



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Community Development Commission

FROM: John A. Schneider, Manager

DATE: June 20, 2008

**SUBJECT: Proposed Amendment to the City of Urbana and Urbana HOME Consortium
FY 2007-2008 Annual Action Plan**

Description

Included on the agenda of the June 24, 2008 meeting of the Urbana Community Development Commission is a proposed amendment to the City of Urbana and Urbana HOME Consortium Annual Action Plans for Fiscal Year 2007-2008. The amendment reduces the scope of the Developmental Services Center expansion project from constructing additional space to roof repair of existing facility only. The amendment also allocates unobligated City of Urbana HOME Program carryover funds and program income to be utilized for the redevelopment of Lakeside Terrace, now known as Crystal View Townhomes.

Issue

The issue is whether the Community Development Commission should forward the amendment to the Urbana City Council with a recommendation for approval.

Background

The City of Urbana FY 2007-2008 Annual Action Plan (FY 07/08 AAP) includes funds budgeted for two projects included in the proposed amendment, (1) The expansion of the Developmental Services Center (DSC) facility located on Clark Road in Champaign, and (2) the redevelopment of Lakeside Terrace (Crystal View Townhomes). Following is an explanation of each of the proposed amendments:

- (1) **DSC Amendment (CDBG).** The Developmental Services Center project included constructing an addition to its Clark Road facility and repairing the roof of the existing the facility. The project was intended to expand the available space and relocate some of DSC's operations from its Bradley Avenue site in order to consolidate vocational training onto one site. Because the originally anticipated additional funding from other grant sources for the expansion project is not currently available, and due to the uncertainty of future funding, DSC has requested that the project scope be amended or reduced to include only the roof repair project. DSC indicates that when funding becomes available in the future, they will, "reassess the project scope and move forward."

The proposed amendment reduces the scope of the project to repair the roof of the existing facility only. The roof repair was included in the original project and needed to be completed whether or not the expansion project was undertaken.

- (2) **Crystal View Townhomes Amendment (HOME).** The City of Urbana has allocated funding in previous Annual Action Plans for the Crystal View Townhomes project. In March 2008, the developer of the project, Brinshore Development, received notification from the Illinois Housing Development Authority that its application for allocation of low-income housing tax credits to the Crystal View Townhomes was approved. However, due to current market conditions and increasing construction costs, there is a need for more funding than originally indicated in the project budget included with the tax credit application.

Because this project is a critical element of the City's affordable housing needs, staff worked to identify additional available HOME Program funding that could be made available to the project. The proposed amendment allocates up to \$101,843 in HOME funds to the project. Local match funding of \$25,254 for the project will be provided in the form of waived City of Urbana permit fees.

Options

1. Forward the Ordinance approving the Amendment to the City of Urbana and Urbana HOME Consortium FY 2007-2008 Annual Action Plan to the Urbana City Council with a recommendation for approval.
2. Forward the Ordinance approving the Amendment with changes to City Council with a recommendation for approval
3. Do not recommend approval of the Ordinance.

Fiscal Impacts

There will be no fiscal impact to the city budget. The HOME funds for this amendment are available from previous year's program income and remaining balances from various completed projects.

The City has previously pledged financial support for this project at a level of \$200,000. In the FY 2006-2007 Annual Action Plan, the City allocated \$100,000 (\$50,000 CDBG and \$50,000 HOME and Local Match) to the project. The FY 2007-2008 Annual Action Plan allocated an additional \$100,000 (\$50,000 CDBG and \$50,000 HOME and Match) to the project. As noted above, the City has agreed to waive building permit fees for the project, which is a value equivalent to \$75,000 and is consistent with an established policy, which allows for a case-by-case reduction in permit fees for other governmental units, including the Housing Authority. The value of the waived permit fees will be utilized as credit toward the required local matching funds for the project.

Recommendations

Staff recommends that the Community Development Commission forward the Ordinance approving the Amendment to the City of Urbana and Urbana HOME Consortium FY 2007-2008 Annual Action Plan to the Urbana City Council with a recommendation for approval.

Memorandum Prepared By:

John A. Schneider, Manager
Grants Management Division

Attachments:

1. AN ORDINANCE APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA/CHAMPAIGN/CHAMPAIGN COUNTY HOME CONSORTIUM FY 2007-2008 ANNUAL ACTION PLAN
2. AMENDMENT TO CITY OF URBANA AND URBANA HOME CONSORTIUM ANNUAL ACTION PLAN FY 2007-2008

ORDINANCE NO. _____

AN ORDINANCE APPROVING MODIFICATIONS TO THE CITY OF URBANA AND
URBANA/CHAMPAIGN/CHAMPAIGN COUNTY HOME CONSORTIUM FY 2007-2008 ANNUAL ACTION
PLAN

WHEREAS, the City of Urbana has been designated an entitlement city under the Federal Housing and Community Development act of 1974, as amended, and as such is eligible for Community Development Block (hereinafter "CDBG") and Home Investment Partnership Funds (hereinafter "HOME") funds upon proper submittal being made to the United States Department of Housing and Urban Development (hereinafter "HUD"); and

WHEREAS, the Urbana City Council previously approved an ordinance authorizing submittal to HUD of the Annual Action Plan for FY 2007-2008, that included proposed budgets for the CDBG and HOME Programs and HUD subsequently approved the said Annual Action Plan; and

WHEREAS, on June 13, 2008 the City of Urbana published on the City website a notice of a 30-day public review period regarding said proposed budgetary amendments to the Annual Action Plan for FY 2007-2008; and

WHEREAS, on June 20, 2008 the City of Urbana published in the Champaign-Urbana News-Gazette a 14-day notice of a public hearing regarding said proposed budgetary amendments to the Annual Action Plan for FY 2007-2008; and

WHEREAS, on July 8, 2008 the City of Urbana, the Grants Management Division of the Community Development Services Department held a public hearing on the proposed amendments; and

WHEREAS, the City Council now finds it necessary and appropriate to amend the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plan for FY 2007-2008.

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

Section 1. That the City of Urbana, as lead entity for the Urbana HOME Consortium, hereby approves the amendment to the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plan FY 2007-2008, as such amendment is referenced in the attachment hereto.

Section 2. That the Mayor of the City of Urbana is hereby designated as the authorized representative of the City of Urbana to take any action necessary in conjunction with said attached amendment to the Annual Action Plan FY 2007-2008, including submittal of the Annual Action Plan Amendment to the HUD-Regional Field Office and provision of such additional information as may be required.

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

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

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

Laurel Lunt Prussing, Mayor

**PROPOSED AMENDMENT TO
CITY OF URBANA and URBANA HOME CONSORTIUM
FY 2007-2008 ANNUAL ACTION PLAN**

CITY OF URBANA – FY 2007-2008 HOME

The City of Urbana proposes to re-allocate up to \$101,843 in unexpended federal HOME funding and \$25,454 in local match funding remaining from unobligated carryover grant funds (cumulative from various projects).

Crystal View Townhomes Funds will be reserved for the redevelopment of affordable rental housing units at the Crystal View Townhomes (*former site of Lakeside Terrace public housing*). The project must be consistent with affordable housing goals as outlined in the 2005-2009 Consolidated Plan, the 2005 Comprehensive Plan, and the 2004 Lakeside Redevelopment Plan, and must comply with applicable local, state and federal regulations.

Proposed Amendment to Budget

City of Urbana FY 2007/08 (HOME AMENDED)	Current	Proposed
Unobligated Carry-Over (Multiple Previous Yrs)	\$ 127,297.00	-0-
Crystal View Townhomes	-0-	\$127,297.00

CITY OF URBANA

FY2007-2008 - COMMUNITY DEVELOPMENT BLOCK GRANT

CITY OF URBANA CDBG FY 2007-2008 PROPOSED AMENDMENT:

1. **Developmental Services Center (FY 07-08)** Funds will be used to ~~expand~~ repair the roof of DSC's Clark Road vocational training site. The Developmental Services Center enhances the lives of individuals with developmental disabilities by providing services and support that enable them to live, work, learn, and participate in their communities.

This amendment proposes to reduce the overall scope of the project due to inability of subgrantee to secure other funding.