



DEPARTMENT 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: Elizabeth H. Tyler, AICP, City Planner/Director

DATE: December 4, 2002

SUBJECT: AN ORDINANCE APPROVING AN AMENDMENT TO A CITY OF URBANA COMMUNITY DEVELOPMENT BLOCK GRANT AGREEMENT (Prairie Center Health Systems, Inc. Project No. 0203-04)

Description

As part of the Annual Action Plan for Fiscal Year 2002-2003, Community Development Block Grant funds were allocated to Prairie Center Health Systems, Inc. for purchase or new construction of a facility to house residential and/or persons suffering from substance abuse issues. The Board of Trustees for Prairie Center is not in a position to act on this activity at this time. Therefore, Prairie Center has requested a funding contribution to a rehabilitation effort at its facility located at 122 Hill Street, Champaign, IL. This facility presently houses a residential treatment program. Prairie Center would like to convert the second floor of this building to a transitional housing program for persons completing the treatment program. This would permit those participants to continue supportive services for an additional 24 months, thereby better insuring their full recovery.

Issues

In the current agreement a total of \$100,000 has been committed for a period of two years (FY2002-2003 and FY2003-2004) at \$40,000 for this fiscal year and \$60,000 for the next fiscal year. The amended agreement would allocate the \$40,000 from FY2002-2003 to rehabilitation activities associated with 122 Hill Street, and retain the \$60,000 from FY2003-2004 for either property acquisition of a new facility or further renovation of the 122 Hill Street facility.

Background

The City of Urbana has worked with Prairie Center Health Systems, Inc. on many joint ventures. The most recent association has been in the Shelter Plus Care programs that offer rental assistance to persons with disabilities. Prairie Center provides case management services to eight program participants. The Hill Street facility has been in operation as a residential treatment program for more than 20 years, showing great success in its patient rehabilitation efforts.

Options

1. Amend the present agreement to permit \$40,000 be expended for renovation of the second floor of 122 Hill Street, Champaign, IL and allocate \$60,000 to either additional renovation activities at this address or property acquisition or construction of a new facility yet to be determined.
2. Amend the present agreement to permit \$40,000 be expended for renovation of the second floor of 122 Hill Street, Champaign, IL and de-obligate the \$60,000 presently committed in FY2003-2004 to the property acquisition and/or construction of a new residential facility.
3. De-obligate \$100,000 committed for both fiscal years for property acquisition and/or construction of a new residential facility yet to be determined.

Fiscal Impacts

At the present time, the city has obligated \$100,000 in CDBG monies to Prairie Center Health Systems, Inc. It is estimated that the costs of renovating six units on the second floor will total \$175,000. This does not include however the costs of any issues that might be associated with the presence of lead-based paint or asbestos in the facility. The City of Champaign has committed to paying 25% of the renovation up to \$75,000.

If the full amount of City of Urbana CDBG funding is de-obligated, the non-profit would suffer a serious set-back to their residential treatment programming in that participants would not have the benefit of additional supportive services and case management that could increase the success of complete recovery. Also it is doubtful the project would be undertaken at all as Prairie Center does not have such funding available to them, and they would lose the possible \$75,000 from the City of Champaign as well.

It is uncertain at this time if the project could be undertaken with a \$40,000 commitment without the additional \$60,000 commitment in the next fiscal year. Prairie Center would retain the possible \$75,000 already committed by the City of Champaign, and might possibly be able to apply for additional grants. Additionally, it might be possible for renovation plans to be downsized to accommodate the reduced funding. Further discussion with Prairie Center staff would be necessary to determine this.

If the full \$100,000 funding is committed to the proposed renovation project, Prairie Center could extend the residential treatment for six or possibly twelve individuals.

Recommendations

At its November 26, 2002 meeting, the Community Development Commission unanimously recommended Option 1 to the Urbana City Council for consideration. City staff also recommends approval of Option 1 to allow for the full renovation of the Prairie Center facility to permit the development of six transitional housing units to accommodate either six individuals at one to a bedroom or twelve individuals at two persons to a bedroom.

Memorandum Prepared By:

**Karen Rasmussen
Grants Coordinator II**

Attachments:

1. AN ORDINANCE APPROVING AN AMENDMENT TO A CITY OF URBANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AGREEMENT (PRAIRIE CENTER HEALTH SYSTEMS, INC. PROJECT NO. 0203-04)
2. AN AMENDMENT TO A CITY OF URBANA CDBG AGREEMENT FOR PRAIRIE CENTER HEALTH SYSTEMS INC PROJECT NO.0203-04

ORDINANCE NO. 2002-12-134

AN ORDINANCE APPROVING AN AMENDMENT
TO A CITY OF URBANA COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM AGREEMENT
(PRAIRIE CENTER HEALTH SYSTEMS, INC. PROJECT NO. 0203-04)

WHEREAS, the City of Urbana has been designated as an "Entitlement" by the U. S. Department of Housing and Urban Development (hereinafter "HUD") under provisions of the Housing and Community Development Act of 1974, as amended, and as said Entitlement the City of Urbana has received an entitlement of funds for the year beginning July 1, 2002, pursuant to the Community Development Block Grant (hereinafter "CDBG") Program;

and

WHEREAS, the Urbana City Council has adopted an Annual Action Plan for the year beginning July 1, 2002, which authorized a two-year funding allocation of \$100,000 (One Hundred Thousand Dollars) to Prairie Center Health Systems, Inc. (hereinafter "Subgrantee"), with \$40,000 being allocated for Fiscal Year 2002-2003 and \$60,000 being allocated for Fiscal Year 2003-2004, and such funding was authorized for property acquisition and/or new construction of a facility to expand the residential services of Prairie Care Health Systems, Inc.;

and

WHEREAS, the City and the Subgrantee entered into an agreement for implementation of the capital improvement program during the period July 1, 2002 - June 30, 2003;

and

WHEREAS, the City and the Subgrantee desire to amend said Agreement to allow for renovation activities at a facility located at 112 West Hill Street, Champaign, Illinois.

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

1. Section 2. of the Agreement is hereby amended as follows:

The purpose of this Subrecipient Agreement is to pledge FY2002-2003 and FY2003-2004 CDBG program to the Subgrantee for the purpose of administering the purchase or construction or renovation of a facility to house residential and/or outpatient services for persons suffering from substance abuse issues.

2. Section 1. of Attachment C Statement of Special Conditions is hereby amended as follows:

SCOPE OF SERVICE

Funds shall be used for acquisition of property, and new construction or renovation of a facility at an as yet undetermined location, or renovation of an existing facility to provide residential and/or outpatient services to persons suffering with substance abuse issues. All new construction or renovation activities shall be subject to the Davis Bacon Act and to the General Decision in effect at the time bids are solicited for new construction or renovation contracts.

3. All other provisions of said Agreement shall remain in full force and effect.

PASSED by the City Council this _____ day of

_____, _____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of

_____, _____.

Tod Satterthwaite, Mayor

**AN AMEDEMMENT TO
AN AGREEMENT BETWEEN THE CITY OF URBANA
AND PRAIRIE CENTER HEALTH SYSTEMS, INC.
PROJECT NO. 0203-04**

This Agreement is made this _____ day of _____, 2003, between the City of Urbana, an Illinois Municipal Corporation (hereinafter referred to as the City), and Prairie Center Health Systems, Inc. (hereinafter referred to as the Subgrantee).

WHEREAS, the City of Urbana has been designated as an "Entitlement" by the U. S. Department of Housing and Urban Development (hereinafter "HUD") under provisions of the Housing and Community Development Act of 1974, as amended, and as said Entitlement the City of Urbana has received an entitlement of funds for the year beginning July 1, 2002, pursuant to the Community Development Block Grant (hereinafter "CDBG") Program; and

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3. All other provisions of said Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto set their hand, and have caused this instrument to be executed by their duly authorized officials, all on the day and year first above written.

CITY

SUBGRANTEE

By: _____ By: _____

Attest: _____ Attest: _____