



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, Grants Manager

DATE: February 21, 2004

SUBJECT: 2004-2005 Annual Action Plan

Description

The City of Urbana, Grants Management Division, has received estimates from the U.S. Department of Housing and Urban Development for funding levels of the HOME Investment Partnership Act (HOME) funding for the Urbana HOME Consortium and Community Development Block Grant (CDBG) funding for the City of Urbana. Staff has begun pursuing activities related to the preparation of the FY 2004-2005 Annual Action Plan that will identify the specific use of these funds.

The FY 2004-2005 Annual Action Plan will be submitted to HUD prior to May 15, 2004.

Issues

This memorandum is for information only and does not require any action or recommendation by the Urbana Community Development Commission.

Background

HUD has indicated that the estimate for funding for the Urbana HOME Consortium is \$1,180,274. Attached is Table 1., which provides the HUD estimates for all HOME funded Participating Jurisdictions in the State of Illinois. The Urbana HOME Consortium is highlighted. The amount of funding is \$1,959 more than last year's funding level.

Note that this table also indicates a level of funding for ADDI 03 and ADDI 04 for an amount totaling \$152,765. This funding is for a new program entitled The American Dream Downpayment Initiative (ADDI). Attached is a copy of a question and answer document from the HUD website. The Chicago HUD Office has indicated that it will hold a workshop in June to share information on this new program and provide additional guidance on the implementation and administration of this program.

Table 2. provides an allocation of HOME funds between the members of the Consortium and set-aside funding for administration and Community Housing Development Organizations (CHDO). The table also notes the amount of matching funds necessary for FY 2004-2005. The fact that Urbana's share of Consortium funding has been reduced is due HUD's formula for distributing the HOME funds to the members of the Consortium. The FY 2004-2005 funding is as follows:

City of Champaign	54%
City of Urbana	32%
Champaign County	12%

The change in the funding formula could be attributed to a number of factors including demographics, housing characteristics, etc.

Table 3. provides an initial allocation of Urbana's allocation of HOME funds. By keeping the Owner-Occupied Rehabilitation Program funded at the same level, along with Program Delivery costs, there is a remainder of \$132,640 for additional affordable housing projects.

Table 4. provides an initial allocation of Urbana's CDBG funds. Note that the funding level has decreased by \$12,000 from last year. Also consider that a contribution to the Capital Improvement Plan (CIP) leaves only \$88,000 for additional community development activities.

All the tables and budget analysis are only DRAFTS for consideration.

The process for completing the Annual Action Plan has not been pursued in the same timeframe as previous years. Late funding estimates from HUD and uncertainty about the amount of funding that could be allocated through an application process delayed the application process. However, in anticipation of a later application process, staff did complete the required public participation activities.

Staff has initiated the application process for CDBG, HOME and Neighborhood Organization Grant (NOG) funding. Applications are due March 11.

Copies of the application are included in the packet and are available on line at www.city.urbana.il.us.

Staff anticipates that the Community Development Commission will review the applications at the March meeting of the Commission. The Commission can also determine at this meeting if additional time is required to make final recommendations to Council. It is likely that the number of applications received and the amount of funding available will drive this decision. If additional time for consideration of the draft AAP is determined necessary, staff suggests that a special meeting be held the first Tuesday in April to prepare a final draft of the AAP that will be forwarded to City Council.

With such an arrangement, the Urbana City Council will have two (2) April meetings of the

Committee of the Whole to review the draft AAP and can approve the final version of the AAP at their May 3 Council meeting.

Staff will then complete final editing and administrative formatting necessary to forward the AAP to HUD by May 15, 2004. HUD regulations require that the AAP be delivered to the Chicago HUD Office not later than 45 days prior to the start of the Program Year. The Program Year starts July 1, 2004.

Fiscal Impact

This memorandum has not specific fiscal impact, as it is for information only.

Recommendation

Staff has no specific recommendations at this time.

Prepared By: _____

Bob Grewe, AICP
Manager, Grants Management

Attachments:

TABLE 1. HOME Funding Estimate

American Dream Down Payment Initiative Questions and Answers

Table 2. HOME Consortium Funding

Table 3. Urbana HOME Allocation

Table 4. Urbana CDBG Funding

Application Information and Instructions CDBG and HOME Programs

Application for Community Development Block Grant Funding

Application of HOME Investment Partnership Act Funding

Application for Neighborhood Organization Grant Funding

State	Name	CDBG	HOME	ADDI03	ADDI04	ESG	HOPWA	KEY	CNSRTKEY	TY
IL	ARLINGTON HTS	\$363,000	\$0	\$0	\$0	\$0	\$0	170222		51
IL	AURORA	\$1,470,000	\$0	\$0	\$0	\$0	\$0	170342		52
IL	BELLEVILLE	\$862,000	\$0	\$0	\$0	\$0	\$0	170522		52
IL	BERWYN	\$1,596,000	\$0	\$0	\$0	\$0	\$0	170606		52
IL	BLOOMINGTON	\$730,000	\$0	\$0	\$0	\$0	\$0	170660		51
IL	BOLINGBROOK	\$372,000	\$0	\$0	\$0	\$0	\$0	170690		52
IL	CHAMPAIGN	\$916,000	\$0	\$0	\$0	\$0	\$0	171218		51
IL	CHICAGO	\$100,852,000	\$32,974,000	\$1,359,687	\$1,604,471	\$3,744,382	\$8,338,000	171296		51
IL	CHICAGO HEIGHTS	\$684,000	\$0	\$0	\$0	\$0	\$0	171302		52
IL	CICERO	\$1,631,000	\$0	\$0	\$0	\$0	\$0	171332		52
IL	DANVILLE	\$1,168,000	\$0	\$0	\$0	\$0	\$0	171692		51
IL	DECATUR	\$1,772,000	\$600,000	\$0	\$0	\$0	\$0	171716		51
IL	DEKALB	\$495,000	\$0	\$0	\$0	\$0	\$0	171746		52
IL	DES PLAINES	\$416,000	\$0	\$0	\$0	\$0	\$0	171776		51
IL	DOWNERS GROVE	\$262,000	\$0	\$0	\$0	\$0	\$0	171878		52
IL	EAST ST LOUIS	\$2,261,000	\$446,000	\$0	\$0	\$84,828	\$0	172022		52
IL	ELGIN	\$1,015,000	\$0	\$0	\$0	\$0	\$0	172094		51
IL	EVANSTON	\$2,395,000	\$586,000	\$0	\$0	\$88,120	\$0	172238		51
IL	JOLIET	\$1,092,000	\$513,000	\$0	\$0	\$0	\$0	173480		51
IL	KANKAKEE	\$707,000	\$0	\$0	\$0	\$0	\$0	173540		51
IL	MOLINE	\$1,070,000	\$0	\$0	\$0	\$0	\$0	174596		51
IL	MOUNT PROSPECT	\$452,000	\$0	\$0	\$0	\$0	\$0	174734		52
IL	NAPERVILLE	\$583,000	\$0	\$0	\$0	\$0	\$0	174806		51
IL	NORMAL	\$487,000	\$0	\$0	\$0	\$0	\$0	175010		51
IL	NORTH CHICAGO	\$380,000	\$0	\$0	\$0	\$0	\$0	175052		52
IL	OAK LAWN	\$346,000	\$0	\$0	\$0	\$0	\$0	175148		52
IL	OAK PARK	\$2,327,000	\$0	\$0	\$0	\$85,779	\$0	175154		52
IL	PALATINE VILLAGE	\$501,000	\$0	\$0	\$0	\$0	\$0	175364		52
IL	PEKIN	\$492,000	\$0	\$0	\$0	\$0	\$0	175520		52
IL	PEORIA	\$2,304,000	\$940,000	\$0	\$51,254	\$84,572	\$0	175526		51
IL	RANTOUL	\$445,000	\$0	\$0	\$0	\$0	\$0	175808		52
IL	ROCKFORD	\$2,546,000	\$1,050,000	\$53,659	\$63,319	\$93,717	\$0	176000		51
IL	ROCK ISLAND	\$1,409,000	\$0	\$0	\$0	\$0	\$0	176006		51
IL	SCHAUMBURG VILLAGE	\$434,000	\$0	\$0	\$0	\$0	\$0	176300		51
IL	SKOKIE	\$648,000	\$0	\$0	\$0	\$0	\$0	176498		51
IL	SPRINGFIELD	\$1,540,000	\$635,000	\$0	\$0	\$0	\$0	176648		51
IL	URBANA	\$565,000	\$1,176,000	\$70,074	\$82,690	\$0	\$0	177122	17C305	51
IL	WAUKEGAN	\$1,287,000	\$0	\$0	\$0	\$0	\$0	177404		52
IL	WHEATON CITY	\$293,000	\$0	\$0	\$0	\$0	\$0	177548		52
IL	COOK COUNTY	\$12,693,000	\$6,546,000	\$354,822	\$398,640	\$478,094	\$0	179031	17C104	66
IL	DU PAGE COUNTY	\$4,312,000	\$2,622,000	\$147,270	\$173,767	\$161,755	\$0	179043	17C105	66
IL	KANE COUNTY	\$1,423,000	\$0	\$0	\$0	\$0	\$0	179089		66
IL	LAKE COUNTY	\$3,061,000	\$1,731,000	\$96,769	\$113,983	\$114,128	\$0	179097	17C010	66
IL	MCHENRY COUNTY	\$1,518,000	\$554,000	\$29,507	\$35,026	\$0	\$0	179111		66
IL	MADISON COUNTY	\$3,689,000	\$1,207,000	\$63,865	\$75,362	\$136,185	\$0	179119		66
IL	ST CLAIR COUNTY	\$1,726,000	\$1,054,000	\$57,766	\$68,257	\$0	\$0	179163	17C206	66
IL	WILL COUNTY	\$1,588,000	\$520,000	\$27,057	\$31,928	\$0	\$0	179197		66
IL	ILLINOIS STATE PROGRAM	\$37,851,155	\$25,328,000	\$992,347	\$1,139,729	\$2,539,380	\$865,000	179999		22

Table 2.
HOME Consortium Funding

FY 2004-2005
Urbana HOME Consortium
Budget Estimates
(February 18, 2004)

	HOME Grant	%	Match	Total Funds
Total HOME Funding	\$1,180,274			
Administration	\$118,027	10%		
CHDO Project	\$177,041	15%	\$44,260	\$221,301
CHDO Operating	\$59,014	5%		
Subtotal	\$354,082	30%		
Remainder	\$826,192			
City of Champaign	\$452,753	54.8%	\$113,188	\$565,941
City of Urbana	\$268,512	32.5%	\$67,128	\$335,640
Champaign County	\$104,926	12.7%	\$26,232	\$131,158
Subtotal	\$826,192	70%		
Total All	\$1,180,274		\$250,808	\$1,431,082

Note: last year's funding level

FY 2003-2004	\$1,178,315		\$250,392	\$1,428,707
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Change in funding	\$1,959.00
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Table 3.
Urbana HOME Allocation

FY 2004-2005
Urbana HOME Consortium
Budget Estimates
City of Urbana Allocation

	HOME Funds	MatchFunds	Total Funds
	\$268,512	\$67,128	\$335,640
Owner-Occupied Rehabilitation	\$112,000	\$28,000	\$140,000
Program Delivery	\$50,400	\$12,600	\$63,000
Property Acquisition/New Programs	\$106,112	\$26,528	\$132,640
Total Costs	268,512	67,128	335,640

Note: last year's funding level

FY 2003-2004	\$284,563	\$71,141	\$355,704
Change in funding	-\$16,051		

**FY 2004-2005
Urbana CDBG
Budget Estimates**

Table 4.
Urbana CDBG Funding

CDBG Grant Funds		
CDBG Total	\$565,000	% set aside
Urbana Set-Aside Programing		
Administration	\$113,000	20%
Public Service	\$84,750	15%
Subtotal	\$197,750	
Remainder	\$367,250	35%
Urbana Internal Programs		
Emergency/Access Grant	\$80,000	
Senior Repair	\$15,000	
Program Delivery	\$60,000	
Case Preparation	\$4,000	
Other Projects/Property Acquisition	\$88,250	
Capital Improvement Plan (Sunset Drive)	\$120,000	
Subtotal	\$367,250	
Total All	\$565,000.00	

*Note: AAP wil include carryover projects like CWIT and DSC, etc.

Note: last year's funding level	\$577,000.00
Difference in funding level	-\$12,000.00

AMERICAN DREAM DOWNPAYMENT ASSISTANCE INITIATIVE (ADDI)

Q&A

For more information on ADDI, please refer to Title I of the American Dream Downpayment Act (Public Law 108-186, approved December 16, 2003).

General

1. What is ADDI?

The American Dream Downpayment Initiative (ADDI) was signed into law by President Bush on December 16, 2003 under the American Dream Downpayment Act (Public Law 108-186) (ADDI statute). Funds made available under the ADDI statute will be allocated to eligible HOME program participating jurisdictions (PJ) to assist low-income families become first-time homebuyers.

2. How can low-income families apply for ADDI funds?

ADDI will be administered as part of the HOME Investment Partnerships Program (HOME) by state and local participating jurisdictions. For more information on ADDI or the HOME program, contact your state or local participating jurisdiction by searching the contact information found at:

www.hud.gov/offices/cpd/affordablehousing/programs/home/contacts/index2.cfm

3. How does a PJ qualify for an ADDI allocation?

Each state receives ADDI funds proportionate to the percentage of the national total of low-income households residing in rental housing in the state, as determined by the most recent available U.S. census data. For instance, if a state houses 5 percent of the nation's low-income renter households, its ADDI allocation would be 5 percent of the total amount allocated by Congress. Each local participating jurisdiction receives ADDI funds from the state's share proportionate to the percentage of the statewide total of low-income renter households within the participating jurisdiction, as determined by the most recent available U.S. census data. To be eligible for an ADDI allocation, a local participating jurisdiction must have a total population of 150,000 individuals or more, as determined by the most recent available U.S. census data, and receive an allocation of \$50,000 or more based on the ADDI formula. For example, if a local participating jurisdiction containing 9 percent of the state's low-income renter households has a population of 325,000 and would receive an ADDI allocation of \$65,000 based on the ADDI formula, its share would be 9 percent of the amount allocated to its respective state. In FY 2004, approximately 430 participating jurisdictions out of 630 will receive an ADDI allocation.

4. Will every state receive an ADDI allocation?

Yes. All 50 states are eligible to receive ADDI allocations. However, the ADDI statute establishes a definition of state that differs from that of the HOME program. Specifically, the ADDI statute excludes the Commonwealth of Puerto Rico as a state. Consequently, Puerto Rico

and its municipalities will not receive ADDI funds for FY 2004 and subsequent years. Puerto Rico, and three of its municipalities, do receive FY 2003 ADDI funds under the HOME program definition of state.

5. Do Insular Areas receive ADDI allocations?

No. The ADDI statute does not provide ADDI funds to Insular Areas.

6. Where can the ADDI regulations be found?

Once they take effect, the ADDI regulations can be found at 24 CFR Part 92.600 (Subpart M of the HOME rule).

Program Design

1. What are the eligible activities under ADDI?

ADDI funds may only be used for downpayment assistance towards the purchase of single family housing by low-income families who are first-time homebuyers. Rehabilitation that is completed in conjunction with a home purchase assisted with ADDI funds is also an eligible activity under the ADDI statute. A participating jurisdiction's total rehabilitation assistance may not exceed 20 percent of its annual ADDI allocation. However, rehabilitation is not an eligible use of FY 2003 ADDI funds.

2. What are the eligible project costs under ADDI?

Eligible project costs under ADDI include: acquisition costs, related reasonable and necessary soft costs. In addition, for FY 2004 and subsequent years' ADDI funds, development hard costs for related rehabilitation as described in § 92.206(a) including the cost of reduction of lead paint hazards and the remediation of other home health hazards.

3. What is the definition of first-time homebuyer?

Under ADDI, a first-time homebuyer is an individual and his or her spouse who have not owned a home during the three-year period prior to purchase of a home with assistance under ADDI. The term first-time homebuyer includes displaced homemakers and single parents. The definition used for ADDI is located in Title I of Cranston-Gonzalez National Affordable Housing Act (Public Law 101-625, approved November 28, 1990) (NAHA).

4. What is considered single-family housing?

Under ADDI, single-family housing means a one- to four-family residence, condominium unit, cooperative unit, combination of manufactured housing and lot, or manufactured housing lot.

5. What forms of investment can PJs use with ADDI funds?

Participating jurisdictions may invest ADDI funds as interest-bearing loans or advances, non-interest bearing loans or advances, interest subsidies consistent with the purposes of ADDI,

deferred payment loans, grants, or other forms of assistance that HUD determines to be consistent with ADDI. Each participating jurisdiction may establish the terms of assistance, subject to the requirements of ADDI.

6. Are there any families who can be assisted to become homeowners with HOME funds who would not be eligible for assistance through ADDI?

Yes. There is no first-time homebuyer requirement for homebuyer projects under HOME, while ADDI funds can only be used to assist first-time homebuyers. (See the definition of “first-time homebuyer” above.)

7. What is the difference between FY 2003 and FY 2004 ADDI?

By way of background, \$74.5 million in ADDI funds were made available under the Consolidated Appropriations Resolution, 2003. ADDI funds appropriated in FY 2003 were not allocated to participating jurisdictions at that time since the authorizing legislation for these funds was then being debated in Congress. That legislation, the American Dream Downpayment Act, signed by the President on December 16, 2003, made ADDI a component of HOME by amending section 271 of NAHA to establish specific statutory requirements governing ADDI. The ADDI statutory requirements elaborate upon, and in several respects differ from, those contained in the 2003 Consolidated Appropriations Resolution.

Most significantly, the ADDI statute:

- Establishes an allocation formula to govern the allocation of FY 2004 and subsequent fiscal years’ ADDI funds that is based primarily on the need for assistance to homebuyers, as measured by the percentage of low-income households residing in rental housing within the participating jurisdiction;
- Establishes the definitions applicable to ADDI;
- Authorizes the use of ADDI funds for certain rehabilitation costs completed in conjunction with ADDI downpayment assistance;
- Establishes new Consolidated Plan requirements; and
- Prescribes other requirements regarding the allocation and use of ADDI funds.

FY 2003 ADDI funds, under the Consolidated Appropriations Resolution, 2003, are allocated based on a formula that considers a participating jurisdiction’s need for, and prior commitment to, assistance to homebuyers.

ADDI and HOME

1. Do all HOME requirements apply to ADDI funds?

Generally, requirements for HOME homebuyer projects apply to ADDI projects. However, there are some nuances in the ADDI statute that make the requirements differ slightly from HOME requirements. Questions 4 through 7 in this section discuss the major differences between HOME and ADDI.

Specifically, the following HOME **program requirements** under subpart E of the HOME rule apply to ADDI funds:

- Private-public partnership (§ 92.200);
- Distribution of assistance (§ 92.201);
- Income determinations (§ 92.203);
- Pre-award costs (§ 92.212); and
- Matching contribution requirements of §§ 92.218 – 92.222 (apply only to FY 2003 ADDI funds).

The following **HOME project requirements** under subpart F of the HOME rule apply to ADDI funds:

- Maximum per-unit subsidy amount under § 92.250(a) applies to the total HOME and ADDI funds in a project;
- Property standards (§ 92.251);
- Affordability requirements (§ 92.254(a) and (c));
- If a project receives both HOME and ADDI funds, the total of HOME and ADDI funds in the project is used for calculating the period of affordability described in § 92.254(a)(4) and applied to resales (§ 92.254(a)(5)(i)) and recaptures (§ 92.254(a)(5)(ii)).

The following **other federal requirements** under subpart H of the HOME rule apply to ADDI funds:

- Federal and nondiscrimination requirements (§ 92.350);
- Environmental review (§ 92.352);
- Labor requirements (§ 92.354);
- Lead-based paint (§ 92.355);
- Conflict of interest (§ 92.356); and
- Consultant activities (§ 92.358).

The following **other federal requirements** under subpart H of the HOME rule **do not** apply to ADDI funds:

- Affirmative marketing (§ 92.351(a));
- Displacement, relocation, and acquisition requirements, including the Uniform Relocation Assistance and Real Property Acquisition Policies Act (42 U.S.C. 4201-4655) and the implementing regulations at 49 CFR part 24, contained in § 92.353 do not apply to ADDI, except the requirements do apply to FY 2003 ADDI funds; and
- Executive Order 12372 (§ 92.357).

The following **program administration requirements** under subpart K of the HOME rule apply to ADDI funds:

- HOME Investment Trust Fund under § 92.500, with the exception of paragraphs (c)(2) and (d)(1)(A);
- HOME Investment Partnerships Agreement (§ 92.501);
- Program disbursement and information system (§ 92.502);
- Program income, repayments and recaptured funds under § 92.503, except the program income and recaptured funds must be deposited in the participating jurisdiction's HOME investments trust fund local account and used in accordance with the HOME program requirements;
- Participating jurisdiction responsibilities and written agreements (§ 92.504);
- Applicability of uniform administrative requirements (§ 92.505);

- Audit (§ 92.506);
- Closeout (§ 92.507);
- Recordkeeping (§ 92.508), (sections relevant to homebuyer assistance); and
- Performance reports (§ 92.509).

2. Can ADDI and HOME funds be used in the same project?

Yes. HOME funds can be used in conjunction with ADDI funds, especially when an investment of more than \$10,000 is required. For example, if \$5,000 of downpayment assistance is needed and \$15,000 is needed for rehabilitation, \$10,000 of ADDI funds could be invested in the project along with \$10,000 of HOME funds. The total HOME and ADDI investment cannot exceed the maximum per-unit subsidy limits for the jurisdiction.

3. Is there a minimum or maximum amount of ADDI assistance per unit?

Yes. The minimum amount of assistance per unit is \$1,000. The \$1,000 minimum investment can be a combination of ADDI and HOME funds. Under the ADDI statute, the amount of ADDI assistance provided to any low-income family cannot exceed the greater of six percent of the purchase price of a single family housing unit or \$10,000. This specific statutory limit does not apply to FY 2003 ADDI funds. All ADDI funds are subject to the maximum per unit subsidy limit established for the area by HUD.

4. Can PJs use ADDI funds for administrative costs?

No. ADDI funds cannot be used for administrative costs. However, HOME administrative funds can be used to administer ADDI. Under the statute, ADDI funds are not added to a participating jurisdiction's HOME allocation in determining the 10 percent cap on administrative costs. However, for FY 2003 ADDI funds, the cap on administrative costs is determined by taking 10 percent of the sum of the participating jurisdiction's HOME allocation and ADDI allocation.

5. Are ADDI funds required to be matched?

There is no match requirement under the ADDI statute, which applies to FY 2004 and subsequent years' ADDI funds. However, HOME match requirements do apply to FY 2003 ADDI funds. If there are match reductions applicable to a participating jurisdiction for regular HOME funds, these reductions also apply to a participating jurisdiction's FY 2003 ADDI funds.

6. Is there a CHDO set-aside requirement for ADDI?

No. The 15 percent CHDO set-aside applicable to each participating jurisdiction will continue to be calculated on the basis of the HOME allocation, not including ADDI funds. Since downpayment assistance is not an eligible CHDO activity, the ADDI allocation was excluded when calculating the CHDO set-aside.

7. Will the funds have to be committed in two years?

Yes. Like HOME funds, ADDI funds must be committed within 24 months and expended within 5 years of the last day of the month in which HUD notifies the participating jurisdiction of HUD's execution of the HOME Investment Partnerships Agreement. Any funds remaining uncommitted after 24 months and unexpended after 5 years will be reallocated in the following fiscal year.

PJ Responsibilities

1. Does a PJ have to account for the use of ADDI funds in its Consolidated Plan?

Yes. To receive an ADDI formula allocation, a participating jurisdiction must address the use of ADDI funds in its consolidated plan submitted in accordance with 24 CFR part 91. In addition, under the ADDI statute, each state and local participating jurisdiction is required to include in its annual action plan a description of the planned use of the ADDI funds; a plan for conducting targeted outreach to residents and tenants of public and manufactured housing, and to other families assisted by public housing agencies, for the purposes of ensuring that the ADDI funds are used to provide downpayment assistance for such residents, tenants, and families; and a description of the actions to be taken to ensure the suitability of families receiving ADDI assistance to undertake and maintain homeownership.

If a state or local participating jurisdiction has already submitted its FY 2004 action plan to HUD, it must amend that action plan to include the required information for its FY 2003 and FY 2004 ADDI allocation. Planning targets for FY 2003 and FY 2004 ADDI funds can be found at www.hud.gov/offices/cpd/about/budget/budget04/index.cfm.

2. Will ADDI funds require a separate grant number and grant agreement?

No. ADDI funds will be added to the participating jurisdiction's grant number that represents the year the funds are obligated. Usually, the participating jurisdiction will be assigned the same grant number for each year's HOME and ADDI funds. For example, in FY 2004, a participating jurisdiction may be assigned one grant number for the obligation of its FY 2003 ADDI, FY 2004 HOME, and FY 2004 ADDI funds.

3. How much additional recordkeeping work is required of the participating jurisdiction for ADDI projects?

Other than the recordkeeping requirements applicable to all HOME-assisted homebuyer projects, participating jurisdictions must also document that each ADDI beneficiary is a first-time homebuyer.

4. Will there be separate reporting requirements for ADDI funds?

No. HUD will extract data from IDIS to compile needed reports. Participating jurisdictions will enter beneficiary information into IDIS just as if ADDI funds were regular HOME funds. The only additional information participating jurisdictions will be required to enter into IDIS is an indication of whether the beneficiary of a homebuyer activity is a first-time homebuyer.

5. How will HUD track ADDI accomplishments?

HUD will credit ADDI with all first-time homebuyer downpayment assistance completed during the grant period until the participating jurisdiction's ADDI funds are depleted. Once all the participating jurisdiction's ADDI funds are depleted, HUD will credit regular HOME funds for any subsequent downpayment assistance activities. HUD will run a monthly report tracking ADDI Accomplishments, and Commitment and Disbursement deadlines. These ADDI Accomplishment Reports will be posted under Production Reports on the HOME website after ADDI funds are first obligated, beginning in the spring of 2004.

For FY 2003 ADDI funds, the only eligible ADDI activity is downpayment assistance to first-time homebuyers. Consequently, HUD will credit completions for first-time homebuyer with downpayment assistance only to a participating jurisdiction's FY 2003 ADDI funds first. Once a PJ's FY 2003 ADDI funds have been depleted, first-time homebuyer with downpayment assistance only activities will be applied to its FY 2004 ADDI funds. Since rehabilitation assistance to homes acquired by first-time homebuyers through the use of ADDI downpayment funds is an eligible activity beginning with FY 2004 ADDI funds, all activities of that type will be credited to the participating jurisdiction's FY 2004 and subsequent years' ADDI funds. HUD will report expenditures and remaining balances for each year of funds.

6. What information must a PJ enter into IDIS to indicate a first-time homebuyer project will be applied to its ADDI funds?

Beginning with the implementation of ADDI/HOME ROCS! in spring 2004, in order for completed activities to count towards a participating jurisdiction's ADDI funds, the participating jurisdiction must enter the following data in IDIS:

- First-time homebuyer with downpayment assistance only:
 - 1) On screen HB03 – Complete Homebuyer Activity – the only Activity Type that can be selected for this is “Acquisition only;”
 - 2) On screen HB04-A – Complete Homebuyer Activity: Costs - funds must be indicated in the Downpayment Assistance section;
 - 3) On screen HB07 – Complete Homebuyer Activity: Beneficiaries – participating jurisdiction staff must indicate a “Y” to whether the beneficiary is a “first-time homebuyer,” **Note: if a participating jurisdiction does not input an answer, the system will default to “N.”**
 - 4) On screen C04MA54 in the IDIS Common Path – the Activity Status Code must also be changed to “Complete.”
- First-time homebuyer with downpayment assistance and rehabilitation:
 - 1) On screen HB03 – Complete Homebuyer Activity – the only Activity Type that can be selected for this is “Acquisition & Rehab;”
 - 2) On screen HB04-A – Complete Homebuyer Activity: Costs - funds must be indicated in the Downpayment Assistance section;
 - 3) On screen HB07 – Complete Homebuyer Activity: Beneficiaries - PJ staff must indicate a “Y” to whether the beneficiary is a “first-time homebuyer,” **Note: if a PJ does not input an answer, the system will default to “N.”**
 - 4) On screen C04MA54 in the IDIS Common Path – the Activity Status Code must also be changed to “Complete.”

7. If a PJ uses regular HOME funds rather than ADDI funds to assist a first-time homebuyer, should it indicate first-time homebuyer on the HB07 screen Complete Homebuyer Activity: Beneficiary in IDIS?

Yes. HUD is interested in capturing accomplishment data on all first-time homebuyers, whether or not they were assisted with ADDI funds. HUD will differentiate the type of HOME funds that were used in monthly ADDI accomplishment reports that will be posted under Production Reports on the HOME website after ADDI funds are first obligated in spring 2004.

8. What happens if a PJ declines to receive its ADDI allocation?

If a participating jurisdiction declines to receive its ADDI allocation, the allocation will revert back to the state in which the participating jurisdiction is located.

INTRODUCTION

The Community Development Block Grant (CDBG) Program was established by the Federal Housing and Community Development Act of 1974 (Act). Administered nationally by the U.S. Department of Housing and Urban Development (HUD), the Act combined eight categorical programs into a single block grant program. Through this program, funds are available to help the City of Urbana meet their greatest economic and community development needs, with an emphasis upon helping persons of extremely low- to low-income.

In order to ensure that the program meets the intent of the Federal Housing and Community Development act of 1974, as amended and re-authorized by the National Affordable Housing Act of 1990, Congress has required that entitlement programs meet at least one of the following three national objectives:

- Benefit low- and moderate-income persons
- Aid in the prevention or elimination of slums and blight
- Meet other community development needs that pose a serious and immediate threat to the health and welfare of the community

Within the statutory requirements of the Act, the City of Urbana has the flexibility to design its own program objectives and procedures for program administration and to develop criteria for selection of grant subrecipients. The City has decided to focus its activities to those that principally benefit extremely low- and low-income persons. The City's CDBG program is intended to supplement the efforts of organizations in initiating and/or engaging in a community development purpose.

Beyond the broad national objective of benefiting low- and moderate-income persons, the City has established the following specific objectives for its CDBG program:

- Improve public infrastructure and elimination of conditions which are detrimental to health, safety and public welfare
- Conserve of the City's housing stock in order to provide a decent home and a suitable living environment for persons of extremely low- and low-income
- Strengthen community economic development by creating jobs, stimulating private investment and expanding the tax base
- Support public services required to make the City of Urbana a suitable living environment for its extremely low- to low-income residents

The HOME Investment Partnerships (HOME) Program is a federal entitlement grant program authorized by Title II of the National Affordable Housing Act of 1990, as amended. The program provides annual grants on a formula basis to entitled cities, counties, approved consortia, and states. Local governments receiving HOME funds are called "participating jurisdictions." The amount of HOME funds annually available to participating jurisdictions is determined by Congress through passage of the annual federal budget.

HUD is also responsible for management and oversight of the HOME Program. Each participating jurisdiction is responsible for deciding how HOME funds will be used in its jurisdiction and for daily administration of HOME funds.

The HOME Program is intended to increase affordable housing opportunities, particularly for low-income persons. Specific purposes of the HOME Program are:

- Expand the supply of decent and affordable housing, particularly rental housing, for low- and very low-income persons.
- Strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing.
- Provide both financial and technical assistance to HOME recipients, including the development of model programs for affordable low-income housing.
- Expand and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

The City of Urbana established the Community Development Commission to oversee the application process and recommend proposed activities to the Urbana City Council for approval. The Grants Management Division provides staff support to the Community Development Commission. The City awards funds to subgrantees on a competitive basis. Detailed ranking criteria are employed in reviewing applications.

The City of Urbana Community Development Commission establishes policies and procedures, reviews all subgrantee applications and recommends projects for funding to the City Council, which makes the final determination concerning the use of grant funds. The Mayor of the City of Urbana is the officer held responsible to the Federal Government for the operation and maintenance of the program in compliance with all related Federal statutes and complementing rules and regulations.

CITY OF URBANA'S PROPOSED 2004-2005 PROGRAM YEAR CDBG BUDGET

Estimated Available Funds: \$565,000

2003 CDBG Grant \$565,000
Program Income \$10,000

Proposed Use of Funds:

Administration and Planning (20%) \$113,000
Public Service Activities (15%) \$ 84,750
Available for Programs \$367,250

CITY OF URBANA/URBANA HOME CONSORTIUM PROPOSED 2004-2005 PROGRAM YEAR HOME BUDGET

Estimated Available Funds:	\$1,425,900
2004 HOME Grant	\$1,176,000
Local Match	\$249,900

Proposed Use of Funds:

General Administration (10%)	\$113,000
Available for Programs	
City of Champaign (55%)	\$563,892
Champaign County (10.5%)	\$130,683
City of Urbana (34.5%)	\$334,425
Community Housing Development Organizations (CHDO Operating) (5%)	\$58,800
Community Housing Development Organizations (CHDO Set-Aside) (15%)	\$176,400

The amount of funds to be allocated to each of the program categories will be determined after applications have been submitted and reviewed by the Community Development Commission.

PRIORITIES

In concurrence with and in the support of the *Urbana HOME Consortium and the City of Urbana Consolidated Plan For Program Years 2000-2004*, the following priorities have been set for the 2004-2005 Program Year CDBG/HOME funding decisions:

A. Infrastructure and Public Facilities

- Street Improvements (including repaving, installation of curbs & gutters, etc.)
- Any Other Eligible Public Facilities Activity

B. Housing

- Housing Rehabilitation, Homeowner
- Housing Rehabilitation, Rental
- New Construction of Affordable Housing
- First-Time Homebuyers Assistance

C. Targeted Activities

- Special consideration for applications dealing with targeted areas. Targeted areas would be locally-defined, limited geographical areas in which a number of community development activities are proposed to be carried out in order to meet a common objective of comprehensive improvement in the area.

***NOTE: Applications that do not address one of the above priorities will not be considered for funding.**

RATING SYSTEMS

INFRASTRUCTURE AND PUBLIC FACILITIES PROJECTS

All applications shall be ranked in terms of how well the proposed project addresses a community development need in the City of Urbana and the degree to which the proposed project furthers that particular strategy/goal as identified in the *Urbana HOME Consortium and the City of Urbana Consolidated Plan For Program Years 2000-2004*.

1. Past Performance

No points will be specifically assigned for past performance or for new applicants. Applicants who are current recipients of CDBG/HOME funds will be expected to be performing on schedule, and to comply with the City's CDBG and HOME reporting procedures. Applicants who have not been performing on schedule or who have not expended their funds within the designated period defined by written agreement may be disqualified from consideration for funding during the coming year. Failure to follow the required reporting procedures shall also be grounds for disqualification.

All first-time applicants must demonstrate that they have the capacity to carry out the proposed project. Otherwise, their application will be disqualified.

2. <u>Current Promised Leveraging</u>	<u>Points</u>
Points awarded equal to percentage of total project cost provided	+0-10
3. <u>Past Leveraging Performance</u>	<u>Points</u>
Provided promised leverage or more (or no prior project)	0
Provided less than promised leveraging	-10
Provided no promised leverage	-25
4. <u>Project Beneficiaries</u>	<u>Points</u>
80% or less of Champaign County median family income	+50
50% or less of Champaign County median family income	+75
30% or less of Champaign County median family income	+100
5. <u>Additional Priorities</u>	<u>Points</u>
Timing and readiness to proceed	+50
Loan requested instead of grant	+100

HOUSING PROJECTS

All applications shall be ranked in terms of how well the proposed project addresses the need for more affordable housing in the City of Urbana and the degree to which the proposed project furthers a particular strategy/goal as identified in the *Urbana HOME Consortium and City of Urbana Consolidated Plan*.

1. <u>Past Performance</u>	<u>Points</u>
Any previous program year project not completed	-50
Any previous program year project not initiated or completed on schedule	-50
Any previous program year project completed on schedule (points equal to percentage of funds expended)	+100
2. <u>Leverage</u>	
Points awarded equal to percentage of total costs (e.g., if leverage is 50% (\$25,000) of total cost (\$50,000) 50 points will be awarded)	+0-100
3. <u>Past Leveraging and Performance</u>	<u>Points</u>
(Applicant must document leverage provided for most recently completed CDBG/HOME project)	
Provided promised leverage or more	0
Provided less than promised leverage	-50
Provided no promised leverage	-100
4. <u>Number of Households Benefiting</u>	
(Actual number of low- and moderate-income households benefiting from the project)	
All projects shall be rated starting with the project with the highest number of households benefiting from the project and ending with the lowest number of units benefiting from the project. The points shall be awarded in the following manner:	<u>Points</u>
Top 25%	+100
Second 25%	+75
Third 25%	+50
Fourth 25%	+25
(example: 40 total projects – Top 10 (25%) 100 points; next 10, 75 points, etc.)	
5. <u>Commitment of Other Funds</u>	<u>Points</u>
No commitment of other funds	-50
Applications have been made for other funds	+25
Commitments received for all other funds	+50
6. <u>Additional Priorities</u>	<u>Points</u>
Timing and readiness to proceed	+50
Loan requested instead of grant	+75

INSTRUCTIONS FOR APPLICATION

A. Type of Project and Type of Applicant

1. Infrastructure and Public Facilities

Units of general local government and special purpose non-profits (CHDOs) may apply for funding for infrastructure improvement projects. (Other community non-profits will be considered on a case-by-case basis.) Units of general government, special purpose non-profits, and other community non-profits may apply for funding for public facilities. Departments of the City of Urbana shall be considered individual units of government for application purposes, and are eligible for CDBG funding on their own behalf. In addition, agencies providing public services may apply for public facilities funding for improvements to their physical facilities.

2. Housing

General purpose units of local government and not-for-profit entities are eligible to apply for funding to administer and provide housing.

Housing activities which are eligible for funding include: rehabilitation of homeowner-occupied units, rehabilitation of rental units for projects of 8 or less for CDBG funding requests or 11 or less for HOME funding requests. Programs for first-time homebuyers will not be considered for CDBG funding but will be considered under HOME. Applications for new construction of affordable housing will be considered under HOME.

Projects that target specific geographic areas (CD Target Area) in connection with other community development activities will be given priority for funding. Grants Management staff is available to assist applicants with the designation of geographic target areas.

B. Activity to be funded: Public Facilities/Public Services

B1. The applicant shall fully describe the activity for which it is requesting funding and shall describe the need for the project and the project beneficiaries. Documentation must be provided for the projected number of very low- to low-income beneficiaries (e.g., a designated geographical area for a public facilities project, supported by a map; records of applicants or clients for public service projects)

B2. Explain which of the priorities identified in the Five-Year Strategic Plan is addressed by the proposed activity, and how the proposed activity is to be coordinated with other activities in the community.

B3. The applicant must explain why CDBG funds should be utilized in implementing the proposed activity. Present complete information describing other funding sources.

B4. Applicant shall identify the person responsible for implementing the project. The applicant shall also specify if it needs assistance in implementing the project and where

such assistance will be obtained (e.g., consultants, contractors or local government entities).

B5. The applicant shall specifically state the maximum time anticipated to complete the activity, including estimated start and end dates.

B6. The application shall contain a complete explanation of the steps involved to complete such activity (bar charts, graphs and/or narratives). Note: Maximum time allowed to complete any project is 18 months from the distribution date of the Subrecipient Agreement unless otherwise agreed upon in writing by the City.

B7. The applicant shall describe the anticipated accomplishments of the project in concrete, measurable terms. The information in this section will provide a quantitative basis for performance-based monitoring of the subrecipient's progress.

C. National Objective Compliance

All projects must comply with the National Objective of benefiting low- and moderate-income persons. This compliance can be substantiated through one of the following methods:

Area Benefit Activities:

An activity serving an area delineated by the applicant where at least 30.2% (Census data) or 51% (income survey) of the residents are low- and moderate-income persons. Maps of individual Census Tract Block Groups meeting the low- and moderate-income threshold are available from the Grants Management Division.

Direct Benefit Activities:

Direct benefit activities are activities which have income eligibility requirements that limit the benefits of the activities to low- and moderate-income persons. Examples of direct benefit activities would be housing rehabilitation, job training services, or any activity where individuals or families apply directly for the benefits of the program.

D. National Environmental Policy Act

In order to comply with the National Environmental Policy Act (NEPA) directives, where necessary applicants shall provide complete and accurate information about environmental issues relating to their proposed activity or project. Such information must be analyzed and demonstrate a thorough investigation of possible or actual implications as a result of the proposed project. Those agencies involved in housing production, rehabilitation and/or development shall document their files demonstrating compliance with NEPA and other environmental laws. Such files shall be complete and in accord with environmental regulations.

E. Lead-Based Paint

In order to comply with Federal requirements, where necessary applicants shall provide evidence that an assessment of the project for the presence of lead-based paint has been conducted. If lead-based paint has been identified as being present in a project, applicant must identify what measures have been taken to address this issue.

F. Budget

The applicant shall provide a detailed budget describing how the CDBG and/or HOME funds will be spent in connection with the proposed activity. The information in this section will provide a quantitative basis for performance-based monitoring of the subrecipient's expenditures and progress.

G. Leverage

Applicants are required to leverage at least 25% of the total project cost. For purposes of the CDBG program, leveraging is defined as any funds or resources, other than CDBG, HOME or ESG funds, offered by the applicant toward the successful completion of the proposed project. CDBG funds, including previously awarded CDBG funds, may not be included in an applicant's promised leveraging.

Costs incurred in the preparation of applications are not reimbursable under this program nor may they be counted as project leveraging.

H. Past Performance

Applicants are required to report on any leveraging associated with any previous CDBG/HOME project funded by the City of Urbana. Information related to the most recent project should be submitted. Agency funds should be reported separately, as well as CDBG and/or HOME monies received. Any other funds received for the reported project should be listed by source and amount.

I. Authorization and Signature Sheet

All applicants must have the submitted application signed by the Chief Executive Officer of the agency/organization. Please print the person's name below the signature and include the title of that person, as well as the name of the agency/organization. Have the signee date the application.

Filing Procedures/Deadline

Applicants are required to submit one original application and one copy. Applications must be complete when submitted. Incomplete applications will be returned to the applicant and not reviewed for funding in this program year. No changes of information or additional information will be accepted after the designated deadline date, unless requested by the Grants Management Division staff for clarification purposes. Applicants are encouraged to contact Grants Management Division staff prior to submission of their application with any questions or concerns.

Applicant must submit a copy of their most recent fiscal audit with the application.

All applications must be filed with the Grants Management Division by **5 p.m. on or before March 11, 2004.**

All applications should be addressed to:

City of Urbana
Grants Management Division
400 South Vine Street
Urbana, IL 61801

All applications will be date stamped as received.

No FAX transmissions will be considered.

Review and Evaluation Process

All complete applications submitted on time will be subject to review and evaluation by Grants Management staff. The screening and review process for the program is designed to ensure that limited CDBG and HOME funds are awarded to applicants that demonstrate the need for financial assistance and have a well designed project. The actual number and types of awards will be subject to available funding. The Urbana City Council makes the final determination of grant award and amount of funds awarded when the Annual Action Plan is approved.

The City of Urbana retains the right to reject any and all applications received, and to negotiate or to cancel in part, or in their entirety, grant awards. Decisions may be appealed through the established grievance procedure.

Funding is contingent a Congressional Appropriation and City/Consortium receipt of CDBG\HOME funding for FY 2004-2005.



CITY OF URBANA FY2004-2005 CDBG APPLICATION

Applicant Name	
Project Title	
Project Type (circle one)	
CDBG \$ Requested	
Application Score (city use only)	

Application Component Checklist

Complete Application	
Project Budget	
Project Schedule	
Fiscal Audit	
Listing Board of Directors	
Original and One (1) Copy	

A. Type of Project and Type of Applicant

- | | |
|---------------------------------------------------------------|----------------------------------------------------|
| <input type="checkbox"/> Infrastructure and Public Facilities | <input type="checkbox"/> Unit of Government |
| <input type="checkbox"/> Affordable Housing | <input type="checkbox"/> Public Non-Profit Agency |
| <input type="checkbox"/> Economic Development | <input type="checkbox"/> Private Non-Profit Agency |
| <input type="checkbox"/> Public Service | <input type="checkbox"/> For-Profit Agency |

(All applicants must attach a list of their governing board members.)

Applicant

Name: _____
 Street: _____
 City, State, Zip: _____
 Phone Number: _____
 Fax Number: _____
 E-mail Address: _____

Person(s) responsible for preparation of application

Name: _____
Street: _____
City, State, Zip: _____
Phone Number: _____
Fax Number: _____
E-Mail: _____

Person(s) responsible for proposed activity

Name: _____
Street: _____
City, State, Zip: _____
Phone Number: _____
Fax Number: _____
E-Mail: _____

B. Activity to be funded:

B1. Fully described the activity for which you are requesting funds (additional sheets may be attached if needed):

B2. Which one(s) of the needs and strategies as identified in the Five-Year Strategic Plan of the City of Urbana and Urbana HOME Consortium Consolidated Plan for Program Years 2000-2004 does this project address?

B3. Why are CDBG funds needed for this activity? What other funding sources have been solicited?

B4. Maximum time anticipated to complete activity:

Beginning Date: _____

Ending Date: _____

Duration: _____

B5. Steps or phases necessary to complete activity (engineering/design, advertising, bidding, contract award, construction, etc.: bar charts, graphs or narratives may be used).

B6. Quantify your anticipated accomplishments (e.g. 2,000 feet of storm sewer, 80 clients trained, 3000 meals served, etc.)

C. National Objective Compliance

Explain fully how the proposed project meets the CDBG National Objective of principally benefiting low- and moderate-income persons/households. Provide substantiating documentation supporting your claims (use additional pages if needed).

C1. Number of **total** households expected to benefit from implementation of this project?

C2. Percentage of households benefiting from the project that are very low-, low- and/or moderate-income (identify by classification; i.e. very low-, low-, moderate-)

C3. Number of very low-, low- and/or moderate-income households expected to benefit from implementation of this project (multiple C1 by C2).

Note: Income benefit must be documented by Census data or income survey forms. The total number of households benefiting should be an actual and reliable neighborhood or client count. You must define your beneficiaries and document how you calculated this figure.

D. National Environmental Policy Act Compliance/Uniform Relocation Act (Housing, Infrastructure and Public Facilities Projects Only)

D1. Please provide a precise and detailed location map and describe the project area.

D2. Will the project traverse or impact a floodplain or wetland area? _____
If yes, please provide a map showing the floodplain or wetland area as it relates to the project execution.

D3. What compensating design features have been implemented to correct any adverse affects relating to construction? Please explain.

D4. Will project replace an existing structure or involve new construction? Please explain.

D5. Will the project substantially increase the present capacity of service to the area? Please explain.

D6. Will it be necessary to obtain temporary or permanent easements? If yes, please identify property owners?

D7. Is the project going to disturb land previously not disturbed (except for

agriculture)? To the best of your knowledge, is there anything of historical or archaeological significance in the area? _____

D8. Will the activity involve an existing structure or involve new construction?

Yes No

If it involves an existing structure, is that structure vacant or occupied?

Vacant Occupied

E. Lead-Based Paint

E1. Has the project been assessed for lead-based paint? Yes No

If yes, does the project contain lead-based paint? Yes No

E2. If the project has not been assessed for LBP, is an assessment planned?

Yes No

If no, why not? _____

E3. If the project contains lead-based paint, how will it be addressed, and who will be responsible for such?

F. Detailed Activity/Project Budget

Source of Funds

CDBG funds requested	
Applicant's funds	
Other funds (please specify sources)	
TOTAL FUNDS	

Use of Funds

Budget Line Item	CDBG \$ Amt	Other \$ Amt	Total \$ Amt
TOTAL			

Note: Operational (day-to-day) expenses are not eligible CDBG activities under this application. Please request an application for the city's Consolidated Social Service Funding Pool.

All applicants must submit a copy of their most recent audit report with this application, unless the most recent has already been submitted. If this is the case, indicate the date of the audit and the date it was submitted to the City.

G. Leverage/Match

The applicant leveraging/match may be provided in the form of materials and/or labor, cash and/or other non-federal funding and must offer a minimum of 25% of the estimated project cost. The minimum percent of leveraging which is pledged for the project must be maintained, regardless of the amount of CDBG/HOME funds awarded.

Source of applicant's leveraging:

		\$	
		\$	
		\$	
TOTAL		\$	

Calculate leveraging ratio as leverage offered divided by total project cost:
 _____ divided by _____ equals
 _____%

Note: CDBG funds, including previously awarded CDBG monies cannot be counted as leverage. Applicant's leverage funds must be spent prior to drawing on CDBG funds.

H. PAST Leveraging/Match Performance

All applicants are required to state the amount of funds or in-kind contributions provided by the applicant toward implementation of the last CDBG project funded and/or completed under the City of Urbana's program. Explain at the bottom of this page how your funds were expended (i.e. staff administration, engineering, construction, etc.)

Provide budget for the last project funded through CDBG

Your funds \$ _____

Other funds \$ _____ (list sources)

CDBG funds \$ _____

Total \$ _____

Calculate leveraging ratio as leverage offered divided by total project cost.
 _____ divided by _____ equals _____%

Explanation of how leverage funds were spent:

ACTIVITY	YOUR \$\$	CDBG \$\$	OTHER \$	TOTAL
Staffing				
Engineering				
Materials				
Labor				

I. Authorization and Signature Sheet

Submission of this application and the information contained herein is authorized by:

Signature of Chief Executive Officer

Name

Title

Agency/Organization

Date



400 South Vine Street
 Urbana, IL 61801
 (217) 384-2447
 bpgrewe@city.urbana.il.us
 http://city.urbana.il.us

**City of Urbana and Urbana HOME Consortium
 FY2004-2005 HOME Funding Application**

Applicant Name	
Project Title	
HOME Dollars Requested	
Application Score (city use only)	

Application Component Checklist

Complete Application	
Project Budget	
Project Schedule	
Applicant's Last Fiscal Audit	
Listing of Board of Directors	
Last Board Minutes	
Board Resolution Approving Application	
LBP Assessment Report (if applicable)	
Original Application and One (1) Copy	

A. Type of Project

(check one)

- Rental Housing
- Homeownership
- CHDO Operating Funds
- New Program
- Program Continuation (Year Started _____)

Type of Applicant

(check one)

- Unit of Government
- Public Non-Profit
- Private Non-Profit
- Public Agency
- CHDO

All applicants must attach a list of their governing board members. CHDOs must include board member's current address and organization/area they represent.



Applicant

Name of Organization	
Street Address	
City, State, Zip	
Telephone Number	
Fax Number	
E-Mail Address	
Federal ID Number	

Person(s) Responsible for Application Preparation

Name	
Street Address	
City, State, Zip	
Telephone Number	
Fax Number	
E-Mail Address	

Person(s) Responsible for Proposed Activity

Name	
Street Address	
City, State, Zip	
Telephone Number	
Fax Number	
E-Mail Address	

B. Activity to be Funded

1. Fully describe the activity for which you are requesting funds (attach additional sheets if necessary):



7. Please describe the effect on the proposed activity if HOME funding is not awarded during this fiscal period?

8. Identify any other agencies that are involved in your project and briefly describe the extent of their involvement. Include the agency name, address, phone, and contact person. Attach additional information if necessary.

Agency	
Address	
Phone	
Contact Person	
Involvement/Activity	

Agency	
Address	
Phone	
Contact Person	
Involvement/Activity	

9. What steps or phases are necessary to complete the activity? Attach a separate schedule.

10. Quantify your anticipated accomplishments (e.g. number of affordable housing units provided in each city, etc.)



11. What are the number of households per income range that will benefit from implementation of this activity? What will be the total number of residents in each community that will benefit from this activity? The current income guidelines are attached.

_____	0-30% MFI	_____	Urbana residents
_____	31-50% MFI	_____	Champaign residents
_____	51-80% MFI	_____	Unincorporated County residents

12. Will your project target a special needs population? _____ Yes _____ No

If yes, define the population to be served and include documentation confirming that necessary support services will be provided.

13. Please provide a precise and detailed location map and describe the project area.

14. Will the project traverse or impact a floodplain or wetland area?

_____ Yes _____ No

If yes, please provide a map showing the floodplain or wetland area as it relates to the project execution.

15. What compensating design features have been implemented to correct any adverse affects relating to construction? Please explain.



16. Will the activity replace an existing structure or involve new construction?
_____ Existing Structure _____ New Construction

If it involves an existing structure, is the structure vacant or occupied?

_____ Vacant _____ Occupied _____ Unknown

18. Will it be necessary to obtain temporary or permanent easements? If yes, please explain plans to acquire easements?

19. Will the activity disturb land previously not disturbed (except for agriculture)? To the best of your knowledge, is there anything of historical or archaeological significance in the area?

20. Has the project been assessed for lead-based paint? _____ Yes _____ No

If yes, does the project contain lead-based paint? _____ Yes _____ No

If the project has not been assessed for LBP, is an assessment planned?

_____ Yes _____ No

If no, why not? _____

If the project contains lead-based paint, how will it be addressed, and who will be responsible for such?



21. Please complete the following budget summary or provide a budget that provides at a minimum, this same level of project detail. Submitted budgets should include information indicating if additional funds are secured or requested.

Capital Project Budget Summary

Budget Category	Proposed Costs	HOME Funds	Other Funds	Secured or Requested
Project Pre-Development <ul style="list-style-type: none"> • Wages/Salaries • Fringe Benefits • Materials • Other Costs • 				
Land/Property Acquisition				
Design <ul style="list-style-type: none"> • Consulting Fees • Materials • Other Costs • 				
Final Development <ul style="list-style-type: none"> • Wages/Salaries • Fringe Benefits • Materials • Soft Costs • Development Fees • Other Costs • 				
Construction <ul style="list-style-type: none"> • Electrical • Plumbing • Heating • Interior Rehab • Exterior Rehab • Grounds • Improvements • Framing • Rough-In • Finish 				
Maintenance <ul style="list-style-type: none"> • Grounds • Other Maintenance • 				
TOTAL PROJECT BUDGET				



If you are applying for CHDO Operating Funds, please complete the following chart or submit operating budget for the proposed fiscal year.

CHDO Operating Budget

Budget Category	Proposed Cost	HOME Funds	Other Funds	Secured or Requested
Salaries/Wages Fringe Benefits Consultants/Contract Services				
TOTAL PERSONNEL BUDGET				
Office Rent Utilities Telephone Office Supplies Equipment Printing/Duplication Travel/Conferences Other (Specify)				
TOTAL NON-PERSONNEL BUDGET				
TOTAL PROJECT BUDGET				

22. All applicants must submit a copy of their most recent audit report with this application. Provide the date of the most recent audit?

23. If applying for CHDO Set Aside Funds, the CHDO applicant must offer a minimum of 25% of the estimated project cost from other funding sources. The match must be structured and expended to be consistent with HUD Guidance in CPD Notice 97-03. Please list other funding that will be used in the activity and whether it has been awarded or not.



24. Please list all projects the applicant has administered (regardless of whether they were funded with HOME funds) in the last three (3) years, indicating which projects are completed and which projects are underway.

Project	Funding Source	Status

25. How will local residents be made aware of the program?

26. How will recipients of the program be selected?

27. For rental projects, who will be providing the on-going management of the project to insure compliance with the HOME regulations throughout the affordability period?

28. How is the Board of Directors involved in the operation of the agency? How often does the Board meet? How does the Board monitor and provide oversight for the agency's programs? Attach the minutes of the most recent Board meeting. Also attach a copy of the Board resolution approving the submittal of this application for funding.



29. Does the organization receive operating funds from other sources? ____ Yes ____ No

If yes, how much annually and from what other sources? Provide documentation.

Funding Source	Amount

30. Does the organization operate any other programs other than the proposed HOME activity? ____ Yes ____ No

If yes, what are the program(s) and their funding source(s)? Provide documentation.

Programs	Funding Source

31. If applying for CHDO Operating Funds, how will the funds increase the organization's capacity to provide affordable housing? Please explain.

32. How many staff members does the organization employ? How many are full-time or part-time? Please list the name of each staff member, and their specific responsibilities related to housing programs. How many years experience in housing does each staff member have?

Name	Program Area	Years Experience	Full or Part Time



C. Applicant Certification and Commitment of Responsibility

As the official designated by the governing body, I hereby certify that if approved by the Urbana HOME Consortium, the City of Urbana, the City of Champaign, or Champaign County for a HOME funding allocation, the _____ (applicant name) assumes the responsibilities specified in the HOME regulations and certifies that:

- A. It possesses the legal authority to apply for the allocation and to execute the proposed activity;
- B. It has resolved any audit findings for the prior fiscal year to the satisfaction of the Urbana HOME Consortium, the City of Urbana, the City of Champaign, Champaign County or any other federal agency by which the finding was made;
- C. It is not currently suspended or debarred from receiving federal funds;
- D. Before committing funds to a project, it will evaluate the project in accordance with the guidelines it adopts for the purpose and will not invest any more HOME funds in combination with other governmental assistance than is necessary to provide affordable housing;
- E. If a CHDO, its board composition complies with and will continue to comply with the requirements for CHDOs in the definition contained in 24 CFR Section 92.2;
- F. It will comply with all statutes and regulations governing the HOME program;
- G. The information, statements and attachments contained in support of this application is given for the purpose of obtaining financial assistance from the Urbana HOME Consortium, the City of Urbana, the City of Champaign, and Champaign County is true and correct to the best of my knowledge and belief. Representations made in the application will be the basis of the written HOME agreement if funding is awarded. All information contained in this application is acknowledged to be public information;
- H. The applicant understands and agrees that if false information provided in this application has the effect of increasing the applicant's competitive advantage, the Urbana HOME Consortium, the City of Urbana, the City of Champaign and Champaign County will disqualify the applicant and may hold the applicant ineligible to apply for HOME funds until any issue of restitution is resolved;
- I. If false information is discovered after the award of HOME funds, the Urbana HOME Consortium, the City of Urbana, the City of Champaign and Champaign County may terminate the applicant's written agreement and recapture all HOME funds expended;



- J. The applicant shall not, in the provision of services, or in any other manner discriminate against any person on the basis of race, religion, sex, national origin, familial status, or handicap.
- K. The applicant agrees that verification of any of the information contained in this application may be obtained from any source named herein.
- L. The applicant will at all times indemnify and hold the Urbana HOME Consortium, the City of Urbana, the City of Champaign and Champaign County harmless against all losses, costs, damages, expenses, and liabilities of any nature directly or indirectly resulting from, arising out of or relating to the Urbana HOME Consortium, the City of Urbana, the City of Champaign and Champaign County's acceptance, consideration, approval, or disapproval of this request and the issuance or non-issuance of HOME funds herewith.

This certification must be signed by the individual authorized to submit the application as determined by applicant's governing board of directors and who will be authorized to execute HOME Program agreements.

Authorized Signature

Title

Print Name

Date



APPLICATION FOR FUNDS
City of Urbana
Neighborhood Organization Grant Program
FY2004-2005 (NOG IX)

Name of Organization

Mailing Address

Person Completing This Form

_____ Telephone Number _____

E-Mail Address

Name of Treasurer

_____ Telephone Number _____

E-Mail Address

Purpose of Organization

Geographic Area Served by the Organization

List Names and Titles of Officers

How Does a Person Qualify to be a Member of the Organization?

Amount of Grant Funds Requested

Proposed Use of Grant Funds

NOTE:

The use of grant funds should correspond to the purposes identified in the Guidelines for Neighborhood Organization Grant Program.

Included are pages 2-75 and 2-76 from the *Community Development Block Grant Guide to National Objectives & Eligible Activities for Entitlement Communities*. This information clarifies the Department of Housing and Urban Development regulations regarding the use of CDBG funds for planning and capacity building. Adherence to these regulations is essential in order to remain in compliance with the CDBG Entitlement Program.

By signing below, I acknowledge that to the best of my knowledge the above is true and accurate.

Signature

Date

All applications should be addressed to:

City of Urbana
Grants Management Division
400 South Vine Street
Urbana, IL 61801

Mailed applications **must be received by Thursday, March 11, 2004.**

All applications will be date stamped as received.

No FAX transmissions will be considered.

Community Development Block Grant Guide to National Objectives & Eligible Activities for Entitlement Communities.

(Excerpted page 75 &76)

Planning and Capacity Building

Eligible Activities

CDBG funds may be used for:

- Studies,
- Analysis,
- Data gathering,
- Preparation of plans, and
- Identification of actions that will implement plans.

Example The types of plans which may be paid for with CDBG funds include, but are not limited to:

- Comprehensive plans;
- Individual project plans;
- Community development plans;
- Capital improvement programs;
- Small area and neighborhood plans;
- Analysis of impediments to fair housing choice;
- Environmental and historic preservation studies; and
- Functional plans (such as plans for housing, land use, energy conservation or economic development).

A more detailed description of planning and capacity building activities is located at §570.205 of the regulations.

Such funds may also be used under this category for activities designed to improve the grantee's capacity (or that of its subrecipients) to plan and manage programs and activities for the grantee's CDBG program. However, the amount of CDBG funds which may be used for activities under this category (whether by the grantee or its subrecipients) is subject to the statutory limitation on planning and administrative cost. Note that the planning and administrative costs of subrecipients subject to the 20% cap are limited to those related to the CDBG program as a whole and not for activity-specific administrative costs related to carrying out other eligible Subpart C activities that are considered part of the cost of those activities. (See also the discussion describing the 20% cap which is contained in the Program Administration Costs category section and the description on how to calculate the cap following that section.) *References: §570.200(g) and §570.205*

Note, however, that capacity building is also eligible under the category of Technical Assistance, which is discussed in this Guide under the section of this chapter entitled Miscellaneous Other Activities. The use of funds under that category is not subject to the 20% cap, but must be shown to meet a national objective. *Reference: §570.201(p)*

Planning and capacity building activities do not include:

- Engineering, architectural and design costs related to a specific project (e.g., detailed engineering specifications and working drawings); or
- Other costs of implementing plans.

Example While developing an economic development strategy for the city or county is an eligible planning activity, printing brochures promoting the city or county in order to attract businesses is not.

Complying with National Objectives Planning and Capacity Building

Because CDBG funds spent for planning and capacity building costs are considered to address the national objectives of the CDBG program as a whole, no documentation of such compliance is required. *Reference: §570.208(d)(4)*

Additional Considerations

The cost of implementing plans, while not eligible as planning costs, may qualify for CDBG funding if the implementing actions are otherwise eligible activities (i.e., activities eligible under §570.201 through §570.204). A market study performed on behalf of the grantee to determine the market for some type of facility or business would be eligible under the category of Planning, but a market study performed on behalf of a particular business would only be eligible for CDBG funding under the category of Special Economic Development Activities. Similarly, conducting a market study on the need for a new hotel downtown would be eligible under Planning, while conducting a feasibility study of a specific proposed project (e.g., a hotel) on a specific site would have to qualify under the Special Economic Development Activities category.