



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Elizabeth H. Tyler, FAICP, Community Development Services Director

FROM: Kelly H. Mierkowski, Manager, Grants Management Division

DATE: June 22, 2017

SUBJECT: **Supportive Housing Program – Homeless Families in Transition
Resolution Approving Subrecipient Agreement for FY 2017-2018:
Courage Connection**

Description

Included on the agenda of the June 27, 2017 meeting of the Urbana Community Development Commission is an agreement for the FY 2017-2018 Supportive Housing Program (SHP) - Homeless Families in Transition. The proposed agreement is with Courage Connection, the agency that currently participates in the SHP Homeless Families in Transition project.

Issues

The issue is whether the Community Development Commission should forward the subrecipient agreement to the Urbana City Council with a recommendation for approval.

Background

The Supportive Housing Program is designed to promote the development of supportive housing and supportive services, and to promote the provision of supportive housing to homeless persons to enable them to live as independently as possible. The agency receives funds through this program to provide supportive services, such as case management services, outreach, life skills, housing placement, and transportation, to single women and families who are homeless. The organization also receives program funds for operation costs, homeless information management systems (HMIS) and administrative expenses.

In FY 1995-1996, the City of Urbana received its first SHP grant from HUD for a three (3) year funding cycle, with renewals on a yearly basis. The funds received were initially utilized by the Salvation Army, the Center for Women in Transition and A Woman's Fund (operated by the Center for Women in Transition as A Woman's Place). The initial grant included funds for operations, supportive services, and administration, as well as funding for acquisition and rehabilitation. All three organizations used funds to either acquire or rehab the units that they are currently operating for transitional housing. The federal funds used for acquisition and

rehabilitation required that the transitional housing program for homeless families be operated at that location for at least 20 years.

Since FY 1995-1996, the City has applied every year through the Notice of Funding Availability (NOFA) process and has received funding from the U.S. Department of Housing and Urban Development (HUD) for this program. On April 22, 2016, HUD issued the 2016 NOFA announcing funds were available for the City of Urbana's Supportive Housing Program.

On August 12, 2016, the City of Urbana (City) submitted an application, through the Champaign County Continuum of Care, for renewal of grant funds for the Supportive Housing Program in the amount of \$89,036. The funds were to be used to continue Courage Connection's Domestic Violence Families in Transition program, which is a cooperative effort with a local service provider and the City of Urbana to offer housing, supportive services and case management to victims of domestic violence (singles and families) in multiple dormitory style programs.

On December 20, 2016, the City received notice from HUD that the application for Supportive Housing Program funds was approved for the full amount requested. However, additional information was required before HUD would issue the grant agreement, and that information was provided. HUD then gave notice on June 6, 2017 that the grant agreement was signed by HUD, and on June 8, 2017, the City executed the grant agreement with HUD to govern expenditure of SHP renewal funds by the City and Courage Connection.

Due to recent significant cuts to the program made by HUD, City staff and Courage Connection have been in discussion regarding the possibility of transferring the administration of the program from the City to Courage Connection for improved cost effectiveness and efficiency. The transfer was agreed upon by all three parties; consequently, the SHP grant agreement is anticipated to be administered directly by Courage Connection beginning on March 1, 2018, if not earlier. The City and Courage Connection are currently in discussions with HUD regarding the specifics of the transfer.

Fiscal Impacts

There will be no direct fiscal impact on the City General Fund, as the funding for this program comes from HUD. The Federally-funded Supportive Housing Program budget will be identical to the amount allocated in the previous year. However, due to the funding cut experienced as part of the previous year's HUD NOFA award, City staff, Courage Connection, and HUD have decided to transfer the administration of this grant to Courage Connection to more efficiently make use of the remaining funds.

Programmatic Impacts

City staff will continue to provide the programmatic and administrative support for the Supportive Housing Program Homeless Families in Transition Program as in previous years, until the transfer to Courage Connection is approved by HUD, and the budget amendment and transfer is completed.

The use of these funds is in keeping with the goals and strategies outlined in the City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2015-2019, by providing support for existing agencies delivering services to homeless individuals and families, and encouraging the expansion of local services to meet community homeless needs.

Options

The Community Development Commission may choose one of the following options:

1. Forward the Resolution approving the agreement with Courage Connection to the Urbana City Council with a recommendation for approval.
2. Forward the Resolution approving the agreement, with suggested changes, to the Urbana City Council with a recommendation for approval.
3. Do not make a recommendation to the Urbana City Council for approval of the agreement.

Recommendations

Staff recommends that the Community Development Commission forward the Resolution approving the Supportive Housing Program grant agreement with Courage Connection to the Urbana City Council with a recommendation for approval.

Memorandum Prepared By:



Matthew Rejc
Community Development Coordinator
Grants Management Division

Attachments:

1. A Resolution Approving a Supportive Housing Program Subrecipient Agreement Between the City of Urbana and Courage Connection.
2. Supportive Housing Program Subrecipient Agreement Between the City of Urbana and Courage Connection (FY 2017-2018)

RESOLUTION NO. _____

**A RESOLUTION APPROVING A SUPPORTIVE HOUSING PROGRAM
SUBRECIPIENT AGREEMENT WITH COURAGE CONNECTION**

(FY 2017-2018)

WHEREAS, on August 12, 2016, the City submitted an application to the U.S. Department of Housing and Urban Development (hereinafter "HUD") for Supportive Housing Program (hereinafter "SHP") funds to continue transitional housing programs sponsored by Courage Connection, formerly The Center for Women in Transition, Champaign, Illinois, a private non-profit organization (hereinafter referred to as the "Participating Organization"); and

WHEREAS, on December 20, 2016 the City received notice that HUD had approved the City's application for SHP funds; and

WHEREAS, on June 8, 2017, the City executed a SHP Grant Agreement (Grant No. IL0037L5T031609) with HUD to govern expenditure of SHP renewal funds by the City and Participating Organization; and

WHEREAS, the Participating Organization has heretofore expressed its intent to assume responsibility from the City for their transitional housing programs with SHP funds and in accordance with SHP regulations; and

WHEREAS, in its application for SHP funds the City declared its intent to provide SHP funds to the Participating Organization for their use in continuing their transitional housing programs for single women and homeless families.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That an Agreement providing Supportive Housing Program funds to Courage Connection for their Homeless Services and Domestic Violence Services in the amount of \$89,036 so as to continue their transitional housing programs for single women and homeless families, in substantially the form of the copy of said Agreement attached hereto and herby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this _____ day of _____,
_____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
_____.

Laurel Lunt Prussing, Mayor

**SUPPORTIVE HOUSING PROGRAM
SUBRECIPIENT AGREEMENT WITH COURAGE CONNECTION**

This Subrecipient Agreement is made by and between the City of Urbana, Illinois (hereinafter the "City"), and Courage Connection (hereinafter the "Subrecipient") for Supportive Housing Program Project Number IL0037L5T031609.

WITNESSETH:

WHEREAS, on August 12, 2016, the City submitted an application to the U.S. Department of Housing and Urban Development (hereinafter "HUD") for Supportive Housing Program (hereinafter "SHP") funds to continue transitional housing programs sponsored by two private non-profit organizations: Courage Connection (formerly The Center for Women in Transition), Champaign, Illinois; (hereinafter referred to as the "Participating Organization"); and

WHEREAS, in its application for SHP funds the City declared its intent to provide SHP funds to the Participating Organization for their use in continuing their respective transitional housing programs for homeless families; and

WHEREAS, the Participating Organization have heretofore expressed their intent to assume responsibility from the City for expanding their respective transitional housing programs with SHP funds and in accordance with SHP regulations; and

WHEREAS, on December 20, 2016, the City received notice that HUD approved the City's application for SHP funds for the full amount requested; and

WHEREAS, on June 8, 2017, the City executed a SHP Grant Agreement with HUD to govern expenditure of SHP renewal funds by the City and the Participating Organization.

NOW, THEREFORE, in consideration of the matters set forth above and below, the parties agree as follows.

Section 1. Definitions. Whenever used in this Subrecipient Agreement:

- A. The term "Grant Agreement" means the agreement between the City and HUD executed by the City on June 8, 2017, in connection with the SHP Project No. IL0037L5T031609.
- B. The terms "grant" and "grant funds" mean the assistance provided under this Subrecipient Agreement.
- C. The term "Grant Application" means the application submission, August 12, 2016, on the basis of which a SHP renewal grant was approved by HUD, including the certifications and assurances and any information or documentation required to meet any SHP award conditions.
- D. The term "Act" shall mean Subtitle C of Title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11381 *et seq.*) as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act.
- E. The term "matching funds" means a cash payment for the provision of supportive services, cash payment for activities related to HMIS, and the difference between the total operating costs and the amount of the SHP operating funds.

Section 2. Purpose of Subrecipient Agreement. The purpose of this Subrecipient Agreement is to set forth the terms and conditions under which the City shall grant SHP funds to the Subrecipient for its transitional housing program for homeless families. This Subrecipient Agreement sets forth rights and responsibilities of both parties in connection with the Subrecipient's transitional housing program. In this Subrecipient Agreement, the Subrecipient assumes full responsibility for adherence to all applicable laws, assurances, regulations, and guidelines associated with the SHP.

Section 3. Applicable Laws, Assurances, Regulations, Guidelines. The financial assistance which is the subject of this Subrecipient Agreement is authorized by the Act. The Subrecipient Agreement and all activities undertaken by the Subrecipient pursuant thereto shall be governed by the Act; the Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program; Interim Final Rule which was published at 24 CFR Part 578 on July 31, 2012, at FR-5476-I-01, a copy of which is attached hereto as Attachment A and made a part hereof; and the Notice of Fund Availability, published on November 22, 2013 at FR-5700-N-17. The Application is incorporated herein as part of this Subrecipient Agreement; however, in the event of a conflict between any part of the Application and any part of the Subrecipient Agreement, the Subrecipient Agreement shall control.

Section 4. Grant Award. Subject to the terms of the Grant Agreement and this Subrecipient Agreement, the City agrees to provide up to **\$89,036.00** in SHP renewal funds to the Subrecipient for activities identified as the responsibility of the Subrecipient in the Application. The Subrecipient agrees to use funds granted to it by the City pursuant to this Subrecipient Agreement to undertake those activities in the Application identified as the responsibility of the Subrecipient in the manner identified in the Application. The Subrecipient agrees that funds awarded it pursuant to this Subrecipient Agreement shall be used for the following purposes:

	<u>Courage Connection</u>
Acquisition/Rehabilitation:	0
New Construction:	0
Rehabilitation:	0
HMIS	0
Supportive Services:	\$ 58,000.00
Operations:	\$ 26,371.00
Administration:	\$ 4,665.00
Total Grant Award:	\$ 89,036.00

Section 5. Matching Funds. The Subrecipient agrees to provide funds in at least the amounts specified in the Application plus any amount necessary to comply with matching requirements of the Act in connection with activities the Subrecipient undertakes in connection with this Subrecipient Agreement. Documentation of match is required of all projects. Subrecipients are required to maintain detailed fiscal records during each year of the project to ensure adequate documentation of all expenditures related to the grant, including those paid through the use of cash match sources.

- A. Supportive Services:** SHP funds can be used to pay up to 75% of the total costs for the provision of supportive services. The Subrecipient must match the remaining 25% of the total costs with funds from other sources. All matching funds must be used for eligible service costs identified on the supportive services budget, and included in the application and/or technical submission.
- B. Operating Costs:** SHP funds can be used to pay up to 75% of the operating cost in each year of the grant term. The Subrecipient must match the remaining 25% with a cash source which can be from itself, the Federal government, State and local governments, or private contributions. Resident rents may be used to meet the cash match requirement for transitional housing provided those funds are used to cover costs associated with eligible SHP activities.

If the program match obligation is met through other means, then resident rents can be used for other program costs, and may cover activities that are not eligible under SHP. Note that resident rents are considered program income and must be accounted for and reported appropriately on annual reports.

- C. HMIS:** SHP funds can be used to pay up to 75% of the eligible costs related to the implementation and operation of an HMIS. The subrecipient must match the remaining 25% with a cash match. Cash match is actual dollar resources contributed and spent on eligible HMIS project costs by the subrecipient, and it must be actual money spent by the subrecipient.
- D. Matching.** The Subrecipient acknowledges and agrees that the City shall not be responsible for providing the Subrecipient with any funds to meet the Subrecipient's matching requirements. However, nothing herein shall prohibit the City from making funds available to the Subrecipient for transitional housing program activities in addition to funds granted to the Subrecipient pursuant to this Subrecipient Agreement.

Section 6. Allowable Costs. The following costs are allowable, per the Department of Housing and Urban Development (HUD), 24 CFR Part 578, Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) - Continuum of Care Program:

- A. § 578.53 Supportive Services:** Grant funds may be used to pay the eligible costs of supportive services that address the special needs of the program participants. If the supportive services are provided in a supportive service facility not contained in a housing structure, the costs of day-to-day operation of the supportive service facility, including maintenance, repair, building security, furniture, utilities, and equipment are eligible as a supportive service. Supportive Services must be necessary to assist program participants obtain and maintain housing. Recipients and subrecipients shall conduct an annual assessment of the service needs of the program participants and should adjust services accordingly.

Eligible supportive service costs include: Annual assessment of service needs, assistance with moving costs, case management, child care, education services, employment assistance and job training, food, housing search and counseling services, legal services, life skills training, mental health services, outpatient health services, outreach services, substance abuse treatment services, transportation, utility deposits, direct provision of services including

- (i) the costs of labor or supplies, and materials incurred by the recipient or subrecipient in directly providing supportive services to program participants; and
- (ii) the salary and benefit packages of the recipient and subrecipient staff who directly deliver the services.

- B. § 578.55 Operations:** Grant funds may be used to pay the costs of the day-to-day operation of transitional housing in a single structure or individual housing units.

Eligible operational costs include: The maintenance and repair of housing; property taxes and insurance; scheduled payments to a reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost); building security for a structure where more than 50 percent of the units or area is paid for with grant funds; electricity, gas, and water; furniture; and equipment.

- C. § 578.57 Homeless Management Information System (HMIS):** The recipient or subrecipient may use Continuum of Care program funds to pay the costs of contributing data to the HMIS designated by the Continuum of Care.

Eligible HMIS costs include: Purchasing or leasing computer hardware; purchasing software or software licenses; purchasing or leasing equipment, including telephones, fax machines, and furniture; obtaining technical support; leasing office space; paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS; paying salaries for operating HMIS, including: completing data entry; monitoring and reviewing data quality; completing data analysis;

Reporting to the HMIS Lead; training staff on using the HMIS; and Implementing and complying with HMIS requirements; paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act; Paying staff travel costs to conduct intake; and paying participation fees charged by the HMIS Lead, as authorized by HUD, if the recipient or subrecipient is not the HMIS Lead.

- D. § 578.59 Project administrative costs:** The recipient or subrecipient may use up to 10 percent of any grant awarded under this part, excluding the amount for Continuum of Care Planning Activities and UFA costs, for the payment of project administrative costs related to the planning and execution of Continuum of Care activities. This does not include staff and overhead costs directly related to carrying out activities eligible under § 578.43 through § 578.57, because those costs are eligible as part of those activities.

Eligible administrative costs include: General management, oversight, and coordination; costs of overall program management, coordination, monitoring, and evaluation. These costs include, but are not limited to, necessary expenditures for the following:

Salaries, wages, and related costs of the recipient's staff, the staff of subrecipients, or other staff engaged in program administration. In charging costs to this category, the recipient may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The recipient may use only one of these methods for each fiscal year grant.

Program administration assignments include the following: Preparing program budgets and schedules, and amendments to those budgets and schedules; Developing systems for assuring compliance with program requirements; Developing agreements with subrecipients and contractors to carry out program activities; Monitoring program activities for progress and compliance with program requirements; Preparing reports and other documents directly related to the program for submission to HUD; (F) Coordinating the resolution of audit and monitoring findings; Evaluating program results against stated objectives; and Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in this section.

Travel costs incurred for monitoring of subrecipients; Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.

Training on Continuum of Care requirements. Costs of providing training on Continuum of Care requirements and attending HUD sponsored; Continuum of Care trainings; Environmental review. Costs of carrying out the environmental review responsibilities under § 578.31; Sharing requirement: Recipients that are not UFAs - If the recipient is not a UFA, it must share at least 50 percent of project administrative funds with its subrecipients.

Section 7. Payouts. The Subgrantee understands and agrees that a request for disbursement of SHP funds pursuant to this Subrecipient Agreement shall not be made until such funds are needed to pay eligible costs related to the Project. Subgrantee understands and agrees that funding in the full amount of this Subrecipient Agreement is contingent upon the City receiving said SHP funds, and should the entitlement funds be discontinued or reduced for any reason, Subgrantee understands and agrees that funding under this Subrecipient Agreement could cease or be reduced without advance notice. The sponsor agency shall:

- A. Maintain adequate documentation to demonstrate the homeless eligibility of persons served by SHP funds;
- B. Maintain records that show the eligible supportive services costs and operating costs of the program;
- C. Use required forms to show participant eligibility, the calculation of resident rent, the policy showing savings program (if any) and the procedures for communicating said information to the participant, which must be maintained in participant file.
- D. Submit proper documentation of eligible expenses for match to the city on a regular basis.
- E. Submit timesheets and activity sheets on a monthly basis for review and approval;
- F. Submit monthly reports to the City of Urbana no later than 30 days of month end.
- G. Maintain files and records as required which relate to the overall administration of the SHP - HFIT program;
- H. Provide information for Annual Performance Report (APR) within required timeframes; and
- I. Enter participant data into the HMIS, and update all participant changes while in the program.

Section 8. Notices. Any notice, demand, request, or other communication that either party may desire or may be required to give to the other party hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) electronic communication whether by telegram, telecopier, or email, together with confirmation of transmission; or (c) first-class United States mail, postage prepaid.

TO THE CITY: Kelly H. Mierkowski, Manager, Grants Management Division
Dept. of Community Development Services
City of Urbana
400 South Vine Street
Urbana, Illinois 61801

TO THE SUBRECIPIENT: Isak Griffiths, Executive Director
Courage Connection
508 East Church Street
Champaign, Illinois 61820

Section 9. Default. A default shall consist of any use of grant funds for a purpose other than as authorized herein, failure of the Subrecipient to provide the supportive housing in the minimum amounts and for the minimum time period in accordance with the requirements of Attachment A provisions, noncompliance with the Act or Attachment A provisions, failure to return the executed subrecipient agreement or any other material breach of the Subrecipient Agreement.

Upon due notice to the Subrecipient of the occurrence of any such default and the provision by the City of a reasonable opportunity to respond, the City may take one or more of the following actions. If it is the decision of the City to require the repayment to the City of any grant funds provided to the Subrecipient, the Subrecipient agrees to promptly pay back to the City all such funds up to the amount of grant funds provided to them by the City (hereafter called "Recapture"):

- A. Direct the Subrecipient to submit progress schedules for completing approved activities;
- B. Issue a letter of warning advising the Subrecipient of the default, establishing a date by which corrective actions must be completed and putting the Subrecipient on notice that more serious actions will be taken if the default is not corrected or is repeated;

- C. Direct the Subrecipient to establish and maintain a management plan that assigns responsibilities for carrying out remedial actions;
- D. Direct the Subrecipient to suspend, discontinue, or not incur costs for the affected activity;
- E. Reduce or recapture the grant authorized herein;
- F. Direct the Subrecipient to reimburse the City for costs inappropriately charged to the City;
- G. Other appropriate action including, but not limited to, any remedial action legally available.

No delay or omission by the City in exercising any right or remedy available to it under this Subrecipient Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any Subrecipient default.

Section 10. Certification by Subrecipient. The Subrecipient agrees to the following terms and conditions as outlined by HUD in the Grant Agreement:

- A. Subrecipient will maintain the confidentiality of records pertaining to any individual or family that was provided family violence prevention or treatment services through the project;
- B. The address or location of any family violence project assisted with grant funds will not be made public, except with written authorization of the person responsible for the operation of such project;
- C. Subrecipient will establish policies and practices that are consistent with, and do not restrict, the exercise of rights provided by subtitle B of title VII of the Act and other laws relating to the provision of educational and related services to individuals and families experiencing homelessness;
- D. In the case of a project that provides housing or services to families, that subrecipient will designate a staff person to be responsible for ensuring that children being served in the program are enrolled in school and connected to appropriate services in the community, including early childhood programs such as Head Start, part C of the Individuals with Disabilities Education Act, and programs authorized under subtitle B of title VII of the Act;
- E. The subrecipient, its officers, and employees are not debarred or suspended from doing business with the Federal Government;
- F. Subrecipient will provide information, such as data and reports, as required by HUD; and
- G. To comply with such other terms and conditions as HUD may have established in the applicable Notice of Funds Availability.

Section 11. Subgrants by the Subrecipient. The Subrecipient agrees to accept responsibility for compliance with all requirements of this Subrecipient Agreement by any entities to which the Subrecipient in turn makes grant funds available. This Subrecipient Agreement constitutes the entire agreement between the parties hereto. This Subrecipient Agreement may be amended only by a written agreement executed by the City and the Subrecipient. The effective date of this Subrecipient Agreement shall be the date of execution by the City. IN WITNESS WHEREOF, the City and the Subrecipient have respectively signed this Subrecipient Agreement and have caused their seals to be affixed hereto.

CITY OF URBANA, ILLINOIS:

BY: _____
Diane Wolfe Marlin, Mayor

DATE _____

ATTEST: _____
Charles Smyth, City Clerk

DATE: _____

COURAGE CONNECTIONS (SUBRECIPIENT):

BY: _____
Isak Griffiths, Executive Director

DATE: _____

ATTEST: _____
Name & Title:

DATE: _____

ATTACHMENT A:

24 CFR Part 578

**Homeless Emergency Assistance and Rapid Transition to Housing:
Continuum of Care Program; Interim Final Rule**

July 31, 2012