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This document prepared by
and when recorded return to:
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REGULATORY AGREEMENT

DEPT-01 RECORDINGS \$95.00
T#7777 TRAN 0977 11/12/93 15:12:00
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COOK COUNTY RECORDER

THIS REGULATORY AGREEMENT entered into and effective this
12th day of November, 1993 (this "Regulatory
Agreement"), by and between the City of Chicago, Illinois (the
"City"), an Illinois municipal corporation, by and through its
Department of Housing ("DOH"), with offices at 318 South Michigan
Avenue, Chicago, Illinois 60604, and Allison Cate Hartman, an
individual residing at 5545 South Woodlawn Avenue, Chicago,
Illinois 60637 (the "Borrower").

WITNESSETH

WHEREAS, DOH is an executive department of the City
established pursuant to Title 2 of the Municipal Code of Chicago,
Chapter 2-44, Section 2-44-010, which supervises and coordinates
the formulation and execution of projects and programs creating
safe, decent and affordable housing for residents of the City;
and

WHEREAS, the City has received an allocation of HOME
Investment Partnership Program ("HOME Program") grant funds for
federal fiscal year 1993, pursuant to the Cranston-Gonzalez
National Affordable Housing Act, 42 U.S.C. Section 12701 et seq.,
as amended, supplemented and restated from time to time, which
authorizes the United States Department of Housing and Urban
Development to make funds available to participating
jurisdictions to increase the number of families served with
decent, safe, sanitary and affordable housing and to expand the
long-term supply of affordable housing, through, among other
things, acquisition, new construction, reconstruction and
moderate and substantial rehabilitation; and

WHEREAS, the City intends to loan \$85,000 of HOME Program
funds (hereinafter referred to as the "Loan") to the Borrower for
the purposes set forth below, and has requested that DOH
administer the Loan; and

WHEREAS, the Borrower will utilize the Loan proceeds to
rehabilitate the building located at 4929 South Vincennes Avenue,
Chicago, Illinois 60615 into six multi-family residential

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dwelling units (the "Project"), wherein one-, two- and four-bedroom units shall be occupied by individuals, groups of unrelated individuals or families qualifying as Low-Income Families (as hereinafter defined); and

WHEREAS, as a specific condition precedent to the Borrower receiving the Loan, the Borrower has agreed to execute this Regulatory Agreement with the City governing the use of the Project;

NOW, THEREFORE, in consideration of the mutual promises and covenants hereinafter set forth, and of other valuable consideration, the Borrower and the City each agree as follows:

SECTION 1. DEFINITIONS AND INTERPRETATIONS.

The following terms shall have the respective meaning assigned to them in this Section 1 unless the context in which they are used clearly requires otherwise:

"Affirmative Marketing Statement" shall mean the affirmative marketing statement submitted by the Borrower, if applicable, and approved by DOH, identifying those racial, ethnic and gender groups least likely to apply for housing in the Low-Income Project, and specifying the commercial media, community contacts and other means to be used to attract such groups to the Low-Income Project.

"Annual Report" shall mean the report from the Borrower in substantially the form set forth in Exhibit E attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"Associated Person" shall mean any Person that includes the Borrower or those with whom the Borrower has or had family or business ties.

"Borrower" shall mean, initially, Allison Cate Harman, an individual residing at 5545 South Woodlawn Avenue, Chicago, Illinois 60637, and at any subsequent time of reference, the Person or Persons, if any, who shall succeed to the legal or beneficial ownership of all or any part of the Project.

"Business Day" shall mean a day on which banks in the City of Chicago, Illinois are not authorized or required to remain closed and which shall not be a public holiday under the laws of the State or any ordinance or resolution of the City of Chicago, Illinois.

"City" shall mean the City of Chicago, Illinois, an Illinois municipal corporation, and its successors and assigns.

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"Completion Date" shall mean the date as of which the necessary title transfer requirements and rehabilitation work have been performed and the Project in HUD's judgment complies with the requirements of the HOME Regulations (including meeting the Section 8 Housing Quality Standards for Existing Housing set forth in 24 C.F.R. Section 882.109), and as of which the final disbursement of Loan proceeds derived from HOME Funds for the Project shall have been made, and as of which a project completion report has been submitted by the City and processed in the cash and management information system prescribed by HUD.

"Debarment Certification" shall mean the debarment certificate executed by the Borrower in connection with the Loan.

"DOH" shall mean the Department of Housing of the City, and any successor to said Department.

"Eligible Costs" shall mean those costs for which HOME Funds may be used to pay, as described in 24 C.F.R. Section 92.206.

"Family" shall have the meaning assigned to such term in 24 C.F.R. Section 812.2.

"First Reporting Date" shall mean the first April 1 following completion of rehabilitation of the Project.

"HOME Funds" shall mean the HOME Program funds awarded by HUD to the City under the National Affordable Housing Act.

"HOME Program" shall mean the HOME Program created under the National Affordable Housing Act.

"HOME Regulations" shall mean 24 C.F.R. Part 92, and such additional regulations, orders, rulings, interpretations and directives for the HOME Program as may be promulgated or issued by HUD from time to time.

"HUD" shall mean the U.S. Department of Housing and Urban Development.

"HUD Restrictions Termination Date" shall mean the fifth anniversary of the Completion Date.

"Income Computation Certificate" shall mean the certificate in substantially the form set forth in Exhibit C attached hereto and hereby made a part hereof, as the same may be amended from time to time.

"Joint Lender" shall have the meaning given to such term in the Loan Agreement.

"Last Reporting Date" shall mean the first April 1 following

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the end of the Project Term.

"Loan" shall mean a loan by the City to the Borrower in the principal amount of \$85,000 for financing a portion of the costs of the Project.

"Loan Agreement" shall mean the Housing Loan Agreement, of even date herewith, between the City and the Borrower with respect to the Loan, as hereafter amended, supplemented and restated from time to time.

"Loan Documents" shall have the meaning given to such term in the Loan Agreement.

"Low-Income Families" shall mean and include Families whose annual income does not exceed 80% of the Chicago-area median income for the area adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by HUD. Notwithstanding the foregoing, HUD may establish an income ceiling that is higher or lower than 80% of the Chicago-area median income in accordance with 24 C.F.R. Section 92.252, and thereafter such income limit shall apply to this definition.

"Low-Income Project" shall mean the six rental units in the Project financed with HOME Funds and required to be occupied by Low-Income Families.

"Mortgage" shall mean that certain Junior Mortgage, Assignment of Rents and Leases, Assignment of Contracts, Security Agreement and Financing Statement of even date herewith from the Borrower to the City, as hereafter supplemented, amended and restated from time to time.

"National Affordable Housing Act" shall mean the Cranston-Gonzalez National Affordable Housing Act, 42 U.S.C. Section 12701 et seq.

"Persons" shall mean natural persons, firms, partnerships, associations, corporations, trusts and public bodies.

"Project" shall mean one or more buildings within a four-block area in the City together with the site or sites on which the building or buildings are located (as legally described on Exhibit A hereto).

"Project Term" shall mean the number of years during which the Project must comply with this Regulatory Agreement. The Project Term shall begin on the date hereof and shall continue, except as provided in Sections 2.14, 2.16 and 6.2 hereof, through and including the HUD Restrictions Termination Date.

"Regulatory Agreement" shall mean this Regulatory Agreement,

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as supplemented, amended and restated from time to time.

"State" shall mean the State of Illinois.

"Transfer" shall have the meaning given to such term in Section 6.2(a) hereof.

"Utilities" shall mean the monthly allowance for any utilities and services (excluding telephone) to be paid by the tenant.

"Very Low-Income Family" shall mean any Low-Income Family whose annual income does not exceed 50% of the Chicago-area median income, adjusted for Family size, as such annual income and Chicago-area median income are determined from time to time by HUD. Notwithstanding the foregoing, HUD may establish an income ceiling, that is higher or lower than 50% of the Chicago-area median income in accordance with 24 C.F.R. Section 92.252, and thereafter such income limit shall apply to this definition.

Capitalized terms used herein and not otherwise defined herein shall have the same meanings given such terms in the Loan Agreement.

SECTION 2 BORROWER'S COVENANTS.

The Borrower hereby represents, warrants, covenants and agrees as follows:

2.1 Attached hereto as Exhibit B and hereby made a part hereof is a description of the use of the Loan proceeds, including the tasks to be performed, a Construction Schedule and a Project Budget. The Borrower shall use the Loan proceeds solely for Eligible Costs in connection with the Project. No Loan proceeds shall be used for activities described in 24 C.F.R. Section 92.214. The Project shall be acquired, constructed and rehabilitated in accordance with the Construction Schedule, the Project Budget and any Change Orders hereafter approved by the Joint Lender.

2.2 The Project shall be rehabilitated for the purpose of providing residential rental property, and the Borrower shall own, manage and operate the Project as an owner-occupied unit, if applicable, and as residential rental units and facilities functionally related and incidental thereto.

2.3 Subject to Sections 2.6 and 2.8 hereof, all of the units in the Low-Income Project shall be occupied only by households who are Low-Income Families.

2.4 The rents for all the rental units in the Low-Income Project shall not exceed the lesser of (a) the fair market rent for comparable units in the area as established by HUD under 24 C.F.R. Section 888.111, less Utilities or (b) 30% of the adjusted

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income of a Family whose gross income equals 65% of the median income for the Chicago area, with adjustment for the number of bedrooms in the unit (as determined by HUD), as such adjusted income and Chicago-area median income are determined from time to time by HUD, less Utilities. Notwithstanding the foregoing, HUD may establish an income ceiling higher or lower than 65% of the median income for the Chicago area in accordance with 24 C.F.R. Section 92.252, and thereafter such income ceiling shall apply.

2.5 For Projects with three or more units: a minimum of 20% of the rental units in the Low-Income Project shall be either (a) occupied by Very Low-Income Families who pay a maximum of 30% of the Family's monthly adjusted income, as determined by HUD, for rent (excluding any federal or state rental subsidy provided on behalf of the Family) less Utilities; or (b) occupied by Very Low-Income Families and bearing rents not greater than 30% of the gross income of a Family whose income equals 50% of the median income for the Chicago area, adjusted for Family size, and as such monthly adjusted income and Chicago-area median income are determined from time to time by HUD, less Utilities (provided, however, that HUD may establish an income ceiling higher or lower than 50% of the median income for the Chicago area in accordance with 24 C.F.R. Section 92.252, and thereafter such income ceiling shall apply).

2.6 Sections 2.3 and 2.4 shall be deemed satisfied, despite a temporary noncompliance therewith, if the noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with this Regulatory Agreement until the noncompliance is corrected. Tenants who no longer qualify as Low-Income Families shall pay as rent the lesser of (i) the amount payable by the tenant under State or local law or (ii) 30% of the Family's adjusted monthly income as certified annually.

2.7 The rents described in Sections 2.4 and 2.5 as prepared by the Borrower shall be subject to review and approval by DOH annually. The amount(s) proposed by the Borrower as Utilities shall also be subject to the annual review and approval of DOH.

2.8 100% of the rental units in the Low-Income Project shall initially be occupied by Families whose adjusted annual incomes at initial occupancy do not exceed 60% of the median Family income for the Chicago area, as determined by HUD. Notwithstanding the foregoing, HUD may establish an income ceiling higher or lower than 60% of the median income for the Chicago area in accordance with 24 C.F.R. Section 92.216, and thereafter such income ceiling shall apply.

2.9 The Borrower shall not refuse to lease any unit in the Low-Income Project to a holder of a certificate of family participation under 24 C.F.R. Part 882, or of a rental voucher under 24 C.F.R. Part 887, or to a holder of a comparable document

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evidencing participation in a HOME Program tenant-based assistance program because of the status of the prospective tenant as a holder of such certificate of family participation, rental voucher, or comparable HOME Program tenant-based assistance document.

2.10 All tenant leases shall be written, shall be in conformity with all applicable laws, including without limitation the City of Chicago Residential Landlord and Tenant Ordinance, as the same has been or may be amended, and the HOME Regulations and shall contain clauses, *inter alia*, wherein each individual lessee: (i) certifies the accuracy of the statements made in the Income Computation Certificate and (ii) agrees that the Family income and other eligibility requirements shall be deemed substantial and material obligations of his/her tenancy, that he/she will comply with all requests for information with respect thereto from the Borrower, the City or HUD, and that the failure to provide accurate information in the Income Computation Certificate or refusal to comply with a request for information with respect thereto shall be deemed a substantial violation of an obligation of his/her tenancy.

2.11 All leases for the Low-Income Project shall be for a period of not less than one year, unless by mutual agreement of the tenant and the Borrower. Notwithstanding the foregoing, rents will not be set more than one year in advance. Leases for units in the Low-Income Project shall not contain any of the following provisions:

- (a) agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the Borrower in a lawsuit brought in connection with the lease;
- (b) agreement by the tenant that the Borrower may take, hold or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties (this prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit; the Borrower may dispose of this personal property in accordance with applicable local and state law);
- (c) agreement by the tenant not to hold the Borrower or the Borrower's agents legally responsible for any action or failure to act, whether intentional or negligent;
- (d) agreement by the tenant that the Borrower may institute a lawsuit without notice to the tenant;
- (e) agreement by the tenant that the Borrower may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the

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opportunity to present a defense or before a court decision on the rights of the parties;

- (f) agreement by the tenant to waive any right to a trial by jury;
- (g) agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; or
- (h) agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the Borrower against the tenant (provided, however, that the tenant may be obligated to pay costs if the tenant loses).

2.12 The Borrower shall not terminate the tenancy or refuse to renew the lease of a tenant of the Low-Income Project except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable federal, State or local law, or for other good cause. Any refusal to renew shall be preceded by not less than 30 days by the Borrower's service upon the tenant of a written notice specifying the grounds for the action. For each tenant of the Low-Income Project whose tenancy is to be terminated, the Borrower shall provide a written notice specifying the grounds for termination to such tenant and shall not cause any such tenant to be evicted less than 30 days after receipt by the tenant of such written notice.

2.13 Any increase in rents on the Low-Income Project shall be subject to the provisions of outstanding leases. Where the leases allow an increase in rent, the Borrower shall provide tenants with not less than 30 days' prior written notice before implementing any increase in rents.

2.14 The Borrower agrees that it will take any and all actions required by the City to substantiate the Borrower's compliance with the restrictions set forth herein, including, but not limited to, submitting to the City an Annual Report executed by the Borrower, commencing on the First Reporting Date and on each April 1 thereafter through and including the Last Reporting Date. This covenant shall survive beyond the end of the Project Term.

2.15 All tenant lists, applications and waiting lists relating to the Low-Income Project shall at all times be kept separate and identifiable from any other business of the Borrower which is unrelated to the Low-Income Project, shall be maintained, as required by the City, in a reasonable condition for proper audit and shall be subject to examination during business hours by representatives of the City or HUD. The Borrower shall permit during normal business hours and upon reasonable notice, any duly authorized representative of the City or HUD to inspect any books and records of the Borrower or such

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agent regarding the Project which pertain to compliance with the provisions of this Regulatory Agreement or the HOME Regulations. If the Borrower employs a management agent for the Project, the Borrower shall require such agent to comply with the requirements of this Regulatory Agreement and shall include such requirements in any and all management agreements or contracts entered into with respect to the Project.

2.16 The Borrower shall obtain and maintain on file during the Project Term a sworn and notarized Income Computation Certificate with respect to each and every individual, group of unrelated individuals or Family who is intended to be a tenant in the Low-Income Project, signed by the tenant or tenants (i.e., the individual or individuals whose name or names appear on the lease) and obtained by the Borrower (a) prior to such tenant or tenants occupying the unit or signing a lease with respect thereto, and (b) thereafter at least annually so long as such individual, individuals or Family remain as tenants in the Low-Income Project. Each Income Computation Certificate shall be kept on file with the Borrower until three years after the Project Term; this covenant shall survive beyond the end of the Project Term. The Borrower shall assist each of the tenants in the Low-Income Project in completing the Income Computation Certificate by referring to the instructions on Exhibit D attached hereto and hereby made a part hereof. Upon the City's request, the Borrower shall provide to the City the Income Computation Certificates and the leases relating to the Low-Income Project.

2.17 The Borrower shall notify the City of the occurrence of any event of which the Borrower has notice and which event would violate any of the provisions of this Regulatory Agreement.

2.18 At least 51% of the rentable floor space of the Project shall be used for residential rental purposes. Each building within the Project shall contain residential living space and one or more units which comply with the requirements of (i) Section 2.4 or 2.5, and (ii) Section 2.3 hereof.

2.19 For every unit in the Low-Income Project (other than a unit occupied by a Family receiving housing assistance provided by a public housing agency or tenant-based rental assistance provided with HOME Funds), the Borrower shall comply with affirmative marketing requirements established by DOH from time to time, including the following: (a) based on the Affirmative Marketing Statement, if applicable, advertise in pre-identified commercial media, contact pre-identified churches, community groups and other agencies, and undertake other means to inform targeted groups of the availability of such units in the Low-Income Project; (b) display conspicuously HUD's fair housing poster wherever rentals and showings of such units take place; (c) provide DOH upon request with an annual report describing the Borrower's affirmative marketing activities with respect to the Low-Income Project, including a description of the Borrower's

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outreach efforts (including copies of all advertisements and brochures) and, unless prohibited by law, a record of the racial/ethnic/gender characteristics of all individuals who look at units in the Low-Income Project, those who apply for leases for such units, and those who actually sign such leases; and (d) maintain records of affirmative marketing efforts with respect to the leasing or re-leasing of each such unit to be made available for review by DOH for a period equal to the Project Term.

2.20 The Borrower has submitted to the City a tenant selection plan containing policies and criteria which conform to the HOME Regulations.

2.21 No Person in the United States shall on the grounds of race, color, national origin, religion or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination in connection with the Project. In addition, the Borrower shall cause the Project to comply at all times with the Chicago Fair Housing Ordinance, Section 5-8-010 et seq. of the Municipal Code of Chicago.

2.22 The Borrower hereby acknowledges and affirms that it has reviewed the provisions of, and that the Project shall during the Project Term be in compliance with, each of the following: (a) the requirements of the Fair Housing Act (42 U.S.C. §3601 et seq.) and implementing regulations at 24 C.F.R. Part 100; Executive Order 11063, as amended by Executive Order 12259 (3 C.F.R., 1958-1963 Comp., p. 652 and 3 C.F.R., 1980 Comp., p. 307) (Equal Opportunity in Housing) and implementing regulations at 24 C.F.R. Part 107; and Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 C.F.R. Part 1; (b) the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. §6101 et seq.) and the implementing regulations at 24 C.F.R. Part 146; (c) the prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. §794) and implementing regulations at 24 C.F.R. Part 8; (d) the requirements of Executive Order 11246 (3 C.F.R., 1964-65 Comp., p. 339) (Equal Employment Opportunity), and the implementing regulations issued at 41 C.F.R. Chapter 60; (e) the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. §1701u) as described in Section 2.23 hereof; and (f) the requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and Executive Order 12138 (concerning Women's Business Enterprise).

2.23 During the Project Term, the Project shall comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. §1701u), that: (a) to the greatest extent feasible, opportunities for training and employment arising in connection with the planning and carrying out of the Project be given to low-income individuals residing within the City, and (b) to the greatest extent feasible,

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contracts for work to be performed in connection with the Project be awarded to business concerns, including but not limited to individuals or firms doing business in the fields of planning, consulting, design, architecture, building construction, rehabilitation, maintenance or repair, which are located in or owned in substantial part by individuals residing in the City.

2.24 The Borrower shall take all reasonable steps to minimize the displacement of Families, individuals, businesses, not-for-profit organizations and farms (herein for the purposes of this paragraph collectively called "People") as a result of the Project. If displacement of People does occur as a result of the Project, the Borrower shall comply with the requirements of 24 C.F.R. Section 92.353, with respect to, among other things, temporary and permanent relocation of displaced People. The Borrower shall provide or cause all "displaced persons" (as defined in 24 C.F.R. Section 92.353(c)(2)) to be provided with relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), 42 U.S.C. Section 4601 et seq., and 49 C.F.R. Part 24, and shall cause all such "displaced persons" to be advised of their rights under the Fair Housing Act, 40 U.S.C. Section 3601 et seq.

2.25 The acquisition of the real property on which the Project is located is subject to the requirements of the URA and the requirements of 49 C.F.R. Part 24, Subpart B.

2.26 The Project shall constitute HUD-associated housing for purposes of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Section 4821 et seq.), and comply with the requirements thereof and of 24 C.F.R. Part 35, including without limitation the requirements of notice to tenants, prohibition of the use of lead-based paint and for the elimination of the hazards of lead-based paint. Any lead-based paint and defective paint debris shall be disposed of in accordance with applicable federal, State or local requirements.

2.27 Following rehabilitation and throughout the Project Term, the Borrower shall keep the Project in compliance with the housing quality standards in 24 C.F.R. Section 882.109 and all other applicable local codes, rehabilitation standards, ordinances and zoning ordinances.

2.28 If the principal amount of the Loan is not less than the product of the number of rental units in the Low-Income Project multiplied by \$25,000, then following rehabilitation and throughout the Project Term, the Project shall comply with the cost-effective energy conservation and effectiveness standards in 24 C.F.R. Part 39.

2.29 The Borrower shall obtain and maintain flood insurance for the Project if the Project is located in an area which is identified by the Federal Emergency Management Agency as having

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special flood hazards.

2.30 The Borrower shall not request disbursement of HOME Funds until the HOME Funds are needed to pay for Eligible Costs of the Project. The amount of each such request shall not exceed the amount needed.

2.31 The Borrower is not a primarily religious organization nor is it controlled by a primarily religious organization and the Project will be used solely for secular purposes.

2.32 No person who is an employee, agent, consultant, officer or elected or appointed official of the City (and no person who was an employee, agent, consultant, officer or elected or appointed official within one year prior to the date hereof) and who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME Funds or who is or was in a position to participate in a decision-making process or gain inside information with regard to such activities, has obtained, is obtaining or will obtain a financial interest or benefit from the Project, or has or will have any interest in any contract, subcontract or agreement with respect to the Project, or the proceeds thereunder, either for himself or for those with whom he has family or business ties.

2.33 Except as otherwise disclosed to the City in writing, all of the statements, representations and warranties of the Borrower contained in the Borrower's application for the Senior Loan or the Loan and any other document submitted by the Borrower to the City or the Joint Lender in connection with the Project remain true and in effect as of the date hereof.

2.34 If the Project as described on pages one and two hereof includes an owner-occupied unit, the Project is the principal residence of the Borrower whose family qualifies as a Low-Income Family as of the date hereof.

SECTION 3 AGREEMENT TO PROVIDE LOAN, START CONSTRUCTION; COMPLETION DATE.

3.1 The City agrees to provide the Loan to the Borrower in accordance with the terms and conditions of the Loan Agreement, for the purposes described on Exhibit B hereto. The Borrower agrees to start construction on the Project within six months from the date hereof.

3.2 The City agrees to provide, upon the written request of the Borrower, a certification, in a form eligible for recordation in the conveyance and real property records of the county in which the Project is located, identifying the Completion Date promptly after such date. The Borrower shall pay all expenses of recordation of such certificate.

SECTION 4 RELIANCE.

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The City and the Borrower hereby recognize and agree that the representations and covenants set forth herein made by the City and the Borrower, respectively, may be relied upon by the Borrower and the City, respectively. In performing its duties and obligations hereunder, the City may rely upon statements and certificates of the Borrower and Low-Income Families and upon audits of the books and records of the Borrower pertaining to occupancy of the Project. In addition, the City may consult with counsel and the opinion of such counsel shall be evidence that such action or failure to act by the City was in good faith and in conformity with such opinion. The City and the Borrower agree that it is the Borrower's responsibility to determine that each potential tenant in the Low-Income Project qualifies as a Low-Income Family, and that in making each such determination, the Borrower shall exercise due diligence.

SECTION 5 SALE OR TRANSFER OF THE PROJECT.

The Borrower hereby covenants and agrees not to sell, transfer or otherwise dispose of the Project, or any portion thereof (including, without limitation, a transfer by assignment of any beneficial interest under a land trust), or to violate any provision of the Mortgage relating to prohibitions on sales or transfers of the Project or any interest therein (whether or not the Mortgage remains of record), at any time during the Project Term, except as expressly permitted by the City. The Borrower hereby agrees and covenants that no portion of any building to which this Regulatory Agreement applies shall be transferred to any Person unless all of such building is transferred to such Person. It is hereby expressly stipulated and agreed that any sale, transfer or other disposition of the Project in violation of this Section 5 shall be null, void and without effect, shall cause a reversion of title to the Borrower or any successor or assignee of the Borrower last permitted by the City, and shall be ineffective to relieve the Borrower or such successor or assignee, as applicable, of its obligations hereunder.

SECTION 6 TERM.

6.1 This Regulatory Agreement shall become effective as of the date hereof. Subject to Sections 2.14, 2.16 and 6.2 hereof, this Regulatory Agreement shall remain in full force and effect for a term equal to the Project Term, it being expressly agreed and understood that the provisions hereof are intended to survive throughout the Project Term.

6.2 (a) Subject to the terms of Sections 2.16 and 6.2(b) hereof and on or before the HUD Restrictions Termination Date, the terms and provisions of this Regulatory Agreement shall be suspended upon a transfer of the Project (i) pursuant to the foreclosure of the Senior Mortgage (or, if the City so elects, of the Mortgage), or (ii) by an instrument in lieu of foreclosure of the Senior Mortgage (or, if the City so elects, of the Mortgage); but only if such transfer (1) recognizes any contractual or legal

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rights of public agencies, nonprofit sponsors or others to take actions that would avoid termination of low-income affordability of the Project, and (2) is not for the purpose of avoiding low-income affordability restrictions pertaining to the Project, as determined by HUD. Such a transfer of the Project is hereinafter referred to as a "Transfer."

(b) If at any time following the occurrence of a Transfer but not later than the HUD Restrictions Termination Date, the Borrower or any Associated Person obtains an ownership interest in the Project, the terms and provisions of this Regulatory Agreement shall no longer be suspended.

SECTION 7 ENFORCEMENT.

If a violation of any of the foregoing representations or covenants occurs or is attempted, and such occurrence or attempt is uncorrected for a period of 60 days or more, the City and its successors and assigns, without regard to whether the City or its successors and assigns is an owner of any land or interest therein to which these covenants relate, may institute and prosecute any proceeding at law or in equity to abate, prevent or enjoin any such violation or attempted violation or to compel specific performance by the Borrower of its obligations hereunder, or may declare an event of default under the Loan Documents and exercise its rights thereunder, including without limitation foreclosure under the Mortgage. No delay in enforcing the provisions hereof as to any breach or violation shall impair, damage or waive the right of any party entitled to enforce the provisions hereof or to obtain relief against or recovery for the continuation or repetition of such breach or violation or any similar breach or violation hereof at any later time.

SECTION 8 RECORDING AND FILING.

The Borrower shall cause this Regulatory Agreement and all amendments and supplements hereto to be recorded and filed in the conveyance and real property records of the county in which the Project is located and in such other places as the City may reasonably request. The Borrower shall pay all fees and charges incurred in connection with any such recording. Upon recording, the Borrower shall immediately transmit to the City an executed original of this Regulatory Agreement showing the date and recording number of record.

SECTION 9 COVENANTS TO RUN WITH THE LAND.

The Borrower hereby subjects the Project to the covenants, reservations and restrictions set forth in this Regulatory Agreement. The City and the Borrower hereby declare their express intent that the covenants, reservations and restrictions set forth herein shall, throughout the Project Term, be deemed covenants, reservations and restrictions running with the land to the extent permitted by law, and shall pass to and be binding

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upon the Borrower's successors in title to the Project throughout the Project Term. The Borrower hereby covenants to include the requirements and restrictions contained in this Regulatory Agreement in any documents transferring any interest in the Project to another Person in order that such transferee has notice of, and is bound by, such restrictions, and to obtain from any transferee the agreement to be bound by and comply with the requirements set forth in this Regulatory Agreement; provided however, that each and every contract, deed, mortgage or other instrument hereafter executed covering or conveying the Project or any portion thereof or interest therein (including, without limitation, any transfer of a beneficial interest in a land trust or a portion thereof) shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instrument.

SECTION 10 GOVERNING LAW.

This Regulatory Agreement shall be construed in accordance with and governed by the laws of the State and, where applicable, the laws of the United States of America. In the event of any conflict between this Regulatory Agreement and the HOME Regulations, the requirements of the HOME Regulations shall control.

SECTION 11 AMENDMENTS.

This Regulatory Agreement shall be amended only by a written instrument executed by the parties hereto or their successors in title, and duly recorded in the real property records of the county in which the Project is located. The Borrower hereby expressly agrees to enter into all amendments hereto which, in the opinion of the City, are reasonably necessary for maintaining compliance under the National Affordable Housing Act and the HOME Regulations.

SECTION 12 NOTICE.

Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified mail, return receipt requested.

IF TO CITY:

City of Chicago, Illinois
c/o Department of Housing
318 South Michigan Avenue
Chicago, Illinois 60604
Attention: Commissioner

WITH COPIES TO:

Department of Finance

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City of Chicago
121 North LaSalle Street, Room 501
Chicago, Illinois 60602
Attention: Comptroller

and

Office of the Corporation Counsel
City Hall, Room 511
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic
Development Division

IF TO BORROWER:

Allison Cate Hartman
5545 South Woodlawn Avenue
Chicago, Illinois 60637

WITH COPIES TO:

Richard Glickman, Esq.
111 West Washington Street
Suite 1025
Chicago, Illinois 60602

Such addresses may be changed by notice to the other parties given in the same manner provided above. Any notice, demand or request sent pursuant to either clause (a) or (b) above shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) above shall be deemed received on the Business Day immediately following deposit with the overnight courier, and any notice, demand or request sent pursuant to clause (d) above shall be deemed received two Business Days following deposit in the mail.

SECTION 13 SEVERABILITY.

If any provision of this Regulatory Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

SECTION 14 COUNTERPARTS.

This Regulatory Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which, taken together, shall constitute one and the same Regulatory Agreement.

SECTION 15 INSPECTIONS.

The Borrower agrees that the Project shall be subject to on-site inspections by the City, at least once a year or, if the Project does not contain more than four rental units, once every two years, to determine compliance with housing codes, this

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Regulatory Agreement and the requirements of the HOME Regulations.

SECTION 16 NO THIRD PARTY BENEFITS.

This Regulatory Agreement is made for the sole benefit of the City and the Borrower and their respective successors and assigns and, except as otherwise expressly provided herein, no other party shall have any legal interest of any kind hereunder or by reason of this Regulatory Agreement. Whether or not the City elects to employ any or all of the rights, powers or remedies available to it hereunder, the City shall have no obligation or liability of any kind to any third party by reason of this Regulatory Agreement or any of the City's actions or omissions pursuant hereto or otherwise in connection herewith.

SECTION 17 REFERENCES TO STATUTES, ETC.

All references herein to statutes, regulations, rules, executive orders, ordinances, resolutions or notices or circulars issued by any governmental body shall be deemed to include any and all amendments, supplements and restatements from time to time to or of such statutes, regulations, rules, executive orders, ordinances, resolutions, notices and circulars.

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IN WITNESS WHEREOF, the City and the Borrower have executed this Regulatory Agreement by their duly authorized representatives, all as of the date first written hereinabove.

CITY OF CHICAGO, ILLINOIS, acting
by and through its Department of
Housing

By: Sonyia Malunda

Name: Sonyia Malunda

Title: First Deputy Commissioner

ALLISON CATE HARTMAN

By: Allison Cate Hartman
Allison Cate Hartman

000101Hartman/JOINTREG.MAS

Property of Cook County Clerk's Office

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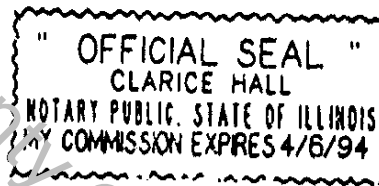
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT SONYA MALVALDE personally known to me to be the FIRST DEPUTY Commissioner of the Department of Housing of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such _____ Commissioner, (s)he signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 12th day of November 1993.

Clarice Hall
Notary Public

(SEAL)



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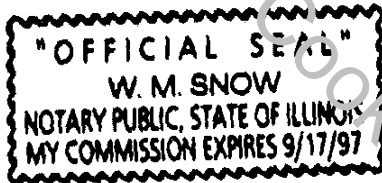
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Allison Cate Hartman, (the "Borrower"), personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her respective free and voluntary act and deed for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 12th day of November, 1993.



Notary Public



(SEAL)

Property of Cook County Clerk's Office

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EXHIBIT A

I. LEGAL DESCRIPTION:

LOT 14 IN SUBDIVISION OF LOT 12 OF THE
COUNTY CLERK'S DIVISION OF THE UNDIVIDED
LANDS IN THE NORTHEAST QUARTER OF
SECTION 10, TOWNSHIP 38 NORTH, RANGE 14 ✓
EAST OF THE THIRD PRINCIPAL MERIDIAN, IN
COOK COUNTY, ILLINOIS

II. PROPERTY COMMONLY KNOWN AS:

4929 South Vincennes Avenue
Chicago, Illinois 60615

III. PERMANENT INDEX NO.:

20-10-217-012 ✓ Vol. 253

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EXHIBIT B

USE OF LOAN PROCEEDS

Property of Cook County Clerk's Office

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SWORN OWNER'S STATEMENT

STATE OF ILLINOIS)
 COUNTY OF)

) SS
)

File # 207340

The affiant ALLISON CATE HARTMAN being duly sworn on oath deposes and says that:

1. he is () s/the Beneficiary of _____
Name of Land Trustee
 Trust No. _____ which is the owner of the following described premises, or;
Trust Number
 the owner of the following described premises:
4929 S. Vincennes Avenue
Common Address or Other Legal Description
Chicago in COOK County, Illinois.

2. he is thoroughly familiar with all the facts and circumstances concerning the premises described above;
3. during the six months last past the only work done or materials furnished in connection with the mentioned premises are listed below.
4. this statement is a true and complete statement of all such contracts, previous payments, and balances due if any.

NAME / ADDRESS	KIND OF WORK	AMOUNT OF CONTRACT *	PAID PREVIOUSLY	AMOUNT OF THIS PAYMENT	BALANCE TO COMPLETE
Allison Hartman 5545 S. Woodlawn	Acquisition	\$6,000	\$6,000	0	0
Allison Hartman 5545 S. Woodlawn	Carrying costs	\$15,600	\$15,600	0	0
Hyde Park Recovery, Inc. 5545 S. Woodlawn	Construction	\$227,978	22,152.76	\$18,195.24	\$187,630
Allison Hartman 5545 S. Woodlawn	Contingency	\$21,622	0	0	\$21,622
Allison Hartman 5545 S. Woodlawn	Permit Fees	\$910	0	0	\$910
Harris Bank	Inspection Fees	\$3,450	0	\$650	\$2,800
Allison Hartman	Structural Engineer/ Printing	\$1,650	\$1,650	0	0
Harris Bank	Interest	\$5,000	0	\$100	\$4,900
Allison Hartman 5545 S. Woodlawn	Title / Survey Fees	\$2,376	0	\$2,376	0
Harris Bank	Appraisal Fee	\$600	\$600	0	0
Allison Hartman 5545 S. Woodlawn	Legal	\$500	0	\$500	0
Harris Bank	Legal Fee	\$900	0	\$900	0

* ADJUSTED TOTAL CONTRACT INCLUDING EXTRAS AND CREDITS.

Signed this 12th day of NOV., 19 93

93923804

Signed: Allison Cate Hartman

Signature (and Title) of Affiant

Subscribed and sworn to before me this 12th day of NOV., 19 93

W.M. Snow

Notary Public

TSI CD11



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SWORN OWNER'S STATEMENT

STATE OF ILLINOIS) ss
 COUNTY OF COOK)

File # 207340

The affiant ALLISON CATE HARTMAN being duly sworn on oath deposes and says that:

1. She is () s /the Beneficiary of _____
Name Name of Land Trustee
 Trust No. _____ which is the owner of the following described premises, or:
Trust Number

(X) she owner of the following described premises:

4929 S. Vincennes Avenue
Common Address or Legal Description
Chicago, in COOK County, Illinois.

2. he is thoroughly familiar with all the facts and circumstances concerning the premises described above;
3. during the six months last past the only work done or materials furnished in connection with the mentioned premises are listed below;
4. this statement is a true and complete statement of all such contracts, previous payments, and balances due if any. -

NAME / ADDRESS	KIND OF WORK	AMOUNT OF CONTRACT *	PAID PREVIOUSLY	AMOUNT OF THIS PAYMENT	BALANCE TO COMPLETE
Harris Bank	Real Estate Tax Escrow	2,000.	0	0	2,000.
Allison Hartman 5545 S Woodlawn	Insurance	3,600	3,600.	0	0
Harris Bank	Loan Fee	3,220.	0	3,220.	0
Harris Bank	Application Fee	250.	250.	0	0
		\$295,306.	\$49,852.76	\$25,941.24	\$219,512

* ADJUSTED TOTAL CONTRACT INCLUDING EXTRAS AND CREDITS.

Signed this 12th day of Nov. 19 93

33923804

Signed: Allison Cate Hartman

Signature (and Title) of Affiant

Subscribed and sworn to before me this 12th day of NOV. 19 93



Notary Public

TSI CD11

"OFFICIAL SEAL"

W. M. SNOW
 NOTARY PUBLIC, STATE OF ILLINOIS
 MY COMMISSION EXPIRES 9/17/97

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To whom it may concern

The rehab work on 4929 S. Vincennes has progressed past take-out - structural - interior walls & some windows.

We are ordering windows November 16th 1993. The porch will start by Dec 1st & finish by the 1st of January 1994.

All of the sub-contractors will be starting during December 1993 & January 1994 & we hope to have completed total Electric - Plumbing & Heating systems by February 15th 1994.

As soon as the systems are in the wall spaces we will start drywall - doors - fixtures ect & hope to be finished, inspected & on the renting market for the June 1st rental season.

Alison Cate Hartman

934235111

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EXHIBIT C

INCOME COMPUTATION CERTIFICATE

RE:

Chicago, Illinois _____

Name of tenant (i.e., person(s)
whose name appears on the lease): _____

Address of Apartment: _____

Apartment Number: _____

Some or all of the cost of the apartment development in which you are to lease an apartment was financed by a loan made by the City of Chicago through a U.S. Department of Housing and Urban Development program. In order to qualify for these loans, there are certain requirements which must be met with respect to the apartment development and its tenants. To satisfy one of those requirements it is necessary for you to provide the information requested in this Income Computation Certificate at the time you sign your lease and annually thereafter so long as you remain a tenant in the above apartment development.

CERTIFICATION

I, the undersigned, state that I have read and answered fully, frankly and personally each of the following questions for all persons who are to occupy the unit in the above apartment development for which application is made, all of whom are listed on the following page:

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Income Computation (Anticipated Incomes)

<u>Name of Members of the Household</u>	<u>Relation-ship to Head of Household</u>	<u>Age (if 18 or under)</u>	<u>Social Security Number</u>	<u>Place of Employment</u>
_____	HEAD	_____	_____	_____
_____	SPOUSE	_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
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_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____
_____		_____	_____	_____

1. On the lines below, indicate the anticipated income from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family over the age of 18 during the 12-month period beginning this date:

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<u>Name</u>	<u>Annual Wages/ Salary</u>	<u>Other Income</u>	<u>Total Income</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Capital Assets)

2. If any of the persons described above (or whose income or contributions were included in item (1)) has any real property, savings, stocks, bonds or other forms of capital investment, excluding interest in Indian Trust land and equity in a housing cooperative unit or in a manufactured home in which the family resides and except for necessary items of personal property such as furniture and automobiles, provide:
- a. the total value of all such assets owned by all such persons: \$ _____,
 - b. the amount of income expected to be derived from such assets in the 12-month period commencing this date: \$ _____, and
 - c. the amount of such income which is included in item (1): \$ _____.

(Students)

3. a. Will all of the persons listed in column 1 above be or have they been full-time students during five calendar months of this calendar year at an educational institution (other than a correspondence school) with regular faculty and students?
- Yes _____ No _____
- b. Is any such person (other than nonresident aliens) married and eligible to file a joint federal income tax return?
- Yes _____ No _____

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I acknowledge that all of the above information is or may be the basis of my qualifying as a tenant and further is relevant to the status of the funds provided through the U.S. Department of Housing and Urban Development to finance rehabilitation of the apartment for which application is being made. I consent to and authorize the disclosure of such information to the City and HUD and any agent acting on their behalf. If I am accepted as a tenant or my lease is renewed, and if any of the foregoing information is inaccurate or misleading, I understand that it will constitute a material breach of my lease. I understand that the submission of this information is one of the requirements for tenancy and does not constitute an approval of my application, or my acceptance as a tenant.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this _____ day of _____, _____ at
Chicago, Illinois.

Tenant

Applicant for an apartment _____ or
Residing in Apt. No. _____

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On the _____ day of _____, _____ personally appeared before me _____, the signer of the above certification, who duly acknowledged to me that he/she executed the same.

(SEAL)

NOTARY PUBLIC

My Commission Expires:

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FOR COMPLETION BY BORROWER ONLY:

1. Calculation of eligible income:

- a. Total amount entered for entire household in 1 above: _____
- b. If the amount entered in 2.a above exceeds \$5,000, enter the greater of (i) the amount entered in 2.b less the amount entered in 2.c and (ii) the passbook savings rate as designated by HUD multiplied by the amount entered in 2.a: _____
- c. TOTAL ELIGIBLE INCOME (line 1.a plus line 1.b): _____

2. The amount entered in 1.c is: (place "x" on appropriate line)

- a. _____ Less than \$_____ which is the maximum income at which a household of _____ persons may be determined to be a Low-Income Family as that term is defined in the Regulatory Agreement dated as of _____ between the City of Chicago, Illinois and _____ (the "Regulatory Agreement").
- b. _____ Less than \$_____ which is the maximum income at which a household of _____ persons may be determined to be a Very Low-Income Family as that term is defined in the Regulatory Agreement.
- c. _____ Less than \$_____ which is 60% of the median Family income for the Chicago area as adjusted for a household of _____ persons.
- d. _____ More than the amount mentioned in line a.

3. Applicant:

- _____ Qualifies as a Low-Income Family.
- _____ Qualifies as a Very Low-Income Family.
- _____ Qualifies as a Family whose Family Income is no more than 60% of the median Family Income for the Chicago area.
- _____ Does not qualify as a Low-Income Family.

BORROWER

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EXHIBIT D

In order to complete the Income Computation Certificate you should refer to the definition of "annual income" contained in 24 C.F.R. §813.106, as amended, supplemented and restated from time to time. The following may need to be included in calculating "Annual Wages/Salary" and "Other Income":

A. Annual Wages and Salary, including, before payroll deduction, all wages and salaries, overtime pay, commissions, fees, tips, bonuses and other compensation for personal services;

B. "Other Income" includes but is not limited to:

- (i) net income from operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family;
- (ii) interest, dividends and net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (B)(i) above. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family;
- (iii) the full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment;
- (iv) payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;

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- (v) public assistance. If the public assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the public assistance agency in accordance with the actual cost of shelter and utilities, the amount of public assistance to be included as income shall consist of: (a) the amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities, plus (b) the maximum amount that the public assistance agency could in fact allow the family for shelter and utilities. If the family's public assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated shall be the amount resulting from one application of the percentage;
- (vi) periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from persons not residing in the dwelling;
- (vii) all regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is a member of the family; and
- (viii) any earned income tax credit to the extent it exceeds income tax liability.

Please note however, that the following types of income should be excluded:

- (i) income from employment of children (including foster children) under the age of 18 years;
- (ii) casual, sporadic or irregular income, including gifts;
- (iii) amounts which are specifically for or in reimbursement of medical expenses for any family member;
- (iv) lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses;
- (v) amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the

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government to a veteran, for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation and miscellaneous personal expenses of the student, but in either case only to the extent used for such purposes;

- (vi) special pay to a family member serving in the Armed Forces and exposed to hostile fire;
- (vii) foster child care payments;
- (viii) income of a live-in aide, as defined in 24 C.F.R. Section 813.102;
- (ix) amounts received under training programs funded by HUD;
- (x) amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency;
- (xi) amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program; and
- (xii) amounts specifically excluded by other federal statutes from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. Federal programs under this section include, but are not limited to:
 - (a) the value of the allotment made under the Food Stamp Act of 1977;
 - (b) payments received under the Domestic Volunteer Services Act of 1973 (employment through VISTA, Retired Senior Volunteer Program, Foster Grandparents Program, youthful offender incarceration alternatives, Senior Companions);
 - (c) payments received under the Alaska Native Claims Settlement Act;

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- (d) payments from certain submarginal U.S. land held in trust for certain Indian tribes;
- (e) payments, rebates or credits received under the U.S. Department of Health and Human Services' Low-Income Home Energy Assistance Programs, including any winter differentials given to elderly;
- (f) payments received under programs funded in whole or in part under the Job Training Partnership Act (employment and training programs for Native Americans and migrant and seasonal farm workers, Job Corps, veterans employment programs, state job training programs, career intern programs);
- (g) relocation payments made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970;
- (h) income derived from the disposition of funds of the Grand River Band of Ottawa Indians;
- (i) the first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Grant of Claims or from funds held in trust for an Indian tribe by the Secretary of the Interior;
- (j) amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under the federal work-study program or under the Bureau of Indian Affairs student assistance programs, that are made available to cover the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of a student at an educational institution;
- (k) payments received from programs funded under Title V of the Older Americans Act of 1965; and
- (l) Agent Orange Settlement Payments to a maximum of \$12,790 per serviceperson or a survivor's benefit of up to \$3,400.

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EXHIBIT E

ANNUAL REPORT OF PROJECT RECEIVING HOME FUNDS FROM THE CITY OF CHICAGO DEPARTMENT OF HOUSING

Borrower: _____

Project Name: _____

Project Number: _____

Federal Employer Identification Number: _____

The City of Chicago, Illinois, acting by and through its Department of Housing (the "City") has entered into a Housing Loan Agreement with the Borrower dated as of _____. Pursuant to the HOME Regulations, the Borrower is required to maintain certain records concerning the Project and the City is required to monitor the Project's compliance with the HOME Regulations and the agreements executed by the City and the Borrower in connection with the loaning of the HOME Funds. The Borrower further agreed, in the Regulatory Agreement dated as of _____, between the City and the Borrower (the "Regulatory Agreement"), to maintain certain records and prepare and deliver certain reports to the City. The Borrower must complete this Annual Report for all projects receiving HOME Funds (the "Annual Report") in fulfillment of its reporting and record-keeping requirements. This Annual Report must be completed in its entirety and must be executed, notarized and returned to the City by April 1 of each year. In addition, a copy of Schedule A must be completed for each building which comprises a part of the Project. This form is a required component of the Annual Report. No changes may be made to the language contained herein without the prior approval of the City. Except as otherwise specifically indicated, capitalized terms contained herein shall have the meanings ascribed to them in the Regulatory Agreement.

INFORMATION

1. Please list the address for each building included in the Project: (If there are additional buildings in the Project, please provide the requested information on a separate sheet and attach to this document.)

Building Address

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2. Complete Schedule A for each building included in the Project.

3. Has any change occurred, either directly or indirectly, (a) in the identity of the Borrower, (b) in the identity of the general partner(s) of the Borrower, (c) in the ownership of any interests in any general partner of the Borrower or in any shareholder, trustee or beneficiary of the Borrower, or (d) which would otherwise cause a change in the identity of the individuals who possess the power to direct the management and policies of the Borrower since the date of the execution of the Regulatory Agreement between the City and the Borrower or the most recent Annual Report?

Yes _____

No _____

If Yes, provide all the appropriate documents.

4. Have the Borrower's organizational documents been amended or otherwise modified since they were submitted to the City?

Yes _____

No _____

If Yes, provide all amendments and modifications of the Borrower's organizational documents.

5. The Borrower hereby certifies to the City that (a) the Project is in full compliance with all currently applicable provisions of the HOME Regulations, (b) the Project shall continue to comply with the HOME Regulations during the Project Term as required by the HOME Regulations, and (c) no change shall occur in the Borrower or the general partner of the Borrower without the prior written consent of the City.

6. Provide the City with independently audited financial statements for the Project for the most recent fiscal year, including an income and expense statement, a balance sheet listing assets and liabilities, a detailed schedule of operating, maintenance and administrative expenses and a cash flow statement.

7. Provide to the City copies of each lease and each Income Computation Certificate executed in connection with the Low-Income Project since the later of the execution of the Regulatory Agreement or the last Annual Report submitted to the City. For each such unit in the Low-Income Project, provide to the City the data with respect to tenant characteristics as required by Section 2.20 of the Regulatory Agreement.

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8. Provide the City with evidence of compliance with Section 2.30 of the Regulatory Agreement since the later of the execution of the Regulatory Agreement or the last Annual Report, including copies of the notices given to prospective tenants regarding lead-based paint with the signature of each tenant in the Low-Income Project.
9. Did the Project cause the displacement of any People?

Yes ___ No ___

If Yes, provide evidence to the City of compliance with Section 2.28 of the Regulatory Agreement, including the information required under 24 C.F.R. Section 92.508(a)(5)(iv). (The information required by this question need only be supplied to the City once.)

10. If the Project is over 12 units, provide to the City payroll records of the General Contractor indicating compliance with Section 2.32 of the Regulatory Agreement.
11. Provide to the City evidence of compliance with the affirmative marketing requirements of Section 2.23 of the Regulatory Agreement.

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REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to the City that each of the following statements is true and accurate:

- A. Low-Income Families. All of the units of the Low-Income Project are occupied or available for occupancy by Low-Income and Very Low-Income Families, subject to Sections 2.8 and 2.10 of the Regulatory Agreement.
- B. Compliance. The Project is in compliance with all of the currently applicable requirements of HOME Regulations and the Regulatory Agreement. The Borrower will take whatever action is required to ensure that the Project complies with all requirements imposed by the HOME Regulations and the Regulatory Agreement so long as required by the HOME Regulations and the Regulatory Agreement (the "Affordability Period").

The Borrower shall retain all tenant selection documents, which include but are not limited to: income verification, employment verification, credit reports, leases and low-income computation forms, to be available for periodic inspections by the City or its representative.
- C. Nondiscriminatory Access. The Project is available for occupancy by all persons regardless of race, color, national origin, religion, creed, sex, age or handicap.
- D. Litigation. No litigation or proceedings have been threatened or are pending which may affect the interest of the Borrower in the Project or the ability of the Borrower to perform its obligations.
- E. Contracts. The Borrower has taken affirmative action to ensure that women- and minority-owned businesses have had the maximum opportunity to compete for and perform as contractors for supplies and/or services, and will continue to do so with future contracts and awards as provided in Sections 2-92-420 through 2-92-570, inclusive, of the Municipal Code of Chicago, which affirms the City's intent to award approximately [17.7%] of project contracts to Minority Business Enterprises (MBE) and [4.8%] to Women Business Enterprises (WBE).
- F. Marketing. All units in each building included in the Project are affirmatively marketed and available for occupancy by all persons regardless of race, color, national origin, religion, creed, sex, age or handicap.
- G. Facilities. Each unit is and will remain suitable for occupancy.
- H. Maintenance. The Borrower has not demolished any part of the Project or substantially subtracted from any real or personal property of the Project or permitted the use of any

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residential rental unit for any purpose other than rental housing. The Borrower has used its best efforts to repair and restore the Project to substantially the same condition as existed prior to the occurrence of any event causing damage or destruction, or to relieve the condemnation, and thereafter to operate the Project in accordance with the terms of the Regulatory Agreement.

- I. Records. The Borrower is in possession of all records which it is required to maintain pursuant to the terms of the HOME Regulations and the Regulatory Agreement as well as any additional records which the City has determined to be necessary to the compliance and administration of the Project.

The Borrower has not executed any agreement with provisions contradictory to, or in opposition to, the provisions of the Regulatory Agreement and in any event the requirements of the Regulatory Agreement are paramount and controlling as to the rights and obligations therein set forth and supersede any other requirements in conflict therewith. The Borrower shall continue to cooperate with the City and furnish such documents, reports, exhibits or showings as are required by the HOME Regulations, the Regulatory Agreement and the City or the City's counsel.

If the Borrower is unable to make any representation or warranty set forth above, the Borrower must immediately contact the City and inform the City of the reason that the Borrower is unable to make such representation or warranty.

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INDEMNIFICATION

The Borrower hereby agrees to fully and unconditionally indemnify, defend and hold harmless the City from and against any judgments, losses, liabilities, damages (including consequential damages), costs and expenses of whatsoever kind or nature, including, without limitation, attorneys' fees, expert witness fees, and any other professional fees and litigation expenses or other obligations, incurred by the City that may arise in any manner out of or in connection with actions or omissions which result from the Borrower's responses or documents provided pursuant to the terms of this Annual Report, including breaches of the representations and warranties herein contained.

Based on the understanding that the City may rely upon the truth and accuracy of this Annual Report and the statements made by the undersigned, the undersigned hereby certifies to the City that each response, representation, warranty and document delivered by the Borrower in connection herewith is true and accurate and will continue to be true and accurate.

Borrower

Date

Subscribed and sworn to before me this
____ day of _____, ____.

Notary Public

(SEAL)

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SCHEDULE A

Borrower: _____

Mailing Address: _____

Date of Regulatory Agreement: _____

Project Name: _____

Building Address: _____

1. (a) Note utilities paid by tenants:

(b) Note utilities paid by Borrower for which tenants reimburse Borrower:

(c) For each Residential Rental Unit in the Project, provide the following:

UNITS RENTED TO VERY LOW-INCOME FAMILIES:

<u>Unit</u>	<u>Br</u>	<u>Rent</u>	<u>Family's Income</u>	<u>Family Size</u>
-------------	-----------	-------------	------------------------	--------------------

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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If Yes, please provide details.

3. How many units in the building are now occupied by tenants that did not occupy such units at the time of the last Annual Report filed for this building?

4. What steps did the Borrower take to insure that the new tenants qualified as Low-Income Families?

5. Have any Low-Income Families been evicted since the time of the last Annual Report or if this report is the first Annual Report filed with respect to such building, since the initial rent-up of the building?

Yes _____ No _____

If Yes, please provide details.

6. Has any legal or administrative action been instituted by any Low-Income Family against the Borrower?

Yes _____ No _____

If Yes, please provide details.

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EXHIBIT F

DEBARMENT CERTIFICATION

This certification, dated _____, _____, is being delivered by [INSERT NAME OF BORROWER], a _____ (the "Borrower"), to the City of Chicago, Illinois (the "City") in connection with the Regulatory Agreement (the "Regulatory Agreement") dated _____ between the City and the Borrower.

1. The Borrower represents, warrants and certifies that neither the Borrower nor any officer, director or owner of the Borrower:
 - (a) is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from any transactions by any federal, state or local unit of government;
 - (b) has within a three-year period preceding the date hereof been convicted of or had a civil judgment rendered against it for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain or performing a public (federal, state or local) transaction or contract under a public transaction, including, without limitation, any violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property;
 - (c) is presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (b) above;
 - (d) has within a three-year period preceding the date hereof had one or more public transactions (federal, state or local) terminated for cause or default;
 - (e) has been barred from contracting with any unit of state or local government as a result of a violation of 720 ILCS 5/33E-3 or 720 ILCS 5/33E-4, as amended, supplemented and restated from time to time;
 - (f) is in default on an educational loan as provided in 5 ILCS 385/1, as amended, supplemented and restated from time to time;

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- (g) has within the last three years (i) been convicted of bribery or attempting to bribe a public officer or employee of the City, the State of Illinois or any agency of the federal government or of any state or local government in the United States, in that officer's or employee's official capacity; or (ii) been convicted of agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to bid a fixed price, or otherwise; or (iii) made an admission of guilt of such conduct described in (i) or (ii) above which is a matter of record, but has not been prosecuted for such conduct; or
- (h) has made or caused to be made, directly or indirectly, any payment, gratuity or offer of employment in connection with the Loan Agreement (as defined in the Regulatory Agreement) as an inducement for the City to enter into the Loan Agreement with the Borrower.

2. The Borrower shall comply with the applicable requirements of the Governmental Ethics Ordinance of the City, Title 2, Chapter 2-156 of the Municipal Code of Chicago, as amended, supplemented and restated from time to time.

3. The Borrower understands and will comply with all the applicable provisions of Chapter 2-57 of the Municipal Code of Chicago (Office of the Inspector General), as amended, supplemented and restated from time to time.

[INSERT NAME OF BORROWER]

By: _____

Title: _____

ATTEST: _____

Title: _____