



Single Family Rehabilitation (SFR) Round 3 with Roof Only Option (SFR-R) and Disaster Contingency Award (DCA)

Legal Webinar

April 30, 2020

Introduction to the IHDA Community Affairs Team



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Agenda

- Welcome
- Timeline
- Due Diligence Checklist
- Eligible Uses
- Closing Process Reminders
- Submission
- Questions



SFR R3Timeline

05/20/2020

- Funding Agreement Sent

06/05/2020

- Drafts of Due Diligence Items for which IHDA requires the **original** are due, must be **emailed** to IHDA's Legal Department

06/22/2020

- **All Due Diligence Items are due. Mail** final original documents and **email** documents for which IHDA does not require an original

07/15/2020

- Closing Date

07/16/2020

- Welcome Webinar

Due Diligence Checklist- Local Government Grantees

ITEM NO.	DOCUMENT NAME	Original / Email	Received	Status	COMMENTS
1	Project Summary w/Resolution	_____	In	Ok	Res. No. 2020-04-IHDA-053 Board Date: April 16, 2020
2	Appropriations Memo	_____			IHDA Internal
3	Conditional Commitment Letter	Original Only			Dated:
3a	Drug Free Workplace Certificate (Ex. A)	Original Only			Attached to the Conditional Commitment Letter
3b	Taxpayer Identification No. Certificate (Ex. B)	Original Only			Attached to the Conditional Commitment Letter
4	Funding Agreement	Original Only			Dated:
4a	Trust Fund Sponsor Certification (Ex. A)	Original Only			Attached to the Funding Agreement
4b	Privacy Notice (Ex. F)	Original Only			Please fill out Exhibit F completely and have the notary fill out the notary portion, sign and date.
4c	Drug Free Workplace Certificate (Ex. G)	Original Only			
Organizational Documents					
5a	Certified copy of Resolution or ordinance (certified by municipal clerk)	Email			NOTE: The Resolution should have a date indicating the date the resolution was adopted by your board.
5b	Certified copy of Certificate of Incumbency (certified by authorized officer or official)	Original Only			Officers Certificate: Certifies that the documents provided are current, true and correct copies. Certificate of Incumbency: Indicating the names and signatures of those officers who are authorized to execute CCL, Funding Agreement & other grant documents on behalf of the organization.
6	Delegation Agreement (if applicable)	Original Only			
7	Participant Selection Plan	Original Only			
8	ACH Disbursement Form (IHDA Form)	Original/Email			NOTE: Please ask your bank to complete top portion. Please send the original ACH certification letter to IHDA and the ACH

ITEM NO.	DOCUMENT NAME	Original / Email	Received	Status	COMMENTS
8	W-9 Form	Email			
9	Authorization to date email	Email			
10	Certificate of Insurance Must include the following:	Email			<ol style="list-style-type: none"> Insurance must list IHDA as an additional insured Amount should be equal to the lesser of the grant funds awarded or \$300,000. Please include employee dishonesty and crime as coverage to the certificate.
11	Closing Memo (prepared by IHDA Legal Dept.)	_____			IHDA Internal



Due Diligence Checklist- Nonprofit Grantees

ITEM NO.	DOCUMENT NAME	Original/Email	Received	Status	COMMENTS
1	Project Summary w/Resolution		In	Ok	Res. No. 2020-04-IHDA-053 Board Date: April 16, 2020
2	Appropriations Memo				
3	Conditional Commitment Letter	Original Only			Dated:
3a	Drug Free Workplace Certificate (Ex. A)	Original Only			Attached to the Conditional Commitment Letter
3b	Taxpayer Identification No. Certificate (Ex. B)	Original Only			Attached to the Conditional Commitment Letter
4	Funding Agreement	Original Only			Dated:
4a	Trust Fund Sponsor Certification (Ex. A)	Original Only			Attached to the Funding Agreement
4b	Privacy Notice (Ex. F)	Original Only			Please fill out Exhibit F completely and have the notary fill out the notary portion, sign and, date.
4c	Drug Free Workplace Certificate (Ex. G)	Original Only			
Organizational Documents					
5a	Certified copy of Articles of Incorporation (certified by the Secretary of State)	Email			Certified by IL- SOS within 30 days of the Closing Date.
5b	Certified copy of By-laws (certified by an officer of the corporation)	Email			
5c	Original of Certificate of Good Standing (certified by the Secretary of State)	Email			Certified by IL- SOS within 30 days of the Closing Date.
5d	Certified copy of Corporate Resolution (certified by an officer of the corporation)	Email			NOTE: The Resolution should have a date indicating the date the resolution was adopted by your board.
5e	Certified copy of Certificate of Incumbency/Officer's Certification of corporate documents (certified by an officer of the corporation)	Original Only			Officers Certificate: Certifies that the documents provided are current, true and correct copies. Certificate of Incumbency: Indicating the names and signatures of those officers who are authorized to execute CCL, Funding Agreement & other grant documents on behalf of the organization.
6	Ownership structure certificate (only if Sponsor is a not-for-profit corporation)	Original Only			NOTE: Please also provide a list of all the board members as Exhibit A.

ITEM NO.	DOCUMENT NAME	Original/Email	Received	Status	COMMENTS
7	Participant Selection Plan	Original Only			
8	ACH Disbursement Form (IHDA Form)	Original/Email			NOTE: Please send the original ACH certification letter to IHDA and the ACH spreadsheet by email.
9	W9 form	Email			
10	Authorization to date email	Email			
11	Certificate of Insurance Must include the following: 1. Insurance must list IHDA as an additional insured Amount should be equal to the lesser of the grant funds awarded or \$300,000. 2. Please include employee dishonesty and crime as coverage to the certificate.	Email			
12	Closing Memo (prepared by IHDA Legal Dept.)				

Due Diligence Items – Email Copies

- Articles of Incorporation (Certified by Secretary of State)
- Certified copy of By-laws
- Certificate of Good Standing (Certified by Secretary of State)
- Certified copy of Corporate Resolution
- ACH Disbursement Form
- W9 form
- Authorization to date email
- Certificate of Insurance

Due Diligence Items – Original Copies

- Program Funding Agreement – Signed copy (not dated)
 - 2 signed copies required, original signature
- Trust Fund Sponsor Certification (Ex. A)
- Privacy Notice (Ex. F)
- Drug Free Workplace Certificate (Ex. G)
- Officers Certification/Certificate of Incumbency – Signed copy (not dated)
- Ownership Structure Certificate – (not dated)
- Delegation Agreement (if applicable)
- Participant Selection Plan
- ACH Certification Letter

Funding Agreement

- IHDA will provide this document for signature –please only print, sign, and return the necessary signature pages
- Do not date –IHDA will date the document as of the date of closing
- Should be signed by the Mayor or Executive Director –if you anticipate having another individual sign, please get in touch with IHDA
- Provide two original signed signature pages of the Funding Agreements by mail to IHDA:
Illinois Housing Development Authority
Attn: Bridget Wansley Legal Department
111 E Wacker Dr. Suite 1000
Chicago, IL 60601

Resolution

A RESOLUTION ACCEPTING A GRANT FROM THE ILLINOIS HOUSING ELOPMENT AUTHORITY'S SINGLE-FAMILY REHAB PROGRAM.

WHEREAS, the [City/Village] of _____ (the "Sponsor") has been awarded a grant (the "Grant") from the Illinois Housing Development Authority (the "Authority"), the program administrator of the Illinois Affordable Housing Program for the State of Illinois, in the amount of _____ and No/100 Dollars (\$ _____ .00) under the Authority's Single Family Rehab Program (the "SFR");

WHEREAS, in order to administer the funds allocated pursuant to such Grant, Sponsor desires to authorize certain of its officials to execute any and all appropriate documents required in connection with the Grant, including, but not limited to, the SFR Funding Agreement (the "Agreement").

THEREFORE BE IT RESOLVED, that the Sponsor is hereby authorized to enter into the Agreement with the Authority, wherein the Authority agrees to make the Grant to the Sponsor, which Grant shall be used by the Sponsor to assist in the making of health and safety repairs of low income and very low income households (collectively, "Households"), all in accordance with the terms and conditions set forth in the Agreement.

FURTHER RESOLVED, that the Mayor and the [City/Village Clerk] / Assistant Clerk (strike one) of the Sponsor are hereby authorized and empowered to execute and deliver, in the name of or on behalf of the Sponsor, the Agreement and any and all amendments, modifications and supplements thereto, and to execute and deliver such additional documents, instruments and certificates, as may be necessary or desirable for the Sponsor to perform its obligations under the Agreement, including, but not limited to the Owner Agreements between the Sponsor and the Households.

FURTHER RESOLVED, that the Mayor and the [City/Village] Clerk / Assistant Clerk (strike one) be and hereby are authorized and directed to take such additional actions, to make further determinations, to pay such costs and to execute and deliver such additional instruments (including any amendments, agreements or supplements) as he or she deems necessary or appropriate to carry into effect the foregoing resolutions.

FURTHER RESOLVE, that the Sponsor hereby ratifies, authorizes and confirms and approves all documents and instruments executed in connection with the Grant and the Agreement, including those acts taken prior to the date hereof.

(Signature page follows)

PASSED BY THE [CITY/VILLAGE] OF _____ [CITY/VILLAGE] COUNSEL,
TE OF ILLINOIS AND APPROVED BY ITS _____ THIS
_____ DAY OF _____, 2020.

APPROVED:

, Mayor

Resolution

- IHDA will provide a sample document to use for reference – but you do not have to use this exact form
- Individual(s) listed on Resolution as able to execute documents on behalf of the organization will also need to provide a specimen signature on the Officer's Certificate / Certificate of Incumbency
- Individual who signs Resolution should also provide the witness signature on the Officer's Certificate / Certificate of Incumbency –this should be someone other than the individual(s) authorized to execute documents on behalf of the organization (for example, if your Executive Director or board chairperson is authorized to execute documents, the board secretary could sign the Resolution)
- Document must be dated (date the Resolution was passed or adopted)
- Copy of document should be sent to IHDA via e-mail to LegalCA@ihda.org

Officer's Certificate/ Certificate of Incumbency

**OFFICER'S CERTIFICATE AND
CERTIFICATE OF INCUMBENCY**

This Officer's Certificate and Certificate of Incumbency (this "Certificate") is being furnished to the Illinois Housing Development Authority (the "Authority") in connection with the grant to be made by the Authority to _____, a not-for-profit corporation duly organized and existing under the laws of the State of Illinois (the "Corporation") in connection with the Authority's Single Family Rehab Program:

The undersigned hereby certifies that:

- (a) The undersigned has full power and authority to execute and deliver this Certificate on behalf of the Corporation;
- (b) The Articles of Incorporation of the Corporation, a true, correct and complete copy of which is attached hereto as **Exhibit A**, are currently in full force and effect on the date hereof;
- (c) The By-laws of the Corporation, a true, correct and complete copy of which is attached hereto as **Exhibit B**, are currently in full force and effect on the date hereof;
- (d) The Corporation is in good standing under the laws of the State of Illinois and a true, correct and complete copy of a Certificate of Good Standing issued by the Secretary of State is attached hereto as **Exhibit C**;
- (e) Attached hereto as **Exhibit D** are true, correct and complete copies of the resolutions duly adopted by the Corporation on _____, 2020, and such resolutions have not been amended, rescinded or revoked and remain in full force and effect on the date hereof; and
- (f) The following persons have been duly elected to the positions in the Corporation set opposite their respective names and continue to serve in such positions on the date hereof, and that the signatures opposite their respective names are their genuine signatures:

<u>Name</u>	<u>Position</u>	<u>Signature</u>
	[Chairperson/President]	
	Vice [Chairperson/President]	
	Secretary	
	Treasurer	

<u>Name</u>	<u>Position</u>	<u>Signature</u>
	[Member of the Board of Directors]	
	[Member of the Board of Directors]	

Officer Certification/Certificate of Incumbency


- Do not date – IHDA will date the document as of the date of closing
- The witness signature should be provided by the individual who signed the Resolution
- Provide one original signed single-sided Officer's Certificate / Certificate of Incumbency by mail to IHDA:

Illinois Housing Development Authority
Attn: Bridget Wansley Legal Department
111 E Wacker Dr. Suite 1000
Chicago, IL 60601

ACH Disbursement Form

- A template will be provided by IHDA
- Review instructions in ACH Form Excel file. Return to IHDA:
 - One completed ACH Form in EXCEL file format without signatures via e-mail
 - Company Letter (please use template provided by IHDA) signed and e-mailed as a PDF
- Copy of documents should be sent to IHDA via e-mail to LegalCA@ihda.org

ACH Disbursement Form

		<small>111 E. Wacker Drive Suite 1000 Chicago, IL 60601 312.836.5200</small>	
Automated Clearing House (ACH) Bank Credit Authorization Community Affairs			
(Please find the sample on the next tab below)			
DATE:			
TO:	Illinois Housing Development Authority (IHDA)		
RE:	Automated Clearinghouse (ACH) Bank Credit Authorization		
PROGRAM:			
To Be Completed by Grantee:			
(Grantee Name)			
	has established an account with		
(Bank Name)			
	for the above - referenced Program.		
Bank State:			
Account Name:			
ABA Routing Number:			
Re-enter ABA Routing Number:			
ABA Routing Number Matches:	ABA Number Matches		
Bank Account Number:			
Re-enter Bank Account Number:			
Bank Account Number Matches:	Account Number Matches		
Account Type (C=Checking S=Savings)			
Was the above referenced account used for previous IHDA programs?	No		
The Illinois Housing Development Authority is to electronically deposit funds into the above referenced bank account.			
PID No.:			
For IHDA Internal Purposes:			
Template ID No.			
PID No.			

Date Document

Add Program Name: Single Family Rehabilitation (SFR) Round 3

Add Grantee name

Add bank account information.
Notes: Please check for any entry errors. If Routing or Bank Account number begin with a zero, insert an apostrophe (') before the zero. Routing and Account Numbers are entered twice to ensure accuracy.

Add PID Number (found on Funding Agreement/Due Diligence in format "XXXXX")

ACH Authorization Letter

- IHDA will need the original version of this letter with a wet ink signature
- The ACH form on the previous slide can be seen as an excel file via e-mail

SAMPLE

Company Letter to be submitted with ACH Form
(use company/organization letterhead)

Date: _____

Illinois Housing Development Authority
111 E. Wacker
Suite 1000
Chicago, IL 60601
Attention: Community Affairs

IHDA Program: Single Family Rehab, R3

RE: Certification of ACH Authorization Form ("ACH Form")

Dear Sir or Madam:

This letter is being furnished to the Illinois Housing Development Authority ("IHDA") in connection with the banking information provided on the ACH Form.

Please accept this letter as confirmation that the information provided on the ACH Form is true, accurate and complete and IHDA may rely on this information. I understand and acknowledge that providing false or incorrect information may cause delay when processing funds.

I also understand that it is my responsibility to communicate to IHDA, in writing, any changes to the information already provided and to update the information on the ACH Form whenever necessary.

Sincerely,

Name: _____

Title: _____

Certificate of Insurance

- Must list IHDA as a loss payee/additional insured
- The amount should be equal to the lesser of the grant funds awarded or \$300,000
- Please include employee dishonesty and crime as coverage to the certificate
- Please Provide IHDA with three weeks to review the insurance information
- A copy of the document should be sent to IHDA via e-mail at LegalCA@ihda.org

Email authorizing IHDA to date documents as the day of closing

- Please send an email from an authorized representative of the grantee, indicating that the organization authorizes IHDA to date all necessary program documents.
- Example Language:
 - “I authorize IHDA to date all necessary documents at closing in relation to the [organization name]’s award in Round 3 of the Single Family Rehabilitation (SFR) program.”
- This should be sent to IHDA via e-mail to LegalCA@ihda.org

Eligible Units

Properties must be:

- Owner-occupied and the sole residence of all owners
- Real property in the state of Illinois
- Held in fee simple title (no contracts for deed or ownership held in trust)
- Clear of all contractor and tax liens



Eligible Units (Cont.)

- Homeowner income must not exceed 80% AMI
- Only one unit properties are eligible
- Condominiums must get approval of the condo association
- Mobile homes
 - ✓ Must be on permanent foundation
 - ✓ Must be able to record a mortgage against the property
 - ✓ Land underneath must be owned by the resident

Ineligible Units

- Mixed-use and commercial properties are not eligible
- Properties primarily used for business are not eligible under SFR (more than 50% of the floorspace is used for business)
- No reverse mortgages
- No investment properties
- No properties with a home equity line of credit are allowed

Closing Process Reminders

- Make sure to schedule all necessary board meetings to obtain required authorizations and signatures and have all documents into IHDA by dates indicated
- If documents are not submitted by due dates, your participation in the program is subject to termination

Submission

Email Drafts of Original Due Diligence items are due to IHDA by:

Friday, June 5, 2020

All Executed Due Diligence items are due to IHDA by:

Monday, June 22, 2020

Mail all originals to:

Attention: Bridget Wansley Legal Department
Illinois Housing Development Authority
111 E. Wacker Drive, Suite 1000
Chicago, Illinois 60601

Send email & PDF copies to: LegalCAinfo@ihda.org

Questions

