



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 Services Director ^{CAT}

DATE: July 3, 2014

SUBJECT: **Supportive Housing Program – Homeless Families in Transition**
Resolution Approving Subrecipient Agreement for FY 2014-2015:
Courage Connection, (formerly The Center for Women in Transition)

Description

Included on the agenda of the July 7, 2014 meeting of the Urbana City Council is an agreement for the FY 2014-2015 Supportive Housing Program (SHP) - Homeless Families in Transition. The proposed agreement is with the agency that participates in the SHP Homeless Families in Transition project, which is Courage Connection (formerly The Center for Women in Transition).

Issues

The issue is whether the Urbana City Council should approve the Resolutions Approving the Subrecipient Agreements for FY 2014-2015 with Courage Connection.

Background

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 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 currently were operating for transitional housing. The federal funds used for acquisition and rehabilitation require that the transitional housing program for homeless families be operated at that location for 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 November 22 2013, HUD issued the 2013 NOFA announcing funds were available for certain eligible programs such as the City of Urbana's Supportive Housing Program. The NOFA funding announcement also informed Continuums of

Care that due to a reduction in overall funding at the national level, they must cut their annual renewal amounts by 5%. For the Champaign County Continuum of Care (CoC) the 2012 annual renewal amount was \$760,138; of this amount the City of Urbana received \$200,619. The overall 5% cut required by HUD set the annual renewal amount at \$722,131. At a special meeting of the Champaign County Continuum of Care, held on January 21, 2014, the full Continuum Board voted to reduce the funds received by the City of Urbana in the amount of \$33,899, and to limit the grant funds to the projects being operated by Courage Connection (formerly The Center for Women in Transition) and the administrative support provided by the City of Urbana. Based on criteria set by the CoC, The Salvation Army's funding was eliminated, and there was a reduction in funding to Courage Connection.

On January 28, 2014, the City of Urbana (City) submitted an application, through the Champaign County Continuum of Care, for renewal grant funds for the Supportive Housing Program in the amount of \$166,720. The funds will be used to continue the transitional housing programs sponsored by a private non-profit organization, Courage Connections.

On June 11, 2014, the City received notice from HUD that the application for Supportive Housing Program funds was approved. On June 12, 2014 the City executed the Supportive Housing Program Grant Agreement with HUD that governs expenditure of Supportive Housing Program renewal funds by the City and the participating agencies. The City is then required by HUD to execute an agreement with the subrecipient agency, which details amounts of funding and eligible uses of the funds.

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. They also receive program funds for operation costs, homeless information management systems (HMIS) and administrative expenses.

During its June 24, 2014 regular meeting, the Urbana Community Development Commission forwarded the attached Resolutions with a unanimous recommendation for approval.

Fiscal Impacts

There will be no direct fiscal impact on the City General Fund, as the \$166,720 in funding for this program comes from HUD. The grant began on March 1, 2014, and the total amount of funding is as follows:

Courage Connections:	\$161,585
<i>(Homeless Services - \$104,750)</i>	
<i>(Domestic Violence - \$ 56,835)</i>	
<u>City of Urbana</u>	<u>\$ 5,135</u>
Total amount of grant:	\$166,720

Programmatic Impacts

The decision made by the full Board of the Continuum of Care reduced the overall amount of grant funds to be received by the City of Urbana, in addition to eliminating a program operated by The Salvation Army as it did not meet the criteria set by the Continuum Board to be renewed. Administratively, city staff will continue to provide the programmatic and administrative support for the Homeless Families in Transition Program as in the past years.

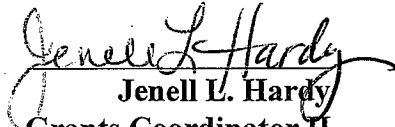
Options

1. Approve the Resolutions Approving the Subrecipient Agreements for FY 2014-2015 with Courage Connection (formerly The Center for Women in Transition).
2. Approve the Resolutions with changes.
3. Do not approve the Resolutions.

Recommendations

Staff and the Community Development Commission recommend approval of the resolutions approving the Supportive Housing Program grant agreement with Courage Connection for FY 2014-2015 as written.

Memorandum Prepared By:


Jenell L. Hardy
Grants Coordinator II
Grants Management Division

Attachments:

1. A RESOLUTION APPROVING A SUPPORTIVE HOUSING PROGRAM SUBRECIPIENT AGREEMENT BETWEEN THE CITY OF URBANA AND COURAGE CONNECTION (FORMERLY THE CENTER FOR WOMEN IN TRANSITION).
2. SUPPORTIVE HOUSING PROGRAM SUBRECIPIENT AGREEMENT BETWEEN THE CITY OF URBANA AND COURAGE CONNECTION (FORMERLY THE CENTER FOR WOMEN IN TRANSITION), (FY 2014-2015)
3. Unapproved minutes from the June 24, 2014 Community Development Commission regular meeting.

**A RESOLUTION APPROVING A SUPPORTIVE HOUSING PROGRAM
SUBRECIPIENT AGREEMENT WITH COURAGE CONNECTION
(FORMERLY THE CENTER FOR WOMEN IN TRANSITION)**

(FY 2014-15)

WHEREAS, on January 28, 2014, 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 June 11, 2014, the City received notice that HUD approved the City's application for SHP funds; and

WHEREAS, on June 12, 2014, the City executed a SHP Grant Agreement (Grant No. IL0037L5T031306) with HUD to govern expenditure of SHP renewal funds by the City and Participating Organization; and

WHEREAS, the Participating Organization have heretofore expressed their 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 \$161,585.00 in Supportive Housing Program funds to Courage Connection for their Homeless Services (\$104,750) and Domestic Violence Services (\$56,835), 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 hereby 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
(FORMERLY THE CENTER FOR WOMEN IN TRANSITION)**

This Subrecipient Agreement is made by and between the City of Urbana, Illinois (hereinafter the "City"), and Courage Connection (formerly The Center for Women in Transition) (hereinafter the "Subrecipient") for Supportive Housing Program Project Number IL0037L5T031306 (Renewal of IL0037L5T031205).

WITNESSETH:

WHEREAS, on January 28, 2014, 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 June 11, 2014, the City received notice that HUD approved the City's application for SHP funds; and

WHEREAS, on June 12, 2014, 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 12, 2014, in connection with the SHP Project No IL0037L5T031306 (Renewal of IL0037L5T031205).
- B. The terms "grant" and "grant funds" mean the assistance provided under this Subrecipient Agreement.
- C. The term "Grant Application" means the application submission, January 28, 2014, 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).
- 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 **\$161,585.00** 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>CWT/Homeless</u>	<u>CWT/AWP</u>
Acquisition:	0.00	0.00
New Construction:	0.00	0.00
Rehabilitation:	0.00	0.00
Operations:	\$ 38,800.00	\$45,938.00
Supportive Services:	\$ 61,950.00	\$ 9,797.00
HMIS:	\$ 0.00	\$ 800.00
Administration:	\$ 4,000.00	\$ 1,100.00
Total Grant Award:	\$104,750.00	\$56,835.00

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.

1) Supportive Services: SHP funds can be used to pay up to 80% of the total costs for the provision of supportive services. The Subrecipient must match the remaining 20% 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.

2) Operating Costs: SHP funds can be used to pay up to 75% of the operating cost in each year of the grant term. The Subrecipients 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.

3) 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.

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 HUD SHP Desk Guide, Section D, Eligible Activities:

1) Supportive Services: Funds can be used to pay for the actual costs of new or increased supportive services to homeless persons, including salaries paid to providers and other costs directly associated with providing such services.

Services aimed at moving homeless participants to independence are eligible for SHP support. Some examples of eligible supportive services include: outreach, child care, job training/placement, case management, health care, transportation, employment assistance, education, vocational opportunities, life skills, counseling, housing search assistance, substance abuse treatment, parenting skills, rent deposits, outpatient psychiatric care, outpatient mental health care, budgeting.

Eligible supportive service costs include: salary of case manager, counselor, therapist, etc.; salary of case management supervisor when he/she is working with clients or working with a case manager on issues regarding clients; desks, computers used by clients and their trainer in employment training programs; food, clothing, transportation for use by clients; outpatient medical/dental care for clients; first & last month's rent, security deposits, credit checks for participants moving from transitional housing to permanent housing; clothing, tools, and similar items needed by participants for jobs or job training; cellphones for outreach workers; mileage allowance for service workers to visit participants at home, if participants reside in scattered site housing; and vehicle purchase and operation (gas, insurance, maintenance) when used for transporting clients.

2) Operations: Operating costs are those costs associated with the physical day-to-day operation of supportive housing facilities. Operating costs differ from supportive services cost in that operating costs support the function and the operation of the housing project. Only operating cost for a new project or the expanded portion of an existing project are eligible for SHP funding.

The expense incurred by the grantee to operate supportive housing is an eligible SHP activity. Some examples include: Maintenance and repair; Operations staff; utilities, equipment, supplies, insurance, relocation (the costs associated with displacing persons in order to use a structure are included under operational costs, even though such payments may be a one-time occurrence), and furnishings.

Eligible operational costs include: salaries of staff not delivering services, such as executive director, project manager or security guard; utilities costs: gas, heat, electric, etc.; desks, computers, telephones used by staff involved in operating the housing; furnishings (beds, chairs, dressers, etc.) for participants; equipment (refrigerators, ranges, etc.)

3) **HMIS:** Activities related to the implementation and operation of an Homeless Management Information System (HMIS). These activities may be hard costs or consumable items, such as software licenses, hardware, and services or they may be personnel-related costs, such as salary and fringe benefits.

4) **Administrative Costs:** Up to 5% of any grant awarded under SHP may be used for the purpose of paying costs of administering the assistance. Administrative costs included the costs associated with accounting for the use of grants funds, preparing reports for submission to HUD, obtaining program audits, similar costs related to administering the grant after the award, and staff salaries associated with these administrative costs.

Eligible administrative costs include: preparation of Annual Progress Report; audit of SHP; staff time spent reviewing/verifying invoices for grant funds, drawing money from Treasury, and maintaining records of the use of those funds; and field office training on managing the grant.

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: _____
Laurel Prussing, Mayor

DATE: _____

ATTEST: _____
Phyllis Clark, 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



**UNAPPROVED
MINUTES
COMMUNITY DEVELOPMENT COMMISSION MEETING
Tuesday, June 24, 2014, City Council Chambers
400 South Vine Street, Urbana, IL 61801**

Call to Order: Chairperson Cobb called the regular meeting to order at 7:07 p.m.

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

Commission Members Present: Fred Cobb, Chris Diana, George Francis, Jerry Moreland, and Lisabeth Searing.

Commission Members Excused/Absent: Janice Bengtson and Anne Heinze Silvis.

Others Present: Kelly H. Mierkowski and Jenell Hardy, Community Development Services.

Approval of Minutes: *Chairperson Cobb asked for approval or modifications to the May 29, 2014 minutes. Commissioner Diana moved to approve the minutes as written and Commissioner Moreland 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. HUD Activity includes staff attending an Environmental Review Training at HUD Chicago Field office on June 12 & 13, 2014. Ms. Mierkowski also noted staff activities and accomplishments were listed, as well as other grants management division activities.

Old Business: None

New Business:

Supportive Housing Program – Homeless Families in Transition Resolution Approving Subrecipient Agreement for FY 2014-2015: Courage Connection, (formerly The Center for Women in Transition)

The Supportive Housing Program is one of the homeless programs that the City of Urbana administers as a pass through agency; the City of Urbana has received this grant from The Department of Housing and Urban Development (HUD) since 1995. Initially, the grant was a three year cycle grant and funds were given to three separate agencies, The Center for Women in Transition (for their homeless services), A Woman's Place, and The Salvation Army. Since then, A Woman's Place has merged with and is now administered by The Center for Women in Transition, who recently changed their name to Courage Connection.

This year, The Salvation Army is not being funded as part of the Homeless Families in Transition project. The Continuum of Care, which is the board that was established and required by the Department of Housing and Urban Development (HUD), voted not to fund that agency due to poor performance over the last several years. Last year, The City of Urbana received \$200,619; this program year the City of Urbana's allocation was reduced to \$166,720. Part of the reduction included cutting The Salvation Army's funding and reducing a portion of The Center for Women in Transition's funding.

Commissioner Francis asked if the Continuum of Care (CoC) is a HUD agency and who appoints the board. Ms. Hardy explained that the Continuum of Care is a local agency that was required by HUD to be established, so the Continuum held an election. The Continuum of Care is made up of non-profits and social service agencies that have an interest in homelessness; the HEARTH Act requires that boards be established. The board has been in operation approximately 15 years, but now HUD has placed a lot of requirements on Continuum of Care boards to do the administration of homeless programs and special needs projects. For the last two years the board has been working on policies and procedures, and a method of ranking programs to make sure they are efficient, since there have been a lot of funding cuts to Federal programs. The Continuum has been tasked by HUD to determine what services are needed in the community and how to best to provide those services with the amount of funding available.

Commissioner Francis asked what reasons were given for not funding the Salvation Army. Ms. Hardy explained there is a variety of scoring criteria that is used when an agency is ranked. All agencies that are current recipients of funding are eligible to submit an application of intent, i.e. that they want to reapply for funds. Then the agency's history is reviewed with regard to their ability to spend funds, how well they have served individuals, as well as their data which is put into the Homeless Management Information System (HMIS). The HMIS database is required by HUD, and it is required that information be kept on every individual that is served. There are a variety of issues that the Salvation Army did not comply with: there was an issue with regard to the expenditure of funds in a timely manner and there were significant findings in their most recent monitoring of their funds.

So, with regard to making a cut to the funds that were to be received - each County receives an annual renewal demand and the Continuum gets a set amount that the Federal government will allow them to apply towards - this year every Continuum across the country was told they would be receiving a 5% cut and that it was up to the Continuum to decide how to make the cut. It was noted by Commissioner Francis that the Continuum seemed to actually receive more than a 5% cut. Ms. Hardy stated that there was a 5% cut to Champaign County's annual renewal demand, the original amount was about \$869,000 and then came down to roughly \$720,000, which is the amount available for the entire Continuum to apply for, any eligible agency within our area. Once that was done, there is a ranking process to determine the agencies that are best able to continue providing this service.

In the new HEARTH Act, which is new guidance to govern these funds, HUD has gotten really specific about who is considered homeless and what the program should look like. A lot of the programs are for transitional housing and they (HUD) are moving more towards permanent housing; they want to be able to provide a permanent place for homeless individuals, not just something that is transient that may increase the chance of the person cycling back through homelessness. With the guidance that was published, the Continuum board drafted a set of principles and guidelines to match what they were looking for, as a way to evaluate the agencies applying for funding. In doing so, the Salvation Army was not able to score high enough to be ranked in the final allocation.

Commissioner Francis questioned the role of the Community Development Commission with regard to the Continuum of Care, and Chairman Cobb clarified the question. Ms. Hardy stated the subrecipient grant agreement is being brought to the Commission for approval, because the City is the administrator of these funds. We are a pass through agency, we receive the funds. One reason the City does this is because the City can meet a lot of the FAR requirements that are set by the Federal government that some not-for-profits are unable to meet, such as single audit requirements, how their cash flow is tracked, and their account receivables. The City is able to meet all these requirements, so we accept the money and then sub-grant these funds to non-profit agencies; in addition we receive administration funds.

Commissioner Francis asked if the CDC was consulted in this process, and Ms. Hardy stated no, this program is governed under the Continuum of Care, and that board and the governance charter. The agencies that are funded, this is the governing board for this program. The City's process with regard to grant agreements is that whenever a contract is entered into to award grant funds, it is brought before the CD Commission and City Council. The distribution of these funds and the selection of the subrecipients happen before we get to this point, it happens before funds are awarded through the grant process. Commissioner Francis then asked who appoints the board. Ms. Hardy explained that through the HEARTH Act, there is a requirement by HUD to establish this board. It gives guidelines on what the makeup of the board should be, a mixture of non-profits and city governments. The City of Urbana, the City of Champaign, Champaign County all sit on this board as municipal bodies; as do various non-profits, many of whom receive funds, and interested parties. HUD is then notified of who is on the board; they approve the information as part of the NOFA application process.

The Continuum itself is then charged with making its own governance charter; in that charter is the election policy of how the actual board is determined. There was a ballot election to determine who would be on the board. There is a process with regard to how members vote, based on the number of meetings attended, if there is a current memorandum of understanding (MOU); there are certain policies and procedures which could be shared with the CD Commission if wanted. There is a process that has been determined and that information has been provided to HUD, who responded favorably by granting the Continuum's annual renewal demand when the application was submitted. Ms. Hardy noted that she is the staff person who represents the City on this board; each Continuum in the state has a board. More information can be shared with regard to the Federal act which governs this board; the Continuum had two years to put this board in place, which was successful. HUD would ultimately be the authority that the Continuum of Care board reports to. There are certain guidelines as far as who can vote; if applying for funds the agency is not eligible to vote, it would be an agency not in the application pool that would make the voting decision about who gets funded. There is a strict set of guidelines that the members review at each meeting to determine who is eligible to vote, based on the agenda item or topic.

Commissioner Moreland asked if the findings might have a further negative impact on The Salvation Army in the future for requests for funding. Ms. Hardy explained that a positive solution has come about regarding this issue. The Salvation Army does receive funds from the Department of Veteran's Affairs; it is one of their largest grant funders. They are also a nationally based organization; some of their funding streams, private donations, and a variety of other options are available to sustain their program. They were able to successfully get out of their contract for the homeless program, in light of the events.

Commissioner Diana asked what the funding amount to Salvation Army was the previous year and if other agencies were able to maintain their full funding, and Ms. Hardy stated \$26,905. This year, there were a total of three agencies that were affected by the cut; according to the ranking chart, the lowest ranking agency with a score of 3 points was The Salvation Army, who was completely eliminated, and two other agencies who received a score of 5 points was The Center for Women in Transition and Community Elements. Both of these agencies also had additional cuts in their funding, to make up the total amount that needed to be reduced which was \$38,007. Taking out \$26,905, more cuts still needed to occur, so the same system was used for the additional cuts. The board was presented several options, of which included not eliminating The Salvation Army, but the eligible voting members chose the option of not funding The Salvation Army.

The criteria set by the board are locally set criteria; the same guidelines were used for the previous funding cycle, when a 3% cut had to be made. At that time, every agency was funded; this funding cycle, the loss to the Continuum pool of funding was going to be more significant. The same standard was used for both years. Commissioner Diana commented it is traditionally difficult when there is a board that sets criteria for administering itself, which is difficult because the organizations are different and operate differently, and it would be very easy to adjust the performance criteria where either one could look very good or very bad, based on that criteria. It could be a slippery slope, especially if the organizations that were de-funded are more of the private organizations versus the organizations that had previously been funded from the state. What might bother some people is the level of transparency regarding who is on the board, what is the criteria, and how people perform. Ms. Hardy stated that information could be provided to the Commission, such as minutes, etc., to make it more transparent to the Commission. There is a standing meeting on the first Tuesday of the month; it is not subject to the open meetings act but is open to the public. Minutes from the meeting regarding this and last year's awards can be provided.

Commissioner Francis commented for clarification that the Continuum board had to meet the cuts of \$37,000 from HUD; however, HUD cut money because the board eliminated certain recipients. Ms. Hardy explained that it is almost a year-long process to go through the NOFA application process which is competitive; there is approximately 60 days to complete the application. Part of the process includes looking at the county to see how much funding went through the Continuum the previous year. A Grant Inventory Worksheet (GIW) is done, which lists all the grants, what types of programs they are, how much money was received, and the various categories in which they receive the funds. A notice also came out that there would be a 5% reduction, so based on the dollar amount that was received in Program Year 2012 the Continuum would receive 5% less for Program Year 2013. The Continuum was charged with making the cuts, per HUD.

Commissioner Moreland asked if The Salvation Army would be able to apply again next year, or with the mutual parting relinquish them of any opportunity for funding in the future. Ms. Hardy stated that the project they had previously received funding for, a buyout option was taken to no longer participate in that program under the 20 year requirement. An application could be submitted for a new project; there is a process for how new projects are awarded. There is bonus money available if a certain number of points are awarded on your application, which is due to how well information was entered into the HMIS database.

HUD uses a scoring criteria when they review applications and Continuums are then ranked in order. HUD then starts awarding the funds they have and if there is any money left over, they return to the top of the list and start again awarding funds to the bonus projects or new projects until the funds run out. Unfortunately, the Champaign County Continuum has not scored high enough in past years to be eligible for the bonus funding. The Continuum always allows for agencies to submit an intent for a new project, but it depends on how well the Continuum's application scores and if there is enough funding available for the bonus or new projects to be funded.

Commissioner Francis asked if the activities of the Continuum board are graded by HUD and if the action of eliminating The Salvation Army raised the score of the application. Ms Hardy stated yes, by re-evaluating programs that are effective, it can provide the best opportunity for how the score can be raised. The Salvation Army is still part of the Continuum of Care; they are a vital part to the community and the work that is done. However, the Continuum has to be in compliance with Federal regulations.

Chairman Cobb asked about the \$161,000 being used for homeless services and domestic violence and if other uses were considered. Ms. Hardy stated that the Center for Women in Transition was the subrecipient agency, the other agencies that received funds receive their funds directly from HUD. There were no new applicants or letters of intent for new projects. This was the only available option and our only subrecipient grantee of these funds. Ms. Mierkowski also added for clarification the eligible uses of the funds by the agency include operations and supportive services. Chairman Cobb also asked about supportive services which includes salaries paid for case managers, thinking it would be under administration. Ms. Hardy stated that case managers provide direct services to clients, at Courage Connections they meet with clients directly on a weekly basis to work on goals toward self-sufficiency skills. They are onsite staff at the residences the participants reside and so are able to provide a direct service to them. The administrative funds are used to pay for the fiscal manager who does a lot of the financial payouts, requests for reimbursement that are submitted to the City of Urbana. The director and other leadership within the agency are not paid with these funds.

Commissioner Searing asked about the new director and the name change. Ms. Hardy stated that the name of the agency was changed to Courage Connections and they have hired a new Executive Director, Isak Griffiths. She is a recent graduate of the University of Illinois MBA program, and has been in the community for a while. She is a new addition to the agency, so there have been some changes made to the agency.

Chairperson Cobb explained the three options with regard to the proposed Resolution. Commissioner Francis made a motion to forward the resolution to Council with a recommendation for approval. Commissioner Searing seconded the motion; the motion carried.

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

Recorded by Kelly H. Mierkowski, Manager

UNAPPROVED