents or representatives at any time during regular business hours as Sponsor reasonably requires.

6. Violation of Agreement by Borrower. Upon violation of any of the provisions of this Regulatory Agreement by Borrower, City or Sponsor shall give written notice thereof to Borrower in the manner provided in Paragraph 14 hereof. If such violation is not corrected to the satisfaction of City within thirty (30) days after the date such notice is mailed, or within such further time as City in its sole discretion permits (but if such default is of a nature that it cannot be cured within such thirty (30) day period, then so long as Borrower 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, such violation shall not be considered to be a Default), or if any default or event of default under any other loan Document is not cured within any applicable grace, cure or notice period set forth therein, then the City may declare a Default under this Regulatory Agreement (“Default”), effective on the date of such declaration of default and notice thereof to Borrower, and upon such default the City may undertake any or all of the following:

- a. Cause the Sponsor to repay any portions of the Grant not used in accordance with the Requirements.
- b. Withhold further disbursement of the Grant.

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 breach of this Regulatory Agreement by the City shall be deemed to be a waiver of any other breach or a subsequent breach. If the City fails to exercise, or delays in exercising, any right under this Regulatory Agreement, such failure or delay shall not be deemed a waiver of such right or any other right.

7. Termination of Liabilities.

- a. In the event City consents to a sale or other transfer of the Project, or in the event of a permitted sale or other transfer, if any, pursuant to the Loan Documents, all of the duties, obligations, undertakings and liabilities of the transferor under the terms of this Agreement shall thereafter cease and terminate as to such transferor; provided, however, as a condition precedent to the termination of the liability of the transferor hereunder, the transferee of the project (“New Borrower”) shall assume in writing, on the same terms and conditions as apply hereunder to the transferor, all of the duties and obligations of such transferor arising under this Regulatory Agreement from and after such sale or transfer. Such assumption shall be in form and substance acceptable to the City in its sole discretion.
- b. Any New Borrower shall be bound by the terms of this Agreement to the same extent and on the same terms as the present Borrower is bound hereunder and shall execute an assumption of such obligations in form and substance acceptable to City as a condition precedent to such party’s admission as a New Borrower.

Term of Agreement; Covenants Run with the Land. The covenants, conditions, restrictions and agreements set forth in this Regulatory Agreement (collectively, the “Obligations”) shall be deemed to run with, bind and burden the Real Estate and the Project and shall be deemed to bind any New Borrower and any other future owners of the Real Estate and/or the Project and the holder of any legal, equitable or beneficial interest therein for the Affordability Period; provided, moreover, that if the date of the cancellation of the Note (the “Cancellation Date”) is prior to the expiration date of the Affordability Period, the Obligations shall remain in effect until the last day of the Affordability Period, irrespective of whether the proceeds of the Loan are repaid voluntarily by Borrower or tendered by any party following an acceleration by City of the Note or enforcement by City of its remedies in connection with the Loan. The Borrower shall, if so requested by City, execute a written memorandum, prepared by City, which memorandum shall memorialize said date of Project completion and the foregoing Affordability Period. Any waiver by the City of its right to prepare or record any such memorandum and any failure by the Borrower to execute and deliver the same shall not affect the validity or enforceability of the Obligations. In the event of a foreclosure or deed in lieu of foreclosure relating to any other loan encumbering the Project, the City or its designee shall have the right, but not the obligation, to acquire the Project prior to such foreclosure or deed in lieu of foreclosure to preserve the foregoing affordability provisions as provided in Section 92.252 of the Regulations, provided that any such acquisition shall be subject to existing mortgages between Borrower and Senior Lender (as defined in the Mortgage).

It is hereby expressly acknowledged by Borrower that the undertaking of the Obligations by Borrower is given to induce City to make the Loan and that, notwithstanding that the Loan may be repaid prior to the expiration of the Affordability Period, the Borrower’s undertaking to perform the obligations for the full Affordability Period set forth in the previous paragraph is a condition precedent to the willingness of City to make the Loan.

8. Indemnification

- a. The Borrower hereby agrees to indemnify the City, its 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, reasonable attorneys' fees, settlements or judgments, whether by direct suit or from third parties, arising out of the Borrower's performance under this Regulatory 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 its respective officers, agents, employees or servants.
- b. If a claim or suit is brought against the City, or its respective 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 any resulting claims, judgments, damages, losses, costs, reasonable expenses or settlements against the City, or its respective officers, agents, employees or servants.

9. Amendment. This Regulatory Agreement shall not be altered or amended except in a writing signed by the parties hereto.

10. Conflicts and Partial Invalidity. Except as provided in paragraph 20 of this Regulatory Agreement, Borrower warrants that it has not executed, and shall not execute, any other agreement with provisions contradictory, or in opposition to, the provisions hereof and that, in any event, the requirements of this Regulatory Agreement are paramount and controlling as to the rights and obligations set forth in such other agreement and supersede any other requirements in conflict therewith; provided, however, that to the extent this Regulatory Agreement conflicts with any provision or requirement set forth in the Project Agreement, Mortgage, Note, or any other Loan Document, as the case may be, the more restrictive provision and requirement shall prevail and control. If any term, covenant, condition or provision of this Regulatory 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 Regulatory 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 Regulatory Agreement shall be valid and enforceable to the fullest extent permitted by law. The provisions of this Paragraph 11 shall not be deemed to be violated by, or violate, the Senior Loan Documents, as defined in the Mortgage.

11. Successors. Subject to the provision of Paragraph 7 hereof, this Regulatory Agreement shall bind, and the benefits shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in office or interest and assigns; provided, however, that Borrower may not assign this Regulatory Agreement or any of its obligations hereunder, without the prior written approval of City.

12. Plurals, Gender and Captions. The use of the plural in this Regulatory Agreement shall include the singular; the singular shall include the plural; and the use of any gender shall be

deemed to include all genders. The captions used in this Regulatory Agreement are used only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Regulatory Agreement.

13. Notices. Any notice required or permitted to be given under this Regulatory Agreement shall be deemed given (i) when personally delivered, or (ii) three (3) business days after the date deposited in the United States mail, by certified or registered mail, postage prepaid, or (iii) the next business day following the date deposited, with all delivery charges prepaid, with a national delivery service for overnight delivery. Notices shall be addressed as follows:

If to Borrower: Antwuan Neely, Member
IFR Holdings, LLC- Hotel Series
PO Box 751
Savoy, IL 61874

With copy to:

Mark Ingersoll
Law Offices of Mark Ingersoll
201 W Green St., Suite C
Urbana, IL 61801

If to City: City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801
Attn: Sheila Dodd, Manager

If to Sponsor: FirstFollowers
PO Box 8923
Champaign, Illinois 61826
Attn: Marlon Mitchell

Any recipient of notices under this provision may change its address for receipt of copies of notices by giving notice in writing stating its new address to all notice recipients hereunder.

14. Survival of Obligations. The Borrower's obligations, as set forth in this Regulatory Agreement, shall survive the disbursement of the Loan, and the Borrower shall continue to cooperate with City and furnish any documents, exhibits or records reasonably requested pursuant to Section 5(f) of this Regulatory Agreement.

15. Construction. This Regulatory Agreement shall be construed and interpreted in accordance with the laws of the State of Illinois.

16. Counterparts. This Regulatory Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Regulatory Agreement must

be produced or exhibited, be the Regulatory Agreement, but all such counterparts shall constitute one and the same agreement.

17. Limited Non-Recourse Obligation. Notwithstanding anything herein to the contrary, the indebtedness evidenced by the Note shall be a non-recourse obligation of Borrower and neither Borrower nor any general or limited partner of Borrower or their respective successors or assigns, nor any related or unrelated party, shall have any personal liability for repayment of said indebtedness or any other amounts evidenced or secured by the Loan Documents, the sole recourse of the Sponsor or any subsequent holder of the Note being the exercise of its rights against the Project (as defined in the Project Agreement) and any other collateral under the Loan Documents, including, without limitation (i) the Project and the rents, issues, profits and income therefrom, (ii) any funds or property held pursuant to any of the Loan Documents, and (iii) insurance proceeds and condemnation awards paid or payable relative to the Project.

18. 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 project, this regulatory agreement or any of the loan documents and agree that any such action or proceeding shall be tried before a court and not before a jury.

20. Subordination. This Regulatory Agreement is and shall be subject and subordinate in all respects to the Senior Loans and the Senior Loan Documents, both as defined in the Mortgage.

(signature page follows)

In Witness Whereof, the parties hereto have executed this Agreement as of the date
aforementioned.

City of Urbana,
a municipal corporation of the State of Illinois

By: _____
Name:
Title:

Antwuan Neely, Member IFR Holdings, LLC- Hotel Series

By: _____
Antwuan Neely, Member

FirstFollowers

By: _____
Name: Marlon Mitchell
Title: Executive Director

STATE OF ILLINOIS)
) SS
COUNTY OF CHAMPAIGN)

I the undersigned Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that _____, the _____ of the City of Urbana, a municipal corporation the State of Illinois, 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 as such officer (s)he signed, sealed and delivered the foregoing instrument as the free and voluntary act of the City of Urbana and as its free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2020.

Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF Champaign)

I the undersigned Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that _____ personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act in his capacity as _____, as the free and voluntary act of the foregoing partnership for the purposes therein set forth.

Given under my hand and official seal, this ____ day of _____, 2009.

Notary Public

Exhibit A

Legal Description

(Tract 1)

Lot 12 in Block 17 of Seminary Addition to Urbana, now a Part of the City of Champaign, as per Plat recorded November 16, 1863 in Deed Record "Y", Page 208 - 209, situated in Champaign County, Illinois.

PIN: 46-21-07-180-013

Commonly known as: 512 E. Columbia Ave., Champaign, IL 61820

(Tract 2)

Lot 1 in Block 21 of Seminary Addition to Urbana, now a Part of the City of Champaign, as per Plat recorded November 16, 1863 in Deed Record "Y", Page 208 - 209, situated in Champaign County, Illinois.

PIN: 46-21-07-184-006

Commonly known as: 611 E. Columbia Ave., Champaign, IL 61820

RESOLUTION NO. 2021-03-013R

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

(First Followers CHDO Operating PY 2020)

WHEREAS, the City Council of the City of Urbana, Illinois has certified First Followers as a Community Housing Development Organization under the Urbana HOME Consortium guidelines; and

WHEREAS, First Followers is a nonprofit sponsor developing affordable rental units for extremely low and low income individuals; and

WHEREAS, First Followers requests CHDO operating funding to assist in capacity building and operating costs; 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 \$26,110 in HOME Program Operating funds, for administration and operating expenses related to the continued operation and agency capacity expansion, between the City of Urbana and First Followers, a certified Community Housing Development Organization, 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 ____ day of _____, _____.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

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

Diane Wolfe Marlin, Mayor

URBANA HOME CONSORTIUM
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION
AGREEMENT

(FirstFollowers CHDO Operating PY 2020)

THIS 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 “City”), and **FirstFollowers**, a not-for-profit corporation incorporated under the laws of the State of Illinois (hereinafter “**FirstFollowers**”).

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, will receive HOME Program funds from HUD for the period beginning **July 1, 2020**, and ending **June 30, 2021**, to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County; and

WHEREAS, the Urbana City Council has adopted the *City of Urbana and Urbana HOME Consortium FY 2020-2024 Consolidated Plan* (hereinafter the “Consolidated Plan”), and the *City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2020-2021* (hereinafter the “AAPs”) which budgets administrative costs incurred by Community Housing Development Organizations 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 Consolidated Plan encourages the development of non-profit housing development organizations eligible for CHDO status and promotes increasing the capacity for affordable housing production at the neighborhood level; and

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

WHEREAS, **FirstFollowers** has been designated as an eligible recipient of CHDO funds for the Urbana HOME Consortium for the projects located at 511 E. Columbia Avenue, Champaign and 612 E. Columbia Avenue, Champaign; and

WHEREAS, **FirstFollowers** has applied to the City for Urbana HOME Consortium funding for administration and operating costs related to the continued operation of HOME funded rental housing properties and for the building of agency capacity (hereinafter the “Operating Activities”); and

WHEREAS, the City has the right and authority, pursuant to both the HOME Program and the Intergovernmental Agreement to allocate Urbana HOME Consortium funds to **FirstFollowers** for the Operating Activities.

NOW, THEREFORE, the parties hereby agree as follows.

1. **Preamble.** The preamble set forth above is hereby incorporated and made part of this Community Housing Development Organization Agreement (hereinafter the “Agreement”).
2. **Purpose.** The purpose of this Agreement is to pledge **PY 2020 (FY 2020-2021)** Urbana HOME Consortium funds to provide **FirstFollowers** with administrative and operating activities to complete the Operating Activities.
3. **Pledge of HOME and Match Funds.** The City pledges to **FirstFollowers** **\$26,110** in Urbana HOME Consortium funds for the Operating Activities.

Specific uses of said funds are for administration and operating activities related to the continued operation and capacity building of the organization as shown in Exhibit 1.

FirstFollowers shall not request disbursement of HOME funds until HOME funds are needed to pay eligible costs related to the Operating Activities. The amount of any request for funds shall not exceed the amount needed and shall be supported by appropriate documentation (i.e. payroll documentation, receipts, and invoices). The City shall make payment to **FirstFollowers** within fourteen (14) calendar days of receipt of a complete and acceptable request by the City. The City reserves the right to withhold disbursement of funds until appropriate documentation is submitted. All checks shall be made payable to “**FirstFollowers.**” All monies granted to **FirstFollowers** pursuant to this Agreement shall be expended by **FirstFollowers** by **July 31, 2024.**

4. **Eligible Uses of Funds.** **FirstFollowers** may expend funds per 24 CFR 92.208(a) and 24 CFR 92.300(f).

24 CFR 92.208(a): Up to 5 percent of a participating jurisdiction's fiscal year HOME allocation may be used for the operating expenses of community housing development organizations (CHDOs). These funds may not be used to pay operating expenses incurred by a CHDO acting as a subrecipient or contractor under the HOME Program. Operating expenses means reasonable and necessary costs for the operation of the community housing development organization. Such costs include salaries, wages, and other employee compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment; materials and supplies. The

requirements and limitations on the receipt of these funds by CHDOs are set forth in 92.300(f).

24 CFR 92.300(f): Limitation on community housing development organization operating funds. A community housing development organization may not receive HOME funding for any fiscal year in an amount that provides more than 50 percent or \$50,000, whichever is greater, of the community housing development organization's total operating expenses in that fiscal year. This also includes organizational support and housing education provided under section 233(b)(1), (2), and (6) of the Act, as well as funds for operating expenses provided under 92.208.

5. **Financial Responsibility.** The allocation of funds by the City pursuant to this Agreement shall in no way obligate the City for any financial responsibility incurred by the Operating Activities in excess of the funding pledged herein.
6. **Equal Employment. FirstFollowers** agrees that there shall be no discrimination against any person who is employed in carrying out the Operating Activities, or against any applicant for such employment, because of race, color, religion, sex, age, or national origin, or any other discrimination prohibited by Urbana law, 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. **FirstFollowers** further agrees to the following.
 - A. It shall be bound by said equal opportunity clause with respect to its own employment practices during the duration of its participation with the City and HUD.
 - B. It shall furnish the City and HUD with information as they may require for the supervision of such compliance and will otherwise assist the City and HUD in the discharge of primary responsibility for securing compliance.
 - C. 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 City, or HUD.
 - D. It shall abide by the Urbana Human Rights Ordinance regarding equal employment.
7. **Certifications. FirstFollowers** represents the following with respect to this Agreement.
 - A. **FirstFollowers** possesses legal authority to receive HOME Program funds from the City and to execute the Operating Activities as described herein.
 - B. The governing body of **FirstFollowers** 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 **FirstFollowers** to act in connection with this Agreement and to provide such additional information as may be required.

- C. **FirstFollowers**, its successors and assigns, agrees to fulfill the Operating Activities in accordance with HOME Program regulations promulgated at 24 CFR Part 92.
- D. **FirstFollowers** acknowledges there is no match requirement for these HOME CHDO funds disbursed by the City in the amount of **\$26,110**.
- E. **FirstFollowers** 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 Operating Activities. **FirstFollowers** agrees to maintain financial records in accordance with applicable Federal guidelines; OMB circulars A-110, A-122, and A-133; the following requirements of 24 CFR Part 84: 84.2, 84.5, 84.13, 84.16, 84.21, 84.22, 84.26 - 84.28, 84.30, 84.31, 84.34 - 84.37, 84.40 - 84.48, 84.51, 84.60 - 84.62, 84.72, and 84.73. **FirstFollowers** shall separately and accurately identify use of HOME funds pursuant to this Agreement.
- F. **FirstFollowers** 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 **FirstFollowers** receives federal financial assistance.
- G. **FirstFollowers** shall comply with Executive Order 11246, and all regulations issued pursuant thereto (24 CFR Part 130), 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.
- H. **FirstFollowers** 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 in accordance with 24CFR92.356, and enforce such safeguards. Further, it will immediately report to the City any suspected or actual conflict situation.
- I. No Federal appropriated funds have been paid or will be paid, by or on behalf of **FirstFollowers**, to any person for influencing or attempting to influence an officer or employee of any agency including the City, 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 City, 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, **FirstFollowers** will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions. This form must be completed and submitted to the City prior to the execution of this agreement and prior to any disbursement of funds.

- J. **FirstFollowers** 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 Operating Activities.
- K. **FirstFollowers** authorizes the City 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. **FirstFollowers** will ensure that all documents related to this Operating Activities shall be kept for a period of five years after project completion and final payout . 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-imbusement of expenses.
- L. **FirstFollowers** 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. **FirstFollowers** shall be liable to perform all acts to the City in the same manner as the City performs these functions to the Federal government.
- M. **FirstFollowers** 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 lawsuit or claim for compensation arising in favor of any person, including the employees, officers, independent contractors, subcontractors, or agents of **FirstFollowers**, on account of personal injuries or death, or damages to property occurring, growing out of, incident to, or resulting under this Operating Activities, whether such loss, damage, injury, or liability is contributed to by the negligence of the City 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 **FirstFollowers** shall have no liability for damages or the costs incident thereto caused by the sole negligence of the City, or its officers, employees, or agents.

- N. **FirstFollowers** shall have full control of the ways and means of performing the services referred to herein. **FirstFollowers** acknowledges and agrees that its employees, representatives, subcontractors, and agents may in no respect be considered employees of the City.
8. **Affirmative Marketing.** **FirstFollowers** must adopt an affirmative marketing policy and procedure acceptable to HUD to attract beneficiaries for their HOME-funded projects 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:
- Methods for informing the public, owners, and potential beneficiaries about Federal fair housing laws and the City’s affirmative marketing policy.
 - Requirements and practices **FirstFollowers** must adhere to in order to carry out the affirmative marketing procedures and requirements.
 - Procedures to be used by **FirstFollowers** to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach.
 - Records that will be kept describing actions taken by **FirstFollowers** to affirmatively market units and records to assess the results of these actions.
 - A description of how the **FirstFollowers** will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.
9. **Prohibition Against Lobbying.** **FirstFollowers** acknowledges that no funds disbursed pursuant to this Agreement shall be used to finance lobbying activities. Furthermore, **FirstFollowers** acknowledges that no **FirstFollowers** 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.
- 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
 - sponsorship of candidate forums
 - sponsorship of voter registration drives
 - provision of transportation to polling places
 - contributing financially to elected or appointed public officials in an attempt to influence legislation
 - hiring an individual or individuals to represent an organization and/or its position before elected or appointed public officials.
10. **Request for Disbursement of Funds.** **FirstFollowers** may request disbursement of HOME funds on a calendar quarter basis for reimbursement of eligible CHDO Operating expenses incurred during the previous quarter. An exception to this will be made for the

fourth quarter in order to facilitate financial close-out procedures associated with the end of the fiscal year. The schedule for disbursement requests is as follows:

<u>Expenses Incurred During:</u>	<u>Pay Request Submitted:</u>
January 1 – March 31	by April 10
April 1 – June 30	by July 10
July 1 – September 30	by October 10
October 1 – December 31	by January 10

Each request for payment shall be accompanied by documentation supporting the amount requested including, but not limited to, payroll documentation, receipts, and invoices. The City shall make payment to **FirstFollowers** within ten (10) calendar days of submission of a complete and acceptable payment request to the City. The City reserves the right to withhold disbursement of funds until appropriate documentation is submitted.

HUD regulations mandate that CHDOs utilizing CHDO Operating HOME funds must also be working on or toward an eligible housing project utilizing CHDO Project HOME funds. Such a project must be underway and to the point of drawing HOME Project funds within 24 months of the effective date of the CHDO Operating Agreement. If this requirement is not fulfilled, **FirstFollowers** shall repay to the City all HOME funds disbursed pursuant to this agreement. Although the disbursement of CHDO Operating funds is not tied directly to the draw down of CHDO Project funds, the City reserves the right to delay disbursement of Operating Funds if it is evident that the CHDO project is experiencing excessive delays.

11. **Agency Training.** In order to ensure that the specific housing needs of the community continue to be addressed in ways that include current best practices, and that **FirstFollowers** understands and abides by all applicable local state and federal regulations involved in the use of HOME funds, the City requires that **FirstFollowers** completes a minimum of two (2) approved workshops, conferences or training opportunities annually. The City may directly administer such training, or may recommend opportunities conducted by other agencies.
12. **Compliance.** **FirstFollowers** agrees that if the City determines that **FirstFollowers** has not complied with or is not complying with the provisions of this Agreement and so notifies **FirstFollowers** by written notice of said violations and **FirstFollowers** fails to correct said violations within thirty (30) days from receipt of said notice, the City may terminate this Agreement by written notice and may take any other action as may be permitted pursuant to this 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
Attn: Manager
400 South Vine Street
Urbana, Illinois 61801

TO CHDO: Executive Director
FirstFollowers
PO Box 8923
Champaign, IL 61826

14. **Contingencies.** This Agreement, including the provision of funds by the Urbana HOME Consortium for the Operating Activities as described herein, is contingent upon the following the construction of four single-family units as described in Agreement Number FY01213-NA-CD.
15. **Assignment.** **FirstFollowers** shall not assign this Agreement, nor any part thereof, without prior written approval of the City.
16. **Modification.** No modification of this Agreement, including modification of the budget in *Exhibit 1*, shall be effective unless in writing and executed by the parties hereto.
17. **Disbarment & Suspension.** The undersigned, **FirstFollowers**, certifies that it is not debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549.

FirstFollowers 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. No award of the contracts covered under the subject Agreement shall be made to any contractor who is at the time ineligible under the provisions of any applicable regulations of the City of Urbana, Illinois or the Federal Government to receive an award of such contract.

FirstFollowers shall verify and document that none of its grantees, subgrantees or contractors are debarred, suspended or otherwise excluded from participation through the effective use of the List of Parties Excluded from Federal Procurement or Nonprocurement programs (“List”). **FirstFollowers** may request assistance from the City of Urbana, to access the List and document results to the file.
18. **Termination.** Unless otherwise extended through written confirmation, this Agreement shall terminate on **July 31, 2024**.
19. **Execution of Agreement.** This Agreement shall be binding upon the City and **FirstFollowers**, their successors and assigns, and shall be effective as of the date executed by the Mayor and attested by the City Clerk.

CITY OF URBANA

Diane Wolfe Marlin, Mayor

Date

Attest: Phyllis D. Clark, City Clerk

FirstFollowers

Printed Name

Signature

Date

Exhibit 1

Operating Budget

Eligible Operating Expenses:

Staff Salaries & Benefits – 512 E. Columbia Avenue \$13,050

Staff Salaries & Benefits – 611 E. Columbia Avenue \$13,050

TOTAL EXPENSES \$26,110