



DATE: Monday, February 02, 2026
TIME: 7:00 PM
PLACE: 400 South Vine Street, Urbana, IL 61801

AGENDA

Chair: *Grace Wilken, Ward 6*

- A. **Call to Order and Roll Call**
- B. **Approval of Minutes of Previous Meeting**
- C. **Additions to the Agenda**
- D. **Presentations and Public Input**
- E. **Staff Report**
- F. **New Business**
 - 1. **Resolution No. 2026-02-006R:** A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium (Habitat for Humanity, PY 2026) – CD
 - 2. **Resolution No. 2026-02-007R:** A Resolution Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Funding Agreement (Habitat for Humanity, PY 2026) – CD
 - 3. **Ordinance No. 2026-02-003:** An Ordinance Amending the Urbana Zoning Map (Rezone 904 East Main Street from R-3 to B-3 / Plan Case No. 2517-M-25) – CD
 - 4. **Ordinance No. 2026-02-004:** An Ordinance Revising the Annual Budget Ordinance (Budget Amendment #7 – TIF 4 Closure) – HRF
 - 5. **Ordinance No. 2026-02-005:** An Ordinance Revising the Annual Budget Ordinance (Budget Amendment #8 – Fire Engine Purchase) – HRF
- G. **Council Input and Communications**
- H. **Adjournment**

PUBLIC INPUT

The City of Urbana welcomes Public Input during open meetings of the City Council, the City Council's Committee of the Whole, City Boards and Commissions, and other City-sponsored meetings. Our goal is to foster respect for the meeting process, and respect for all people participating as members of the public body, city staff, and the general public. The City is required to conduct all business during public meetings. The presiding officer is responsible for conducting those meetings in an orderly and efficient manner. Public Input will be taken in the following ways:

Email Input

Public comments must be received prior to the closing of the meeting record (at the time of adjournment unless otherwise noted) at the following: citycouncil@urbanail.gov. The subject line of the email must include the words "PUBLIC INPUT" and the meeting date. Your email will be sent to all City Council members, the Mayor, City Administrator, and City Clerk. Emailed public comments labeled as such will be incorporated into the public meeting record, with personal identifying information redacted. Copies of emails will be posted after the meeting minutes have been approved.

Written Input

Any member of the public may submit their comments addressed to the members of the public body in writing. If a person wishes their written comments to be included in the record of Public Input for the meeting, the writing should so state. Written comments must be received prior to the closing of the meeting record (at the time of adjournment unless otherwise noted).

Verbal Input

Protocol for Public Input is one of respect for the process of addressing the business of the City. Obscene or profane language, or other conduct that threatens to impede the orderly progress of the business conducted at the meeting is unacceptable.

Public comment shall be limited to no more than five (5) minutes per person. The Public Input portion of the meeting shall total no more than two (2) hours, unless otherwise shortened or extended by majority vote of the public body members present. The presiding officer or the city clerk or their designee, shall monitor each speaker's use of time and shall notify the speaker when the allotted time has expired. A person may participate and provide Public Input once during a meeting and may not cede time to another person, or split their time if Public Input is held at two (2) or more different times during a meeting. The presiding officer may give priority to those persons who indicate they wish to speak on an agenda item upon which a vote will be taken.

The presiding officer or public body members shall not enter into a dialogue with citizens. Questions from the public body members shall be for clarification purposes only. Public Input shall not be used as a time for problem solving or reacting to comments made but, rather, for hearing citizens for informational purposes only.

In order to maintain the efficient and orderly conduct and progress of the public meeting, the presiding officer of the meeting shall have the authority to raise a point of order and provide a verbal warning to a speaker who engages in the conduct or behavior proscribed under "Verbal Input". Any member of the public body participating in the meeting may also raise a point of order with the presiding officer and request that they provide a verbal warning to a speaker. If the speaker refuses to cease such conduct or

behavior after being warned by the presiding officer, the presiding officer shall have the authority to mute the speaker's microphone and/or video presence at the meeting. The presiding officer will inform the speaker that they may send the remainder of their remarks via e-mail to the public body for inclusion in the meeting record.

Accommodation

If an accommodation is needed to participate in a City meeting, please contact the City Clerk's Office at least 48 hours in advance so that special arrangements can be made using one of the following methods:

- Phone: 217.384.2366
- Email: CityClerk@urbanil.gov



City of Urbana
400 S. Vine Street, Urbana, IL 61801
www.urbanaininois.us

MEMORANDUM TO THE MAYOR AND CITY COUNCIL

Meeting: February 2, 2026, Committee of the Whole
Subject: A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium (Habitat for Humanity, PY 2026)

A Resolution Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Funding Agreement (Habitat for Humanity, PY 2026)

Summary

Action Requested

The Committee of the Whole is being asked to consider the two attached resolutions. The first resolution is for certification of Habitat for Humanity of Champaign County as a Community Housing Development Organization (CHDO) of the Urbana HOME Consortium. The second resolution approves the execution of a CHDO funding agreement with Habitat for the construction of affordable housing.

Brief Background

On an annual basis, the U.S. Department of Housing and Urban Development (HUD) provides funding to certified Community Housing Development Organizations (CHDOs) for the creation of affordable rental and homeowner housing. In order to be certified as a CHDO, organizations must meet the requirements outlined at HUD CPD notice 97-11 pertaining to legal status, organizational structure, and capacity and experience. The Urbana HOME Consortium is responsible for annually recertifying CHDOs in Champaign County. Based on the assessment of staff, Habitat for Humanity has met the criteria for recertification in PY 2026.

In PY 2026, Habitat for Humanity has requested CHDO funds to support five (5) affordable housing projects in Urbana and Champaign. A summary of projects and recommended funding amounts can be found in Attachment A of this packet.

Relationship to City Services and Priorities

Impact on Core Services

CHDO funding is set-aside from the annual allocation of HOME funding received from HUD. Therefore, there will be no impact on City general funds and no impact on core services as a result

of approving these resolutions.

Strategic Goals & Plans

Approval of the proposed Resolutions is consistent with strategies and objectives related to affordable housing described in the City of Urbana and Urbana HOME Consortium FY 2025-2029 Consolidated Plan, as well as City Council strategic goal 2.2B: “partner with developers to generate affordable rental and homeowner housing.”

Previous Council Actions

Habitat for Humanity of Champaign County has regularly applied for and been awarded HOME funds throughout the program’s history. Most recently, City Council approved Resolutions 2025-03-019R and 2025-03-020R on March 10, 2025, for funding and certification of Habitat for Humanity for CHDO PY 2025.

Discussion

Additional Background Information

HUD requires that a minimum of 15 percent of each annual allocation of HOME funding be set aside for affordable housing development projects undertaken by certified CHDOs. HUD also allows a maximum of 5 percent of each annual HOME allocation be set aside for CHDO operating expenses. In PY 2026, the Urbana HOME Consortium has set aside \$197,500 for CHDO projects, and \$30,000 for CHDO operating support. CHDO projects may be undertaken within the Urbana HOME Consortium area, which consists of Champaign, Urbana, and unincorporated areas of Champaign County.

The attached funding agreement would fund Habitat for Humanity for five affordable housing projects at a rate of \$39,500 per project (\$197,500 total) in development costs, as well as \$6,000 per project (\$30,000 total) in operating costs.

Recommendation

Staff and the Community Development Commission recommend that the attached resolutions be forwarded to the City Council consent agenda for approval.

Attachments

- A. Funding Summary
- B. A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium (Habitat for Humanity, PY 2026)
- C. A Resolution Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Funding Agreement (Habitat for Humanity, PY 2026)

Originated by: Nick Olsen, Interim Grants Division Manager
Reviewed: Olivia Jovine, Community Development Services Director
Approved: Darius White, City Administrator

Exhibit A

| Funding Summary - Habitat for Humanity | | |
|----------------------------------------|---------------------|-------------------|
| Project Address | Project Funding | Operating Funding |
| 1208 Garden Hills, Champaign | \$39,500.00 | \$6,000 |
| 1112 W Church, Urbana | \$39,500.00 | \$6,000 |
| 605 E. Columbia, Champaign | \$39,500.00 | \$6,000 |
| 1018 W. Beardsley, Champaign | \$39,500.00 | \$6,000 |
| 1209 W. Beslin, Urbana | \$39,500.00 | \$6,000 |
| Total: | \$197,500.00 | \$30,000 |

RESOLUTION NO. _____**A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium****(Habitat for Humanity, PY 2026)**

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

WHEREAS, the City Council of the City of Urbana, Illinois, has found and determined that certification of Habitat for Humanity of Champaign County as a Community Housing Development Organization for the Urbana HOME Consortium for PY 2026 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 2025-2029 Consolidated Plan*.

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

Section 1. That Habitat for Humanity of Champaign County (Habitat) be identified and 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 Funding Agreement 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 Funding Agreement, or until such time that Council be informed of conditions necessitating a change in the status of Habitat as a CHDO.

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

AYES:

NAYS:

ABSTAINED:

Darcy E. Sandefur, City Clerk

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

DeShawn B. Williams, Mayor

RESOLUTION NO. _____

A Resolution Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Funding Agreement

(Habitat for Humanity, PY 2026)

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

WHEREAS, the City Council of the City of Urbana, Illinois, has found and determined that execution of the attached Community Housing Development Organization agreement is desirable and necessary to carry out one of the corporate purposes of the City of Urbana, to wit: implementation of Strategies and Objectives to Address the Affordable Housing Needs of Low and Moderate Income Households described in the *City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) FY 2025-2029 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 \$197,500 in PY25 HOME CHDO project funds, and \$30,000 in PY26 HOME CHDO operating funds, for the creation of five (5) affordable single-family units, between the City of Urbana and Habitat for Humanity of Champaign County, in substantially the same form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

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

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

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

AYES:

NAYS:

ABSTAINED:

Darcy E. Sandefur, City Clerk

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

DeShawn B. Williams, Mayor

URBANA HOME CONSORTIUM
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FUNDING
AGREEMENT

(Habitat for Humanity of Champaign County PY 2026)

THIS Community Housing Development Organization Agreement (hereinafter the “**AGREEMENT**”), for _____ (hereinafter the “**PROJECT**”) is 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 “**PARTICIPATING JURISDICTION, or PJ**”), and _____, an Illinois Not-For-Profit Organization (hereinafter “**DEVELOPER**”) on _____ (hereinafter the “**DATE**”).

WITNESSETH

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

WHEREAS, the Urbana HOME Consortium, CFDA #14.239, has received HOME Program funds from HUD for the period beginning **July 1, 2025**, and ending **June 30, 2026** to increase affordable housing opportunities for low-income residents of Urbana, Champaign, and unincorporated Champaign County; and

WHEREAS, the Urbana City Council has adopted a Consolidated Plan for Program Years 2025-2029 (hereinafter the “Consolidated Plan”) and the City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2025-2026 (hereinafter Annual Action Plan), which budgets Urbana HOME Consortium funds, including a fifteen percent set-aside for use by Community Housing Development Organizations (hereinafter “CHDOs”) to expand affordable housing opportunities at the neighborhood level, and a five percent set-aside for administrative and operational costs incurred by CHDOs in accordance with an Intergovernmental Agreement Concerning Administration of a Champaign/ Urbana/ Champaign County HOME Investment Partnerships Consortium executed by Mayor Tod Satterthwaite on behalf of the City on July 16, 2003 (hereinafter the “Intergovernmental Agreement”); and

WHEREAS, the PJ, as the administrator of a HOME Program, has authority under the provisions of the HOME Program to provide funding for the development of an affordable homeownership program, and for the provision of administration and operating assistance; and

WHEREAS, DEVELOPER has applied to the PJ for Urbana HOME Consortium funding for development and operating assistance in order to administer said PROGRAM; and

TOTAL USES OF FUNDS

\$235,000

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

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

WHEREAS, DEVELOPER desires to serve as a project developer the PROGRAM within the City of Champaign, the City of Urbana, and unincorporated Champaign County; and

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

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

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

WHEREAS, the DEVELOPER, having been fully informed regarding the requirements of the HOME Program, is committed to starting the PROGRAM with the assistance of HOME Program funds on or before **April 1, 2026** and has made necessary arrangements to provide any required matching private contribution towards the cost of said PROGRAM.

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

ARTICLE I: HOME REQUIREMENTS

Section 1: Commitment of HOME CHDO Funds

The PJ agrees to provide the DEVELOPER an amount not to exceed **\$197,500** in Project funds, and an amount not to exceed **\$30,000 (\$6,000 per unit)** in Operating funds from its federal HOME allocation from fiscal year 2025 – 2026. The DEVELOPER shall use the Funds in accordance with the HOME program guidelines outlined in 24 CFR Part 92 in carrying out the PROGRAM in the manner as described below:

Section 2: Use of HOME CHDO Project Funds

- a.) The CHDO Project funds provided to the DEVELOPER shall be used for development subsidy, down payment assistance to low- to moderate-income households, and for homeownership opportunities.

TOTAL USES OF FUNDS

\$235,000

- b.) The DEVELOPER may only request HOME funds to be used for down payment assistance in combination with the development of a property wherein a development subsidy is being provided as part of an eligible CHDO project.
- c.) The DEVELOPER shall comply with the PROGRAM MANUAL prior to commitment of any work pursuant to this agreement. DEVELOPER shall provide PJ a copy of its PROGRAM MANUAL in accordance with the HOME Program regulations for approval by Urbana City staff. The DEVELOPER shall provide the PJ with the budget and financial projection for each home from the preliminary budget for the construction of each of house as provided in "Attachment 3" or in a similar document format as approved by the PJ.
- d.) The DEVELOPER shall own or purchase the real property for the Project in the following locations:
 - a. 1208 Garden Hills, Champaign, IL
 - b. 1112 W Church, Urbana, IL
 - c. 605 E. Columbia, Champaign, IL
 - d. 1018 W. Beardsley, Champaign, IL
 - e. 1209 W. Beslin, Urbana, IL
- e.) The DEVELOPER shall complete the Affordable Homeownership Program in accordance with the homebuyer contract provisions as described in the PROGRAM MANUAL approved by Consortium staff, by reference made a part hereof.
- f.) The DEVELOPER shall incorporate the sample documents for the PROGRAM as part of the PROGRAM MANUAL, which is to be submitted to Urbana City staff prior to commitment of funds.
- g.) The developer shall complete the PROJECT within 4 years of funding commitment, or March 1, 2030.

Section 3: Use of CHDO Operating Funds

- a.) 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.
- b.) DEVELOPER 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, invoices). The City shall make payment to DEVELOPER 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 DEVELOPER. All monies granted to DEVELOPER pursuant to this Agreement shall be expended by DEVELOPER by March 1, 2030.
- c.) DEVELOPER 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

TOTAL USES OF FUNDS

\$235,000

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.

- d.) Equal Employment. DEVELOPER 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. DEVELOPER further agrees to the following.
- i. 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.
 - ii. 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.
 - iii. 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.
 - iv. It shall abide by the Urbana Human Rights Ordinance regarding equal employment.
- e.) DEVELOPER, its successors and assigns, agrees to fulfill the Operating Activities in accordance with HOME Program regulations promulgated at 24 CFR Part 92.
- f.) DEVELOPER acknowledges there is no match requirement for these HOME CHDO funds disbursed by the City.
- g.) DEVELOPER shall comply with the regulations, policies, guidelines, and requirements of 2 CFR Part 200 as they relate to the acceptance and use of Federal funds for the Operating Activities. DEVELOPER agrees to maintain financial records in accordance with applicable Federal guidelines as part of 2 CFR Part 200. DEVELOPER shall separately and accurately identify use of HOME funds pursuant to this Agreement.
- h.) DEVELOPER shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which DEVELOPER receives Federal financial assistance.

Section 3: Affordability

TOTAL USES OF FUNDS

\$235,000

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

The maximum purchase price shall not exceed **\$284,000**, which is 95% of the median purchase price of new housing for the metropolitan area as defined by the Single-Family Mortgage Limits under Section 203(b) of the National Housing Act. The project shall be single-family housing, which includes one (1) to four (4) family residence or condominium unit. The project shall be single-family housing, which includes one (1) to four (4) family residence or condominium unit.

The HOME-assisted housing shall be the principal residence of the qualified income eligible homebuyer from the date of initial occupancy (loan closing for purchase of the property) and shall remain the principal residence of the family for a period of ten years from the date of project completion (the Affordability Period). For purposes of this AGREEMENT, project completion means that all necessary title transfer requirements to the DEVELOPER have been performed; construction has been completed; the project complies with the requirements of 24 CFR Part 92 (including the property standards under 24 CFR 92.251); the final drawdown has been disbursed for the project; the DEVELOPER has submitted all necessary demographic and financial information to the DEVELOPER in the form of the Activity Completion Report provided in "Attachment 5"; and the project completion information has been entered in the integrated disbursement and information system (IDIS) established by HUD.

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

Affordability Period

For allotted time period following project completion (hereinafter referred to "the Affordability Period"), the following restrictions shall apply.

The Affordability Period for the PROJECT is: 10 years

The DEVELOPER agrees to assist the PJ in restricting the use of the property by recording a Mortgage, and Note (hereinafter the "DOCUMENTS") in form and with the same content as that executed under even date herewith. DOCUMENTS shall be identical in substantial form as the forms in "Attachment 4" attached hereto and by reference made a part hereof.

TOTAL USES OF FUNDS

\$235,000

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

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

Section 3: HOME Project Requirements

Project Requirements:

The PJ shall provide HOME funds in accordance with 24 CFR 92.205(b) for eligible costs as described in 24 CFR 92.206 and 92.207. HOME Program funds will be disbursed on behalf of the DEVELOPER under the following terms and conditions.

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

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

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

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

The terms of the recapture provision will be such that they reflect the HUD provisions in the HOME Final Rule 24 CFR 92.254. Details of a recapture provision will be provided in the DOCUMENTS.

TOTAL USES OF FUNDS

\$235,000

Failure to ensure that the DOCUMENTS are executed at the initial purchase closing will result in withholding HOME Program funds until said item is addressed. DEVELOPER also agrees to reference these required DOCUMENTS in each of their PROGRAM Agreements with the Homebuyers.

List of Documents

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

Mortgage
Note

Section 4: Property Standards

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

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

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

Section 5: Other Program Requirements

A. 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 Project or Operating Activities in excess of the funding pledged herein.

B. Affirmative Marketing of Vacant Units

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

1. Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the CONSORTIUM’s affirmative marketing policy.
2. Requirements and practices DEVELOPER must adhere to in order to carry out the affirmative marketing procedures and requirements.

TOTAL USES OF FUNDS

\$235,000

3. Procedures to be used by DEVELOPER to inform and solicit applications from persons, in the housing market area, who are not likely to apply for the housing without special outreach.
4. Records that will be kept describing actions taken by DEVELOPER to affirmatively market units and records to assess the results of these actions.
5. A description of how the DEVELOPER will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

C. Non-discrimination and Equal Opportunity

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

DEVELOPER further agrees to the following:

1. It shall be bound by said equal opportunity clause with respect to its own employment practices during the duration of its participation with the PJ and HUD.
2. It shall furnish the PJ and HUD with information as they may require for the supervision of such compliance and will otherwise assist the PJ and HUD in the discharge of primary responsibility for securing compliance.
3. It shall carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the Secretary of Labor, the PJ, or HUD.
4. It shall abide by the Human Rights Ordinance as set forth in Chapter 12 of the Urbana Code of Ordinances.

D. Displacement, Relocation and Acquisition

If applicable, DEVELOPER agrees to assist the PJ to provide relocation assistance to persons temporarily relocated or permanently displaced at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C.4201 to 4655) and 49 CFR, Part 24 and Section 104(d) of the Housing and Community Development Act, as applicable.

E. Labor and Contracting Requirements

PROJECT DEVELOPER and its contractors and subcontractors shall comply with the Davis-Bacon Act (40 U.S.C. 276a-276a-5) with regard to all its requirements including wage rates paid pursuant to or as a result of this AGREEMENT. Any contracts executed as a result of this AGREEMENT may also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332).

E. Disbarment & Suspension

The DEVELOPER certifies that it is not debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549. The DEVELOPER shall establish procedures to ensure they do not make any award to

TOTAL USES OF FUNDS

\$235,000

contractors or subcontractors at any tier in violation of the non-procurement debarment and suspension common rule. **The DEVELOPER shall verify and document that none of its contractors, or subcontractors are debarred, suspended or otherwise excluded from participation through the effective use of the List of Parties Excluded from Federal Procurement or Non procurement programs (“List”).** The DEVELOPER may request assistance from the PJ to access the List and document results.

F. Conflict of Interest

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

G. Air and Water

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

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

Section 6: Records and Reports

A. Records

DEVELOPER authorizes the PJ and HUD to conduct on-site reviews, examine personnel records, and to conduct any other procedure or practice necessary to assure compliance with this AGREEMENT and applicable HUD regulations. DEVELOPER will ensure that all documents related to this Project shall be kept for a period of five (5) years after project’s affordability period has been completed (estimated at 2039). Records to be retained include,

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but are not limited to timesheets; receipts and invoices for materials, supplies, and services; and documentation used to request re-imburement of expenses.

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

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

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

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

B. Reports

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

| Quarter | Period | Due Date |
|---------|----------------------|----------|
| 1st | January 1 – March 31 | April 10 |
| 2nd | April 1 – June 30 | July 10 |

TOTAL USES OF FUNDS

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| | | |
|-----|-------------------------|------------|
| 3rd | July 1 – September 30 | October 10 |
| 4th | October 1 – December 31 | January 10 |
| 5th | January 1 – March 31 | April 10 |
| 6th | April 1 – June 30 | July 10 |
| 7th | July 1 – September 30 | October 10 |
| 8th | October 1 – December 31 | January 10 |

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

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 PJ and/or HUD, would have resulted in HOME Program funds not being provided. Upon due notice to the DEVELOPER of the occurrence of any such default and the provision of a reasonable opportunity to respond, the PJ may take one or more of the following actions:

- (a) Direct the DEVELOPER to prepare and follow a schedule of actions for carrying out the affected activities, consisting of schedules, timetables and milestones necessary to implement the affected activities.
- (b) Direct the DEVELOPER to establish and follow a management plan that assigns responsibilities for carrying out the remedial actions.
- (c) Cancel or revise activities likely to be affected by the performance deficiency, before expending HOME Program funds for the activities.
- (d) Reprogram HOME funds that have not yet been expended from affected activities to other eligible activities or withhold HOME Program funds;
- (e) Direct the DEVELOPER to reimburse the PJ's program accounts in any amount not used in accordance with the requirements of 24 CFR Part 92, et al;
- (f) Suspend disbursement of HOME Program funds for affected activities;
- (g) Other appropriate action including, but not limited to, any remedial action legally available, such as litigation seeking declaratory judgment, specific performance, damages, temporary or permanent injunctions, termination of the AGREEMENT and any other available remedies.

For purposes of this AGREEMENT, a reasonable opportunity to respond to any default shall be thirty (30) days from receipt by DEVELOPER of the PJ'S written notice of default. No delay or omission by PJ and/or HUD in exercising any right or remedy available to it under the AGREEMENT shall impair any such right or remedy or constitute a waiver or acquiescence in any DEVELOPER default.

Unless the DEVELOPER'S default is waived, the PJ may, upon twenty-four (24) hour written notice, terminate this AGREEMENT for said default. Waiver by the PJ of DEVELOPER'S default under

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this AGREEMENT shall not be deemed to be a waiver of any other default nor shall it be termination notice.

Notices required herein, shall be considered received by the DEVELOPER and the PJ if delivered in person, or when deposited in the U.S. Mail, postage prepaid certified mail, return receipt requested.

Section 8: Request for Disbursement of Funds

DEVELOPER shall not request disbursement of HOME Program funds until HOME Program funds are needed to pay eligible costs related to the PROGRAM. The amount of any request for funds shall not exceed the amount needed and shall be supported by appropriate documentation such as a sales contract, invoice, completed property maintenance inspection report, and performance-progress reports, and settlement statements from HOMEBUYER mortgage closings. The PJ shall make payment to DEVELOPER within fourteen (14) calendar days of receipt of a complete and acceptable request by the PJ. The PJ reserves the right to withhold disbursement of funds until appropriate documentation is submitted. All checks shall be made payable to “Habitat for Humanity of Champaign County”. All monies granted to DEVELOPER pursuant to this AGREEMENT shall be expended by **March 1, 2030**.

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

Section 9: Duration of Agreement

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

Section 10: Conditions for Religious Organizations

The DEVELOPER ensures that HOME Program funds shall not be provided to primarily religious organizations, such as churches, for any activity including secular activities. In addition, HOME Program funds shall not be used to rehabilitate or construct housing owned by primarily religious organizations or to assist primarily religious organizations in acquiring housing. However, HOME Program funds may be used by a secular entity to acquire housing from a primarily religious organization, and a primarily religious entity may transfer title to its property to a wholly secular entity and the entity may participate in the HOME Program in accordance with the requirements of this 24 CFR Part 92.257. The entity may be an existing or newly established entity, which may be an entity established by the religious organization. The completed housing project must be used

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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: CHDO Provisions

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

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

ARTICLE II: COMPLIANCE WITH VISITABILITY STANDARDS

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

ARTICLE III: FINANCIAL RESPONSIBILITY

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

ARTICLE IV: CERTIFICATIONS

DEVELOPER represents the following with respect to this AGREEMENT.

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

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

1. Including in each subcontract in excess of \$100,000 a requirement that the subcontractor comply with Section 3.
2. Sending each labor organization or representative of workers with which DEVELOPER has a collective bargaining agreement or other understanding a notice of the DEVELOPER commitment under Section 3.
3. Posting copies of the notice in conspicuous places at work sites where both employees and applicants for employment positions can see the notice.
4. Refraining from allowing a subcontractor to postpone filling any vacant employment and training positions after the subcontractor is selected but before the contract with the subcontractor is executed for the purpose of circumventing obligations under Section 3.
5. Refraining from entering into any contract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of Section 3 regulations.
6. Directing efforts to award covered contracts to Section 3 business concerns in order of priority.
7. Directing efforts to employ and train Section 3 residents in the order of priority.
8. Documenting actions taken to comply with Section 3 requirements.
9. Submitting required Section 3 reports.

E. DEVELOPER agrees to give maximum feasible priority to very low-income persons when administering the PROGRAM described herein.

F. DEVELOPER acknowledges it shall match HOME Program funds disbursed by the PJ and pursuant to this AGREEMENT in the amount of **\$37,500** in non-federal funds as defined in 24 CFR Part 92.220.

G. DEVELOPER shall comply with the regulations, policies, guidelines, and requirements of federal management circulars as they relate to the acceptance and use of Federal funds for the PROGRAM. DEVELOPER agrees to maintain financial records in accordance with applicable Federal guidelines; these include but are not limited to, the regulations stipulated at 2 CFR 200 and further elaborated upon in Attachment 9.

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- H. DEVELOPER shall comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and the regulations issued pursuant thereto (24 CFR Part 1), which provides that no person in the United States shall on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which DEVELOPER receives federal financial assistance.
- I. DEVELOPER shall comply with Executive Order 11246, and all regulations issued pursuant thereto, which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federal or federally assisted contracts. Such contractors and subcontractors shall take affirmative action to ensure fair treatment in employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other forms of compensation and selection for training and apprenticeship.
- J. DEVELOPER shall establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
- K. No Federal appropriated funds have been paid or will be paid, by or on behalf of DEVELOPER, to any person for influencing or attempting to influence an officer or employee of any agency including the PJ, 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 PJ, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, DEVELOPER will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- L. DEVELOPER shall give HUD and the Comptroller General through any authorized representative access to and the right to examine all records, books, papers, or documents related to the PROGRAM.
- M. DEVELOPER shall at all times observe and comply with all laws, ordinances, or regulations of Federal, State, and local governments which may in any manner affect the performance of this AGREEMENT. DEVELOPER shall be liable to perform all acts to the PJ in the same manner as the PJ performs these functions to the Federal government.

TOTAL USES OF FUNDS

\$235,000

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

ARTICLE V: PROHIBITION AGAINST LOBBYING

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

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

TOTAL USES OF FUNDS

\$235,000

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

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

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

ARTICLE XIII: PROGRAM INCOME

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

ARTICLE XIV: INDEMNIFICATION

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

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

The indemnity hereunder shall survive termination of the AGREEMENT. In the event that any action, suit or proceeding is brought against the PJ upon any liability arising out of the

TOTAL USES OF FUNDS

\$235,000

AGREEMENT, or any other matter indemnified against, the PJ at once shall give notice in writing thereof to DEVELOPER by registered or certified mail addressed to DEVELOPER. Upon receipt of such notice, DEVELOPER, at its own expense, shall defend against such action and take all such steps as may be necessary or proper to prevent the obtaining of a judgment against the PJ.

[Signatures on following page]

PJ:

DEVELOPER:

DeShawn Williams, Mayor

Signature

Date

Date

Attest

Section 12. Exhibits

- Exhibit A CHDO Operating Budget
- Exhibit B CHDO Project Budget/ Financial Projections per Property
- Exhibit C Project Schedule
- Exhibit D Certification of Federal Assistance
- Exhibit E Notice (the State of Illinois Prevailing Wage Act)
- Exhibit F Affordable Homeownership Program Packet (Mortgage, Note, Land Use Restriction Agreement)
- Exhibit G Quarterly Report Form
- Exhibit H Disclosure to Report Lobbying Activity
- Exhibit I MBE/WBE Report
- Exhibit J Statement of Special Conditions and Compliance with Uniform Administrative Requirements

TOTAL USES OF FUNDS

\$235,000

Exhibit A
CHDO Operating Budget

Eligible Operating Expenses:

- Salaries, wages, benefits, and other employee compensation.
- Employee education, training, and travel.
- Rent and utilities.
- Communication costs.
- Taxes and insurance.
- Equipment, materials, and supplies.

CHDO Operating Budget:

| Eligible Expense: | Amount: |
|-----------------------------|-----------------|
| Wages & salaries | \$30,000 |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| Total: | \$30,000 |

TOTAL USES OF FUNDS

\$235,000

Exhibit B
CHDO Project Budget

*PRO FORMA -
 SOURCES AND USES OF FUNDS*

**HABITAT AFFORDABLE
 HOMEOWNERSHIP PROGRAM**

1208 Garden Hills

SOURCES OF FUNDS - Development & Mortgage Financing

SUBSIDIES

| | |
|---------------------------------------|----------|
| Habitat Fund for Humanity | \$25,000 |
| HOME CHDO Developer Subsidy | \$39,500 |
| Homebuyer Downpayment | \$500 |
| Private Donations | \$25,000 |
| In Kind Donations | \$30,000 |
| CU Church | \$60,000 |
| Down Payment Assistance (IHDA & FHLB) | \$35,000 |
| Homebuyer Mortgage Payments 5 years | \$20,000 |

SOURCES OF FUNDS **\$235,000**

USES OF FUNDS

| | |
|-------------|----------------|
| Property | \$500 |
| Maintenance | \$2,000 |
| | \$2,500 |

LAND DEVELOPMENT

| | |
|------------------|-----------------|
| Site Prep | \$40,000 |
| Sanitary Sewer | \$10,000 |
| Site Improvement | \$10,000 |
| Storage Shed | \$0 |
| Landscaping | \$7,500 |
| | \$67,500 |

CONSTRUCTION

| | |
|---------------|------------------|
| Buildings | \$153,200 |
| Change Orders | \$0 |
| | \$153,200 |

| | |
|--------------------------|----------------|
| PROFESSIONAL FEES | |
| Architect | \$2,500 |
| Engineering and Survey | \$3,000 |
| Developer Fee | \$0 |
| Legal Fees | \$1,800 |
| Appraisal | \$500 |
| Permits | \$2,000 |
| | \$9,800 |

| | |
|--------------------------|----------------|
| FINANCING | |
| Construction Loan Fees | \$0 |
| Closing Costs for Seller | \$2,000 |
| | \$2,000 |

TOTAL USES OF FUNDS **\$235,000**

*PRO FORMA -
SOURCES AND USES OF FUNDS*

HABITAT AFFORDABLE
HOMEOWNERSHIP PROGRAM

1112 W Church

SOURCES OF FUNDS - Development & Mortgage Financing

SUBSIDIES

| | |
|---------------------------------------|----------|
| Habitat Fund for Humanity | \$25,000 |
| HOME CHDO Developer Subsidy | \$39,500 |
| Homebuyer Downpayment | \$500 |
| Private Donations | \$45,000 |
| In Kind Donations | \$15,000 |
| Interfaith Alliance | \$60,000 |
| Down Payment Assistance (IHDA & FHLB) | \$30,000 |
| Homebuyer Mortgage Payments 5 years | \$20,000 |

SOURCES OF FUNDS

\$235,000

USES OF FUNDS

| | |
|-------------|----------------|
| Property | \$500 |
| Maintenance | \$2,000 |
| | \$2,500 |

LAND DEVELOPMENT

| | |
|------------------|-----------------|
| Site Prep | \$40,000 |
| Sanitary Sewer | \$10,000 |
| Site Improvement | \$10,000 |
| Storage Shed | \$0 |
| Landscaping | \$7,500 |
| | \$67,500 |

CONSTRUCTION

| | |
|---------------|-----------|
| Buildings | \$153,200 |
| Change Orders | \$0 |

\$153,200

PROFESSIONAL FEES

| | |
|------------------------|----------------|
| Architect | \$2,500 |
| Engineering and Survey | \$3,000 |
| Developer Fee | \$0 |
| Legal Fees | \$1,800 |
| Appraisal | \$500 |
| Permits | \$2,000 |
| | \$9,800 |

FINANCING

| | |
|--------------------------|----------------|
| Construction Loan Fees | \$0 |
| Closing Costs for Seller | \$2,000 |
| | \$2,000 |

TOTAL USES OF FUNDS

\$235,000

*PRO FORMA -
SOURCES AND USES OF FUNDS*

HABITAT AFFORDABLE
HOMEOWNERSHIP PROGRAM

605 E. Columbia

SOURCES OF FUNDS - Development & Mortgage Financing

SUBSIDIES

| | |
|---------------------------------------|----------|
| Habitat Fund for Humanity | \$4,000 |
| HOME CHDO Developer Subsidy | \$39,500 |
| Homebuyer Downpayment | \$500 |
| Private Donations | \$1,000 |
| In Kind Donations | \$75,000 |
| Broeren Russo | \$60,000 |
| Down Payment Assistance (IHDA & FHLB) | \$35,000 |
| Homebuyer Mortgage Payments 5 years | \$20,000 |

SOURCES OF FUNDS

\$235,000

USES OF FUNDS

| | |
|-------------|----------------|
| Property | \$500 |
| Maintenance | \$2,000 |
| | \$2,500 |

LAND DEVELOPMENT

| | |
|------------------|-----------------|
| Site Prep | \$40,000 |
| Sanitary Sewer | \$10,000 |
| Site Improvement | \$10,000 |
| Storage Shed | \$0 |
| Landscaping | \$7,500 |
| | \$67,500 |

CONSTRUCTION

| | |
|---------------|-----------|
| Buildings | \$153,200 |
| Change Orders | \$0 |

\$153,200

PROFESSIONAL FEES

| | |
|------------------------|----------------|
| Architect | \$2,500 |
| Engineering and Survey | \$3,000 |
| Developer Fee | \$0 |
| Legal Fees | \$1,800 |
| Appraisal | \$500 |
| Permits | \$2,000 |
| | \$9,800 |

FINANCING

| | |
|--------------------------|----------------|
| Construction Loan Fees | \$0 |
| Closing Costs for Seller | \$2,000 |
| | \$2,000 |

TOTAL USES OF FUNDS

\$235,000

*PRO FORMA -
SOURCES AND USES OF FUNDS*

HABITAT AFFORDABLE
HOMEOWNERSHIP PROGRAM

1018 W Beardsley

SOURCES OF FUNDS - Development & Mortgage Financing

SUBSIDIES

| | |
|---------------------------------------|----------|
| Habitat Fund for Humanity | \$25,000 |
| HOME CHDO Developer Subsidy | \$39,500 |
| Homebuyer Downpayment | \$500 |
| Private Donations | \$40,000 |
| In Kind Donations | \$20,000 |
| Yahoo Foundation | \$30,000 |
| U of I Student Chapter/Brown | \$30,000 |
| Down Payment Assistance (IHDA & FHLB) | \$30,000 |
| Homebuyer Mortgage Payments 5 years | \$20,000 |

SOURCES OF FUNDS

\$235,000

USES OF FUNDS

| | |
|-------------|----------------|
| Property | \$500 |
| Maintenance | \$2,000 |
| | \$2,500 |

LAND DEVELOPMENT

| | |
|------------------|-----------------|
| Site Prep | \$40,000 |
| Sanitary Sewer | \$10,000 |
| Site Improvement | \$10,000 |
| Storage Shed | \$0 |
| Landscaping | \$7,500 |
| | \$67,500 |

CONSTRUCTION

| | |
|---------------|------------------|
| Buildings | \$153,200 |
| Change Orders | \$0 |
| | \$153,200 |

PROFESSIONAL FEES

| | |
|------------------------|----------------|
| Architect | \$2,500 |
| Engineering and Survey | \$3,000 |
| Developer Fee | \$0 |
| Legal Fees | \$1,800 |
| Appraisal | \$500 |
| Permits | \$2,000 |
| | \$9,800 |

FINANCING

| | |
|--------------------------|----------------|
| Construction Loan Fees | \$0 |
| Closing Costs for Seller | \$2,000 |
| | \$2,000 |

TOTAL USES OF FUNDS

\$235,000

PRO FORMA -
SOURCES AND USES OF FUNDS

HABITAT AFFORDABLE
HOMEOWNERSHIP PROGRAM

1209 W. Beslin

SOURCES OF FUNDS - Development & Mortgage Financing

SUBSIDIES

| | |
|---------------------------------------|----------|
| Habitat Fund for Humanity | \$35,000 |
| HOME CHDO Developer Subsidy | \$39,500 |
| Homebuyer Downpayment | \$500 |
| Private Donations | \$25,000 |
| In Kind Donations | \$20,000 |
| England Foundation | \$60,000 |
| Down Payment Assistance (IHDA & FHLB) | \$35,000 |
| Homebuyer Mortgage Payments 5 years | \$20,000 |

SOURCES OF FUNDS

\$235,000

USES OF FUNDS

| | |
|-------------|----------------|
| Property | \$500 |
| Maintenance | \$2,000 |
| | \$2,500 |

PROFESSIONAL FEES

| | |
|------------------------|----------------|
| Architect | \$2,500 |
| Engineering and Survey | \$3,000 |
| Developer Fee | \$0 |
| Legal Fees | \$1,800 |
| Appraisal | \$500 |
| Permits | \$2,000 |
| | \$9,800 |

LAND DEVELOPMENT

| | |
|------------------|-----------------|
| Site Prep | \$40,000 |
| Sanitary Sewer | \$10,000 |
| Site Improvement | \$10,000 |
| Storage Shed | \$0 |
| Landscaping | \$7,500 |
| | \$67,500 |

FINANCING

| | |
|--------------------------|----------------|
| Construction Loan Fees | \$0 |
| Closing Costs for Seller | \$2,000 |
| | \$2,000 |

CONSTRUCTION

| | |
|---------------|------------------|
| Buildings | \$153,200 |
| Change Orders | \$0 |
| | \$153,200 |

TOTAL USES OF FUNDS

\$235,000

Exhibit C
Project Schedule

1208 Garden Hills

| TASK NAME | START DATE | END DATE | COMMENTS |
|----------------|----------------|----------------|----------|
| Construction | Spring of 2026 | Summer of 2026 | |
| Family Move-in | | Summer of 2026 | |
| Closing | | Winter of 2026 | |
| | | | |
| | | | |

1112 Church Street

| TASK NAME | START DATE | END DATE | COMMENTS |
|----------------|----------------|----------------|----------|
| Construction | Spring of 2026 | Fall of 2026 | |
| Family Move-in | | Fall of 2026 | |
| Closing | | Winter of 2026 | |
| | | | |
| | | | |

605 E. Columbia

| TASK NAME | START DATE | END DATE | COMMENTS |
|----------------|--------------|----------------|----------|
| Construction | Fall of 2026 | Spring of 2027 | |
| Family Move-in | | Spring of 2027 | |
| Closing | | Summer of 2027 | |
| | | | |
| | | | |

1018 W Beardsley

| TASK NAME | START DATE | END DATE | COMMENTS |
|----------------|--------------|----------------|----------|
| Construction | Fall of 2026 | Spring of 2027 | |
| Family Move-in | | Spring of 2027 | |
| Closing | | Summer of 2027 | |
| | | | |
| | | | |

1209 W. Beslin

| TASK NAME | START DATE | END DATE | COMMENTS |
|-----------------------|---------------------|-----------------------|-----------------|
| Construction | Fall of 2026 | Spring of 2027 | |
| Family Move-in | | Spring of 2027 | |
| Closing | | Summer of 2027 | |
| | | | |
| | | | |

Exhibit D

Urbana HOME Consortium
Certification of Federal Assistance



Rev. 9/11/2024

Project name/address: _____

Project type: _____

The Urbana HOME Consortium Subrecipient/Developer/CHDO certifies that:
(Select one of the following)

At the time of application for HOME funds, the above-named project is supported with other federal funds:

Amount: _____ Source: _____

Amount: _____ Source: _____

Amount: _____ Source: _____

**Additional items should be added as an attachment.*

At the time of application for HOME funds, the above-named project is not supported with any other federal funds. **Should the applicant seek other federal funds in the future, the Urbana HOME Consortium will be notified promptly of the sources and uses of the funds.**

Signature of Authorized Official

Title

Date

Exhibit E
State of Illinois Prevailing Wage Act

Notice

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

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

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

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

DEVELOPER: Habitat for Humanity of Champaign County

Signed by: _____

Title: _____ Date: _____

Exhibit F
Affordable Homeownership Program Packet
(Mortgage, Note, Land Use Restriction Agreement)

URBANA HOME CONSORTIUM
HOMEBUYER ASSISTANCE
DEVELOPER Affordable Homeownership Program

MORTGAGE

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

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

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

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

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

Borrower covenants that Borrower is the lawful owner of the Property conveyed by this Mortgage and has the full right and power to mortgage, grant and convey the Property and that the Property is unencumbered, except for the encumbrances of record described in Exhibit “B”

hereto acceptable to the PJ (the “Permitted Encumbrances”). Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any Permitted Encumbrances.

Borrower covenants to the PJ as follows:

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

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

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

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

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

collect the insurance proceeds from the insurance carrier and may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due.

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

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

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

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

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

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

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

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

days after the date the notice is given, the PJ is authorized to accept such award or settlement and to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due.

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

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

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

13. **Legislation Affecting the PJ's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, the PJ, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by paragraph 19. If the PJ exercises this option, the PJ shall take the steps specified in paragraph 19.

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

The Borrower:

<Borrower name>

<Address >

<Contact Number>

The PJ:

Urbana HOME Consortium

C/O City of Urbana – Administrative Agent

ATTN: Grants Management Division Manager

400 S. Vine Street

Urbana, IL 61801

217-384-2447

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

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

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

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

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

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

19. **Acceleration; Remedies.** Prior to any acceleration of the amounts owed to the PJ under the Note or this Mortgage (other than an acceleration under paragraphs 13 and 17 unless applicable law provides otherwise) the PJ shall give notice to Borrower following Borrower's breach of any covenant or agreement in this Mortgage (the "Default"). The notice shall specify: (a)

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

20. **Possession.** Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, the PJ (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by the PJ or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage.

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

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

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

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

Borrower – < Name >

Approved:

City of Urbana, IL

DEVELOPER

STATE OF ILLINOIS)
) ss.
COUNTY OF CHAMPAIGN)

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

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

Notary Public

EXHIBIT “A” (to mortgage)

PROMISSORY NOTE

U.S. \$ _____

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

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

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

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

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

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

The amount due shall not exceed the total amount of the original HOME investment. The period from the date of this Promissory Note to the date that is ten (10) years after the date of the execution of the sales contract for the property between Buyer and DEVELOPER which is referred to herein as the “Affordability Period”. This note will be forgiven in its full amount upon expiration of the Affordability Period.

Notary Public

EXHIBIT “B” (to mortgage)

PERMITTED ENCUMBRANCES:

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

Prepared by and Return to:

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

Land Use Restriction Agreement

This instrument was prepared by:

City of Urbana, Grants Management Division
400 S. Vine Street
Urbana, IL 61801

After recording, return to:

City of Urbana, Division 400 S. Vine Street
Urbana, IL 61801

Attn: Grants Division Manager

REGULATORY AND LAND USE RESTRICTION AGREEMENT

This Regulatory and Land Use Restriction Agreement (“Regulatory Agreement”) is made between **[DEVELOPER]** an Illinois limited partnership (“Borrower”), and the **City of Urbana**, an Illinois municipal corporation (“City”), each a “party” and together the “parties,” and is effective on the last date signed by a party hereto.

Background

The Congress of the United States has enacted the Cranston-Gonzalez National Affordable Housing Act of 1990, 42 U.S.C. 12701, *et seq.*, which created the HOME Investment Partnerships Act (the “HOME Act”) to provide funds to state and local governments for affordable housing assistance that is most appropriate for local needs. The HOME Investment Partnerships Program (“HOME Program”), 24 CFR Part 92, implements the Act. The City is a Participating Jurisdiction under the Act and receives HOME Program funds.

The City has agreed to make a loan to the Borrower in the original, principal amount of \$_____ (“Loan”), to be used for the eligible costs associated with the construction of an affordable housing development with ____ total units on the Borrower’s real property (the “Real Estate”) legally described in Exhibit A.

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

The Loan is evidenced, secured and governed by, among other things: (a) the Note; (b) the Mortgage of even date herewith executed by Borrower and recorded on in the Champaign County Recorder’s Office (“Mortgage”); (c) the Rental Housing Developer Agreement entered into by the Borrower and the City dated as of even date herewith (“Project Agreement”), such agreement being on file at the offices of the City; 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 each referred to as a “Loan Document” and collectively referred to as the “Loan Documents.”

As an inducement to City to make the Loan, the Borrower has agreed to enter into this Regulatory Agreement in accordance with the terms, conditions, and covenants set forth below, consents to be regulated and restricted by City as herein provided, and has agreed to certain rental restrictions as provided for in the 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”).

Therefore, the parties agree as follows.

1. Regulatory Compliance. The Borrower’s acts regarding the Real Estate and the improvements now or hereinafter located thereon (together referred to as the “Project”) at all times shall be in conformance with the HOME Act and the Regulations and any additional rules, regulations, policies and procedures of the 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 (as defined in the Project Agreement). 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 24 CFR Part 982.

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

- A. [Number of units] will be subject to the HOME regulations as Low HOME Rent units. A total of fifteen (X) units will be reserved for families at thirty percent (30%) of AMI; twenty-one (X) will be reserved for those at fifty percent (50%) of AMI; twenty-four (X) will be reserved for those at sixty percent (60%) of AMI; and one will be a manager-occupied unit.
- B. In the advertising, marketing, rental of the City HOME Units, and the selection of tenants for the Project, the Borrower shall abide by the terms and conditions of the Tenant Selection Plan executed by the Borrower and approved by the City, the Affirmative Fair Housing Marketing Plan executed by the Borrower and approved by the City, the Project Agreement (as such documents may be amended from time to time with the prior written consent of the City), the HOME Act, the Regulations, and all applicable ordinances, regulations, rules, procedures and requirements of the City.
- C. The 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, disability, national origin, marital status, familial status, or because the prospective tenant is receiving governmental rental assistance. The Borrower shall comply with all of the provisions of Paragraph 13 of the Illinois Housing Development Act (20 ILCS 3805/13), as amended, Sections 92.350 and 92.351 of the Regulations (24 C.F.R. §§ 92.350 and 351, as amended) and all other provisions of federal, state and local law relative to non-discrimination.

- D. In the management, maintenance, and operation of the Project, the Borrower shall 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. The 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 the City.
- E. On forms approved by the City, the Borrower shall obtain from each prospective tenant, prior to his or her admission to the Project, a determination of income in accordance with Section 92.203(a) of the Regulations ("Determination"), and at such intervals thereafter as required by the City conduct a reexamination of income in accordance with Section 92.252(h) of the Regulations (the "Reexamination") from all such tenants. The Borrower shall submit the initial Determination and results of each subsequent Reexamination to the City in the manner prescribed by the City.
- F. In the manner prescribed by City, the 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 the Borrower for three years after the year to which such evidence pertains.
- G. 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, the Borrower shall provide tenants of City HOME Units no fewer than 30 days' prior written notice before implementing any increase in rents.
- H. City HOME Units will be deemed to comply with this paragraph 2, 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 2 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 who no longer qualify as low-income tenants must pay for rent and utilities an amount not less than 30% of the family's adjusted monthly income, as recertified annually.
- I. The Borrower shall require all tenants occupying City HOME Units to execute a lease in a form approved by the City in accordance with Section 92.253 of the Regulations (24 CFR 92.253), as amended, and all applicable provisions of the Regulations.
- J. The 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), as amended.

- K. The Borrower shall submit to the City on an annual basis the rent schedule for the City HOME Units reflecting the actual rates being charged at the Project.
 - L. The Borrower shall not evict any tenant from a City HOME Unit in the Project without good cause.
 - M. Within 30 days after the end of each calendar year, the Borrower shall certify to the City that, at the time of such certification and during the preceding calendar year, the Borrower was in compliance with the requirements of this paragraph 2, or, if the Borrower is not or has not been in compliance with such requirements, the Borrower shall give notice to City of its failure to comply and the corrective action the Borrower is taking or has taken.
 - N. Subject to termination in the event of foreclosure or transfer in lieu of foreclosure as provided in Section 92.252(e) of the Regulations (24 CFR 92.252(e)), the occupancy and rental restriction provisions of this paragraph 2 shall remain in effect for a period of 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.
3. Acts Requiring City Approval. Except as permitted pursuant to the other Loan Documents, the Borrower shall not without the prior written approval of City, which may be given or withheld in City’s sole discretion, do any of the following:
- 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 year, unless otherwise mutually agreed in writing by the 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 the Borrower’s knowledge, would result in a conflict of interest between any of the parties to such contracts and the City, its officers, employees, agents or members of their respective immediate families; or 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 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.

4. Program Requirements. The Borrower further covenants, represents and warrants to the City as follows:

- A. Flood Insurance. If required by the City, the Borrower shall procure flood insurance satisfactory to the City if the Project is located in a 100-year flood plain.
- B. Scope of Work. The only work to be done in connection with the Project will be that described in the Project Agreement.
- C. Insurance Proceeds. If the Borrower receives insurance proceeds for any damage or destruction to the Real Estate 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. The Borrower shall expeditiously complete construction of the Project, as set forth in the Project Agreement. The 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 the City), (ii) industry practices in Illinois and (iii) applicable rules, contracts, agreements, procedures, guides and other requirements of the City provided to the Borrower in writing.
- E. Furnishing Records, Reports, and Information. At the request of the City, the Borrower shall furnish (i) such records and information as required by the City in connection with the maintenance, occupancy, and physical condition of the Real Estate; and (ii) 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 the 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 the Borrower by the City or its agents or representatives at any time during regular business hours as the City reasonably requires.

5. Violation of Agreement by Borrower.

- A. Upon violation of any of the provisions of this Regulatory Agreement by the Borrower, the City shall give written notice thereof to the Borrower in the manner provided in paragraph 14 hereof. If such violation is not corrected to the satisfaction of the City within 30 days after the date such notice is mailed, or within such further time as the City in its sole discretion permits (but if such default is of a nature that it cannot be

cured within such 30 day period, then so long as the Borrower commences to cure within such 30 day period and diligently pursues such cure to completion within a reasonable period not to exceed 120 days from the date of such notice, such violation shall not be considered to be a default (“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, 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:

- (1) declare the whole of the indebtedness under the Note immediately due and payable and proceed with the rights and remedies set forth in the Mortgage.
- (2) withhold further disbursement of the Loan.
- (3) subject to the rights of Senior Lenders, as defined in the Mortgage, collect all rents and charges in connection with the operation of the Project and use such collections to pay the Borrower’s debts under the Loan Documents and such other debts of the Borrower in connection with the Project and the necessary expenses of preserving and operating the Project.
- (4) subject to the rights of Senior Lenders, as defined in the Mortgage, take possession of the Project, bring any action necessary to enforce any rights of the Borrower in connection with the operation of the Project and operate the Project in accordance with the terms of this Regulatory Agreement until such time as the City, in its sole discretion, determines that the Borrower is again in a position to operate the Project in accordance with the terms of the Regulatory Agreement and in compliance with the requirements of the Note and the Mortgage.
- (5) apply to any state or federal court for an injunction against any violation of this Regulatory Agreement, for the appointment of a receiver to take over and operate the Project in accordance with the terms of this Regulatory Agreement, or for such other relief as may be appropriate.
- (6) subject to the rights of Senior Lenders, use and apply any monies deposited by the Borrower with the City regardless of the purpose for which the same were deposited, to cure any such Default or to repay any indebtedness under the Loan Documents which is due and owing to the City.
- (7) exercise such other rights or remedies as may be available to the City hereunder, under any other Loan Document, at law or in equity.

- B. Because the injury to the City arising from a Default under any of the terms of this Regulatory Agreement would be irreparable and the number of damages would be difficult to ascertain, the Borrower acknowledges and agrees that in the event of a violation of this Regulatory Agreement, the City’s remedies at law would be inadequate to assure the City’s public purpose under the HOME Act.

6. Waiver. The City’s remedies are cumulative, and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of any other remedy by the City. No waiver of any 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 the 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 Regulatory Agreement will 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 of such transferor arising under this Regulatory Agreement from and after such sale or transfer. Such assumption will 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 Regulatory Agreement to the same extent and on the same terms as the present Borrower is bound hereunder and shall execute an assumption of such duties in form and substance acceptable to City as a condition precedent to such transferee’s admission as a New Borrower.

8. Term of Agreement; Covenants Run with the Land.

- A. The covenants, conditions, restrictions and agreements set forth in this Regulatory Agreement (collectively, the “Obligations”) will be deemed to run with, bind, and burden the Real Estate and the Project and will be deemed to bind any New Borrower and any other future owners of the Real Estate 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 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 the Borrower or tendered by any party following an acceleration by the City of the Note or enforcement by the City of its remedies in connection with the Loan. The Borrower shall, if so requested by the City, execute a written memorandum, prepared by the 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 will 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 will 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, as amended, provided that any such acquisition will be subject to existing mortgages between the Borrower and Senior Lender.

- B. 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.

9. Indemnification. The Borrower shall indemnify and defend the City, its officers, agents, employees, or agents against any and all 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 from or in any way related to the Borrower's performance or failure to perform the provisions of 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, except to the extent caused by the gross negligence or willful misconduct of the City, or its officers, employees, or agents.

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

11. Conflicts and Partial Invalidity. 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 duties 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 Loan Documents, 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.

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

13. Capitalized terms, Plurals, Gender and Captions. Capitalized terms used in this Regulatory Agreement 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. The use of the plural herein 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.

14. Notices. Except where the terms of this agreement expressly provide otherwise, the parties shall give all notices required or permitted by this agreement in writing. All notices will be deemed given when personally delivered; deposited in the U.S. mail, postage prepaid, first class; or delivered to a commercial courier service (e.g., FedEx or UPS). A notice delivered by email will be deemed given when the recipient acknowledges having received the email by an email sent to the sender's email address, as stated in this section, or by a notice delivered by another method in accordance with this section. An automatic "read receipt" will not constitute acknowledgment of an email for purposes of this section. Each party's address is stated below and may be changed to such other address as the party may hereafter designate by notice.

Habitat for Humanity of Champaign County

Executive Director
Habitat for Humanity of Champaign County
1914 Glenn Park Dr
Champaign, IL 61821
Director@cuhabitat.org

City of Urbana:

Grants Division Manager
City of Urbana
400 S. Vine Street
Urbana, IL 61801
grants@urbanail.gov

15. 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 the City and furnish any documents, exhibits, or records reasonably requested pursuant to paragraph 4(F) of this Regulatory Agreement.

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

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

18. Limited Non-Recourse Obligation. Notwithstanding anything herein to the contrary, the indebtedness evidenced by the Note shall be a non-recourse obligation of the Borrower and neither the Borrower nor any general or limited partner of the 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 evidence or secured by the Loan Documents, the sole recourse of the City or any subsequent holder of the Note being the exercise of its rights against the Project and any other collateral under the Loan Documents, including without limitation (a) the Project and the rents issues, profits and income therefrom, (b) any funds or property held pursuant to any of the Loan Documents, and (c) insurance proceeds and condemnation awards paid or payable relative to the Project.

19. 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 any of the Loan Documents and agree that any such action or proceeding will 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 pages follow]

The parties are signing this agreement on the dates indicated beside their signatures.

HABITAT FOR HUMANITY OF CHAMPAIGN COUNTY

By: _____ Dated _____
Name:
Title:

CITY OF URBANA, ILLINOIS

By: _____ Dated _____
Name:
Grants Division Manager

[ADD NOTARY]

**Exhibit G
Urbana HOME Consortium
CHDO Quarterly Reporting Form**

Quarter: _____

Completed by: _____ Date: _____

I. Property & Planning

Site Preparation Status:
IN PROGRESS Date: _____

COMPLETE Date: _____

If not complete, explain how this goal is being accomplished:

II. Design Documents:

Development Completion Date: _____

Review Completion Date: _____

Approved By Building Safety Date: _____

Permit Issued Date: _____

Have there been changes to the design documents?

III. Homebuyer Outreach

Outreach: List the agencies and/or activities which you have undertaken this month toward the goal of identifying homebuyers:

| | |
|--|--|
| | |
|--|--|

Potential Homebuyers Identified: _____

Income Verification Process for Potential Homebuyer

In Progress: _____

Not Approved: _____ Reason: _____

Approved: _____ Income at _____% MFI

Approval by Financial Institution Lender

In Progress: _____

Not Approved: _____ Reason: _____

Approved: _____

IV. Contractor/Construction

Bidding Process:

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

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

| | | | | | | | |
|--|--|--|--|--|--|--|--|
| | | | | | | | |
| | | | | | | | |

V. Overall Project Progress

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

If not, please explain.

Is the project staying within the budget established?

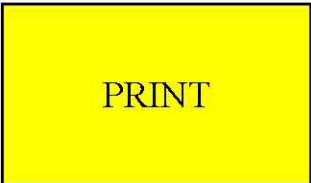
VI. NOTES MISC

Exhibit H
Sample Standard Form –LLL, Disclosure Form to Report Lobbying

Item F2.

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

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



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

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

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

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

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| <p>CPD:</p> <p>1=New Construction 2=Education/Training 3=Other</p> | <p>7c: Type of Trade Codes: Housing/Public Housing:</p> <p>1 = New Construction 6 = Professional 2 = Substantial Rehab. 7 = Tenant Services 3 = Repair 8 = Education/Training 4 = Service 9 = Arch./Engrg. Appraisal 5 = Project Management 0 = Other</p> | <p>7d: Racial/Ethnic Codes:</p> <p>1 = White Americans 2 = Black Americans 3 = Native Americans 4 = Hispanic Americans 5 = Asian/Pacific Americans 6 = Hasidic Jews</p> | <p>5: Program Codes (Complete for Housing and Public and Indian Housing programs only):</p> <p>1 = All insured, including Section 8 5 = Section 202 2 = Flexible Subsidy 6 = HUD-Held (Management) 3 = Section 8 Noninsured, Non-HFDA 7 = Public/Indian Housing 4 = Insured (Management)</p> |
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Public reporting burden for this collection of information is estimated to average .50 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is voluntary. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB Control Number. Executive order 12421 dated July 14, 1983, directs the Minority Business Development Plans shall be developed by each Federal Agency and that these annual plans shall establish minority business development objectives. The information is used by HUD to monitor and evaluate MBE activities against the total program activity and the designated minority business enterprise (MBE) goals. The department requires the information to provide guidance and oversight for programs for the development of minority business enterprise concerning Minority Business Development. If the information is not collected HUD would not be able to establish meaningful MBE goals nor evaluate MBE performance against these goals. While no assurances of confidentiality is pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Privacy Act Notice – The United States Department of Housing and Urban Development, Federal Housing Administration, is authorized to solicit the information requested in this form by virtue of Title 12, United States Code, Section 1701 et seq. and regulations promulgated thereunder at Title 12, Code of Federal Regulations. It will not be disclosed or released outside the United States Department of Housing and Urban Development without your consent, except as required or permitted by law.

Exhibit J
Statement of Special Conditions and Compliance
with Uniform Administrative Requirements

The DEVELOPER understands and agrees that it is eligible to receive funds for Project No. **DEVELOPER CHDO Developer PY 2025** pursuant to this agreement.

The following conditions, in addition to those established in the agreement itself, and other attachments thereto, and federal, state, county and city laws, regulations, and procedures pertinent to this PROJECT, have been set forth and must also be complied with in order for DEVELOPER to receive HOME Program Assistance for Project No. **DEVELOPER CHDO Developer PY 2025**.

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

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

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

14. As a non-governmental entity, the DEVELOPER shall comply with the regulations, policies, guidelines, requirements and standards of federal guidelines outlined in 2 CFR Chapter I, Chapter II, Part 200, *et al*, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule" Omni Circular, as specified in this paragraph:
- Subpart B - "General Provisions";
 - Subpart C - "Pre-Federal Award Requirements and Contents of Federal Awards," except for Section 200.203, "Notices of funding opportunities," 200.204, "Federal awarding agency review of merit of proposals," 200.205, "Federal awarding agency review of risk posed by applicants," and 200.207, "Specific conditions," which are required only for competitive federal awards;
 - Subpart D - "Post Federal Award Requirements Standards for Financial and Program Management," except for:
 - A. Section 200.305, "Payment." The City shall follow the standards contained in 24 CFR 85.20(b)(7) and 85.21 in making payments to the DEVELOPER;
 - B. Section 200.306, "Cost Sharing or Matching";
 - C. Section 200.307, "Program Income." In lieu of paragraph 200.307, the DEVELOPER shall follow HOME program regulations;
 - D. Section 200.308, "Revision of Budget and Program Plans";
 - E. Section 200.311, "Real property." In lieu of 200.311, the DEVELOPER shall follow HOME program regulations;
 - F. 24 CFR 84.34(g) "Equipment." In lieu of the disposition provisions of paragraph 84.34(g), the following applies:
 - i. In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which HOME funds were used to acquire the equipment); and
 - ii. Equipment not needed by the DEVELOPER for HOME activities shall be transferred to the City for the HOME program or shall be retained after compensating the recipient;
 - G. 24 CFR 84.51(b), (c), (d), (e), (f), (g), and (h), "Monitoring the Reporting Program Performance";
 - H. 24 CFR 84.52, "Financial Reporting";
 - I. 24 CFR 84.53(b), "Retention and Access Requirements for Records," applies with the following exceptions:
 - i. The retention period referenced in paragraph 84.53(b) pertaining to individual HOME activities shall be eleven years following grant close out; and
 - ii. The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520 in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;
 - J. 24 CFR 84.61 "Termination".
 - Subpart D - "After-the Award Requirements," except for 24 CFR 84.71,"Closeout Procedures."

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



City of Urbana
400 S. Vine Street, Urbana, IL 61801
www.urbanaininois.us

MEMORANDUM TO THE MAYOR AND CITY COUNCIL

Meeting: February 2, 2026, Regular City Council Meeting
Subject: An Ordinance Amending the Urbana Zoning Map
(Rezone 904 East Main Street from R-3 to B-3/ Plan Case No. 2517-M-25)

Summary

Action Requested

City Council is requested to approve a zoning map amendment (“rezoning”) for the property located at 904 E. Main Street, owned by Charlotte Pug Holdings, to rezone the property from R-3, Single-Family and Two-Family Residential District, to B-3 General Business District.

Plan Commission Recommendation

The Plan Commission reviewed the proposed rezoning at its regular meeting on January 15, 2026, and voted unanimously to recommend approval of the rezoning to City Council (five ayes to zero nays).

Relationship to City Services and Priorities

Impact on Core Services

Approval of the rezoning will have no impact on City services.

Strategic Goals & Plans

The rezoning is consistent with the Imagine Urbana Comprehensive Plan, which supports incremental developments which contribute to community growth and sustainability by allowing for gradual, adaptive improvements that meet the needs and preferences of residents.

The rezoning advances the following Big and Little Moves:

- Align the Zoning Ordinance with Imagine Urbana (Big Move 2), to support local businesses to ensure they thrive and create quality jobs for Urbana residents; and by adjusting zoning to better reflect existing development patterns and long-term land use objectives.
- Implement incremental steps to address immediate land use concerns, prior to the approval of a new Zoning Ordinance (Little Move 2.2), by facilitating coordinated redevelopment opportunities on underutilized or vacant parcels.

Previous Council Actions

July 28, 2025: Council approved the Imagine Urbana Comprehensive Plan¹, including the Place Types map, which identifies this area as “Neighborhood I.” East Main Street is considered as a neighborhood edge which is appropriate for neighborhood-serving commercial activity and reinvestment.

Discussion*Additional Background Information*

Please see the attached Plan Commission staff report for additional background information, and for a complete explanation of the proposed rezoning and the rationale.

Policy or Statutory Impacts

No impact.

Fiscal and Budget Impact

No impact.

Community Impact

If adopted, the proposed rezoning would allow the owner of the subject property to support their business on the adjacent parcel, at 908 East Main Street, which is the location of the Good Friends Animal Hospital. The Good Friends Animal Hospital is currently zoned B-3 and has been pursuing expansion opportunities for years. Approval would facilitate future reinvestment consistent with surrounding uses along East Main Street and support a local business. Future development at 904 East Main Street would remain subject to applicable site plan review and permitting requirements.

Recommendation

The Plan Commission unanimously recommended approval of the map amendment to City Council. Staff concurs with the Plan Commission’s recommendation.

Attachments

1. An Ordinance Amending the Urbana Zoning Map (Rezone 904 East Main Street from R-3 Single-Family and Two-Family Residential District to B-3 General Business District / Plan Case No. 2517-M-25)
2. Plan Commission Staff Report (January 15, 2026).
3. Plan Commission Meeting Minutes (January 15, 2026).

Originated by: Aimirou Sy, Planner II

Reviewed: Olivia Jovine, Director of Community Development Services

Approved: Darius White, City Administrator

¹ Ord No. 2025-04-013

ORDINANCE NO. _____

AN ORDINANCE AMENDING THE URBANA ZONING MAP

(Rezone 904 East Main Street from R-3 Single and Two-Family Residential District to B-3 General Business District/ Plan Case No. 2517-M-25)

WHEREAS, the City Council passed Ordinance No. 9293-124 on June 21, 1993, which adopted the 1993 Comprehensive Amendment to replace the 1979 Comprehensive Amendment to the 1950 Zoning Ordinance of the City of Urbana (“City”), which is also known as the Urbana Zoning Ordinance (“Zoning Ordinance”); and

WHEREAS, Susan Norris, on behalf of Charlotte Pug Holdings, submitted a petition to rezone 904 East Main Street, from R-3 Single-Family and Two-Family Residential District to B-3 General Business District.

WHEREAS, said petition was presented to the Plan Commission as Plan Case No. 2517-M-25; and

WHEREAS, after due publication in accordance with Section XI-7 of the Zoning Ordinance and Section 11-13-14 of the Illinois Municipal Code (65 ILCS 5/11-13-14), the Plan Commission held a public hearing on the petition on January 15, 2026; and

WHEREAS, the Plan Commission voted five (5) ayes and zero (0) nays on January 15, 2026, to forward Plan Case No. 2517-M-25 to the City Council with a recommendation to approve a rezoning to the B-3 General Business zoning district; and

WHEREAS, the amendments described herein conform to the Big Moves, Little Moves, and policies of the Imagine Urbana Comprehensive Plan as amended from time to time; and

WHEREAS, the City Council finds that the requested rezoning is consistent with the criteria contained in *La Salle National Bank v. County of Cook*, 12 Ill. 2d 40, 145 N.E.2d 65 (Ill. 1957) and *Sinclair Pipe Line Co. v. Village of Richton Park*, 19 Ill.2d 370 (1960); and

WHEREAS, the City Council, after due consideration, finds that an amendment to the Urbana Zoning Map as herein provided is in the best interests of the residents of the City and is desirable for the welfare of the City's government and affairs.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Illinois, as follows:

Section 1.

The Official Zoning Map of Urbana, Illinois, is herewith and hereby amended to change the zoning classification of 904 East Main Street from R-3 (Single-Family and Two-Family Residential) zoning district to B-3 (General Business) zoning district.

Section 2.

Upon approval of this Ordinance, the City Clerk is directed to record a certified copy of this Ordinance with the Champaign County Office of Recorder of Deeds. The City Clerk is directed to publish this Ordinance in pamphlet form by authority of the corporate authorities, and this Ordinance shall be in full force and effect from and after its passage and publication in accordance with Section 1-2-4 of the Illinois Municipal Code.

This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED BY THE CITY COUNCIL this ____ day of _____, 2025.

AYES:

NAYS:

ABSTENTIONS:

Darcy E. Sandefur, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, 2026.

DeShawn Williams, Mayor



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Planning Division

m e m o r a n d u m

TO: The Urbana Plan Commission

FROM: Aimirou Sy, Planner II

DATE: January 8, 2026

SUBJECT: **Plan Case 2517-M-25:** A request by Susan Norris on Behalf of Charlotte Pug Holdings, LLC to rezone 904 East Main Street, from R-3 Single-Family Residential District to B-3 General Business Zoning District.

NOTE: Text shown in *italics* reflects revisions made following the Plan Commission's December 18, 2025, discussion and continuation of this case.

Introduction & Background

This Staff Report was prepared for the January 15, 2025, Plan Commission Meeting.

This is a request to rezone the property identified by its street address as 904 E Main Street, Urbana, Illinois from R-3 Single Family Residential Zoning District to B-3 General Business Zoning District. The applicant is the owner of record. The adjoining property, 908 E Main Street, is also owned by Pug Holdings, LLC, and is zoned B-3 General Business. The applicant purchased the property on September 17, 2025, with the intention to demolish the single-family house for future redevelopment of the site and the adjoining property. The applicant gave the building to the Urbana Fire Department for their training and on November 17, 2025, the Fire Department conducted a training exercise in the building. The building is currently vacant and in a state of disrepair following the Fire Department training activities.

Description of Site and Area

The property is an interior lot in the 900-block of East Main Street. It has a 60-foot frontage onto East Main Street, where it takes its address and primary access. The property is backed by a vacated public alley. The site is rectangular in shape. It is approximately 7,328 square feet in size. It is zoned R-3 Single-Family Residential District. Public utilities and services are available to the site. The improvements on the property include a single-family detached bungalow that was built in 1940 according to public records. Accessory to the house is a carriage-style garage. The house and garage are both in state of disrepair and planned for demolition.

Discussion

The subject property was recently purchased by the applicant and planned to be demolished with the intent of combining the site with the adjoining property, 908 E Main Street, for expansion of the Good Friends Animal Hospital. 908 East Main Street is currently zoned B-3 therefore the rezoning of the subject property will not amount to spot zoning or be out of character with the neighborhood. *For clarity, staff notes that the existing Good Friends Animal Hospital operates as a small-animal veterinary hospital serving household pets. While the Zoning Ordinance does not provide narrative definitions for the veterinary hospital uses, it distinguishes between small-animal and large-animal veterinary hospitals as separate land uses in Table V-1.*

Small animal veterinary hospitals generally operate indoors and differ in scale and intensity from large-animal veterinary facilities, which may involve outdoor animal areas and higher operational impacts.

The proposed rezoning will allow the site to be used for commercial, retail, office, restaurant or any of the permitted uses in B-3 General Business Zoning District. It is the staff opinion that the proposed rezoning will not be injurious to the adjoining properties or the neighborhood. The change in land use would mean a reduction in the available housing stock; however, the rezoning is consistent with the Imagine Urbana Comprehensive Plan (“Imagine Urbana”) Big Move 7 to promote incremental development, and Little Move 7.3 to amend development regulations to allow small-scale businesses and housing in the same neighborhood.

The proposed rezoning supports incremental development and the expansion of neighborhood-serving business in a manner consistent with Imagine Urbana. The Comprehensive Plan states that “incremental development contributes to community growth and sustainability by allowing for gradual, adaptive improvements” and calls for amending development regulations to “allow small-scale businesses and housing in the same neighborhood” (Imagine Urbana, Big Move 7; Little Move 7.3). Additionally, the Neighborhood I Place Type allows for “low-intensity small businesses” and notes that small businesses may be appropriate along neighborhood edges (Imagine Urbana, p. 82).

While neighborhood I Place Type areas are intended to remain primarily residential in character, Imagine Urbana anticipates limited neighborhood-serving commercial uses in the appropriate locations, particularly where such uses already exist. East Main Street includes several existing commercial uses, including the Good Friends Animal Hospital, Illini Connivence Food & Liquor Store, Piato Catering, and Second Hand Rose Antiques. Approval of the proposed rezoning at 904 E Main Street does not automatically authorize expansion of the Good Friends Animal Hospital. Any redevelopment of the site as an animal hospital would be subject to future conditional use permit and site plan review processes, which allow the City of Urbana to evaluate building scale, layout, buffering, parking, and overall compatibility prior development.

If Good Friends Animal Hospital were to close, or move locations, the B-3 zoning on these two adjoining lots would allow range of commercial uses by right, including retail, office, personal service, restaurant uses. However, all permitted uses remain subject to development standard of the Zoning Ordinance, including minimum lot size, setbacks, building height, parking, access, and buffering requirements. In addition, certain higher-intensity uses within the B-3 District require special or conditional use approval, which provides an opportunity for public review and the imposition of conditions to ensure compatibility with surrounding properties. These regulations serve as safeguards to guide future redevelopment and maintain the character of the East main Street corridor.

Table 1. Permitted Use Comparison: B-1, B-2, B-3 Zoning Districts

| Use Category | B-1 Neighborhood Business | B-2 Neighborhood Business – Arterial | B-3 General Business |
|-------------------------------------------------|---------------------------|--------------------------------------|----------------------|
| Animal Hospital/ Veterinary Services | Not Permitted | Not Permitted | Conditional Use |

Table 2. Zoning, Land Use, and Place Type

| Location | Zoning | Existing Land Use | Place Types |
|----------|-----------------------------------------------|------------------------------------------------|----------------|
| Site | R-3 Single-Family Residential Zoning District | Single-Family Residential/Vacant | Neighborhood I |
| North | R-3 Single-Family Residential Zoning District | Vacant Lot | Neighborhood I |
| South | R-3 Single-Family Residential Zoning District | Single-Family Residential | Neighborhood I |
| East | B-3 General Business Zoning District | Good Friends Animal Hospital/Pet Care/Grooming | Neighborhood I |
| West | R-3 Single-Family Residential Zoning District | Single-Family Residential | Neighborhood I |

If the rezoning is approved, the applicant indicated that the subject property would remain vacant in the near term or be used for parking. In future, should the owner wish to combine the two properties into one lot, the lots being combined must have the same zoning—or would require a Map Amendment (rezoning). Each property within the City is assigned to one of the 21 residential, commercial, or industrial zoning districts. The applicant further stated that there is a long-term intent to expand the Good Friends Animal Hospital located at 908 E. Main Street. However, no specific development proposal or timeline has been submitted at this time.

Rezoning Criteria

In the case of *La Salle National Bank v. County of Cook*, the Illinois Supreme Court developed a list of factors that are paramount in evaluating the legal validity of a zoning classification for a particular property. In addition to the six La Salle Criteria, the court developed two more factors in the case of *Sinclair Pipe Line Co. v. Village of Richton Park*. Together, all eight factors are discussed below to compare the current zoning to the proposed zoning.

1. *The existing land uses and zoning of the nearby property.*

The existing land use of the subject property is single-family residential use. It is zoned R-3 Single-Family Residential District. The property to the North is a vacant residential lot zoned R-3. The properties to the West and South are single-family residential uses and they are zoned R-3 Single-Family Residential District. The property to the East is used as an animal hospital and zoned B-3 General Business Zoning District. The proposed zoning classification will be consistent with the zoning classification of the property to the East. This weighs in favor of the proposed rezoning.

2. *The extent to which property values are diminished by the restrictions of the ordinance.*

There is no evidence provided by the applicant or revealed from staff research that property values are diminished by the restrictions of the ordinance. However, it is the staff opinion that the proposed zoning will improve the utility of the site and add value to the neighborhood.

3. *The extent to which the ordinance promotes the health, safety, morals, or general welfare of the public.*

The proposed rezoning to B-3 General Business would allow the property owner to redevelop the site in conjunction with the adjoining parcel, facilitating reinvestment in a deteriorated property and supporting economic activity along the corridor. Redevelopment associated with expansion of the existing animal hospital would be subject to review

and approval through the Conditional Use Permit process, allowing the City to evaluate site design, circulation, compatibility, and operational impacts prior to construction.

Staff acknowledges that rezoning the property to B-3 would also permit certain uses by right that would not require discretionary review. While future reuse of the site for a different by-right B-3 use cannot be entirely precluded through the rezoning process alone, any redevelopment would remain subject to applicable zoning, building, and site development standards. Additionally, staff notes that the subject property's location adjacent to an existing B-3-zoned parcel and along a commercial corridor supports the proposed district boundary expansion.

On balance, the proposed rezoning promotes the general welfare by enabling reinvestment in a deteriorated property, while preserving City oversight for higher-intensity or potentially impactful uses through the Conditional Use Permit process. Therefore, this criterion weighs in favor of the proposed rezoning.

4. *The relative gain to the public as compared to the hardship imposed on the individual property owner.*

The intent of the B-3 General Business District is “to provide areas for a range of commercial uses wider than that of Neighborhood Business but at a lower intensity than Central Business, meeting the general business needs of the City.” The rezoning will not create hardship to the public. The property is intended to be redeveloped as part of the existing Good Friends Animal Hospital, which is an existing business which has co-existed with the surrounding residential use over time.

5. *The suitability of the subject property for the zoned purposes.*

The property is vacant and in disrepair following its use for training by the City of Urbana Fire Department, it is the City's understanding that the applicant intends to file for a demolition permit for the existing bungalow and garage on the subject property. Staff have not received an application for the redevelopment of the site but based on the information provided in the zoning application, the property is intended to be used as part of the adjoining animal hospital. It therefore the staff's opinion that the property is suitable for the zoned purposes.

6. *The length of time the property has been vacant as zoned, considered in the context of land development, in the area, in the vicinity of the subject property.*

The property was purchased on September 17, 2025. It was not in habitable condition at the time of purchase; it was purchased with the intent of redeveloping the site as part of the animal hospital next to the site. The property is now in a very state of disrepair following its use for training by the City of Urbana Fire Department.

7. *The community's need for more of the proposed use.*

The proposed rezoning and redevelopment align with Imagine Urbana Little Move 7.3 “allow small-scale business and housing in the same neighborhood.” Although this conflicts with the objective of investing in affordable housing development, the rezoning will allow the adjoining businesses to flourish and add to the local tax base.

8. *The care with which the community has planned its land use development.*

Imagine Urbana provides a planning framework, including the support of incremental redevelopment and neighborhood-serving commercial uses in Neighborhood I areas. Given the property's adjacency to existing B-3 and B-2 zones, the rezoning is consistent with the city's planned direction for this area. Future development intensity of an expanded Animal Hospital would be

evaluated through the conditional use permit and site plan review processes to ensure consistency with the Zoning Ordinance and Imagine Urbana.

Summary of Findings

1. The proposed rezoning supports incremental development and the expansion of neighborhood serving business in a manner consistent with Imagine Urbana.
2. Redevelopment of the property will eliminate a deteriorated structure and improve the overall condition of the neighborhood, thereby promoting public health, safety, and general welfare.
3. Th proposed zoning will not be injurious to adjacent properties. The existing animal hospital has operated compatibly with surrounding residential uses for many years, with no record of neighborhood concerns.
4. Maintaining the R-3 zoning would impose hardship on the property owner by preventing redevelopment of the property in conjunction with the adjoining B-3 parcel, while providing no corresponding public benefit.

Options

The Plan Commission has the following options in Plan Case No. 2517-M-25:

1. Forward the case to City Council with a recommendation to approve the rezoning request.
2. Forward the case to City Council with a recommendation to deny the rezoning request.

Recommendation

Based on the evidence presented in the discussion above, and without the benefit of considering additional evidence that may be presented at the public hearing, staff recommend the following:

1. That the Plan Commission recommends APPROVAL of the map amendment (i.e., rezoning) to the City Council.

Attachments: Exhibit A: Location Map
 Exhibit B: Land Use
 Exhibit C: Zoning Map
 Exhibit C-2: Expanded Zoning Map
 Exhibit D: Place Types Map
 Exhibit E: Application for Zoning Map Amendment
 Exhibit F: Site Photos & Aerials
 Exhibit G: Zoning Description Sheets: R3, B-3

cc: Susan Norris (for Charlotte Pug Holdings, LLC, Applicant)



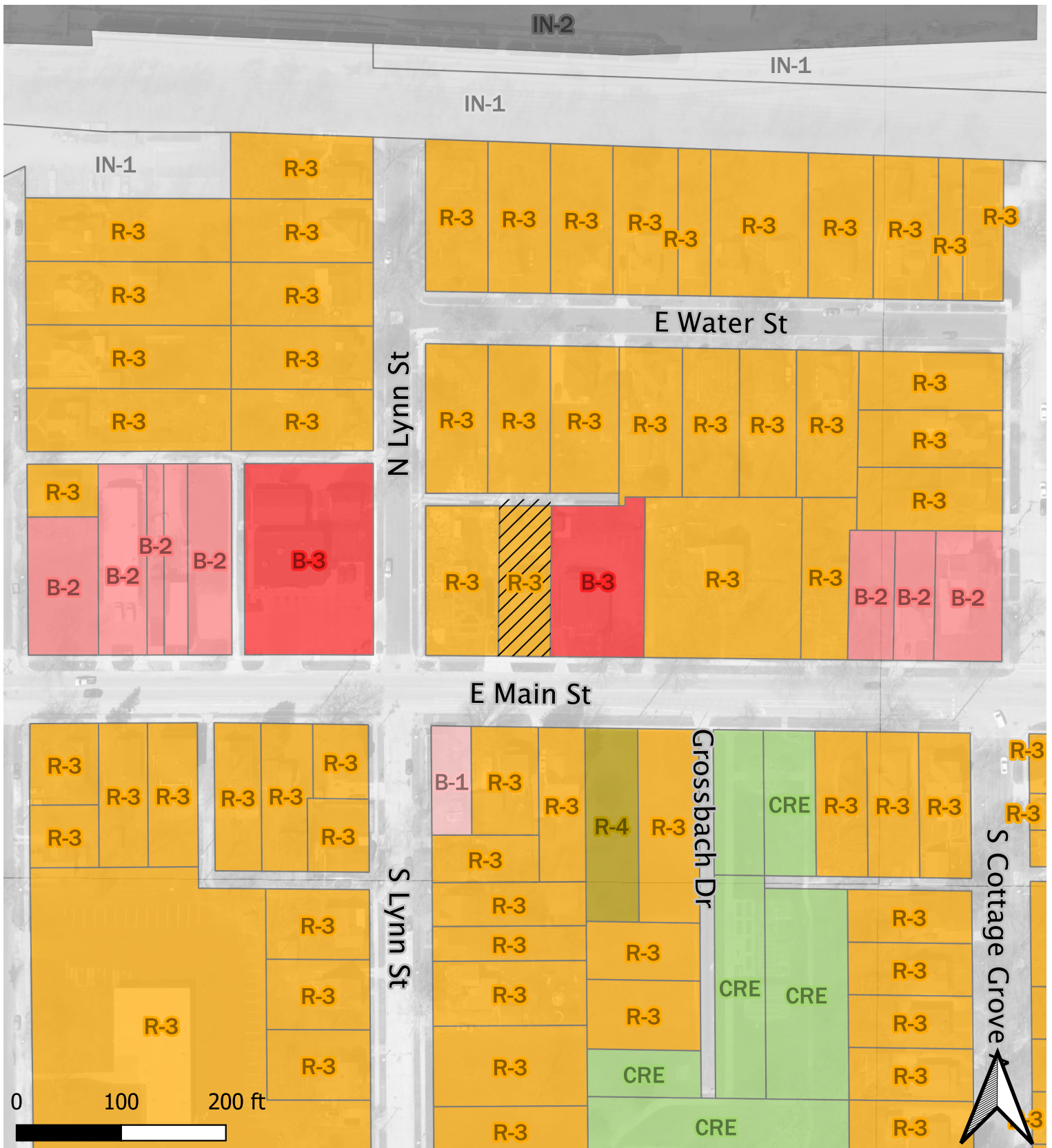
Case: 2517-M-25
Subject: Map Amendment (Rezoning)
Location: 904 E Main Street
Applicant: Susan Norris

//// Subject Property



Case: 2517-M-25
 Subject: Map Amendment (Rezoning)
 Location: 904 E Main Street
 Applicant: Susan Norris

Subject Property
 /// Subject Property



Case: 2517-M-25
 Subject: Map Amendment (Rezoning)
 Location: 904 E Main Street
 Applicant: Susan Norris

| | | | | | |
|--|------------------|--|------|--|------|
| | Subject Property | | IN-1 | | R-2 |
| | B-3 | | IN-2 | | R-3 |
| | B-4 | | MIC | | R-6B |
| | CRE | | MOR | | R-7 |
| | | | R-1 | | |



Case: 2517-M-25
 Subject: Map Amendment (Rezoning)
 Location: 904 E Main Street
 Applicant: Susan Norris

- Subject Property
- B-4
- R-2
- Zoning_View
- CRE
- R-3
- B-1
- IN-1
- R-4
- B-2
- IN-2
- R-5
- B-3
- R-1



Case: 2517-M-25
 Subject: Map Amendment (Rezoning)
 Location: 904 E Main Street
 Applicant: Susan Norris

//// Subject Property Place Types

- Neighborhood I (N1)
- Neighborhood II (N2)
- Downtown (D)





Navigate to...





VIEW PERMIT

Home / Services / Development Permits / View Permit

 Make a payment

 Request an inspection

 Upload documents


 Leave message

Permit #: MAP25-000002

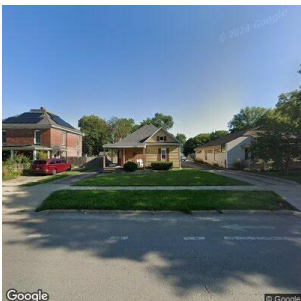
Project #: 25-003511

Status: Online Application Received

Balance Due: \$0.00

Address: 904 East Main Street 

Description: rezone to same zoning as adjacent property 908 E Main



Permit

Reviews

Documents

Inspections

Permit #:**MAP25-000002**

Permit Type:

Zoning Map Amendment

Sub Type:

Zoning Map Amendment

Issue Date:

Expiration Date:

The application fee must be paid when submitting the application. For the current fee amount, please refer to the most recent version of the City's 'Schedule of Fees - Excluding Liquor License Fees', which can be found at <https://www.urbanaininois.us/fees> (<https://www.urbanaininois.us/fees>).

The applicant is also responsible for paying the cost of the legal ad publication fees. The News-Gazette will bill the applicant directly. Legal ad publication fees vary from \$75.00 and up.

If you need assistance completing this form, please contact the Planning Department at Planning@urbanaininois.us (mailto:planning@urbanaininois.us) or (217) 384-2440.

PROPERTY INFORMATION

Current Zoning District:

R-3 - Single and Two Family Residential

Proposed Zoning District:

B-3 - General Business

Current Land Use:

house

Proposed Land Use:

demolition of house, possible expansion at later date, adjacent 908 E Main

Lot Size (SqFt):

1500

Legal Description Provided by Applicant:

The east 50 feet of lot 17 of NW Davis Second Addition to the city of Urbana

CONSULTANT INFORMATION

Architect Name, Email and Phone:

Engineer Name, Email and Phone:

Surveyor Name, Email and Phone:

Site Planner Name, Email and Phone:

Attorney Name, Email and Phone:

REASONS FOR AMENDMENT

What error in the existing ordinance would be corrected by the Proposed Amendment?:

Recent purchase; want it to match zoning for adjacent property (also owned by myself) at 908 E Main St. Demolition permit also being applied for

What changed or changing conditions warrant the approval of this amendment?:

Purchase

Explain why the subject property is suitable for the proposed zoning:

Adjacent property is B3

What other circumstances justify the zoning amendment:

Multiple properties on main street in this area are also B3

Time schedule for development (if applicable):

6 months

Additional exhibits submitted by the applicant:

CERTIFICATION

I grant permission for City staff to post a temporary yard sign on the subject property announcing the public hearing to be held for my request (if required).

Agree:

Yes

I acknowledge that my electronic or digital signature on this application has the full legal effect as that of my written signature.

Agree:

Yes

I certify all the information contained in this application form or any attachment(s), document(s) or plan(s) submitted herewith are true to the best of my knowledge and belief, and that I am either the property owner or authorized to make this application on behalf of the owner.

Agree:

Yes

Applicant Signature Upload:

signature.png

Signer Name:

Susan Norris

When you click Submit, you will be taken to a credit card payment screen. We accept most major credit cards, except American Express.

To pay by mail please include the parcel number on the check, make check or money order payable to *City of Urbana* and mail the check to:

Community Development Services, Planning Division

400 South Vine Street

Urbana, IL 61801

Exhibit F – Site Photos & Aerials



Figure 1. View from East Main Street, Looking North (Urbana FD Training) Date: November 17, 2025



Figure 2. View from Alley, Looking South (Urbana FD Training) Date: November 17, 2025

Exhibit F – Site Photos & Aerials



Airel Map 1. Subject Property Highlighted



B-3 – GENERAL BUSINESS ZONING DISTRICT DESCRIPTION SHEET

According to Section IV-2 of the Zoning Ordinance, the purpose and intent of the B-3 Zoning District is as follows:

"The *B-3, General Business District* is intended to provide areas for a range of commercial uses wider than that of Neighborhood Business but at a lower intensity than Central Business, meeting the general business needs of the City."

Following is a list of the Permitted Uses, Special Uses, Planned Unit Development Uses and Conditional Uses in the B-3 District. Permitted Uses are allowed by right. Special Uses and Planned Unit Development Uses must be approved by the City Council. Conditional Uses must be approved by the Zoning Board of Appeals.

PERMITTED USES:

Agriculture

Farm Equipment Sales and Service
Feed and Grain (*Sales Only*)
Garden Shop
Plant Nursery or Greenhouse
Roadside Produce Sales Stand

Business - Adult Entertainment

Adult Entertainment Uses

Business – Cannabis

Craft Grower
Dispensary (*Medical & Non-Medical*)
Infuser

Business - Food Sales and Services

Bakery (*Less than 2,500 square feet*)
Banquet Facility
Café or Deli
Catering Service
Confectionery Store
Convenience Store
Fast-Food Restaurant
Liquor Store
Meat and Fish Market
Restaurant
Supermarket or Grocery Store
Tavern or Night Club

Business - Miscellaneous

Auction Sales (*Non-Animal*)
Contractor Shop and Show Room (*Carpentry, Electrical, Exterminating, Upholstery, Sign Painting, and Other Home Improvement Shops*)
Day Care Facility (*Non-Home Based*)
Lawn Care and Landscaping Service
Mail Order Business
Radio or TV Studio
Shopping Center – Convenience
Shopping Center – General
Wholesale Business

Business - Personal Services

Ambulance Service
Barber/ Beauty Shop
Dry Cleaning or Laundry Establishment
Health Club/ Fitness
Laundry and/or Dry Cleaning Pick-up
Massage Therapist
Medical Carrier Service
Mortuary
Movers
Pet Care/ Grooming
Self-Service Laundry
Shoe Repair Shop
Tailor and Pressing Shop

PERMITTED USES Continued:**Business - Professional and Financial Services**

Bank/ Savings and Loan Association
 Check Cashing Service
 Copy and Printing Service
 Packaging/ Mailing Service
 Professional and Business Office
 Vocational, Trade or Business School

Business - Retail Trade

Antique or Used Furniture Sales and Service
 Appliance Sales and Service
 Art and Craft Store and/or Studio
 Bicycle Sales and Service
 Building Material Sales (*All Indoors Excluding
 Concrete or Asphalt Mixing*)
 Clothing Store
 Department Store
 Drugstore
 Electronic Sales and Services
 Florist
 Hardware Store
 Heating, Ventilating, Air Conditioning Sales and
 Service
 Jewelry Store
 Monument Sales (*Excluding Stone Cutting*)
 Music Store
 Office Supplies/ Equipment Sales and Service
 Pawn or Consignment Shop
 Pet Store
 Photographic Studio and Equipment Sales and
 Service
 Shoe Store
 Sporting Goods
 Stationery, Gifts, or Art Supplies
 Tobacconist
 Variety Store
 Video Store
 All Other Retail Stores

Business - Vehicular Sales and Service

Automobile Accessories (*New*)
 Automobile, Truck, Trailer or Boat Sales or
 Rental
 Automobile/ Truck Repair
 Car Wash
 Gasoline Station
 Mobile Home Sales
 Truck Rental

Business - Recreation

Athletic Training Facility
 Bait Sales
 Bowling Alley
 Dancing School
 Driving Range
 Gaming Hall*****
 Lodge or Private Club
 Miniature Golf Course
 Outdoor Commercial Recreation Enterprise
 (*Except Amusement Park*)****
 Pool Hall
 Private Indoor Recreational Development
 Theater, Indoor

Business - Transportation

Motor Bus Station
 Taxi Service

Industrial

Microbrewery

Public and Quasi-Public

Church, Temple or Mosque
 Electrical Substation
 Farmer's Market
 Institution of an Educational or Charitable
 Nature
 Library, Museum or Gallery
 Methadone Treatment Facility
 Municipal or Government Building
 Park
 Police or Fire Station
 Principle Use Parking Garage or Lot
 Public Maintenance and Storage Garage
 University/College
 Utility Provider

Residential

Bed and Breakfast Inn
 Bed and Breakfast Inn, Owner Occupied
 Dwelling, Community Living Facility, Category II
 or Category III
 Dwelling, Home for Adjustment
 Dwelling, Loft
 Dwelling, Transitional Home, Category I or II
 Hotel or Motel

SPECIAL USES:

Business – Retail

Firearm Store†

Business – Vehicular Sales and Service

Towing Service

Truck Stop

Industrial

Solar Farm

Public and Quasi-Public

Correctional Institution or Facility

Hospital or Clinic

Residential

Dwelling, Multifamily

PLANNED UNIT DEVELOPMENT USES:

Business – Miscellaneous

Commercial Planned Unit Development (*See Section XIII-3*)

Mixed-Use Planned Unit Development (*See Section XIII-3*)

CONDITIONAL USES:

Business - Miscellaneous

Crematorium

Self-Storage Facility

Veterinary Hospital (*Small Animal*)****

Public and Quasi-Public

Nonprofit or Governmental, Educational and Research Agencies

Radio or Television Tower and Station

Residential

Assisted Living Facility

Nursing Home

Industrial

Bookbinding

Confectionery Products Manufacturing and Packaging

Electronics and Related Accessories - Applied Research and Limited Manufacturing

Engineering, Laboratory, Scientific and Research Instruments Manufacturing

Motion Picture Production Studio

Printing and Publishing Plants for Newspapers, Periodicals, Books, Stationery and

Commercial Printing

Surgical, Medical, Dental and Mortuary

Instruments and Supplies Manufacturing

Table V-1 Notes:

**** See Table VII-1 for Standards for Specific Conditional Uses

***** The establishment requesting a license for a principal use gaming hall shall be a minimum of five hundred feet from any other licensed gaming hall or pre-existing Day Care Facility, Day Care Home, School, or Place of Worship, as defined under the Religious Corporation Act (805 ILCS 110/0.01 et seq.). The establishment requesting a license for a principal use gaming hall shall also be a minimum of two hundred and fifty feet away from any previously existing establishment containing a licensed video gaming terminal. Said distances shall be measured as the intervening distance between business frontages.

† See Section VII-5.D for Standards for Firearm Stores

DEVELOPMENT REGULATIONS IN THE B-3 DISTRICT

| ZONE | MIN LOT SIZE (square feet) | MIN AVERAGE WIDTH (in feet) | MAX HEIGHT (in feet) | MAX FAR | MIN OSR | MIN FRONT YARD (in feet)¹ | MIN SIDE YARD (in feet)¹ | MIN REAR YARD (in feet)¹ |
|-------------|-----------------------------------|------------------------------------|-----------------------------|----------------|----------------|---------------------------------------------|--------------------------------------------|--------------------------------------------|
| B-3 | 6,000 | 60 | None³ | 4.00 | None | 15 | 5 | 10 |

FAR = Floor Area Ratio
 OSR = Open Space Ratio

Footnote¹ – See Section VI-5 and Section VIII-4 for further information about required yards.

Footnote³ – In the AG, CRE, B-1, B-2, MOR and IN-1 Zoning Districts, and for residential uses in the B-3 and B-4 Districts, if the height of a building two stories or exceeds 25 feet, the minimum side and rear yards shall be increased as specified in Section VI-5.F.3 and Section VI-5.G.1, respectively. In the AG and CRE Districts, the maximum height specified in Table VI-3 shall not apply to farm buildings; however, the increased setbacks required in conjunction with additional height, as specified in Section VI-5, shall be required for all non-farm buildings.

For more information on zoning in the City of Urbana call or visit:

City of Urbana
Community Development Services Department
Planning Division
 400 South Vine Street, Urbana, Illinois 61801
 (217) 384-2440 phone | Email: Planning@urbanail.gov
 City Website: www.urbanail.gov



R-3 – SINGLE AND TWO-FAMILY RESIDENTIAL ZONING DISTRICT DESCRIPTION SHEET

According to Section IV-2 of the Zoning Ordinance, the purpose and intent of the R-3 Zoning District is as follows:

"The R-3, Single and Two-Family Residential District is intended to provide areas for low-density residential development, including single-family attached and detached dwellings and two-family dwellings."

Following is a list of the Permitted Uses, Special Uses, Planned Unit Development Uses and Conditional Uses in the R-3 District. Permitted Uses are allowed by right. Special Uses and Planned Unit Development Uses must be approved by the City Council. Conditional Uses must be approved by the Zoning Board of Appeals.

PERMITTED USES:

Agriculture

Agriculture, Cropping

Business - Recreation

Country Club or Golf Course

Public and Quasi-Public

Elementary, Junior High School or Senior High School
Park

Residential

Dwelling, Community Living Facility, Category I and Category II
Dwelling, Duplex***
Dwelling, Duplex (*Extended Occupancy*)***
Dwelling, Single Family
Dwelling, Single Family (*Extended Occupancy*)
Dwelling, Two-Unit Common-Lot-Line***

SPECIAL USES:

Public and Quasi-Public

Church, Temple or Mosque
Electrical Substation
Institution of an Educational or Charitable Nature
Library, Museum or Gallery
Police or Fire Station

Residential

Dwelling, Transitional Home, Category II

PLANNED UNIT DEVELOPMENT USES:

Residential

Residential Planned Unit Development (*See Section XIII-3*)

CONDITIONAL USES:

Agriculture

Artificial Lake of One (1) or More Acres

Business - Miscellaneous

Day Care Facility (*Non-Home Based*)

Business - Recreation

Lodge or Private Club

Public and Quasi-Public

Municipal or Government Building

Residential

Bed and Breakfast, Owner Occupied
Dwelling, Transitional Home, Category I

Table V-1 Notes:

*** See Section VI-3 for lot area and width regulations for duplex and common-lot line dwelling units.

DEVELOPMENT REGULATIONS IN THE R-3 DISTRICT

| ZONE | MIN LOT SIZE (square feet) | MIN AVERAGE WIDTH (in feet) | MAX HEIGHT (in feet) | MAX FAR | MIN OSR | MIN FRONT YARD (in feet) ¹ | MIN SIDE YARD (in feet) ¹ | MIN REAR YARD (in feet) ¹ |
|------|----------------------------|-----------------------------|----------------------|---------|---------|---------------------------------------|--------------------------------------|--------------------------------------|
| R-3 | 6,000 ¹³ | 60 ¹³ | 35 ¹⁷ | 0.40 | 0.40 | 15 ⁹ | 5 | 10 |

FAR = Floor Area Ratio

OSR = Open Space Ratio

Footnote¹ – See Section VI-5 and Section VIII-4 for further information about required yards.

Footnote⁹ – In the R-1 District, the required front yard shall be the average depth of the existing buildings on the same block face, or 25 feet, whichever is greater, but no more than 60 feet, as required in Section VI-5.D.1. In the R-2, R-3, R-4, R-5, R-7, and MOR Districts, the required front yard shall be the average depth of the existing buildings on the same block face (including the subject property), or 15 feet, whichever is greater, but no more than 25 feet, as required in Section VI-5.D.1. (*Ordinance No. 9596-58, 11-20-95*) (*Ordinance No. 9697-154*) (*Ordinance No. 2001-03-018, 03-05-01*)

Footnote¹³ – In the R-2 and R-3 Districts, any lot platted and recorded after December 21, 1970, on which there is proposed to be erected or established a duplex, shall contain an area of not less than 9,000 square feet, and have an average width of not less than 80 feet. A lot platted and recorded before December 21, 1970, on which there is proposed to be erected or established a duplex, shall contain an area of not less than 6,000 square feet, and have an average width of not less than 60 feet.

Footnote¹⁷ – Public buildings, schools, or institutions of an educational, religious, or charitable nature which are permitted in the R-2, R-3, and R-4 Districts may be erected to a height not to exceed 75 feet, if the building is set back from the building line at least one foot for each one foot of additional building height above the height limit otherwise applicable.

For more information on zoning in the City of Urbana call or visit:

City of Urbana

Community Development Services Department

Planning Division

400 South Vine Street, Urbana, Illinois 61801

(217) 384-2440 phone | Email: Planning@urbanail.gov

City Website: www.urbanail.gov

MINUTES OF A REGULAR MEETING

URBANA PLAN COMMISSION

DRAFT

DATE: January 15, 2026

TIME: 7:00 P.M.

PLACE: Council Chambers, City Hall, 400 South Vine Street, Urbana, Illinois

MEMBERS ATTENDING: Dustin Allred, Will Andresen, Andrew Fell, Bill Rose, Chenxi Yu

MEMBERS EXCUSED: Karen Simms

STAFF PRESENT: Olivia Jovine, Director of Community Development | Zoning Administrator; Aimirou Sy, Planner II; Teri Anandel, Planning Administrative Assistant II

OTHERS PRESENT: Susan Norris, Jeff Sloan

A. CALL TO ORDER and ROLL CALL

Chair Allred called the meeting to order at 7:00 p.m. Roll call was taken, and there was a quorum of the members present.

B. CHANGES TO THE AGENDA

There were none.

C. APPROVAL OF MINUTES OF PREVIOUS MEETING

There were none.

D. COMMUNICATIONS

There were none.

E. CONTINUED PUBLIC HEARINGS

Plan Case No. 2517-M-25 – A request by Susan Norris, on behalf of Charlotte Pug Holdings, LLC, to rezone 904 East Main Street from R-3 (Single-Family Residential) Zoning District to B-3 (General Business) Zoning District.

Chair Allred reopened Plan Case No. 2517-M-25. He reviewed the process for a public hearing.

Aimirou Sy, Planner II, presented an update for the case to the Plan Commission. He began by explaining that this case was continued to this meeting date to allow Planning staff to provide

clarification regarding use intensity, compatibility, and Comprehensive Plan alignment. He stated the applicant's intentions for the proposed rezoning to redevelop the proposed site in conjunction with the adjoining property at 908 East Main Street, which is already zoned B-3. He pointed out that any redevelopment or expansion of the proposed site would require approval of a conditional use permit and site plan review.

Mr. Sy stated that staff acknowledges "Neighborhood 1" areas to remain primarily residential. However, the *Imagine Urbana* Comprehensive Plan anticipates neighborhoods serving commercial uses along neighborhood edges and corridors. He showed a location map and noted that there are other B-3 zoned properties as well as B-2 (Neighborhood Business – Arterial) zoned properties along the East Main Street corridor. Development regulations apply regarding setbacks, height, parking requirements, and buffering. Higher intensity uses would require approval of a conditional use permit, which would provide another opportunity for public input and for the City to impose conditions to ensure compatibility.

He reviewed how the proposed rezoning related to the LaSalle National Bank criteria. He summarized staff findings and presented staff's recommendation for approval.

Chair Allred asked if the Plan Commission members had any questions for City staff.

Mr. Rose inquired about the animal/hospital use in Table V-1. He found it listed as veterinary hospital.

Chair Allred asked how long the existing house was unoccupied. Mr. Sy stated that the house was just demolished. It was purchased by the Animal Hospital in September of 2025.

Chair Allred stated that some uses allowed by right in the B-3 zoning district could potentially be problematic for the residential neighborhood. The Plan Commission needs to consider the ramifications of those uses in the future. He asked if there are any mechanisms that exist to address the performance of those potential uses. Mr. Sy explained that the mechanism is the dimensional standards of the Zoning Ordinance, such as setbacks, building height, parking requirements, and buffering. Chair Allred asked if the City would rely on other mechanisms such as the Noise Ordinance with regards to the operation of an intense use. Olivia Jovine, Director of Community Development and Zoning Administrator, pointed out that the Zoning Ordinance requires a 100-foot buffering between a commercial property and the nearest residential use. Although there are no operational restrictions in the Zoning Ordinance, the Noise Ordinance would control any nuisance created by noise levels.

Chair Allred asked if there are any plans for expansion. Ms. Jovine said not at this time; however, the applicant could speak more on this.

With there being no other questions for City staff, Chair Allred opened the public hearing for public input. He invited the applicant to speak on behalf of their proposed rezoning request.

Susan Norris, applicant, approached the Plan Commission. She said that they plan to expand in the next 12 to 18 months. They need to get financing in place first. They will work with City staff to figure how far they would be allowed to expand.

She mentioned that one of her clients is a surveyor. She was thinking of joining 904 and 908 East Main Street into one parcel. She hoped this would negate some of the Plan Commission's concerns. She noted that the house was demolished this week, and the lot looks really nice. She stated that she would be happy to answer any questions.

Ms. Jovine noted that Ms. Norris and her team at the Good Friends Animal Hospital have been talking with City staff for over a year and pursuing opportunities for expansion. They have a need for additional office space on site. Combining the lots would be considered a minor subdivision and would be an administrative action. Planning staff would be happy to walk her through the process.

With there being no further public comment, Chair Allred stated that the Plan Commission would leave the public input portion open until the next meeting. At this point, Chair Allred opened the hearing for Plan Commission discussion.

Mr. Fell pointed out that the reason 908 East Main Street is zoned B-3 is because there used to be a gas station on the lot when the City rezoned many years ago. If the gas station would not have been there, then the property would probably not have been rezoned to R-3. Most likely it would have been zoned R-3 (Single and Two-Family Residential). The Animal Hospital would have never been allowed to be constructed on the site.

Having said this, Mr. Fell stated that he feels the Animal Hospital is a great addition to that neighborhood in our community. He used their services for a long time. The Animal Hospital is landlocked, and he feels that a future expansion would be the highest and best use of the lot next to it. He is all for letting this business expand.

Mr. Fell said that he is conflicted in that the Plan Commission should be thinking about the use of the land if rezoned further down the road say in 30 years. He does not know how the Plan Commission can protect their desire to help this business with their need to protect the community. This is a dilemma to him.

Ms. Yu said that she did not see a problem with rezoning the proposed lot because there are a lot of other B-3 and B-2 zoned properties. Chair Allred stated that he looked at the zoning along the East Main Street corridor prior to this meeting. He feels less concerned about allowing some of the potential uses that are allowed by right in the context of the number of business zoned parcels already in this corridor. The City just adopted a new comprehensive plan and did not identify this as a business corridor so it may be something that we would want to provide a little more nuance in terms of how we think about this area based on current uses and current zoning. It may make more sense to think about this as a corridor as opposed to just a residential neighborhood.

Mr. Rose recalled the issue they discussed at the previous meeting and the reason they continued the case to tonight's meeting was about other uses that would be allowed by right in a B-3 zoning district. The proposed use of a small animal veterinarian hospital strongly meets the LaSalle

National Bank criteria. So, in his view, compliance between the zoning and the use outweighs ideas that we could have concerns about future uses that makes them uncomfortable.

Mr. Rose moved that the Plan Commission forward Plan Case No. 2517-M-25 to the Urbana City Council with a recommendation for approval for the reasons expressed by City staff. Mr. Andresen seconded the motion.

Mr. Fell said that while he holds to his original opinion, he also agrees with the notion that East Main Street is becoming a corridor. He has faith that by the time the property would turn over because of the Animal Hospital folding is a very long time from now, and he believes that the entire neighborhood will look very different. So, for this reason he is willing to vote in favor of the motion.

Chair Allred stated that looking at the larger expanse of this section of East Main Street and seeing how mixed it is in terms of zoning, it seems to be transitioning to a corridor with more intense uses. This in addition to the fact that the City has other laws and ordinances that we can rely on to address any kind of nuisance issues that might arise in the future is what he is basing his vote on.

Mr. Fell pointed out that the Plan Commission continued the case from the previous meeting, so the public has had two chances to weigh in on the proposed rezoning. They have only received one communication that was in favor of the request. This is another reason he will vote in favor of it.

Roll call on the motion was as follows:

| | | | | | |
|--------------|---|-----|----------|---|-----|
| Mr. Andresen | - | Yes | Mr. Fell | - | Yes |
| Mr. Rose | - | Yes | Ms. Yu | - | Yes |
| Mr. Allred | - | Yes | | | |

The motion was passed by unanimous vote. Ms. Jovine stated that this case would be forwarded to the Committee of the Whole on February 2, 2026.

F. OLD BUSINESS

There was none.

G. NEW PUBLIC HEARINGS

There were none.

H. NEW BUSINESS

There was none.

I. AUDIENCE PARTICIPATION

There was none.

J. STAFF REPORT

Ms. Jovine reported on the following:

- Principal Planner position is posted online and through many other resources, with a priority response date of January 23, 2026.
- Planner I – The new staff person will begin work on January 26, 2026. She has a background in historic preservation.
- Planning Fraud – The Planning Division has been experiencing some serious fraud. She explained that it is due to our public noticing requirements and placing packet information on the City website. An applicant's information and details of their case is then captured by the person doing the fraud, and that person then emails a fake invoice from a spoof account that looks like the Planning Inbox to the applicant. The invoice looks real having the City's logo on top and containing details of the application. Staff has received multiple complaints over the last six months. Staff is working with the City's IT Department and will be implementing some best practices moving forward. She noted that Planning staff only collects application fees at the beginning of the application process. A complete application includes payment of the application fee. Planning staff would then only bill for the legal ad placed in the News Gazette and if the document needs to be recorded with Champaign County Recorder's Office. She stated that the fake invoices are for several thousands of dollars and requests payment by electronic transfer. If anyone receives an invoice from the City of Urbana Planning Division, please contact us first to verify if it is legit before paying it. In the meantime, staff has updated our email signatures to add a warning, and we are redacting any personal information in the applications.

K. STUDY SESSION

There was none.

L. ADJOURNMENT OF MEETING

The meeting was adjourned at 7:36 p.m.

Respectfully submitted,

Olivia Jovine

Olivia Jovine, Secretary
Urbana Plan Commission



MEMORANDUM TO THE MAYOR AND CITY COUNCIL

Meeting: February 2, 2026, Committee of the Whole

Subject: An Ordinance Revising the Annual Budget Ordinance (Budget Amendment #7 – TIF 4 Closure)

Summary

Action Requested

Forward the budget amendment authorizing these adjustments for approval at the February 9, 2026, City Council meeting. This budget amendment requires six affirmative votes, including the Mayor, in order to pass.

Brief Background

In December, council voted to formally close out the TIF4. This ordinance requests Council approval to amend the FY2026 Annual Budget to make the necessary adjustments to finalize the closure of TIF 4. In order to close out TIF 4 property, there are two budget amendments required. The first one was done in November 2025 and this ordinance is the second amendment.

Relationship to City Services and Priorities

Impact on Core Services

By closing TIF4 and encumbering funds for infrastructure improvements along Cunningham, the city is investing in core services within the geography the TIF is intended to serve. Also, reallocating remaining funds to Central TIF is expected to strengthen core services in the City's downtown, enhance infrastructure, and support redevelopment efforts, which will have uplifting economic effects across the City of Urbana.

Strategic Goals & Plans

This proposed budget amendment is also aligned with the Mayor/Council Strategic Goals for 2024-2025, specifically Strategic Area #4: Economic Health.

Previous Council Actions

- [FY2026 Annual Budget](#) on June 25, 2025
- [Budget Amendment #4](#) – TIF 4 Ending on November 24, 2025.
- [Ordinance No. 2025-12-036](#) – Dissolving The Special Tax Allocation Fund and Terminating the Designation of The City of Urbana Tax Increment Redevelopment Project Area (TIF 4)

Discussion

Additional Background Information

This amendment is the second part of that approach and was discussed with Council when Budget Amendment #4 was approved in November. Since that time, Council approved an ordinance in December to formally close TIF 4 effective December 31, 2025. With the district now closed, it is important to clearly separate and track remaining, in-progress activities in a way that aligns with post-closure TIF requirements.

In Budget Amendment #4, staff focused on cleaning up items that were not expected to be spent in the current fiscal year by moving those appropriations into the Central TIF. This helped align the budget with current spending expectations and reduce activity within the TIF 4 fund that would not occur during the year.

Accordingly, this amendment focuses on moving projects and activities that are still underway from the TIF 4 fund into the Post-TIF Closure Fund. This allows staff to monitor and report on these remaining commitments independently from the TIF 4 Fund, consistent with regulations governing TIF districts and the closeout period. As part of this amendment, staff is also making minor cleanups in other accounts to ensure the TIF 4 fund's remaining fund balance is reduced to \$0 as part of the closeout process.

Importantly, moving these items does not change the underlying purpose of the expenditures or the City's intent to complete the work. As long as the funds were committed by December 31, 2025, staff is permitted to continue carrying out these activities during the post-closure period.

Fiscal and Budget Impact

This amendment has no impact on fund balance in the General Operating Fund.

Recommendation

Forward the budget amendment authorizing these adjustments to the FY2026 budget with a recommendation for approval at the February 9, 2026, City Council meeting.

Next Steps

If the proposed adjustments mentioned above are approved, the revisions detailed in the exhibit will be incorporated into the FY2026 Annual Budget.

Attachment(s)

1. An Ordinance Revising the Annual Budget Ordinance

Originated: Olivia Jovine, Community Development Services Director
 Don Ho, Senior Financial Analyst / Budget Coordinator
 Reviewed: Elizabeth Hannan, HR & Finance Director / CFO
 Approved: Darius White, City Administrator

ORDINANCE NO. _____

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE

(Budget Amendment #7 – TIF 4 Closure)

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

WHEREAS, the corporate authorities of the City heretofore did approve the annual budget ordinance of and for the City of Urbana for the fiscal year beginning July 1, 2025 and ending June 30, 2026; and

WHEREAS, the said corporate authorities find that revising the annual budget ordinance by deleting, adding to, changing, or creating sub-classes within object classes and object classes themselves is in the best interests of the residents of the City and is desirable for the welfare of the City’s government and affairs; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, the Budget Director may not make such revision under the authority so delegated to the Budget Director pursuant to 65 ILCS 5/8-2-9.6 or Urbana City Code Section 2-133.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL AND THE MAYOR, BEING THE CORPORATE AUTHORITIES OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1.

The annual budget ordinance shall be and the same is hereby revised as set forth in the exhibit appended hereto and made a part hereof as if fully set forth herein.

Section 2.

This Ordinance shall be in full force and effect from and after its passage and publication in accordance with Section 1-2-4 of the Illinois Municipal Code (65 ILCS 5/1-2-4).

This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of two-thirds of the corporate authorities then holding office (6 of 8 votes) of the City of Urbana, Illinois, at a duly noticed and convened meeting of the said corporate authorities.

PASSED BY THE CORPORATE AUTHORITIES this __ Day of _____, 20__.

AYES: _____

NAYS: _____

ABSTENTIONS: _____

Darcy E. Sandefur, City Clerk

APPROVED BY THE MAYOR this __ Day of _____, 20__.

DeShawn B. Williams, Mayor

Budget Amendment 2025/26 - 07 - Exhibit A

| General Ledger Code | Project String | Description | Current Budget | Revised Budget | Difference | Reason |
|----------------------------------------|---------------------|------------------------------------------------------------------|----------------------|----------------------|---------------------|----------------|
| POST TIF FUND (340) | | | | | | |
| <u>Revenues</u> | | | | | | |
| 340-49343 | | POST TIF: TFR ROM TIF 4 | - | 3,262,970.08 | 3,262,970.08 | TIF 4 CLOSURE |
| Total Revenues | | | - | 3,262,970.08 | 3,262,970.08 | |
| <u>Expenditures</u> | | | | | | |
| 34050501-52105-40172 | | ECONOMIC DEVELOPMENT: PLANNING SERVICES - COUNTRY CLUB & PERKINS | - | 1,315,289.85 | 1,315,899.00 | TIF 4 CLOSURE |
| 34050501-52105-40177 | | ECONOMIC DEVELOPMENT: PLANNING SERVICES - TIF 4 SIDEWALKS | - | 254,106.85 | 265,533.00 | TIF 4 CLOSURE |
| 34050501-52105-40178 | | ECONOMIC DEVELOPMENT: PLANNING SERVICES - TIF 4 STREET LIGHTING | - | 743,923.08 | 743,923.08 | TIF 4 CLOSURE |
| 34050501-52420 | | ECONOMIC DEVELOPMENT: ED CONTRIBUTION | - | 12,615.00 | 12,615.00 | TIF 4 CLOSURE |
| 34050501-53100 | | ECONOMIC DEVELOPMENT: LAND | - | 925,000.00 | 925,000.00 | TIF 4 CLOSURE |
| Total Expenditures | | | - | 3,262,970.08 | 3,262,970.08 | |
| Ending Fund Balance (estimated) | | | - | - | - | |
| TIF 4 FUND (343) | | | | | | |
| <u>Revenues</u> | | | | | | |
| 343-40100 | | TIF 4: PROPERTY TAXES | 1,161,501.00 | 1,337,892.30 | 176,391.30 | TIF 4 CLOSURE |
| 343-45000 | | TIF 4: INVESTMENT INCOME | 100,000.00 | 185,864.27 | 85,864.27 | TIF 4 CLOSURE |
| Total Revenues | | | 1,261,501.00 | 1,523,756.57 | 262,255.57 | |
| <u>Expenditures</u> | | | | | | |
| 34350501-52105-40172 | 40172-PLANNING-TIF4 | ECONOMIC DEVELOPMENT: PLANNING SERVICES - COUNTRY CLUB & PERKINS | 1,181,319.77 | 15,421.11 | (1,165,898.66) | TIF 4 CLOSURE |
| 34350501-52105-40177 | 40177-PLANNING | ECONOMIC DEVELOPMENT: PLANNING SERVICES - TIF 4 SIDEWALKS | 549,173.25 | 208,609.95 | (340,563.30) | TIF 4 CLOSURE |
| 34350501-52105-40178 | 40178-PLANNING | ECONOMIC DEVELOPMENT: PLANNING SERVICES - TIF 4 STREET LIGHTING | 713,471.08 | 1,445.00 | (712,026.08) | TIF 4 CLOSURE |
| 34350501-53100 | | ECONOMIC DEVELOPMENT: LAND | 965,000.00 | - | (965,000.00) | TIF 4 CLOSURE |
| 34350501-52420 | | ECONOMIC DEVELOPMENT: ED CONTRIBUTION | 25,000.00 | 15,911.00 | (9,089.00) | TIF 4 CLOSURE |
| 34350501-59340 | | ECONOMIC DEVELOPMENT: TFR TO POST TIF CLOSURE | - | 3,262,970.08 | 3,262,970.08 | TIF 4 CLOSURE |
| 34350501-59344 | | ECONOMIC DEVELOPMENT: TFR TO CENTRAL TIF | 7,301,066.00 | 6,390,236.44 | (910,829.56) | TIF 4 CLOSURE |
| Total Expenditures | | | 10,735,030.00 | 9,894,593.48 | (840,436.52) | |
| Ending Fund Balance (estimated) | | | - | - | - | |
| CENTRAL TIF FUND (344) | | | | | | |
| <u>Revenues</u> | | | | | | |
| 344-49343 | | CENTRAL TIF: TFR FROM TIF 4 | 7,301,066.00 | 6,390,236.44 | (910,829.56) | TIF 4 CLOSEOUT |
| Total Revenues | | | 13,740,839.15 | 12,830,009.59 | (910,829.56) | |
| Ending Fund Balance (estimated) | | | 13,624,215.54 | 12,713,385.98 | (910,829.56) | |



MEMORANDUM TO THE MAYOR AND CITY COUNCIL

Meeting: February 2, 2026, Committee of the Whole

Subject: An Ordinance Revising the Annual Budget Ordinance (Budget Amendment #8 – Fire Engine)

Summary

Action Requested

Forward the budget amendment authorizing these adjustments for approval at the February 9, 2026, City Council meeting. This budget amendment requires six affirmative votes, including the Mayor, in order to pass.

Brief Background

This ordinance seeks City Council approval to amend the FY2026 Annual Budget for the purchase of a Fire Engine.

Relationship to City Services and Priorities

Impact on Core Services

The replacement of the 2002 fire engine directly supports the City's core public safety services by helping ensure the Fire Department has reliable frontline apparatus available for emergency response. A dependable fire engine is essential to maintaining response readiness, meeting service expectations, and supporting the safety of residents, businesses, and visitors. As the existing unit continues to age and require more frequent repairs, there is an increased risk of unplanned downtime and greater reliance on reserve equipment, which can strain operations and reduce flexibility during peak demand or multi-unit incidents.

Strategic Goals & Plans

The proposed changes align with the Mayor and Council 2024-2025 Goals, specifically **Strategic Area #1: Public Safety & Well-Being**.

Previous Council Actions

In FY26, The City Council approved:

- [FY2026 Annual Budget](#) on June 25, 2025
- [Budget Amendment #1](#) on August 25, 2025
- [Budget Amendment #2](#) on October 27, 2025.
- [Budget Amendment #3A](#) on November 24, 2025
- [Budget Amendment #4](#) on November 24, 2025.

- [Budget Amendment #5](#) on January 5, 2026

Discussion

Additional Background Information

Public Works Fleet and the Fire Department have determined that our 2002 fire engine has reached the end of its useful life. This decision is based on the age of the apparatus, the maintenance costs, and the amount of time that is required for Fleet personnel to keep the apparatus operational. Additionally, the apparatus will reach 25 years of age at the end of 2026 which is the recommended maximum life for a fire apparatus according to National Fire Protection Association (NFPA) standards.

This budget amendment adds \$1.1 million in the Vehicle Replacement & Equipment Fund (VERF) to support the purchase of a replacement fire engine. Staff will continue to evaluate VERF equipment replacement needs and available funding to ensure the fund remains sustainable over the long term and can support future planned replacements without creating structural deficits.

Operations Impact

The purchase of a new fire engine will allow the Fire Department to move our 2016 fire engine to reserve status and replace the 2002 fire engine. This move will improve the reliability and safety of the Fire Department frontline and reserve apparatus, decrease the amount of time that fleet personnel are needed to maintain the Fire Department fleet, and decrease the maintenance expenses for the Fire Department fleet.

Fiscal and Budget Impact

This amendment has no impact on fund balance in the General Operating Fund.

Recommendation

Forward the budget amendment authorizing these adjustments to the FY2026 budget with a recommendation for approval at the February 9, 2026 City Council meeting.

Next Steps

If the proposed adjustments mentioned above are approved, the revisions detailed in the exhibit will be incorporated into the FY2026 Annual Budget.

Attachment(s)

1. An Ordinance Revising the Annual Budget Ordinance

Originated: Don Ho, Senior Financial Analyst / Budget Coordinator
 Tal Prendergast, Interim Fire Chief
 Molly Lynch, Executive Assistant
 Reviewed: Elizabeth Hannan, HR & Finance Director / CFO
 Approved: Darius White, City Administrator

ORDINANCE NO. _____

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE

(Budget Amendment #8 – Fire Engine Purchase)

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

WHEREAS, the corporate authorities of the City heretofore did approve the annual budget ordinance of and for the City of Urbana for the fiscal year beginning July 1, 2025 and ending June 30, 2026; and

WHEREAS, the said corporate authorities find that revising the annual budget ordinance by deleting, adding to, changing, or creating sub-classes within object classes and object classes themselves is in the best interests of the residents of the City and is desirable for the welfare of the City’s government and affairs; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, the Budget Director may not make such revision under the authority so delegated to the Budget Director pursuant to 65 ILCS 5/8-2-9.6 or Urbana City Code Section 2-133.

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Section 1.

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Section 2.

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This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of two-thirds of the corporate authorities then holding office (6 of 8 votes) of the City of Urbana, Illinois, at a duly noticed and convened meeting of the said corporate authorities.

PASSED BY THE CORPORATE AUTHORITIES this __ Day of _____, 20__.

AYES: _____

NAYS: _____

ABSTENTIONS: _____

Darcy E. Sandefur, City Clerk

APPROVED BY THE MAYOR this __ Day of _____, 20__.

DeShawn B. Williams, Mayor

Budget Amendment 2025/26 - 08 - Exhibit A

| General Ledger Code | Project String | Description | Current Budget | Revised Budget | Difference | Reason |
|-------------------------------------------------------|----------------|----------------------------------------|-------------------|------------------|--------------------|----------------------|
| VEHICLE EQUIPMENT & REPLACEMENT FUND (300) | | | | | | |
| <u>Expenditures</u> | | | | | | |
| 30060600-53410 | | VEHICLE & EQUIP REPLACEMENT: MACHINERY | - | 1,100,000 | 1,100,000 | FIRE ENGINE PURCHASE |
| Total Expenditures | | | 1,858,653 | 2,958,653 | 1,100,000 | |
| Ending Fund Balance (estimated) | | | 10,915,028 | 9,815,028 | (1,100,000) | |