



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 H. Mierkowski, Manager, Grants Management Division

DATE: April 24, 2015

SUBJECT: AN ORDINANCE APPROVING THE CITY OF URBANA AND URBANA HOME CONSORTIUM (CHAMPAIGN/URBANA/CHAMPAIGN COUNTY) CONSOLIDATED PLAN FOR FISCAL YEARS 2015-2019 AND ANNUAL ACTION PLAN FOR FISCAL YEAR 2015-2016

Description

The City of Urbana, Grants Management Division, has prepared a CITY OF URBANA AND URBANA HOME CONSORTIUM (CHAMPAIGN/URBANA/CHAMPAIGN COUNTY) FY 2015-2019 CONSOLIDATED PLAN and an ANNUAL ACTION PLAN for FY 2015-2016. The Plans must be submitted to the US Department of Housing and Urban Development (HUD) by May 15, 2015 in order for the City of Urbana to continue to receive Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funding.

Issues

The issue is for the Community Development Commission (CDC) to review the Consolidated Plan for FY 2015-2019 and Annual Action Plan for FY 2015-2016 and make a final recommendation to the Urbana City Council.

Background & Discussion

CONSOLIDATED PLAN FY 2015-2019 - 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 overall goal of the community planning and development programs covered by this part is to develop viable urban communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for low- and moderate-income persons. The primary means towards this end is to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

A more functional purpose of the Consolidated Plan is to guide the utilization of the City's HOME and 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 January 27, 2015 Community Development Commission regular meeting, staff provided the Commission with a schedule for the FY 2015-2019 Consolidated Planning process and a brief overview of the process.

The draft Consolidated Plan (copy attached) differs in format and content from the previous Consolidated Plan that covered the period FY 2010-2014, as the Consolidated Plan and Annual Action Plan are to be electronically completed and submitted to HUD through the Integrated Disbursement and Information System (IDIS). The Executive Summary of the Plan provides an evaluation of the City’s past performance as well as a description of the performance measurement framework required by HUD. The demographic information/data, housing/ community development information, and related background information are based on information from the 2010 Census and other resources provided by HUD. Many of the housing and community development goals and strategies are similar to those contained in the previous Consolidated Plan. Although the Consolidated Plan covers a five-year period, it can be amended at any time in order to reflect new concerns or opportunities in the community.

A public hearing, to accept comments on the Consolidated Plan, was held at 7:00 p.m. on March 24, 2015 immediately prior to the Community Development Commission meeting. A draft of the Plan was also made available for public review and comment from March 20, 2015 to April 20, 2015. Any comments made will be incorporated into the Plan prior to City Council approval.

The beginning of the FY 2015-2016 program year is July 1, 2015. HUD requires that the Consolidated Plan be submitted at least 45 days prior to the beginning of the program year (i.e. no later than Friday, May 15, 2015). In order to meet this submittal deadline, the Urbana City Council is scheduled to review and approve the Consolidated Plan and Annual Action Plan at its May 4, 2015 Council meeting.

ANNUAL ACTION PLAN (AAP) FY 2015-2016. The funding allocation amounts for the next fiscal year have been determined, as the Department of Housing and Urban Development (HUD) has announced its formula allocations for entitlement communities. For FY 2015-2016, the City of Urbana’s CDBG allocation from HUD is **\$375,514** and the Urbana HOME Consortium allocation is **\$653,084**. In FY 2014-2015, the CDBG allocation was **\$386,734** and the HOME allocation was **\$754,106**. This represents a 3% reduction in CDBG and a 14% reduction in HOME funds.

HOME PROGRAM FY 2015-2016 Proposed Budget:

HOME Grant Allocation (Actual)	\$653,084.00
Administration (10%)	\$65,308.40
Personnel	\$63,808.27
Other	\$1,499.73
CHDO Set-Aside (20%)	\$130,616.80
CHDO Project Applications (15%)	\$97,962.60
Optional CHDO Operating (5%)	\$32,654.20
CONSORTIUM SPLIT	\$457,158.80
City of Champaign (50.0%)	\$228,579.40
County (18.1%)	\$82,745.74
Urbana (31.9%)	\$145,833.66
TOTAL Budget	\$653,084.00

CDBG PROGRAM FY 2015-2016 Proposed Budget:

CDBG Federal Allocation (Grant)	\$375,514.00
ADMINISTRATION (20%)	\$75,102.80
Personnel	\$55,786.07
Other Administration (CDBG & HOME)	\$19,316.73
PUBLIC SERVICE (15%)	\$56,327.10
Transitional Housing (personnel)	\$29,623.05
Transitional Housing (programming)	\$22,704.05
Neighborhood Cleanup (\$4,000 CDBG; \$1,000 Other Funding)	\$4,000.00
Consolidated Social Service Fund	\$5,000.00
AFFORDABLE HOUSING PROGRAMS	\$244,084.10
Housing-Related Program Delivery	
Program Delivery (Personnel & misc.)	\$85,000.00
Case Preparation	\$4,000.00
Housing-Related Programs	
Emergency/Access	\$80,000.00
Urbana Senior Repair	\$15,000.00
Property Acquisition/Demolition/New Construction (estimated)	\$60,084.10
TOTAL Budget	\$375,514.00

Options

1. Forward the Ordinance approving the Consolidated Plan for FY 2015-2019 and the Annual Action Plan for FY 2015-2016 to the Urbana City Council with a recommendation for approval.
2. Forward the Ordinance approving the Consolidated Plan for FY 2015-2019 and the Annual Action Plan for FY 2015-2016 with suggested changes to the Urbana City Council with a recommendation for approval.
3. Forward the Ordinance to the Urbana City Council with a recommendation for disapproval.

Fiscal Impact

There are considerable fiscal impacts associated with the preparation of the FY 2015-2019 Consolidated Plan. The main impact of the Consolidated Plan is that it can influence funding availability and utilization of CDBG and HOME funding. If a proposed project is not consistent with the goals and strategies of the Consolidated Plan, the project cannot be funded with CDBG or HOME funding, unless the Consolidated Plan is amended to include the project. The proposed Annual Action Plan FY 2015-2016 includes revenue from HUD of **\$375,514** in CDBG funds, and HOME program revenue from HUD of **\$653,084**.

The Consolidated Plan will guide the annual expenditures of CDBG and HOME funding. Failure to submit the Consolidated Plan and Annual Action Plan to HUD by the May 15, 2015 deadline could result in a significant delay in accessing CDBG and HOME funds, which would create a financial burden for the City to advance funds for these programs.

Recommendation

Staff recommends that the Community Development Commission forward the Ordinance approving the City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2015-2019 and the Annual Action Plan FY 2015-2016 to the Urbana City Council with a recommendation for approval.

Prepared By:

**Kelly H. Mierkowski, Manager
Grants Management Division**

Attachments:

1. AN ORDINANCE APPROVING THE CITY OF URBANA AND URBANA HOME CONSORTIUM (CHAMPAIGN/URBANA/CHAMPAIGN COUNTY) CONSOLIDATED PLAN FOR PROGRAM YEARS 2015-2019 AND ANNUAL ACTION PLAN FOR FISCAL YEAR 2015-2016
2. CITY OF URBANA AND URBANA HOME CONSORTIUM (CHAMPAIGN/URBANA/CHAMPAIGN COUNTY) CONSOLIDATED PLAN FY 2015-2019
3. CITY OF URBANA AND URBANA HOME CONSORTIUM (CHAMPAIGN/URBANA/CHAMPAIGN COUNTY) ANNUAL ACTION PLAN FY 2015-2016

ORDINANCE NO. _____

**AN ORDINANCE APPROVING THE CITY OF URBANA AND URBANA HOME CONSORTIUM
(CHAMPAIGN/URBANA/CHAMPAIGN COUNTY) CONSOLIDATED PLAN FOR FISCAL
YEARS 2015-2019 AND ANNUAL ACTION PLAN FOR FISCAL YEAR 2015-2016**

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 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, public hearings were held in neighborhood locations to solicit input on the Urbana Consortium and the City of Urbana Consolidated Plan for Fiscal Years 2015-2019 (hereinafter the "Consolidated Plan") and the City of Urbana Annual Action Plan for Fiscal Year 2015-2016 (hereinafter the "Annual Action Plan") on January 12, 13, 14, and 15, 2015; and

WHEREAS, the Urbana Community Development Commission, assisted by the Urbana Grants Management Division staff, has prepared the Consolidated Plan and Annual Action Plan for public review; and

WHEREAS, said Consolidated Plan and Annual Action Plan were placed on file for public review beginning March 20, 2015, and ending April 20, 2015; and

WHEREAS, the Urbana Community Development Commission held a public hearing on March 24, 2015 to receive comments on the Draft Consolidated Plan and Annual Action Plan; and

WHEREAS, the Urbana Community Development Commission recommended the Consolidated Plan and Annual Action to the Urbana City Council at its April 28, 2015, meeting.

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 Urbana HOME Consortium (Champaign/Urbana/Champaign County) Consolidated Plan for Fiscal Years 2015-2019 and Annual Action Plan for Fiscal Year 2015-2016, in substantially the form as attached hereto, are 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 Consolidated Plan and Annual Action Plan to implement the CDBG and HOME programs and to provide such additional information as may be required.

PASSED by the City Council this _____ day of _____, 2010.

AYES:

NAYS:

ASTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, 2010.

Laurel Lunt Prussing, Mayor