



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: July 22, 2016

SUBJECT: **A RESOLUTION AMENDING AN EMERGENCY SOLUTIONS GRANT SUBRECIPIENT AGREEMENT (Rosecrance TIMES Center FY 2015-2016)**

Description

Included on the agenda of the July 26, 2016 Urbana Community Development Commission meeting is a resolution approving an amendment to a contract approved by City Council on August 17, 2015 committing \$21,406 in Emergency Solutions Grant (ESG) funds to Community Elements, Inc. for FY 2015-2016 shelter operations funding at the TIMES Center through Resolution 2015-08-040R. Community Elements, Inc. merged with Rosecrance, Inc. on July 1, 2016, and Rosecrance, Inc. is the surviving entity. The segment of operations responsible for TIMES Center administration is now called Rosecrance Champaign/Urbana. The attached amendment allows the agreement to be assigned to Rosecrance Champaign/Urbana instead of Community Elements, Inc. One payment from the FY 2015-2016 ESG allocation is due to Rosecrance, Inc. and cannot be paid to the agency until the agreement is properly assigned to the current entity.

Continuing this program will further the goals identified in the *City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2015-2019* by continuing to assist homeless individuals.

Options

1. Forward the Resolution Amending an Emergency Solutions Grant Subrecipient Agreement to the Urbana City Council with a recommendation for approval.
2. Forward the Resolution to the Urbana City Council with a recommendation for approval with suggested changes.
3. Forward the Resolution to the Urbana City Council with a recommendation for disapproval.

Fiscal Impacts

The proposed amendment will have no impact on the City General Fund, as the ESG contract in question solely commits ESG funding which is passed from the U.S. Dept. of Housing and Urban Development through the Illinois Department of Human Services to the City of Urbana for distribution to subrecipient agencies.

Programmatic Impacts

Continuing this program will further the goals identified in the *City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2015-2019* by continuing to assist homeless individuals.

Recommendation

Staff recommends that the CDC forward the Resolution Amending an Emergency Solutions Grant Subrecipient Agreement to the Urbana City Council with a recommendation for approval.

Prepared by:



Matthew Rejc
Community Development Coordinator
Grants Management Division

Attachments:

1. RESOLUTION AMENDING AN EMERGENCY SOLUTIONS GRANT SUBRECIPIENT AGREEMENT (Rosecrance TIMES Center FY 2015-2016)
2. Amendment No. 1 to Subrecipient Agreement (Emergency Solutions Grants Subrecipient Agreement with Community Elements FY 2015-2016)
3. Draft amended subrecipient agreement

RESOLUTION NO. _____

A RESOLUTION AMENDING AN EMERGENCY SOLUTIONS GRANT SUBRECIPIENT AGREEMENT

(Rosecrance TIMES Center FY 2015-2016)

WHEREAS, The City Council of the City of Urbana, Illinois approved an Emergency Solutions Grant subrecipient agreement between the City of Urbana and Community Elements, Inc. on August 17, 2015 through Resolution No. 2015-08-040R; and

WHEREAS, The City Council of the City of Urbana, Illinois, has found and determined that execution of the attached amendment to a subrecipient agreement is desirable and necessary to carry out one of the corporate purposes of the City of Urbana, to wit: implementation of Strategies and Objectives to Address the Affordable Housing Needs of Low and Moderate Income Households described in the *City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) FY 2015-2019 Consolidated Plan*; and

WHEREAS, Community Elements, Inc. merged with Rosecrance, Inc., and Rosecrance, Inc. is the surviving entity, necessitating a change in name from Community Elements, Inc. to Rosecrance, Inc. on July 1, 2016; and

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

Section 1. That the Urbana City Council hereby approves the amendment to the Emergency Solutions Grant Subrecipient Agreement with Community Elements, Inc. in substantially the same form as attached hereto.

Section 2. That an Amendment to the previously approved Agreement providing \$21,406 in Emergency Solutions Grant funds, for the continuation of Community Elements' TIMES Center, in substantially the form of the copy of said Amendment attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 3. 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 Amendment 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 _____,
_____.

Laurel Lunt Prussing, Mayor

**EMERGENCY SOLUTIONS GRANTS
SUBRECIPIENT AGREEMENT WITH COMMUNITY ELEMENTS**

CFDA #	14.231
CFDA Title	Emergency Shelter Grants Program
State Awarding Agency	Illinois Department of Human Services
Federal Awarding Agency	Department of Housing and Urban Development

This Subrecipient Agreement is made by and between the City of Urbana, Illinois (hereinafter the "City"), and Community Elements – TIMES Center (hereinafter the "Subrecipient") for Emergency Solutions Grants Agreement No. FCSTH03755.

In accordance with Section 11 of the agreement and in consideration of one dollar (\$1.00) and other valuable consideration, the GRANTOR consents to assignment of the agreement from COMMUNITY ELEMENTS, INC. to ROSECRANCE, INC., an Illinois not-for-profit corporation. ROSECRANCE, INC. accepts the assignment of the agreement and agrees to be bound by all of the terms and conditions of the agreement. The above assignment is effective as of the date of the execution set forth on the attached Amendment No. 1 to Subrecipient Agreement (Emergency Solutions Grants Subrecipient Agreement with Community Elements FY 2015-2016).

WITNESSETH:

WHEREAS, on May 14th, 2015, the City submitted an application to the Illinois Department of Human Services (hereinafter "DHS") for Emergency Solutions Grants Program (hereinafter "ESG") funds to continue eligible activities under the ESG program sponsored by three private non-profit organizations: Community Elements, Champaign, Illinois; Crisis Nursery, Urbana, Illinois; and The Salvation Army, Champaign, Illinois (hereinafter collectively referred to as the "Participating Organizations"); and

WHEREAS, in its application for ESG funds the City declared its intent to provide ESG funds to the Participating Organizations for their use in continuing to operate their respective emergency shelters and essential social services for homeless individuals and families; and

WHEREAS, the Participating Organizations have heretofore expressed their intent to assume responsibility from the City for continuing the operation of their respective emergency shelters and to provide essential services to homeless individuals and families with ESG funds and in accordance with ESG regulations; and

WHEREAS, on June 24th, 2015, the City received notice that DHS approved the City's application for ESG funds; and

WHEREAS, on June 26th, 2015, the City executed an ESG Grant Agreement with DHS to govern expenditure of ESG funds by the City and the Participating Organizations; and

NOW, THEREFORE, in consideration of the matters set forth above and below, the parties agree as follows.

Section 1. Definitions. Whenever used in this Subrecipient Agreement:

- A. The term "Grant Agreement" means the agreement between the City and DHS executed by the City on June 26th, 2015, in connection with the ESG Grant Agreement No. FCSUH03755.
- B. The term "Grant Funds" means the assistance provided under this Subrecipient Agreement.
- C. The term "Grant Application" means the application submission, August 29, 2014, on the basis of which an ESG grant was approved by DHS, including the certifications and assurances and any

information or documentation required to meet any ESG award conditions.

D. The term "Act" shall mean Subtitle C of Title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11381 *et seq.*) as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) and all rules and regulations promulgated thereto.

E. The term "State" means the State of Illinois.

F. The term "Matching Funds" means the Subrecipient's provision value, whether in money or in-kind services, equal to any money provided by the City to the Subrecipient.

Section 2. Purpose of Subrecipient Agreement. The purpose of this Subrecipient Agreement is to set forth the terms and conditions under which the City shall grant ESG funds to the Subrecipient for its emergency shelter. This Subrecipient Agreement sets forth rights and responsibilities of both parties in connection with the Subrecipient providing emergency shelter and essential social services to homeless individuals and families. In this Subrecipient Agreement, the Subrecipient assumes full responsibility for adherence to all applicable laws, assurances, regulations, and guidelines associated with the ESG. Subject to the execution of this Agreement by both parties, the Subrecipient is authorized to incur costs against this agreement from the beginning date July 1, 2015 through the ending date of June 30, 2016.

Section 3. Applicable Laws, Assurances, Regulations, Guidelines. The Subrecipient Agreement and all activities undertaken by the Subrecipient pursuant thereto shall be governed by the Act; the Homeless Emergency Assistance and Rapid Transition to Housing: Emergency Solutions Grants Program and Consolidated Plan Conforming Amendments; Interim Rule which were published at 24 CFR Part 91 and 576 on December 5, 2011, at FR-5474-I-01, a copy of which is attached hereto as Attachment A and incorporated herein and made a part hereof. The Application is incorporated herein as part of this Subrecipient Agreement; however, in the event of a conflict between any part of the Application and any part of the Subrecipient Agreement, the Subrecipient Agreement shall control.

Section 4. Grant Award. Subject to the terms of the Grant Agreement and this Subrecipient Agreement, the City agrees to provide up to **\$21,406.10** in ESG funds to the Subrecipient for activities identified as the responsibility of the Subrecipient in the Application. The Subrecipient agrees to use funds granted to it by the City pursuant to this Subrecipient Agreement to undertake those activities in the Application identified as the responsibility of the Subrecipient in the manner identified in the Application. The Subrecipient agrees that funds awarded it pursuant to this Subrecipient Agreement shall be used for the following purposes:

Operations:	\$ 21,406
Essential Services:	\$ 0.00

The Subrecipient has secured/will secure Matching Funds which shall be used for the following purposes:

Operations Matching Funds:	\$ 21,406
Essential Services Matching Funds:	\$ 0.00

Given the total amounts of Grant Funds and Matching Funds, the amount of Total Committed Funds is shown below:

Total Committed Funds	\$ 42,812
-----------------------	-----------

Section 5. Matching Funds. Subject to the terms of the this Subrecipient Agreement, the Subrecipient agrees to provide a matching contribution in funds equal to **\$21,406** which is being provided by the City pursuant to this Subrecipient Agreement. Documentation of Matching Funds is required of all projects. Matching contributions may be obtained from any source, including any Federal source other than the ESG program, as

well as state, local, and private sources. Subrecipients are required to maintain detailed fiscal records during each year of the project to ensure adequate documentation of all expenditures related to the grant, including those paid through the use of cash match sources.

If a Federal source of funds is used for matching contributions, the Subrecipient must ensure that the laws governing any funds to be used as matching contributions do not prohibit those funds from being directly used to match ESG funds. If ESG funds are used to satisfy the matching requirements of another Federal program, then funding from that program may not be used to satisfy the matching requirement for these Grant Funds.

The Subrecipient acknowledges and agrees that the City shall not be responsible for providing the Subrecipient with any funds to meet the Subrecipient's matching requirements. However, nothing herein shall prohibit the City from making funds available to the Subrecipient for emergency shelter operations or essential services activities in addition to funds granted to the Subrecipient pursuant to this Subrecipient Agreement.

Section 6. Allowable Costs – Emergency Shelter Component. In general, ESG funds may be used for costs of providing essential services to homeless families and individuals in emergency shelters and operating emergency shelters:

- 1) **Essential Services:** ESG funds may be used to provide essential services to individual and families who are in an emergency shelter. Eligible costs include case management, child care, education services, employment assistance and job training, outpatient health services, legal services, transportation, substance abuse treatment, services for special populations.
- 2) **Operations:** Eligible costs are the costs of maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter.

As shown in Section 4, the Subrecipient is authorized to only use ESG funds for Operations pursuant to this Subrecipient Agreement.

Section 7. Payouts. The Subrecipient understands and agrees that a request for disbursement of ESG funds pursuant to this Subrecipient Agreement shall not be made until such funds are needed to pay eligible costs related to the Project that have been expended. Subrecipient understands and agrees that funding in the full amount of this Subrecipient Agreement is contingent upon the City receiving said ESG funds, and should the funds be discontinued or reduced for any reason, Subrecipient understands and agrees that funding under this Subrecipient Agreement could cease or be reduced without advance notice. The Subrecipient must:

- A. Maintain adequate documentation to demonstrate the homeless eligibility of persons served by ESG funds;
- B. Maintain records that show the eligible essential services costs and shelter operating costs of the program;
- C. Use required forms to show participant eligibility, the calculation of resident rent, the policy showing savings program (if any) and the procedures for communicating said information to the participant, which must be maintained in participant file.
- D. Submit proper documentation of eligible expenses for match to the city on a quarterly basis.
- E. Submit quarterly reports to the City of Urbana no later than 15 days after the end of the quarter; Failure to submit reports to the City may result in the withholding or suspension of grant funds until such reports are received and approved by the City.
- F. Maintain files and records as required which relate to the overall administration of the ESG program;
- G. Provide information for Annual Performance Report (APR) within required timeframes; and
- H. Enter participant data into the HMIS, and update all participant changes while in the program.

The Subrecipient authorizes the City and HUD to conduct on-site reviews, examine tenant income records, and to conduct any other procedure or practice necessary to audit and assure compliance with this

Subrecipient Agreement and applicable HUD regulations. The Subrecipient will ensure that all documents related to this Project shall be kept for a period of five (5) years after project completion. The Subrecipient shall maintain such records and accounts, including program records, project records; financial records; equal opportunity records; records demonstrating compliance with the income determination and requirements of 24 CFR 92.203; record keeping requirements of 24 CFR 92.508; records demonstrating compliance with the lead-based paint requirements of 24 CFR 92.355; records supporting exceptions to the conflict of interest prohibition pursuant to 24 CFR 92.356; and any other records as are deemed necessary by the City to assure a proper accounting and monitoring of all HOME Funds. In the event the City determines that such records are not being adequately maintained by the Subrecipient, the City may cancel this Subrecipient Agreement.

With respect to all matters covered by this Subrecipient Agreement, records will be made available for examination, audit, inspection or copying purposes at any time during normal business hours and as often as the City, HUD, representatives of the Comptroller General of the United States or other Federal agency may require. The Subrecipient will permit same to be examined and excerpts or transcriptions made or duplicated from such records, and audits made of all invoices, materials, records of personnel and of employment and other data relating to all matters covered by this Subrecipient Agreement. The City's right of inspection and audit shall obtain likewise with reference to any audits made by any other agency, whether local, State or Federal.

Section 8. Notices. Any notice, demand, request, or other communication that either party may desire or may be required to give to the other party hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) electronic communication whether by telegram, telecopier, or email, together with confirmation of transmission; or (c) first-class United States mail, postage prepaid.

TO THE CITY: Kelly H. Mierkowski, Manager, Grants Management Division
Dept. of Community Development Services
City of Urbana
400 South Vine Street
Urbana, Illinois 61801

TO THE SUBRECIPIENT: Sheila Ferguson, Chief Executive Officer
Community Elements
1801 Fox Drive
Champaign, Illinois 61820

Section 9. Default. A default shall consist of any use of grant funds for a purpose other than as authorized herein, failure of the Subrecipient to provide the essential services or utilize shelter operation funds in the minimum amounts and for the minimum time period in accordance with the requirements of Attachment A provisions, noncompliance with the Act or Attachment A provisions, failure to return the executed subrecipient agreement, failure to maintain detailed financial records concerning the use of the Grant Funds, or any other material breach of the Subrecipient Agreement.

In the event of a default by the Subrecipient, the City shall give written notice of such default which notice shall describe the nature of the default and the Section of this Subrecipient Agreement which the City believes was breached. The Subrecipient shall have fourteen (14) calendar days from the date it receives the aforesaid notice to either cure the default or provide evidence in written form that no such default in fact occurred. In the event that the Subrecipient fails to cure the default or provide written evidence that no such default in fact occurred, the City shall have the right to take one or more of the following actions:

- A. Direct the Subrecipient to submit progress schedules for completing approved activities;
- B. Issue a letter of warning advising the Subrecipient of the default, establishing a date by which

corrective actions must be completed and putting the Subrecipient on notice that more serious actions will be taken if the default is not corrected or is repeated;

- C. Direct the Subrecipient to establish and maintain a management plan that assigns responsibilities for carrying out remedial actions;
- D. Direct the Subrecipient to suspend, discontinue, or not incur costs for the affected activity;
- E. Reduce or recapture the grant authorized herein;
- F. Direct the Subrecipient to reimburse the City for costs inappropriately charged to the City;
- G. Other appropriate action including, but not limited to, any remedial action legally available.

If it is the decision of the City to require the repayment to the City of any grant funds provided to the Subrecipient, the Subrecipient agrees to pay back to the City all such funds up to the amount of grant funds provided to them by the City (hereafter called "Recapture") within thirty (30) days. No delay or omission by the City in exercising any right or remedy available to it under this Subrecipient Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any Subrecipient default.

Section 10. Certification by Subrecipient. The Subrecipient agrees to the State of Illinois required certifications provided for in the Grant Agreement, appended to this Subrecipient Agreement as if set forth herein. These certifications are required by State statute and are in addition to any certifications required by any Federal funding source as set forth in this Agreement. Subrecipients execution of this Agreement shall serve as its attestation that the certifications made herein are true and correct.

Section 11. Subgrants by the Subrecipient. The Subrecipient shall not assign, convey or otherwise transfer any of its rights, duties or obligations under this Subrecipient Agreement to another person without the express written consent of the City and authorization of DHS. In the event Subrecipient seeks to assign, convey or otherwise transfer any of its rights, duties or obligations under this Subrecipient Agreement, the Subrecipient must demonstrate that an open, impartial and competitive selection process will be used in making any such assignment, conveyance or transfer of its rights, duties and/or obligations.

Section 12. Notices. Any notice required to be given pursuant to this Subrecipient Agreement may be given in any one or more of the following ways and such notice shall be deemed effect as hereinafter stated:

- A. By certified or registered U.S. First Class Mail with return receipt requested in which case if such notice is placed in a properly addressed envelope bearing proper postage, such notice shall be deemed effective four (4) days after placement with the U.S. Postal Service.
- B. By overnight courier services in which case if such notice is properly directed with courier service fees paid for by the sender, such notice shall be deemed effective the next business day after delivery.
- C. By facsimile if the sender's facsimile machine provides a printed receipt which acknowledges that the recipient's facsimile machine received the transmission, such notice shall be deemed effective the next business day after delivery.

Section 13. Dispute Resolution and Governing Law. In the event of a dispute between the parties to this Subrecipient Agreement, the parties, before filing any court action, shall jointly select a mediator and shall make a good faith effort in such mediation to resolve their differences. The parties shall share equally in the cost of such mediation service. In the event mediation fails to resolve the dispute between the parties, either party may file and maintain an action in the Circuit for the Sixth Judicial Circuit, Champaign, Illinois. The law of the State of Illinois shall govern any and all actions to enforce, construe and/or interpret this Subrecipient Agreement.

IN WITNESS WHEREOF, the City and the Subrecipient have respectively signed this Subrecipient Agreement and have caused their seals to be affixed hereto.

CITY OF URBANA, ILLINOIS:

BY: _____
Laurel Prussing, Mayor

DATE _____

ATTEST: _____
Phyllis Clark, City Clerk

DATE: _____

COMMUNITY ELEMENTS (SUBRECIPIENT):

BY: _____
Name & Title:

DATE: _____

ATTEST: _____
Name & Title:

DATE: _____

ATTACHMENT A:

24 CFR Part 91 and 576

**Homeless Emergency Assistance and Rapid Transition to Housing:
Emergency Solutions Grants Program and Consolidated Plan
Conforming Amendments; Interim Final Rule**

December 5, 2011

ATTACHMENT B
STATE OF ILLINOIS REQUIRED
CERTIFICATIONS

Amendment No. 1 to Subrecipient Agreement

(Emergency Solutions Grants Subrecipient Agreement with Community Elements FY 2015-2016)

In accordance with Section 11 of the agreement and in consideration of one dollar (\$1.00) and other valuable consideration, the GRANTOR consents to assignment of the agreement from COMMUNITY ELEMENTS, INC. to ROSECRANCE, INC., an Illinois not-for-profit corporation. ROSECRANCE, INC. accepts the assignment of the agreement and agrees to be bound by all of the terms and conditions of the agreement. The above assignment is effective as of the date of the execution set forth below.

THIS Amendment is made this ____ day of _____, 2016, between the CITY OF URBANA, an Illinois Municipal Corporation, (hereinafter the “GRANTOR”), and ROSECRANCE, INC., an Illinois Not-For-Profit Organization (hereinafter “SUBRECIPIENT”).

GRANTOR:

SUBRECIPIENT:

Laurel Prussing, Mayor

Signature

Date

Title

Attest