

GRANT AGREEMENT

This **GRANT AGREEMENT** (this “Agreement”), made and entered into as of the ____ day of October, 2021, by and between the **City of Peoria**, an Illinois unit of local government (“Recipient”) and the **Illinois Housing Development Authority** (the “Authority”) a body politic and corporate established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 *et seq.*, as amended from time to time (the “IHDA Act”), whose principal office is 111 East Wacker Drive, Suite 1000, Chicago, Illinois 60601.

WITNESSETH:

WHEREAS, the Authority is a body politic and corporate of the State of Illinois (“State”), created by and existing under the IHDA Act, and was created to assist in the financing of decent, safe and sanitary housing affordable to residents of low and moderate income within the State; and

WHEREAS, the State Attorney General (“AG”) dedicated approximately \$70 million in funding from the national foreclosure settlement for housing counseling services and relief efforts for Illinois communities fraught with vacant and abandoned properties that have been hardest hit by foreclosure; and

WHEREAS, the AG has awarded \$231,665.00 (the “Funds”) to the Authority for the operation of a land bank to revitalize affordable housing (the “Land Bank Capacity Program”) for the benefit of the Recipient; and

WHEREAS, the Authority and AG entered into a certain Distribution Agreement (as defined hereinbelow) in order to memorialize the Authority’s receipt and use of the Funds; and

WHEREAS, the Authority has awarded the Recipient in an amount not to exceed Two Hundred Fifteen Thousand Six Hundred Sixty-Five and 00/100 Dollars (\$215,665.00) (the “Grant”) and Recipient will use the Grant for Eligible Uses in connection with conducting a feasibility study for the creation and operation of a land bank within the Recipient’s jurisdiction (the “Project”) and for no other purpose; and

WHEREAS, as an inducement to the Authority to provide the Grant, the Recipient agrees to enter into this Agreement and consents to be regulated and restricted by the Authority as provided in this Agreement and the IHDA Act.

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

1. **Incorporation.** The foregoing recitals are made a part of this Agreement.
2. **Act and Terms.** The Recipient agrees that at all times its acts regarding the Project shall comply with the terms and conditions of the Land Bank Capacity Program and the IHDA Act.

3. Definitions:

a. “Application” shall mean the application for the Grant completed by the Recipient.

b. “Business Day” shall mean any day other than (i) a Saturday or Sunday, or (ii) a day on which the Authority is authorized or obligated by law to be closed.

c. “Closing Date” shall mean the date upon which all closing requirements have been satisfied. This Agreement shall be dated and become effective as of the Closing Date.

d. “Disbursements” shall mean the Grant funds that may be disbursed to the Recipient after the Closing Date.

e. “Distribution Agreement” shall mean that agreement between the State and the Authority, entered into on September 29, 2021, as may be amended from time to time.

f. “Eligible Uses” shall mean costs related to the off set of legal expenses and holding costs incurred in connection with on-going land bank maintenance and activities, and funding the acquisitions, demolitions, redevelopment and disposition of vacant and abandoned properties in order to return them to affordable housing and other productive use, and to fund enhanced or innovative land bank driven revitalization activities. This shall include, but is not in anyway limited to, the hiring of a Land Manager (as defined hereinbelow) by the Recipient.

g. “Grant Documents” shall mean the Application, this Agreement, and any and all other documents evidencing or governing the Grant.

h. “Land Manager” shall mean an employee of the Recipient whose duties will be related, both directly and indirectly, to the advancement and implementation of land bank activities of the Recipient.

i. “Quarterly Disbursements” shall mean that portion of the Grant that may be disbursed to the Recipient for reimbursement in connection with expenses for Eligible Uses incurred by the Recipient as detailed on the Recipient’s Quarterly Disbursement Statements.

j. “Termination Date” shall mean the date which is two (2) years after the Closing Date. The Termination Date may be extended by the Authority, in its sole discretion.

4. Commencement. The term of this Agreement shall commence on the Closing Date and, unless terminated earlier pursuant to the provisions herein, shall terminate on the Termination Date. No disbursement shall be made under this Agreement after the Termination Date. The Authority reserves the right to deobligate the Grant if no funds have been disbursed within eighteen

(18) months after the Closing Date. Any Grant funds not expended by the Recipient as of the Termination Date will not be available for distribution to the Recipient.

5. Project Requirements. In connection with the Project, the Recipient shall perform functions that include, but may not be limited to, the following:

a. Use funds for Eligible Uses related to the continued, ongoing operation of a land bank.

i. The Recipient will continue operation of its existing land bank and hire a Land Manager to work in support of the land bank.

ii. Recipient will receive Two Hundred Fifteen Thousand Six Hundred Sixty-Five and 00/100 Dollars (\$215,665.00), on a reimbursement basis, for Eligible Uses related to the initial staffing and start-up, and the continued, ongoing operations of a land bank, and the costs of hiring a Land Manager.

b. Recipient is not barred from receiving funds under any federal program or any program of the State. In addition, Recipient is not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Recipient and its affiliates acknowledge the Authority may declare this Agreement void if this certification is false or if Recipient or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt.

c. Recipient has satisfied and will continue to satisfy all terms, conditions, and covenants of and has not suffered or will not suffer any event of default of any agreement, contract or requirement of the Authority, HUD, the State, or any political subdivision thereof.

d. Recipient has not been convicted of bribery or attempting to bribe an officer or employee of the State in that officer's or employee's official capacity; nor has it made an admission of guilt of such conduct which is a matter of record but has not been prosecuted for such conduct. In addition, if Recipient has been convicted of a felony, as least five (5) years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business.

e. Recipient will at all times, in the performance of this Agreement, comply with all applicable federal, state, and local laws and regulations.

f. Recipient shall obtain a fidelity bond coverage or honesty insurance in an amount that is at least equal to the lesser of (a) the Grant awarded, or (b) \$100,000.00 with the Authority named as an additional insured.

g. Recipient shall provide wire instructions or ACH deposit instructions for the Bank Account (as defined in **Paragraph 7.f** hereof).

h. Recipient shall perform any other functions that the Authority may reasonably

require.

The Authority reserves the right to assess the Recipient's performance of the Project at all times throughout the term of this Agreement. If the Authority determines, in its sole discretion, that the Recipient's performance of the Project is not satisfactory or that the Project is not yielding satisfactory results for the operation of the Land Bank Capacity Program, the Authority shall have the right to terminate this Agreement pursuant to **Paragraph 12** hereof.

6. Additional Covenants. The Recipient further certifies under oath, covenants and agrees that, to the best of Recipient's knowledge, information, and belief (i) all representations and warranties of the Recipient contained in this Agreement and the other Grant Documents are true, accurate and complete as of the date hereof and shall be true, accurate and complete at the time of the Disbursement; (ii) that the Grant shall be used only for the purposes described in this Agreement; (iii) that the Grant funds will not be used for the receipt of technical assistance, and (iv) that the award of the Grant is conditioned upon the certification as set forth in this **Paragraph 6**.

7. Disbursement of Grant. Provided that adequate funds have been appropriated or directed to the Authority to fulfill its obligations under this Agreement, the Authority will authorize the Disbursements as follows:

a. Intentionally Deleted.

b. Quarterly Disbursement. Within seven (7) calendar days of the end of each quarter, commencing ninety (90) days after the Closing Date, the Recipient shall provide the Authority with a detailed accounting of all expenses incurred by the Recipient for Eligible Uses [not related to the completion of a feasibility study] (the "Quarterly Disbursement Statement"), as set forth in **Paragraph 7.d** hereof, on a form supplied by the Authority which must be satisfactory to the Authority in its sole and absolute discretion. Provided that the Authority approves the Quarterly Disbursement Statement, the Quarterly Disbursement will be disbursed within forty-five (45) days of the Authority's receipt of the Quarterly Disbursement Statement. Notwithstanding anything to the contrary contained herein, each Quarterly Disbursement shall also be based on the Recipient's performance under the Land Bank Capacity Program to date and the Recipient's continued willingness to perform, as determined by the Authority in its sole and absolute discretion. Notwithstanding anything to the contrary contained herein, the Authority reserves the right, in its sole and absolute discretion, to increase, decrease or eliminate the Grant to the Recipient and the Authority has the right to modify the expenditure timeline as set forth herein.

c. Intentionally Omitted.

d. Disbursement Statements. Each Quarterly Disbursement Statement must be submitted electronically as a PDF Document to LBCPinfo@ihda.org. Each Quarterly Disbursement Statement shall include:

(i) A complete and accurate Land Bank Capacity Program-Cumulative Accounting of the expenses for Eligible Uses incurred by the Recipient on a form supplied by the Authority.

(ii) Evidence and back-up documentation of expenses for Eligible Uses, including, but not limited to, receipts, ledgers, invoices, before and after pictures, addresses or geographic coordinates, the number of vacant or abandoned properties served, etc. the Authority deems necessary, in its sole discretion, to verify the items for which the Recipient is submitting the Disbursement request.

(iii) Any and all other documents and showings reasonably requested by the Authority or its counsel.

e. Documentation Retention. As set forth in **Paragraph 13** hereof, Recipient shall maintain copies of all documents substantiating expenditures made by Recipient in connection with the Land Bank Capacity Program for a period of five (5) years after the Termination Date. Recipient shall ensure that all books, records, and supporting documents in relation to all expenses in connection with the Land Bank Capacity Program are maintained at the address listed for the Recipient in **Paragraph 21** hereof and are available for inspection by the Authority upon the Authority's request.

f. Bank Account for Disbursements. The Authority shall effectuate Disbursements by transferring the Grant funds directly to a bank account (the "Bank Account"), established at a bank or other financial institution (the "Bank") selected by the Recipient and acceptable to the Authority. Recipient shall provide evidence of the Bank Account to the Authority on a form acceptable to the Authority and shall include ACH instructions on a form acceptable to the Authority. Recipient shall be responsible for the management of the Bank Account, and shall cause the Bank to provide the Authority with copies of statements upon the Authority's request. Recipient shall maintain the Bank Account as a separate account or a separate sub-account designated solely for the Land Bank Capacity Program. Any fees and costs charged or incurred by Bank in connection with the Bank Account shall be paid by the Recipient.

g. Minimum Disbursement. Disbursements will be conditioned upon the Authority's receipt of documentation to support a minimum of Five Thousand and 00/100 Dollars (\$5,000.00) (the "Minimum Disbursement") reimbursement. Should the Recipient not meet this Minimum Disbursement amount in any given quarter, any reimbursement amount under the Minimum Disbursement amount will be rolled into the following quarter, and every quarter thereafter until the Minimum Disbursement amount is met. The condition contained in this paragraph will not apply to the final Disbursement.

8. Reporting Requirements. The Recipient shall provide quarterly reports to the Authority within seven (7) calendar days of the end of each quarter, commencing with the first full quarter ending after the Closing Date. The Recipient's submission of the Quarterly Disbursement Statements as set forth in **Paragraph 7** hereof will be sufficient to meet the reporting requirements

under this **Paragraph 8.**

9. Recapture Event.

a. “Recapture Event” shall be deemed to occur if, at any time during the term of this Agreement, funds from the Grant have been misspent or are being improperly held.

b. If a Recapture Event shall occur, the amounts of the Grant disbursed to or for the benefit of the Recipient in connection with such Recapture Event shall be subject to “recapture” in full (the “Recapture Amount”).

c. If a Recapture Event occurs, in addition to the Recapture Amount, the Recipient will pay to the Authority upon demand (i) any other interest or penalties that may accrue in connection with the Recapture Event and (ii) an amount equal to any costs and/or fees incurred by the Authority in connection with the Recapture Event.

d. The Recipient shall have a sixty (60) day period to cure a Recapture Event after the Recipient has received notice of the circumstances giving rise to such Recapture Event.

10. Procurement. The Recipient will comply with all state and local laws, including applicable municipal procurement policies and procedures, relating to the procurement of services under this Agreement.

11. Non-Discrimination.

a. The Recipient shall not, in the provision of services in connection with the Project, or in any other manner, discriminate against any person on the grounds of race, color, creed, religion, sex, age, disability, national origin, familial or marital status, unfavorable military discharge or because the person is receiving governmental rental assistance.

b. The Recipient shall comply with all of the provisions of Paragraph 13 of the IHDA Act, and all other provisions of federal, state and local law relative to non-discrimination.

c. The Recipient agrees not to commit unlawful discrimination in employment in Illinois as that term is used in the Illinois Human Rights Act (775 ILCS 5/1-101 *et seq.*) and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination The Recipient agrees to comply with the applicable provisions of the Fair Housing Act (42 USC 3601 *et seq.*), Section 504 of the Rehabilitation Act of 1973 (29 USC 794), the Illinois Environmental Barriers Act (410 ILCS 25), the Illinois Accessibility Code (71 Ill. Adm. Code 400), and all other applicable state and federal laws concerning discrimination and fair housing. The Recipient further agrees to take affirmative action to ensure that no unlawful discrimination is committed.

d. The Recipient agrees and acknowledges that they are in compliance with and will remain in compliance with all federal and State laws, rules, and regulations required as a regular course of their business and the Land Bank Capacity Program. The Recipient agrees and acknowledges that it is its responsibility to determine which laws, rules and regulations apply.

12. Violation of Agreement. Upon learning of a violation of any of the provisions of this Agreement by the Recipient or if the Authority determines, in its sole discretion, that the Recipient's performance of the Project is not satisfactory or that the Project is not yielding satisfactory results for the operation of the Land Bank Capacity Program, or if the Recipient becomes insolvent, defunct, or commences bankruptcy proceedings, or should any director, officer, employee or official of Recipient engage in fraud, willful misconduct or gross negligence or misappropriate any funds, then the Authority may give written notice of such violation or unsatisfactory performance to the Recipient, as provided in **Paragraph 21** hereof. If such violation or unsatisfactory performance is not corrected to the satisfaction of the Authority within sixty (60) days after the receipt of such notice, or within such further time as the Authority in its sole discretion permits, the Authority may declare a default under this Agreement, effective upon notice to the Recipient the Authority may:

- a. Recover the disbursed Grant funds, or such portion of the disbursed Grant funds as are, in the sole judgment of the Authority, related to the violation of this Agreement;
- b. Terminate this Agreement; and
- c. Exercise such other rights or remedies as may be available to the Authority under this Agreement, at law or in equity.

No waiver by the Authority of any breach of this Agreement shall be deemed to be a waiver of any other existing or subsequent breach of this Agreement. No delay in exercising, failure to exercise, or incomplete exercise by the Authority of any right under this Agreement shall operate as a waiver of such right or any other right. The Authority's remedies are cumulative and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of the Authority's other remedies. This **Paragraph 12** will apply from the Closing Date through five (5) years after the Termination Date.

13. Monitoring of Project. The Authority, the Auditor General and the Attorney General, and their respective agents or representatives (collectively, the "Auditor") shall have the right at any time from the Closing Date through five (5) years after the Termination Date, upon notice to the Recipient to inspect the books and records of the Recipient relating to the Project completed during the Project. Recipient shall make available this Agreement and all books, records and supporting documents related to this Agreement for review and audit by the Auditor. Recipient shall cooperate fully with any audit conducted by the Auditor and shall permit the Auditor full access to all relevant materials. The required documentation may include, but is not limited to, a copy of the Recipient's Application to the Authority; all records relating to the Eligible Uses under the Land Bank Capacity Program, as set forth in Section 381.203 of the Rules; and any other

documentation required by the Auditor. Recipient further agrees that the failure of the Recipient to maintain the books, records, and supporting documents required by this **Paragraph 13** shall establish a presumption in favor of the State of Illinois and the Authority for the recovery of any funds paid by the State of Illinois or the Authority under this Agreement for which adequate books, records and supporting documentation are not available to support their purported disbursement.

14. Indemnification of the Authority. Recipient agrees to defend and indemnify and hold harmless the Authority from and against any and all damages, including, but not limited to, any past, present or future claims, actions, causes of action, suits, demands, liens, debts, judgments, losses, costs, liabilities and other expenses, including, but not limited to, reasonable attorneys' fees, costs, disbursements, and other expenses, that the Authority may incur or suffer by reason of or in connection with the Project, including without limitation the execution of the Grant Documents and the provision of the Grant. Recipient further agrees that the Authority, if it so chooses, shall have the right to select its own counsel with respect to any such claims. The obligations of Recipient under this **Paragraph 14** shall survive the provision of the Grant.

15. Drug-Free Workplace. If applicable, Recipient agrees to comply with the Drug Free Workplace Act (30 ILCS 580/1 *et seq.*). The Recipient's Drug Free Workplace Certification (form of which is attached hereto as **Exhibit A**) is made a part of this Agreement.

16. Amendment of Agreement. This Agreement shall not be altered or amended except by a written instrument signed by the parties to it.

17. Partial Invalidity. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of its remaining portions.

18. Binding on Successors. This Agreement shall bind, and the benefits shall inure to, the respective parties hereto, their legal representatives, executors, administrators, successors in office or interest and assigns, provided that the Recipient may not assign this Agreement, its right to the Grant funds or any of its obligations under this Agreement without the prior written approval of the Authority.

19. Gender. The use of the plural in this Agreement shall include the singular; the singular shall include the plural; and the use of any gender shall be deemed to include all genders.

20. Captions. The captions used in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or the intent of any provision of the Agreement.

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

If to the Authority:

Illinois Housing Development Authority
111 East Wacker Drive, Suite 1000
Chicago, Illinois 60601
Attention: Legal Department

If to Recipient:

City of Peoria
524 SW Adams Street
Peoria, Illinois 61602
Attention: Mr. Joe Dulin

Such addresses may be changed by notice to the other party given in the same manner as provided in this **Paragraph 21**. Any notice, demand, request or other communication sent pursuant to subparagraph (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subparagraph (b) 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 subparagraph (c) shall be served and effective three (3) Business Days after proper deposit with the United States Postal Service.

22. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers.

RECIPIENT:
CITY OF PEORIA,
an Illinois unit of local government

By: _____
Name: Rita Ali
Title: Mayor

AUTHORITY:
ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By: _____
Maureen G. Ohle, General Counsel

EXHIBIT A

DRUG FREE WORK PLACE CERTIFICATE

STATE OF ILLINOIS

This certification is required by the Drug Free Workplace Act (30 ILCS 580). The Drug Free Workplace Act, effective January 1, 1992, requires that no Recipient or contractor shall receive a Grant or be considered for the purposes of being awarded a contract for the procurement of any property or services from the State unless that Recipient or contractor has certified to the State that the Recipient or contractor will provide a drug free workplace. False certification or violation of the certification may result in sanctions including, but not limited to, suspension of contract or Grant payments, termination of the contract or Grant and debarment from contracting or Grant opportunities with the State for at least one (1) year but not more than five (5) years.

For the purpose of this certification, "Recipient" or "contractor" means a corporation, partnership, or other entity with twenty-five (25) or more employees at the time of the issuing of the Grant, or a department, division, or other unit thereof, directly responsible for the specific performance under a contract or Grant of \$5,000 or more from the State.

The contractor/Recipient certifies and agrees that it will provide a drug free workplace by:

- (a) Publishing a statement:
 - (1) Notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance, including cannabis, is prohibited in the Recipient's or contractor's workplace;
 - (2) Specifying the actions that will be taken against employees for violations of such prohibition; and
 - (3) Notifying the employees that, as a condition of employment on such contract or Grant, the employee will:
 - A. abide by the terms of the statement; and
 - B. notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.
- (b) Establishing a drug free awareness program to inform employees about:
 - (1) the dangers of drug abuse in the workplace;
 - (2) the Recipient's or contractor's policy of maintaining a drug free workplace;

(3) any available drug counseling, rehabilitation, and employee assistance programs;
and

(4) the penalties that may be imposed upon an employee for drug violations.

(c) Providing a copy of the statement required by paragraph (a) hereof to each employee engaged in the performance of the contract or Grant and posting the statement in a prominent place in the workplace.

(d) Notifying the contracting or Granting agency within ten (10) days after receiving notice under subparagraph (3) of paragraph (a) hereof from an employee, or otherwise receiving actual notice of such conviction.

(e) Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by, any employee who is so convicted, as required by Section 5 of the Drug Free Workplace Act.

(f) Assisting employees in selecting a course of action in the event drug counseling, treatment, and rehabilitation is required and indicating that a trained referral team is in place.

(g) Making a good faith effort to continue to maintain a drug free workplace through implementation of the Drug Free Workplace Act.

THE UNDERSIGNED AFFIRMS, UNDER PENALTIES OF PERJURY, THAT HE OR SHE IS AUTHORIZED TO EXECUTE THIS CERTIFICATION ON BEHALF OF THE DESIGNATED ORGANIZATION.

CITY OF PEORIA,
an Illinois unit of local government

By: _____

Name: Rita Ali

Title: Mayor