



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: John A. Schneider, Manager, Grants Management Division

DATE: February 20, 2009

SUBJECT: **Draft Annual Action Plan – FY 2009-2010**

Description

Included on the agenda of the February 24, 2009 meeting of the Community Development Commission is a review of the Draft Annual Action Plan (AAP) for Fiscal Year (FY) 2009-2010. Staff is requesting input and recommendations regarding the proposed programs, projects, and budgets outlined the Draft Annual Action Plan for FY 2009-2010.

Issues

The issue before the Community Development Commission (CDC) is to review and evaluate the the Draft AAP for FY 2009-2010 and provide input regarding the proposed allocations of funding. At its January 2009 meeting, CDC reviewed grant applications that had been submitted as part of the annual HOME Investment Partnerships (HOME) Program and Community Development Block Grant (CDBG) grant process for housing and public facility projects, and recommended a funding amount for each application. The Draft AAP for FY 2009-2010 is made available for public review and comment beginning February 23, 2009. At the end of the thirty-day public review period, staff will incorporate public comments and CDC input into the Draft Action Plan. During the March 24, 2009 regular meeting, CDC will review the draft with changes and will be asked to forward a final recommendation to the Urbana City Council.

Background

The City has not received notice from the Department of Housing and Urban Development (HUD) regarding the amount of the FY 2009-2010 formula allocations for the HOME and CDBG funds. However, as of January 30, 2009, the HUD Representative for the City of Urbana and Urbana Consortium advised staff to assume at least the allocations for the upcoming year as were allocated for the previous fiscal year. In FY 2008-2009, the allocation for the Urbana HOME Consortium was \$1,010,203 in HOME funds, and \$9,506 was awarded in a separate allocation for the American Dream Downpayment Initiative (ADDI) Program. The City of Urbana also received \$460,655 in CDBG funds.

As a result of the review of the grant applications at its January 27, 2009 meeting, CDC approved funding of projects from the CDBG and HOME programs. The Draft AAP includes the CDC recommended funding amounts for projects to be included in the Draft Annual Action Plan FY 2009-2010.

In accordance with the Citizen Participation Plan outlined in the 2005-2009 Consolidated Plan, staff conducted public hearings to gather citizen input on the proposed utilization of the City's CDBG and HOME funding. The Draft Annual Action Plan includes comments from these public meetings/hearings that were held as follows:

NEIGHBORHOOD OPEN HOUSES/PUBLIC HEARINGS

- Monday, January 5, 2009, 7:00 PM
Prairie School Gym, 2102 E. Washington Street, Urbana
- Tuesday, January 6, 2009, 7:00 PM
City of Urbana City of Urbana Council Chambers, 400 S. Vine Street, Urbana
- Wednesday, January 7, 2009, 7:00 PM
Washington Early Childhood School Library, 1102 N. Broadway Avenue, Urbana
- Thursday, January 8, 2009, 7:00 PM
King School Library, 1108 W. Fairview Avenue, Urbana

PUBLIC HEARINGS FOR NON-PROFIT AGENCIES AND ORGANIZATIONS

- Wednesday, January 6, 2009 10:00 AM
City of Urbana Council Chambers, 400 S. Vine Street, Urbana

The Draft Annual Action Plan for 2009-2010 includes staff recommendations for utilizing the Urbana CDBG and HOME Program entitlement funds. Information included regarding potential carry-over projects may change in the upcoming 60-day period as previous City of Urbana and Urbana HOME Consortium Annual Action Plans may need to be amended to reflect any changes in projects or funding amounts.

NOTE: The following proposed CDBG budget for FY 2009-2010 is based on the assumption that the City of Urbana will receive at least the same amount of funding awarded by HUD in FY 2008-2009

Community Development Block Grant (CDBG) Program

For FY 2009-2010, the City of Urbana's CDBG allocation from HUD is projected as the same as last year's funding of \$460,655. This amount has been reduced for five consecutive years from the \$535,412 allocated for FY 2004-2005 to the current amount. The CDBG revenues are enhanced by the availability of an estimated \$34,000 in program income from prior years. Total estimated CDBG resources for FY 2009-2010, including estimated program income, amounts to \$594,655. Following is a summary of staff recommendations regarding the utilization of the Community Development Block Grant funds:

City Of Urbana CDBG

Administration

\$ 98,931

Funding for administration is limited to 20% of the current CDBG allocation and 20% of the program income received in the program year. Reductions in overall CDBG funding have created a very tight administration line item.

Program Delivery (FY 09-10)

\$80,500

These funds are used for personnel expenses more directly related to implementation of specific internal housing and community development programs. Most expenses are related to the implementation of the City's housing rehabilitation programs. Funding is at the same level as for the previous fiscal year.

Emergency Grant/Access Grant/Get the Lead Out Match (FY 09-10)

\$80,000

This Emergency Grant Program supports affordable housing by making necessary emergency repairs that keep homes habitable. The Access Grant Program helps persons with disabilities by providing access improvements to facilitate mobility. Staff will include the use of these funds to provide matching funds for the Get the Lead Out (GLO) Grant from the Illinois Department of Public Health. This grant will help eliminate lead hazards in eligible Urbana homes.

Funding is at the same level as for the previous fiscal year. The funding amount is based on the average to be expended over the next three years.

Urbana Senior Repair Program (FY 09-10)

\$20,000

This program is funded at the same level as last year. This program is essential in helping to meet affordable housing needs of Urbana's seniors. Funding is used to make minor repairs which help to provide safe and functioning housing.

Property Acquisition in Support of New Construction and Relocation/ Clearance/Disposition Activities (FY 09-10)

\$100,000

Funds will be allocated for the purchase and maintenance of properties and structures primarily in Census Tracts 53, 54, 55, and 56/Block 1. Projects and utilization of the properties may include the following:

- Donation to non-profit housing developers to build affordable housing.
- City sponsored rehabilitation and re-sale to qualified homebuyers.
- Donation to other organizations to support CDBG-eligible programs.

Funds may also be used for the purchase of homes previously assisted with Urbana CDBG or HOME Consortium funds subject to possible foreclosure or related events that jeopardize the project benefit to low/moderate income persons. Lots will be cleared of substandard structures or debris as needed. The Federal Uniform Relocation Act will govern any necessary relocation activities. Properties may also be acquired and cleared for blight abatement purposes only. City-

owned properties will be properly maintained while they are the responsibility of the City.

Public Service Funding Programs

Funding for public service programs is limited to 15% of the current CDBG allocation and 15% of the prior year's program income. Total resources projected for FY 2009-2010 are \$72,608.

Programs to be funded from the Public Service Fund include the following:

\$72,608 (Total Public Service Funding)

Transitional Housing Program (FY 09-10)

Personnel \$33,000

Programming \$17,108

This level of funding provides for a \$2000.00 increase from last year due to increased program costs including for utilities, maintenance, staffing and remodeling.

Neighborhood Cleanup (FY 09-10)

\$8,000

Although this neighborhood clean up event is very popular, HUD regulations allow only 15% of the total allocation to be used for Public Services. In light of previous reductions, funding for this program has been decreased slightly. However, the City may use NIF funds or other funding sources, if available, to maintain the program at two cleanups per year.

Consolidated Social Service Fund (FY 09-10)

\$12,500

Funding will be contributed to the City of Urbana and Cunningham Township's Consolidated Social Service Funding pool. CDBG eligible projects will be identified to utilize these funds.

Public Facilities and Improvements

The following projects are proposed to be funded using CDBG funding from FY 2009-2010:

A Woman's Fund (FY 09-10)

\$19,012

Funds will be used towards the complete renovation of two client bathrooms in order to make them more accessible to clients of all abilities, at the shelter operated by A Woman's Place, located at 1304 East Main Street, Urbana.

Disabled Citizens Foundation (FY 09-10)

\$32,821

Funds will be used in support of renovations for the DSC Scovill Group Home, located at 2504 Scovill Circle, Urbana. The Scovill Home is a licensed, eight-bed group home and is currently home to five (5) residents, all of whom receive services through Developmental Services Center. This building is approximately 37 years old and needs renovation to maintain the highest level of functionality. This project would enable adults with developmental disabilities who reside there access to an updated living environment and the opportunity for the highest level of independence in the least restrictive environment, in addition to providing sustainability for the Urbana neighborhood where the home is located.

Neighborhood Sidewalks (FY 09-10)

\$43,000

Funds are proposed to be used to construct new sidewalks or reconstruct existing sidewalks in target area neighborhoods. This funding is the result of some requests for sidewalk improvements in targeted areas.

CT 53 Streetlight Reconstruction

\$47,783

Funds are being reserved for a future project that will reconstruct the streetlights in part of Census Tract 53 one of the City’s Target areas.

NOTE: The following proposed Urbana HOME Consortium budget for FY 2009-2010 is based on the assumption that the City of Urbana will receive at least the same amount of formula allocation funds as awarded by HUD in FY 2008-2009

HOME INVESTMENT PARTNERSHIP ACT (HOME) PROGRAM

The Urbana HOME Consortium allocation from HUD is expected to be \$1,010,254 for FY 2009-2010, the same amount as was allocated in the previous year. The City of Urbana HOME revenues are enhanced by an estimated \$1,000 in program income and the City of Champaign estimates revenue of \$27,125 in program income. This budget also includes \$9,506 in American Dream Downpayment Assistance (ADDI) funding and an estimated \$24,914 in unexpended ADDI funding carried over from previous years.

Including the Consortium required 25% match, the total amount of Urbana HOME Consortium resources is approximately \$1,258,890. The following is summary of staff recommendations regarding the utilization of the Home Investment Partnership Act (HOME) funds:

Administration.

These funds will be used for personnel and administrative functions related to the HOME program.

City of Urbana -	\$ 89,403
City of Champaign -	\$ 8,890
Champaign County -	\$ 2,727
Administration Total	\$ 101,020

CHDO Project

The HOME regulations require that a minimum of 15% of the annual allocation to be utilized for CHDO projects. CHDO Project Funds or CHDO Reserve (CR) may be used for projects that produce actual housing units in which the CHDO acts as an owner, a developer or a sponsor. Three (3) CHDO Project (CR) applications were received requesting FY 2009-2010 HOME Program funds. Following is a description of the approved CHDO projects and amounts:

Homestead Affordable Homeownership Program (FY 09-10)
\$80,000 HOME Funding (\$20,000 Match by CHDO required)
Affordable Housing Program (3 Single Family Units)

These funds will be added to the funding allocated in the FY 08-09 Annual Action Plan to the Homestead Corporation to assist with the development and new construction of three (3) single-family homes to be sold to income qualifying (low- and moderate-income) households.

Ecological Construction Laboratory (FY 09-10)
\$14,000 HOME Funding (\$3,500 Match by CHDO required)
Super Energy Efficient Modular Single Family Home

These funds will be added to the funding allocated in the FY 07-08 Annual Action Plan to e-co lab to assist with the development and new construction of a super energy efficient single-family home in Urbana to be sold to income qualifying (low and moderate income) household.

Ecological Construction Laboratory (FY 09-10)
\$90,000 HOME Funding (\$22,500 Match by CHDO required)
Super Energy Efficient Modular Duplex

Funds will be provided to e-co lab to assist with the lot purchase, development and new construction of one duplex (two units) home to be sold to income qualifying (low and moderate income) households.

CHDO Operating

The Urbana HOME Consortium recognizes Ecological Construction Laboratory and the Homestead Corporation as CHDOs. As such, they are eligible for a portion of the 5% of the HOME funds set-aside for CHDO operating funds, provided they continue to work on HOME funded projects. These agencies were recently monitored and will be recertified as CHDOs in prior to the end of FY 2008-2009.

\$25,254	Ecological Construction Laboratory
\$25,254	Homestead Corporation
\$50,508	Total CHDO Operating Funds

Consortium Member Projects

Following is a listing of projects proposed to be undertaken by each member of the consortium:

City of Urbana

FY 09-10 HOME:	\$ 219,283
Program Income (est.)	\$ 1,000
Match Funds:	<u>\$ 54,821</u>
Total Available Funds:	\$ 275,104

City of Urbana

\$175,000 (\$139,200 HOME; \$34,800 Match; \$1,000 Program Income)

Owner Occupied Rehabilitation Program (6-7 units)

This program is a fundamental part of the Grants Management Division. The Owner Occupied Housing Rehabilitation Program provides an essential tool to maintain Urbana’s stock of affordable housing, improve/stabilize neighborhoods. The program also creates a core competency within the GMD staff to engage in housing rehabilitation programming and obtaining additional housing resources such as Federal Home Loan Bank of Chicago, Illinois Housing Development Authority, and the Federal Home Loan Bank of Indianapolis. This level of funding is increased from last year in an effort to address the unmet demand for housing rehabilitation assistance.

City of Urbana

\$70,000 (\$56,000 HOME; \$14,000 Match)

Program Delivery

Funding is used to cover expenses for personnel who are directly involved in the delivery of the program to clients.

City Redevelopment Programs

\$30,104 (\$24,083 HOME; \$6,021 Match)

Affordable Housing Projects

Funds may be allocated to existing programs, such as the Kerr Avenue project, Purchase\Rehab\Resell or the Property Acquisition programs or other programs still under development that further the affordable housing goals of the City, City Council, and Grants Management Division. Programs must comply with applicable local, state, and federal regulations.

City of Champaign

FY 09-10 allocation:	\$ 370,419
Program Income:	\$ 27,125
Match Funds:	<u>\$ 92,605</u>
Total Available Funds:	\$ 490,149

Full Home Improvement Program (\$300,000 HOME; \$75,000 Match)

Lot Acquisition Program (\$56,448 HOME; \$14,112 Match)

Neighborhood Revitalization Program (\$13,971 HOME; \$3,493 Match; \$27,125 PI)

Champaign County

FY 09-10 allocation:	\$ 85,014
Match Funds:	<u>\$ 21,254</u>
Total Available Funds:	\$ 106,268

Housing Rehabilitation (\$79,734 HOME; \$19,934 Match)

Program Delivery (\$6,600 HOME)

Fiscal Impact

Staff has prepared spreadsheets in the FY 2009-2010 Annual Action Plan to reflect the fiscal analysis associated with programs and projects that staff has recommended and included in the Draft AAP. Note that the HOME funds do require a 25% match of \$54,821 for Urbana's HOME Allocation of \$219,283. This match will come from the City's Capital Improvement Fund.

Recommendation

Staff requests consideration of the recommendations set forth in this memo and the draft FY 2009-2010 Draft Annual Action Plan. Staff recommends that the CDC provide comments and perspective on the staff analysis of the City of Urbana's community development and affordable housing programs. This input will aid staff with preparing the Final Draft of the FY 2009-2010 Annual Action Plan.

Prepared By: _____
John A. Schneider
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Attachment:

DRAFT FY 2009-2010 ANNUAL ACTION PLAN