



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: June 23, 2016

SUBJECT: **A Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2013-2014 and FY 2014-2015 Annual Action Plans (Highland Green)**

Description

Included on the agenda of the June 28, 2016 Urbana Committee of the Whole meeting is a resolution approving modifications to the Fiscal Year 2013-2014 and FY 2014-2015 Annual Action Plans to transfer from the City of Urbana's allocation of HOME funds from the Owner-Occupied Housing Rehabilitation program to the City's Redevelopment Funds which is proposed to provide necessary support for the development of Highland Green (formerly Kerr Avenue Sustainable Development), a 33-unit affordable housing development on City-owned property at 401-403 East Kerr Avenue in Urbana.

The City of Urbana also proposes to amend the Community Development Block Grant (CDBG) program budget in the FY 2014-2015 Annual Action Plan. A reduction in CDBG funds for various uses and the transfer of carryover funds from various programs from the City of Urbana's allocation of CDBG funds is proposed to allow for additional funds to be dedicated to infrastructure improvements at the site of Highland Green (formerly Kerr Avenue Sustainable Development).

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, and the Urbana Free Library since May 27, 2016.

Issues

Substantial changes to any of the City's Annual Action Plans must be approved by the Urbana City Council before submission to HUD. The issue is whether the Committee of the Whole should forward the Resolution approving the Modifications to the Annual Action Plans to the Urbana City Council with a recommendation for approval.

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 FY2013-2014 and FY2014-2015. 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 be 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 publishing notices on the City's website (May 27, 2016 – June 28, 2016). In order to provide opportunity for public comment regarding the proposed Annual Action Plan Amendments, a public hearing regarding the proposed amendments will be held in City Council Chambers on June 28, 2016 before the regular meeting of the Community Development Commission. 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 Housing Rehab FY 13-14	\$158,362.26	-0-
City of Urbana Housing Rehab FY 14-15	\$149,981.00	\$16,763.26
TOTAL CHANGE (DECREASE)		\$291,580.00
City of Urbana City Redevelopment Program - Kerr Avenue Sustainable Development	-0-	\$291,580.00
TOTAL CHANGE (INCREASE)		\$291,580.00

CITY OF URBANA CDBG PROGRAM

<u>CDBG Budget Item</u>	<u>Current</u>	<u>Proposed Amended</u>
Program Delivery	\$109,867.00	\$61,297.00
Emergency/Access	\$60,000.00	\$35,000.00
Senior Repair Service	\$15,000.00	\$14,000.00
Acquisition/Demolition/New Construction (c.o.)	\$59,512.00	-0-
City Infrastructure (c.o.)	\$17,000.00	-0-
Neighborhood Streetlights (c.o.)	\$10,000.00	-0-
Lanore/Adams/Fairlawn Multi-Use Path (c.o.)	\$16,021.00	-0-
TOTAL CHANGE (DECREASE)		\$177,103.00
Capital Improvement Projects – Kerr Avenue Sustainable Development	\$31,317.00	\$208,420.00
TOTAL CHANGE (INCREASE)		\$177,103.00

Options

1. Forward the Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2013-2014 and FY 2014-2015 Annual Action Plans to the Urbana City Council with a recommendation for approval.
2. Forward the Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2013-2014 and FY 2014-2015 Annual Action Plans to the Urbana City Council with a recommendation for approval, with additional changes.
3. Do not recommend approval of the Resolution.

Fiscal Impacts

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

Programmatic Impacts

Construction of affordable housing at the Highland Green site has been a goal of the Mayor and City Council for several years and that goal has been 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 2013-2014 and FY 2014-2015 will ensure that staff is able to commit sufficient HOME funds to avoid a shortfall and will allow for the timely expenditure of CDBG 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 greater concern, as it may jeopardize future funding for the City of Urbana and/or Urbana HOME Consortium.

Recommendations

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:

A Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2013-2014 and FY 2014-2015 Annual Action Plans

City of Urbana and Urbana HOME Consortium Proposed HOME Amendment (Annual Action Plans FY 2013-2014 & FY 2014-2015)

City of Urbana and Urbana HOME Consortium Proposed CDBG Amendment (Annual Action Plan FY 2014-2015)

RESOLUTION NO. 2016-06-046R

**A Resolution Approving Modifications to the
City of Urbana and Urbana HOME Consortium
FY 2013-2014 and FY 2014-2015 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 resolutions authorizing submittal to HUD of the Annual Action Plans for FY 2013-2014 and FY 2014-2015 that included proposed budgets for the HOME Programs and HUD subsequently approved said Annual Action Plans; and

WHEREAS, on May 27, 2016, 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 June 28, 2016, 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 2013-2014 and FY 2014-2015.

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 2013-2014 and FY 2014-2015, 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 Plans for FY 2013-2014 and FY 2014-2015, and any prior approved Annual Action Plan or Amendment, including, without limitations, to execute any documents necessary to commit applicable HOME and CDBG 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
HOME Amendment

Annual Action Plans
FY 2013-2014 & FY 2014-2015**

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 AMENDMENTS TO CITY OF URBANA & URBANA HOME CONSORTIUM
FY 2013-2014 & FY 2014-2015 ANNUAL ACTION PLANS**

The City of Urbana, as lead entity for the Urbana HOME Consortium, proposes to amend the City's HOME Program budget in the FY 2013-2014 AAP and FY 2014-2015 AAP. A transfer from the City of Urbana's allocation of HOME funds from the Owner-Occupied Housing Rehabilitation program to City Redevelopment Funds is proposed to provide necessary support for the development of Highland Green (formerly Kerr Avenue Sustainable Development), which is a 33-unit affordable housing development on City-owned property at 401-403 East Kerr Avenue in Urbana. These funds will be provided to the development team and will be supplemented by CDBG funds to total \$500,000 in assistance.

URBANA HOME CONSORTIUM PROPOSED HOME AMENDMENT:

<u>HOME Budget Item</u>	<u>Current</u>	<u>Proposed Amended</u>
City of Urbana Housing Rehab FY 13-14	\$158,362.26	-0-
City of Urbana Housing Rehab FY 14-15	\$149,981.00	\$16,763.26
TOTAL CHANGE (DECREASE)		\$291,580.00
City of Urbana City Redevelopment Program - Kerr Avenue Sustainable Development	-0-	\$291,580.00
TOTAL CHANGE (INCREASE)		\$291,580.00

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

CITY OF URBANA

FY 13-14 Allocation: ~~\$149,981.00~~ \$16,763.26

1. Owner-Occupied Housing Rehabilitation

Funds will be allocated for the rehabilitation of four-seven (4-7) units, including grants and deferred-payment loans in the amount of \$25,000-\$28,000 per household that are intended to address code deficiencies, major renovation needs, relocation expenses and lead-based paint concerns.

Goal 1, Strategy 1 & 2; Goal 2, Strategy 1-4 & 6

Citation - [24 CFR 92.206(a)(2)]

Environmental – Assessment Required

Recapture

~~\$149,981.00~~ \$16,763.26 HOME

Objective: Provide Decent Housing to owner occupants by addressing conditions that are a result of deferred maintenance through rehabilitation of homes of recipients from two income categories, at or below 50% MFI and between 51-80% MFI. Program is intended to improve the quality of the housing stock by bringing units into compliance with applicable code requirements, eliminating lead based paint hazards, and improving exterior appearance.

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.

2. City Redevelopment Programs

Funds may be allocated to programs such as Down Payment Assistance, Acquisition-Rehab, Purchase-Rehab-Resale, Rental Rehab, Kerr Avenue Sustainable Development, 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.

Goal 2, Strategy 1

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

Environmental – Assessment Required

\$133,217.74 HOME

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.

Following is the HOME Program language and/or budget changes for the FY 2014-2015 Annual Action Plan found on page 40:

CITY OF URBANA

FY 14-15 Allocation: \$ 158,362.26

1. Owner-Occupied Housing Rehabilitation

Funds will be allocated for the rehabilitation of four-seven (4-7) units, including grants and deferred-payment loans in the amount of \$25,000-\$28,000 per household that are intended to address code deficiencies, major renovation needs, relocation expenses and lead-based paint concerns.

Goal 1, Strategy 1 & 2; Goal 2, Strategy 1-4 & 6

Citation - [24 CFR 92.206(a)(2)]

Environmental – Assessment Required

Recapture

~~\$158,362.26~~ \$0.00 HOME

Objective: Provide Decent Housing to owner occupants by addressing conditions that are a result of deferred maintenance through rehabilitation of homes of recipients from two income categories, at or below 50% MFI and between 51-80% MFI. Program is intended to improve the quality of the housing stock by bringing units into compliance with applicable code requirements, eliminating lead based paint hazards, and improving exterior appearance.

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.

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.

Goal 2, Strategy 1

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

Environmental – Assessment Required

~~\$158.362.26~~ HOME

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.

City of Urbana and Urbana HOME Consortium



Proposed CDBG Amendment Annual Action Plan FY 2014-2015

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 AMENDMENTS TO CITY OF URBANA & URBANA HOME CONSORTIUM
FY 2014-2015 ANNUAL ACTION PLAN**

The City of Urbana proposes to amend the City of Urbana’s Community Development Block Grant (CDBG) Program budget in the Fiscal Year (FY) 2014-2015 Annual Action Plan. A reduction in CDBG funds for various uses and transfer of carryover funds from various programs from the City of Urbana’s allocation of CDBG funds is proposed to allow for additional funds to be dedicated to infrastructure improvements at the site of Highland Green, the former Kerr Avenue Sustainable Development. These funds will be provided to the development team and will be supplemented by HOME funds to total \$500,000 in assistance.

CITY OF URBANA PROPOSED CDBG AMENDMENT:

<u>CDBG Budget Item</u>	<u>Current</u>	<u>Proposed Amended</u>
Program Delivery	\$109,867.00	\$61,297.00
Emergency/Access	\$60,000.00	\$35,000.00
Senior Repair Service	\$15,000.00	\$14,000.00
Acquisition/Demolition/New Construction (c.o.)	\$59,512.00	-0-
City Infrastructure (c.o.)	\$17,000.00	-0-
Neighborhood Streetlights (c.o.)	\$10,000.00	-0-
Lanore/Adams/Fairlawn Multi-Use Path (c.o.)	\$16,021.00	-0-
TOTAL CHANGE (DECREASE)		\$177,103.00
 Capital Improvement Projects		
– Kerr Avenue Sustainable Development	\$31,317.00	\$208,420.00
TOTAL CHANGE (INCREASE)		\$177,103.00

Following is the CDBG Program language and/or budget changes for the FY 2014-2015 Annual Action Plan found on pages 28-33:

1. ADMINISTRATION (FY 2014-2015)

b. Affordable Housing Program

Program Delivery

Personnel

~~\$109,867.00~~ **\$61,297.00**

Citation - [24 CFR 570.202(b)(9)]

Environmental - EXEMPT

2. NEW FUNDING ACTIVITIES

a. Housing Activities (FY 2014-2015):

1. Emergency Grant and Access Grant

Funds will be contributed toward two programs:

- Emergency Grants provide repairs necessary to alleviate hazardous conditions, which pose a threat to the health and safety of a homeowner. Homeowners earning less than 50% of the Median Family Income for Champaign County are eligible for the Emergency Grant Program.
- Access Grants provide general improvements necessary to remove barriers to accessibility by persons with disabilities. The Access Grant Program is available for renters or homeowners who earn less than 80% of Median Family Income.

All programs are available citywide and will be accomplished through contractual arrangements.

~~\$60,000.00~~ **\$35,000.00**

Goal 3, Strategy 1; Goal 3, Strategy 2; Goal 7, Strategy 2

Citation - [24 CFR 570.202(a)(1)], [24 CFR 570.202(b)(10) & (11)]

Environmental – Emergency Grants (EXEMPT); Access Grant (CATEGORICALLY EXCLUDED, CONVERTED TO EXEMPT)

Objective: Create Suitable Living Environment by addressing conditions that are a threat to the health and safety of homeowners and/or provide lead safe housing and making housing accessible to persons with disabilities.

Outcome: Sustainability for the purpose of providing suitable living environments.

Outcome Indicators: Number of owner-occupied households assisted with incomes at or below 50% MFI. Number of households (persons with disabilities) assisted with incomes at or below 80%.

1. Urbana Senior Repair Service

Funds will be contributed to a citywide home maintenance repair program for very low-income homeowners 62 years old or older and for very low-income homeowners with disabilities (any age). Household income must be less than 50% of the Median Family Income as established annually by HUD.

~~\$15,000.00~~ **\$14,000.00**

Goal 3, Strategy 1

Citation - [24 CFR 570.202(a)(1) & (b)(10)]

Environmental - EXEMPT

Objective: Create Suitable Living Environment by addressing conditions that are a threat to the health and safety of homeowners and/or provide lead safe housing, and housing accessible to persons with disabilities. All recipients of assistance must have household incomes below 50% of the area median.

Outcome: Sustainability for the purpose of providing suitable living environments.

Outcome Indicators: Number of rehabilitated owner-occupied units with household incomes at or below 50% MFI.

3. CARRYOVER ACTIVITIES (ESTIMATED)

a. Housing Activities

1. Property Acquisition in Support of New Construction and Relocation/ Clearance/Disposition Activities (FY13-14)

Funds will be allocated for the purchase and maintenance of properties and structures primarily in Census Tracts 53, 54, 55, and 56 Block Group 1. Projects and utilization of the properties may include the following:

- Donation to non-profit housing developers to build affordable housing.
- City sponsored rehabilitation and re-sale to qualified homebuyers.
- Donation to other organizations to support CDBG-eligible programs.

Funds may also be used for the purchase of homes previously assisted with Urbana CDBG or HOME Consortium funds subject to possible foreclosure or related events that jeopardize the project benefit to low/moderate income persons. Lots will be cleared of substandard structures, vegetation or debris as needed. The Federal Uniform Relocation Act will govern any necessary relocation activities. Properties may also be acquired and cleared for blight abatement purposes only. City owned properties for the program will be properly maintained.

~~\$59,512 (estimated)~~ **\$0.00**

Goal 1, Strategy 1; Goal 9, Strategy 1; Goal 9, Strategy 2

Citation - [24 CFR 570.201(a)(b)(d)(f)(1)(ii)&(i)]

Environmental - ASSESSMENT

Objective: Provide Decent Housing by creating or maintaining 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 rehabilitated owner-occupied units with household incomes at or below 80% MFI. Number of parcels donated to CHDOs and non-profits for affordable housing development.

b. Public Facilities and Improvements

1. Capital Improvement Projects - Kerr Ave. Sustainable Development

Funds will to be used towards installation of infrastructure at the Kerr Avenue sustainable, affordable housing development.

~~\$31,317~~ **\$208,420.00**

Goal 8, Strategy 1; Goal 8, Strategy 2

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

Environmental – ASSESSMENT

Objective: Create a Suitable Living Environment by providing infrastructure access to owner-occupied households with incomes at or below 80% of the area median.

Outcomes: Accessibility for the purpose of providing a suitable living environment

Outcome Indicators: Number of households in targeted area with incomes at or below 80% MFI with improved access to public infrastructure.

2. CITY INFRASTRUCTURE PROJECTS

Funds will be used toward the construction or reconstruction of City infrastructure in one or more of the following projects in the City's Target areas:

Neighborhood Sidewalks: Division (Oakland-Thompson)
Neighborhood Sidewalks: Busey (south of Sunset) CT 54
Division Street Reconstruction (South of Kerr)
Kerr Project Subdivision Infrastructure CT 54

~~\$17,000 (estimated)~~ **\$0.00**

Goal 8, Strategy 1; Goal 8, Strategy 2

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

Environmental – ASSESSMENT

Objective: Create a Suitable Living Environment by providing infrastructure access to owner-occupied households with incomes at or below 80% of the area median.

Outcomes: Accessibility for the purpose of providing a suitable living environment

Outcome Indicators: Number of households in targeted area with incomes at or below 80% MFI with improved access to public infrastructure.

3. Neighborhood Streetlight Construction

Funds are proposed to be used to construct new streetlights or reconstruct existing streetlights in target area neighborhoods.

~~\$10,000 (estimated)~~ **\$0.00**

Goal 8, Strategy 1; Goal 8, Strategy 2

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

Environmental – ASSESSMENT

Objective: Create a Suitable Living Environment by providing infrastructure access to owner-occupied households with incomes at or below 80% of the area median.

Outcomes: Accessibility for the purpose of providing a suitable living environment

Outcome Indicators: Number of households in targeted area with incomes at or below 80% MFI with improved access to public infrastructure.

4. Lanore/Adams/Fairlawn Multi-Use Path Project

Funds will be used to construct a concrete sidewalk, new pedestrian lights, and landscaping for a multi-use path located in Census Tract 56, Block 1.

~~\$16,021~~ **\$0.00**

Goal 8, Strategy 1; Goal 8, Strategy 2

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

Environmental – ASSESSMENT

Objective: Create a Suitable Living Environment by providing infrastructure access to owner-occupied households with incomes at or below 80% of the area median.

Outcomes: Accessibility for the purpose of providing a suitable living environment

Outcome Indicators: Number of households in targeted area with incomes at or below 80% MFI with improved access to public infrastructure.