



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Bruce Walden, Chief Administration Officer

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

DATE: April 7, 2005

SUBJECT: **A RESOLUTION APPROVING THE CITY OF URBANA AND CHAMPAIGN/URBANA/CHAMPAIGN COUNTY URBANA HOME CONSORTIUM FY 2005-2006 ANNUAL ACTION PLAN AND FY 2005-2009 CONSOLIDATED PLAN**

Description

The City of Urbana, Grants Management Division has prepared a DRAFT *FY 2005-2006 ANNUAL ACTION PLAN* (Annual Action Plan) and a DRAFT *FY 2005-2009 CITY OF URBANA AND CHAMPAIGN/URBANA/CHAMPAIGN COUNTY URBANA HOME CONSORTIUM CONSOLIDATED PLAN* (Consolidated Plan). The Annual Action Plan and Consolidated Plan must be submitted to HUD by May 15, 2005 in order for the City of Urbana to continue to receive Community Development Block Grant (CDBG) and Home Investment Partnership Act (HOME) funding for FY 2005-2006.

Issues

The issue before the Urbana City Council is to review and adopt the *FY 2005-2006 ANNUAL ACTION PLAN* and *FY 2005-2009 CITY OF URBANA AND CHAMPAIGN/URBANA/CHAMPAIGN COUNTY URBANA HOME CONSORTIUM CONSOLIDATED PLAN*.

Background

The background section of the memorandum will be divided into the two parts. The first section is the Consolidated Plan and the second is the Annual Action Plan. Later information relates to both documents.

Consolidated Plan

As a recipient of CDBG and HOME entitlement funding from the U.S. Department of Housing and Urban Development, the City of Urbana and the Urbana HOME Consortium are required to

submit a Five-Year Consolidated Plan. HUD provides the following summary statement concerning the Consolidated Plan:

The Consolidated Plan is designed to be a collaborative process whereby a community establishes a unified vision for community development actions. It offers local jurisdictions the opportunity to shape the various housing and community development programs into effective, coordinated neighborhood and community development strategies. It also creates the opportunity for strategic planning and citizen participation to take place in a comprehensive context, and to reduce duplication of effort at the local level.

A more functional purpose of the Consolidated Plan is to serve as a guide or framework for the utilization of the Consortium's HOME funds and the City's CDBG resources. Any project funded with CDBG and/or HOME funds, must be consistent with the goals, strategies and objectives included in the Consolidated Plan.

At the August 9, 2004 regular meeting of the Urbana City Council, staff provided the Council members with an outline of the Consolidated Plan submittal, HUD requirements and project timeline.

Enclosed is a copy of the Draft Consolidated Plan for review. The Draft Consolidated Plan is very similar to the previous Consolidated Plan that covered the period FY 2000-2004. The demographic, housing/community development data and related background information have been updated. However, most of the housing and community development strategies and objectives are identical to those contained in the previous Consolidated Plan.

While the Consolidated Plan covers a five-year period, it can be amended at any time in order to reflect new priorities, concerns or opportunities in the community.

Annual Action Plan

The Draft Annual Action Plan includes staff recommendations for the utilization of Community Development Block Grant and Home Investment Partnership Funds for FY 2005-2006.

At the November 30, 2004 regular meeting of the Community Development Commission (CDC) many of the organizations that submitted applications for HOME and CDBG funding gave a brief presentation and answered questions.

At February 22, 2005 regular meeting of the CDC, the Grants Management Division staff provided the Commission a copy of the Draft of the Annual Action Plan and provided a briefing that outlined initial staff recommendations for funding the various grant submittals and City programs.

At the March 23, 2005 regular meeting of the CDC, the Grants Management Division staff provided the Commission an edited version of the Draft Annual Action Plan and noted the following changes:

Change the language in the CDBG Public Service Funding for the Homeless Management

Information System (HMIS) Program by removing reference to a grant award and noting the funds will be used for Urbana's software license and the balance to create a database of homeless assistance resources.

Change the budget for the HOME CHDO 15% set aside.

Homestead Corporation is planning to begin purchasing homes to serve as rental replacement units for the Lakeside Terrace Redevelopment Project. Both staff and Homestead would like to do three (3) pilot projects to be sure the business model is viable. The change resulted in \$6,938 fewer funds for Homestead's project and an increase of \$6,938 in the Un-Programmed CHDO Funds line item. Should the business model work, additional funding could be provided to Homestead or another CHDO.

Public hearings to accept comments on the Draft Consolidated Plan and Draft Annual Action Plan were held at 10:00 a.m. and 7:00 p.m. on March 29, 2005. Comments collected at these hearing are included in the Consolidated Plan and Annual Action Plan. A 30-day public comment period ran from March 8, 2005 through April 6, 2005. No comments, other than those at the public hearings, have been submitted.

HUD requires that the Consolidated Plan and Annual Action Plan be submitted 45 days prior to the beginning of the program year, which is July 1, 2005. The due date for submittal to HUD is May 12, 2005. In order to meet this submittal deadline, the Urbana City Council will have to approve the Consolidated Plan and Annual Action Plan at their April 18 or May 2, 2005 meeting

At the March 29, 2005 Community Development Commission (CDC) meeting, Commissioners reviewed the Draft FY 2005-2006 Annual Action Plan and FY 2005-2009 Consolidated Plan. The following is summary of the Commission's concerns:

- The Commission discussed comments made by John Lee Johnson, with the Eads Street Development Corporation, concerning the involvement of area lenders in supporting affordable housing. Commission members noted that efforts could be undertaken to better understand the ability of the local lenders to help support affordable housing. Such efforts might involve lower interest rates for certain projects or creating a pool of funding for certain affordable housing initiatives.
- The Commission discussed the comments made by Robin Arbiter, with PACE, and charged staff with highlighting the concerns noted by Ms. Arbiter, especially her comments concerning the alignment of curb cuts at intersections. Details concerning these comments can be found in the summary of the public hearing.
- The Commission noted some concerns about adding 4 new block groups to the Community Development Target Area. The concerns included the potential "dilution" of CDBG funding, since funding seems to be decreasing and the Target Area is expanding. Staff noted that for FY 2005-2006 funding for housing rehabilitation programs had been increased. The CDC would like to consider the expansion of the Target Area as a pilot project that would be reconsidered in the course of preparing next year's 2006-2007 Annual Action Plan.

Enclosed in this packet is a copy of the Draft FY 2005-2006 AAP Version 1.5.

Fiscal Impact

There are no direct fiscal impacts related to the Consolidated Plan, as it only serves as a guide for future programming of CDBG and HOME funds.

Staff has prepared budget spreadsheets in the FY 2005-2006 Annual Action Plan. All planned expenditures are constrained by the amount of available funding.

It should be noted that the HOME funds do require a 25% match of \$63,469 for Urbana's HOME Allocation of \$253,874. This match will come from the City's Capital Improvement Fund.

Recommendation

Staff recommends that the Urbana City Council adopt the *City of Urbana FY 2005-2006 Annual Action Plan and the Champaign/Urbana/Champaign County Urbana HOME Consortium FY 2005-2009 Consolidated Plan*.

Prepared By: _____

Bob Grewe
Manager, Grants Management

Attachments:

A RESOLUTION APPROVING THE CITY OF URBANA AND
CHAMPAIGN/URBANA/CHAMPAIGN COUNTY HOME CONSORTIUM
FY 2005-2006 ANNUAL ACTION PLAN AND FY 2005-2009 CONSOLIDATED PLAN

City of Urbana and Urbana HOME Consortium FY 2005-2006
[ANNUAL ACTION PLAN Version 1.5](#)

City of Urbana and Champaign/Urbana/Champaign County Urbana HOME Consortium FY
[2005-2009 CONSOLIDATED PLAN](#)

RESOLUTION NO. 2005-04-007R

A RESOLUTION APPROVING THE CITY OF URBANA AND CHAMPAIGN/URBANA/CHAMPAIGN
COUNTY URBANA HOME CONSORTIUM
FY 2005-2006 ANNUAL ACTION PLAN AND FY 2005-2009 CONSOLIDATED 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-Gonzales 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 Community Development Commission has reviewed the *City of Urbana and Champaign/Urbana/Champaign County Urbana HOME Consortium FY 2005-2006 Annual Action Plan and 2005-2009 Consolidated Plan*, which were prepared by Urbana Community Development Services staff (hereinafter the "Annual Action Plan and Consolidated Plan"); and

WHEREAS, on March 7, 2005, a notice was published in the *Champaign-Urbana News Gazette* describing the Annual Action Plan and Consolidated Plan;

announcing a public review period beginning March 8, 2005, and ending April 6, 2005; and announcing March 29, 2005, public hearings on the Annual Action Plan and Consolidated Plan; and

WHEREAS, Community Development Services staff held public hearings on the Annual Action Plan and Consolidated Plan on March 29, 2005, at the Urbana City Building, 400 South Vine Street, Urbana, Illinois; and

WHEREAS, at its March 29, 2005 meeting, the Urbana Community Development Commission recommended adoption of the Annual Action Plan and Consolidated 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 Champaign/Urbana/Champaign County Urbana HOME Consortium FY 2005-2006 Annual Action Plan and FY 2005-2009 Consolidated Plan*, 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 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.

- Neighborhood Organization Grant Program X
- Frances Nelson Healthcare Center

- PAID Individual Development Accounts
- Urban League Lease Purchase Program Lease-Purchase Program (15% CHDO Set-Aside)
- Urban League Development Corporation of Champaign County (5% CHDO Set-Aside)
- Homestead Corporation Operating Funds (5% CHDO Set-Aside)
- Homestead Corporation Rental Development Program (15% CHDO Set-Aside)
- Ecological Construction Laboratory New Housing Development (Urbana HOME Allocation)

PASSED by the City Council this _____ day of _____
 2005.

AYES:

NAYS:

ABSTAINS:

 Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
 2005.

 Tod Satterthwaite, Mayor