



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

M e m o r a n d u m

TO: Mayor Diane Wolfe Marlin and Urbana City Council Members

FROM: Lorrie Pearson, AICP, Community Development Services Director
Breaden J. Belcher, Community Development Specialist

DATE: August 12, 2021

SUBJECT: **A Resolution Approving the Emergency Solutions Grant (ESG) Agreement with the Illinois Department of Human Services**

A Resolution Approving the ESG Subrecipient Agreement with Cunningham Township

Introduction

Local agencies can receive Emergency Solutions Grant (ESG) funding through the Champaign County Continuum of Care (CoC). The CoC is responsible for reviewing and recommending proposals for funding and completing the grant application with the Illinois Department of Human Services (IDHS). Cunningham Township's proposal for funding was approved by the CoC and the City of Urbana was selected to be the sole grant recipient to administer the portion of ESG funds distributed to Cunningham Township.

The ESG program provides funding for emergency shelter, homeless prevention activities, short- and medium-term rental assistance, and services to rapidly re-house homeless people. The focus of this program is to prevent homelessness for persons at risk of homelessness and rapid re-housing assistance for homeless persons.

Discussion

Agencies that have never been awarded ESG funds from IDHS must receive funds through a subrecipient agreement. The City of Urbana has received ESG funds previously, making it an approved financial sponsor. The agreement is not to exceed two years.

The ESG award is \$37,681 of which Cunningham Township will receive \$36,690.15 to administer their Bridge to Home: Rapid Rehousing for Homeless Neighbors program. This program includes rapid rehousing, such as relocation and stabilization services, along with tenant based rental assistance. The City will receive \$990.85 for administrative costs.

On July 27, 2021, the Urbana Community Development Commission voted to forward the Resolution to City Council with a recommendation for approval.

Options

1. To allow the ESG funds to be distributed to Cunningham Township: forward the Resolution to City Council with a recommendation for approval as part of the consent agenda.
2. To reject the CoC's approval and not distribute funds to Cunningham Township: do not forward the Resolution to accept the ESG grant.

Fiscal Impacts

There will be no fiscal impact on the City General Fund, as the funding comes from IDHS.

Recommendations

The Community Development Commission and staff recommend forwarding the Resolution to City Council with a recommendation for approval as part of the consent agenda.

RESOLUTION NO. _____

**A RESOLUTION APPROVING AN EMERGENCY SOLUTIONS GRANT PROGRAM
SUBRECIPIENT AGREEMENT WITH CUNNINGHAM TOWNSHIP**

(FY 2021-2022)

WHEREAS, the City of Urbana (the “City”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, and the passage of this Resolution constitutes an exercise of the City’s home rule powers and functions as granted in the Illinois Constitution, 1970; and

WHEREAS, on June 16, 2021, the City submitted an application to the Illinois Department of Human Services (hereinafter “IDHS”) for the Emergency Solutions Grants Program to continue rapid rehousing programs sponsored by Cunningham Township, Urbana, Illinois (hereinafter collectively referred to as the “Participating Organization”); and

WHEREAS, on July 13, 2021, the City received notice that IDHS approved the City’s application for ESG funds; and

WHEREAS, on July 30, 2021, the City executed an ESG Grant Agreement FCSAH05953 FY21/22 with DHS to govern expenditure of ESG funds by the City and Participating Organization; and

WHEREAS, the Participating Organization has heretofore expressed their intent to assume responsibility from the City for their respective rapid rehousing programs with ESG funds and in accordance with ESG regulations; and

WHEREAS, in its application for ESG funds, the City declared its intent to provide ESG funds to the Participating Organization for their use in continuing their essential services for homeless individuals and families.

NOW, THEREFORE, BE IT RESOLVED by the City Council, of the City of Urbana, Illinois, as follows:

Section 1. That an Agreement providing \$36,690.15 in Emergency Solutions Grant Program funds to Cunningham Township, so as to continue their rapid rehousing program for homeless individuals, 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 in substantially the form appended hereto as an exhibit 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:

ABSTENTIONS:

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this _____ day of _____, _____.

Diane Wolfe Marlin, Mayor

RESOLUTION NO. _____

**A RESOLUTION APPROVING THE EMERGENCY SOLUTIONS GRANT
(ESG) AGREEMENT WITH THE ILLINOIS DEPARTMENT OF HUMAN
SERVICES**

(FY 2021-2022)

WHEREAS, the City of Urbana (the “City”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, and the passage of this Resolution constitutes an exercise of the City’s home rule powers and functions as granted in the Illinois Constitution, 1970; and

WHEREAS, the City has in one or more years accepted funds from the Illinois Department of Human Services in order to fund homeless programs; and

WHEREAS, the State of Illinois has offered a grant (“Grant”) in the amount of \$37,681 to allow the City to act as the fiduciary agent; and

WHEREAS, the City is willing to accept the Grant on the terms and conditions provided by the State of Illinois as described in the exhibit appended hereto and made a part hereof.

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

Section 1. That the Grant to fund Cunningham Township’s Bridge to Home Rapid Rehousing Program shall be and hereby is accepted by the City and that the City shall abide by the terms and conditions provided in the exhibit attached hereto and made a part hereof.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to undertake such additional steps as may be necessary for the City to receive the Grant and to arrange for the City’s compliance with the terms and conditions contained in the exhibit appended hereto and made a part hereof without further actions by the City Council.

PASSED BY THE CITY COUNCIL this _____ day of _____, _____.

AYES:

NAYS:

ABSTENTIONS:

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this _____ day of _____, _____.

Diane Wolfe Marlin, Mayor

**EMERGENCY SOLUTIONS GRANT SUBRECIPIENT AGREEMENT WITH
CUNNINGHAM TOWNSHIP**

CFDA # 14.231
CFDA Title Emergency Solutions Grants Program
State Awarding Agency Illinois Department of Human Services
Federal Awarding Agency Department of Housing and Urban Development

Background

This Subrecipient Agreement is made between the City of Urbana, Illinois (the "City") and Cunningham Township (hereinafter the "Subrecipient") for Emergency Solutions Grants Agreement No. FCSAH05953.

On June 16, 2021, the City submitted an application to the Illinois Department of Human Services (hereinafter "DHS") for the Emergency Solutions Grants Program to continue transitional housing programs sponsored by Cunningham Township, Urbana, Illinois (hereinafter referred to as the "Participating Organization"). On July 13, 2021, the City received notice that DHS approved the City's application for ESG funds. On July 30, 2021, the City executed an ESG Grant Agreement No., FCSAH05953 FY 21/22 with DHS to govern expenditure of ESG funds by the City and the Participating Organization. The Participating Organization has heretofore expressed their intent to assume responsibility from the City for their respective rapid rehousing programs with ESG funds and in accordance with ESG regulations; and in its application for ESG funds, the City declared its intent to provide ESG funds to the Participating Organization for their use in continuing their essential services for homeless individuals and families.

NOW, THEREFORE, in consideration of the matters set forth above and below, the parties agree as follows.

1. **Definitions.** Whenever used in this Subrecipient Agreement:
 - A. "Act" means Subtitle C of Title IV of the McKinney – Vento Homeless Assistance Act (the McKinney Act), 42 U.S.C. 11381 *et seq.*, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009 and all rules and regulations promulgated thereto.
 - B. "City" is defined in the Background section of this Subrecipient Agreement.
 - C. "DHS" is defined in the Background section of this Subrecipient Agreement.
 - D. "ESG" is defined in the Background section of this Subrecipient Agreement.
 - E. "Grant Agreement" means the agreement between the City and DHS executed by the City on July 30, 2021, in connection with the ESG Grant Agreement No. FCSAH05953.

- F. “Grant Application” means the application submission, June 16, 2021, on the basis of which an ESG grant was approved by DHS, including the certifications and assurances and any information or documentation required to meet any ESG award conditions.
- G. “Grant Funds” means the assistance provided under this Subrecipient Agreement.
- H. “Matching Funds” means the Subrecipient’s provision value, whether in money or in-kind services, equal to any money provided by the City to the Subrecipient.
- I. “Participating Organizations” is defined in the Background section of this Subrecipient Agreement.
- J. “State” means the State of Illinois.
- K. “Subrecipient” is defined in the Background section of this Subrecipient Agreement.

2. **Grant Award.**

- A. Subject to the terms of the Grant Agreement and this Subrecipient Agreement, the City shall provide up to **\$36,690** in Grant Funds to the Subrecipient for activities identified as the responsibility of the Subrecipient in the Grant 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:

Rapid Rehousing and Case Management:	<u>\$ 36,690.00</u>
Administration:	<u>\$ 990.85</u>

- B. The Subrecipient has secured or will secure Matching Funds to be used only for the following purposes:

Rapid Rehousing and Case Management Matching Funds:	<u>\$ 36,690.00</u>
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- C. Given the total amounts of Grant Funds and Matching Funds, the amount of Total Committed Funds is shown below:

Total Committed Funds:	<u>\$ 73,380.00</u>
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3. **Matching Funds.**

- A. Subject to the terms of this Subrecipient Agreement, the Subrecipient shall provide a matching contribution in funds from eligible sources equal to the **\$36,690** the City is providing pursuant to this Subrecipient Agreement. Documentation of Matching Funds is required for payment of all eligible costs. Matching contributions may be obtained from any source, including any federal source other than the ESG, as well as State, local, and private sources.
- B. At a minimum, 25% of the match funds must be cash. The balance may be in-kind sources including volunteer time, donation of materials and buildings or the value of any lease on a building.
- C. If a federal source of funds is used for matching contributions, the Subrecipient shall ensure that the laws governing any funds to be used as matching contributions do not prohibit those funds from being directly used to match Grant Funds. If ESG funds are used to satisfy the matching requirements of another federal program, then funding from that program may not be used to satisfy the matching requirement for these Grant Funds.
- D. The City shall not provide 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 emergency shelter operations or essential services activities in addition to the Grant funds.

4. **Allowable Costs – Rapid Rehousing Component.** Housing relocation and stabilization services and short-and/or medium-term rental assistance as necessary to help individuals or families living in shelters or in places not meant for human habitation move as quickly as possible into permanent housing and achieve stability in that housing.

Housing Relocation and Stabilization Services: Eligible costs include utilities, rent fees, security deposits, last month's rent, utility deposits, case management, etc.

Tenant-Based Rental Assistance: Eligible costs are rental assistance and payment of rental arrearages, or any combination of this assistance. An ESG participant who receives tenant-based rental assistance may select a housing unit in which to live.

Project-Based Rental Assistance: An ESG participant identifies a permanent housing unit that meets ESG requirements and becomes available before a participant is identified. It is the unit that is approved for project-based.

5. **Disbursement.** If and to the extent the City receives funds under the Act, the City shall reimburse the Subrecipients in accordance with the terms of this Subrecipient Agreement. Funding in the full amount of this Subrecipient Agreement is contingent upon the City receiving Grant Funds. If the Grant Funds are discontinued or reduced for any reason, the City's payments to the Subrecipients may cease or be reduced without advance notice, and the

City will not be liable for any damages as a result of such discontinuance or reduction of Grant Funds.

6. **Disallowance.** A Subrecipient shall reimburse the City for any payments it receives under this Subrecipient Agreement that are disallowed under the ESG. If the City determines that a cost for which the City has made payment is disallowed, the City shall notify the Subrecipient of the disallowance and the required course of action, which, at the City's option, will be to adjust any future claim submitted by the Subrecipient by the amount of the disallowance or to require the Subrecipient immediately to repay the disallowed amount by issuing a check payable to the City.

7. **Subrecipients' Duties.**

- A. The Subrecipients shall:

- (1) Maintain detailed financial records that show the eligible essential services costs and shelter operating costs;
- (2) Submit quarterly reports to the City no later than 15 days after the end of the month and quarter; Failure to submit reports to the City may result in the withholding or suspension of Grant Funds until the City receives and approves such reports;
- (3) Maintain files and records as required which relate to the overall administration of the ESG; and
- (4) Provide information for an Annual Performance Report within required timeframes.
- (5) Submit monthly and quarterly Financial Status Reports to the City using the format provided by the City; and
- (6) Submit proper documentation of eligible expenses for match to the City on a quarterly basis.
- (7) Gather client data using the format approved by the Champaign County Continuum of Care, and submit shelter client data to the City's Grants Management Division at least once every seven (7) days when the shelter is open to clients;
- (8) Submit quarterly Client Statistics Reports to the City using the format provided by the City;
- (9) 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.

- (10) Maintain adequate documentation to demonstrate the homeless eligibility of persons served by Grant Funds; and
- (11) Allow representatives of the City or DHS to inspect facilities used in connection with this Subrecipient Agreement or which implement programs funded under this Subrecipient Agreement and to observe the provision of services.

B. With respect to all matters covered by this Subrecipient Agreement, the Subrecipients shall make records available for examination, audit, inspection, or copying at any time during normal business hours and as often as the City, State, U.S. Department of Housing and Urban Development, representatives of the Comptroller General of the United States, or other federal agency may require. The Subrecipients shall permit excerpts or transcriptions to be made or duplicated from such records, and audits made of all invoices, materials, records of personnel and of employment and other data relating to all matters covered by this Subrecipient Agreement. The City's right of inspection and audit shall obtain likewise with reference to any audits made by any other agency, whether local, State or federal.

8. **Agreement Term.** This Subrecipient Agreement is effective on July 1, 2021 and shall expire on June 30, 2022, unless terminated pursuant to this agreement.

9. **Subrecipient representation.** The Subrecipient represents the following to the City:

- A. The Subrecipient is qualified to participate in the ESG, has the requisite expertise and experience in the provision of an emergency solutions program for homeless individuals or families, and is willing to use Grant Funds to operate such a program.
- B. The Subrecipient will provide services under this Subrecipient Agreement in a competent, professional, and satisfactory manner in accordance with the ESG.

10. **Default.**

- A. Any breach of any representation or other provision of this Subrecipient Agreement will constitute a default. A default by a Subrecipient also will consist of any of the following:
 - (1) Use of Grant Funds for a purpose other than as authorized herein;
 - (2) Noncompliance with the Act or the requirements of the Interim Rule published at 24 CFR Parts 91 and 576 on December 5, 2011, at FR-5474-I-01, a copy of which is attached as **Attachment A**; or

- (3) Failure to maintain detailed financial records concerning the use of the Grant Funds.
 - B. A party claiming a default shall give written notice of such default to the defaulting party, which notice will describe the nature of the default and the Section of this Subrecipient Agreement, which the non-defaulting party believes was breached. The defaulting party will have fourteen (14) calendar days from the date notice was given to cure or remedy the default. During any such period following the giving of notice, the non-defaulting party may suspend performance under this Subrecipient Agreement until the defaulting party gives written assurances to the non-defaulting party, deemed reasonably adequate by the non-defaulting party, that the defaulting party will cure or remedy the default and remain in compliance with its duties under this Subrecipient Agreement.
 - C. If the defaulting party is the City, and it fails to cure or remedy the default as provided herein, the non-defaulting party may exercise any right, power, or remedy granted to it pursuant to this Subrecipient Agreement or applicable law.
 - D. If the defaulting party is a Subrecipient, and it fails to cure or remedy the default as provided herein, the City may take one or more of the following actions:
 - (1) Direct the Subrecipient to submit progress schedules for completing approved activities;
 - (2) Direct the Subrecipient to establish and maintain a management plan that assigns responsibilities for carrying out remedial actions;
 - (3) Direct the Subrecipient to suspend, discontinue, or not incur costs for the affected activity;
 - (4) Reduce or recapture the Grant Funds authorized herein;
 - (5) Direct the Subrecipient to reimburse the City for costs inappropriately charged to the City;
 - (6) Exercise other appropriate action including, but not limited to, any remedial action legally available.
 - E. A Subrecipient shall make any reimbursement required by this Section no more than thirty (30) days after the City directs such reimbursement.
11. **Indemnification.** Each Subrecipient shall indemnify and defend the City, its agents, employees, officers, and elected officials against all claims or liability whatsoever, including attorney's fees and costs, resulting from the Subrecipient's activities under this Subrecipient Agreement, except for those resulting from the willful misconduct or negligence of the City or

its agents, employees, officers, or elected officials. This section will survive the termination of this Subrecipient Agreement.

12. **Independent Contractors.** The parties are independent contractors with respect to each other, and nothing in this Subrecipient Agreement creates any association, partnership, joint venture, or agency relationship between them.
13. **Third Party Beneficiaries.** This Subrecipient Agreement does not and is not intended to confer any enforceable rights or remedies upon any person other than the parties.
14. **Assignment.** The Subrecipients shall not assign, convey or otherwise transfer any of their rights, duties, or obligations under this Subrecipient Agreement to another person or entity without the express written consent of the City and authorization of DHS. In the event any Subrecipient seeks to assign, convey or otherwise transfer any of its rights, duties, or obligations under this Subrecipient Agreement, the Subrecipient shall demonstrate that it will use an open, impartial, and competitive selection process in making any such assignment, conveyance, or transfer of its rights, duties or obligations.
15. **Entire Agreement; Amendments in Writing.** This Subrecipient Agreement constitutes the entire agreement between the parties, supersedes all other agreements or understandings between them pertaining to the matter of this Subrecipient Agreement, and may not be amended except by a writing signed by all parties. All attachments to this Subrecipient Agreement are incorporated herein by this reference thereto.
16. **Dispute Resolution and Governing Law.** In the event of a dispute between the parties to this Subrecipient Agreement, the parties, before filing any court action, jointly shall select a mediator and shall make a good faith effort in such mediation to resolve their differences. The parties shall share equally in the cost of such mediation service. In the event mediation fails to resolve the dispute between the parties, any party may file and maintain an action in the Circuit Court for the Sixth Judicial Circuit, Champaign, Illinois. The laws of the State of Illinois will govern any and all actions to enforce, construe, or interpret this Subrecipient Agreement.
17. **Notices.** The parties shall give all notices required or permitted by this Subrecipient Agreement in writing, addressed as set forth below, unless another address is provided in writing. Notices will be deemed given when personally delivered; deposited in the U.S. mail, postage prepaid, first class; or delivered to a commercial courier.

TO THE CITY:

Manager, Grants Management Division
Dept. of Community Development Services
City of Urbana
400 South Vine Street
Urbana, Illinois 61801

TO CUNNINGHAM TOWNSHIP:

Danielle Chynoweth

Township Supervisor
205 West Green Street
Urbana, Illinois 61801

18. **Waiver.** Any party's failure to enforce any provision of this Subrecipient Agreement will not be deemed a waiver of future enforcement of that or any other provision. A waiver of any provision of this Subrecipient Agreement is valid only if in writing and signed by the parties.
19. **Compliance with Laws and Regulations.**
 - A. The Subrecipient shall comply with all applicable federal, State, and local laws, ordinances, rules, and regulations, as amended from time to time, including without limitation the Act; the ESG Emergency Solutions Grants Program, Consolidated Plan Conforming Amendments; and Attachment A.
 - B. The Subrecipient shall comply with the State required certifications provided for in the Grant Agreement and attached as Attachment B. These certifications are in addition to any certifications required by any federal funding source as set forth in this Subrecipient Agreement. The Subrecipients' execution of this Subrecipient Agreement will serve as their attestation that the certifications made herein are true and correct.
20. **Interpretation.** The parties shall construe this Subrecipient Agreement according to its fair meaning and not strictly for or against any party.
21. **Counterparts.** The parties may sign this Subrecipient Agreement in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures delivered by email in Adobe Portable Document Format (PDF) or by facsimile will be deemed original signatures for all purposes.

The parties are signing this agreement on the dates indicated below their signatures.

CITY OF URBANA, ILLINOIS

By: _____
Diane Wolfe Marlin, Mayor

Date: _____, 2021

Attest: _____
Phyllis D. Clark, City Clerk

CUNNINGHAM TOWNSHIP, URBANA, ILLINOIS

By: 

Name: Danielle Chynoweth

Title: Supervisor

Date: August 9, 2021

ATTACHMENT A:

24 CFR Parts 91 and 576

**Homeless Emergency Assistance and Rapid Transition to Housing:
Emergency Solutions Grants Program and Consolidated Plan
Conforming Amendments; Interim Final Rule**

December 5, 2011

ATTACHMENT B

**STATE OF ILLINOIS REQUIRED
CERTIFICATIONS**