



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

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

**TO:** Elizabeth H. Tyler, FAICP, Community Development Director

**FROM:** John A. Schneider, Manager, Grants Management Division

**DATE:** May 14, 2009

**SUBJECT: AN ORDINANCE APPROVING A SUBSTANTIAL AMENDMENT TO THE CITY OF URBANA AND URBANA/CHAMPAIGN/CHAMPAIGN COUNTY HOME CONSORTIUM CONSOLIDATED PLAN/ANNUAL ACTION PLAN FY 2008-2009 CDBG-R**

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### **Description**

On the agenda of the May 19, 2009 Special Meeting of the Urbana Community Development Commission is an Ordinance Approving a Substantial Amendment to the Consolidated Plan/Annual Action Plan FY 2008-2009 CDBG-R. In accordance with the Community Development Block Grant (CDBG-R) funding allocated to states and local entitlement communities as a result of the American Recovery and Reinvestment Act (ARRA), a substantial amendment to the Annual Action Plan is required. The regulations for this one-time grant allocation require that the Substantial Amendment for CDBG-R be submitted to HUD by no later than **June 5, 2009**.

### **Issues**

Staff is requesting that the Community Development Commission review the proposed Amendment and forward a recommendation regarding approval to the Urbana City Council. Prior to submission to the Department of Housing and Urban Development (HUD), the Urbana City Council must approve any substantial amendments to the City's Annual Action Plan.

### **Background**

On March 18, 2009, the City received a letter from HUD indicating that the City would be awarded a grant of **\$125,097** of Community Development Block Grant funds (CDBG-R), as a result of the American Recovery and Reinvestment Act (ARRA). According to HUD, "Funding available under the Recovery Act has clear purposes – to stimulate the economy through measures that modernize the Nation's infrastructure, improve energy efficiency, and expand educational opportunities and access to health care."

The substantial amendment proposes to allocate the CDBG-R funding to the reconstruction of

Green Street from Vine Street to Cottage Grove Avenue in Census Tract 55 of the City's Community Development Target Area. Using the funding for this project meets the stated purpose of the ARRA by modernizing infrastructure. The proposed Amendment is consistent with the Consolidated Plan goal of supporting infrastructure improvements in Urbana's Community Development Target Area. Further, the project will have a positive economic impact by providing construction workers additional job opportunities for the upcoming construction season.

The timeline of the project also fits well within the program purpose to get the funding allocated to, "give priority to projects that can award contracts based on bids within 120 calendar days from the date funds are made available to recipients; and that for infrastructure investments, recipients shall give preference to activities that can be started and completed expeditiously..." Using the CDBG-R funding for Green Street reconstruction, which is a "shovel-ready" project, meets the program guidelines in this respect. Bids for the project are estimated to be let on June and opened two weeks later and substantial completion of the project is expected to be achieved by mid-November 2009, which is within the timeline for expenditure of the funding.

The CDBG-R regulations allow for a shorter public comment period of 7 days (instead of the normal 30-day comment period) in order to allow local governments to expedite the CDBG eligible projects. The draft of the Substantial Amendment was posted on the City website on May 13, 2009 and has been on display and available for public review and comment at the City Clerk's office, the Department of Community Development Services office and the Urbana Free Library since May 14, 2009. In addition, a display advertisement was published in the *News-Gazette* on May 15, 2009. A public hearing will be held on May 22, 2009 in City Council Chambers at 11:00 a.m. to complete the public review process.

## Options

1. Forward the Ordinance Approving a Substantial Amendment to the City of Urbana and Urbana/Champaign/Champaign County Home Consortium Consolidated Plan/Annual Action Plan FY 2008-2009 CDBG-R to the Urbana City Council with a recommendation for approval.
2. Forward the ordinance with a recommendation for approval with suggested changes.
3. Do not recommend approval of the Ordinance.

## Fiscal Impacts

The proposed substantial amendment to the Annual Action Plans will provide an additional, one-time HUD grant of **\$125,097** in CDBG funding to the City. Using this funding for the Green Street project would reduce the total amount the City would need to expend on the project and potentially make funding available for other infrastructure improvement projects that benefit the target areas of the community.

## Recommendations

Staff recommends that the Community Development Commission forward the Ordinance to the Urbana City Council with a recommendation for approval.

Memorandum Prepared By:

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John A. Schneider  
Grants Management Division Manager

Attachments:

1. AN ORDINANCE APPROVING A SUBSTANTIAL AMENDMENT TO THE CITY OF URBANA AND URBANA/CHAMPAIGN/CHAMPAIGN COUNTY HOME CONSORTIUM CONSOLIDATED PLAN /ANNUAL ACTION PLAN FY 2008-2009 CDBG-R
2. Proposed Substantial Amendment to City of Urbana And Urbana Home Consortium Consolidated Plan /Annual Action Plan FY 2008-2009 - *Community Development Block Grant Program for CDBG-R*

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE APPROVING A SUBSTANTIAL AMENDMENT TO THE CITY OF URBANA AND  
URBANA/CHAMPAIGN/CHAMPAIGN COUNTY HOME CONSORTIUM  
CONSOLIDATED PLAN/ANNUAL ACTION PLAN FY 2008-2009 CDBG-R

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 Grant (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 FY 2008-2009 that included proposed budgets for the CDBG and HOME Programs and HUD subsequently approved the said Annual Action Plan; and

WHEREAS, on May 13, 2009, the City of Urbana published on the City website a 7-day notice of a public review period and a notice of a public hearing regarding a proposed substantial amendment to the Annual Action Plan for FY 2008-2009; and

WHEREAS, on May 15, 2009 the City of Urbana published in the Champaign-Urbana News-Gazette a 7-day notice of a public review period and a notice of a public hearing regarding said proposed substantial amendment to the Annual Action Plan for FY 2008-2009; and

WHEREAS, on May 22, 2009, the City of Urbana, the Grants Management Division of the Community Development Services Department, held a public hearing on the proposed substantial amendment; and

WHEREAS, the City Council now finds it necessary and appropriate to substantially amend the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plan for FY 2008-2009.

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 substantial amendment to the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Consolidated Plan/Annual Annual Action Plan for FY 2008-2009 CDBG-R, in substantially the same form 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 substantial amendment to the Consolidated Plan/Annual Action Plan, 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

**DRAFT SUBSTANTIAL AMENDMENT TO  
CITY OF URBANA and URBANA HOME CONSORTIUM  
CONSOLIDATED PLAN  
ANNUAL ACTION PLAN FY 2008-2009**

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
CDBG-R  
CFDA 14.253**

The American Recovery and Reinvestment Act of 2009 has allocated funds to states and local governments to carry out, on an expedited basis, eligible activities under the Community Development Block Grant (CDBG) program. As an entitlement city, the City of Urbana has been allocated \$125,097 of CDBG-R funds under the Recovery Act. Entitlement grantees are required to submit a substantial amendment to their FY 2008-2009 action plans in order to receive the allocation of CDBG-R recovery funds.

*This proposed Substantial Amendment has been prepared in accordance with the requirements provided in the publication: "Department of Housing and Urban Development [Docket No. FR-5309-N-01] Notice of Program Requirement for Community Development Block Grant Program Funding Under the American Recovery and Reinvestment Act of 2009."*

**Required elements in the CDBG-R substantial amendment to the annual action plan are:**

**1. A description of the activities the jurisdiction will undertake with these funds to address priority needs and objectives:**

The City of Urbana proposes to utilize its CDBG-R allocation for improvement of infrastructure in Census Tract 55 of the Community Development Target Area, specifically reconstruction of Green Street between Vine Street and Cottage Grove Avenue. This activity meets **Priority Objective # 1 – Provide a Suitable Living Environment** of the City's current Consolidated Plan. Following is a brief description of the project:

**Green Street – Street & Sidewalk Reconstruction**

CDBG-R funds will be contributed toward the reconstruction of Green Street from Vine Street to Cottage Grove, located in Census Tract 55 of the City of Urbana Community Development Target Area. Work will include milling and resurfacing of the street, reconstruction of (remove and replace) curb and gutter, brick and concrete sidewalks, ramps and driveway approaches.

Total CDBG-R Funding: \$125,097

Estimated Project Cost Total: \$845,000 - \$ 1,100,000

**2. Description of how the distribution and uses of the grantee's CDBG-R funds will meet the requirements of Title XII of Division A and Section 1602 of the Recovery Act:**

The City anticipates placing the project for bids on or around June 30, 2009. Bids are expected to be opened two weeks later (within 45-50 days of June 5, 2009, which is the date of submission of this amendment to HUD). Construction startup is anticipated by July 20, 2009, with substantial completion of the project expected by November 20, 2009.

**3. For each activity, a written description of how the use of CDBG-R funds for the activity will maximize job creation and economic benefit in relation to CDBG-R funds obligated, and will address the Recovery Act:**

After several continuous years of a high level of construction activity in the Urbana area, including infrastructure construction, the construction industry has been negatively impacted by the recent economic crisis. As a result, many construction workers in the area have experienced layoffs due to a reduction in available jobs. The City has had to re-evaluate its long range planning for infrastructure reconstruction and improvement. The long-term forecast is that some projects may be delayed due to lack of revenues. Utilizing CDBG-R funding for this project not only will provide immediate assistance for a much-needed improvement in a Target Area and employ construction workers, it is expected to have a positive ripple effect on future City projects in that more funding would be available for one or more future projects, thus continuing the construction employment opportunities.

**4. For each activity, the number of full- and part-time jobs estimated to be created and retained by the activity (including permanent, construction and temporary jobs):**

Jobs created by the proposed activity will be all construction related. The number created will depend on the number of workers already employed by the winning bidder. Contractors can retain current workforce members and re-hire former workers who were laid off due to lack of work. It is estimated that crews of 15-25 consisting of operators, laborers, teamsters, finishers and foremen will be working on this activity. In addition, it is likely that the general contractor will hire sub-contractor crews of 4-5 workers each for tree removal, pavement marking, trucking and landscaping, and miscellaneous activities. The total number of construction jobs provided by this activity is expected to range from 25 – 50.

**5. Description of the activities that will be carried out with CDBG-R funding that promote energy conservation, smart growth, and green building technologies, or reduced pollution emissions:**

This project will include the use of recycled concrete and recycled asphalt, which are green practices that save fuel and reduce greenhouse emissions when used instead of virgin product. This project is on a busline, promotes walkability, and follows in-town smart growth strategies.

**6. Information on how to contact grantee program administrators, so that citizens and other parties know who to contact for additional information:**

**City of Urbana, IL  
Grants Management Division  
John A. Schneider, Manager  
400 South Vine Street  
Urbana, IL 61801**

*Telephone: 217-384-2447*

*Fax: 217-384-2367*

*Email: [jaschneider@city.urbana.il.us](mailto:jaschneider@city.urbana.il.us)*

*Amount Grantee is Eligible to Receive*      **\$125,097**

*\**

*Amount Grantee is Requesting*              **\$125,097**

*\* Amounts are available at <http://www.hud.gov/recovery/cdbg.xls>*

**CITIZEN PARTICIPATION AND PUBLIC COMMENT**

- 1. To expedite the process and to ensure that the CDBG-R grants are awarded in a timely manner, while preserving a reasonable citizen participation process, HUD is waiving the requirement that the grantee follow its citizen participation plan for this substantial amendment. The CDBG-R regulations specify that the grantee will provide no fewer than 7 calendar days for citizen comment (rather than 30 days). Describe the efforts of the jurisdiction to meet the program requirements for CDBG-R funding for public comment:**

A public notice for the Consolidated Plan Annual Action Plan Substantial Amendment relative to the CDBG-R funding allocation to the City of Urbana was posted on the City website on May 13, 2009 and appeared in the local newspaper on May 15, 2009. A public hearing on the proposed substantial



amendment will be held on May 22, 2009. The Urbana City Council is expected to act on the proposed amendments at a Special Council Meeting tentatively scheduled for May 26, 2009.

2. Provide a summary of public comments regarding this substantial amendment. Include a summary of any comments or views not accepted and the reasons for non-acceptance.

*Response: This section will be completed after the May 22, 2009 public hearing.*

## Certifications

(to be added upon Urbana City Council approval of the Substantial Amendment to the FY2008-2009 Annual Action Plan as required by HUD for submittal.