



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Mayor Diane Wolfe Marlin and City Council Members

FROM: Sheila Dodd, Interim Community Development Services Director

DATE: July 28, 2022

SUBJECT: A RESOLUTION APPROVING THE FISCAL YEAR 2021 ANNUAL ACTION PLAN AMENDMENT TO INCLUDE THE HOME ARP ALLOCATION PLAN

Description

The City of Urbana, Grants Management Division, seeks approval of the CITY OF URBANA AND URBANA HOME CONSORTIUM (CHAMPAIGN/URBANA/CHAMPAIGN COUNTY) ANNUAL ACTION PLAN amendment for FY 2021. The Plan is being amended to include the HOME ARP allocation of \$2,970,773 and will be submitted to the US Department of Housing and Urban Development (HUD) for review and approval. This will enable the City of Urbana to receive HOME ARP funding. The Plan is available for review on the City's website at <https://www.urbanaininois.us/departments/community-development/grants-management>. Hard copies of the Plan are on file with the City Clerk's Office, Community Development Services Department, and the Urbana Free Library.

Background & Discussion

The FY 2021 Annual Action Plan was approved by HUD on August 13, 2021. In September 2021, the city was notified that HUD allocated HOME ARP funding to be used to address needs of homeless and near homeless individuals. HUD directed the Urbana HOME Consortium to amend the FY 2021 Annual Action Plan to include the Allocation Plan. The amendment will be completed electronically and submitted to HUD through the Integrated Disbursement and Information System (IDIS). HUD requires submission of the Annual Action Plan amendment and will have 45 days to review and either recommend approval or return for changes.

The Urbana HOME Consortium entered into a contract with Champaign County Regional Planning Commission (RPC) to create an Allocation Plan for the HOME ARP funding. The HOME ARP Allocation plan must include:

- A summary of the consultation process and results of upfront consultation;
- A summary of comments received through the public participation process and a summary of any comments or recommendations not accepted and the reasons why;
- A description of HOME-ARP qualifying populations within the jurisdiction;
- An assessment of unmet needs of each qualifying population;

- An assessment of gaps in housing and shelter inventory, homeless assistance and services, and homelessness prevention service delivery system;
- A summary of the planned use of HOME-ARP funds for eligible activities based on the unmet needs of the qualifying populations;
- An estimate of the number of housing units for qualifying populations the PJ will produce or preserve with its HOME-ARP allocation; and
- A description of any preferences for individuals and families in a particular qualifying population or a segment of a qualifying population

The Allocation Plan provides a description of the budget and proposed allocations for each of the priority areas identified by HUD. The demographic information/data, housing/community development information, and related background information are based on information from the Census and other resources provided by HUD. Many of the housing and community development goals and strategies are similar to those contained in the previous Annual Action Plan.

A draft of the Plan was available for public review and comment from June 30, 2022 to July 29, 2022. Staff held two public hearings to gain citizen feedback on the HOME ARP Allocation Plan on July 18, 2022 and July 26, 2022. Staff disseminated information regarding these meetings through neighborhood groups, the City’s website, survey participants, Council of Service Providers to the Homeless, and social media. Staff also solicited feedback on the Plan from social agencies in the community including the Community Reinvestment Group, and Human Services Council of Champaign County. On July 26, 2022 the Community Development Commission reviewed the plan and was provided an opportunity to comment.

In addition, staff sent out two surveys to gather input on community needs. One survey targeted Urbana residents, and the other survey targeted homeless service providers and housing advocates. The surveys were sent via direct email, and were posted on City’s website and social media accounts. RPC staff completed 20 interviews with homeless providers and received over 128 responses to the surveys. A summary of the survey results are included in the Plan.

Fiscal Impact

There are considerable fiscal impacts associated with the preparation of the FY 2021 Annual Action Plan Amendment. Failure to submit an Allocation Plan will result in the automatic loss of HOME ARP funding. Furthermore, the City cannot use HOME funding for projects that are inconsistent with the goals and strategies of the Consolidated Plan unless the City amends the plan to include the project.

The Urbana HOME Consortium will allocate its HOME-ARP funds to three of the eligible activity areas proposed Annual Action Plan amendment FY 2021 includes the following proposed budget:

Programming	Funding Amount
Supportive Services	\$1,000,000
Acquisition and Development of Non-Congregate Shelters	\$400,000
Tenant Based Rental Assistance	\$0

Development of Affordable Rental Housing	\$1,000,000
Non-Profit Operating	\$148,359
Non-Profit Capacity Building	\$148,539
Administration and Planning	\$273,875
TOTAL HOME ARP Allocation	\$2,970,773

The remaining funds will go toward the administrating and planning of the HOME-ARP funds, as well as providing the infrastructure for recipient organizations to administer services, including through capacity building, staffing, and other expenses for effectively delivering the funded services. This funding allocation will allow the Consortium to address underlying issues in the local context (including the affordable housing supply, and the underlying struggles that qualified populations are coping with and contribute to instability). Investments in case management and other supportive services will allow the funding to serve the distinct needs of the many vulnerable populations in our community (as described in the consultation process), as will non-congregate shelter, as it provides the flexibility of safe shelter for a variety of household compositions and identities that is difficult in congregate shelter. Tenant Based Rental Assistance is not included in the budget as it can be funded through the normal HOME allocation.

The City of Urbana as the lead agency of the Urbana HOME Consortium, will administer a request for proposal (RFP) process once the HOME-ARP Allocation Plan is approved by HUD. This RFP process will be administered using platforms already in use by the city and will allow applicants to state their requested funding amount, indicate which HOME-ARP activity (or list of activities) the funds will be used for, and state how their proposal will meet the needs articulated in this plan. All funding agreements will be brought to the City Council for approval.

Options

1. Forward the Resolution to City Council on the consent agenda for approval.
2. Forward Resolution to City Council with recommended changes
3. Do not approve the Resolution and forfeit the federal funding

Recommendation

Staff and the Community Development Commission recommend approval of the City of Urbana and Urbana HOME Consortium Annual Action Plan Amendment FY 2021.

RESOLUTION NO. _____

**A RESOLUTION APPROVING AN AMENDMENT TO THE CITY OF URBANA
AND CHAMPAIGN/URBANA/CHAMPAIGN COUNTY HOME CONSORTIUM**

FY 2021 ANNUAL ACTION PLAN TO INCLUDE HOME ARP ALLOCATION

WHEREAS, the City of Urbana (“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 of Urbana has been designated lead entity for the Urbana HOME Consortium in accordance with the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended, and as such is eligible to receive HOME Investment Partnerships (hereinafter "HOME") funds on behalf of the City of Urbana, City of Champaign, and Champaign County; and

WHEREAS, on September 13, 2021, HUD published a final rule in the Federal Register outlining the requirements for the use of funds in the HOME – American Rescue Plan program; and

WHEREAS, the Urbana City Council approved the *City of Urbana and Urbana HOME Consortium (Champaign/ Urbana/ Champaign County) FY 2021 Annual Action Plan* on April 26, 2021; and

WHEREAS, the Urbana Community Development Commission, assisted by Urbana Community Development Services staff, has prepared the *City of Urbana and Urbana HOME Consortium Annual Action Plan Amendment FY 2021* (hereinafter the "Allocation Plan"); and

WHEREAS, on June 30, 2022, a notice was published on the City of Urbana website describing the HOME ARP Allocation Plan, requesting public input, and announcing public

hearings which were held on July 18, 2022 and July 26, 2022 regarding the Annual Action Plan amendment; and

WHEREAS, on June 30, 2022, a notice was published on the City of Urbana social media and website describing the Annual Action Plan amendment; announcing a public review period beginning June 30, 2022 and ending July 29, 2022 during which members of the public are able to view a Draft Allocation Plan and provide input; and

WHEREAS, the Urbana City Council held a public hearing on the Allocation Plan on July 18, 2022; and

WHEREAS, the Community Development Commission held a public hearing on the Allocation Plan on July 26, 2022; and

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

Section 1. That the *City of Urbana and Urbana HOME Consortium Annual Action Plan Amendment FY 2021*, in substantially the form as attached hereto and incorporated herein by reference, is hereby approved.

Section 2. That the Mayor is hereby designated as the authorized representative of the City of Urbana to take any action necessary in connection with said Allocation Plan to implement the HOME ARP programs and to provide such additional information as may be required.

Section 3. That upon review and comment by the Urbana Community Development Commission and Urbana City Council, the Mayor is hereby designated to execute subgrantee agreements for programs and activities identified in said Allocation Plan.

Section 4. That subgrantee agreements for programs and activities identified in said Allocation Plan shall be subject to review and approval by the Urbana City Council before execution by the Mayor.

PASSED by the City Council this _____ day of _____, _____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, _____.

Diane Wolfe Marlin, Mayor