



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: Kelly H. Mierkowski, Manager, Grants Management Division
DATE: April 22, 2016
SUBJECT: **A RESOLUTION APPROVING THE CITY OF URBANA AND
CHAMPAIGN/URBANA/CHAMPAIGN COUNTY HOME
CONSORTIUM FY 2016-2017 ANNUAL ACTION PLAN**

Description

The City of Urbana, Grants Management Division, has prepared a City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) Annual Action Plan for FY 2016-2017. The Plan must be submitted to the US Department of Housing and Urban Development (HUD) by May 15, 2016 in order for the City of Urbana to continue to receive Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funding.

Issues

The issue is for the Community Development Commission (CDC) to review the Annual Action Plan for FY 2016-2017 and make any final recommendations.

Background & Discussion

The Department of Housing and Urban Development (HUD) has announced its formula allocations for entitlement communities. For FY 2016-2017, the City of Urbana's CDBG allocation from HUD is expected to be **\$364,676** and the Urbana HOME Consortium allocation is **\$637,772**. In FY 2015-2016, the CDBG allocation was \$375,514 and the HOME allocation was \$653,084. This represents a roughly 2% reduction in CDBG and a 3% reduction in HOME funds.

HOME and CDBG PROGRAM FY 2016-2017 allocations are as follows:

HOME Grant Allocation (Actual)	\$637,772.00
Administration (10%)	\$63,777.20
Personnel	\$62,277.20
Other	\$1,500.00
CHDO Set-Aside (15%)	\$95,665.80
CHDO Project Applications (15%)	\$95,665.80
CONSORTIUM SPLIT	\$478,334.20
City of Champaign (50.0%)	\$239,167.10
County (18.1%)	\$86,578.49
Urbana (31.9%)	\$152,588.61
TOTAL Budget	\$637,772.00

CDBG Federal Allocation (Grant)	\$364,676.00
ADMINISTRATION (20%)	\$72,935.20
Personnel	\$55,786.07
Other Administration (CDBG & HOME)	\$17,149.13
PUBLIC SERVICE (15%)	\$54,701.40
Transitional Housing (personnel)	\$29,623.05
Transitional Housing (programming)	\$16,078.35
Neighborhood Cleanup (\$4,000 CDBG; \$1,000 Other Funding)	\$4,000.00
Consolidated Social Service Fund	\$5,000.00
AFFORDABLE HOUSING PROGRAMS	\$237,039.40
Housing-Related Program Delivery	
Program Delivery (Personnel & misc.)	\$85,000.00
Case Preparation	\$4,000.00
Housing-Related Programs	
Emergency/Access	\$60,000.00
Urbana Senior Repair	\$15,000.00
Property Acquisition/Demolition/New Construction (estimated)	\$73,039.40
TOTAL Budget	\$364,676.00

Options

The Community Development Commission can:

1. Forward the Resolution approving the Annual Action Plan for FY 2016-2017 to the Urbana City Council with a recommendation for approval.
2. Forward the Resolution approving the Annual Action Plan for FY 2016-2017 to the Urbana City Council with a recommendation for approval, with suggested changes.
3. Forward the Resolution to the Urbana City Council with a recommendation for disapproval.

Fiscal Impact

There are considerable fiscal impacts associated with the FY 2016-2017 Annual Action Plan. The main impact of the Annual Action Plan is that it sets priorities regarding funding availability and utilization of CDBG and HOME funding. If a proposed project is not consistent with the goals and strategies of the Annual Action Plan, the project cannot be funded with CDBG or HOME funding, unless the Plan is amended to include the project. The proposed Annual Action Plan FY 2016-2017 includes revenue from HUD of **\$364,676** in CDBG funds, and HOME program revenue from HUD of **\$637,772**.

The Annual Action Plan will guide the annual expenditures of CDBG and HOME funding. Failure to submit the Annual Action Plan to HUD by the May 15, 2016 deadline could result in a significant delay in accessing CDBG and HOME funds, which would create a financial burden for the City to advance funds for these programs.

Recommendation

Staff recommends that the Community Development Commission forward the Resolution approving the City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2016-2017 to the Urbana City Council with a recommendation for approval. The Committee of the Whole will consider the FY 2016-2017 Annual Action Plan at its meeting on April 25, 2016.

Prepared By:



Matthew Rejc
Community Development Coordinator
Grants Management Division

Attachments:

1. A RESOLUTION APPROVING THE CITY OF URBANA AND CHAMPAIGN/URBANA/CHAMPAIGN COUNTY HOME CONSORTIUM FY 2016-2017 ANNUAL ACTION PLAN
2. FY 2016-2017 Annual Action Plan Public hearing meeting minutes
3. City of Urbana and Urbana HOME Consortium Annual Action Plan for FY 2016-2017

RESOLUTION NO. _____

A RESOLUTION APPROVING THE CITY OF URBANA
AND CHAMPAIGN/URBANA/CHAMPAIGN COUNTY HOME CONSORTIUM

FY 2016-2017 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 Grant (hereinafter "CDBG") funds upon proper submittal being made to the United States Department of Housing and Urban Development (hereinafter "HUD"); and

WHEREAS, the City of Urbana has been designated lead entity for the Urbana HOME Consortium in accordance with the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended, and as such is eligible to receive HOME Investment Partnerships (hereinafter "HOME") funds on behalf of the City of Urbana, City of Champaign, and Champaign County; and

WHEREAS, on January 5, 1995, HUD published a final rule in the Federal Register requiring a five-year consolidated plan and annual action plans for all HUD community planning and development formula grant programs, consolidating into a single annual submission the planning, application, and reporting aspects of the CDBG, HOME, Emergency Shelter Grants, and Housing Opportunities for Persons with AIDS Programs, and the Comprehensive Housing Affordability Strategy; and

WHEREAS, the Urbana City Council approved the *City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) FY 2015-2019 Consolidated Plan and FY 2015-2016 Annual Action Plan* on May 4, 2015 (Ordinance# 2015-05-047); and

WHEREAS, the Urbana Community Development Commission, assisted by Urbana Community Development Services staff, has prepared the *City of Urbana*

and Urbana HOME Consortium Annual Action Plan FY 2016-2017 (hereinafter the "Annual Action Plan"); and

WHEREAS, on December 28, 2015, a notice was published on the City of Urbana website describing the Annual Action Plan, requesting public input, and announcing public hearings which were held on January 11, 2016, January 12, 2016, January 13, 2016, and January 14, 2016 regarding the Annual Action Plan; and

WHEREAS, on March 8, 2016, a notice was published on the City of Urbana website describing the Annual Action Plan; announcing a public review period beginning March 22, 2016 and ending April 22, 2016 during which members of the public are able to view a Draft Annual Action Plan and provide input; and

WHEREAS, the Community Development Commission held a public hearing on the Annual Action Plan on March 22, 2016, at the Urbana City Building, 400 South Vine Street, Urbana, Illinois; and

WHEREAS, at its April 26, 2016 meeting, the Urbana Community Development Commission recommended adoption of the Annual Action Plan by the Urbana City Council; and

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

Section 1. That the *City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2016-2017*, in substantially the form as attached hereto and incorporated herein by reference, is hereby approved.

Section 2. That the Mayor is hereby designated as the authorized representative of the City of Urbana to take any action necessary in connection with said Annual Action Plan to implement the CDBG and HOME programs and to provide such additional information as may be required.

Section 3. That upon review and comment by the Urbana Community Development Commission, the Mayor is hereby designated to execute subgrantee

agreements for the following programs and activities identified in said Annual Action Plan.

- Public Service Activities under the Consolidated Social Service Funding Program

Section 4. That subgrantee agreements for the following programs and activities identified in said Annual Action Plan shall be subject to review and approval by the Urbana City Council before execution by the Mayor.

- Community Housing Development Project Funds (15% CHDO Set-Aside)
- Community Housing Development Operating Funds (5% CHDO Operating Set-Aside)

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

**ANNUAL ACTION PLAN FY 2016-2017
PUBLIC HEARING**

Monday, January 11, 2016, 7:00 P.M.

Dr. Preston L. Williams Jr. Elementary School, 2102 E. Washington Street, Urbana

Minutes

Present: Randy Burgett, Matt Rejc, Community Development Services Department, City of Urbana.

Others Present: None

Notice of this public hearing was faxed and emailed to the media, various social service agencies, and citizens on December 24, 2015. Notice of this public hearing was also placed on the City's website and onsite at various locations in the City's target areas on December 28, 2015.

Mr. Rejc called the public hearing to order at 7:00 p.m. The purpose of this public hearing is to provide an opportunity for the public to provide input and comments regarding the proposed City of Urbana and Urbana HOME Consortium Annual Action Plan for Fiscal Year 2016-2017.

Seeing no further comments, Mr. Rejc closed the public hearing at 7:19 p.m.

Respectfully Submitted,



Matt Rejc, Community Development Specialist

**ANNUAL ACTION PLAN FY 2016-2017
PUBLIC HEARING**

**Tuesday, January 12, 2016, 7:00 P.M.
Hamilton on the Park Clubhouse, 1201 N Brookstone Dr., Urbana**

Minutes

Present: Kelly Mierkowski, Matt Rejc, Community Development Services Department, City of Urbana.

Others Present: None

Notice of this public hearing was faxed and emailed to the media, various social service agencies, and citizens on December 24, 2015. Notice of this public hearing was also placed on the City's website and onsite at various locations in the City's target areas on December 28, 2015.

Ms. Mierkowski called the public hearing to order at 7:00 p.m. The purpose of this public hearing is to provide an opportunity for the public to provide input and comments regarding the proposed City of Urbana and Urbana HOME Consortium Annual Action Plan for Fiscal Year 2016-2017.

The clubhouse was not opened at the time requested by the City of Urbana. Ms. Mierkowski and Mr. Rejc remained outside the clubhouse until shortly after the meeting time.

Seeing no further comments, Ms. Mierkowski closed the public hearing at 7:05 p.m.

Respectfully Submitted,



Matt Rejc, Community Development Specialist

**ANNUAL ACTION PLAN FY 2016-2017
PUBLIC HEARING**

**Wednesday, January 13, 2016, 7:00 P.M.
Crystal View Townhomes Community Center, 102 E. Stebbins Dr., Urbana**

Minutes

Present: Randy Burgett, Matt Rejc, Community Development Services Department, City of Urbana.

Others Present: None

Notice of this public hearing was faxed and emailed to the media, various social service agencies, and citizens on December 24, 2015. Notice of this public hearing was also placed on the City's website and onsite at various locations in the City's target areas on December 28, 2015.

Mr. Rejc called the public hearing to order at 7:00 p.m. The purpose of this public hearing is to provide an opportunity for the public to provide input and comments regarding the proposed City of Urbana and Urbana HOME Consortium Annual Action Plan for Fiscal Year 2016-2017.

Seeing no further comments, Mr. Rejc closed the public hearing at 7:25 p.m.

Respectfully Submitted,



Matt Rejc, Community Development Specialist

**ANNUAL ACTION PLAN FY 2016-2017
PUBLIC HEARING**

**Thursday, January 14, 2016, 7:00 P.M.
Urbana Council Chambers, 400 S. Vine Street, Urbana**

Minutes

Present: Kelly Mierkowski, Matt Rejc, Community Development Services Department, City of Urbana.

Others Present: Sheila Dodd, Habitat for Humanity of Champaign County

Notice of this public hearing was faxed and emailed to the media, various social service agencies, and citizens on December 24, 2015. Notice of this public hearing was also placed on the City's website and onsite at various locations in the City's target areas on December 28, 2015.

Ms. Kelly Mierkowski called the public hearing to order at 7:00 p.m. The purpose of this public hearing is to provide an opportunity for the public to provide input and comments regarding the proposed City of Urbana and Urbana HOME Consortium Annual Action Plan for Fiscal Year 2016-2017.

Ms. Sheila Dodd inquired as to the nature of the City of Urbana and Urbana HOME Consortium's major priorities in the immediate future. Ms. Mierkowski responded that the primary concerns were the upcoming large-scale permanent housing developments.

Ms. Dodd expressed a desire to note the importance of maintaining a balance between rental and homeowner properties in the community in the upcoming Annual Action Plan.

Ms. Dodd asked if the Urbana HOME Consortium anticipates using a rolling application process for future projects requesting the use of HOME Investment Partnerships (HOME) funds. Ms. Mierkowski responded that the Consortium will continue to use a rolling application process, but stated that the process could change pending further collaboration with other participating jurisdictions in the South Central HOME Group.

Ms. Dodd asked about the status of Consortium's homebuyer down payment assistance program modifications, and Ms. Mierkowski responded that the new down payment assistance rules are still awaiting HUD approval. Ms. Dodd also inquired about the status of the Consortium's subsidy layering rules, particularly concerning her properties at 1403 Eads St. and 903 Eads St., and Ms. Mierkowski confirmed that those rules are also awaiting HUD approval at this time.

Ms. Dodd mentioned her interest in taking a picture along Mathews and Hill Streets to show the change caused by investment in housing along those roads. Ms. Mierkowski and Mr. Matt Rejc agreed that such a picture would be beneficial.

Ms. Dodd asked if the Highland Green project was progressing, and Ms. Mierkowski responded that the Consortium is currently analyzing the developer's HOME request.

Ms. Dodd expressed interest in combining funds from the Attorney General grant with HOME-funded whole house rehabilitation in the Urbana HOME Consortium. Ms. Mierkowski responded that the City would consider this option.

Seeing no further comments, Ms. Mierkowski closed the public hearing at 7:43 p.m.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Matthew Rejc". The signature is written in black ink and is positioned above a horizontal line.

Matt Rejc, Community Development Coordinator

**ANNUAL ACTION PLAN FY 2016-2017
PUBLIC HEARING**

**Thursday, January 14, 2016, 10:00 A.M.
Executive Conference Room, 400 S. Vine Street, Urbana**

Minutes

Present: Kelly Mierkowski, Matt Rejc, Community Development Services Department, City of Urbana.

Others Present: Janel Gomez, City of Champaign; Linda Culton, Community Elements; Juli Kartel, Community Elements; Tim Bartlett, Urbana Park District; Katie Adams, Crisis Nursery; Jermaine Raymer, Persons Assuming Control of their Environment (PACE); Lisa Benson, Champaign County Regional Planning Commission/Champaign County Continuum of Care; Ellen Kirsanoff, Urbana Park District

Notice of this public hearing was faxed and emailed to the media, various social service agencies, and citizens on December 24, 2015. Notice of this public hearing was also placed on the City's website and onsite at various locations in the City's target areas on December 28, 2015.

Ms. Mierkowski called the public hearing to order at 10:00 a.m. The purpose of this public hearing is to provide an opportunity for the public to provide input and comments regarding the proposed City of Urbana and Urbana HOME Consortium Annual Action Plan for Fiscal Year 2016-2017.

Mr. Tim Bartlett asked how this meeting was related to the City of Urbana and Cunningham Township Consolidated Social Service Fund (CSSF), and Ms. Mierkowski clarified that this hearing was not directly related to the CSSF outside of the portion of the Community Development Block Grant (CDBG) that is dedicated to the CSSF, but that it concerned obtaining general input about community development concerns from social service agencies. Mr. Tim Bartlett indicated a need for summer youth employment in the community. He also pointed out that Champaign has fantastic youth employment services, and expressed a willingness to engage in youth employment in Urbana but that a lack of funds posed a barrier. Mr. Bartlett indicated a concern regarding whether or not Urbana would be competitive in providing for youth employment. Ms. Mierkowski indicated that Mr. Bartlett's concerns would be included in the minutes and asked if any flyers would be available for the summer youth employment opportunities at the Urbana Park District. Mr. Bartlett indicated that flyers would be available. Mr. Jermaine Raymer also indicated that the goal of the Workforce Innovation and Opportunity Act (WIOA) is youth employment. Lisa Benson stated that youth employment funds are often contracted to local providers and that an application might be required to get approval to be a youth employment provider, but those agencies might only be able to serve youth who are not enrolled in school. She also said that resources are available at the Illinois Worknet Center in Champaign concerning youth employment.

Ms. Juli Kartel stated that she sees a need to expand options for individuals seeking substance abuse treatment and recovery/sober living homes. She said that there is a need in the community for such residential environments containing 4-12 beds and allowing stays in excess of one year.

Ms. Lisa Benson indicated the existence of a need for more permanent housing for low-income and homeless individuals, similar to the services provided by the Homestead Corporation of Champaign-Urbana's SRO program. She also stated that it could be more effective to work with private-sector Community Housing Development Organizations (CHDOs) rather than the Housing Authority of Champaign County (HACC) due to the restrictions that can accompany HACC funds.

Ms. Mierkowski stated that the Urbana HOME Consortium is always looking for agencies that form new CHDOs. Ms. Benson asked if the Homestead Corporation of Champaign Urbana was still a CHDO, and Ms. Mierkowski responded that it is no longer a CHDO.

Ms. Benson asked if HOME Investment Partnerships (HOME) funding can be used for transitional housing. Ms. Janel Gomez responded that transitional housing is not an eligible HOME expense.

Mr. Raymer identified affordability and accessibility to enable independent living as needs in the local housing market. He also noted that some adults were living in Campustown housing to be able to live with accessibility features. He said that information is needed for accessibility in affordable housing, and that employers need to be educated as to their responsibilities. Mr. Raymer noted that PACE is looking at developing a program to educate local planning officials on affordable housing development strategies. Ms. Gomez mentioned the possibility of using the Housing Affordable Refinance Program (HARP) to meet affordable housing needs, but Mr. Raymer suggested using Attorney General grant funds instead. Ms. Benson also noted that the Champaign County Regional Planning Commission (CCRPC) has a grant program operated through a partnership with the Champaign-Urbana Mass Transit District (CUMTD) that provides accessibility features to homeowners who live near transit lines. Mr. Bartlett noted that AMBUCS might be able to provide funding for accessibility improvements.

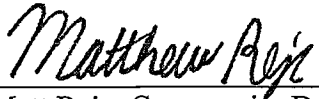
Ms. Benson asked if Habitat for Humanity of Champaign County could develop rental properties, and Ms. Gomez responded that rental property development might be possible through the HOME program, but that it would not be in keeping with Habitat's model of housing development, which focuses on homeownership.

Ms. Katie Adams stated that she saw a need for safe alternative living environments for young children, particularly those who are homeless and older than 7 years of age. Ms. Benson noted that the Emergency Family Shelter could provide housing support in that regard.

Ms. Gomez clarified that public comment is taken very seriously and thanked everyone for their input.

Seeing no further comments, Ms. Mierkowski closed the public hearing at 10:32 a.m.

Respectfully Submitted,

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Matt Rejc, Community Development Specialist