



DEPT. OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

M E M O R A N D U M

TO: Bruce K. Walden, Chief Administrative Officer
FROM: Bob Grewe, Manager, Grants Management Division
DATE: December 10, 2001
SUBJECT: A RESOLUTION APPROVING A MODIFICATION OF THE CITY OF URBANA AND URBANA/CHAMPAIGN/CHAMPAIGN COUNTY HOME CONSORTIUM FY 2000-2001 ANNUAL ACTION PLAN SUBMITTAL

Brief Description of the Issue

Staff has identified the need to amend the HOME Program under the Annual Action Plan for Fiscal Year 2000-2001. The amendment will reduce the allocation of the Owner-Occupied Housing Rehabilitation Program by \$23,200 and increase the Illinois Center for Citizen Involvement, HomeBuild 3 Program by \$23,200.

Identification of the Issue(s) and Any Approvals Required

Urbana City Council must approve the resolution modifying the FY 2000-2001 Action Plan before the amended plan is submitted to HUD.

Background/Facts

Listed below are the proposed HOME amendments/changes to the FY 2000-2001 Annual Action Plan.

Community Housing Development Organizations (CHDOs), Illinois Center for Citizen Involvement – HomeBuild 3 – Year 3 Project will be increased from \$27,884 to \$52,800 to address additional administrative costs (\$15,200) incurred by ICFCI and construction loan interest (\$8,000) necessary to complete the project.

Fiscal Impact

This amendment will reduce the City of Urbana share of the FY 2000-2001 budget by a total of \$29,000. Of this amount, \$23,200 comes from HOME and \$5,800 comes from local match.

Recommendation

At its October 23, 2001 meeting, the Urbana Community Development Commission recommended amending the AAP by providing an increase of \$15,200 for HomeBuild3 and submitting to City Council for approval. *Note: staff identified the need to provide additional \$8,000 for construction loan interest after the CDC meeting, so there is no official CDC recommendation on this provision. However staff concurs with the amendments set forth in this memo.

Prepared by: _____
Bob Grewe, AICP, Manager, Grants Management Division

Attachments:
Proposed Resolution
Amended Annual Action Plan (Fiscal Year 2000-2001)

**City of Urbana
and
Urbana HOME Consortium**

Amended

(December 17, 2001)

**Annual Action Plan
FY 2000-2001**

Prepared by:
City of Urbana
Community Development Services
Grants Management Division
400 South Vine Street
Urbana, IL 61801
217.384.2441

**CITY OF URBANA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
FY 2000 - 2001**

FEDERAL CITATION FOR AUTHORIZATION/*ENVIRONMENTAL REVIEW STATUS*

Resources-Federal:

2000-2001 Grant	\$530,000
Unobligated Carryover from FY 1999-2000	55,826
Obligated Carryover from FY 1999-2000	277,087

Resources-Other:

Program Income (Loan Repayments)	10,000
TOTAL REVENUES	\$872,913

ACTIVITIES TO BE UNDERTAKEN:

ADMINISTRATIVE

General Administration Activities [24CFR570.206(a)] *EXEMPT*

Personnel - Administrative 59,376 (26,580 NG; 32,796 UCO)

- Division Manager @ 50%
- Grants Coordinator II @ 60%
- Secretary @ 10%
- IMRF/FICA @ 11.44%

Insurance

Other Administrative Expenses 33,750 (18,974 NG; 4,776 UCO; 10,000 PI)

- Staff Advertising 15,000
- Books & Periodicals 100
- Office Supplies 1,500
- Photo Supplies 300
- Printing 2,500
- Dues & Subscriptions 750
- Travel & Conference 1,500
- Postage 1,500
- Recording Fees 100
- Audits 500
- Program Overhead 10,000

Public Information 4,000 (4,000 NG)
[24CFR570.206(b)] *EXEMPT*

Planning/Management/Capacity Building Activities

Neighborhood Organization Grant Program IV (FY98/99 ENC) Funds will be encumbered to affect any outstanding administrative expenses associated with capacity-building activities related to sports activities for youth by First String, Inc. \$668 (668 OCO) *Specific Objective Q-1*

Neighborhood Organization Grant Program V (FY99/00 ENC) Funds will be encumbered to affect any outstanding administrative expenses associated with capacity-building activities related to acquisition and rehabilitation of property for sale to a low-income homebuyer by United Citizens and Neighbors (NOG V) \$2,204 (2,204 OCO) *Specific Objective Q-1*

<u>Unprogrammed Funds</u>	\$12,163 (12,163 UCO)
TOTAL ADMINISTRATIVE EXPENSE	\$112,161

AFFORDABLE HOUSING PROGRAM

Program Delivery

Personnel - Administrative	65,984 (59,893 NG; 6,091 UCO)
	[24CFR570.202(b)(9)] <i>EXEMPT</i>
Division Manager @ 25%	
Grants Coordinator II @ 10%	
Housing Rehab. Coordinator @ 65%	
Secretary @ 55%	
IMRF/FICA @ 11.44%	
Insurance	
Case Preparation	1,000 (1,000 NG) [24CFR570.206(i)(2)]
	<i>EXEMPT</i>

Acquisition of Real Property, Disposition, Relocation, and Clearance & Demolition

Property Acquisition for Renovation: United Citizens and Neighbors (ENC 97/98) Funds will be encumbered for UCAN to purchase and rehabilitate a deteriorating structure in the area of Crystal Lake Park neighborhood (Census Tract 53). The renovated house will then be sold to a low- to moderate-income family. Funds resulting from the sale of the property will either be used to purchase another deteriorating property for rehabilitation and sale or will be returned to the City for use in other CDBG-eligible activities. HOME Program funds will also be used. **\$5,000 (\$5,000 OCO)** *Specific Objective C-4*

Property Acquisition in Support of New Construction and Relocation/ Clearance/Disposition Activities (FY97/98 ENC) Funds will be encumbered to affect payment of outstanding relocation expenses incurred from a previous fiscal year. **\$4,233 (4,233 OCO)** *Specific Objective C-1*

Property Acquisition in Support of New Construction and Relocation/ Clearance/Disposition Activities (FY99/00 ENC) Funds will be encumbered to purchase lots primarily in Census Tracts 53, 54, and 55, and donated for new housing construction to a non-profit housing developer. If necessary lots will be cleared of substandard structures or debris. Any necessary relocation activities will be governed by the Federal Uniform Relocation Act. Properties may also be acquired and cleared for blight abatement purposes only. **\$70,319 (70,319 OCO)** *Specific Objective C-1*

Housing Rehabilitation Activities

Multi-Family Residential Units:

Mental Health Center of Champaign County (TIMES Center) (FY00/01) Funds will be contributed toward completion of a new emergency shelter/transitional housing facility for homeless persons located on North Market Street in Champaign. These monies are the third of a three-year commitment (\$150,000) to this project. **\$50,000 (50,000 NG)** *Specific Objective A-3* [24CFR570.201(c)]

Rehabilitation of Property for Women's SAFE House (FY99/00 ENC)
 CDBG funds will be encumbered (Canaan Development Foundation) for property rehabilitation activities associated with the establishment of a transitional housing facility for women recovering from substance abuse issues. The facility will be located in Champaign. \$9,091 (9,091 OCO) *Specific Objective A-3*

Rehabilitation of Property for Men's SAFE House (FY99/00 ENC)
 CDBG funds will be encumbered (Canaan Development Foundation) for property rehabilitation activities associated with a transitional housing facility for men recovering from substance abuse issues located in Urbana. \$15,000 (15,000 OCO) *Specific Objective A-3*

Housing Rehabilitation Activities

Single-Family Residential Units:

Emergency Grant and Access Grant Programs (FY99/00 ENC) Funds will be encumbered to affect payment of any outstanding expenses related to program activities from the previous fiscal year. \$26,294 (26,294 OCO) *Specific Objectives B-1 & C-4*

Emergency Grant and Access Grant Programs (FY00/01) Funds will be contributed for two programs providing repairs necessary to alleviate hazardous conditions which pose a threat to the health and safety of a homeowner and general improvements necessary to remove barriers to accessibility by persons with disabilities. Very low-income homeowners are eligible for the Emergency Grant Program. The Accessibility Grant Program is available for homeowners or renters who earn less than 80% of Median Family Income (Low-Income). Both programs are available city-wide. \$100,000 (100,000 NG) *Specific Objectives B-1 & C-4* [24CFR570.202(a)(1)] [24CFR570.202(b)(10) & (11)] *CATEGORICALLY EXCLUDED CONVERTED TO EXEMPT*

Urbana Senior Repair Service (FY99/00 ENC) Funds will be encumbered to affect payment of any outstanding expenses related to program activities from the previous fiscal year. \$4,170 (4,170 OCO) *Specific Objectives L-1 & L-3*

Urbana Senior Repair Service (FY00/01) Funds will be contributed to a home maintenance repair program for very low-income homeowners 62 years old or older and for very low-income homeowners with disabilities (any age). To be eligible for this program a family must earn less than 50% of the Median Family Income as established annually by HUD. This program is available city-wide. \$15,000 (15,000 NG) *Specific Objectives L-1 & L-3* [24CFR570.202(a)(1) & (b)(10)] *CATEGORICALLY EXCLUDED CONVERTED TO EXEMPT*

(Urban League of Champaign County) House Painting Program (FY00/01) The City will contract with Urban League to facilitate exterior painting of houses owned and occupied by very low-income families or individuals residing within the corporate limits of Urbana. \$3,000 (3,000 NG) *Specific Objective C-4* [24CFR570.202(a)(1)] *CATEGORICALLY EXCLUDED CONVERTED TO EXEMPT*

Greater Champaign County AMBUCS (FY00/01) Funds will be contributed for costs associated with materials necessary to construct and install wheelchair ramps for qualified individuals living in Urbana. Volunteer labor will be provided by members of GCCAMBUCS. \$2,000 (2,000 NG) *Specific Objective B-1* [24CFR570.202(a)(1) & (b)(11)] *CATEGORICALLY EXCLUDED CONVERTED TO EXEMPT*

PUBLIC FACILITIES AND IMPROVEMENTS

Census Tract 55 Street Lighting (FY98/99 ENC) Funds will be encumbered to facilitate final payout for the new street lighting system in Census Tract 55. \$5,000 (5,000 OCO) *Strategy D9 (Consolidated Plan PY 1995-1999)*

King Park Neighborhood Center (ENC FY95/96-FY98/99) Funds will be encumbered for contribution towards establishment of a neighborhood meeting center. The proposed center would be located in Census Tract 53. \$103,000 (103,000 OCO) *Specific Objective J-1* [24CFR570.201(c)]

Crisis Nursery of Champaign County (FY00/01) Funds will be contributed toward development of a facility to house the Crisis Child Care and Family Enhancement Programs. These monies are the second of a two-year commitment totaling \$50,000. \$25,000 (25,000 NG) *Specific Objective J-2* [24CFR570.201(c)] *PREVIOUSLY ASSESSED*

Street Reconstruction (FY00/01) Funds will be set aside for three years as a contribution towards resurfacing and installation of curbs and gutters on Oakland Avenue from Broadway Avenue to Division Avenue, and on Division Avenue from Oakland Avenue to Thompson Street. Reconstruction activities are scheduled for Summer, 2002. \$61,553 (61,553 NG) *Specific Objective K-1* [24CFR570.201(c)] *FIRST-TIER ENVIRONMENTAL ASSESSMENT*

Series Streetlight Replacement Area 3B/Street Improvements (FY00/01) A total of \$150,000 in CDBG funds will be contributed towards replacement of street lights in Census Tract 55 and/or improvements to Green & Illinois Streets. Funds will be set aside in annual increments for three years to accomplish this commitment. Activities are scheduled for Construction Year 2002-2003. \$50,000 (50,000 NG) *Specific Objective K-2 and K-3* [24CFR570.201(c)] *FIRST-TIER ENVIRONMENTAL ASSESSMENT*

PUBLIC SERVICES

Transitional Housing for Homeless Families With Children (ENC FY99/00) Funds will be encumbered to facilitate final payouts for previous program year. \$7,058 (7,058 OCO) *Specific Objective A-1*

Transitional Housing for Homeless Families With Children Funds will be contributed to the City of Urbana's transitional housing program. Five dwellings are available for homeless families. Rent receipts will be another source of revenue. \$44,900 (44,900 NG) *Specific Objective A-1 [24CFR570.201(e)] EXEMPT*

Public Service Activities under Consolidated Social Service Funding Program (FY99/00 ENC) Funds will be encumbered from the previous fiscal year for any outstanding expenses related to public service activities. \$24,300 (24,300 OCO) *Specific Objectives I-1, M-1 & M-2, and O-1 & O-2*

Public Service Activities under Consolidated Social Service Funding Program The balance of available funding @ 15% of current entitlement will be allocated for youth services and job-training program activities benefiting low-income residents of the CD Target Area. Homeless assistance activities have also been designated as a priority for public service funding under the CDBG Program. \$34,600 (34,600 NG) *Specific Objectives M-1 & M-2, and I-1/O-1 & O-2 [24CFR570.201(e)] EXEMPT*

Homeless Assistance:	A Woman's Place	\$10,100
Youth Services:	Lakeside Terrace DMBGC	\$12,000
	The Reading Group	\$ 3,000
	Urbana Park District	\$ 3,500
Job Training:	Urban League EaTAC/youth	\$ 3,000
	Urban League EaTAC/adult	\$ 3,000

INTERIM ASSISTANCE

Neighborhood Clean-Up One-day neighborhood clean-up activities will be held in Fall, 2000, and Spring, 2001, in the Community Development Target Area. Activities will include appliance, metal, tire, and landscape materials recycling. The program will be co-sponsored by the UCAP Committee. \$26,500 (26,500 NG) *Specific Objectives J-1 & L-2 [24CFR570.201(f)(1)(ii)] EXEMPT*

Property Maintenance (FY99/00 ENC) Funds will be encumbered from the previous fiscal year to affect payment of any outstanding expenses related to this activity. \$750 (750 OCO) *Specific Objective C-1*

Property Maintenance City-owned properties acquired through the City's Community Development Program will be mowed and cleaned until needed for new housing construction. \$7,000 (7,000 NG) *Specific Objective C-1 [24CFR570.201(f)(1)(ii)] EXEMPT*

TOTAL EXPENDITURES: \$872,913

Urbana HOME Consortium
HOME Investment Partnership Program
Fiscal Year 2000 - 2001

Resources-Federal

2000-2001 Grant:	\$984,000
FY9798 HOME Admin Carryover	<u>4,394</u>
TOTAL	\$988,394

Resources-Other

Local Match:	\$ 225,519
TOTAL REVENUES	\$ 1,213,913

ACTIVITIES TO BE UNDERTAKEN:

ADMINISTRATIVE

General Administration Activities [24 CFR 92.206(d)] *EXEMPT*

Personnel:	\$65,105 (60,711 NG; 4,394 UCO)
Manager@25%	
GCII@80%	
Secretary@25%	
IMRF	
FICA	
Insurance	
Other Administrative Expenses	\$13,089
Conference/Training	
Audit	
Printing/Publication	
Postage	
Office Supplies	
Dues & subscriptions	
Program overhead	

TOTAL ADMINISTRATIVE EXPENSE **\$78,194**

Community Housing Development Organizations (CHDOs)

Illinois Center for Citizen Involvement - HomeBuild 3 - Year 3
HOME funds will be granted to ICFCI for its HomeBuild3 Program. Funds will be used to continue the program delivery, down payment assistance and construction loan interest payments. \$52,800 (\$23,200 City of Urbana Allocation, \$23,950 CHDO Set-Aside, 3,934 CHDO Operating, \$1,716 from unallocated CHDO; \$ 12,217 match provided by CHDO through the Eads at Lincoln Program.) *Specific Objective C-2* [24 CFR92.206(d)]

EXEMPT

Illinois Center for Citizen Involvement - Eads at Lincoln HOME funds will be granted to ICFCI for completion of the Eads at Lincoln Subdivision. Funds will be used for down-payment assistance and program delivery. \$126,135 (121,935 CHDO Set-Aside, 4,200 CHDO Operating; 30,484 match provided by CHDO) *Specific Objective C-2* [24 CFR 92.206(c) & (d)] *CATEGORICALLY EXCLUDED CONVERTED TO EXEMPT & EXEMPT*

Total CHDO Expenses: \$ 174,735 HOME
 \$ 42,701 Match
 \$ 217,436 Total

City of Champaign

Full Home Rehab Program HOME funds will be contributed to bring 25 homes into compliance with City of Champaign code requirements. \$183,400 (146,720 HOME; 36,680 Local Match) Goal C1/Strategy C1(a) [24 CFR 92.206(a)(2)] *CATEGORICALLY EXCLUDED*

Rental Rehab Program Champaign will use a portion of its HOME share to assist owners of affordable rental properties (8-10 units) to bring units into code compliance. \$119,257 (95,622 HOME; 23,905 Local Match) Goal C2/Strategy C2(a) [24 CFR 92.206(a)(2)] *CATEGORICALLY EXCLUDED*

Purchase/Rehab Program A portion of Champaign's HOME share will be used to return dilapidated abandoned homes (5 units) to the viable housing stock for resale to low/mod-income homebuyers. \$60,000 (48,000 HOME; 12,000 Local Match) Goal C4/Strategy C4(a) [24 CFR 92.206 (a)(2)] *CATEGORICALLY EXCLUDED*

Acquisition of Property for New Construction of Affordable Single-Family Homes HOME monies will be used by the City of Champaign for acquisition of, and clearance of, slum/blight properties to be made available for new construction of affordable housing. \$50,000 (40,000 HOME; 10,000 Local Match) Goal C4/Strategy C4(b) [24 CFR 92.205(a)(2)] *CATEGORICALLY EXCLUDED*

IHDA 2000 The City of Champaign will obligate a portion of its HOME allotment to provide downpayment and closing cost assistance plus a below-market interest rate to approximately 30/per year first-time homebuyers with households incomes @ <65% MFI. \$75,843 (60,674 HOME; 15,169 Local Match) Goal C6/Strategy C6(b) [24 CFR 92.206(c)] *CATEGORICALLY EXCLUDED CONVERTED TO EXEMPT*

Total City of Champaign Expenses: \$392,507 HOME
 \$ 98,127 Match
 \$490,634 Total

Village of Rantoul

Development of Affordable Housing

The Village of Rantoul will use its share of HOME funds to accommodate the development of a property by Habitat for Humanity, permitting construction of a single-family unit for sale to a low-income homebuyer. Activities may include acquisition of said property, clearance of such property, site preparation and infrastructure as necessary.

Total Village of Rantoul Expenses: \$40,817 HOME
 \$10,205 Match
 \$51,022 Total

Champaign County

Housing Rehabilitation Champaign County will use its share of HOME funds to provide rehabilitation assistance to both investor-owned properties as well as single-family owner-occupied projects. It is anticipated the primary program focus

will be on single-family owner-occupied rehabilitation. \$78,665 (62,932 HOME; 15,733 Match) *Specific Objective A-1* [24 CFR 92.206(a)(2)] PREVIOUSLY ASSESSED

Program Delivery Champaign County will allocate a portion of its funds for staffing and overhead expenses related to its housing rehabilitation program. \$12,000 (12,000 HOME; \$3,000 match provided through completion of one rehabilitation project) *Specific Objective C-4* [24 CFR 92.207] EXEMPT

Total Champaign County Expenses:	\$74,932 HOME
	\$18,733 Match
	\$93,665 Total

City of Urbana

Owner-Occupied Housing Rehabilitation Funds will be allocated for the rehabilitation of 7 units, including program delivery costs. \$133,394 (106,715 HOME; 26,679 Match) *Specific Objective C-4* [24 CFR 92.206(a)(2)] CATEGORICALLY EXCLUDED

Property Acquisition in Support of Housing Construction Funds will be allocated for property acquisition and site-preparation activities as needed before transfer of property to a housing developer for new construction of affordable housing for low-income homebuyers. \$50,000 (40,000 HOME; 10,000 Match) *Specific Objective C-1* [24 CFR 92.205(a)(2)] CATEGORICALLY EXCLUDED

Small Rental Properties Program HOME funds would be utilized for loans to property owners to renovate Urbana rental properties. Seventy-five (75%) of a projects total cost, not to exceed \$14,999 per unit average, would be provided by the City in the form of a HOME loan at zero percent interest, forgivable after seven years. The remainder of the project cost would be provided by the owner with either personal funds or loan funds. These funds will be used by the existing program started in 1997 in order to rehabilitate more units. \$49,998 (39,998 HOME; 10,000 Match) *Specific Objective C-7* [24 CFR 92.206(a)(2)] CATEGORICALLY EXCLUDED

Homebuyer Assistance Program HOME funds will be utilized by the Urban League of Champaign County for a homebuyer program. \$20,000 (16,000 HOME; 4,000 Match) *Specific Objective C-5* 24 CFR 92.206(c) CATEGORICALLY EXCLUDED CONVERTED TO EXEMPT

Program Delivery Funds will be allocated for coordinating and monitoring HOME projects funded with the City of Urbana's share of HOME Consortium funds. \$25,370 (20,296 HOME; 5,074 Match) [24 CFR 92.207] EXEMPT

Total City of Urbana Expenses:	\$ 223,009 HOME
	\$ 55,753 Match
	\$ 278,762 Total

RESOLUTION NO. 2001-12-034R

A RESOLUTION APPROVING A MODIFICATION OF THE CITY OF URBANA AND
URBANA/CHAMPAIGN/CHAMPAIGN COUNTY HOME CONSORTIUM
FY 2000-2001 ANNUAL ACTION PLAN SUBMITTAL

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, on May 8, 2000 the City Council of the City of Urbana approved Resolution No. 2000-04-011R authorizing submittal to HUD of the 2000-2004 Urbana HOME Consortium and the City of Urbana Consolidated Plan/Annual Action Plan for FY 2000-2001, including a proposed budget for the CDBG program; and

WHEREAS, HUD has subsequently approved said Annual Action Plan for FY 2000-2001; and

WHEREAS, on November 27, 2001, the Urbana Community Development Commission considered and voted unanimously to recommend a proposed amendment to the *City of Urbana and Champaign/Urbana/Champaign County HOME Consortium FY 2000-2001 Annual Action Plan* to the Urbana City Council for approval; and

WHEREAS, on November 8, 2001, the City of Urbana published in the Champaign-Urbana News-Gazette notice of a 30-day review period regarding said proposed FY9900 AAP budgetary amendment extending from November 8, 2001 to December 7, 2001; and

WHEREAS, on November 26, 2001 the Urbana Grants Management Division of the Community Development Department held a public hearing on the proposed amendment; and

WHEREAS, the City Council now finds it necessary and appropriate to amend the *City of Urbana and Champaign/Urbana/Champaign County HOME Consortium FY 2000-2001 Annual Action Plan*.

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 Champaign/Urbana/Champaign County HOME Consortium FY 2000-2001 Annual Action Plan*, dated December 17, 2001, as attached hereto and incorporated herein by reference, is hereby approved.

Section 2. That said attached Annual Action Plan replaces and supersedes the Annual Action Plan previously adopted by the Urbana City Council on May 8, 2000.

Section 3. That the Mayor is hereby designated as the authorized representative of the City of Urbana to take any action necessary in conjunction with said attached Annual Action Plan, including submittal of the plan to the HUD-Chicago field office and provision of such additional information as may be required.

PASSED by the City Council this ____ day of _____, 2001.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this ____ day of _____, 2001.

Tod Satterthwaite, Mayor