



AGENDA ITEM EXECUTIVE SUMMARY

Agenda Item Number: 4b

Title: St. Charles Housing Trust Fund Update

Presenter: Ellen Johnson

Meeting: Planning & Development Committee

Date: January 9, 2023

Proposed Cost: \$

Budgeted Amount: \$

Not Budgeted:

Executive Summary (if not budgeted please explain):

Background & Use

The Inclusionary Housing Ordinance (IHO), Title 19 of the City Code, requires developers of new residential developments to build a proportionate share of affordable housing units on site, or to pay a fee in-lieu of providing affordable units. The Housing Trust Fund was formed upon adoption of the Inclusionary Housing Ordinance in 2008. Fee in-lieu payments made by developers are placed into the Housing Trust Fund.

Use of the Housing Trust Fund (HTF) is governed by Ch. 3.50 of the City Code. The HTF was created to address the affordable housing needs of moderate-income households in St. Charles. Funds are to be used to create and preserve affordable housing. The City offers three programs which are funded by the HTF:

1. Home Rehab & Accessibility Loan Program – 0% interest, deferred payment loan for income-eligible homeowners.
2. First-Time Homebuyer Loan Program – 0% interest, deferred payment loan for income-eligible prospective homebuyers.
3. Kane County Affordable Housing Fund – development financing to developers of affordable housing.

Projects funded by the Housing Trust Fund:

Project	Funds Used	Year Approved
Home Rehab Loans – 6 total	\$61,557 (\$28,378 paid back due to property sale)	2011-2020
Affordable Housing Fund- 1432 Dean St.	\$59,173 (\$36,921 paid back upon sale)	2018
Affordable Housing Fund- 704 Adams Ave.	\$49,378 (\$29,316 paid back upon sale)	2019
Affordable Housing Fund- 106 Moore Ave.	\$45,361 (\$23,000 anticipated to be paid back)	2020
Net Total Spent	\$97,854	

Current status of the HTF including earmarked funds for the City’s existing programs, and anticipated developer contributions:

Balance as of Jan. 2022	\$713,859	
Current Balance	\$1,972,925 (includes \$1.2 million from Springs at St. Charles, received Nov. 2022)	
Earmarked Funds	<i>Home Rehab Program</i>	\$31,500 (available to homeowners)
	<i>First-Time Homebuyer Program</i>	\$42,000 (available to homebuyers)
	<i>Kane County Affordable Housing Fund</i>	\$262,088 (available to developers)
Net Current Balance	\$1,637,337	
Anticipated Developer Contributions- 2023	<i>Munhall Glen- IHO fee for 35 remaining homes to be constructed</i>	\$54,422
	<i>Charlestowne Lakes- to be paid prior to building permit. Site development work underway.</i>	\$463,693

Kane County Affordable Housing Fund

The most significant use of the Housing Trust Fund has been the City’s participation in the Kane County Affordable Housing Fund. The Affordable Housing Fund (AHF) provides financing to non-profit and for-profit developers for the acquisition, rehab, and/or new construction of affordable homebuyer and rental units in Kane County. The AHF is a combination of funds provided by the US Department of Housing & Urban Development, including Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) funds. The AHF is administered by the Kane County Office of Community Reinvestment. Developers apply to Kane County for funding under the AHF on an annual basis. The Kane-Elgin HOME Commission reviews developer proposals and approves funding.

In 2018, the City decided to partner with Kane County by contributing a portion of the City’s Housing Trust Fund to the Kane County Affordable Housing Fund. This was done in an effort to make City funding available to developers seeking to create affordable housing in St. Charles. Through an Intergovernmental Agreement (Res. 2018-84), the City allocated \$416,000 to the AHF. Those funds have been offered as part of the AHF funding pool since 2018. Projects located in St. Charles which request use of the City’s Housing Trust Fund are first reviewed by the Kane-Elgin HOME Commission, followed by review and approval by the St. Charles Housing Commission. County staff administer the funding and oversee projects. The City pays the County a 2.5% administrative fee. The process flow-chart for City involvement with the Affordable Housing Fund is attached.

Since 2018, there projects have been three single-unit projects approved in St. Charles, funded in part by the City’s Housing Trust Fund. A total of \$262,088 remains from the initial \$416,000 allocation.

Considerations for Future Use of the Housing Trust Fund

There are several opportunities for continued and future use of the Housing Trust Fund, some of which are as follows:

- 1) **Anthony Place II senior affordable project** – Request for additional City funding under the Kane County Affordable Housing Fund. **To be discussed at this meeting as a separate agenda item.*
- 2) **Future participation in the Kane County Affordable Housing Fund** – Allocate additional funds from the Housing Trust Fund to be made available to developers for affordable housing developments. Funds may be allocated for any qualifying type of project or location within the City, or parameters could be placed on the funds to target certain locations, general parts of town (east vs. west side), or specific types of projects. Kane County expects to release its next Call for Projects in June 2023.
- 3) **Reimbursement of Fee Waivers** – The Inclusionary Housing Ordinance offers development cost offsets to developers as a means of incentivizing construction of affordable units. This includes waiver of all permit fees, connection fees, and impact fees. The City could investigate use of the Housing Trust Fund to off-set some of the costs of these incentives for affordable developments.

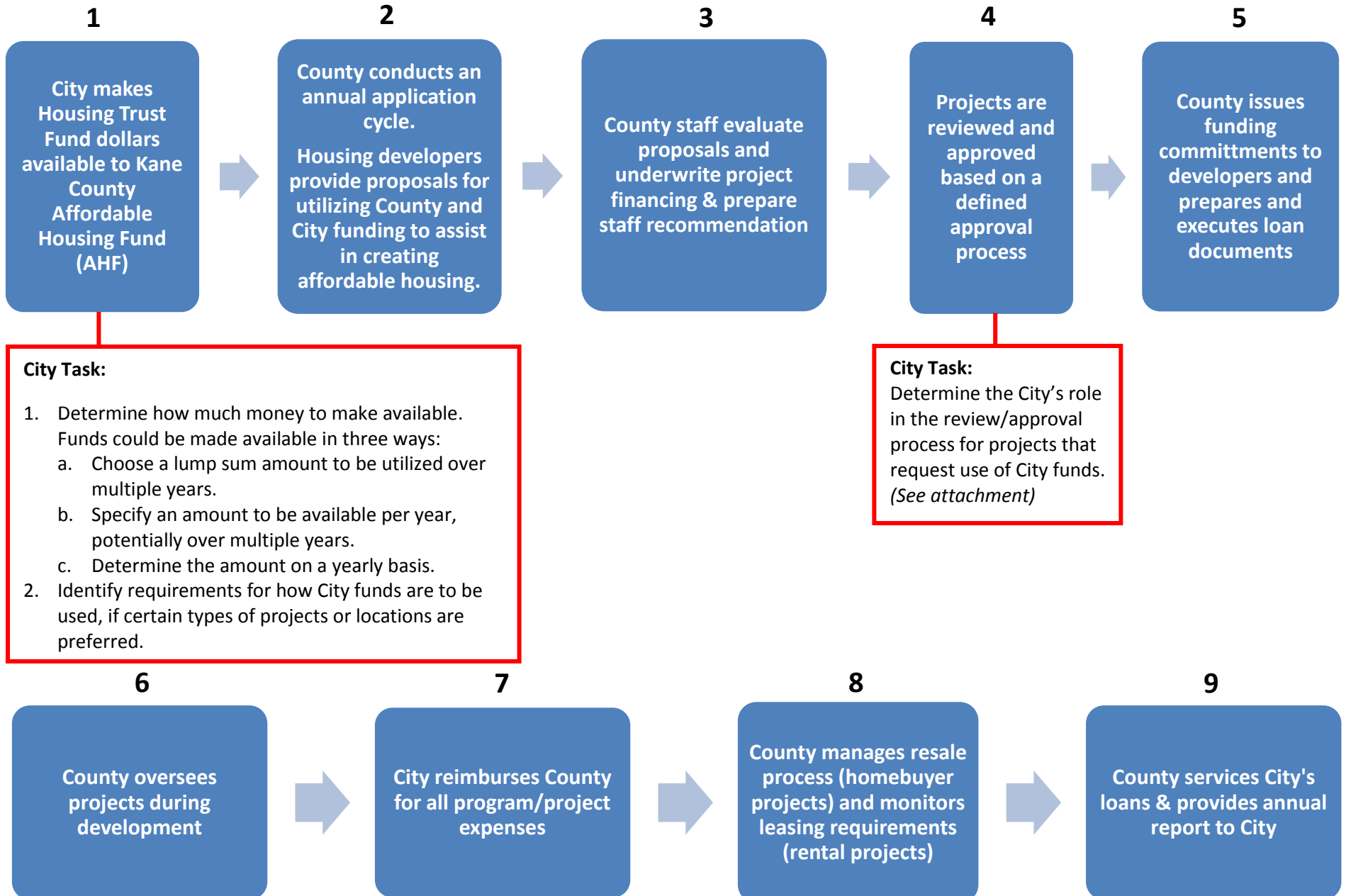
Attachments (please list):

Affordable Housing Fund County-City Process Flowchart; Intergovernmental Agreement with Kane County; Housing Trust Fund- City Code Chapter 3.50

Recommendation/Suggested Action (briefly explain):

Provide feedback on future use of the Housing Trust Fund.

Process for Potential City Involvement with Kane County Affordable Housing Fund



Refer to:	
Minutes	6/18/18
Page	

**City of St. Charles, Illinois
Resolution No. 2018-84**

A Resolution Authorizing the Mayor and City Clerk of the City of St. Charles to Execute an Intergovernmental Agreement by and between the City of St. Charles and Kane County regarding St. Charles Housing Trust Fund Administration and Management Services

**Presented & Passed by the
City Council on June 18, 2018**

WHEREAS, City, under Chapter 3.50 of the St. Charles Municipal Code, has established a Housing Trust Fund to provide sustainable financial resources to address the affordable housing needs of eligible households in St. Charles by preserving and producing affordable housing, providing housing-related financial support and services to eligible households and providing financial support for not-for-profit organizations that actively address the affordable housing needs of eligible households; and

WHEREAS, the City has previously established a Home Rehab and Accessibility Loan Program, the program description of which is attached hereto and incorporated herein as Exhibit "A", to assist income-eligible St. Charles homeowners to make necessary repairs and improvements to their homes; and

WHEREAS, the City desires to establish a First-Time Homebuyer Loan Program, the program description of which is attached hereto and incorporated herein as Exhibit "B", in order to provide opportunities for affordable home ownership to income-eligible families seeking to purchase a home in St. Charles; and

WHEREAS, the Kane County Board has established the Affordable Housing Fund, a combination of funds provided by the U.S. Department of Housing and Urban Development and other sources, to provide gap financing for the preservation and/or development of affordable housing in Kane County; and

WHEREAS, the City desires to contribute resources from the St. Charles Housing Trust Fund into the Affordable Housing Fund to be made available for projects located within the St. Charles corporate limits; and

WHEREAS, the City desires to partner with the Kane County Office of Community Reinvestment for services related to administration and management of the Home Rehab and Accessibility Loan Program, the First-Time Homebuyer Loan Program, and the City's contributions into the Affordable Housing Fund.

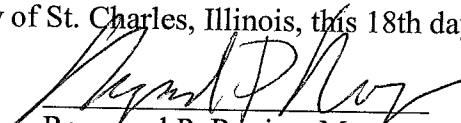
NOW THEREFORE, be it resolved by the City of St. Charles, Kane and DuPage Counties, Illinois, as follows:

1. That the Mayor and City Clerk be and the same are hereby authorized to execute an Intergovernmental Agreement between the City of St. Charles and Kane County, in substantially the form attached hereto and incorporated herein as Exhibit "C", by and behalf of the City of St. Charles.
2. That the City hereby grants authority to the St. Charles Housing Commission to review and approve financing for projects under the Kane County Affordable Housing Fund located within the St. Charles corporate limits.
3. That the City hereby allocates \$500,000 from the St. Charles Housing Trust Fund as follows: \$42,000 to the Home Rehab & Accessibility Loan Program, \$42,000 to the First-Time Homebuyer Loan Program, and \$416,000 to the Affordable Housing Fund.

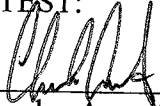
PRESENTED to the City Council of the City of St. Charles, Illinois this 18th day of June 2018.

PASSED by the City Council of the City of St. Charles, Illinois, this 18th day of June 2018.

APPROVED by the Mayor of the City of St. Charles, Illinois, this 18th day of June 2018.


Raymond P. Rogina, Mayor

ATTEST:


Charles Amenta, City Clerk

COUNCIL VOTE:

Ayes: 8

Nays: 0

Absent: 2

Abstain: 0



Exhibit "A"

Program Description – Home Rehab and Accessibility Loan Program

CITY OF ST. CHARLES FIRST-TIME HOMEBUYER LOAN PROGRAM

JUNE 2018

PROGRAM OVERVIEW

The City of St. Charles is committed to promoting the availability of attainable housing in the community. Purchasing a home in St. Charles is often out of reach for first-time homebuyers due to the market values of St. Charles' housing stock as well as the need for a downpayment. In an effort to make purchasing a home in St. Charles more affordable for local families, the City offers a downpayment assistance program for first-time homebuyers. Funding for this program will be provided by the St. Charles Housing Trust Fund.

Program Name	Program Description	Available Funds	Type of Loan
First-Time Homebuyer Loan Program (the "program")	Prospective homebuyers apply to the Kane County Office of Community Reinvestment for a loan through the City's Program. The program is supplemental to Kane County's First-Time Homebuyer Program. Applicants initially apply for the Kane County program. \$10,000 in assistance is available through the County's program. Loans through the City's program are considered if additional assistance is necessary to meet the County's underwriting criteria.	Maximum of \$10,000 per household	0% Interest deferred-payment loan with repayment at the time of sale or transfer of deed

ELIGIBILITY

The following criteria will determine applicant eligibility:

1. **Income**: The annual gross household income of the applicant's household may not exceed the income limits established below.
2. **Status**: The applicant(s) must satisfy HUD's definition of a first-time homebuyer, meaning the applicant(s) may not have owned a home for the past three years.
3. **Residency**: The applicant(s) must currently live or work in Kane County and must have lived or worked in Kane County for at least one year at the time of closing.
4. **Location**:
 - a. The property to be purchased must be within the City of St. Charles corporate limits.
 - b. The property to be purchased may not be located in the 100-year floodplain.
5. **Unit Type**: The property to be purchased may be a single-family detached unit, condominium unit, or townhome unit.
6. **Purchase Price**: The maximum purchase price for an existing home is \$206,000. The maximum purchase price for a new home is \$224,000. (Values effective 3/1/2017)
7. **Ownership**: The person(s) receiving the loan must plan to live within the dwelling unit, and not rent the unit to other persons.
8. **Downpayment Contribution**: The applicant(s) must contribute a downpayment of at least 1% of the purchase price of the home to be purchased.
9. **Homebuyer Education**: The applicant(s) must successfully complete a homebuyer education course from a HUD certified agency.

10. Mortgage Approval: The applicant(s) must have obtained approval for first mortgage financing that comply with the guidelines established by the Kane County's First Time Homebuyer Program.
11. Home Inspection: The property to be purchased must pass a general home inspection and a lead-based paint inspection conducted by a Kane County inspector.

INCOME LIMITS

Annual gross household income cannot exceed the most recent income limits for a household at 80% Area Median Income based on household size, as published by the Illinois Housing Development Authority (source: <http://www.ihda.org>):

Chicago Metro Area Income Limits by Household Size at 80% Area Median Income								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
2017 Income Limits (80% AMI)	\$44,250	\$50,600	\$56,900	\$63,200	\$68,300	\$73,350	\$78,400	\$83,450

Exhibit “B”

Program Description – First-Time Homebuyer Loan Program

CITY OF ST. CHARLES HOME REHAB AND ACCESSIBILITY LOAN PROGRAM
JUNE 2018

PROGRAM OVERVIEW

The City of St. Charles is committed to preserving and maintaining its affordable housing stock. In response to this commitment, the City offers a home rehab program to income-eligible homeowners. This program offers zero-interest, deferred payment loans to qualified households to maintain the quality of the affordable housing stock and help distressed homeowners in need. Funding for this program is provided by the St. Charles Housing Trust Fund.

Program Name	Program Description	Available Funds	Type of Loan
Home Rehabilitation and Accessibility Loan Program (the "program")	Homeowners apply to Community Contacts, Inc. for a loan through the City's program. The program is supplemental to Kane County's Home Rehabilitation Loan Program. Applicants initially apply for the Kane County program. \$20,000 in assistance is available through the County's program. Loans from the City's program are considered in the following circumstances: (i) the cost of the Eligible Improvement(s) exceeds the maximum amount paid by Kane County or (ii) the homeowner has project costs that are not eligible for reimbursement through Kane County's program, but are Eligible Improvements for the City's program.	Maximum of \$10,000 per household	0% Interest deferred-payment loan with repayment at the time of sale or transfer of deed

ELIGIBLE IMPROVEMENTS

- Improvements and modifications for physically disabled persons, including but not limited to: grab bars and railings; motorized chair lifts; doorway widening; walk-in showers; accessible toilets; shower seats; ramps; bed rails; and lowered countertops.
- Repairs/improvements to mechanical, heating, plumbing, structural, and electrical systems.
- Exterior painting.
- Improvements to building security.
- Termite damage repair.
- Drainage improvements.
- Yard clean-up.
- Repairs or replacement of roofing.
- Insulation.
- Exterior work that will improve overall neighborhood appearance.
- Windows in need of repair or replacement.

INELIGIBLE IMPROVEMENTS

- Additions/upgrades to existing structure or component parts, i.e. window upgrades (Bay Window), room additions, etc. (except to provide access to persons with disabilities).
- Purchase or repair of furnishings.
- Purchase of land/real property.
- Construction/repair of swimming pools or hot tubs.

- Appliances
- Improvements to common elements of association owned or managed property.

RESIDENTIAL REHABILITATION PRIORITIES

The following priority system will be used to classify rehabilitation work needed for each property. The following priority system is in descending order of priority. Category A represents the highest priority items, and Category D represents items of lowest priority.

Category A - Health & Safety items

Category A consists of code violations and repair of the major systems that threaten the health and safety of the resident (e.g., basic structural, mechanical, electrical, heating and/or plumbing systems).

Category B - Incipient Code Violations

These items include those elements of the structure which are not in violation of the code but appear to be in a condition that will deteriorate into a code violation if left uncorrected (e.g., hot water heater or boiler of 30 or 40 years of age which may have given some minor problem in the recent past). If sufficient dollars are available to address more than the Category A items, then Category B improvements shall be undertaken to the extent of financial feasibility.

Category C - Energy Conservation Items

These items are directly related to the conservation of energy by upgrading the dwelling's thermal protection such as new windows, new doors, and insulation which may be undertaken if sufficient dollars have been available to address Category A and B items.

Category D - General Property Improvements

These work items constitute improvements which can be made to the property, but are not vital to health and safety of the resident. Examples could include yard maintenance, exterior painting, air conditioning, improvements and modifications for physically disabled persons. These items can be considered property improvements after Categories A through C have been addressed and subject to staff approval.

ELIGIBILITY

The following criteria will determine applicant eligibility:

1. **Income:** The annual gross household income of the applicant household may not exceed the income limits established below.
2. **Location:** The subject property must be within the City of St. Charles corporate limits.
3. **Home Value:** The value of the applicant's home may not exceed \$294,515.
4. **Type of Unit:** The unit must be an owner-occupied residential property.
5. **Ownership:** The person receiving the loan must live within the dwelling unit, and not rent this unit to other persons.

INCOME LIMITS

The annual gross household income cannot exceed the most recent income limits for a household at 80% Area Median Income based on household size, as published by the Illinois Housing Development Authority (source: <http://www.ihda.org>). The Household Value Limitation is set at the most recent FHA Mortgage Limit for Kane County (source: <https://entp.hud.gov/idapp/html/hicostlook.cfm>).

Owner Occupied Affordability Chart For Chicago Metro Area 80% of Area Median Income								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
2017 Income Limits (80% AMI)	\$44,250	\$50,600	\$56,900	\$63,200	\$68,300	\$73,350	\$78,400	\$83,450
Household Value Limitation	\$ 294,515							

Exhibit "C"

Intergovernmental Agreement between the City of St. Charles and Kane County
regarding St. Charles Housing Trust Fund Administration and Management Services

Intergovernmental Agreement
St. Charles Housing Trust Fund Administration and Management Services

THIS AGREEMENT, made and entered into this 18 day of June, 2018, by and between the City of St. Charles, an Illinois municipal corporation (the "City"), and Kane County, a body corporate and politic (the "County"), which are collectively known as "the parties."

WITNESSETH:

WHEREAS, the City has established a Housing Trust Fund for the purpose of providing and preserving affordable housing within its jurisdiction for the benefit of current and future residents; and

WHEREAS, the City has also established a Housing Commission, which is charged with assisting the City in the operation and implementation of the Housing Trust Fund; and

WHEREAS, the County, through its Office of Community Reinvestment, has received annual allocations of federal funding to support various housing and community development initiatives since 1998 and has successfully developed and implemented those initiatives; and

WHEREAS, the Office of Community Reinvestment has the experience and qualifications to assist the City with the administration of programs approved by the City utilizing its Housing Trust Fund; and

WHEREAS, the City has determined it to be in its best interest to obtain program management services from the Office of Community Reinvestment for the effective implementation of programming under its Housing Trust Fund; and

WHEREAS, units of local government have had conferred upon them the following powers by Article VII, Section 10(a) of the 1970 Constitution of the State of Illinois:

"Units of local government and school districts may contract or otherwise associate among themselves, with the State, with other states and their units of local government and school districts, and with the United States to obtain or share services and to exercise, combine or transfer any power or function, in any manner not prohibited by law or by ordinance. Units of local government and school districts may contract and otherwise associate with individuals, associations, and corporations in any manner not prohibited by law or by ordinance. Participating units of government may use their credit, revenues, and other resources to pay costs and to service debt related to intergovernmental activities;" and

WHEREAS, the Intergovernmental Cooperation Act (5 ILCS 220/1 et seq.), enacted by the State of Illinois provides in part as follows:

"Section 3. Intergovernmental cooperation. Any power or powers, privileges, functions, or authority exercised or which may be exercised by a public agency of this State may be exercised, combined, transferred, and enjoyed jointly with any other public agency of this State and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States do not prohibit joint exercise or enjoyment and except where specifically and expressly prohibited by law."

“Section 5. Intergovernmental contracts. Any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking or to combine, transfer, or exercise any powers, functions, privileges, or authority which any of the public agencies entering into the contract is authorized by law to perform, provided that such contract shall be approved by the governing bodies of each party to the contract and except where specifically and expressly prohibited by law. Such contract shall set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties;” and

WHEREAS, the parties to this Agreement have had conferred upon them the exercise of powers authorized in Chapter 65 of the Illinois Compiled Statutes (known as the “Illinois Municipal Code”), and Chapter 55 of the Illinois Compiled Statutes (known as the “Illinois Counties Code”).

NOW, THEREFORE, upon the consideration of the mutual promises contained herein and upon the further consideration of the recitals hereinabove set forth, it is hereby agreed between the City and County as follows:

1. **INCORPORATION OF RECITALS**

The recitals set forth above are hereby incorporated into this Agreement in their entirety as though fully set forth herein.

2. **SCOPE OF SERVICES**

The County shall provide affordable housing services on behalf of, and within the corporate limits of, the City. In general, these services shall include the provision of housing rehabilitation assistance to eligible homeowners, first-time homebuyer assistance to eligible homebuyers, and financing for the development or redevelopment of units of affordable housing, all of which shall be funded by the City’s Housing Trust Fund. The specific duties and responsibilities to be performed by the County are outlined in Attachment A, “Scope of Services” (hereinafter referred to as the “Services”). Any other provisions of this Agreement or the attachments hereto notwithstanding, the City shall have and retain sole discretion and authority in selecting the projects and activities to be funded by the City’s Housing Trust Fund and the administration of any such projects and activities.

3. **WORK PRODUCTS**

All work products prepared by the County pursuant hereto including, but not limited to, reports, studies, plans, and recommendations shall be the property of the City and shall be delivered to the City, in both hard and electronic formats, upon request of the City. The County may retain copies of such work products for its records.

4. **PAYMENTS TO THE COUNTY**

A. The City shall make periodic payments to the County for the Services provided under this Agreement, according to the budget established in Attachment B, “Budget for Housing Trust Fund Activities.” Such payments shall be for the reimbursement of expenses associated with the housing activities and program management services

outlined in Attachment A.

- B. The total of all payments made by the City to the County shall not exceed \$500,000.00 unless modifications to this Agreement are authorized in writing by the City and County by way of written amendment to this Agreement.
- C. Additional services provided by the County which are not described herein require prior written approval of the City and County and shall be compensated according to terms agreed upon in such written approval.

5. **INVOICES**

- A. The County shall submit invoices not more often than monthly in a format approved by the City. The County shall provide the City with progress reports with the submission of invoices.
- B. The County shall maintain records documenting the expenses incurred for the completion of the Services. The County shall permit representatives of the City to inspect and audit all data and records of the County for work performed under this Agreement. The County shall retain and make these records available to the City at reasonable times during the term of this Agreement.

6. **COMMISSION REPRESENTATION**

The County shall designate a seat on the Kane-Elgin HOME Commission for the Chair of the City's Housing Commission, or their designee.

7. **TERM OF AGREEMENT**

The term of this Agreement shall commence and be effective from the date first written above until terminated pursuant to Article 8 herein in regards to the First-Time Homebuyer Assistance Program and the Affordable Housing Development Program.

The term of this Agreement shall commence and be effective from the date of termination of the Service Agreement between the City and Community Contacts, Inc. in regards to the Home Rehab and Accessibility Loan Program, until terminated pursuant to Article 8 herein.

8. **TERMINATION OF AGREEMENT**

Notwithstanding any other provision hereof, the City or the County may terminate this Agreement at any time upon ninety (90) days' written notice. In the event this Agreement is so terminated, the County shall be paid for services provided prior to termination.

9. **NOTICE OF CLAIM**

If the County wishes to make a claim for additional compensation as a result of action taken by the City, the County shall give written notice of his claim to the City within fifteen (15) days after occurrence of such action. No claim for additional compensation shall be valid unless so made.

Any changes in the County's fee shall be valid only to the extent that the City and County agree to such changes in writing. Regardless of the decision of the City relative to a claim submitted by the County, all work required under this Agreement, as determined by the City, shall proceed without interruption.

10. **BREACH OF CONTRACT**

If any party violates or breaches any term of this Agreement, such violation or breach shall be deemed to constitute a default, and the other parties have the right to seek such administrative, contractual or legal remedies as may be suitable to the violation or breach; and, in addition, if any party, by reason of any default, fails within fifteen (15) days after notice thereof by another party to comply with the conditions of the Agreement, the party having provided such notice may terminate this Agreement.

11. **NO PERSONAL LIABILITY**

No official, director, officer, agent or employee of the County or City shall be charged personally or held contractually liable under any term or provision of this Agreement or because of their execution, approval or attempted execution of this Agreement.

12. **HOLD HARMLESS**

The City shall hold harmless, defend, and indemnify the County from any and all claims, actions, suits, charges and judgments whatsoever that arise out of City's performance or nonperformance under this Agreement. The provisions of this paragraph shall survive any expiration, completion and/or termination of this Agreement.

13. **NONDISCRIMINATION**

In all hiring or employment made possible or resulting from this Agreement, there shall be no discrimination against any employee or applicant for employment because of sex, age, race, color, creed, national origin, marital status, or the presence of any sensory, mental or physical handicap, unless based upon a bona fide occupational qualification, and this requirement shall apply to, but not be limited to, the following: employment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.

No person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement on the grounds of sex, race, color, creed, national origin, age except minimum age and retirement provisions, marital status, or the presence of any sensory, mental or physical handicap. Any violation of this provision shall be considered a violation of a material provision of this Agreement and shall be grounds for cancellation, termination or suspension, in whole or in part, of the Agreement by the City.

14. **ASSIGNMENT AND SUCCESSORS**

This Agreement and each and every portion thereof shall be binding upon the successors and the assigns of the parties hereto; provided, however, that no assignment should be made without the prior written consent of the City.

15. **DELEGATIONS AND SUBCONTRACTORS**

Any assignment, delegation or subcontracting shall be subject to all the terms, conditions and other provisions of this Agreement and the County shall remain liable to the City with respect to each and every item, condition and other provision hereof to the same extent that the County would have been obligated if it had done the work itself and no assignment, delegation or subcontract had been made.

16. **NO CO-PARTNERSHIP OR AGENCY**

This Agreement shall not be construed so as to create a partnership, joint venture, employment or other agency relationship between the parties hereto.

17. **SEVERABILITY**

The parties intend and agreed that, if any paragraph, sub-paragraph, phrase, clause or other provision of this Agreement, or any portion thereof, shall be held to be void or otherwise unenforceable, all other portions of this Agreement shall remain in full force and effect.

18. **HEADINGS**

The headings of the several paragraphs of this Agreement are inserted only as a matter of convenience and for reference and in no way are they intended to define, limit or describe the scope of intent of any provision of this Agreement, nor shall they be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

19. **MODIFICATION OR AMENDMENT**

This Agreement and its attachments constitutes the entire Agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written amendment duly executed by the parties. Each party agrees that no representations or warranties shall be binding upon the other parties unless expressed in writing herein or in a duly executed amendment hereof, or change order as herein provided.

The previous paragraph notwithstanding, the budget amounts specified in Attachment B, less any amounts already encumbered by the County, may be unilaterally amended at the City's sole discretion and without requiring written acceptance by the County. In such cases, the City shall notify the County in writing of any such amendments, which shall become effective upon receipt by the County.

20. **APPLICABLE LAW**

This Agreement shall be deemed to have been made in, and shall be construed in accordance with the laws of the State of Illinois. Venue for the resolution of any disputes or the enforcement of any rights pursuant to this agreement shall be in the Circuit Court of Kane County, Illinois.

21. **COOPERATION WITH OTHERS**

The County shall cooperate with any other parties in the City's employ or any work associated with the Services.

22. **SEXUAL HARASSMENT**

As a condition of this contract, the County shall have written sexual harassment policies that include, at a minimum, the following information:

- A. The illegality of sexual harassment;
- B. the definition of sexual harassment under state law;
- C. a description of sexual harassment, utilizing examples;
- D. the vendor's internal complaint process including penalties;
- E. the legal recourse, investigative and complaint process available through the Illinois Department of Human Rights, and the Illinois Human Rights Commission;
- F. directions on how to contact the department and commission; and
- G. protection against retaliation as provided by Section 6-101 of the Human Rights Act.

A copy of the policies must be provided to the Department of Human Rights upon request per 775 ILCS 5/2-105.

23. **NOTICES**

All notices, reports and documents required under this Agreement shall be in writing and shall be emailed and/or mailed by First Class Mail, postage prepaid, addressed as follows:

- A. As to City:
 - Mark Koenen, City Administrator
 - City of St. Charles
 - 2 East Main Street
 - St. Charles IL 60174
 - Email: mkoenen@stcharlesil.gov

- B. As to County:
 - Josh Beck, Assistant Director for Community Development
 - Kane County Office of Community Reinvestment
 - 719 South Batavia Avenue
 - Geneva IL 60134
 - Email: beckjosh@co.kane.il.us

24. **COMPLIANCE WITH LAWS**

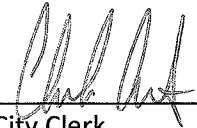
Notwithstanding any other provision of this Agreement, it is expressly agreed and understood that in connection with the performance of this Agreement that the County shall comply with all applicable Federal, State, Municipal, and other requirements of law, including, but not limited to, any applicable requirements regarding prevailing wages, minimum wage, workplace safety and legal status of employees. The County hereby certifies, represents and warrants to the City that its employees and/or agents who will be providing products and/or services with respect to this Agreement shall be legal residents of the United States. County shall also at its expense secure all permits and licenses, pay all charges and fees and give all notices necessary and incident to the due and lawful prosecution of this work, and/or the products and/or services provided by this Agreement. The City shall have the right to audit any records in the possession or control of the County to determine the County's compliance with the provisions of this paragraph. In the event that the City proceeds with such an audit, the County shall make available to the City the County's relevant records at no cost to the City.

IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed by their duly designated officials.

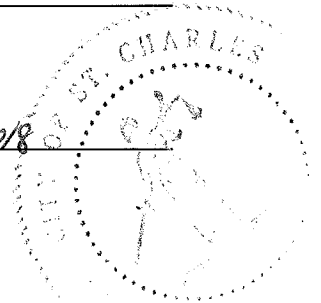
City of St. Charles, a municipal corporation

By: 
Mayor

Date: 5-18-18

Attest: 
City Clerk

Date: 6/18/2018



County of Kane, a body politic in the State of Illinois

By: _____
Scott Berger, Director
Kane County Office of Community Reinvestment

Date: _____

ATTACHMENT A
SCOPE OF SERVICES

The Kane County Office of Community Reinvestment shall provide the following services on behalf of, and within the corporate boundaries of, the City:

1. **HOME REHAB AND ACCESSIBILITY LOAN PROGRAM**

The County shall provide up to \$10,000 from the City's Housing Trust Fund in assistance to homeowners within the City's corporate limits that have applied and been determined eligible for the County's Owner-Occupied Housing Rehabilitation Loan Program, when the cost of eligible improvements exceeds the maximum amount of assistance offered by the County or the project costs are not eligible for reimbursement through the County's program. Homeowners must meet all eligibility criteria under the County's program, including the 80% Area Median Income limit and the maximum property value limits established and adjusted from time to time by the U.S. Department of Housing and Urban Development. Assistance from the City shall be in the form of a zero-interest, deferred-payment loan and shall be secured with a recorded mortgage instrument with repayment due at the time of sale or transfer of the deed. In the event of sale, where net proceeds are less than the amount necessary to satisfy the City's loan, and where such sales are determined to be arms-length transactions based on the current market value of the real estate, the County may accept a partial or zero payment as full payment on behalf of the City. Eligible improvements include, but are not limited to, repairs to mechanical systems, roof repair or replacement, window repair or replacement, insulation, accessibility improvements (such as grab bars and railings, motorized chair lifts, doorway widening, walk-in showers, accessible toilets, shower seats, ramps, bed rails, and lowered countertops), termite damage repair, exterior painting, building security, drainage improvements, yard clean-up, and exterior improvements that will improve neighborhood appearance. The County may subcontract with Community Contacts, Inc. for the provision of services necessary to assist homeowners under the Home Rehab and Accessibility Loan Program. The County shall be entitled to a program delivery fee of not more than 5% of eligible rehabilitation costs under the City's program. The City shall not be required to review and/or approve individual loans issued on the City's behalf under this program.

2. **FIRST-TIME HOMEBUYER ASSISTANCE PROGRAM**

The County shall provide up to \$10,000 from the City's Housing Trust Fund in assistance to first-time homebuyers purchasing a home within the City's corporate limits that have applied and been determined eligible for the County's First-Time Homebuyer Assistance Program, when the amount of assistance necessary to satisfy the County's underwriting criteria exceeds the maximum amount of assistance offered by the County. Homeowners must meet all eligibility criteria under the County's program, including the 80% Area Median Income limit and the maximum property value limits established and adjusted from time to time by the U.S. Department of Housing and Urban Development. Assistance from the City shall be in the form of a zero-interest, deferred-payment loan and shall be secured with a recorded mortgage instrument with repayment due at the time of sale or transfer of the deed. In the event of sale, where net proceeds are less than the amount necessary to satisfy the City's loan, and where such sales are determined to be arms-length transactions based on the current market value of the real estate, the County may accept a partial or zero payment as full payment on behalf of

the City. Homes purchased under the program may include single-family detached dwellings, townhome units, and condominiums. The County shall be entitled to a program delivery fee of not more than 5% of eligible homebuyer assistance costs under the City's program. The City shall not be required to review and/or approve individual loans issued on the City's behalf under this program.

3. **AFFORDABLE HOUSING DEVELOPMENT PROGRAM**

The County shall solicit housing development proposals on behalf of the City in conjunction with its Affordable Housing Fund, which provides gap financing for the development (or redevelopment) of high-quality units of affordable housing. Proposals seeking City funds shall conform to all requirements of the County's program. The County shall notify the City upon receipt of any proposal located within the City's corporate limits. The County shall prepare written evaluations of such proposals, including an analysis of developer qualifications, project readiness, and responsiveness to program criteria. The County shall underwrite proposals for financial soundness, project viability and loan terms, and shall forward recommendations to the City for its consideration. Upon City approval, the County shall issue commitments on behalf of the City and shall prepare all necessary loan documents. The County shall oversee projects during the development phase, including conducting site visits/inspections, ensure compliance with construction/rehabilitation standards and other program guidelines, and monitor construction costs and the development budget. The County shall be entitled to a loan closing fee of not more than 2.5% of the amount of assistance provided to each project and may charge borrowers reasonable and customary loan servicing fees during the term of their loans from the City.

For all of the above-described activities, the County shall manage the resale process, the collection of loan proceeds, and the release of mortgage instruments. In the case of rental projects, the County shall monitor leasing requirements, including ensuring tenant selection and qualification procedures are in place at lease up, and inspect and monitor units throughout the period of affordability. The County shall service all loans issued under the City's Housing Trust Fund Program and shall remit reimbursement to the City on a quarterly basis. The County shall provide an annual report to the City including the status of all loans issued, the amount(s) repaid and outstanding, and the results of monitoring and property inspections conducted.

ATTACHMENT B
BUDGET FOR HOUSING TRUST FUND ACTIVITIES

Home Rehab and Accessibility Loan Program	
Expense	Amount
1. Rehabilitation/Accessibility Improvements	\$40,000.00
2. Program Delivery Fees (5% of above expenses)	\$2,000.00
Total	\$42,000.00

First-Time Homebuyer Assistance Program	
Expense	Amount
1. Homebuyer Assistance	\$40,000.00
2. Program Delivery Fees (5% of above expenses)	\$2,000.00
Total	\$42,000.00

Affordable Housing Development Program	
Expense	Amount
1. Housing Development Financing (projects TBD)	\$405,854.00
2. Closing Fees (2.5% of above expenses)	\$10,146.00
Total	\$416,000.00

3.50 – Housing Trust Fund

- [3.50.010 – Definitions](#)
- [3.50.020 – Housing Trust Fund Established](#)
- [3.50.030 – Housing Commission Responsibilities](#)
- [3.50.040 – Eligibility Requirements](#)
- [3.50.050 – Review and Approval of Applications and Programs](#)
- [3.50.060 – Conditions](#)
- [3.50.070 – Sources of Funds](#)

3.50.010 – Definitions

- A. Rules of interpretation. The words and phrases used in this Chapter shall be interpreted to have the meanings ascribed to them herein. To the extent that words or phrases not defined herein are defined in the Zoning Ordinance (Title 17 of the St. Charles Municipal Code), such words or phrases shall be deemed to have the meanings set forth therein. Otherwise, words and phrases shall be interpreted in their commonly used sense as set forth in Webster’s Third International Dictionary (most recent edition), unless the context reasonably requires another construction.
- B. Definitions. The following words and phrases, when used in this Chapter, shall have the following meanings:
1. Affordable Housing: Housing that has a sales price or rental amount that is within the means of an “Eligible Household” as defined herein. In the case of dwelling units for sale, housing that is affordable means housing in which mortgage, amortization, taxes, insurance, and condominium or association fees, if any, constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit. In the case of dwelling units for rent, housing that is affordable means housing for which the rent and utilities constitute no more than 30% of the gross annual household income for a household of the size that may occupy the unit.
 2. Applicant: An applicant is any individual or entity, including but not limited to developers, not-for-profit organizations, housing owner/operators, and units of government that applies for a grant, loan, or other resources from the Housing Trust Fund.
 3. Eligible Activities: Eligible Activities shall include those activities that are eligible to receive funding or other resources from the Housing Trust Fund, as set forth in section 3.50.040 (B) of this Chapter.
(Ord. 2010-M-16 § 1.)
 4. Eligible Household: A household with in income at or below eighty percent (80%) of the Area Median Income (AMI) for for-sale units and at or below sixty percent (60%) of the AMI for rental units.

3.50.020 – Housing Trust Fund Established

- A. Creation; Management and Administration. There is hereby established a Housing Trust Fund, to be held as a separate fund within the City, for the sole purpose of providing and preserving Affordable Housing opportunities within the City of St. Charles. The City, by and through its Director of Finance, shall be responsible for the day-to-day investment and fiscal maintenance and management of the Housing Trust Fund. The day-to-day fiscal maintenance and management shall be undertaken pursuant to the approved investment policies and practices used by the City for other similarly held funds. Except for disbursements and other actions taken as part of the day-to-day fiscal maintenance and management of the Housing Trust Fund, the Director of Finance shall not disburse funds held by the Housing Trust Fund except upon the written direction of the City Council, by resolution duly adopted, or otherwise pursuant to the provisions of an approved program. The St. Charles Housing Commission, established by Section 2.25.010 of the St. Charles Municipal Code, shall assist the City Council with the organization, operation, and implementation of the Housing Trust Fund as set forth in Section 3.50.030 of this Chapter.
(Ord. 2010-M-16 § 1.)

- B. Purpose. The purpose of the Housing Trust Fund is to provide sustainable financial resources to address the Affordable Housing needs of Eligible Households in St. Charles by preserving and producing Affordable Housing, providing housing-related financial support and services to Eligible Households and providing financial support for not-for-profit organizations that actively address the Affordable Housing needs of Eligible Households.
- C. Distribution and Use of Housing Trust Fund. Distribution of funds from the Housing Trust Fund shall be in the form of grants or loans or such other funding mechanisms that support the purposes of the Housing Trust Fund. Any Housing Trust Fund money unused at the end of any year shall remain in the Housing Trust Fund for future Eligible Activities, pursuant to the requirements of this Chapter.
(2010-M-16: § 1)

3.50.030 – Housing Commission Responsibilities

The Housing Commission shall make recommendations to the City Council regarding the following:

- 1. the goals for the use of Housing Trust Fund resources;
- 2. the Housing Trust Fund’s annual budget including projected expenditures and revenues;
- 3. the procedures for reviewing applications and awarding Housing Trust Fund resources to Applicants;
- 4. the criteria to be used by the Housing Commission, the City Council, and City staff in reviewing applications and programs that utilize Housing Trust Fund resources;
- 5. the procedures to be used for disbursing Housing Trust Fund resources;
- 6. the review of applications and programs for Housing Trust Fund awards;
- 7. the procedures to be used to monitor Eligible Activities funded by the Housing Trust Fund to ensure that Housing Trust Fund resources are used in conformance with all applicable requirements; and
- 8. the evaluation of Housing Trust Fund activities.
(2010-M-16: § 1)

3.50.040 – Eligibility Requirements

- A. Purpose of Eligible Activity. Each Applicant shall be required to demonstrate that the requested Eligible Activity will advance and support the purpose of the Housing Trust Fund, as set forth in this Chapter.
- B. Eligible Activities. The use of Housing Trust Fund resources shall be limited to the following, which shall be considered Eligible Activities:
 - 1. Production of Affordable Housing including, without limitation, new construction, rehabilitation, and adaptive re-use.
 - 2. Acquisition and disposition, including, without limitation, vacant land, single-family homes, multi-unit buildings, and other existing structures that may be used in whole or part to provide Affordable Housing.
 - 3. Grants or loans to not-for-profit organizations that are actively engaged in addressing the housing needs of Eligible Households.
 - 4. Retention of a third-party organization to administer and track Housing Trust Fund programs and payment of a management fee as agreed upon between the City and the third-party organization.
 - 5. Payments to a third-party organization to reimburse costs incurred in connection with a Housing Trust Fund program. Such costs shall include construction/rehabilitation costs, administrative costs such as property title searches and recording fees, and similar costs that are incurred in connection with an eligible project. No costs shall be reimbursed except pursuant to a written agreement between the City and the third-party organization.
 - 6. Financial assistance to Eligible Households in renting dwelling units. Financial assistance to Eligible Households in purchasing dwelling units.
 - 7. Financial or in-kind assistance to preserve and/or maintain existing Affordable Housing.
 - 8. Weatherization of dwelling units occupied by Eligible Households.
 - 9. Emergency repairs to dwelling units occupied by Eligible Households.
(Ord. 2010-M-16 § 1.)

- C. Criteria for Award of Housing Trust Fund Resources. Among applications for funding for Eligible Activities that otherwise meet established program requirements and eligibility criteria, priority shall be given (a) to applications that provide for leveraging of funds for projects, i.e., that yield a larger amount of housing provided or a larger dollar value for the level of funding being sought (b) to applications that provide the longest term of permanent affordability, and (c) to applications that provide housing to serve the needs of households with the lowest incomes. All Housing Trust Fund resources shall be applied exclusively to Eligible Activities within the City of St. Charles.

The City may approve additional criteria and priorities in connection with a specific program, as set forth in the document establishing that program.

[\(2010-M-16: § 1\)](#)

3.50.050 – Review and Approval of Applications and Programs

The City Council shall be solely responsible for the approval of all programs and applications that utilize the expenditure of Housing Trust Funds. Applications for Housing Trust Fund awards shall be submitted to the Director of Community Development (or his or her designee). Applications/programs that comply with the applicable requirements shall be forwarded to the Housing Commission, and any applications/programs that do not comply shall be returned to the applicant with a written explanation of why the application will not be considered. The Commission shall review and make recommendations to the City Council as to which applications/programs are awarded Housing Trust Funds

The City Council may, at its discretion, approve a program that delegates the approval of applications and the dispersal of Housing Trust Fund moneys to the Housing Commission or Community Development Director (or His/Her Designee), provided that provisions for the disbursement of Housing Trust Fund moneys are specifically set forth within the scope of that program, and the program complies with the provisions of this Chapter.

[\(2010-M-16: § 1\)](#)

3.50.060 – Conditions

As a condition of any Housing Trust Fund award for any Eligible Activity, the Applicant shall execute and record such agreements, conditions, restrictive covenants, and other similar instruments, as may be required by the City to ensure that Housing Trust Fund resources will be used efficiently and for the intended purposes (“Conditions”). Among other requirements, the Conditions may bind the applicant and the property, if applicable, to the requirements of this Chapter and provide that all awards shall be used in strict compliance with the requirements of the City Code and the Conditions. The Conditions may also include a requirement that if the property or development is no longer being used for Affordable Housing pursuant to the requirements of the specific award, the Applicant or successor owner of the property or development shall be required to reimburse the Housing Trust Fund for up to 100 percent (100%) of the award, plus applicable interest.

3.50.070 – Sources of Funds

The City Administrator, for the benefit of the Housing Trust Fund, is authorized to accept funds, property, and other resources from all proper and lawful public and private sources including, without limitation, cash payments in lieu of constructing some or all of the on-site Affordable Units as required by Chapter 17.18.050 of the Inclusionary Housing chapter of the St. Charles Zoning Ordinance. The City Council, at its sole discretion, may make funds available to the Housing Trust Fund from the Corporate Fund, as it deems necessary and appropriate.

[\(2010-M-16: § 1; 2008-M-17: § 2\)](#)