



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: Kelly Mierkowski, Manager, Grants Management Division

DATE: February 22, 2013

SUBJECT: **AN ORDINANCE APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2011-2012 AND FY 2012-2013 ANNUAL ACTION PLANS (Winter 2012 HOME CHDO Amendment)**

AN ORDINANCE APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2008-2009, FY 2010-2011, FY 2011-2012, & FY 2012-2013 ANNUAL ACTION PLANS (TBRA Programs, CHDO Demolition Funds, & 1107 N Gregory CHDO Project)

Description

Included on the agenda of the February 26, 2013 meeting of the Urbana Community Development Commission are two Ordinances approving modifications to Annual Action Plans previously approved by the Urbana City Council.

The first amendment outlines changes to the Fiscal Year (FY) 2011-2012 and FY 2012-2013 Annual Action Plans to allow for project and operating funds for Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance).

The second amendment proposes modifications to the FY 2008-2009, FY 2010-2011, FY 2011-2012, and FY 2012-2013 Annual Action Plans in order to increase funding available for Tenant Based Rental Assistance programs currently operating in the Consortium area. It also proposes a change to Homestead Corporation of Champaign-Urbana's Affordable Homeownership Program to allow for a rental project to replace current homeownership projects that have been unsuccessful in finding eligible homebuyers. The final piece to the amendment provides for a Community Housing Development Organization demolition fund to be used by Neighborhood Alliance.

Amendment 1 – Winter 2012 HOME CHDO Amendment

The Winter 2012 HOME CHDO Amendment outlines changes to the FY 2011-2012 and FY 2012-2013 Annual Action Plans in order to execute agreements with Champaign County

Neighborhood Alliance for Habitat (Neighborhood Alliance) using HOME CHDO funding. Approximately \$42,842.54 has not been committed from FY 2011-2012 for eligible CHDO activities, and no commitments were made in the FY 2012-2013 Annual Action Plan for the fifteen percent set-aside required, or \$116,437.35, for a total \$159,279.89 available.

Neighborhood Alliance requested \$200,000 in its most recent application submission for CHDO project funding. The HOME Technical Committee recommended funding Neighborhood Alliance for the construction of four single-family units in the Community Development Target Area with the total amount of uncommitted funds available, or \$159,279.89. Based on past performance of Neighborhood Alliance, which has completed three of the four units under its current contract, the Committee expects that four homes is well within the organization's building capacity and is confident that the projects will meet the timeliness requirements stipulated as part of the HOME Program.

Also requested was \$28,250 in CHDO Operating funds to assist with the day to day activities associated with carrying out the Affordable Homeownership Program. The HOME Technical Committee had previously agreed to prorate Operating funds to eligible CHDOs on a per unit basis in an effort to encourage greater building capacity. Based on the total funds available, the Committee agreed that \$7,000 per unit was appropriate at the time the funding recommendation was made. Neighborhood Alliance has agreed to construct a total of four units under the proposed contract, and as such, the Committee approved \$28,000 in conjunction with the project funding awarded.

A public hearing was held regarding the amendment on January 8, 2013, and notice of the hearing was posted on the City's website on December 21, 2012. Minutes from the hearing and supporting documentation are attached.

Amendment 2

Part 1 – TBRA Programs

The second amendment to be presented before the Commission outlines further modifications to Annual Action Plans for Fiscal Year (FY) 2008-2009, FY 2010-2011, FY 2011-2012, and FY 2012-2013.

The HOME Technical Committee met to discuss potential commitments for the upcoming commitment deadline imposed by the Department of Housing and Urban Development. Based on the amount of unobligated funds resulting from program income carried over from previous fiscal years among all three entities, the Consortium agreed to commit additional funds to Tenant Based Rental Assistance (TBRA) program currently operating in the Consortium-wide area. This action would also take into account public comments received over the past several years indicating a need for rental housing assistance for those households whose incomes fall below 30 percent of the Median Family Income. Homeownership is generally not an option for these households, and TBRA is an effective program to meet the immediate needs of this income group, in conjunction with self-sufficiency measures as part of a comprehensive housing strategy.

The TBRA programs to receive funding are listed below and are also listed in the attached proposed Amendment:

<u>Program:</u>	<u>Funding Award:</u>
City of Champaign TBRA	\$148,805.80
Champaign County TBRA	\$100,000.00
Community Elements TBRA	\$ 55,000.00
Center for Women in Transition TBRA	\$ 80,000.00
TOTAL	\$383,805.80

Each of the programs listed above are open to residents County-wide, with the exception of the program operated by the Center for Women in Transition, which is subcontracted through the City of Champaign and benefits Champaign residents only.

Part 2 – 1107 N Gregory CHDO Project

Also outlined in the Amendment is a substantial change to the Homestead Corporation of Champaign-Urbana (Homestead) Affordable Homeownership projects currently under contract. Homestead had a deadline of January 1, 2013 to find eligible buyers for the CHDO projects at 1107 N Gregory Street, Urbana and 1304 Williamsburg, Champaign. Homestead was unable to secure buyers for either home due to tight lending restrictions.

A total of \$55,010 was committed to the 1107 N Gregory project. The 1304 Williamsburg project funding committed was \$150,000, including construction financing, for a total commitment of \$205,010 between both contracts.

Failure to complete the 1107 N Gregory project deadline imposed by HUD would require repayment of funds or conversion to a rental unit by June, 2013. In order to avoid repayment of funds for the unit partially constructed at 1107 N Gregory, staff has proposed to convert the unit to a rental project.

Community Elements, Inc. has agreed to take on the project and to operate it as an affordable rental unit for a 20-year affordability period. The home will serve as permanent supportive housing for clients graduating out of the transitional housing program currently operated by Community Elements. The contract must be amended to a CHDO Sponsor Agreement, which will identify Community Elements as the non-profit responsible for ownership at the completion of the project. The project will be structured similarly to that of the unit being finalized at 510 E Beardsley, Champaign, which will be constructed by Homestead and ultimately owned and operated by the Center for Women in Transition, Inc.

This amendment will terminate the contract for construction of a unit at 1304 Williamsburg, Champaign. A portion of the uncommitted funds from the \$150,000 cancelled contract will be put into the 1107 N Gregory Rental Project, as detailed below:

<u>Proposed Project:</u>	<u>Current Award:</u>	<u>Amended Award:</u>
CHDO Homestead 1107 N Gregory Rental	-55,010-	\$153,100.00
CHDO Unobligated FY 2012-2013	-0-	<u>\$ 51,910.00</u>
TOTAL		\$205,010.00

This amendment will leave \$51,910 unobligated for future CHDO projects, a portion of which has been proposed for demolition activities in Part 3 of the Amendment.

Part 3 – CHDO Demolition Funds

The final modification to the Annual Action Plans includes funding for demolition activities in combination with eligible CHDO new construction projects to be undertaken by Neighborhood Alliance.

Current practice for lot donation to non-profits for affordable housing construction requires that the City use Community Development Block Grant funds to first acquire the property. The City has also historically removed any dilapidated structures on the lots prior to donation to an eligible CHDO. The City had hoped to eventually grant funds to CHDOs to carry out demolition activities but has been precluded from doing so due to a 12-month deadline imposed by the Department of Housing and Urban Development (HUD) for breaking ground.

With Champaign County Neighborhood Alliance for Habitat operating as quickly as it has been over the last year, staff is confident that Neighborhood Alliance will be able to break ground and begin construction on the proposed single-family units within the 12 month requirement. One of the lots being proposed for transfer to Neighborhood Alliance, 1411 W Beech, currently has a parking lot that needs to be removed prior to beginning construction. With the modification to Homestead Corporation’s contracts for 1107 N Gregory and 1304 Williamsburg, additional funds became available for demolition activities. A total of \$14,000 is recommended for this demolition fund to be used by Neighborhood Alliance.

Removing the parking lot at 1411 W Beech will cost approximately \$2,000. The remaining \$12,000 is the average cost of demolition for a lot in the Community Development Target Area and will be used at the time Neighborhood Alliance requests an additional lot for construction, which will likely be at the end of 2013.

A public hearing is scheduled for March 1, 2013 regarding this amendment, and notice of the hearing was posted on the City’s website on February 15, 2013. Minutes from the hearing and supporting documentation will be taken to the Committee of the Whole meeting on March 11, 2013, which is the last day of the 30-day public comment period.

Options

1. Forward the Ordinances to the Urbana City Council with a recommendation for approval.
2. Forward the Ordinances to the Urbana City Council with a recommendation for approval with suggested changes.

3. Do not recommend approval of the Ordinances.


Fiscal Impacts

The proposed Ordinances will allow staff to disburse grant funding in accordance with the timeliness requirements stipulated by the HOME Program guidelines. Approval of these modifications will assist in committing funds necessary to avoid a shortfall, which would jeopardize the City's standing with HUD.

Recommendations

Staff recommends that the Community Development Commission forward the Ordinances to the Urbana City Council with a recommendation for approval.

Memorandum Prepared By:



Jen Gonzalez
HOME Grant Coordinator
Grants Management Division

Attachments:

Amendments:

1. AN ORDINANCE APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2011-2012 AND FY 2012-2013 ANNUAL ACTION PLANS (Winter 2012 HOME CHDO Amendment)
2. *City of Urbana and Urbana HOME Consortium Proposed Amendments to Annual Action Plans FY 2011-2012 & FY 2012-2013 (Winter 2012 HOME CHDO Amendment)*
3. AN ORDINANCE APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2011-2012 AND FY 2012-2013 ANNUAL ACTION PLANS (TBRA Programs, CHDO Demolition Funds, & 1107 N Gregory CHDO Project)
4. *City of Urbana and Urbana HOME Consortium Proposed Amendments to Annual Action Plans FY 2008-2009, FY 2010-2011, FY 2011-2012, & FY 2012-2013 (TBRA Programs, CHDO Demolition Funds, & 1107 N Gregory CHDO Project)*

ORDINANCE NO. _____

AN ORDINANCE APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2008-2009, FY 2010-2011, FY 2011-2012, AND FY 2012-2013 ANNUAL ACTION PLANS

(TBERA Programs, CHDO Demolition Funds, & 1107 N Gregory CHDO Project)

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") and Home Investment Partnerships Funds (hereinafter "HOME") funds upon proper submittal being made to the United States Department of Housing and Urban Development (hereinafter "HUD"); and

WHEREAS, the Urbana City Council previously approved ordinances authorizing submittal to HUD of the Annual Action Plans for FY 2008-2009, FY 2010-2011, FY 2011-2012, and FY 2012-2013 that included proposed budgets for the HOME Programs and HUD subsequently approved the said Annual Action Plans; and

WHEREAS, on February 15, 2013, the City of Urbana published on the City website a notice of a 30-day public review period regarding said proposed budgetary amendments to the Annual Action Plans; and

WHEREAS, on March 1, 2013 the City of Urbana, the Grants Management Division of the Community Development Services Department, as lead entity for the Urbana HOME Consortium, held a public hearing on the proposed amendments; and

WHEREAS, the City Council now finds it necessary and appropriate to further amend the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plans for FY 2008-2009, FY 2010-2011, FY 2011-2012 and FY 2012-2013.

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

Section 1. That the City of Urbana, as lead entity for the Urbana HOME Consortium, hereby approves the amendments to the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plans for FY 2008-2009, FY 2010-2011, FY 2011-2012 and FY 2012-2013, in substantially the same form as such amendments are referenced in the attachment hereto.

Section 2. That the Mayor of the City of Urbana is hereby designated as the authorized representative of the City of Urbana to take any action necessary in conjunction with said attached amendments to the Annual Action Plans for FY 2008-2009, FY 2010-2011, FY 2011-2012 and FY 2012-2013, and any prior approved Annual Action Plan or Amendment, including, without limitations, to execute any documents necessary to commit applicable HOME funds to the projects, submittal of the Annual Action Plan Amendment to the HUD Regional Field Office and provision of such additional information as may be required.

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

AYES:

NAYS:

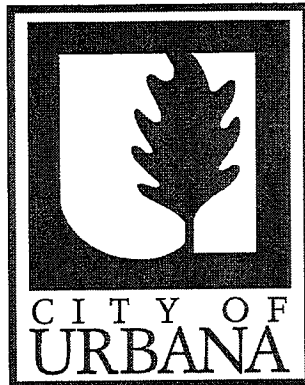
ABSTAINS:

Phyllis D. Clark, City Clerk

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

Laurel Lunt Prussing, Mayor

City of Urbana and Urbana HOME Consortium



Proposed Amendments to Annual Action Plans FY 2008-2009, FY 2010-2011, FY 2011-2012 & FY 2012-2013

*(TBRA Programs, CHDO Demolition Funds,
& 1107 N Gregory CHDO Project)*

Prepared by:
City of Urbana
Community Development Services
Grants Management Division
400 South Vine Street
Urbana, IL 61801
217.384.2447

Approved by Urbana City Council Ordinance No. _____

**PROPOSED AMENDMENT TO CITY OF URBANA and URBANA HOME CONSORTIUM
FY 2011-2012 & 2012-2013 ANNUAL ACTION PLANS**

The Urbana HOME Consortium proposes to amend the HOME Program budgets for the FY 2009-2010, 2010-2011, 2011-2012 and 2012-2013 Annual Action Plans (AAPs) to re-allocate unobligated Urban HOME funds to Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance), as outlined below, for demolition of the structure at 1310 Hill Street, Urbana. Also proposed are disbursements to various social service agencies for TBRA programs currently operating in the Champaign County area. Lastly, funds from the 1304 Williamsburg CHDO homebuyer project are being reallocated to fully finance the CHDO project at 1107 N Gregory, Urbana to convert the unit to permanent, affordable rental housing. The rental unit will be operated by Community Elements, Inc.

The amendment is presented in three parts. The first proposes to re-allocate a total of \$383,805.80 in unobligated City of Champaign and Urbana HOME Consortium funds from program income to support ongoing TBRA programs in the Consortium-wide area.

The second proposal seeks to deobligate funding previously slated for the 1304 Williamsburg CHDO Homestead homebuyer project. The project will not move forward at this time due to difficulty finding a buyer. The deobligated funds will be combined with funds already invested in the 1107 N Gregory homebuyer project. A buyer has not been found for this unit for sale, and the deadline imposed by the Department of Housing and Urban Development (HUD) is the end of Fiscal Year 2012-2013. In order to complete the project and remain in compliance with the HOME regulations, the unit must be converted to a rental property, otherwise the funds must be returned. The funds from the 1304 Williamsburg project will be invested in the 1107 N Gregory project in order to fully finance the unit as a permanent, affordable housing unit to be operated by Community Elements, Inc. Remaining unobligated funds will be allocated as additional CHDO projects are identified in the coming fiscal year.

The third proposal is in regard to a lot slated for donation to Champaign County Neighborhood Alliance for Habitat for the construction of a single-family unit as part of the Affordable Homeownership Program using HOME funds. The City of Urbana has not yet demolished the structure currently standing on 1310 Hill Street, Urbana, and Neighborhood Alliance has agreed to carry out the demolition project using HOME CHDO funding. Because this activity was not proposed as an eligible HOME expense in the most recent FY 2012-2013 Annual Action Plan, an amendment is necessary to allocate HOME funds for this purpose. Details for each grant allocation are outlined below.

URBANA HOME CONSORTIUM PROPOSED HOME TBRA AMENDMENT:

<u>Urbana HOME Consortium HOME Budget</u>	<u>Current</u>	<u>Proposed Amended</u>
Unobligated City of Champaign Funds	\$ 65,805.80	-0-
Unobligated Consortium-wide Funds	<u>\$318,000.00</u>	-0-
TOTAL	\$383,805.80	
City of Champaign TBRA	-0-	\$148,805.80
Champaign County TBRA	-0-	\$100,000.00
Community Elements TBRA	-0-	\$ 55,000.00
Center for Women in Transition TBRA	-0-	<u>\$ 80,000.00</u>
TOTAL		\$383,805.80

Following is proposed language for the TBRA programs to be added to each Fiscal Year's Annual Action Plan:

1. Tenant Based Rental Assistance Program. HOME funds will be used to provide affordable housing assistance to low-income residents throughout Champaign County. Assisted households will have annual incomes at or below 60% of the Area Median in accordance with HOME Regulations. The participating clients follow a team-approved plan for achieving self-sufficiency and make co-payments toward rent (not to exceed 30% of the household income), based on their approved self-sufficiency plan prescribed by each respective agency operating the program. The following entities will operate Tenant Based Rental Assistance Programs, with 25 percent match required for every HOME dollar allocated:

Goal 2, Strategy 2, Activity 1
 Citation - [24 CFR 92.209]
 Environmental – EXEMPT

Objective: Provide decent housing by creating affordable housing opportunities for households with annual incomes at or below 80% of Area Median, of which 90% will be at or below 60% of the Area Median).

Outcome: Affordability for the purpose of providing decent affordable housing.

Outcome Indicators: Number of tenants maintaining affordable rental units at or below 60% of Area Median (est. 35).

URBANA HOME CONSORTIUM PROPOSED HOME CHDO AMENDMENT:

<u>Urbana HOME Consortium HOME Budget</u>	<u>Current</u>	<u>Proposed Amended</u>
Homestead CHDO 1304 Williamsburg Project	\$150,000.00	-0-
Homestead 1107 N Gregory Homebuyer	\$ 55,010.00	
TOTAL	\$205,010.00	
CHDO Homestead 1107 N Gregory Rental	-55,010-	\$153,100.00
CHDO Unobligated FY 2012-2013	-0-	\$ 51,910.00
TOTAL		\$205,010.00

Following is proposed language for the 1107 N Gregory, Urbana project to be added to the Fiscal Year 2008-2009 and FY 2011-2012 Annual Action Plans:

1. Homestead Corporation Sponsor Project (1107 N Gregory) (FY10-11)

Funds will be provided to the Homestead Corporation to fully finance the construction of a single-family unit at 1107 N Gregory Street, Urbana, for the purposes of sponsoring affordable rental housing for Community Elements, Inc.

\$153,100 (25% additional match must be provided by CHDO)

Goal 1, Strategy 1, Activity 3

Citation - [24 CFR 92.206]

Environmental – Non-Exempt/Non-Categorically Excluded

Objective: Provide Decent Housing by creating affordable housing opportunities for households who meet HOME Program income requirements.

Outcomes: Affordability for the purpose of providing decent affordable housing.

Outcome Indicators: Number of affordable housing units assisted with households meeting HOME Program income requirements – one (1). Amount of funding leveraged through local match.

Urbana HOME Consortium PROPOSED HOME AMENDMENT:

The following language is to be added to the list of neighborhood programs/projects on page 38 of the FY 2012-2013 Annual Action Plan under Community Housing Development Organization HOME Set-Aside funds:

e. Demolition – CHDO Reserve funds will be used to assist in the demolition of dilapidated structures located on properties acquired for the construction of affordable housing. Only Community Housing Development Organizations are eligible to carry out the demolition work.

Goal 1, Strategy 1, Activity 3

Citation - [24 CFR 92.206]

Environmental – Non-Exempt/Non-Categorically Excluded

Objective: Provide Decent Housing by creating affordable housing opportunities for households who meet HOME Program income requirements.

Outcomes: Affordability for the purpose of providing decent affordable housing.

Outcome Indicators: Number of affordable housing units assisted with households meeting HOME Program income requirements – two (2). Amount of funding leveraged through local match.

<u>Urbana HOME Consortium HOME Budget</u>	<u>Current</u>	<u>Proposed Amended</u>
CHDO Reserve FY 12-13 Unobligated Funds	\$ 51,910	\$ 37,910.00
Neighborhood Alliance Demolition Fund	-0-	\$ 14,000.00

ORDINANCE NO. _____

AN ORDINANCE APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2011-2012 and FY 2012-2013 ANNUAL ACTION PLANS (Winter 2012 HOME CHDO Amendment)

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") and Home Investment Partnerships Funds (hereinafter "HOME") funds upon proper submittal being made to the United States Department of Housing and Urban Development (hereinafter "HUD"); and

WHEREAS, the Urbana City Council previously approved ordinances authorizing submittal to HUD of the Annual Action Plans for FY 2011-2012 and FY 2012-2013 that included proposed budgets for the HOME Programs and HUD subsequently approved the said Annual Action Plans; and

WHEREAS, on February 15, 2013, the City of Urbana published on the City website a notice of a 30-day public review period regarding said proposed budgetary amendments to the Annual Action Plans; and

WHEREAS, on March 1, 2013 the City of Urbana, the Grants Management Division of the Community Development Services Department, as lead entity for the Urbana HOME Consortium, held a public hearing on the proposed amendments; and

WHEREAS, the City Council now finds it necessary and appropriate to further amend the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plans for FY 2011-2012 and FY 2012-2013.

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

Section 1. That the City of Urbana, as lead entity for the Urbana HOME Consortium, hereby approves the amendments to the City of Urbana and

Champaign/Urbana/Champaign County HOME Consortium Annual Action Plans for FY 2011-2012 and FY 2012-2013, in substantially the same form as such amendments are referenced in the attachment hereto.

Section 2. That the Mayor of the City of Urbana is hereby designated as the authorized representative of the City of Urbana to take any action necessary in conjunction with said attached amendments to the Annual Action Plans for FY 2011-2012 and FY 2012-2013, and any prior approved Annual Action Plan or Amendment, including, without limitations, to execute any documents necessary to commit applicable HOME funds to the projects, submittal of the Annual Action Plan Amendment to the HUD Regional Field Office and provision of such additional information as may be required.

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

AYES:

NAYS:

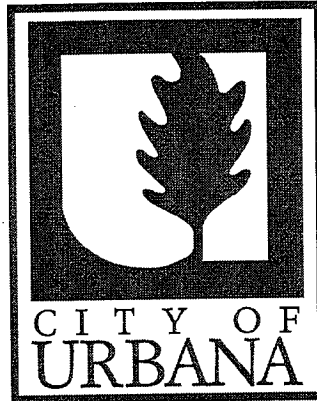
ABSTAINS:

Phyllis D. Clark, City Clerk

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

Laurel Lunt Prussing, Mayor

City of Urbana and Urbana HOME Consortium



Proposed Amendments to Annual Action Plans FY 2011-2012 & FY 2012-2013

(Winter 2012 HOME CHDO Amendment)

Prepared by:
City of Urbana
Community Development Services
Grants Management Division
400 South Vine Street
Urbana, IL 61801
217.384.2447

Approved by Urbana City Council Ordinance No. _____

**PROPOSED AMENDMENT TO CITY OF URBANA and URBANA HOME CONSORTIUM
FY 2011-2012 & 2012-2013 ANNUAL ACTION PLANS**

The Urbana HOME Consortium proposes to amend the HOME Program budgets for the FY 2011-2012 and 2012-2013 Annual Action Plans (AAPs) to re-allocate unobligated CHDO funding to Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance), as outlined below, for the construction of four single-family homes in the Community Development Target Area. Also proposed is a CHDO Operating re-allocation to Neighborhood Alliance in the amount of \$28,000. Funding for these activities was previously unallocated, and per Department of Housing and Urban Development HOME regulations, these funds are to be committed within two years of receiving a grant allocation.

The amendment proposes to re-allocate a total of \$159,279.89 in unobligated HOME funds for CHDO projects, as well as \$28,000 in CHDO operating funding to Neighborhood Alliance.

URBANA HOME CONSORTIUM PROPOSED HOME AMENDMENT:

<u>Urbana HOME Consortium HOME Budget</u>	<u>Current</u>	<u>Proposed Amended</u>
Unobligated Funds for CHDO Projects	\$159,279.89	-0-
Unobligated Funds in CHDO Operating	<u>\$ 28,000.00</u>	-0-
TOTAL	\$187,279.89	
FY 11-12 CHDO Neighborhood Alliance AHP	-0-	\$ 42,842.54
FY 12-13 CHDO Neighborhood Alliance AHP	-0-	<u>\$116,437.35</u>
TOTAL		\$159,279.89
FY 12-13 CHDO Neighborhood Alliance Operating	-0-	\$ 28,000.00

Following is the HOME Program language and/or budget changes for the FY 2011-2012 Annual Action Plan (pages 41)

2. CHDO RESERVE FUNDS (FY 11-12)
(15% SET-ASIDE IS REQUIRED EACH YEAR, 25% MATCH PROVIDED BY CHDO)

TOTAL Allocation Available: \$42,842.54

CHDO Reserve Funds

~~CHDO Reserve funds in the amount of 15% of the total annual allocation are being set aside to be allocated to certified Urbana Consortium CHDOs whose proposed project(s) meet project readiness requirements. In order to meet project readiness requirements, the CHDO project(s) receiving reserve allocation(s) must be able to begin construction within one year from the date of execution of the agreement.~~

CHDO Reserve Funds will be allocated to Champaign County Neighborhood Alliance to construct four single-family homes in the Community Development Target Area, using FY 2011-2012 CHDO Reserve Set-Aside funding, in conjunction with FY 2012-2013 funds as part of its Affordable Housing Program (AHP). Units will be sold to income-eligible homebuyers.

Following is the HOME Program language and/or budget changes for the FY 2012-2013 Annual Action Plan (pages 38-39)

2. CHDO RESERVE FUNDS (FY 12-13)
(15% SET-ASIDE IS REQUIRED EACH EAR, 25% MATCH PROVIDED BY CHDO)

TOTAL Allocation Available: \$116,437.35

CHDO Reserve Funds

~~CHDO Reserve funds in the amount of 15% of the total annual allocation are being set aside to be allocated to certified Urbana Consortium CHDOs whose proposed project(s) meet project readiness requirements. In order to meet project readiness requirements, the CHDO project(s) receiving reserve allocation(s) must be able to begin construction within one year from the date of execution of the agreement.~~

CHDO Reserve Funds will be allocated to Champaign County Neighborhood Alliance to construct four single-family homes in the Community Development Target Area, using FY 2012-2013 CHDO Reserve Set-Aside funding, in conjunction with FY 2011-2012 funds as part of its Affordable Housing Program (AHP). Units will be sold to income-eligible homebuyers.

3. CHDO OPERATING SET-ASIDE (FY 12-13)
(5% Maximum Set-Aside, No Match Requirement)

FY 12-13 Total Allocation Available Maximum: \$28,000

~~Funds will be allocated to locally certified CHDOs for eligible operating expenses that support the capacity building efforts of the organization and that are likely to lead to its fiscal independence and stability.~~

Funds will be allocated to Champaign County Neighborhood Alliance in the amount of \$28,000 in CHDO Operating Set-Aside funding to assist in carrying out its Affordable Homeownership Program during FY 2012-2013.



**NOTICE OF AVAILABILITY OF AMENDMENTS TO
CITY OF URBANA & URBANA HOME CONSORTIUM
ANNUAL ACTION PLANS
FY 2011-2012 & FY 2012-2013
& NOTICE OF PUBLIC HEARING**



On **Tuesday, January 8, 2013 @ 7:00 p.m.**, the City of Urbana will hold a public hearing in the Urbana City Council Chambers at 400 S. Vine St. Urbana, IL, to accept comments on the proposed amendments to the *FY 2011-2012, and FY 2012-2013 Annual Action Plans* as outlined below. The City of Urbana receives CDBG Funding from the Dept. of Housing and Urban Development (HUD) to benefit low- and moderate-income citizens within the City of Urbana, and the Urbana HOME Consortium, of which the City of Urbana is the lead entity, receives HOME funding allocations from HUD for the purpose of building affordable housing.

**1. CITY OF URBANA PROPOSED AMENDMENT TO CDBG PROGRAM
(FY 2011-2012 & FY 2012-2013)**

The City of Urbana proposes to amend the Community Development Block Grant (CDBG) budget of the FY 2011-2012 and 2012-2013 Annual Action Plans (AAPs) to re-allocate City of Urbana Property Acquisition funds (carryover from previous years unaccounted), combining the funds with unprogrammed funds, to City Infrastructure Projects, as outlined below, and to rename a Public Facilities and Improvements project from Neighborhood Sidewalks to the Lanore/Adams/Fairlawn Multi-Use Path Project, increasing the funding with remaining unprogrammed funds.

The amendment proposes to increase the Property Acquisition carryover allocation from \$54,689 to \$107,647.50, and then re-allocate the funding of \$107,647.50 plus \$17,352.50 of unprogrammed funds for a total amount of \$125,000 to City Infrastructure Projects, increasing the amount of funding from \$56,000 to \$181,000. The amendment will also rename the Neighborhood Sidewalks Project to the Lanore/Adams/Fairlawn Multi-Use Path Project, re-allocating the original funding amount of \$43,000 from the Neighborhood Sidewalks to the Multi-Use Path Project, plus the remainder of unprogrammed funding (\$6,910.50), for a total of \$49,910.00.

CARRYOVER ACTIVITIES

Following are the proposed City of Urbana CDBG Program budget changes for existing projects and programs to be changed or renamed in the FY 2011-2012 Annual Action Plan (AAPs), and as shown in the FY 2012-2013 AAP budget as carryover.

a. Housing Activities

**Property Acquisition in Support of New Construction and Relocation/ Clearance/
Disposition Activities (Cumulative Carryover)**

Funds will be allocated for the purchase and maintenance of properties and structures primarily in Census Tracts 53, 54, 55, and 56 Block Group 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, vegetation 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 for the program will be properly maintained.

~~\$54,689 (estimated)~~ \$107,647.50 (available to be re-allocated)

b. Public Facilities and Improvements

2. CITY INFRASTRUCTURE PROJECTS (FY 11-12/c.o)

Funds will be used toward the construction or reconstruction of City infrastructure in one or more of the following projects in the City's Target areas:

Neighborhood Sidewalks: Division (Oakland-Thompson); Busey (south of Sunset) CT 54
Census Tract 53 Street Lighting
Division Street Reconstruction (South of Kerr)
Mathews Street Reconstruction (Church - Ellis) CT 53
Kerr Project Subdivision Infrastructure CT 54

\$56,000 + \$125,000 = \$181,000

b. Public Facilities and Improvements (continued)

3. Neighborhood Sidewalks (FY 11-12 c.o.)

Funds are proposed to be used to construct new sidewalks or reconstruct existing sidewalks in target area neighborhoods.

\$43,000

3. Lanore/Adams/Fairlawn Multi-Use Path Project (FY 11-12 c.o.)

Funds will be used to construct a concrete sidewalk, new pedestrian lights, and landscaping for a multi-use path located in Census Tract 56 Block 1.

\$43,000.00 + \$6,910.50 (unprogrammed funds) = \$49,910.50

2. URBANA HOME CONSORTIUM PROPOSED HOME AMENDMENT (FY 2011-2012 & FY 2012-2013)

The Urbana HOME Consortium proposes to amend the HOME Program budgets for the FY 2011-2012 and 2012-2013 Annual Action Plans (AAPs) to re-allocate unobligated CHDO funding to Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance), as outlined below, for the construction of four single-family homes in the Community Development Target Area. Also proposed is a CHDO Operating re-allocation to Neighborhood Alliance in the amount of \$28,000. Funding for these activities was previously unallocated, and per Department of Housing and Urban Development HOME regulations, these funds are to be committed within two years of receiving a grant allocation.

The amendment proposes to re-allocate a total of \$159,279.89 in unobligated HOME funds for CHDO projects, as well as \$28,000 in CHDO operating funding to Neighborhood Alliance.

Following is the HOME Program language and/or budget changes for the FY 2011-2012 Annual Action Plan (pages 41)

**2. CHDO RESERVE FUNDS (FY 11-12)
(15% SET-ASIDE IS REQUIRED EACH EAR, 25% MATCH PROVIDED BY CHDO)**

TOTAL Allocation Available: \$42,842.54

CHDO Reserve Funds

~~CHDO Reserve funds in the amount of 15% of the total annual allocation are being set aside to be allocated to certified Urbana Consortium CHDOs whose proposed project(s) meet project readiness requirements. In order to meet project readiness requirements, the CHDO project(s) receiving reserve allocation(s) must be able to begin construction within one year from the date of execution of the agreement.~~

CHDO Reserve Funds will be allocated to Champaign County Neighborhood Alliance to construct four single-family homes in the Community Development Target Area, using FY 2011-2012 CHDO Reserve Set-Aside funding, in conjunction with FY 2012-2013 funds as part of its Affordable Housing Program (AHP). Units will be sold to income-eligible homebuyers.

Following is the HOME Program language and/or budget changes for the FY 2012-2013 Annual Action Plan (pages 38-39)

**2. CHDO RESERVE FUNDS (FY 12-13)
(15% SET-ASIDE IS REQUIRED EACH EAR, 25% MATCH PROVIDED BY CHDO)**

TOTAL Allocation Available: \$116,437.35

CHDO Reserve Funds

~~CHDO Reserve funds in the amount of 15% of the total annual allocation are being set aside to be allocated to certified Urbana Consortium CHDOs whose proposed project(s) meet project readiness requirements. In order to meet project readiness requirements, the CHDO project(s) receiving reserve allocation(s) must be able to begin construction within one year from the date of execution of the agreement.~~

CHDO Reserve Funds will be allocated to Champaign County Neighborhood Alliance to construct four single-family homes in the Community Development Target Area, FY 2012-2013 CHDO Reserve Set-Aside funding, in conjunction with FY 2011-2012 funds as part of its Affordable Housing Program (AHP). Units will be sold to income-eligible homebuyers.

**3. CHDO OPERATING SET-ASIDE (FY 12-13)
(5% Maximum Set-Aside, No Match Requirement)**

FY 12-13 Total Allocation Available Maximum: \$28,000

CHDO Operating Funds

~~Funds will be allocated to locally certified CHDOs for eligible operating expenses that support the capacity building efforts of the organization and that are likely to lead to its fiscal independence and stability.~~

Funds will be allocated to Champaign County Neighborhood Alliance in the amount of \$28,000 in CHDO Operating Set-Aside funding to assist in carrying out its Affordable Homeownership Program during FY 2012-2013.

Copies of the City of Urbana and Urbana HOME Consortium FY 2012-2013 Annual Action Plan, as well as the proposed amendments, are available from Friday, December 21, 2012 for public review and comment until 5:00 p.m. Tuesday, January 22, 2013 at the following locations:

- Urbana Free Library, 210 W. Green St , Urbana, IL, *and*
- Urbana City Building, 400 S. Vine St, Urbana, IL 61801 *in the following offices:*
 - (1) Dept. of Community Development Services
 - (2) City Clerk's Office
 - (3) City website: www.urbanaininois.us

Questions and comments should be directed in writing, beginning December 21, 2012 and ending before the close of business on Tuesday, January 22, 2013 to Kelly H. Mierkowski, Manager, Grants Management Division, City of Urbana, 400 S. Vine St., Urbana, IL 61801, or khmierkowski@urbanaininois.us.