



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

**TO:** Community Development Commission Members

**FROM:** Bob Grewe, AICP, Manager, Grants Management Division

**DATE:** October 21, 2004

**SUBJECT:** **Second Amendment to a City of Urbana Community Development Block Grant Subrecipient Agreement (Disabled Citizens Foundation Project No. 0304-06)**

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### **Description**

Included on the agenda for the October 26, 2004 meeting of the Urbana Community Development Commission is a second amendment to the City of Urbana Community Development Block Grant Subrecipient Agreement (Disabled Citizens Foundation Project No.0304-06). The amendment would extend the termination date of the agreement for an additional six (6) months.

### **Issues**

The issue is whether the Commission should recommend approval of the proposed Amendment to the Urbana City Council.

### **Background**

On February 17, 2004, the City of Urbana entered into an agreement with the Disabled Citizens Foundation in order to utilize \$99,172 to make improvements to one of their job training facilities. A copy of this agreement is attached.

City of Urbana Grants Management Division staff has continued dialogue with the Disabled Citizens Foundation from the time the project was included in the FY 2003-2004 Annual Action Plan.

On April 5, 2004 the City of Urbana agreed to an Amendment that extended the termination date for six (6) months. This provided a termination date of December 31, 2004.

The Disabled Citizens Foundation (DCF) has an interest in financing their project with as little debt as possible. DCF has reason to believe that they will receive news in the coming months on the status of other grant funding opportunities that will lessen the debt associated with this project. The City of Urbana has to consider the requirement of meeting HUD's test of the timely expenditure of Community Development Block Grant funds. As of October 18, 2004, the City needs to expend

\$176,140 to meet the May 2005 “timeliness test”. An optimistic analysis of the anticipated rate of expending CDBG funds for other programs and activities meets the required amount of expenditures.

Staff intends to pursue efforts with the DCF and other CDBG subgrantees to complete their projects.

Staff also intends to identify new property acquisition opportunities that would result in eligible CDBG expenditures.

## **Options**

1. Recommend that the Urbana City Council approve the proposed amendment.
2. Recommend that the Urbana City Council approve the proposed amendment with amendments.
3. Do not recommend that the Urbana City Council approve the proposed amendment.

## **Fiscal Impacts**

This amendment would not have any direct fiscal impact as these monies have been previously budgeted.

However, as noted above the City of Urbana does have to consider the timely expenditure of CDBG funding.

## **Recommendations**

Community Development staff recommends that Community Development Commission recommend that the Urbana City Council approve the proposed amendment.

**Memorandum Prepared By:**

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**Bob Grewe, AICP  
Manager, Grants Management Division**

**Attachments:**

- (1) City of Urbana Community Development Block Grant Subrecipient Agreement (Disabled Citizens Foundation Project No. 0304-06)
- (2) Amendment to a City of Urbana Community Development Block Grant Subrecipient Agreement (Disabled Citizens Foundation Project No. 0304-06)
- (3) Second Amendment to a City of Urbana Community Development Block Grant Subrecipient Agreement (Disabled Citizens Foundation Project No. 0304-06)
- (4) An Ordinance Approving a Second Amendment to a City of Urbana Community Development Block Grant Subrecipient Agreement (Disabled Citizens Foundation Project No. 0304-06)

**SECOND AMENDMENT TO  
A CERTAIN AGREEMENT BETWEEN THE CITY OF URBANA  
AND DISABLED CITIZENS FOUNDATION**

This Agreement is made this \_\_\_\_\_ day of November, 2004, between the City of Urbana, an Illinois Municipal Corporation (hereinafter referred to as the "City"), and the Disabled Citizens Foundation, an Illinois Not-For-Profit Organization (hereinafter referred to as the "Subgrantee").

**WITNESSETH:**

WHEREAS, the City has been designated as an "Entitlement" by the U. S. Department of Housing and Urban Development under provisions of the Housing and Community Development Act of 1974, as amended, and the City has received an entitlement of funds during the period July 1, 2003 - June 30, 2004, pursuant to the Community Development Block Grant Program (hereinafter referred to as the "CDBG Program"); and

WHEREAS, the Urbana City Council has adopted a CDBG Program and budget which authorized funding for the renovation of the Disabled Citizens Foundation's job training facility; and

WHEREAS, the City has the right and authority under said CDBG Program to extend the effective date of CDBG Agreements; and

WHEREAS, on February 17, 2004, the City and Subgrantee entered into an agreement for assistance to the Subgrantee during the period July 1, 2003 - June 30, 2004 (hereinafter referred to as the "Agreement"); and

WHEREAS, on April 5, 2004, the Urbana City Council passed Ordinance No. 2004-03-028 approving an Amendment to a City of Urbana Community Development Block Grant Subrecipient Agreement (Disabled Citizens Foundation Project No. 03-04-06).

WHEREAS, the City and the Subgrantee desire to amend said Agreement to modify certain conditions.

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants and agreements herein contained, the parties agree as follows.

1. Section 11 of the Agreement is hereby amended to replace the existing Section 11 with a new Section 11 as follows.

**The Subgrantee represents to the City that the Project shall begin on February 1, 2005 and shall terminate no later than June 30, 2005.**

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

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

CITY

SUBGRANTEE

By: \_\_\_\_\_

By: \_\_\_\_\_

Attest: \_\_\_\_\_

Attest: \_\_\_\_\_

SEAL

SEAL

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE APPROVING A SECOND AMENDMENT TO A CITY OF URBANA COMMUNITY  
DEVELOPMENT BLOCK GRANT SUBRECIPIENT AGREEMENT

(DISABLED CITIZENS FOUNDATION PROJECT NO. 0304-06)

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WHEREAS, on May 2, 2003, the Urbana City Council passed Resolution No. 2003-04-006 approving the City of Urbana and Urbana HOME Consortium Annual Action Plan for Program Year 2003-2004 authorizing certain activities under the Community Development Public Facilities and Improvements Program.

WHEREAS, on April 5, 2004, the Urbana City Council passed Ordinance No. 2004-03-028 approving an Amendment to a City of Urbana Community Development Block Grant Subrecipient Agreement (Disabled Citizens Foundation Project No. 03-04-06).

WHEREAS, due to new considerations related to the financing for renovation of the Disabled Citizens Foundation's employment training facility, the City and the Disabled Citizens Foundation now desire to make a second amendment to the CDBG Agreement to extend the effective date of the Agreement; and

WHEREAS, the City has the right and authority, pursuant to the Community Development Block Grant program to make such an amendment.

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

Section 1. That the City of Urbana hereby approves AN AMENDMENT TO A CITY OF URBANA COMMUNITY DEVELOPMENT BLOCK GRANT SUBRECIPIENT AGREEMENT (DISABLED CITIZENS FOUNDATION PROJECT NO. 0304-06), a copy of which is attached hereto and incorporated herein by reference, and authorizes the Mayor of the City of Urbana to execute the same on behalf of the City of Urbana.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

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