



## 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

**DATE:** April 9, 2015

**SUBJECT: A RESOLUTION APPROVING ADDITIONAL MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2013-2014 ANNUAL ACTION PLAN (HOME County TBRA Amendment)**

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### **Introduction**

Included on the agenda of the Committee of the Whole meeting is a resolution approving modifications to the Fiscal Year 2013-2014 Annual Action Plan to reallocate \$80,000 in HOME funding for the Tenant Based Rental Assistance program operated by Champaign County Regional Planning Commission.

### **Previous Amendment**

The City Council approved an amendment titled “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)” on June 16, 2014. The amendment called for \$80,000 to finance the demolition and new construction of an affordable single-family housing unit built by Habitat for Humanity at 301 E. Thompson Street in Urbana.

Due to significant changes to the environmental review process prescribed by the Department of Housing and Urban Development (HUD), the proposed project at 301 Thompson was not able to meet the timeliness requirements of the HOME Program. The contract was cancelled, and CDBG funds available for demolition activities were instead used for the project. This allowed the City to maintain compliance with the environmental review requirements while Habitat secured an alternate source of funding for the new construction project. The project is currently underway, but no HOME funds were invested.

HOME funds need to be reprogrammed prior to the Urbana HOME Consortium’s annual commitment deadline. The Consortium has a current commitment shortfall of approximately \$280,752. The proposed amendment is part of the Consortium’s strategy to successfully commit HOME funding while meeting the needs of the lowest-income households in the community.

## **Proposed Amendment**

As a member of the Urbana HOME Consortium, Darlene Kloeppe, Social Service Director at Champaign County Regional Planning Commission (CCRPC), approached the City of Urbana regarding a need for additional TBRA funding to support the ongoing efforts of the No Limits program. The No Limits program provides stable housing while families work toward achieving self-sufficiency goals. Many of the participants are completing a degree program that they had started in the past but were unable to complete. The majority of the clients' incomes are at or below 30 percent of the Median Family Income for our area. Housing resources for families at this income level are scarce, and the TBRA programs operating in the Consortium area are a valuable asset to families seeking to become independent and to break their cycle of poverty.

Programmatic changes made in the past year prohibit CCRPC from exiting clients from the program in the middle of a lease if they fail to abide by the self-sufficiency plan as part of the program. This has increased the average length of time that participants remain in the program and has reduced funding available to continue a second year of support for families that are engaged in the program, actively working towards their goals, and that would benefit from a second year of assistance. In order to continue to provide a second year of rental assistance to successful program participants, additional funding is required.

The proposed amendment to allocate an additional \$80,000 to CCRPC's No Limits Program will allow them to fund a second year for current program participants that are successfully completing their self-sufficiency goals. 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 households with incomes at or below 60% of the area median, targeting those at or below 125% of the poverty level.

On April 6, 2015 a public hearing was held regarding the proposed amendment. Minutes from the hearing are attached for review. **On March 24, 2015 the Community Development Commission forwarded the proposed Resolution to the City Council with a unanimous recommendation for approval.**

## **Fiscal Impacts**

The proposal will assist the City in committing funds necessary to avoid a shortfall. 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 2013-2014 funds is July 31, 2015. 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 in part solve the City's current shortfall this year, which is approximately \$280,752. Habitat CHDO projects, as well as subrecipient activities will resolve the remaining shortfall balance.

## **Programmatic Impacts**

The proposed amendment will not have a programmatic impact on the City of Urbana, as the funds will be used to augment a program currently run by the Champaign County Regional Planning

Commission.

This amendment will further the goals outlined in the *City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2010-2014* by providing Tenant Based Rental Assistance to households with incomes at or below 60% of the area median, targeting those at or below 125% of the poverty level.

## **Options**

1. Approve the Resolution Approving Additional Modifications to the City of Urbana and Urbana HOME Consortium FY 2013-2014 Annual Action Plan.
2. Approve the Resolution with changes.
3. Do not approve the Resolution.

## **Recommendation**

Staff and Community Development Commission recommend approval of the Resolution Approving Additional Modifications to the City of Urbana and Urbana HOME Consortium FY 2013-2014 Annual Action Plan.

**Memorandum Prepared By:**

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**Jenna Gonzalez, Grants Coordinator II  
Grants Management Division**

Attachments:

1. A RESOLUTION APPROVING ADDITIONAL MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2013-2014 ANNUAL ACTION PLAN (HOME County TBRA Amendment)
2. City of Urbana and Urbana HOME Consortium Proposed Additional Amendment to Annual Action Plan FY 2013-2014
3. *April 6, 2015 Public hearing minutes.*

**RESOLUTION NO. 2015-04-017R**

**A RESOLUTION APPROVING ADDITIONAL MODIFICATIONS TO THE CITY OF URBANA  
AND URBANA HOME CONSORTIUM FY 2013-2014 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 2013-2014 that included proposed budgets for the HOME Programs and HUD subsequently approved said Annual Action Plan; and

WHEREAS, on June 16, 2014 the Urbana City Council approved previously approved 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); and

WHEREAS, the 301 Thompson project could not be carried out as planned; and

WHEREAS, on March 20, 2015, 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 April 6, 2015 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 amendment; and

WHEREAS, the City Council now finds it necessary and appropriate to make additional amendments to the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plan for FY 2013-2014.

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 2013-2014, 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 2013-2014, 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**



**Proposed Additional Amendment to  
Annual Action Plan  
FY 2013-2014**

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. \_\_\_\_\_

**PROPOSED ADDITIONAL AMENDMENT TO CITY OF URBANA & URBANA HOME CONSORTIUM FY 2013-2014 ANNUAL ACTION PLAN**

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The Urbana HOME Consortium proposes to amend the City of Urbana HOME Program budget in the Fiscal Year (FY) 2013-2014 Annual Action Plan (AAP). The City previously amended the plan to allocate \$80,000 toward the demolition and new construction of 301 Thompson Street using HOME funding. However, due to new environmental review requirements the project was not able to start within the timeline prescribed by HUD. As such, CDBG funding already dedicated to demolition activities was used and the new construction subsidy never moved forward. Staff is proposing to reallocate these funds towards Tenant Based Rental Assistance under the City Redevelopment Programs narrative on page 39 of the AAP.

Additional narrative has also been incorporated into the description of the City Redevelopment Programs to include Tenant Based Rental Assistance. This will allow the City of Urbana to support the ongoing No Limits TBRA program operated by Champaign County Regional Planning Commission.

**URBANA HOME CONSORTIUM PROPOSED HOME AMENDMENT:**

<u>Original HOME Budget Items</u>	<u>Current</u>	<u>Proposed Amended</u>
301 Thompson Project	\$ 80,000.00	-0-
TBRA	\$ 32,000.00	\$112,000.00

*Following is the HOME Program language and/or budget changes for the FY 2013-2014 Annual Action Plan found on page 39 (changes are italicized):*

**~~1. 301 Thompson Project~~**

~~Funds will be allocated for the demolition and new construction of a single-family affordable housing unit at 301 Thompson Street, Urbana.~~

~~**\$80,000 HOME**~~

~~Goal 1, Strategy 1 & 2~~

~~Citation—[24 CFR 92.206(a)(1),(3)(i)]~~

~~Environmental—Assessment Required~~

~~Recapture~~

~~**Objective:** Provide Decent Housing to one homebuyer at or below 80% MFI.~~

~~This project is intended to remove blight in the neighborhood while providing affordable housing for a qualified buyer.~~

~~**Outcome:** Sustainability for the purpose of providing decent housing.~~

~~**Outcome Indicators:** Successful construction and sale of property at 301 Thompson.~~



## 2. **Tenant Based Rental Assistance**

HOME funds will be used to augment the TBRA program currently operated by Community Elements, Inc. The program will provide affordable housing assistance to low-income residents of the City of Urbana. Assisted households will have annual incomes at or below 60% of the Area Median in accordance with HOME Regulations. The participating clients follow a plan for achieving self-sufficiency and make co-payments toward rent (not to exceed 30% of the household income), based on their individualized self-sufficiency plan.

### **~~\$32,000~~ \$112,000 HOME**

Goal 2, Strategy 2, Activity 1

Citation - [24 CFR 92.209]

Environmental – EXEMPT

**Objective:** Provide decent housing by creating affordable housing opportunities for households with annual incomes at or below 80% of Area Median, of which 90% will be at or below 60% of the Area Median).

**Outcome:** Affordability for the purpose of providing decent affordable housing.

**Outcome Indicators:** Number of tenants maintaining affordable rental units at or below 60% of Area Median.

**Proposed Additional Amendment to Annual Action Plan FY 2013-2014  
PUBLIC HEARING**

**Monday, April 6, 2015, 10:00 A.M.  
Urbana City Council Chambers, 400 South Vine Street, Urbana**

**Minutes**

Present: Jenna Gonzalez, Community Development Services Department, City of Urbana.

Ms. Gonzalez 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 2013-2014. Notice of this public hearing was placed on the City's website on Friday, March 20, 2015.

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

Respectfully Submitted

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Jenna Gonzalez, Grants Coordinator II  
Grants Management Division