

AGREEMENT BETWEEN THE CITY OF PEORIA, ILLINOIS
AND
Habitat for Humanity Greater Peoria
FOR
HOME PROGRAM FUNDS

PROJECT TYPE: New Construction – Homebuyer
ADDRESS AND/OR PIN: E Illinois Ave/18-04-277-020

PROJECT #: 20CH1
IDIS#: 5066
Affordable Units to be Created or Preserved: One (1)
Total Project Funding: \$110,000

Approved by the Peoria City Council on July 27, 2021
Council Agenda Item: 21-213

This Agreement entered into, by, and between The City of Peoria (“City”), an Illinois municipal corporation and Habitat for Humanity, a local nonprofit organization, on this day 1 day of November.

WHEREAS, the City is a recipient of funds from the United States Department of Housing and Urban Development (“HUD”), as administrator of the HOME Investment Partnership Program (“HOME Program”) pursuant to which HUD has agreed to make a grant to the City, the funds (as hereinafter defined) of which are used to create and preserve affordable housing for low-income individuals in the community;

WHEREAS, Habitat for Humanity has site control of the property at E Illinois Ave (18-04-277-020) in Peoria, Illinois;

WHEREAS, Habitat for Humanity made application to the City for HOME funds;

WHEREAS, Habitat for Humanity will serve as the Developer for the project as described herein.

NOW THEREFORE, in consideration of the recitals set forth above and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

I. **Recitals**

The foregoing recitals are made as part of this Agreement.

II. **Use of Funds**

This Agreement and funds shall be subject to the terms and conditions of the HOME Investment Partnership Act [42 U.S.C. § 12701 *et seq*] and the Code of Federal Regulations Title 24, Volume 1 [24 CFR 92.1 *et seq*]; Code of Federal Domestic Assistance 14.239. This Agreement requires compliance with project requirements in 24 CFR 92 as applicable in accordance with the type of project assistaed.

- a. **Address and/or Parcel Identification Number:** E Illinois Ave/18-04-277-020
- b. **Tasks to be performed:**

Activity #1:

The construction of one (1) Residence for the purpose of providing affordable housing units for low- and moderate-income individuals and/or families. The beginning of construction must occur within twelve (12) months from the execution of this Agreement. The completion of construction should occur within eighteen (18) months from the execution of this Agreement.

Activity #2:

The sale of one (1) Residence to low- and moderate-income individuals/families according to all applicable HUD laws, regulations, and rules. This should occur within six (6) months from the completion of Activity #1 described above.

Activity #3:

The furnishing of information regarding the one (1) new Residence upon City's request to ensure monitoring compliance with the applicable HUD laws, regulations, and rules concerning the HOME Affordability Period and guidelines

- c. **Schedule for completing the above tasks:** See Exhibit B.
- d. **Complete Budget:** See Exhibit A.
- e. **Funds:** It is expressly agreed and understood that the total amount to be reimbursed by the City under this Agreement shall not exceed \$110,000. These funds will be reimbursed to the Developer in accordance with §VII.a of this Agreement.
- f. **Duration:** This Agreement will remain in effect until qualified low-income homeowners have taken ownership of all units rehabilitated or newly constructed under this Agreement.
- g. **Performance Monitoring:** The City will monitor performance of Habitat for Humanity according to the standards contained in this Agreement. At least once a year, the City may visit the Developer on its site and review applicable records and procedures. Substandard performance as determined by the City will constitute non-compliance with this Agreement.

Participation in any prohibited activities as defined in 24 CFR 92.214(a-b) shall constitute non-compliance with this Agreement. If action to correct such substandard performance is not taken by the Developer within sixty (60) days after being notified by the City, termination of the Agreement will be initiated and all HOME Program funds, as established in §II.e of this Agreement, must be returned to the City.

- h. **Financial Administrative Requirements:** Habitat for Humanity must adhere to the standards set forth at 24 CFR Part 200.302-303 for financial management and internal controls. Habitat for Humanity must provide a certification including supporting documentation/narrative to the City that the entity meets these standards.

III. Affordability Requirements

- a. **Homeowner Income:** For the purposes of this Agreement, "Homeowner" shall mean an individual or family whose household has a gross annual income, as adjusted for family size, that is less than or equal to eighty percent (80%) of the area median income and who takes initial ownership of project unit through a Sales Agreement with the Developer.
- b. **Sale:** Pursuant to 24 CFR 92.254(a)(2)(iii), the purchase price and the estimated after-rehabilitation value must not exceed the HUD established value limit.

- i. **HUD Established Value Limit for 1-unit, new homes in 2021: \$243,000**

Sales price must be based on recent comparable sales and the Developer will be required to provide a monthly cost estimate that shows the Homeowner's housing debt to income ratio is at or below thirty percent (30%).

- c. **Affordability Period:** For the purposes of this Agreement, the Affordability Period shall cover fifteen (15) years from the closing date on which the ownership of the property is transferred to a new Homeowner. The housing must be the principle residence of the Homebuyer throughout the Affordability Period. If the housing is sold, the Homeowner must adhere to the City's Resale Policy. The City has established both a Residency Status Policy and a Resale Policy outlined in §III.d-e. Habitat for Humanity agrees to educate all potential Homebuyers of the requirements of the Residency Status Policy and Resale Policy prior to entering a sales contract.
 - d. **Residency Status:** The City has adopted a Residency Status Policy based upon guidance found in 24 CFR 92.254. These requirements, for the duration of the Affordability Period, will be secured via a Homebuyer Agreement between the Homebuyer and the City.

Residency Status Policy

- i. The Homebuyer agrees, among other things, within the HOME Affordability Period: to not vacate and then lease the Residence
 - ii. In the event that the Homebuyer should vacate and then lease the Residence within the HOME Affordability Period, the Homebuyer agrees, upon written demand from the City sent to the Homebuyer's last known address, to re-occupy the Residence within a reasonable time as determined by the City and remain in the Residence until the expiration of the HOME Affordability Period.
 - iii. If re-occupancy, described in clause (ii), does not occur, the Homebuyer agrees to repay the total amount of the HOME funds invested in the property, as set forth in §II.d – "Budget" – to the City. The repayment shall become due and payable upon the City's demand.

If none of the events described in clauses (i), (ii), or (iii) above occurs prior to the expiration of the HOME Affordability Period, the provisions of the Homebuyer Agreement shall be forgiven in their entirety.

- e. **Resale:** The City has adopted a Resale Policy based upon guidance found in 24 CFR 92.254. These requirements, for the duration of the Affordability Period, will be secured via a Homebuyer Agreement between the Homebuyer and the City of Peoria.

Resale Policy

- i. The Homebuyer agrees, among other things, that within the HOME Affordability Period, (a "Resale Event"): (i) to notify the City of any proposed sale of the Residence and (ii) to only sell, convey, or otherwise transfer the Residence to a Low-Income Buyer for a Sale Price that is affordable and provides a Fair Return on Homebuyer Investment (as hereinafter defined), excluding any one or more of the following (each, a "Permitted Transfer"): any sale, conveyance or transfer (A) to a spouse upon a dissolution of marriage, (B) to the surviving spouse upon the death of a joint tenant owner, (C) by will to a Low-Income Buyer, or (D) upon foreclosure, provided, however, the HOME Affordability Period has not expired and any resale of the Residence is to a Low-Income Buyer who will occupy the Residence for the remainder of the HOME Affordability Period.
- ii. In the event of a Resale Event to a Low-Income Buyer, the Low-Income Buyer shall occupy the Residence as his principal residence and assume the remaining Resale Provisions of the Residence until the expiration of the HOME Affordability Period. However, the original HOME Affordability Period can be terminated, and a new HOME Affordability Period will begin if additional HOME Program funds are contributed to the Residence as a result of the Resale Event.
- iii. For the purposes of this Agreement, the term "Low-Income Buyer" is a Buyer who has a gross annual income, as adjusted for family size, that is less than or equal to eighty percent (80%) of the median income for Peoria County, as determined by HUD. The "Sale Price" must be affordable to Low-Income Buyers. In this instance, the affordable price results in a monthly housing cost for principal, interest, taxes, and insurance of not more than thirty percent (30%) of the gross monthly income for a Low-Income Buyer. "Homebuyer Investment" shall be the sum of down payment and capital improvement investment made by the seller since the original purchase.
- iv. At the time of the Resale Event, net proceeds from the sale must provide the original Homebuyer, now the Home Seller, a "fair return" on his/her investment (including any down payment and capital improvement investment made by the seller since purchase). The sales price may encompass the following in its formula:
 - A. The cost of any capital improvements, documented with receipts, including but not limited to the following:
 1. Any additions to the home such as a bedroom, bathroom, or garage.
 2. Replacement of heating, ventilation, and air conditioning systems.
 3. Accessibility improvements, such as bathroom modifications for disabled or elderly individuals, which were not installed through a Federal-, State-, or locally-funded grant program.

4. Outdoor improvements such as a new driveway, walkway, retaining wall, or fence.

B. The increase in the value of owner equity and investment as calculated by the cumulative percentage of change which is calculated by the Housing Price Index (HPI) calculator of the Federal Housing Finance Agency (X) plus 1.00 times the total owner investment at time of purchase (Y) plus the documented improvements as described above (Z).

1. *Example: Home purchased in 2000 for \$50,000. The HPI for 2000-2004 stayed the same at +0.03 for each year, which calculates to a cumulative percentage of 0.12. To calculate "fair return" one must multiply \$50,000 x 1.12 = \$56,000; plus the documented improvements of \$4,000 would total \$60,000. The "fair return" to the seller would be the increase in value of \$60,000, minus the original investment of \$50,000, to equal a \$10,000 fair return.*

If none of the events described in clauses (i), (ii), (iii), or (iv) above occurs prior to the expiration of the HOME Affordability Period, or if any sale, conveyance, or transfer of the Residence occurs due to a Permitted Transfer, the provisions of the Homebuyer Agreement shall be forgiven in their entirety.

- f. **Enforcement:** If the affordability requirements are not met for this specified time period, repayment of the funds will be required from the homeowner. The affordability period will be secured via a Homebuyer Agreement between a homeowner and the City of Peoria and a deed restriction pursuant to the Homebuyer Agreement that will be recorded against the property.
- g. **Recapture:** Any funds recapture pursuant to §III.f of this Agreement must be returned to the City.
- h. **Proceeds:** Habitat for Humanity is a City-certified Community Housing Development Organization (CHDO). As such, any sales proceeds must be used for housing activities that benefit low-income families. The Developer must provide the City with adequate documentation that sales proceeds have been used in such a manner.

IV. Property Standards

Upon completion, the housing must meet the property standards set forth in 24 CFR 92.251, including but not limited to the following:

- a. **Codes.** Housing must meet all State and local housing, building, and zoning codes and ordinances. The Developer will secure all appropriate building permits, zoning permits, and all required approvals from the City of Peoria. All plans must utilize new construction materials or equivalent grade materials as authorized by City staff.
- b. **Rehabilitation Standards.** If the project is a rehabilitation project, housing must meet the City's rehabilitation standards as outlined below:

This section describes the City of Peoria's rehabilitation standards. Progress inspections will verify that all work being conducted meets the following requirements, if applicable:

Health and Safety – All rehabilitation projects must address any issues listed in the Peoria City Code Section 5-531 as Health and Life-Threatening violations. If the housing is occupied, these issues must be addressed immediately.

Major Systems – For homeowner housing, upon completion of the project, each of the major systems (including structural support, roofing, cladding and weatherproofing, plumbing, electrical, and heating, ventilation, and air conditioning) must have a minimum useful life of five (5) years or longer or the major systems must be rehabilitated or replaced as part of the rehabilitation work.

Lead-Based Paint – Work must meet all the requirements of 24 CFR 35. Work must be conducted according to the results of the risk assessment completed prior to the start of rehabilitation work if the housing was constructed prior to 1978. If the housing is receiving a subsidy greater than \$25,000, all lead-based paint hazards identified by the risk assessment must be abated except that interim controls are acceptable on exterior surfaces that are not disturbed by rehabilitation and on lead-paints hazards that have an area smaller than the *de minimus* limits of 24 CFR 35.1350(d). If abatement is required, it is necessary to abate only the surface area with hazardous conditions. Project must achieve clearance after abatement in accordance with 24 CFR 35.1340. The Developer must provide the City with documentation of a Risk Assessment. If the Risk Assessment shows or assumes the presence of lead-paint hazards and abatement is required, documentation of clearance must be provided to the City.

Accessibility – All work must meet the requirements of 24 CFR 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and Titles II and III of the Americans with Disabilities Act (42 U.S.C. 12131-12189) implemented at 28 CFR 35 (State and Local Government Services and 28 CFR 36 (Commercial) as applicable. Covered multifamily dwellings, which refers to buildings with four or more units and at least one elevator and the ground floor units of buildings with four or more units and no elevator, are subject to the design and construction requirements at 24 CFR 100.205, which implements the Fair Housing Act (42 U.S.C. 3601-3619)

Broadband – For any projects of four or more units conducting substantial rehabilitation (as defined in 24 CFR 5.100¹), the rehabilitation must provide for the installation of broadband infrastructure.

¹ Work that involves significant work on the electrical system of the multifamily rental housing. "Significant work" means complete replacement of the electrical system or other work for which the pre-construction cost estimate is equal to or greater than 75 percent of the cost of replacing the entire electrical system. In the case of multifamily rental housing with multiple buildings with more than 4 units, "entire system" refers to the electrical system of the building undergoing rehabilitation; or rehabilitation of the multifamily rental housing in which the pre-construction estimated cost of the rehabilitation is equal to or greater than 75 percent of the total estimated cost of replacing the multifamily rental housing after the rehabilitation is complete. In the case of multifamily rental housing with multiple buildings with more than 4 units, the replacement cost must be the replacement cost of the building undergoing rehabilitation.

Municipal Code – All work must be compliant with the City of Peoria’s municipal building code.

Uniform Physical Condition Standards – All work must meet the requirements of HUD’s Uniform Physical Condition Standards as described in 24 CFR 5.703.

- c. **Accessibility.** The housing must meet the accessibility requirements of 24 CFR 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794)
- d. **Construction Monitoring.** Construction must not begin until a Proceed Order is issued by City staff.

During the construction phase of the project, Habitat for Humanity agrees to allow City staff access to the project at all reasonable times for the purpose of inspection. The primary purpose of the inspection will be to ensure that the rehabilitation meets all applicable City, State of Illinois and HUD property standards, codes, regulations, and laws. Moreover, the Developer agrees to allow City Building Inspectors access for required building inspections such as, but not limited to, plumbing and electrical inspections.

The City reserves the right to review and approve all general contractors and subcontractors that shall participate in the rehabilitation. No contractors can be utilized who are barred from participating in a HUD program.

V. **General Conditions**

- a. **Hold Harmless.** Habitat for Humanity shall hold harmless, defend, and indemnify the City from any and all such claims, actions, suits, charges, and judgements whatsoever that arise out of Habitat for Humanity’s performance or non-performance of the services or subject matter called for in this Agreement.
- b. **Insurance.** Habitat for Humanity, the contractor, and all subcontractors shall secure and maintain such insurance policies as will protect the contractor or subcontractors from claims for bodily injuries, death, or property damage which may arise from operations under this Contract, whether such operations be by the contractor or anyone employed by the contractor, directly or indirectly. The following insurance policies are required:
 - i. Statutory Worker’s Compensation
 - ii. Comprehensive General Liability
 - 1. Combined Single Limit: \$1,000,000.00
 - 2. Property Damage: \$1,000,000.00
 - iii. Automobile Public Liability and Property Damage
 - 1. Combined Single Limit: \$1,000,000.00
 - 2. Property Damage: \$1,000,000.00

Insurance Inclusions – The comprehensive general liability insurance shall include independent contractors’ protective liability, products, and completed operations broad

form property damage coverage. The completed operations and products liability shall be maintained for two years after final payment

Certificates of Insurance – Certificates of Insurance acceptable to the City indicating insurance required by the Contract in force shall be filed with the City prior to contract approval by the City. These certificates shall contain a provision that coverage afforded under the policies will not be cancelled until at least thirty (30) days prior written notice has been given to the City. In addition, the City will be added to the policy as an additional insured.

- c. **Amendments.** The City or Habitat for Humanity may amend this Agreement at any time. Amendments must be executed in writing and signed by a duly authorized representative of both parties. Such amendments shall not invalidate this agreement, nor relieve or release the City or Habitat for Humanity from its obligations under this Agreement.

The City may, at its discretion, amend this Agreement to conform with Federal, State, and local governmental guidelines, policies, and available funding amounts, or for other similar reasons. If such amendments result in a change of funding, scope of services, or schedule of activities to be undertaken as part of this Agreement, such modifications will be incorporated only by written amendment signed the City and Habitat for Humanity.

The Agreement cannot be assumed by or assigned to another entity without written authorization and approval from the City.

- d. **Suspension or Termination.** The City may suspend or terminate this Agreement, in whole or in part, if Habitat for Humanity fails to comply with any term of this Agreement, or with any of the rules, regulations, or provisions referred to herein; and the City may declare Habitat for Humanity ineligible for any further participation in the City's programs, in addition to other remedies as provided by law. In the event there is reason to believe Habitat for Humanity is in noncompliance with any applicable rules or regulations, the City will suspend all reimbursement of the said Agreement funds until such time as Habitat for Humanity is found to be in compliance by the City, or is otherwise adjudicated to be in compliance.
- e. **Severability.** If any provision of the Agreement is held invalid, the remainder of the Agreement shall not be affected thereby, and all other parts of this Agreement shall nevertheless be in full force and effect.
- f. **Enforcement of this Agreement.** If Habitat for Humanity fails to comply with the requirements and covenants contained herein, the same shall constitute a breach of this Agreement and the City shall be entitled to all remedies under Illinois law at the time of the breach.
- g. **Survival of Obligations.** The Habitat for Humanity obligations as set forth in this Agreement shall survive the disbursement of the HOME funds and shall expire upon the

expiration of the HOME Affordability Period, and Habitat for Humanity shall continue to cooperate with the City and furnish any documents, exhibits, or showings as required.

- h. **Liability of the City.** In no event shall the City be liable to Habitat for Humanity for consequential or incidental damages, including, without limitation, lost profits, whatever the nature of the breach by the City of its obligations under this Agreement or in connection with the project, and Habitat for Humanity waives all claims for consequential or incidental damages.
- i. **Funding.** The parties acknowledge that the HOME funds are monies provided by HUD, and that the City is under no obligation to request such funds for any disbursement unless and until all necessary preconditions to disbursement have been satisfied to the City's satisfaction, and that significant time delays might result from the funding of such monies by HUD. Without limiting the generality of §V.h above, in no event shall the City be liable to Habitat for Humanity for any damages whatsoever which might result in whole or in part from any delays in funding.

VI. **Other Requirements**

- a. **Affirmative Marketing.** This project does not consist of five (5) or more HOME-assisted housing units and therefore it does not require compliance with the City of Peoria's Affirmative Housing Marketing Policy. If applicable, this Policy will be attached as exhibit to this Agreement.
- b. **Minority and Women Business Enterprises and Local Workforce Utilization.** To ensure inclusion, to the maximum extent possible, of minorities and women and entities owned by minorities and women as well as small business and the local workforce, Habitat for Humanity must take and document the following actions pursuant to 2 CFR 200.321:
 - i. Place qualified and small and minority businesses and women's business enterprise on solicitation lists.
 - ii. Assure that small and minority businesses and women's business enterprises are solicited whenever they are potential sources.
 - iii. Divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises.
 - iv. Establish delivery schedules, where the requirement permits, which encourages participation by small and minority businesses and women's business enterprises.
 - v. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

- vi. Require the primary contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (i) through (v) of this section.

Habitat for Humanity agrees to submit a report to the City documenting the racial/ethnic and gender character for any entity receiving a contract or subcontract to be paid with more than \$25,000 in HOME funds.

- c. **Nondiscrimination.** Habitat for Humanity will not discriminate against anyone because of race, color, creed, religion, sexual orientation, gender identity, ancestry, national origin, sex, disability, or other handicap, age, marital or familial status, or status with regards to public assistance. Habitat for Humanity will take affirmative action to ensure that all practices are free from such discrimination. Such employment practices include but are not limited to the following: hiring, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Habitat for Humanity agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting agency setting forth the provisions of this nondiscrimination clause. Specifically, Habitat for Humanity must show proof of valid City Equal Employment Opportunity Certification prior to any request for the reimbursement of funds.
- d. **Disclosure.** Habitat for Humanity agrees to comply with disclosure requirements at 24 CFR 87.
- e. **Contractor Status.** Habitat for Humanity must follow prohibitions on the use of debarred, suspended, or ineligible contractors and participants at 2 CFR 2424.
- f. **Drug-Free Workplace.** Habitat for Humanity agrees to comply with 2 CFR 2429 regarding drug-free workplace requirements.
- g. **Relocation/Displacement.** Habitat for Humanity agrees to comply with 24 CFR 92.353. The responsibilities of this part include but are not limited to minimizing displacement, reimbursement for reasonable expenses incurred and advisory services during temporary relocation consistent with 24 CFR 92.353(b), and providing relocation assistance for displaced persons consistent with 24 CFR 92.353(c) and as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)(42 U.S.C. 4201-4655) and 49 CFR 24.
- h. **Labor.**
 - i. *Davis-Bacon.* This project does not consist of twelve (12) or more HOME-assisted unit and therefore does not require the payment of prevailing wage pursuant to the Davis-Bacon Act (40 U.S.C. 3141).
 - ii. *Section 3.* HOME funds issued by the City of Peoria are considered covered assistance under Section 3 of the Housing and Urban Development Act of 1968 (24 CFR 135). If the project funding is of an amount less than \$200,000, Section 3 requirements will not be triggered. If the project is supported by HOME

funding of \$200,000 or greater, it will be subject to Section 3 requirements as follows:

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

F. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

- iii. *Fair Labor Standards Act (FLSA) of 1938, as amended (29 U.S.C. 201, et seq.)*. The FLSA will apply to this project. Habitat for Humanity agrees to require contractors and subcontractors to pay Federal minimum wage for all workers and provide at least one and one-half times their basic rate of pay for all hours worked over forty (40) in a work week. Additionally, the Developer agrees to prohibit contractors and subcontractors from employing youth under eighteen (18) years of age for performance of the construction of the project.
- iv. *Contract Work Hours and Safety Standards Act (CWHSSA), as amended (40 U.S.C. 327-333)*. The CWHSSA will apply to the project, as the project is considered "a federally assisted construction contract over \$100,000". Habitat for Humanity agrees to require contractors and subcontractors to pay laborers and mechanics employed in performance of the project one and one-half times their basic rate of pay for all hours worked over forty (40) in a work week. Additionally, in accordance with CWHSSA, the Developer agrees to prohibit any unsanitary, hazardous, or dangerous working conditions at the project in accordance to the Federal Department of Labor's Occupational Safety and Health Administration (OSHA).
- v. *Copeland (Anti-Kickback) Act (40 U.S.C. 276c)*. The Copeland Act will apply to this project as the project is considered "a federally assisted contract in excess of \$2,000". Habitat for Humanity agrees to prohibit contractors and subcontractors from in any way inducing an employee to give up any part of the compensation to which he or she is entitled under his or her contract of employment in performance of the project.
- i. **Conflict of Interest**. Habitat for Humanity agrees that no person, who is an employee, agent, consultant, or office of the organization may obtain an interest, financial or otherwise, or benefit from a HOME-assisted activity or have any interest in any contract, subcontract, or Agreement with respect to any HOME-assisted activity pursuant to 24 CFR 92.356. This prohibition applies to employees, agents, consultants, or officers of the

organization or those with whom they have family or business ties during their entire employment/business relationship with the organization and for one (1) year after the expiration of their employment/business relationship with the organization.

- j. **Hiring City Employees Prohibited.** Habitat for Humanity agrees, as a condition of accepting this Agreement with the City, that for a period of one (1) year following completion of this Agreement, that it shall be prohibited from hiring, directly or indirectly, any City employee or official who was involved, directly or indirectly, in: (1) the selection and/or recommendation to select the Developer in the consummation or completion of this Agreement; (2) coordinating the efforts of the Developer in the consummation or completion of this Agreement; or (3) monitoring or determining the performance for the Developer. Habitat for Humanity further acknowledges and agrees that upon the City's determination that a violation of this provision has occurred, the penalty imposed, at the sole discretion of the City, may include one or more of the following: (1) cancellation of any other contract(s) between the City and the Developer; (2) disqualification of the Developer from bidding or being awarded future contracts with the City for a period of two (2) years; and/or (3) payment of liquidated damages to the City in the amount of \$25,000.
- k. **Religious Organization.** Habitat for Humanity agrees that funds provided under this contract will be used in accordance with the Federal regulations specified in 24 CFR 92.257.

VII. **Records and Reporting**

- a. **Payment.** Funds will be reimbursed in accordance with 24 CFR 92 and the City's disbursement policies and procedures. The City will reimburse the developer for eligible activity expenses as defined by 24 CFR 92.206. Habitat for Humanity agrees to comply with all the City's disbursement policies and procedures in their most current version. Two forms of reimbursement are available.

The developer may not request the disbursement of funds until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed.

Specific questions regarding reimbursement documentation may be directed to the Community Development Director or his/her designee.

- b. **Financial Administrative Requirements.** The Developer must provide the certificate outlined in §II.h of this Agreement verifying adequate financial management and internal controls.
- c. **Sales Proceeds.** The Developer must provide certification consistent with §III.h of this Agreement verifying the use of sales proceeds for housing activities that benefit low-income families.

- d. **Lead.** The Developer must provide documentation of the initial Lead Risk Assessment prior to beginning rehabilitation. If abatement of lead-paint hazards is necessary, documentation of clearance must be provided.
- e. **Insurance.** Certificate of Insurance must be submitted to the City prior to executing the Contract.
- f. **Section 3.** The Developer must retain records of compliance with Section 3 requirements, such as copies of solicitations for contracts that include the Section 3 Clause, documentation of Section 3 businesses solicited directly, and all other documentation required consistent with the City's Section 3 Policy as applicable to this project type. If the project, insofar as it is supported by HOME funding of at least \$200,000, does not result in new employment, contracting, or training opportunities, the Developer must provide written, signed verification that this is the case.
- g. **Minority Business Enterprise and Women's Business Enterprise.** Documentation of compliance with §VI.b of this contract for Minority Business Enterprises and Women's Business Enterprises outreach shall be retained by the Developer and made available to the City upon request. The Developer must submit a report to the City documenting the racial/ethnic and gender character for any entity receiving a contract or subcontract to be paid with more than \$25,000 in HOME funds.
- h. **Homeowner.** Consistent with §III.a-b of this Agreement, the Developer must provide to the City all documentation listed in Sections 1-3 of the Homebuyer Owner File Checklist which is attached as an exhibit to this Agreement. This documentation must be provided
- i. **General Documentation.** The City may require documentation to be submitted by the developer to the City in support of any requirement of this Agreement.

VIII. **Notices**

Communication and details concerning this Agreement shall be directed to the following representatives:

City of Peoria

Community Development Director
(or his/her designee)

City Hall

419 Fulton St, Suite 300

Peoria, IL 61602

309-494-8600

Habitat for Humanity

Executive Director

(or his/her designee)

Habitat for Humanity Greater Peoria

931 N Douglas St

Peoria, IL 61606

309-676-6729

LISTING OF EXHIBITS

Exhibit A – CHDO Budget – 2021-2022 HOME Build Budget Summary

Exhibit B – Schedule – 2021-2022 HOME Build Anticipated Schedule

Exhibit C – Homebuyer Owner-File Checklist

[Signatures on Next Page]

Approved and executed as of this 1 day of November 2021.

City of Peoria,
an Illinois Municipal Corporation:

By: [Signature]
City Manager

Date: 11/5/21

Attest:
[Signature]
City Clerk

Approved as to Content:
[Signature]
Corporation Counsel

Date: 11-5-21

Approved as to Form:
[Signature]
Community Development Department

Date: 11/3/21

Habitat for Humanity
By: [Signature]
Executive Director
Date: Nov. 1, 2021

Habitat for Humanity of Greater Peoria

600 E. Illinois St. – LOT A

Home Build Budget – Single Story

| Soft Costs | Budget |
|--------------------|----------|
| Permits | 2,600.00 |
| Utilities/Security | 1,200.00 |

Total Soft Costs \$ **3,800.00**

Construction Costs

| | |
|-------------------------------|-----------|
| Excavation/Grading | 8,500.00 |
| Concrete | 19,000.00 |
| Carpentry | 25,000.00 |
| Roofing | 7,000.00 |
| Siding/Soffit/Gutters/Windows | 6,000.00 |
| Drywall | 6,000.00 |
| Insulation | 3,000.00 |
| Plumbing/Fixtures | 6,000.00 |
| HVAC | 11,500.00 |
| Electrical/Fixtures | 3,700.00 |
| Flooring | 4,000.00 |
| Painting | 2,500.00 |
| Cabinets/Hardware | 3,700.00 |
| Appliances | 1,500.00 |
| Garage | 1,000.00 |
| Landscaping | 2,500.00 |
| Miscellaneous | 300.00 |

Total Construction Costs \$ **111,200.00**

Developer Fee 15,000.00

Total Costs **130,000.00**

Habitat for Humanity of Greater Peoria

CHDO Budget – 2021 - 2022 Home Build Budget

Property Address 600 E. Illinois St. (Peoria) - LOT A

| <u>Cost Category</u> | <u>CHDO Funds</u> | <u>Private Funds</u> | <u>Total</u> |
|----------------------|-------------------|----------------------|---------------|
| Construction Costs | 95,539 | 15,661 | 111,200 |
| Soft Costs | 2,923 | 877 | 3,800 |
| Developer Fee | <u>11,538</u> | <u>3,462</u> | <u>15,000</u> |
| Total | 110,000 | 20,000 | 130,000 |

Private Funds consist primarily of in-kind support for construction/soft costs and ReStore proceeds allocated to supplement the developer fee.



HOME Projects

City of Peoria Community Development Department | Grants Management Division

Homebuyer Owner-File Checklist

Applicant Name:

Project Number:

1. Application

- a. Copy of ID
- b. Program Application
- c. HOME Eligibility Release Form
- d. Organization-specific Application, if applicable

2. Income and Financial Status

- a. Income Certification Form
- b. Income Calculator Printout for Annual Income
- c. Wage Projection
- d. Debt to Income Ratio Worksheet
- e. Two Years of Federal Tax Returns
- f. Two months of pay stubs
- g. Appraisal

3. Homeowner Preparedness

- a. Home Insurance Documentation
- b. Housing Counseling Certification
- c. Other Homeowner education documentation, if applicable

4. Closing Documents

- a. Homebuyer Agreement
- b. Copy of Use Restriction
- c. HUD-1/Closing Disclosure
- d. Copy of Deed
- e. Mortgage
- f. Down Payment Assistance Docs
- g. Screen Shot from County Showing Deed and Use Restriction