



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

**TO:** Elizabeth H. Tyler, AICP, City Planner/Director

**FROM:** Bob Grewe, AICP, Manager, Grants Management Division

**DATE:** August 21, 2003

**SUBJECT: HOME Subrecipient Agreement For FY2003-2004**

---

### **Description**

Included in this packet is a copy of the Agreement for a project to be undertaken by United Citizens and Neighbors using HOME monies during the fiscal year beginning July 1, 2003 and ending June 30, 2004. Staff request the Community Development Commission review the Agreement in order to formulate a recommendation to the Urbana City Council.

### **Issues**

The Community Development Commission is requested to review and recommend any changes to the following HOME Developer Agreement. This agreement will then be forwarded to the City Council for consideration and approval.

URBANA HOME CONSORTIUM RECIPIENT AGREEMENT -UNITED CITIZENS AND NEIGHBORS (Acquisition, Rehabilitation, and Resale of a Single-Family Residence)

### **Background**

On May 2, 2003, the Urbana City Council passed Resolution No. 2003-04-006 approving the City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2003-2004. This AAP was submitted to HUD on May 15, 2003 for approval. The approving resolution defined the actions necessary (as listed above) for the implementation of the HOME Program.

Environmental reviews for the above activities have been completed, a Finding of No Significant Impact on the Environment has been published, and a Request for Release of Funds was submitted to HUD on July 17, 2003. HUD provided Authority to Use Grant Funds August 1, 2003.

Staff met with Nancy Greenwalt and Jerry Mooreland, of United Citizens and Neighbors on August 6, 2003. At this meeting, UCAN indicated that they would need an additional \$2,000 to cover utility costs. The UCAN representatives also indicated that they would need some assurance that the City of Urbana would cover any losses that UCAN might incur as a result of

selling a rehabilitated house for an amount less their initial purchase price of the house, plus carrying costs.

At the time the Annual Action Plan was being finalized, UCAN indicated to the Urbana City Council that they would be able to implement an acquisition, rehabilitation, resale project, with the budget included in the Annual Action Plan and reflected in this HOME Agreement.

In order to accommodate UCAN's requests for additional funding the Annual Action Plan would have to be amended.

Staff submits that if the project is thoughtfully pursued, UCAN should be able to retire a loan for a house, plus carrying costs for a few months. The house should sell for considerably more than UCAN initial purchase price, since the project will include \$24,500 in rehabilitation activities.

## **Options**

The Community Development Commission can pursue the following options:

1. Recommend that the Agreement be forwarded to City Council for approval.
2. Amend that agreement, with amendments, be forwarded to City Council for approval.
3. Recommend that the Agreement not be forwarded to City Council for approval.

## **Fiscal Impacts**

The City's major investments in the HOME Program for FY2003-2004 are identified in the Annual Action Plan.

Failure to forward agreements to City Council within a reasonable period of time can delay projects and impact the timely expenditure of HOME funds.

## **Recommendations**

Staff requests that CDC members review the Agreement for content, indicate any suggestions for improvements in defining program descriptions, required actions on the part of the subgrantees, reporting requirements, safeguards for the city, etc.

Staff recommends that CDC approve the grant Agreement and forward a favorable recommendation to the Urbana City Council.

**Memorandum Prepared By:**

---

Bob Grewe, AICP  
Manager, Grants Management Division

Attachments:

URBANA HOME CONSORTIUM RECIPIENT AGREEMENT -UNITED CITIZENS AND  
NEIGHBORS (Acquisition, Rehabilitation, and Resale of a Single-Family Residence)