



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor, City of Urbana
FROM: Elizabeth H. Tyler, FAICP, Community Development Director
DATE: April 20, 2017
SUBJECT: A RESOLUTION APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2014-2015 AND FY 2015-2016 ANNUAL ACTION PLANS

Description

Included on the agenda of the April 20, 2017 Urbana Committee of the Whole meeting is a resolution approving modifications to the Fiscal Year (FY) 2014-2015 and FY 2015-2016 Annual Action Plans to reallocate the Urbana HOME Consortium's HOME budget to allow for funding of projects submitted through a Request for Proposals process and selected by the Urbana HOME Consortium.

Funds will be provided from the City of Champaign's allocation of HOME funds in the amount of \$455,000 and from the City of Urbana's allocation of FY 2014-2015 and FY 2015-2016 HOME funds roughly in the amount of \$50,000. The projects selected for funding include Habitat for Humanity's Affordable Homeownership Program for \$150,000, Courage Connection's Tenant Based Rental Assistance for \$150,000 plus program delivery, and Navicore/Champaign County Community Reinvestment Group's Downpayment Assistance Program for \$150,000 plus program delivery. The total amount of funding to be provided to these projects is \$505,343, which includes \$55,343 in funds to be allocated to Courage Connection and Navicore for program delivery.

Amendments are necessary to address changes in projects that have occurred, to add projects, and to allocate funding in order to be in compliance with the Department of Housing and Urban Development (HUD) regulations. The proposed amendments have been on display and available for public review and comment at the City Clerk's office, the Dept. of Community Development Services office, the Urbana Free Library, and on the City's website since March 27, 2017.

Issues

Substantial changes to any of the City's Annual Action Plans must be approved by the Urbana City Council prior to submission to HUD. Staff is requesting that the proposed Amendments be reviewed and approved by the Urbana City Council. In order to meet the HOME Commitment issue by August 2017, as required by HUD HOME regulations, the Urbana HOME Consortium released a Request

for Proposal (RFP) to allocate funding that needs to be committed to a project or projects. Three organizations were chosen for funding: Courage Connection, whose TBRA program will serve individuals and families who are literally homeless (including living in shelters) or near homeless; Habitat for Humanity, who plans to utilize the HOME funds to provide affordable housing opportunities for qualified families, in which four new construction or acquisition/rehabilitation projects will be completed to provide simple decent sustainable housing; and Navicore Solutions in collaboration with the Champaign County Community Reinvestment Group to administer a down payment assistance program to increase the supply of affordable housing available to low-to-moderate income households.

The funds made available through the RFP will reduce Urbana’s allocation allocated toward the Whole House Rehabilitation Program and from Champaign’s allocation that is used for their Full Home Improvement Program (FHIP).

Background

The proposed amendments are needed to reflect project funding and program changes that have occurred since the approval of the Annual Action Plans (and Amendments) for FY2014-2015 and FY2015-2016. The Department of Housing and Urban Development (HUD) regulations require that in the event significant changes to projects or programs described in the Annual Action Plans occur, plans are amended to reflect the changes.

The City of Urbana and Urbana Home Consortium Consolidated Plan for FY2015-2019 sets forth a process that must be followed in order to amend Annual Action Plans. The proposed Amendments have been processed in accordance with the Consolidated Plan procedure including publication of notices on the City’s website (March 27, 2017 – April 25, 2017).

In order to provide opportunity for public comment regarding the proposed Annual Action Plan Amendments, a public hearing regarding the proposed amendments was held in City Council Chambers on March 28, 2017 before the regular meeting of the Community Development Commission; no public participation. Following is summary of the proposed Annual Action Plan Amendments:

URBANA HOME CONSORTIUM PROPOSED AMENDMENTS

<u>HOME Budget Item</u>	<u>Current</u>	<u>Proposed Amended</u>
City of Urbana Neighborhood Revitalization FY 14-15	\$210,493.26	\$158,362.00
City of Urbana Neighborhood Revitalization FY 15-16	\$145,833.00	\$140,805.00
City of Champaign Neighborhood Revitalization FY 14-15	\$203,277.00	-0-
City of Champaign Neighborhood Revitalization FY 15-16	\$244,907.00	-0-
TOTAL CHANGE		(\$505,343.00)
FY 14-15 HOME Neighborhood Revitalization	-0-	\$255,408.00
FY 15-16 HOME Neighborhood Revitalization	-0-	\$249,935.00
TOTAL CHANGE		\$505,343.00

Options

1. Approve the Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2014-2015 and FY 2015-2016 Annual Action Plans.
2. Approve the Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2014-2015 and FY 2015-2016 Annual Action Plans, with additional changes.
3. Do not recommend approval of the Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2014-2015 and FY 2015-2016 Annual Action Plans.

Fiscal Impacts

The proposed amendments to the Annual Action Plans will not change the amount of HOME funding provided to the City by HUD, nor will it impact the HOME budget, as the funds are carryover funds from previous years. There is no fiscal impact to the City budget.

Programmatic Impacts

Continuing to promote affordable housing opportunities and working to eliminate homelessness, which can be addressed by providing affordable homeownership through new construction, Tenant Based Rental Assistance, and down payment assistance, has been long standing goals of the Mayor and City Council. These goals are expressed in various City documents, including the Urbana City Mayor and Council Goals, the 2005 Urbana Comprehensive Plan, the 2010-2014 City of Urbana and Urbana HOME Consortium Consolidated Plan, and the 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan.

Reprogramming funds from FY 2014-2015 and FY 2015-2016 will ensure that staff is able to commit sufficient HOME funds to avoid a shortfall and will allow for the timely expenditure of HOME funds as required by HUD. A commitment shortfall or timeliness issue could result in forfeiting grant funding to the Department of Housing and Urban Development, which is a significant concern, as it may jeopardize future funding for the City of Urbana and/or Urbana HOME Consortium.

Recommendations

The Community Development Commission will consider the Amendments to the FY 2014-2015 and FY 2015-2016 Annual Action Plans at its regular meeting on April 25, 2017. Staff recommends that the Urbana Committee of the Whole forward the Resolution to the Urbana City Council with a recommendation for approval.

Memorandum Prepared By:

Kelly H. Mierkowski, Manager
Grants Management Division

Attachments:

1. A Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2014-2015 and FY 2015-2016 Annual Action Plans
2. City of Urbana and Urbana HOME Consortium Proposed HOME Amendment (Annual Action Plans FY 2014-2015 & FY 2015-2016)
3. *Minutes for Public Hearing held on March 28, 2017 for the Draft FY 2017-2018 Annual Action Plan and the Amendment to the FY 2014-2015 and FY 2015-2016 Annual Action Plans*

RESOLUTION NO. 2017-04-025R

A RESOLUTION APPROVING MODIFICATIONS TO
THE CITY OF URBANA AND URBANA HOME CONSORTIUM
FY 2014-2015 and FY 2015-2016 ANNUAL ACTION PLANS

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 2014-2015 and FY 2015-2016 which included proposed budgets for the HOME Program and HUD subsequently approved said Annual Action Plans; and

WHEREAS, on March 10, 2017, the City of Urbana published on the City website a notice of a 30-day public review period regarding said proposed budgetary amendments to the Annual Action Plans; and

WHEREAS, on March 28, 2017 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 Urbana HOME Consortium Annual Action Plans for FY 2014-2015 and FY 2015-2016.

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 Urbana HOME Consortium Annual Action Plans for FY 2014-2015 and FY 2015-2016, 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 2014-2015 and FY 2015-2016, 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 Amendment to Annual Action Plan FY 2014-2015 and FY 2015-2016

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 AMENDMENT TO CITY OF URBANA & URBANA HOME CONSORTIUM
FY 2014-2015 and FY 2015-2016 ANNUAL ACTION PLAN**

The Urbana HOME Consortium proposes to amend the City of Urbana HOME Program budget in the Fiscal Year (FY) 2014-2015 Annual Action Plan (AAP) as well as the FY 2015-2016 AAP. Reductions to the City of Urbana Neighborhood Revitalization program for FY 2014-2015 and FY 2015-2016 are proposed to allow for funding of projects submitted through a Request for Proposals process and selected by the Urbana HOME Consortium. The total amount of funding to be provided to these projects will consist of \$505,343. The projects selected include Habitat for Humanity’s Affordable Homeownership Program (\$150,000), Courage Connection’s Tenant-Based Rental Assistance Program (\$150,000 + Program Delivery), and Navicore – Community Reinvestment Group’s Down-payment Assistance Program (\$150,000 + Program Delivery). These funds will be provided by \$455,000 from the City of Champaign’s allocation of HOME funds and roughly \$50,000 from the City of Urbana’s allocation of FY 14-15 HOME funds and FY 15-16 HOME Funds.

URBANA HOME CONSORTIUM PROPOSED HOME AMENDMENT:

<u>HOME Budget Item</u>	<u>Current</u>	<u>Proposed Amended</u>
City of Urbana Neighborhood Revitalization FY 14-15	\$210,493.26	\$158,362.00
City of Urbana Neighborhood Revitalization FY 15-16	\$145,833.00	\$140,805.00
City of Champaign Neighborhood Revitalization FY 14-15	\$203,277.00	-0-
City of Champaign Neighborhood Revitalization FY 15-16	\$244,907.00	-0-
TOTAL CHANGE		(\$505,343.00)
FY 14-15 HOME Neighborhood Revitalization	-0-	\$255,408.00
FY 15-16 HOME Neighborhood Revitalization	-0-	\$249,935.00
TOTAL CHANGE		\$505,343.00

FY 14-15 Annual Action Plan

Following is the HOME Program language and/or budget changes for the FY 2014-2015 Annual Action Plan found on page 38:

CITY OF CHAMPAIGN

2. Neighborhood Revitalization Program

Funds may be allocated to new or existing programs, such as the Acquisition-Rehab, Full Home Improvement Program, or Lot Acquisition programs, to promote revitalization efforts of targeted neighborhoods. The areas identified may be included in the Neighborhood Wellness Plan or in specific neighborhood plans (i.e. Beardsley Park, Bristol Park, and Burch Village Area Redevelopment) to further goals identified in the plans.

~~\$189,773.33~~ HOME; \$24,500 Estimated Program Income

Goal 3, Strategy 3 & 6

Citation – [24 CFR 92.206(d)]

Environmental – Non-Exempt/Non-Categorically Excluded

Objective: Provide Decent Housing by creating affordable housing opportunities for households with incomes at or below 80% of the area median.

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

Outcome Indicators: Number of units affordable owner occupied units purchased and/or rehabbed. Amount of funding leveraged through local match.

CITY OF URBANA

2. City Redevelopment Programs

Funds, including carryover funds, may be allocated to programs such as Down Payment Assistance, Acquisition-Rehab, Purchase-Rehab-Resale, Rental Rehab, Kerr Avenue Sustainable Development, Lot Acquisition/Demolition, and/or other programs currently under development or may be proposed that further the affordable housing goals and mission of the City, Council, and Grants Management Division. Programs must comply with applicable local, state and federal regulations, including but not limited to HOME regulations.

\$158,362.00 HOME

Goal 2, Strategy 1

Citation - [24 CFR 92.205(a)(1)]

Environmental – Assessment Required

Objective: Provide Decent Housing by creating affordable housing opportunities for households with incomes at or below 80% of the area median.

Outcome: Sustainability for the purpose of providing decent housing.

Outcome Indicators: Number of owner-occupied households assisted at or below 50% MFI. Number of owner-occupied households assisted at 51-80% MFI. Total amount of households served. Amount of funding leveraged through local match.

CONSORTIUM-WIDE

3. HOME Neighborhood Revitalization

Funds will be used to support neighborhood revitalization activities undertaken by the cities of Champaign and Urbana, and by Champaign County. Programs include: Navicore CRG Down-Payment Assistance Program, Courage Connection Tenant Based Rental Assistance Program and Habitat for Humanity New Construction/Rehabilitation

\$255,408.00

Goal 1, Strategy 1, 5, and 6

Citation – [24 CFR 92.206(a)(c)(d)(e)]

Environmental – Non-Exempt/Non-Categorically Excluded

Objective: Provide Decent Housing by creating affordable housing opportunities for households with incomes at or below 80% of the area median.

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

Outcome Indicators: Number of units affordable owner-occupied units purchased and number of TBRA-supported leases entered-into. Amount of funding leveraged through local match.

2015-16 ANNUAL ACTION PLAN

Following is the HOME Program language and/or budget changes for the FY 2015-2016 Annual Action Plan found on page 20:

2. Project Name	HOME City of Urbana Neighborhood Revitalization
Target Area	CENSUS TRACT NUMBERS 53, 54, 55, AND 56 City of Urbana
Goals Supported	Provide decent affordable housing opportunities
Needs Addressed	Affordable Housing
Funding	HOME: \$145,833 <u>\$140,805.00</u>
Description	Funds will be used to support the neighborhood revitalization activities undertaken by the City of Urbana, including: Down Payment Assistance, Acquisition-Rehab, Purchase-Rehab-Resale, Rental Rehab, Kerr Avenue Sustainable Development, New Construction activities, Tenant Based Rental Assistance, Owner-Occupied Rehabilitation, Lot Acquisition/Demolition, and/or other programs currently under development or may be proposed that further the affordable housing goals and mission of the City, Council, and Grants Management Division. Programs must comply with applicable local, state and federal regulations, including but not limited to HOME regulations.
Target Date	6/30/2016
Estimate the number and type of families that will benefit from the proposed activities	Approximately 22 households will benefit from Neighborhood Revitalization activities.
Location Description	The various neighborhood revitalization programs are available within the Urbana city limits.
Planned Activities	Neighborhood Revitalization activities include: Down Payment Assistance, Acquisition-Rehab, Purchase-Rehab-Resale, Rental Rehab, Kerr Avenue Sustainable Development, Lot Acquisition and/or Demolition, New Construction activities, Owner Occupied Rehabilitation, Tenant Based Rental Assistance, and/or other programs currently under development or may be proposed that further the affordable housing goals and mission of the City, Council, and Grants Management Division. Programs must comply with applicable local, state and federal regulations, including but not limited to HOME regulations. Funds are anticipated to be used for the Urbana Dream Down Payment Program and the Whole House Rehabilitation program. If tax credits are approved for the Urbana Townhomes/Aspen Court and the Kerr Avenue site, the City of Urbana will pursue investing in these tax credit projects in FY 15-16. This funding is continuously expended throughout the program year.

Following is the HOME Program language and/or budget changes for the FY 2015-2016 Annual Action Plan found on page 26:

9. Project Name	HOME City of Champaign Neighborhood Revitalization
Target Area	Beardsley Park Neighborhood Improvement Plan Area Garden Hills United Neighborhood Association Action Plan City of Champaign
Goals Supported	Provide decent affordable housing opportunities
Needs Addressed	Affordable Housing
Funding	HOME: \$228,579 \$0
Description	Funds will be used to support the neighborhood revitalization activities undertaken by the City of Champaign, including full home improvement program (FHIP), acquisition rehabilitation program (Acq-Rehab) and lot acquisition/clearance for new construction (LAP). The FHIP and Acq-Rehab programs will be prioritized in the following areas of Champaign in order to provide maximum benefit in areas identified with the greatest housing needs and/or lowest incomes: Planning Areas 1, 2, 4, 7, 8, 9 14, and 15. The LAP program will be limited to neighborhoods with plans underway or being developed at the time of this Consolidated Plan: Beardsley Park, Bristol Park and Garden Hills.
Target Date	6/28/2019
Estimate the number and type of families that will benefit from the proposed activities	The City of Champaign's program will benefit approximately 10 households in FY 2015-2016.
Location Description	City of Champaign limits.
Planned Activities	Funds will be used to support the neighborhood revitalization activities undertaken by the City of Champaign, including full home improvement program (FHIP), acquisition rehabilitation program (Acq-Rehab) and lot acquisition/clearance for new construction (LAP). The FHIP and Acq-Rehab programs will be prioritized in the following areas of Champaign in order to provide maximum benefit in areas identified with the greatest housing needs and/or lowest incomes: Planning Areas 1, 2, 4, 7, 8, 9 14, and 15. The LAP program will be limited to neighborhoods with plans underway or being developed at the time of this Consolidated Plan: Beardsley Park, Bristol Park and Garden Hills. This funding is continuously expended throughout the program year.

<u>10. Project Name</u>	HOME Neighborhood Revitalization
<u>Target Area</u>	<u>Incorporated Champaign, Incorporated Urbana, Unincorporated Champaign County</u>
<u>Goals Supported</u>	<u>Provide decent, safe, and affordable housing opportunities</u>
<u>Needs Addressed</u>	<u>Affordable Housing</u>
<u>Funding</u>	<u>HOME: \$249,935</u>
<u>Description</u>	<u>Funds will be used to support neighborhood revitalization activities undertaken by the cities of Champaign and Urbana, and by Champaign County. Programs include: Navicore CRG Down-Payment Assistance Program, Courage Connection Tenant Based Rental Assistance Program and Habitat for Humanity New Construction/Rehabilitation</u>
<u>Target Date</u>	<u>.06/30/2018</u>
<u>Estimate the number and type of families that will benefit from the proposed activities</u>	<u>15 households TBRA</u> <u>10 households Downpayment Assistance</u> <u>4 households Single Family Homeownership</u>
<u>Location Description</u>	<u>Programs will be available in Champaign, Urbana and in unincorporated Champaign County.</u>
<u>Planned Activities</u>	<u>TBRA, Down-Payment Assistance, Affordable New Construction</u>

**PUBLIC HEARING
ANNUAL ACTION PLAN FY 2017-2018
ANNUAL ACTION PLAN AMENDMENT FY 2014-2015 AND 2015- 2016**

**Tuesday, March 28, 2017, 7:00 P.M.
Urbana Council Chambers, 400 S. Vine Street, Urbana**

Minutes

Present: Fred Cobb, Jerry Moreland, Lauren Karplus, Anne Heinze Silvis, Janice Bengston, Michael Braun, Abdulhakeem Saalam and Karin Hodgins-Jones, Community Development Commission

Present: Kelly Mierkowski, Matt Rejc, Don Ho Community Development Services Department, City of Urbana.

Others Present: Jason Greenly and Candace Godbolt from Courage Connection, Ben Lewis from Habitat for Humanity of Champaign County, Janice Parker from Navicore.

Notice of this public hearing was also placed on the City's website on March 10, 2017, along with the notice that the public comment period would begin March 27, 2017 and it will last for 30 days.

Chairperson Cobb called the public hearing to order at 7:01 p.m. The purpose of this public hearing is to provide an opportunity for the public to provide input and comments regarding the proposed City of Urbana and Urbana HOME Consortium Annual Action Plan and Budget for Fiscal Year 2017-2018, as well as proposed City of Urbana and Urbana HOME Consortium Annual Action Plan Amendment for Fiscal Year 2014-2015 and 2015-2016.

Ms. Mierkowski explained that with regards to HOME and CDBG grants, all the proposed activities are adjusted to match the different estimated funding scenarios. HUD had suggested the Grants Management Division (GMD) to put different scenarios in the AAP and also to be prepared that the City may not be able to submit the APP in May like in the past. The reason is that the City does not have to do another 30-day period public hearing again when the allocation amount is revealed. It is still not clear when the GMD finds out the allocation amount for both grants.

Ms. Mierkowski then explained each different activity and its allocation under CDBG and HOME. CDBG activities include Administration (20%), Program Delivery, Public Service (15%), Emergency Grants, Access Grants and Property Acquisition. HOME activities include Administration (10%), City of Champaign portion, City of Urbana portion, Champaign County Regional Planning Commission portion. Budget scenario #1 shows no changes, budget scenario #2 shows a 10 percent reduction and budget scenario #3 shows a 10 percent increase.

Ms. Mierkowski mentioned the proposed amendment to the AAP 14-15 and AAP 15-16. She clarified that this is mostly carryover funds and related to the Request for Proposals (RFP) from three different agencies. These three agencies will also give out presentations to share what they

do and their missions right after Staff Report. The memo shows the amount that GMD is amending. Part of the money is from the City of Champaign and also part of the money is from the City of Urbana. Ms. Mierkowski then asked if anyone from the Community Development Commission or the audience had any questions.

Commissioner Karplus asked if GMD has heard anything about federal funding recently because of Urbana's status as a sanctuary city. Ms. Mierkowski said that there was not a lot of information out there. GMD had not heard much except for a couple of different bills and the Attorney General comments on sanctuary cities. GMD had also not heard anything that we would not receive any money. GMD will continue to pay close attention to this issue.

Chairperson Cobb asked if people have a good understanding of all this information, presuming that all the information has been disseminated. Ms. Mierkowski explained that all this information has been posted on the website. Since there is a 30-day period for public comments, she suggested that the audience would take a look and contact GMD if they have any questions.

Seeing no further comments, Chairperson Cobb closed the public hearing at 7:11 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "DON HO".

Don Ho, Community Development Coordinator