

AGENDA

KENDALL HOUSING AUTHORITY
BOARD OF COMMISSIONERS
SPECIAL MEETING
JUNE 19, 2015 8:00 A.M.
KENDALL COUNTY HEALTH DEPARTMENT
2nd FLOOR CONFERENCE ROOM
811 WEST JOHN STREET
YORKVILLE, ILLINOIS

1. CALL TO ORDER PROCHASKA
2. ROLL CALL PROCHASKA
3. PUBLIC COMMENT (Limit of 5 minutes per person)
4. APPROVAL OF MINUTES
 - May 29, 2015
5. NEW BUSINESS
 - Resolutions
 - Resolution 2015-8 Approval of Contract with IHDA for RHS 2015 Round 2 Grant
6. FUTURE DISCUSSION/ACTION ITEMS COLES
 - July: KHA Administrative Plan Revisions, FY 2014 Audit Report, Audit Services for FY 2015
 - September: Review, approval of KHA Annual Plan 2016
7. ADJOURNMENT

MINUTES
KENDALL HOUSING AUTHORITY
BOARD OF COMMISSIONERS
May 29, 2015

The May 29, 2015 Board of Commissioners meeting of the Kendall Housing Authority (KHA) was held in the Kendall County Health Department, 2nd floor Conference Room, 811 West John Street, Yorkville, IL

In Attendance: KHA Commissioners Tom Grant, Carl Gutierrez, Robyn Ingemunson, and Chairman Matt Prochaska. Also present were Executive Director Kenneth Coles, Finance Director Barbara Chen, and Sr. Administrative Assistant Greg Lippert.

1. **CALL TO ORDER**

The meeting was called to order by Chairman Prochaska at 8:01 a.m.

2. **ROLL CALL AND CERTIFICATION OF QUORUM**

A roll call showed that 4 Commissioners were present, a quorum.

3. **PUBLIC COMMENT**

No members of the public attended the meeting.

4. **APPROVAL OF BOARD MINUTES**

Commissioner Gutierrez made a motion, seconded by Commissioner Grant, to approve the minutes of March 27, 2015. The motion carried unanimously.

5. **FINANCIAL REPORT**

Finance Director Chen discussed the April Financial Report, which had been distributed to Commissioners. Among the items covered:

- Port-in vouchers increased again in April, to 172.
- Voucher utilization was 89 percent, with 142 of 160 vouchers under lease. HAP expenditures in April were \$125,830, or 94 percent utilization.
- KHA-HCV Administrative Net Income was \$3,147 in April, and \$12,409 Year-to-Date (YTD). Finance Director Chen said this was due to increased port-in admin fees and to fraud recovery.
- The KHA-HCV Consolidated Income Statement showed a net loss of \$20,893 YTD. Finance Director Chen said the KHA has asked HUD to release approximately \$80,000 in HAP funds currently held by HUD.
- Finance Director Chen said she plans to revise the format of the Financial Report, consolidating some information.

6. **NEW BUSINESS**

Resolutions

- Resolution 2015-6 Signing Authority for Financial Transactions. Commissioner Grant made a motion, seconded by Commissioner Gutierrez, to approve Resolution 2015-6. The motion carried unanimously.
- Resolution 2015-7 Authorize Lease Extension with Kendall County. Commissioner Grant made a motion, seconded by Commissioner Gutierrez, to approve Resolution 2015-7. The motion carried unanimously.

Discussions

- Wait List. Executive Director Coles said there were 141 people currently on the KHA HCV Wait List. This includes about 6 people who had been restored to the Wait List; they had been dropped from the Wait List, he said, because mail sent to them was erroneously returned by the Postal Service as undeliverable. It is not certain that the Wait List will be opened to new applications in 2016 as had been discussed, he said.

7. EXECUTIVE DIRECTOR'S REPORT

Executive Director Coles praised Finance Director Chen, saying she brings a depth of experience and understanding of public housing finances and HUD financial practices. He praised former CFO Ed McGoey for raising the Finance Department's professionalism.

8. EXECUTIVE SESSION

There was no Executive Session.

9. FUTURE DISCUSSION/ACTION ITEMS

Executive Director Coles said revisions to the KHA Administrative Plan will be scheduled for the Board's July 24 meeting. Also on the July agenda will be approval of Zenk & Associates to provide audit services for FY 2015, he said. The KHA next year will publish a Request for Proposals for audit services beginning with FY 2016, he said.

The KHA's Annual Plan for 2016 will be schedule for the Board's September 25 meeting, he said.

Commissioner Grant said he would not be able to attend the Board's July 24 meeting. It was agreed that the meeting should be rescheduled, if necessary, to ensure a quorum is present.

10. ADJOURNMENT

Commissioner Grant made a motion, seconded by Commissioner Gutierrez, to adjourn the meeting. The motion carried unanimously, and Chairman Prochaska adjourned the meeting at 8:31 a.m.

Respectfully Submitted,
Gregory Lippert
Sr. Administrative Assistant/Recording Secretary

KENDALL HOUSING AUTHORITY
RESOLUTION NO. 2015 - 8
RENEW CONTRACT WITH IHDA FOR THE RHS 2015 GRANT ALLOCATION ROUND 2

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE KENDALL HOUSING AUTHORITY, as follows:

WHEREAS, the Kendall Housing Authority (the "Sponsor") has been awarded a grant (the "Grant") from the Illinois Housing Development Authority (the "Authority") program administrator of the Illinois Rental Housing Support Program (the "Program"), pursuant to the Rental Housing Support Program Act, 310 ILCS 105/1 et seq. for the State of Illinois, and the Authority has established rules and regulations for the RHS Program promulgated and codified at 47 Ill. Admin. Code, Part 380, all as may be amended and supplemented from time to time

THEREFORE BE IT RESOLVED, that the Sponsor shall enter into the Agreement with the Authority wherein the Authority agrees to make the Grant to the Sponsor which shall be used by the Sponsor for (i) Rental Assistance and (ii) Program Operating Fees all in accordance with the terms and conditions set forth in the Agreement.

FURTHER RESOLVED, that the Board of Commissioners of the Kendall Housing Authority hereby authorize and empower its designated officers 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.

FURTHER RESOLVED, that the Board of Commissioners of the Kendall Housing Authority hereby authorize and direct its designated officers 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.

Approved by the Kendall Housing Authority Board of Commissioners, on this 19th day of June, 2015.

Matthew Prochaska
Chairman

Tom Grant
Secretary/Treasurer

Ayes: _____

Nays: _____

Abstain: _____

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY
RENTAL HOUSING SUPPORT PROGRAM**

LOCAL ADMINISTERING AGENCY FUNDING AGREEMENT

This **LOCAL ADMINISTERING AGENCY FUNDING AGREEMENT** (this “Agreement”) is made and entered into as of the 1st day of July, 2015 (the “Effective Date”), by and between Kendall County Housing Authority, an Illinois municipal corporation (the “LAA”), and the Illinois Housing Development Authority (the “Authority”), a body politic and corporate established pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 *et seq.* (as amended from time to time, the “Act”), having its principal office at 401 N Michigan Ave., Chicago, Illinois 60611.

RECITALS

- A. The Authority is the program administrator of the Rental Housing Support Program (the “RHS Program”) authorized by the Illinois Rental Housing Support Program Act, 310 ILCS 105/1 *et seq.* (the “RHS Act”), and the rules promulgated thereunder and codified at 47 Ill. Admin. Code, Part 380 (the “RHS Rules”), both, as amended and supplemented from time to time. All capitalized terms used in this Agreement and not otherwise defined shall have the meanings established in the RHS Rules.
- B.
1. the Illinois General Assembly fails to make an The Authority has issued, and the LAA has accepted, a conditional commitment letter dated May 28, 2015 (together with any and all amendments thereto, the “Commitment”), pursuant to which the Authority has agreed to make an allocation (the “Allocation”) to the LAA in an amount not to exceed Nine Hundred Nineteen Thousand Two Hundred Thirty-five and No/100 Dollars (\$919,235.00) from the RHS Program in connection with approximately twenty-seven (27) Units (as defined in Paragraph 8 below) (the “Number of Units”). Pursuant to the Commitment, the LAA will use the proceeds of the Allocation for (i) rental assistance subsidies in an amount not to exceed Eight Hundred Thirty-Five Thousand Six Hundred Sixty-Eight and No/100 Dollars (\$835,668.00) to landlords and (ii) the Program Operating Fee (as defined in Paragraph 4.d below) in an amount not to exceed Eighty-Three Thousand Five Hundred Sixty-Seven and No/100 Dollars (\$83,567.00) to the LAA in order to make rental housing affordable to Extremely Low Income Households and Severely Low Income Households (both as defined in Paragraph 8 below) located in Kendall County and Grundy County, Illinois (collectively, the “Local Program”). The Allocation less the total Program Operating Fee is referred to herein as the “Net Allocation”. Notwithstanding anything to the contrary contain herein, the Authority’s obligations under this Agreement shall cease without penalty if:

1. the Illinois General Assembly fails to make an appropriation for the RHS Program sufficient to pay such obligations;
 2. adequate funds are not appropriated, granted or otherwise distributed to the Authority to allow the Authority to fulfill its obligations under this Agreement;
 3. funds appropriated are de-appropriated, not allocated or not distributed to the Authority, or
 4. funds appropriated or allocated to the Authority are insufficient to fulfill the Authority's obligations, as determined by the Authority in the Authority's sole discretion.
- C. As an inducement to the Authority to make the proceeds of the Allocation available, the LAA agrees to enter into this Agreement and consents to be regulated and restricted by the Authority as provided in this Agreement, the RHS Act, the RHS Rules, the Act and the rules, regulations, policies and procedures of the Authority promulgated under the Act (the "Act Rules"), the Authority's Illinois Rental Housing Support Program Guide (the "Guide") and the Rental Housing Support Program Compliance Manual (the "Compliance Manual"), all as may be amended from time to time, as applicable (collectively, the "Program Requirements").

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, the parties hereto agrees as follows:

1. **Incorporation**. The foregoing recitals are incorporated in this Agreement by this reference.
2. **Act and Rules**. The LAA agrees that at all times its acts regarding the Local Program shall be in conformance with the Program Requirements.
3. **Representations, Warranties and Certifications**. The LAA represents, warrants and/or certifies as follows:
 - a. **Documents**. The LAA represents and warrants that it has full capacity, right, power and authority to execute, deliver and perform this Agreement and all documents (collectively, the "Documents") to be executed by the LAA pursuant hereto, and all required action and approvals therefor have been duly taken and obtained. This Agreement and all Documents shall be binding upon and enforceable against LAA in accordance with their respective terms.
 - b. **Warranties**. The LAA warrants that all representations and warranties of the LAA contained in this Agreement and the other Documents are true, accurate and complete as of the date hereof and shall be true, accurate and complete at the time of each disbursement of any portion of the proceeds of the Allocation.

- c. Due Diligence Deliveries. The LAA certifies that all certifications, statements, affidavits and other items heretofore furnished to the Authority by or on behalf of the LAA in connection with the Allocation (collectively, the “Due Diligence Deliveries”): (i) were true, accurate and complete as of the date furnished to the Authority, (ii) continue to be true, accurate and complete as of the date hereof, and (iii) shall be true, accurate and complete at the time of each disbursement of the Allocation. The foregoing Due Diligence Deliveries shall include without limitation all certifications or other statements made by the LAA relating to the due organization and valid existence of the LAA or the authority to execute and deliver, and perform all obligations under, the various Documents.
- d. Expertise of LAA. The LAA represents and warrants to Authority that it possesses the necessary skills, experience, expertise and staff capacity to properly administer the Rental Assistance (as defined in Paragraph 8 below) and to comply with the terms and conditions imposed upon it by this Agreement.
- e. Landlords. The LAA has selected landlords (the “Landlords”) to participate in the RHS Program and receive Rental Assistance consistent with the Outreach Plan (as defined in the Commitment) as approved by the Authority.
- f. Rental Assistance Contract. The LAA shall list the numbers of Units, bedroom sizes and unit rent in a current unit inventory in the form of **Exhibit A** hereto (as revised by the Authority from time to time). The LAA shall enter into a rental assistance contract (the “Rental Assistance Contract”) with each Landlord it selects to participate in the RHS Program and receive rental assistance to make Units affordable to Extremely Low Income Households and Severely Low Income Households. The Rental Assistance Contract shall be in the form of **Exhibit B** hereto (as revised by the Authority from time to time) and the aggregate of amounts allocated under Rental Assistance Contracts entered into by the LAA shall not exceed the amount of the Net Allocation. The aggregate number of Units identified in the Rental Assistance Contracts shall not exceed the Number of Units unless approved in writing by the Authority. The LAA shall provide notice the Authority of any defaults by a Landlord under its applicable Rental Assistance Contract.
- g. Income Limitation. The LAA shall comply with the income limits established by the Authority. At least fifty percent (50%) of the Units for which Rental Assistance is distributed pursuant to the Local Program shall be rented to Severely Low Income Households unless the LAA can provide evidence satisfactory to the Authority as to why the LAA has not been able to locate Severely Low Income Households in the Local Program; provided, however that in any event not more than thirty percent (30%) of the housing units in a single development, other than properties containing six (6) units or less, may be assisted under the RHS Program. The LAA shall comply or assure compliance with the schedules and criteria established by the Authority with respect to the amounts of Rental

Assistance made on behalf of the Tenants (as defined in Paragraph 8 below).

- h. Ineligible units. A Tenant or Unit that is already receiving, or will receive recurring rental assistance under a federal, state or local rental assistance program shall not be eligible to participate in the RHS Program.
- i. Reporting Requirements. The LAA shall provide reports to the Authority (the "Quarterly Report"), on forms provided by the Authority, within ten (10) business days after the end of each calendar quarter during the term of this Agreement. The report shall identify each Unit that is receiving Rental Assistance and shall state the amount of Rental Assistance received from the Authority for each Unit; the Tenant Contribution (as defined in Paragraph 8 below) for each Unit; and any vacancies, including the rent of each vacant Unit.

Prior to leasing the Unit to the Tenant, the Landlord or the LAA shall obtain a certification of income (the "Tenant Income Certification") from the Tenant on the Tenant Income Certification Form in the form attached to this Contract as **Exhibit C** (as revised by the Authority from time to time). Either the LAA, or at the direction and supervision of the LAA, the Landlord, shall verify the Tenant's income and assets in compliance with the Program Requirements. In addition, upon the first to occur of Tenant application to renew its lease or one year after the prior Tenant Income Certification (or at such other times prescribed by the Authority or the LAA), the Landlord or the LAA shall: (1) obtain a recertification of Tenant's annual income and assets from the Tenant (the "Recertification"); (2) report the composition of Tenant's household; and (3) supply any other information required by the Landlord or the LAA, for the purposes of determining the Tenant Contribution and Rental Assistance. The Landlord, or the LAA, as the case may be, shall verify the Tenant's income, assets and household composition, in compliance with the Program Requirements to recompute the amount of the Tenant Contribution and Rental Assistance.

The LAA shall obtain, maintain and forward to the Authority Tenant Income Certifications for each Tenant. The LAA shall provide all new and updated Tenant Income Certifications to the Authority within ten (10) business days of its effective date.

If the Tenant requests a meeting with the LAA to discuss any change in Tenant Contribution or Rental Assistance resulting from the recertification processing, the LAA agrees to meet with the Tenant and discuss how the Tenant Contribution and Rental Assistance were computed.

- j. Tenant Rent Contribution. The LAA shall approve the Tenant Income Certifications, which establish the Tenant Contribution and the Rental Assistance amount, based on the Authority's tenant rental contribution schedule for each Unit.

- k. Monitoring. The LAA shall be responsible for monitoring the Landlord's compliance with its Tenant Selection Plan and, if applicable, the Landlord's performance in certifying and recertifying Tenants' annual income.

- l. Inspection Requirements.
 - i. The LAA shall require that Landlords maintain the Units and related facilities in decent, safe and sanitary condition. The LAA shall inspect or cause to be inspected the Units and related facilities prior to commencement of occupancy by Tenants, and thereafter at least annually, adequate to assure that decent, safe and sanitary housing accommodations are being provided. The LAA shall retain copies of all such inspection certifications in its records.

 - ii. If the LAA determines in an inspection that any Unit does not satisfy the Authority's housing standards pursuant to the Program Requirements, it shall give the Landlord of such Unit a period not to exceed thirty (30) days in which to correct the deficiencies discovered in the inspection; provided, however, that if the deficiency is in an occupied Unit and poses a serious threat to the health and safety of the Tenant, the deficiency must be corrected within seventy-two (72) hours. If the deficiency is not corrected within such seventy-two (72) hour period, the LAA shall use its best efforts to find a replacement Unit for the Tenant and shall terminate Rental Assistance for the Unit. In addition, if the Landlord does not correct the deficiencies discovered in the inspection within the applicable cure periods, the LAA shall provide written notice to the Authority.

 - iii. The Authority shall have the right to conduct its own inspection of all Units and related facilities of Landlords receiving Rental Assistance under this Agreement.

- m. Fair Housing. The LAA shall comply with the applicable provisions of the Illinois Human Rights Act, 775 ILCS 5 and the regulations promulgated thereunder, the Fair Housing Act, 42 USC 3601, Section 504 of the Rehabilitation Act of 1973, 29 USC 794, the Illinois Environmental Barriers Act, 410 ILCS 25, the Illinois Accessibility Code, 71 Ill. Adm. Code 400, and all other applicable local, state and federal law concerning discrimination and fair housing. The LAA further agrees to take affirmative action to ensure that no unlawful discrimination is committed.

- n. Lease Agreement and Rider to Lease. The LAA shall require that the Landlords enter into a written lease agreement with each Tenant for terms of not less than 12 months and attach thereto an executed copy of the Rider to Lease in the form of **Exhibit D** attached hereto (as may be revised by the Authority from time to time).

- o. Lead Based Paint. The LAA shall require that the Landlords of each Unit shall certify to the LAA that the Unit contains no lead based paint hazards; such certification shall be in the form of **Exhibit E** hereto (as may be revised by the Authority from time to time).
- p. Outreach. The LAA shall assure that availability of assistance under the RHS Program is marketed in the Service Area (as defined in the Commitment) and outreach is extended to organizations serving the targeted households as outlined in the Outreach Plan prepared by the LAA and as approved by the Authority.
- q. No Identity of Interest. The LAA certifies that there is no identity of interest between the LAA and Landlords and the LAA and the Tenants. If there is an identity of interest as described above, the LAA shall disclose in writing such identity of interest to the Authority within five (5) business days of its discovery. Upon receipt of the disclosure of the identity of interest, the Authority, in its sole discretion, shall determine whether such Landlords and/or Tenants are eligible to receive rental assistance under the RHS Program.

3A. Future Assistance. To ensure the Authority's enjoyment of the intended benefits of this Agreement, the LAA agrees to do, or cause to be done, any additional acts or undertakings that may be requested by the Authority to place the Authority in a position to enforce the Documents and to collect any amounts due the Authority under this Agreement including without limitation the delivery of any additional documents for the Authority's file and the execution and recordation of a regulatory agreement.

4. Disbursement of Funds. The terms and conditions under which such disbursements shall be made are as follows:

- a. First Disbursement. The Authority shall authorize the first disbursement of funds from the Allocation (the "First Disbursement") only upon the LAA's delivery to the Authority of the following documents, acceptable to the Authority in its sole discretion:
 - i. Copies of the executed Rental Assistance Contracts; and
 - ii. Any and all other documents and showings reasonably requested by the Authority or its counsel.
- b. Subsequent Disbursements. If the LAA and the Landlords are not in default of any provisions of this Agreement or the Rental Assistance Contracts and are not in default of any of the Program Requirements, then prior to the start of each calendar quarter during the term of this Agreement the Authority shall authorize the next disbursement of funds from the Allocation for the upcoming calendar quarter, subject to the reconciliation of the LAA data submitted during the expiring quarter and confirmation of the LAA's performance as required by this Agreement during the same period.

- c. Single Purpose Bank Account. Upon the approval of each disbursement request, the Authority shall transfer the requested funds from the Allocation directly to a dedicated single purpose bank account (the "Bank Account") established at a bank or other financial institution ("Bank") selected by the LAA and reasonably acceptable to the Authority. The LAA shall provide evidence of the Bank Account to the Authority in the form set forth on **Exhibit G** attached to and made a part of this Agreement. The LAA shall be responsible for the management of the Bank Account. Any fees and costs charged or incurred by Bank in connection with the Bank Account shall be paid by the LAA. The LAA shall disburse funds from the Bank Account in accordance with Paragraph 4 of this Agreement and Paragraph 4 of the Rental Assistance Contract.

Notwithstanding anything to the contrary in this Agreement, the LAA shall not make, or cause to be made, an individual deposit of the funds into the Bank Account in excess of Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00), or any amount that would bring the balance in the Bank Account in excess of Two Hundred Fifty Thousand and No/100 Dollars (\$250,000.00).

- d. Program Operating Fee. If the LAA is not in default of any provisions of this Agreement or the Program Requirements, then the LAA will be provided with a program operating fee in an amount not to exceed Eighty-Three Thousand Five Hundred Sixty-Seven and No/100 Dollars (\$83,567.00) to the LAA (the "Program Operating Fee"). The Program Operating Fee for a twelve month period shall not exceed \$27,855.66. Installments of the Program Operating Fee shall be paid on the First Disbursement and on each annual anniversary thereafter during the term of this Agreement; provided, however the Authority reserves its right to change the payment of the Program Operating Fee from an annual anniversary basis to a calendar quarter anniversary basis upon written notice to the LAA as required by Paragraph 11.g. Evidence of such operating expenses expenditures shall be provided to the Authority as it may require.
- e. Under-Utilization. If the Authority determines that the LAA is underutilizing the Allocation based on any information provided by the Landlord or the LAA to the Authority as required by the RHS Program, the Commitment and this Agreement, the Authority may reduce the Allocation for the Local Program.

5. **Additional Duties.** In addition to the other duties of the LAA set forth in this Agreement, the LAA shall comply with the following:

- a. Audit. The Bank Account, books, contracts, records, documents, and other papers relating to the activities of the LAA under this Agreement shall at all times be maintained in reasonable condition for proper audit, and shall be subject to examination, inspection, and copying by the Authority, the Auditor General of the State of Illinois (the "Auditor General"), the Attorney General of the State of Illinois (the "Attorney General"), or their designated agents or representatives

upon reasonable prior notice during normal business hours, as the Authority, the Auditor General or the Attorney General may reasonably require.

- b. Additional Information. At the request of the Authority, the LAA shall furnish such reports, certifications, budgets, operating reports, inspections, and analyses as required pursuant to the Program Requirements, or by other applicable state statutes or requirements, and from time to time shall give specific answers to written questions from the Authority in connection with this Agreement.
 - c. Record Retention. The LAA shall keep all records relating to its activities as a local administering agency under this Agreement for a period of five (5) years from the Termination Date (as defined in Paragraph 10 below).
 - d. Financial and Expense Reports. Within ninety (90) days following the end of the LAA's fiscal year, in a manner prescribed by the Authority in writing, the LAA shall furnish the Authority with (i) a complete annual financial report for the LAA, prepared at LAA's expense, and certified to LAA by an Illinois licensed certified public accountant, and (ii) a separate accounting of the Program Operating Fee documenting the LAA's Program Operating Fees were used for allowable expenses in connection with the administration of the RHS Program, prepared at LAA's expense, and certified to the Authority by the LAA.
 - e. Furnishing Information. At the request of the Authority, the LAA shall furnish such reports, projections, certifications, budgets, operating reports, tax returns and analyses as required pursuant to the statutes, rules and regulations of the Authority and the RHS Act, as amended from time to time, and from time to time shall give specific answers to written questions in connection with the LAA's income, assets, liabilities, contracts and operation, all relating to the RHS Program, and the administration and operation, of the RHS Program.
6. Violation of Agreement. In the event of a violation of any of the provisions of this Agreement by the LAA, the Authority may give notice of such violation to the LAA as provided in Paragraph 11.g below. If such violation is not corrected to the satisfaction of the Authority within thirty (30) days after such notice, the Authority may declare a default under this Agreement; however if such condition is not cured within such thirty (30) days, the Authority may grant additional time in its sole discretion; after the expiration of such thirty (30) day period, or such additional time as the Authority shall allow, to the satisfaction of the Authority in its sole discretion, the Authority may declare a default under this Agreement, effective on the date of notice of such declaration of default to the LAA, and upon such default, and so long as such default is continuing, the Authority may do the following:
- a. Reduce the Program Operating Fee; or
 - b. Terminate this Agreement and select another entity to serve as the local administering agency for the Local Program; or

- c. Recover any funds due and owing to the Authority by the LAA; or
- d. Apply to any court, state or federal, for specific performance of this Agreement, for an injunction against any violation of this Agreement, or for such other relief as may be appropriate. Because the injury to the Authority arising from a default under any of the terms of this Agreement would be irreparable and the amount of damages would be difficult to ascertain, the LAA acknowledges and agrees that the Authority's remedies at law, in the event of a violation of this Agreement, would be inadequate to assure the Authority's public purpose under the RHS Act; or
- e. Exercise such other rights or remedies as may be available to the Authority under this Agreement, at law or in equity.

The Authority's remedies are cumulative and the exercise of one shall not be deemed an election of remedies, nor foreclose the exercise of the Authority's other remedies. No waiver by the Authority of any breach of this Agreement shall be deemed to be a waiver of any other existing or subsequent breach of this Agreement. The failure or delay of the Authority in exercising any of its rights under this Agreement in any one or more instances, or the exercise of less than all of its rights in any one of more instances, shall not be deemed or construed as a waiver of any such rights.

7. **Monitoring of Local Program by the Authority.** The Authority shall have the right at any time during the term of the Local Program and for five (5) years thereafter, upon reasonable notice to the LAA to inspect the books and records of the LAA relating to the Local Program and any Unit in the Local Program, upon reasonable notice to the Landlords.

8. **Definitions.** As used in this Agreement, the following terms shall have the following meanings:

- a. "Extremely Low Income Households" means a Tenant whose annualized income is less than or equal to thirty percent (30%) of the median income for the area in which the Tenant resides, as published by the Authority from time to time and based on data published by United States Department of Housing and Urban Development.
- b. "Rental Assistance" means the amount paid to the Landlord as a subsidy for a Unit approved for assistance under the RHS Program.
- c. "Severely Low Income Households" means a Tenant whose annualized income is less than fifteen percent (15%) of the median income for the area in which the Tenant resides, as published by the Authority from time to time and based on data published by United States Department of Housing and Urban Development.

- d. “Tenant(s)” means a single person, family or unrelated persons living together who enter into a lease agreement with a Landlord in connection with the Rental Assistance of a Unit in the RHS Program.
- e. “Tenant Contribution” means the portion of the monthly for a Unit to be paid by the Tenant.
- f. “Unit(s)” means a rental housing unit receiving Rental Assistance through an Allocation. A Unit may be a single family dwelling or a unit in a multifamily dwelling. Housing units intended as transitional or temporary housing do not qualify as Units.

9. Additional Certifications, Discrimination and Records.

- a. The LAA certifies that it complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policy. A written copy of the policy shall be provided to the Authority upon request.
- b. The LAA certifies that it will at all times, in the performance of this Agreement, comply with all federal, state and local laws and regulations.
- c. The LAA certifies that it is an Illinois municipal corporation and its correct Federal Taxpayer Identification Number is 36-3893567.
- d. LAA agrees to comply with the Drug Free Workplace Act (30 ILCS 580/1 *et seq.*) and to execute and deliver the Drug Free Workplace Certificate attached to this Agreement as **Exhibit H**.

10. Effective Date and Termination. This Agreement shall be deemed to have become effective as of the Effective Date and shall terminate on June 30, 2018 (the “Termination Date”) unless otherwise terminated pursuant to the terms of this Agreement. No Rental Assistance or payment of Program Operating Fee shall be made after the Termination Date. Any funds remaining on the Termination Date shall remain with the Authority and shall be transferred to the RHS Program’s reserve account. If the Landlord has received an excessive Rental Assistance payment, the LAA will assist the Authority, in recovering such excess assistance. In addition to any other rights to recovery, the Authority may deduct the amount from any subsequent payment or payments. At the end of the Landlord’s participation in the RHS Program, there will be a reconciliation where the LAA may require the Landlord to provide any excess payments back to the LAA within thirty (30) days. The LAA shall immediately transfer the excess Rental Assistance payments received to the Authority.

11. Miscellaneous.

- a. Amendment of Agreement. This Agreement shall not be altered or amended without the prior written approval of all the parties hereto.
- b. Execution of Conflicting Documents. The LAA warrants that it has not executed, and it agrees that it shall not execute, any other agreement with provisions contradictory, or in opposition, to the provisions of this Agreement, and that, in any event, the requirements of this Agreement are and shall be paramount and controlling as to the rights and obligations set forth in such other agreement and supersede any other requirements in conflict with this Agreement.
- c. Partial Invalidity. If any term, covenant, condition, or provision of this Agreement, or its application to any circumstance, shall, at any time or to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of it to circumstances other than those as to which it is held invalid or unenforceable, shall not be affected by such determination and each term, covenant, condition and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- d. Successors. This Agreement shall bind, and the benefits to shall inure to, the parties to this Agreement, their legal representatives, successors in office or interest and assigns; however, the LAA may not assign this Agreement or any of its obligations under this Agreement without the prior written approval of the Authority.
- e. Gender. The use of the plural in this Agreement shall include the singular; the singular shall include the plural; and the use of any gender shall be deemed to include all genders.
- f. Captions. The captions used in this Agreement are used only as a matter of convenience and for reference and in no way define, limit or describe its scope or intent.
- g. Notices. Any notice, demand, request or other communication that any party may desire or may be required to give to any other party under this Agreement shall be given in writing, at the addresses set forth below, by any of the following means: (a) personal service; (b) overnight courier; or (c) registered or certified United States mail, postage prepaid, return receipt requested.

If to the Authority:
Illinois Housing Development Authority
401 N Michigan Avenue, Suite 700
Chicago, Illinois 60611
Attention: Manager, Rental Housing Support Program

With a copy to:
Illinois Housing Development Authority
401 N. Michigan Avenue, Suite 700
Chicago, Illinois 60611
Attention: General Counsel

If to the LAA:
Kendall County Housing Authority
711 East Roosevelt Road
Wheaton, Illinois 60187
Attention: Michelle Ross

Such addresses may be changed by notice to the other party given in the same manner as provided in this Agreement. Any notice, demand, request or other communication sent pursuant to subparagraph (a) shall be served and effective upon such personal service. Any notice, demand, request or other communication sent pursuant to subparagraph (b) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to paragraph (c) shall be served and effective (3) business days after proper deposit with the United States Postal Service.

- h. Exhibits. The exhibits attached hereto are incorporated herein and made a part hereof.
- i. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Agreement must be produced or exhibited, be the Agreement, but all such counterparts shall constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers as of the date first above written.

LAA:

KENDALL COUNTY HOUSING AUTHORITY,
an Illinois municipal corporation

By: _____
Printed Name: Matthew Prochaska
Its: Chairman, Board of Commissioners

AUTHORITY:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

By: _____
Mary R. Kenney, Executive Director

Approved as to form:

By: _____
Maureen G. Ohle, General Counsel

By: _____
Nandini Natarajan, Chief Financial Officer

Exhibits:

- A: Current Unit Inventory
- B: Rental Assistance Contract
- C: Tenant Income Certifications
- D: Rider to Lease
- E: Lead Base Paint Certification
- F: No Exhibit
- G: Bank Account Form
- H: Drug Free Workplace Certificate