



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: June 24, 2016

SUBJECT: **A Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2013-2014 and FY 2014-2015 Annual Action Plans (Highland Green)**

Description

Included on the agenda of the June 28, 2016 Urbana Community Development Commission meeting is a resolution approving modifications to the Fiscal Year (FY) 2013-2014 and FY 2014-2015 Annual Action Plans to transfer the City of Urbana's allocation of HOME funds from the Owner-Occupied Housing Rehabilitation program to the City's Redevelopment Funds which is proposed to provide necessary support for the development of Highland Green (formerly Kerr Avenue Sustainable Development), a 33-unit affordable housing development on City-owned property at 401-403 East Kerr Avenue in Urbana.

The City of Urbana also proposes to amend the Community Development Block Grant (CDBG) program budget in the FY 2014-2015 Annual Action Plan. A reduction in CDBG funds for various uses and the transfer of carryover funds from various programs from the City of Urbana's allocation of CDBG funds is proposed to allow for additional funds to be dedicated to infrastructure improvements at the site of Highland Green (formerly Kerr Avenue Sustainable Development).

Amendments are necessary to address changes in projects that have occurred, to add projects, and to allocate funding in order to be in compliance with the Department of Housing and Urban Development (HUD) regulations. The proposed amendments have been on display and available for public review and comment at the City Clerk's office, the Dept. of Community Development Services office, and the Urbana Free Library since May 27, 2016.

Issues

Substantial changes to any of the City's Annual Action Plans must be approved by the Urbana City Council before submission to HUD. Staff is requesting that the Community Development Commission review the proposed Amendments and forward a recommendation regarding approval to the Urbana City Council.

Background

The proposed amendments are needed to reflect project funding and program changes that have occurred since the approval of the Annual Action Plans (and Amendments) for FY2013-2014 and FY2014-2015. The Department of Housing and Urban Development (HUD) regulations require that in the event significant changes to projects or programs described in the Annual Action Plans occur, plans are be amended to reflect the changes.

The City of Urbana and Urbana Home Consortium Consolidated Plan for FY2015-2019 sets forth a process that must be followed in order to amend Annual Action Plans. The proposed Amendments have been processed in accordance with the Consolidated Plan procedure including publishing notices on the City's website (May 27, 2016 – June 28, 2016). In order to provide opportunity for the public comment regarding the proposed Annual Action Plan Amendments, a public hearing regarding the proposed amendments will be held in City Council Chambers on June 28, 2016 before the regular meeting of the Community Development Commission. Following is summary of the proposed Annual Action Plan Amendments:

URBANA HOME CONSORTIUM PROPOSED AMENDMENTS

<u>HOME Budget Item</u>	<u>Current</u>	<u>Proposed Amended</u>
City of Urbana Housing Rehab FY 13-14	\$158,362.26	-0-
City of Urbana Housing Rehab FY 14-15	\$149,981.00	\$16,763.26
TOTAL CHANGE (DECREASE)		\$291,580.00
City of Urbana City Redevelopment Program - Kerr Avenue Sustainable Development	-0-	\$291,580.00
TOTAL CHANGE (INCREASE)		\$291,580.00

CITY OF URBANA CDBG PROGRAM

<u>CDBG Budget Item</u>	<u>Current</u>	<u>Proposed Amended</u>
Program Delivery	\$109,867.00	\$61,297.00
Emergency/Access	\$60,000.00	\$35,000.00
Senior Repair Service	\$15,000.00	\$14,000.00
Acquisition/Demolition/New Construction (c.o.)	\$59,512.00	-0-
City Infrastructure (c.o.)	\$17,000.00	-0-
Neighborhood Streetlights (c.o.)	\$10,000.00	-0-
Lanore/Adams/Fairlawn Multi-Use Path (c.o.)	\$16,021.00	-0-
TOTAL CHANGE (DECREASE)		\$177,103.00
Capital Improvement Projects – Kerr Avenue Sustainable Development	\$31,317.00	\$208,420.00
TOTAL CHANGE (INCREASE)		\$177,103.00

Options

1. Forward the Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2013-2014 and FY 2014-2015 Annual Action Plans to the Urbana City Council with a recommendation for approval.
2. Forward the Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2013-2014 and FY 2014-2015 Annual Action Plans to the Urbana City Council with a recommendation for approval, with additional changes.
3. Do not recommend approval of the Resolution.

Fiscal Impacts

The proposed amendments to the Annual Action Plans will not change the amount of CDBG and HOME funding provided to the City by HUD, nor will it impact either CDBG or HOME budgets, as the funds are carryover funds from previous years. There is no fiscal impact to the City budget.

Programmatic Impacts

Construction of affordable housing at the Highland Green site has been a goal of the Mayor and City Council for several years and that goal has been expressed in various City documents, including the Urbana City Mayor and Council Goals, the 2005 Urbana Comprehensive Plan, the 2010-2014 City of Urbana and Urbana HOME Consortium Consolidated Plan, and the 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan.

Reprogramming funds from FY 2013-2014 and FY 2014-2015 will ensure that staff is able to commit sufficient HOME funds to avoid a shortfall and will allow for the timely expenditure of CDBG funds as required by HUD. A commitment shortfall or timeliness issue could result in forfeiting grant funding to the Department of Housing and Urban Development, which is a greater concern, as it may jeopardize future funding for the City of Urbana and/or Urbana HOME Consortium.

Recommendations

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

Memorandum Prepared By:

Kelly H. Mierkowski, Manager
Grants Management Division

Attachments:

A Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2013-2014 and FY 2014-2015 Annual Action Plans

City of Urbana and Urbana HOME Consortium Proposed HOME Amendment (Annual Action Plans FY 2013-2014 & FY 2014-2015)

City of Urbana and Urbana HOME Consortium Proposed CDBG Amendment (Annual Action Plan FY 2014-2015)