



**APPROVED
MINUTES
COMMUNITY DEVELOPMENT COMMISSION MEETING
Tuesday, June 24, 2014, City Council Chambers
400 South Vine Street, Urbana, IL 61801**

Call to Order: Chairperson Cobb called the regular meeting to order at 7:07 p.m.

Roll Call: Kelly H. Mierkowski called the roll. A quorum was present.

Commission Members Present: Fred Cobb, Chris Diana, George Francis, Jerry Moreland, and Lisabeth Searing.

Commission Members Excused/Absent: Janice Bengtson and Anne Heinze Silvis.

Others Present: Kelly H. Mierkowski and Jenell Hardy, Community Development Services.

Approval of Minutes: *Chairperson Cobb asked for approval or modifications to the May 29, 2014 minutes. Commissioner Diana moved to approve the minutes as written and Commissioner Moreland seconded the motion. The motion carried unanimously.*

Petitions and Communications: None.

Staff Report: Kelly Mierkowski, Grants Management Division Manager, provided a brief overview of the staff report. HUD Activity includes staff attending an Environmental Review Training at HUD Chicago Field office on June 12 & 13, 2014. Ms. Mierkowski also noted staff activities and accomplishments were listed, as well as other grants management division activities.

Old Business: None

New Business:

Supportive Housing Program – Homeless Families in Transition Resolution Approving Subrecipient Agreement for FY 2014-2015: Courage Connection, (formerly *The Center for Women in Transition*)

The Supportive Housing Program is one of the homeless programs that the City of Urbana administers as a pass through agency; the City of Urbana has received this grant from The Department of Housing and Urban Development (HUD) since 1995. Initially, the grant was a three year cycle grant and funds were given to three separate agencies, The Center for Women in Transition (for their homeless services), A Woman's Place, and The Salvation Army. Since then, A Woman's Place has merged with and is now administered by The Center for Women in Transition, who recently changed their name to Courage Connection.

This year, The Salvation Army is not being funded as part of the Homeless Families in Transition project. The Continuum of Care, which is the board that was established and required by the Department of Housing and Urban Development (HUD), voted not to fund that agency due to poor performance over the last several years. Last year, The City of Urbana received \$200,619; this program year the City of Urbana's allocation was reduced to \$166,720. Part of the reduction included cutting The Salvation Army's funding and reducing a portion of The Center for Women in Transition's funding.

Commissioner Francis asked if the Continuum of Care (CoC) is a HUD agency and who appoints the board. Ms. Hardy explained that the Continuum of Care is a local agency that was required by HUD to be established, so the Continuum held an election. The Continuum of Care is made up of non-profits and social service agencies that have an interest in homelessness; the HEARTH Act requires that boards be established. The board has been in operation approximately 15 years, but now HUD has placed a lot of requirements on Continuum of Care boards to do the administration of homeless programs and special needs projects. For the last two years the board has been working on policies and procedures, and a method of ranking programs to make sure they are efficient, since there have been a lot of funding cuts to Federal programs. The Continuum has been tasked by HUD to determine what services are needed in the community and how to best to provide those services with the amount of funding available.

Commissioner Francis asked what reasons were given for not funding the Salvation Army. Ms. Hardy explained there is a variety of scoring criteria that is used when an agency is ranked. All agencies that are current recipients of funding are eligible to submit an application of intent, i.e. that they want to reapply for funds. Then the agency's history is reviewed with regard to their ability to spend funds, how well they have served individuals, as well as their data which is put into the Homeless Management Information System (HMIS). The HMIS database is required by HUD, and it is required that information be kept on every individual that is served. There are a variety of issues that the Salvation Army did not comply with: there was an issue with regard to the expenditure of funds in a timely manner and there were significant findings in their most recent monitoring of their funds.

So, with regard to making a cut to the funds that were to be received - each County receives an annual renewal demand and the Continuum gets a set amount that the Federal government will allow them to apply towards - this year every Continuum across the country was told they would be receiving a 5% cut and that it was up to the Continuum to decide how to make the cut. It was noted by Commissioner Francis that the Continuum seemed to actually receive more than a 5% cut. Ms. Hardy stated that there was a 5% cut to Champaign County's annual renewal demand, the original amount was about \$869,000 and then came down to roughly \$720,000, which is the amount available for the entire Continuum to apply for, any eligible agency within our area. Once that was done, there is a ranking process to determine the agencies that are best able to continue providing this service.

In the new HEARTH Act, which is new guidance to govern these funds, HUD has gotten really specific about who is considered homeless and what the program should look like. A lot of the programs are for transitional housing and they (HUD) are moving more towards permanent housing; they want to be able to provide a permanent place for homeless individuals, not just something that is transient that may increase the chance of the person cycling back through homelessness. With the guidance that was published, the Continuum board drafted a set of principles and guidelines to match what they were looking for, as a way to evaluate the agencies applying for funding. In doing so, the Salvation Army was not able to score high enough to be ranked in the final allocation.

Commissioner Francis questioned the role of the Community Development Commission with regard to the Continuum of Care, and Chairman Cobb clarified the question. Ms. Hardy stated the subrecipient grant agreement is being brought to the Commission for approval, because the City is the administrator of these funds. We are a pass through agency, we receive the funds. One reason the City does this is because the City can meet a lot of the FAR requirements that are set by the Federal government that some not-for-profits are unable to meet, such as single audit requirements, how their cash flow is tracked, and their account receivables. The City is able to meet all these requirements, so we accept the money and then sub-grant these funds to non-profit agencies; in addition we receive administration funds.

Commissioner Francis asked if the CDC was consulted in this process, and Ms. Hardy stated no, this program is governed under the Continuum of Care, and that board and the governance charter. The agencies that are funded, this is the governing board for this program. The City's process with regard to grant agreements is that whenever a contract is entered into to award grant funds, it is brought before the CD Commission and City Council. The distribution of these funds and the selection of the subrecipients happen before we get to this point, it happens before funds are awarded through the grant process. Commissioner Francis then asked who appoints the board. Ms. Hardy explained that through the HEARTH Act, there is a requirement by HUD to establish this board. It gives guidelines on what the makeup of the board should be, a mixture of non-profits and city governments. The City of Urbana, the City of Champaign, Champaign County all sit on this board as municipal bodies; as do various non-profits, many of whom receive funds, and interested parties. HUD is then notified of who is on the board; they approve the information as part of the NOFA application process.

The Continuum itself is then charged with making its own governance charter; in that charter is the election policy of how the actual board is determined. There was a ballot election to determine who would be on the board. There is a process with regard to how members vote, based on the number of meetings attended, if there is a current memorandum of understanding (MOU); there are certain policies and procedures which could be shared with the CD Commission if wanted. There is a process that has been determined and that information has been provided to HUD, who responded favorably by granting the Continuum's annual renewal demand when the application was submitted. Ms. Hardy noted that she is the staff person who represents the City on this board; each Continuum in the state has a board. More information can be shared with regard to the Federal act which governs this board; the Continuum had two years to put this board in place, which was successful. HUD would ultimately be the authority that the Continuum of Care board reports to. There are certain guidelines as far as who can vote; if applying for funds the agency is not eligible to vote, it would be an agency not in the application pool that would make the voting decision about who gets funded. There is a strict set of guidelines that the members review at each meeting to determine who is eligible to vote, based on the agenda item or topic.

Commissioner Moreland asked if the findings might have a further negative impact on The Salvation Army in the future for requests for funding. Ms. Hardy explained that a positive solution has come about regarding this issue. The Salvation Army does receive funds from the Department of Veteran's Affairs; it is one of their largest grant funders. They are also a nationally based organization; some of their funding streams, private donations, and a variety of other options are available to sustain their program. They were able to successfully get out of their contract for the homeless program, in light of the events.

Commissioner Diana asked what the funding amount to Salvation Army was the previous year and if other agencies were able to maintain their full funding, and Ms. Hardy stated \$26,905. This year, there were a total of three agencies that were affected by the cut; according to the ranking chart, the lowest ranking agency with a score of 3 points was The Salvation Army, who was completely eliminated, and two other agencies who received a score of 5 points was The Center for Women in Transition and Community Elements. Both of these agencies also had additional cuts in their funding, to make up the total amount that needed to be reduced which was \$38,007. Taking out \$26,905, more cuts still needed to occur, so the same system was used for the additional cuts. The board was presented several options, of which included not eliminating The Salvation Army, but the eligible voting members chose the option of not funding The Salvation Army.

The criteria set by the board are locally set criteria; the same guidelines were used for the previous funding cycle, when a 3% cut had to be made. At that time, every agency was funded; this funding cycle, the loss to the Continuum pool of funding was going to be more significant. The same standard was used for both years. Commissioner Diana commented it is traditionally difficult when there is a board that sets criteria for administering itself, which is difficult because the organizations are different and operate differently, and it would be very easy to adjust the performance criteria where either one could look very good or very bad, based on that criteria. It could be a slippery slope, especially if the organizations that were de-funded are more of the private organizations versus the organizations that had previously been funded from the state. What might bother some people is the level of transparency regarding who is on the board, what is the criteria, and how people perform. Ms. Hardy stated that information could be provided to the Commission, such as minutes, etc., to make it more transparent to the Commission. There is a standing meeting on the first Tuesday of the month; it is not subject to the open meetings act but is open to the public. Minutes from the meeting regarding this and last year's awards can be provided.

Commissioner Francis commented for clarification that the Continuum board had to meet the cuts of \$37,000 from HUD; however, HUD cut money because the board eliminated certain recipients. Ms. Hardy explained that it is almost a year-long process to go through the NOFA application process which is competitive; there is approximately 60 days to complete the application. Part of the process includes looking at the county to see how much funding went through the Continuum the previous year. A Grant Inventory Worksheet (GIW) is done, which lists all the grants, what types of programs they are, how much money was received, and the various categories in which they receive the funds. A notice also came out that there would be a 5% reduction, so based on the dollar amount that was received in Program Year 2012 the Continuum would receive 5% less for Program Year 2013. The Continuum was charged with making the cuts, per HUD.

Commissioner Moreland asked if The Salvation Army would be able to apply again next year, or with the mutual parting relinquish them of any opportunity for funding in the future. Ms. Hardy stated that the project they had previously received funding for, a buyout option was taken to no longer participate in that program under the 20 year requirement. An application could be submitted for a new project; there is a process for how new projects are awarded. There is bonus money available if a certain number of points are awarded on your application, which is due to how well information was entered into the HMIS database.

HUD uses a scoring criteria when they review applications and Continuums are then ranked in order. HUD then starts awarding the funds they have and if there is any money left over, they return to the top of the list and start again awarding funds to the bonus projects or new projects until the funds run out. Unfortunately, the Champaign County Continuum has not scored high enough in past years to be eligible for the bonus funding. The Continuum always allows for agencies to submit an intent for a new project, but it depends on how well the Continuum's application scores and if there is enough funding available for the bonus or new projects to be funded.

Commissioner Francis asked if the activities of the Continuum board are graded by HUD and if the action of eliminating The Salvation Army raised the score of the application. Ms Hardy stated yes, by re-evaluating programs that are effective, it can provide the best opportunity for how the score can be raised. The Salvation Army is still part of the Continuum of Care; they are a vital part to the community and the work that is done. However, the Continuum has to be in compliance with Federal regulations.

Chairman Cobb asked about the \$161,000 being used for homeless services and domestic violence and if other uses were considered. Ms. Hardy stated that the Center for Women in Transition was the subrecipient agency, the other agencies that received funds receive their funds directly from HUD. There were no new applicants or letters of intent for new projects. This was the only available option and our only subrecipient grantee of these funds. Ms. Mierkowski also added for clarification the eligible uses of the funds by the agency include operations and supportive services. Chairman Cobb also asked about supportive services which includes salaries paid for case managers, thinking it would be under administration. Ms. Hardy stated that case managers provide direct services to clients, at Courage Connections they meet with clients directly on a weekly basis to work on goals toward self-sufficiency skills. They are onsite staff at the residences the participants reside and so are able to provide a direct service to them. The administrative funds are used to pay for the fiscal manager who does a lot of the financial payouts, requests for reimbursement that are submitted to the City of Urbana. The director and other leadership within the agency are not paid with these funds.

Commissioner Searing asked about the new director and the name change. Ms. Hardy stated that the name of the agency was changed to Courage Connections and they have hired a new Executive Director, Isak Griffiths. She is a recent graduate of the University of Illinois MBA program, and has been in the community for a while. She is a new addition to the agency, so there have been some changes made to the agency.

Chairperson Cobb explained the three options with regard to the proposed Resolution. Commissioner Francis made a motion to forward the resolution to Council with a recommendation for approval. Commissioner Searing seconded the motion; the motion carried.

Adjournment: Seeing no further business, Chairperson Cobb adjourned the meeting at 7:40pm.

Recorded by Kelly H. Mierkowski, Manager

APPROVED