

**APPROVE EXERCISING THE FIRST OPTION TO RENEW THE AGREEMENT
WITH THE CITY OF CHICAGO DEPARTMENT OF HOUSING RELATING TO THE CHICAGO PUBLIC
SCHOOLS' TEACHER HOMEBUYER ASSISTANCE PROGRAM**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve exercising the first option to renew the agreement with the City of Chicago Department of Housing, including any successor department or agency ("DOH") to implement the CPS/DOH Teacher Homebuyer Assistance Program ("Program") which will fund loans to qualified CPS teachers who are first-time homebuyers in Chicago during calendar year 2009. The DOH will make a grant of \$350,000 to be matched by the Board for a total of \$700,000. A written document exercising this option is currently being negotiated. No matching funds shall be provided by the Board during the option period prior to the execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this Board Report. Information pertinent to this option is stated below.

AGENCY: City of Chicago Department of Housing
33 N. LaSalle St., 2nd Floor
Chicago, IL 60602
Contact: Cynthia Park, Deputy Commissioner
(312) 742-0528
Vendor No.: 17110

USER: Department of Human Resources
125 S. Clark St., 2nd Floor
Chicago, IL 60603
Contact: Diana Johnson, Program Manager
(773) 553-1072

ORIGINAL AGREEMENT: The original Agreement (authorized by Board Report 08-0123-PR16) in the amount of \$700,000 is for a term commencing February 1, 2008 and ending January 31, 2009, with the Board having two options to renew for one year each.

OPTION PERIOD: The term of this agreement is being extended for one year commencing February 1, 2009 and ending January 31, 2010.

OPTION PERIODS REMAINING: *There is one option period for one year remaining.*

PROGRAM DESCRIPTION: The CPS/DOH Teacher Homebuyer Assistance Program will continue to provide assistance to eligible Chicago Public School Teachers to purchase homes within the City of Chicago. Assistance is being granted in order to provide an incentive for teachers to purchase homes within the communities in which they teach and to retain teachers within the Chicago Public School System. This is a joint program that is being funded by the Board and the City of Chicago through the Department of Housing. The loan will be forgiven over a five year period. Loan proceeds may be used to cover eligible mortgage related expenses. A lien will be placed on the property and will be removed after the five year period. If a teacher moves, resigns, or is removed from employment during the five year period, the remaining balance will be due and payable. The amount of assistance will be \$3,000 citywide or \$7,500 for purchase in mixed-income communities of the Chicago Housing Authority.

In order to qualify for participation in the Program, teachers must 1) be a non-probationary full-time CPS teacher in good standing with the Chicago Public Schools for at least one academic year, 2) purchase a single-family property (1-4 units) within the City of Chicago, 3) reside in the acquired home as a primary residence for at least five years after acquisition, 4) be a first-time homebuyer as defined by the U.S. Department of Housing and Urban Development (the only exception will be for teachers who owned property while living outside the City of Chicago and who are buying property in order to reside within the City of Chicago), 5) must utilize a participating CPS designated lender and 6) be committed to teach an additional five years at CPS.

RESPONSIBILITIES OF PARTIES: CPS will continue to: 1) manage the program; 2) confirm qualifications of each CPS teacher; 3) provide required teacher first-time homebuyer education; 4) distribute funds at each teacher's closing; and 5) provide monthly reports to CPS and the DOH. DOH will continue to: 1) provide annual funding for this program; and 2) provide any necessary technical assistance for the success of the program.

CONTRIBUTION: In the calendar year 2009, DOH will provide \$350,000 which will be matched by the Board for a total of \$700,000.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written option document. Authorize the President and Secretary to execute the option document. Authorize the Chief Human Resources Officer to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Charge to Department of Human Resources: \$350,000 Fiscal Year: 2010
Budget Classification: 11070-115-54125-264212-000000
Source of Funds: General Funds

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

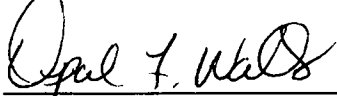
Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted June 23, 2004 (04-0623-PO4), as amended from time to time, shall be incorporated into and made a part of the agreement.

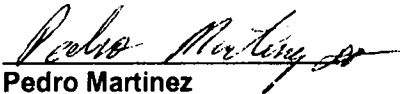
Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Approved for Consideration:



Opal L. Walls
Chief Purchasing Officer

Within Appropriation:



Pedro Martinez
Chief Financial Officer

Approved as to legal form 



Patrick J. Rocks
General Counsel

