

**APPROVE ENTERING INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF
CHICAGO DEPARTMENT OF HOUSING RELATED TO THE CHICAGO PUBLIC SCHOOLS'
TEACHER HOMEBUYER ASSISTANCE PROGRAM**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into an intergovernmental agreement (IGA) with the City of Chicago, Department of Housing (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 the calendar year 2006. The DOH will make a grant of \$250,000 to be matched by the Board for a total of \$500,000. A written intergovernmental agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event an intergovernmental agreement is not executed within 120 days of the date of this Board Report. Information pertinent to this intergovernmental agreement is stated below.

PARTIES: Board of Education
125 S. Clark Street
Chicago, IL 60603
Contact: Manager, Teacher Housing
Phone: 773-553-1072

City of Chicago Department of Housing
33 N. LaSalle Street, 2nd Floor
Chicago, IL 60602
Contact: Housing Commissioner
Phone: 312-742-0440
Vendor No.: 17110

TERM: The term of the IGA shall commence upon signing of the IGA and shall end December 31, 2006.

JOINT RESPONSIBILITIES: The IGA will provide for a grant of \$250,000 from the City Department of Housing, to be matched by the Board (for a total of \$500,000.00), to be used for interest-free loans to qualified individual teacher/homebuyers according to the CPS Teacher Homebuyer Assistance program.

PROGRAM DESCRIPTION: The CPS/DOH Teacher Homebuyer Assistance Program provides 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. Assistance is provided in the form of a deferred loan to cover the costs associated with purchasing a home. 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 and \$7,500 in Chicago Housing Authority revitalization areas.

PROGRAM PARTICIPANTS: 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 of the City of Chicago and who are buying property in order to reside within the City of Chicago, 5) for the \$7,500 assistance amount, a teacher must purchase property located in a Chicago Housing Authority Redevelopment Project, 6) must utilize a participating CPS designated City Mortgage or Tax Smart lender, and 7) be committed to teach an additional five years at CPS.

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

AFFIRMATIVE ACTION: Exempt.

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

FINANCIAL: Charge to Department of Human Resources: \$250,000 Fiscal Year: 2007
Budget Classification: 0710-210-000-1417-5410 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 members 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:


Heather A. Obora
Chief Purchasing Officer

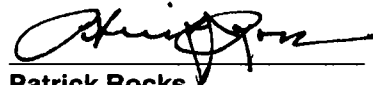
Approved:


Arne Duncan
Chief Executive Officer

Within Appropriation:


John Maiorca
Chief Financial Officer

Approved as to legal form: 


Patrick Rocks
General Counsel