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<b>Application Number:</b>	3950
<b>Project Name:</b>	South Village Homeowner Rehab
<b>Project Type:</b>	Home Ownership
<b>Application Status:</b>	Member Approved
<b>Round Name:</b>	2019A
<b>Activity Type(s):</b>	Rehabilitation

## General Information

### Lead Contacts

**Sponsor Name:** Peoria Citizens Committee for Economic Opportunity, Inc.

**First Name**

**Last Name**

McFarland  
Robin

Bragg II  
Grantham

### Input Contacts

**Organization Name**

**First Name**

**Last Name**

### Lead Member Contacts

**Lead Member Name:** Busey Bank | Champaign, IL

**First Name**

**Last Name**

Jimmie  
Marla

Howlett  
Vearil

**Consortium Project?** No

## Application Information

**Project Description:** The Peoria Citizens Committee for Economic Opportunity Inc. (PCCEO), a nonprofit organization, has a long history of housing development and rehabilitation services in Peoria, specifically in the economically challenged Southside area. PCCEO has developed two (2) tax credit projects with 140 single family houses, one affordable/market rate subdivision (Spring Grove) with 28 new construction single family homes, and provided ongoing rehabilitation services through LISC's Community Core program and Weatherization (HHS, DOE and State) programs. In 2017, PCCEO in partnership with the City of Peoria, received a \$770,000 Blight Reduction Program (BRP) grant to begin demolishing deteriorated and obsolete structures, primarily in the South Village TIF area. The Rehab program would be an added investment to this area.

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The South Village Homeowner Rehab program will assist 24 low to moderate income (80% or below AMI) homeowners, living in the South Village TIF, in renovating their single family home with major improvements. Primary renovation focus will be roof replacement with secondary focus on electrical and/or structural repairs. Total project cost is \$480,000 with \$360,000 in AHP funds, \$30,000 in bank loans to homeowners, and \$90,000 in matching City of Peoria TIF funds.

Will the project fall into one of the following categories:

None

Will the project have single-room occupancy (SRO) units available for occupancy? No

Will the project use any Federal Government Property, excluding Housing and Urban Development (HUD) owned property? No

Will the project use any HUD owned property? No

Will the project be a mixed-use project (i.e. a project that includes both housing units and income-generating commercial space)? No

Will the project include a multi-family structure with five or more dwelling units? No

Will the project include a single-family structure with one to four dwelling units? Yes

## Site Information

Enter your project's city or county EXACTLY as you would like it to appear on official documentation: Peoria

Select the Project's state: IL

Is the project single site? No

How many sites are part of the application? 24

Are the addresses for all the sites known? No

How many site addresses are known? 0

## Central Site Representing Unknown Addresses

Address Line 1 711 W McBean Street

Address Line 2

ZIP 61605 ZIP+4 2400

City Peoria

County Peoria

State IL

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Congressional District IL17 Census Tract 0009.00 CBSA 37900

Further definition of the geographical area of the sites with unknown addresses

Project will be implemented within the South Village TIF.

## Site Parcel Information

Site	Donating/Discounting Party	Parcel Nbr / PIN	How Long Owned (yrs)	Existing Units	Existing Units at Project Completion	Documentation
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## Fair Housing

Will the project comply with all federal, state and local Fair Housing Laws? Yes

**Explanation of how the marketing of the project will affirmatively promote fair housing:** The project will be marketed using printed material that contain the Equal Housing Opportunity Logo. No person can be denied the benefits of, or be subjected to discrimination under, any activity funded under the AHP Program on the grounds of Race, Color, Religion, Sex, Handicap, Familial Status, or National Origin.

Does the project's building(s) include four or more units? No

## Subsidy Amount and Use of Funds

Grant Amount: \$360,000.00

### Use of Funds

Rehabilitation

AHP Specific Retention: Mortgage/Retention Agreement

Has the application been submitted to another Federal Home Loan Bank for AHP Funding? No

Was the application previously submitted to, approved by, and/or received funding from the Federal Home Loan Bank of Chicago? No

## Member Involvement

Does the member have a mortgage or lien on the property? No

Does the member have any past or present financial or ownership interest in the project? No

Excluding the pass through of AHP subsidy, is non-permanent financing being provided by any member

applicant (Lead or Co-Member)? No

Are any bridge loans being provided for the rental project by the member? Yes

Are any construction loans being provided for the rental project by the member? No

Will the member use a Community Investment Program (CIP) advance from the Federal Home Loan Bank as part of the project financing? No

Excluding the pass through of AHP subsidy, is a mortgage loan being provided by any member applicant (Lead or Co-Member)? No

Excluding the pass through of AHP subsidy, are reduced closing costs being provided by any member applicant (Lead or Co-Member)? No

Excluding the pass through of AHP subsidy, are grant(s) or in-kind contributions or services being provided by any member applicant (Lead or Co-Member)? No

## Scoring

### Donated Property

Is at least 20% of the land or units conveyed by the federal government or any agency or instrumentality thereof? No

Does the project involve the use of donated property as defined by the Federal Home Loan Bank of Chicago? No

Does the project involve the use of discounted property as defined by the Federal Home Loan Bank of Chicago? No

### Sponsorship by Nonprofit

Will the Project Sponsor qualify for Project Sponsorship points? Yes

Is the sponsor a not-for-profit organization, a state or a political subdivision of a state, a state housing agency, a local housing authority, a Native American Tribe, an Alaskan Native Village or the government entity for Native Hawaiian Home Lands? Yes

Roles that the Project Sponsor will fulfill in the project:

- Managing the construction or rehabilitation of 100% of the units.
- Qualifying borrowers and providing or arranging financing for the owners of housing units.

### Integrally-Involved Organizations

**Organization Type:** Not-for-profit organization

**Organization Name:** Peoria Citizens Committee for Economic Opportunity

**Explanation of involvement including fees paid to the organization:**

The Peoria Citizens Committee for Economic Opportunity (PCCEO) will be responsible for the overall management and oversight of the South Village Homeowners Rehab Program. This includes: Marketing, Application Intake and processing,

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RFQ for Contractor pool, bid review, title work, third party agreements for inspections, property evaluations and assessment, scope of work, construction management, contract close-out and final payments. PCCEO will receive a 12% Developer's fee.

## Targeting

Units Description	Number of Units
Less than or equal to 30% AMI	0
Less than or equal to 50% AMI	0
Greater than 50% and less than or equal to 60% AMI	19
Greater than 60% and less than or equal to 80% AMI	5
Greater than 80% AMI	0
Total	24

(AMI = Area Median Income)

## Housing for Homeless

Will the project specifically reserve 20% of the AHP-assisted units for populations that meet the homeless definition? No

## Empowerment

Will the project have techniques that promote empowerment? Yes

### Selected Empowerment Techniques:

Financial literacy, independent of pre-purchase homeownership education and/or counseling  
Education related to economic empowerment (e.g., English as a Second Language ("ESL"), General Educational Development ("GED"), High School Equivalent Diploma ("HSED"), or computer classes)  
Workshops or instructional seminars for home maintenance, repairs, and/or improvements

## First District Priority: Special Needs

Will the project specifically reserve 20% of the AHP-assisted units for special needs individuals? Yes

Number of units specifically reserved for the special needs individuals: 5

Special Needs Population	Number of Units
Physically, developmentally or mentally disabled	5

## First District Priority / Rural

Are 50% of the project's AHP-assisted units located within a rural area? No

## First District Priority / In-District Project

To qualify for In-District points, all project sites must be within Illinois or Wisconsin.

Will the project qualify for in-district points? Yes

## Second District Priority / Member Financial Participation

Will one or more FHLBC member(s) play a financial role in the development of the project, excluding pass through of the AHP subsidy? Yes

The following commitments were made in the application on behalf of the member applicant(s):

- Points will be awarded if a member or members will provide only short-term financing to the project (i.e., construction loan or bridge loan), or will definitively provide financing with a minimum loan term of 5 years to >=25% and <50% of the homebuyers/homeowners.

Will the Member Institution provide reduced closing costs to the homebuyers? Yes

## Community Stability

Do you wish to be considered for Community Stability points? Yes

## Feasibility

### Import Spreadsheet

Is the project's construction at least 50% complete? No

### Housing Development Sources of Funds

Source of Funds	Amount(\$)	Housing or Commercial	Description	Committed	Rate(%)	Term (years)	Amort Period (years)	Annual Debt Svc (\$) (Hard Only)	Hard Debt?
AHP Direct Subsidy	\$360,000.00	Housing	AHP Subsidy	No	0.00%	0	0	\$0.00	No
South Village TIF	\$90,000.00	Housing	Grants	Yes	0.00%	0	0	\$0.00	No
Homeowner loans	\$30,000.00	Housing	Other Loans	Yes	0.00%	5	0	\$0.00	No
Subtotal Housing	\$480,000.00								
Subtotal Commercial	\$0.00								
Total Funding Sources	\$480,000.00								

### Units Breakout

	No of Units
Rehabilitation Units	24
New Construction Units	0
Acquisition Units	0
<b>Total Units</b>	<b>24</b>

	No of Units
Less than or equal to 60% AMI	19

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	No of Units
Greater than 60% and less than or equal to 80% AMI	5
<b>Total Units</b>	<b>24</b>

## Housing Development Uses of Funds Summary

Total Acquisition Costs	\$0.00
Total Construction / Rehabilitation Costs	\$396,000.00
Hard Construction Costs	\$0.00
Hard Rehabilitation Costs	\$360,000.00
Other Costs	\$36,000.00
Total Fees	\$0.00
Total Taxes and Insurance Costs	\$0.00
Total Construction Financing	\$0.00
Total Permanent Financing	\$0.00
Total Project Reserves	\$0.00
Total Soft Costs	\$40,800.00
Total Developer Fees	\$43,200.00
Total Financing Fees and Expenses	\$0.00
Total Homebuyer Counseling Costs	\$0.00
<b>Total Development Costs</b>	<b>\$480,000.00</b>

## Key Feasibility Values

Actual

Average Square Foot Per Unit	62.50
Average Square Foot Per Unit (Rehabilitation)	62.50
Average Square Foot Per Unit (Construction)	0.00
Average Square Foot Per Unit (Acquisition only)	0.00
Total Adjusted Development Cost	\$396,000.00
Adjusted Development Cost Per Unit	\$16,500.00
Total Acquisition Cost Per Unit	\$0.00
Total Development Cost Per Square Foot	\$320.00
Cost Per Square Foot (Rehabilitation)	\$240.00
Cost Per Square Foot (Construction)	\$0.00
Cost Per Square Foot (Acquisition only)	\$0.00
General Requirements Percentage	0.00%
Builder Overhead Percentage	0.00%
Builder Profit Percentage	0.00%
Developer Fee Percentage	12.00%

## Commitment Letters

Commitment Letters				
Source Of Funds	Description	Amount	Approved	Letter Provided
Homeowner loans	Other Loans	\$30,000.00	Yes	Yes
South Village TIF	Grants	\$90,000.00	Yes	Yes

## Financing of Operating Costs

Will the project include construction financing? No

Is the project an existing occupied project where current residents are expected to remain in the project? No

Will the project include rental subsidies or operating grants to subsidize on-going operations? No

## Rehabilitation Information

### Description of the types of repairs the program will focus on:

Rehab activities will focus primarily on roof replacement, windows and required electrical and/or structural repairs to homes deferred by the Weatherization program. The majority of homes in the designated area were built pre-1950. Based on 2010 census data, the Southside R/ECAP tracts account for more than 50 percent of the entire impoverished population of Peoria. Homeowners are living in older houses and can't afford major home repairs. In 2018, the City of Peoria changed its Roof Assistance Program to a lottery system due to extremely high number of applications. The City received a total of 55 lottery entries. Nineteen (19) or 35%, were from the Southside area. This number does not include the households who were ineligible due to environmental issues like deteriorated garages or City liens from high grass, etc. Only 5 homes received a new roof.

Southside Mission's Hope Builders program has been the only ongoing source of free roof assistance and home repairs to low income homeowners living on Peoria's Southside. Hope Builders has identified roof replacement as the area's number one rehabilitation need in this area. The need is so great and resources are so scarce that Hope Builders has a backlog of more than 35 households.

### Description of the process to determine and assess the scope and costs of rehabilitation work needed for a home.

The rehab process is consumer driven. Applications are received from owner-occupied households requesting rehab work in limited areas of: Roof, window, electrical and structural repair/replacement. Once program eligibility is determined, sponsor will initiate an onsite inspection to assess and evaluate rehab work. (Pictures of pre-rehab required) Sponsor will prepare a Scope of Work. A bid package will be sent to homeowner to use in soliciting bids from a pool of Sponsored-approved contractors. The owner must solicit two (2) bids to obtain the best competitive price.

### Explanation of the process to screen and select contractors to perform the needed work:

Sponsor will establish a pool of approved rehab contractors through a Request for Qualifications (RFQ) process. Selection of contractor is based upon a specific criteria that includes but not limited to:  
Contractor Experience - must demonstrate past experience in general construction/rehab activities.  
Demonstrated Capacity - Must have capacity to perform activities. Must provide applicable licenses and certifications.  
Contractor Insurance - Must submit a copy of insurance declarations in stipulated amounts.  
Timeline/Availability - Must describe proposed work schedule including list of designated employees.  
Financial Capacity - Must provide information on current financial capacity. May include agreements with financial institutions.  
DUNS & SAMS registrations and EEO Certification number issued by City of Peoria.

Bid proposals are reviewed by owner and sponsor. The sponsor, with the assistance of homeowner, chooses the lowest QUALIFIED bid.

### Description of the process to confirm that the work has been performed:

Once contractor notifies sponsor of the completion of all repairs in the Scope of Work and any change orders, a final property inspection will be conducted. Present at inspection is the Architect, Homeowner, Contractor and Sponsor. Post rehab pictures are taken. The inspector will verify that all work has been correctly (structurally) completed. If additional clean up, work or corrections are identified, sponsor will prepare a punch list of all items. Once it has been verified by all



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parties that work is complete, a Certificate of Completion is prepared and signed by the owner, the inspector, contractor and Sponsor.

**Identification of the party who will verify that the work has been completed:**

Sponsor, Architect, and Homeowner will verify that all work has been completed and all identified deficiencies have been corrected.

**Explanation of the process to collect, review, and pay contractor bills.**

Upon completion of final inspection and signed Certificate of Completion, sponsor will submit the contractor payout to the Accounting Department for payment. This payout packet contains Purchase Order, Executed Contractor Agreement, Scope of Work, Contractor Estimate, Notice to Proceed and executed Change Orders, Final Invoice, Final Inspection, executed Certificate of Completion, and Final Waiver of Liens from all subcontractors and general contractor.

**Explanation of the process to identify, record, and report total sources and uses of funds for the entire project:**

Sponsor has a well established system of internal controls along with a strong accounting procedures manual to guide staff through essential business functions including but not limited to procurement, payroll processing, cash disbursements and revenue receipts. The accounting manual focuses on 2 CRF Part 200 and 45 CRF Part 75 guidance, where applicable, with special emphasis on cost principles to ensure funds are used for the intended purposes.

Our accounting software system is designed to record transactions by fund, cash source, cost categories, and line items. This allows for proper segregation of transactions by funding source and/or grant award for budget versus actual expense comparisons. PCCEO has migrated to an electronic data storage system to ensure all supporting documentation for financial transactions are stored in a secure environment for the required period of time.

PCCEO has taken an open, teamwork approach to periodic evaluation of financial information. Program Directors and coordinators receive a monthly financial report for review that opens communication between the fiscal and program staff as needed. On a quarterly basis, the fiscal staff and directors meet with the President/CEO to scrutinize the budgets, determine if any adjustments are needed going forward, and ensure the program is on track to meet the established goals and objectives. Meanwhile, PCCEO's Board of Directors and Policy Council receive a revenue and expense report for each program at their monthly meeting for review and approval.

**If post-purchase counseling will be provided, explanation of whether it will be administered prior to the rehabilitation work or after:**

N/A

**Displacement**

Will the project involve any permanent displacement and relocation of current residents? No

Will the project involve temporary relocation during construction? No

**Sponsor Role**

Peoria Citizens Committee for Economic Opportunity, Inc.'s role in the AHP project:

Developer

Construction or Rehab Manager

**Primary Developer**

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Is Peoria Citizens Committee for Economic Opportunity, Inc. also the primary developer? Yes

## Development Team

### Roles represented on the AHP project development team:

Co-Developer	No
Consultant	No
General Contractor	Yes
Builder	No
Management Company	No
Architect	No
Engineer	No
Attorney	No
Other	No

### Describe the selection process for the members of the development team - both for those selected and those to be selected:

Sponsor will act as Developer and General Contractor for South Village Rehab Project.

## Development Team Members

Listed below are the roles and information of the members assigned to the project development team

<b>Role:</b>	General Contractor
<b>Company Name:</b>	Peoria Citizens Committee for Economic Opportunity Inc
<b>Person Name:</b>	Robin Grantham
<b>Phone Number:</b>	309-671-3900
<b>Contract Executed:</b>	No

### Description of the team member's affordable housing experience that is similar in size, scope and target population to the proposed project, including the status of these similar projects:

Robin Grantham is a full time PCCEO employee. Her affordable housing experience dates back to 13 years as a licensed real estate professional before coming to PCCEO and 14 years as PCCEO's Real Estate Development Specialist. Robin sold and managed all new construction activities for Spring Grove subdivision, an affordable and market mix (28 homes). As program manager for the LISC Community Core Program, Robin managed all rehab projects which totaled over 24 per program year. This included contractor pre-qualification and selection, initial and final property inspections, scopes of work, homeowner application and documentation process, issued all notice to proceeds, prepared purchase orders and submitted final documentation for contractor final payment and close out. Target population for Community Core were households in a 4 to 6 block area within the South Village TIF.

## Disclosure

Has the sponsor or any member of the development team been barred for participation by any funder, or have any outstanding compliance or performance issues with any FHLBank or any other funding source? No

Is the sponsor or any member of the development team involved in unresolved fair housing issues or investigation? No

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Are there any relationships between parties involved in the project (sponsor, members of the development team, member bank, etc.) that could pose a conflict of interest or potential conflict(s) of interest? No

Is there any relationship or conflict of interest between sellers of the properties involved in this project and the sponsor or any member of the development team? No

## Market Study

Has an independent, third-party market study been completed for the project? No

**Description of the local market conditions (supply and demand) illustrating the market demand for the type of housing being developed. Included are data and relevant facts that demonstrate the need and viability of the proposed project using current data for the project's targeted area.**

Source: National Resource Network Assessment Report dated January 2016, contracted by the City of Peoria.

Within the majority of Census tracts comprising the Southside, median family income was less than 50 percent of the City of Peoria family income. The Southside is also the center of the impoverished population of Peoria County, approximately 40 percent of impoverished Peoria County residents lived in the Southside in 2013. Many households live in poverty and residents express feelings of isolation from public services, retail services, and employment opportunities.

Income and poverty status in Peoria correlates with race as the Southside is the only racially/ethnically concentrated area of poverty (R/ECAP) in the Peoria metropolitan area. Poverty exceeded 90 percent of residents, and Blacks were 56 percent of the population of the area, while poverty in the City of Peoria as a whole was 24.9 percent and Blacks were 27 percent of city population in 2013. The level of poverty limits the private market for retail services and amenities.

The South Village is comprised of Census Tracts 50, 5, 6, & 3. According to the American Community Survey data (5 years estimates from 2016) there are 856 occupied housing units in Census Tract 50. Of these, 47.4 percent are owner-occupied while the Southside as a whole has an owner-occupied percentage of 41.3 percent. The majority of homes were built in the 1950s or earlier. Seventy one percent of the buildings are deteriorated; 13 percent of the building and 25 percent of parcels are vacant.

The area has experienced a population decline from 32,600 in 1970 to approximately 14,000 at present. This exodus has created a large number of vacant and abandoned buildings. The loss of residents has decimated the commercial sector with commercial activity limited to a few corner stores and vendors specializing in discount goods. Recent departures of Aldi, Sav-A-Lot and Kroger have made the area a food desert.

The City of Peoria is also struggling with rising pension costs and has faced a multi million dollar deficit for multiple budget years 2016-2018. The Southside's limited contribution to the economic vitality of Peoria hinders the City's ability to attract new industries and raise municipal revenues that could be used as a dedicated resource to address neighborhood challenges.

## Project Timeline

**AHP initial draw date:**

05/15/2020

**Construction / Rehabilitation Start Date:**

04/01/2020

**Complete Construction / Rehabilitation of All Units Date:**

11/01/2022

Does the project have site control? Yes

Does the project comply with current zoning? Yes

## Application Attachments

The following files were attached during the application's submission:

Attachment Type	File Name
Special Needs Commitment	Referral.ADA.AHP2019.pdf
Member Financial Participation	busey.commitment2019.pdf
Sponsor Experience	sponsor-experience-homeownership (1).pdf
Project Timeline	project-timeline (7).pdf
Empowerment	MOU.HopeBuilders.pdf
Empowerment	MOU.Urban League.pdf
Empowerment	MOU.JP Education & Consulting.pdf
Home Ownership	rehabilitation-scope.2019.pdf
Community Stability	community-stability.Southvillage2019.pdf
Financial Feasibility Spreadsheet	financial-feasibility-owner (5).xls
Commitment Letter	Busey.Ltr of Support.pdf
Commitment Letter	TIF Funding South Village.pdf
Documentation that describes the local market conditions	NRN Peoria Assessment Report 1-13-2016_Final (1).pdf
Evidence of Site Control	site-control-and-zoning (2).pdf
Evidence of zoning compliance	site-control-and-zoning (2).pdf
Certificate of Good Standing and Authorization(if the organization does business in another state)	certificate of good standing 060419.pdf

***End of Application Report for Application 3950***