



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor

FROM: Elizabeth H. Tyler, FAICP, Community Development Director ^{EAT}

DATE: August 7, 2014

SUBJECT: A RESOLUTION APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2012-2013 ANNUAL ACTION PLAN (HOME County TBRA Amendment)

Introduction

Included on the agenda of the August 11, 2014 Committee of the Whole meeting is a resolution approving modifications to the Fiscal Year 2012-2013 Annual Action Plan to allocate \$115,000 in HOME funding for the Tenant Based Rental Assistance program operated by the Champaign County Regional Planning Commission.

Tenant Based Rental Assistance (TBRA)

The City of Urbana currently administers all Tenant Based Rental Assistance (TBRA) subrecipient contracts for the HOME Consortium. The funding source for each contract varies; some are funded by the Consortium, others are funded by specific Consortium members. Three entities are operating TBRA programs in the Consortium area: Champaign County Regional Planning Commission (CCRPC), The Center for Women in Transition (now Courage Connection), and Community Elements, Inc.

As a member of the Urbana HOME Consortium, CCRPC currently allocates all of its HOME entitlement to its TBRA Program called *No Limits* and receives approximately \$90,000 each year for this program. The City of Champaign, also a member of the Consortium, allocates an additional \$45,000 to CCRPC to augment its program.

The proposed amendment to allocate an additional \$115,000 to CCRPC will add or extend TBRA assistance for approximately fifteen families in the coming year. TBRA is an essential activity under the HOME program, as it assists those households with incomes falling below 30 percent of the Median Family Income limits published by HUD. Continuing this program will further the goals identified in the *City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2010-2014* by continuing to assist the most impoverished families in the Consortium area.

During its July 22, 2014 regular meeting, the Urbana Community Development Commission forwarded the attached Resolution with a unanimous recommendation for approval. On August 1, 2014 a public hearing was held regarding the proposed amendment. Minutes from the public hearing have been attached for review.

Fiscal Impacts

The proposal will assist the City in committing funds necessary to avoid a shortfall in HUD spending timeliness requirements. Under the HOME Program guidelines, all Participating Jurisdictions must commit each year's allocation within 48 months of signing a contract with HUD. The deadline for committing all of the City of Urbana's FY 2012-2013 funds is August 31, 2014. Any funds that do not have contracts at that time will be considered a shortfall, and the funds would be revoked by HUD. The proposed amendment will ensure that the City is maintaining an acceptable level of funding commitments and resolve the City's current shortfall, which now stands at \$115,000.

Programmatic Impacts

The proposed amendment will reduce the available funding for the Whole House Rehabilitation Program as published in the FY 2012-2013 Annual Action Plan from \$163,859 to \$48,859. Additional funds received from previous Whole House deferred loan payments have significantly augmented the program, which has now been in operation for twenty years, receiving \$103,865 in program income between FY 2011-2012 and FY 2013-2014.

The most recent amendment approved by Council on June 16, 2014, Resolution No. 2014-06-033R, *A Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2013-2014 Annual Action Plan (301 Thompson and Community Elements TBRA)*, originally intended to address the shortfall requirement imposed by HUD. Part of the amendment provided for an \$80,000 HOME award to Habitat for Humanity for the demolition and construction of a single family unit at 301 Thompson. However, due to changes in environmental review policy administered by HUD, this project has been delayed. As a result, staff is recommending approval of the proposed amendment, which is not subject to the same environmental review restrictions. This will allow the Consortium to meet the commitment deadline of August 31, 2014. Staff confirmed with Darlene Kloeppe, Social Service Director at Champaign County Regional Planning Commission, that their agency would be able to utilize the additional \$115,000 in funding for their *No Limits* program.

This amendment will further the goals outlined in the *City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2010-2014* by providing HOME funds (TBRA) to households with incomes at or below 60% of the area median income.

Options

1. Approve the Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2012-2013 Annual Action Plan.

2. Approve the Resolution with changes.
3. Do not approve the Resolution.

Recommendation

Staff and the Community Development Commission unanimously recommend that Council approve the Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2012-2013 Annual Action Plan.

Memorandum Prepared By:



Jen Gonzalez, Grants Coordinator II
Grants Management Division

Attachments:

1. A RESOLUTION APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2013-2014 ANNUAL ACTION PLAN (301 Thompson and Community Elements TBRA)
2. City of Urbana and Urbana HOME Consortium Proposed Amendments to Annual Action Plan FY 2013-2014
3. *Unapproved minutes from the July 22, 2014 regular meeting of the Urbana Community Development Commission*
4. *Minutes from the August 1, 2014 Public Hearing*

RESOLUTION NO. 2014-08-044R

A RESOLUTION APPROVING MODIFICATIONS TO THE CITY OF URBANA
AND URBANA HOME CONSORTIUM FY 2012-2013 ANNUAL ACTION PLAN
(HOME County TBRA Amendment)

WHEREAS, the City of Urbana has been designated an entitlement city under the Federal Housing and Community Development Act of 1974, as amended, and as such is eligible for Community Development Block Grant (hereinafter "CDBG") and Home Investment Partnerships Funds (hereinafter "HOME") funds upon proper submittal being made to the United States Department of Housing and Urban Development (hereinafter "HUD"); and

WHEREAS, the Urbana City Council previously approved ordinances authorizing submittal to HUD of the Annual Action Plan for FY 2012-2013 that included proposed budgets for the HOME Programs and HUD subsequently approved said Annual Action Plan; and

WHEREAS, on July 17, 2014, the City of Urbana published on the City website a notice of a 15-day public review period regarding said proposed budgetary amendments to the Annual Action Plan; and

WHEREAS, on August 1, 2014 the City of Urbana, the Grants Management Division of the Community Development Services Department, as lead entity for the Urbana HOME Consortium, held a public hearing on the proposed amendments; and

WHEREAS, the City Council now finds it necessary and appropriate to amend the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plan for FY 2012-2013.

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

Section 1. That the City of Urbana, as lead entity for the Urbana HOME Consortium, hereby approves the amendments to the City of Urbana and

Champaign/Urbana/Champaign County HOME Consortium Annual Action Plan for FY 2012-2013, in substantially the same form as such amendments are referenced in the attachment hereto.

Section 2. That the Mayor of the City of Urbana is hereby designated as the authorized representative of the City of Urbana to take any action necessary in conjunction with said attached amendments to the Annual Action Plan for FY 2012-2013, and any prior approved Annual Action Plan or Amendment, including, without limitations, to execute any documents necessary to commit applicable HOME funds to the projects, submittal of the Annual Action Plan Amendment to the HUD Regional Field Office and provision of such additional information as may be required.

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

City of Urbana and Urbana HOME Consortium



Minor Amendment to FY 2012-2013 Annual Action Plan

(FY 2012-2013 HOME County TBRA)

Prepared by:
City of Urbana
Community Development Services
Grants Management Division
400 South Vine Street
Urbana, IL 61801
217.384.2447

**Approved by Urbana City Council
Resolution No.**

**MINOR AMENDMENT TO CITY OF URBANA and URBANA HOME CONSORTIUM
FY 2012-2013 ANNUAL ACTION PLAN**

The Urbana HOME Consortium proposes to amend the HOME Program budget for Champaign County in the FY 2012-2013 Annual Action Plan (AAP) to allocate additional funds to the project budget outlined below. The minor amendment allocates an additional amount of **\$115,000** in HOME funding to the Champaign County Regional Planning Commission, No Limits Program from unobligated HOME funds.

URBANA HOME CONSORTIUM PROPOSED HOME AMENDMENT:

<u>HOME Budget Item</u>	<u>Current</u>	<u>Proposed Amended</u>
City of Urbana Unobligated Funds FY 12-13 (c.o.)	\$115,000.00	-0-
FY 12-13 CCRPC TBRA	-0-	\$115,000.00

AUGMENT CURRENT PROGRAM:

- 3. Tenant Based Rental Assistance Program.** HOME funds will be used to provide affordable housing assistance to low-income residents of the Urbana Consortium area in the City of Urbana, City of Champaign and in unincorporated Champaign County. Assisted households will have annual incomes at or below 60% of the Area Median in accordance with HOME Regulations. The participating clients follow a team-approved plan for achieving self-sufficiency and make co-payments toward rent (not to exceed 30% of the household income), based on their approved self-sufficiency plan.



**UNAPPROVED
MINUTES
COMMUNITY DEVELOPMENT COMMISSION MEETING
Tuesday, July 22, 2014, City Council Chambers
400 South Vine Street, Urbana, IL 61801**

Call to Order: Chairperson Cobb called the meeting to order at 7:03 p.m.

Roll Call: Kelly Mierkowski called the roll. A quorum was present.

Commission Members Present: Fred Cobb, Janice Bengtson, Chris Diana, and Jerry Moreland

Commission Members Excused/Absent: Lisabeth Searing, and Anne Heinze Silvis

Others Present: Kelly H. Mierkowski, Community Development Services.

Approval of Minutes: *Chairperson Cobb asked for approval or modifications to the June 24, 2014 minutes. Commissioner Bengtson noted that the minutes were well done and Chairperson Cobb commended staff. Commissioner Moreland moved to approve the minutes as written and Commissioner Diana seconded the motion. The motion carried unanimously.*

Petitions and Communications: None.

Staff Report: Kelly Mierkowski, Grants Management Division Manager, provided a brief overview of the staff report provided to the Commissioners that evening. The HUD activity was an email received that stated HUD had released the new Low/Moderate Income Summary Data, which staff has been waiting for, and had issued two companion CPD Notices explaining the transition to using this new data. The information can be used to update the CD Target Area Map, which staff will work on with interns in the Dept. Also noted on the staff report were activities that staff completed and meetings staff attended since the last meeting.

Commissioner Diana asked a question re the bid amounts for the demolition of Urbana Townhomes. Ms. Mierkowski stated that she did not know the amounts, but would check with Mr. Burgett, Housing Rehabilitation Coordinator.

Old Business: None

New Business:

A Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium, FY 2012-2013 Annual Action Plan (HOME County TBRA Amendment)

Per the HOME Regulations, HOME funds have to be committed within 48 months of signing a contract with HUD. The deadline for FY 2012-2013 funds to be committed is August 31, 2014, as the contract for those funds was signed around that time two years previously. Since 301 Thompson is delayed due to requirements per HUD policy for Environmental Reviews, the only HOME activity that will meet the

deadline and comply with the ERR request process is the Tenant Based Rental Assistance (TBRA) program. Staff contacted Darlene Kloeppe, Social Services Director, Champaign County Regional Planning Commission (CCRPC), to see if her agency would be willing and able to take additional TBRA funds to supplement their *No Limits* TBRA program. Ms. Kloeppe agreed to take the additional funds, which helps with the commitment issue. It also furthers the goals of the Consolidated Plan to assist households with incomes at or below 60% of the area median income.

Chairperson Cobb commented about the statement in the memo, in which “the proposed amendment to allocate an additional \$115,000 to CCRPC will allow them to continue their program for an additional year.” Ms. Mierkowski stated that at a minimum it could be at the minimum of one additional year, but possibly more than one year. It depends on the number of clients as to how much of the funds would be spent each year. Chairperson Cobb also asked where the \$115,000 would be coming from, and Ms. Mierkowski stated that it is unobligated HOME funds, and is not being taken from any other programs.

Commissioner Diana asked what is the plan for 301 Thompson, and Ms. Mierkowski responded staff is still working on the Environmental Reviews (ERR) for this project. Once Ms. Gonzalez returns from vacation, the ERR information will be reviewed and completed, then the next step will be discussed. The ERR review needs to be completed first before any action can take place.

Commissioner Bengtson asked if there were any concerns regarding the property and Mrs. Mierkowski stated no, that it is a requirement of HUD that any entitlement community who receives Federal funds (i.e. CDBG or HOME), is to do an Environmental Review (ERR) for all activities and projects that are listed in the Annual Action Plan. Some of the activities that are considered “exempt” or “categorically excluded” have no concerns, but with new construction or demolition, there is more that has to be done. Commissioner Bengtson followed up with a comment that this project had been on the agenda for a while and wondered why it was taking so long, and Ms. Mierkowski stated that it is because of the way in which HUD interprets the regulations. With staff recently having attended an ERR training, more information about the process and requirements was received, as well as HUD’s interpretation of the regulations and policies having changed, which is why there is more that has to be done for an ERR to be completed. Staff are also working on other ERR’s for other projects, including Urbana Townhomes; environmental reviews can be pretty in depth, more has to be done than what was done in the past.

Commissioner Diana stated he was not clear on the amount listed in the memo, which shows an allocation of an additional \$115,000 to TBRA, which is more than what is normally allocated in a year. The Commissioners then discussion the allocation of \$115,000, and that normally, \$90,000 is allocated each year to the TBRA program, so it appears that the total allocation is being more than doubled, (i.e. the additional amount of \$115,000, together with the \$90,000 makes the TBRA allocation to CCRPC more than double.) Also discussed by the Commission was where the funds were actually coming from, as far as what projects were not being funded. With there being a possible delay of 301 Thompson, it appears that \$80,000 of the \$115,000 comes from 301 Thompson. However, it was also stated that the allocation comes from unobligated funds. The amount that needs to be obligated is \$115,000, which comes from HUD. There are carryover funds from previous years, as yet to be allocated to a particular project; budgets have also come through which account for every dollar amount. Recently, a budget amendment was taken to Council for carryover that was previously unaccounted for, which was thought to take of the problem, so there was confusion regarding this particular amendment.

Questions arose regarding what other projects, in addition to 301 Thompson, were not being funded now. Staff had discussed the best way to take care of the commitment problem, which was to allocate additional unobligated funds to CCRPC for their TBRA program, and that unobligated funds would be used. The project, 301 Thompson, will be delayed as far as transferring the property to Habitat for Humanity until FY 1415 funds are available. Only one of the four lots will be transferred to Habitat, the others will be delayed until the fall; two were in relation to 301 Thompson.

Questions arose regarding transferring lots without funds; staff will be looking at FY 2014-2015 funds; one question in particular was about the resolution and no funding listed in the document, which is a standard form. Ms. Mierkowski apologized for not having enough information about this amendment to present to the Commissioners and suggested meeting with staff to obtain more information to bring back to the Commissioners. Several suggestions were made to rectify the situation and give more information. Chairperson Cobb stated that the questions could be answered better in the fiscal and programmatic impact sections of the memo, as more information could be added to those sections.

The question was posed what to do next; the deadline for commitments is August 31, 2014, which is not enough time to come back to the Commission at the August meeting. The amendment would need to go to City Council as well, and would not occur before the August 31 deadline if the item was brought back to CDC at the August meeting. The money would then be returned to HUD if not committed by the deadline, per HUD regulations. Ms. Mierkowski suggested that upon Ms. Gonzalez's return, she send an email to the Commissioners outlining further information regarding where the funds were coming from. Contracts have to be signed and the project has to be funded in the IDIS system. Discussion continued regarding what to make a motion on, a motion with changes, not approve the resolution, etc.

Chairperson Diana made a motion sending the Resolution Approving the Modifications to the City of Urbana and Urbana HOME Consortium FY 2012-2013 Annual Action Plan to Council with a recommendation to approve contingent upon detail of the sources of the funds and an expanded Programmatic Impact section in the memo. Commissioner Bengtson seconded the motion. Motion carried unanimously.

Adjournment: Seeing no further business, Chairperson Cobb adjourned the meeting at 7:40pm.

Recorded by Kelly H. Mierkowski, Manager

UNAPPROVED

**ANNUAL ACTION PLAN FY 2013-2014
PUBLIC HEARING**

**Friday, August 1, 2014, 10:00 A.M.
Urbana City Council Chambers, 400 South Vine Street, Urbana**

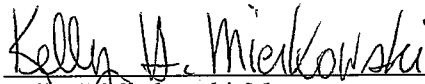
Minutes

Present: Kelly H. Mierkowski, Community Development Services Department, City of Urbana.

Ms. Mierkowski called the public hearing to order at 10:00 a.m. The purpose of this public hearing is to provide an opportunity for the public to provide input and comments regarding the proposed minor Amendment to the City of Urbana and Urbana HOME Consortium Annual Action Plan for Fiscal Year 2012-2013. Notice of this public hearing was placed on the City's website on Friday, July 17, 2014

Seeing there were no comments, Ms. Mierkowski adjourned the public hearing at 10:15 a.m.

Respectfully Submitted



Kelly H. Mierkowski, Manager
Grants Management Division