



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: November 20, 2009

**SUBJECT: AN ORDINANCE APPROVING FURTHER MODIFICATIONS TO
THE CITY OF URBANA AND URBANA/CHAMPAIGN/CHAMPAIGN
COUNTY HOME CONSORTIUM FY 2008-2009 AND 2009-2010 ANNUAL
ACTION PLANS**

Description

On the agenda of the November 24, 2009 meeting of the Urbana Community Development Commission is an Ordinance Approving Modifications to the City of Urbana and Urbana HOME Consortium Annual Action Plans for Fiscal Years 2008-2009 and 2009-2010. As lead agency for the Urbana HOME Consortium, City of Urbana staff has worked with the other Consortium members, the City of Champaign and Champaign County to identify changes that need to be made to the City of Urbana and Urbana HOME Consortium Annual Action Plans for multiple fiscal years.

The proposed amendments have 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 October 28, 2009.

Issues

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

Background

The proposed amendments are needed to reflect project funding and program changes that have occurred since the approval of the Annual Action Plans (AAP) and previous Amendments for FY 2008-2009 and FY 2009-2010. The Department of Housing and Urban Development (HUD) regulations require that in the event significant changes to projects or programs described the Annual Action Plans occur, that the plans be amended to reflect the changes.

Included in the modifications are: 1) An amendment to reallocate FY 2008-2009 City of Urbana HOME funds originally programmed for the Urban League of Champaign County (ULCCDC) operating costs to the Ecological Construction Laboratory (e-co lab); 2) A FY 2009-2010 AAP amendment allocating unobligated City of Urbana HOME entitlement funds to the Kerr Avenue Sustainable Development Project and reallocating City of Champaign HOME entitlement funds from the Full Home Rehabilitation Program to the Acquisition Rehab Program.

The City of Urbana and Urbana HOME Consortium Consolidated Plan for FY 2005-2009 sets forth a process that must be followed in order to amend Annual Action Plans. The City is required to give notice of public hearings regarding any substantial amendment. In order to provide opportunity for the public comment regarding the proposed AAP Amendments, public hearings regarding the proposed amendments were held in Champaign and Urbana. On October 15, 2009 input received at the City of Champaign public hearing supported the proposed amendment to reallocate City of Champaign funds to the Acquisition Rehab Program. At the public hearing held in Urbana City Council Chambers on November 18, 2009, there were no residents in attendance.

PROPOSED HOME PROGRAM AMENDMENTS

The proposed amendments to reallocate HOME funding are needed to address program viability as well as remain in compliance with HUD commitment deadlines. Following is a summary of the proposed HOME Program Amendments:

**1. URBANA HOME CONSORTIUM
Super Energy Efficient Modular Single Family Home (FY 08-09 CHDO Operating Funds)
Reallocated HOME Funds: \$16,836**

Funds will augment previous year funds and be provided to the Ecological Construction Laboratory to facilitate the construction of a new, affordable owner-occupied housing unit in Urbana.

**2. CITY OF URBANA HOME PROGRAM
Kerr Avenue Sustainable Development (FY 03-04, 04-05, 05-06 Entitlement Funds)
Reallocated HOME Funds: \$174,000**

HOME funds are set aside to be used in conjunction with the redevelopment of the City-owned property at 401 E. Kerr Avenue into an affordable, energy-efficient sustainable housing development.

**3. CHAMPAIGN HOME PROGRAM
Acquisition Rehab Program (FY 09-10 Entitlement Funds)
Reallocated HOME Funds: \$200,000**

The City of Champaign proposes to revise the budget and reprogram \$200,000 in HOME funding. Due to the high demand for the Acquisition/Rehab program, it is necessary to amend the budget.

Options

1. Forward the Ordinances to the Urbana City Council with a recommendation for approval.
2. Forward the Ordinances to the Urbana City Council with a recommendation for approval, with suggested changes.
3. Do not recommend that City Council approve the Ordinances.

Fiscal Impacts

The proposed amendments to the Annual Action Plans will not change the amount of HOME funding provided to the City by HUD. There is no fiscal impact to the City budget.

Recommendations

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

Memorandum Prepared By:

Janel Gomez
HOME Grant Intern

Attachments:

1. AN ORDINANCE APPROVING FURTHER MODIFICATIONS TO THE CITY OF URBANA AND URBANA/CHAMPAIGN/CHAMPAIGN COUNTY HOME CONSORTIUM FY 2008-2009 AND FY 2009-2010 ANNUAL ACTION PLANS
2. PROPOSED AMENDMENT TO CITY OF URBANA and URBANA HOME CONSORTIUM FY 2008-2009 and FY 2009-2010 ANNUAL ACTION PLANS

ORDINANCE NO. _____

**AN ORDINANCE APPROVING FURTHER MODIFICATIONS TO THE CITY OF URBANA AND
URBANA/CHAMPAIGN/CHAMPAIGN COUNTY HOME CONSORTIUM
FY 2008-2009 AND FY 2009-2010 ANNUAL ACTION PLANS**

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 ordinances authorizing submittal to HUD of the Annual Action Plans for FY 2008-2009 and FY 2009-2010 that included proposed budgets for the HOME Programs and HUD subsequently approved the said Annual Action Plans; and

WHEREAS, on October 28, 2009, 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 Plans for FY 2008-2009 and FY 2009-2010; 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 Plans for FY 2008-2009 and FY 2009-2010.

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 amendments to the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plans for FY 2008-2009 and FY 2009-2010, in substantially the same form as such amendments are 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 amendments to the Annual Action Plans for FY 2008-2009 and FY 2009-2010, and any prior approved Annual Action Plan or Amendment, including, without limitations, to execute any documents necessary to commit applicable HOME funds to the projects, 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

City of Urbana and Urbana HOME Consortium



Proposed Amendments to FY 2008-2009 and FY 2009-2010 Annual Action Plans

Prepared by:
City of Urbana
Community Development Services
Grants Management Division
400 South Vine Street
Urbana, IL 61801
217.384.2447

Approved by Urbana City Council Ordinance No. _____

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

The Urbana HOME Consortium proposes to amend the budgets of the previous Fiscal Year (FY) 2008-2009 Annual Action Plan to re-allocate available HOME funding to the project budget outlined below. The funding for this activity has been made available as Urban League of Champaign County Development Corporation (ULCCDC) is no longer in operation. The Urbana HOME Consortium proposes to re-allocate up to \$16,836 in federal HOME funding that was originally obligated in FY 08-09 as Community Housing Development Organization (CHDO) operating funds for ULCCDC. Funding will be reallocated to the Ecological Construction Laboratory (Eco-Lab) to be used for the construction of a third energy efficient home.

The following are proposed budget changes or programs to be added in the FY 2009-2010 Annual Action Plan:

<i>Urbana Consortium HOME Budget</i>	<i>Current</i>	<i>Proposed</i>	<i>Difference</i>
FY 08-09 ULCCDC Operating Funds	\$16,836	-0-	(16,836)
FY 09-10 CHDO Reserve (Eco-Lab)¹	\$14,000	\$30,836	\$16,836

¹ Program Description Included in FY 2009-2010 AAP

Ecological Construction Laboratory (FY 09-10)

“Super Energy Efficient Modular Single Family Home”

Funds will augment previous year funds and be provided to the Ecological Construction Laboratory to facilitate the construction of a new, affordable owner-occupied housing unit in Urbana. The funds may be used for land preparation, construction activities, costs, professional services, and downpayment assistance. The unit will be designed to incorporate passive solar energy systems.

~~**\$14,000 (Additional \$3,500 Match must be provided by CHDO)**~~

~~**\$30,836 (Additional \$7,709 Match must be provided by CHDO)**~~

Goal 2, Strategy1, Activity 1

Citation – [24CFR92.206(d)]

Environmental – Non-Exempt/Non-Categorically Excluded

Objective: Provide Decent Housing by providing an opportunity for households with incomes at or below 80% of the area median to become homeowners.

Outcome: Affordability for the purpose of providing decent affordable housing.

Outcome Indicators: Number of owner-occupied units - One (1). Amount of funding leveraged through local match.

**PROPOSED AMENDMENT TO CITY OF URBANA and URBANA HOME
CONSORTIUM FY 2009-2010 ANNUAL ACTION PLAN**

The Urbana HOME Consortium proposes to amend budgets for the City of Urbana and the City of Champaign in the FY 2009-2010 Annual Action Plan to re-allocate available HOME funding to the project budgets outlined below.

CITY OF URBANA – HOME Program

The funding for this activity has been accumulated as a result of cancelled projects, unobligated funds, and surplus from previously completed projects. The Urbana HOME Consortium proposes to re-allocate \$174,000 in federal HOME funding that were assembled from the aforementioned funding sources for further development of City-owned property at 401 Kerr Avenue into an affordable, energy efficient, sustainable housing development.

The following are proposed budget changes or programs to be added in the FY 2009-2010 Annual Action Plan:

<i>CITY of URBANA 2009/10 HOME</i>	<i>Current</i>	<i>Proposed</i>	<i>Difference</i>
FY 03-04, 04-05, 05-06 Unobligated HOME Funds	\$174,000	-0-	(\$174,000)
FY 09-10 Kerr Avenue Sustainable Development	-0-	\$174,000	\$174,000

Kerr Avenue Sustainable Development

HOME funds are set aside to be used in conjunction with the redevelopment of the City-owned property at 401 E. Kerr Avenue into an affordable, energy-efficient sustainable housing development. 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. (Note: Local Match for this HOME funding has been accrued through previous affordable housing project excess Match funds).

\$174,000 (\$174,000 HOME)

Goal 2, Strategy 1

Citation - [24 CFR 92.205(a)(1)]

Environmental – Assessment Required

Objective: Provide Decent Housing by constructing new affordable housing development that would provide units for residents whose household incomes were at or below 80% MFI.

Outcome: Affordability for the purpose of providing decent affordable housing.

Outcome Indicators: Number of housing units available to low-income households (at or below 80% MFI).

**PROPOSED AMENDMENT TO CITY OF URBANA and URBANA HOME
CONSORTIUM FY 2009-2010 ANNUAL ACTION PLAN**

CITY OF CHAMPAIGN – HOME Program

The City of Champaign proposes to revise the budget and reprogram \$200,000 in HOME funding as provided below. Due to the high demand for the Acquisition/Rehab program, it is necessary to amend the budget.

City of Champaign 2009/10 HOME	Current	Proposed	Difference
FY 09-10 Full Home Improvement ¹	\$ 300,000	\$ 100,000	(200,000)
FY 09-10 Acquisition Rehab ¹	\$ 135,064	\$ 335,064	200,000

¹ Program Descriptions Included in FY 2009-2010 AAP