



## 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 21, 2017

**SUBJECT: A RESOLUTION APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2014-2015 AND FY 2015-2016 ANNUAL ACTION PLANS**

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### **Description**

Included on the agenda of the April 25, 2017 Urbana Community Development Commission meeting is a resolution approving modifications to the Fiscal Year (FY) 2014-2015 and FY 2015-2016 Annual Action Plans to reduce the City of Urbana and Urbana HOME Consortium's HOME budgets to allow for funding of projects submitted through a Request for Proposals process and selected by the Urbana HOME Consortium.

Funds will be provided from the City of Champaign's allocation of HOME funds in the amount of \$455,000 and from the City of Urbana's allocation of FY 2014-2015 and FY 2015-2016 HOME funds roughly in the amount of \$50,000. The projects selected for funding include Habitat for Humanity's Affordable Homeownership Program for \$150,000, Courage Connection's Tenant Based Rental Assistance for \$150,000 plus program delivery, and Navicore/Champaign County Community Reinvestment Group's Downpayment Assistance Program for \$150,000 plus program delivery. The total amount of funding to be provided to these projects is \$505,343 which includes \$55,343 in funds to be allocated to Courage Connection and Navicore for program delivery.

Amendments are necessary to address changes in projects that have occurred, to add projects, and to allocate funding in order to be in compliance with the Department of Housing and Urban Development (HUD) regulations. The proposed amendments have been on display and available for public review and comment at the City Clerk's office, the Dept. of Community Development Services office, and the Urbana Free Library since March 27, 2017.

### **Issues**

Substantial changes to any of the City's Annual Action Plans must be approved by the Urbana City Council before submission to HUD. Staff is requesting the Community Development Commission review the proposed Amendments and make a recommendation regarding approval. In order to meet the HOME Commitment issue by August 2017, as required by HUD HOME regulations, the Urbana HOME Consortium released a Request for Proposal (RFP) to allocate funding that needs to be committed to a project or projects. The proposed Amendment will also be reviewed by the Urbana City Council at its April 24, 2017 meeting, with approval on May 1, 2017.

Three organizations were chosen for funding: Courage Connection, whose TBRA program will serve individuals and families who are literally homeless (including living in shelters) or near homeless; Habitat for Humanity, who plans to utilize the HOME funds to provide affordable housing opportunities for qualified families, in which four new construction or acquisition/rehabilitation projects will be completed to provide simple decent sustainable housing; and Navicore Solutions in collaboration with the Champaign County Community Reinvestment Group to administer a down payment assistance program to increase the supply of affordable housing available to low-to-moderate income households.

The funds made available through the RFP will reduce Urbana’s allocation allocated toward the Whole House Rehabilitation Program and from Champaign’s allocation that is used for their Full Home Improvement Program (FHIP).

**Background**

The proposed amendments are needed to reflect project funding and program changes that have occurred since the approval of the Annual Action Plans (and Amendments) for FY2014-2015 and FY2015-2016. The Department of Housing and Urban Development (HUD) regulations require that in the event significant changes to projects or programs described in the Annual Action Plans occur, plans are be amended to reflect the changes.

The City of Urbana and Urbana Home Consortium Consolidated Plan for FY2015-2019 sets forth a process that must be followed in order to amend Annual Action Plans. The proposed Amendments have been processed in accordance with the Consolidated Plan procedure including publishing notices on the City’s website (March 27, 2017 – April 25, 2017).

In order to provide opportunity for the public comment regarding the proposed Annual Action Plan Amendments, a public hearing regarding the proposed amendments was held in City Council Chambers on March 28, 2017 before the regular meeting of the Community Development Commission. Following is summary of the proposed Annual Action Plan Amendments:

**URBANA HOME CONSORTIUM PROPOSED AMENDMENTS**

| <u>HOME Budget Item</u>                                | <u>Current</u> | <u>Proposed Amended</u> |
|--|----------------|-------------------------|
| City of Urbana Neighborhood Revitalization FY 14-15    | \$210,493.26   | \$158,362.00            |
| City of Urbana Neighborhood Revitalization FY 15-16    | \$145,833.00   | \$140,805.00            |
| City of Champaign Neighborhood Revitalization FY 14-15 | \$203,277.00   | -0-                     |
| City of Champaign Neighborhood Revitalization FY 15-16 | \$244,907.00   | -0-                     |
| <br>TOTAL CHANGE                                       |                | <br>(\$505,343.00)      |
| <br>FY 14-15 HOME Neighborhood Revitalization          | <br>-0-        | <br>\$255,408.00        |
| FY 15-16 HOME Neighborhood Revitalization              | -0-            | \$249,935.00            |
| <br>TOTAL CHANGE                                       |                | <br>\$505,343.00        |

## Options

1. Forward the Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2014-2015 and FY 2015-2016 Annual Action Plans to the Urbana City Council with a recommendation for approval.
2. Forward the Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2014-2015 and FY 2015-2016 Annual Action Plans to the Urbana City Council with a recommendation for approval, with additional changes.
3. Do not recommend approval of the Resolution.

## Fiscal Impacts

The proposed amendments to the Annual Action Plans will not change the amount of HOME funding provided to the City by HUD, nor will it impact HOME budgets, as the funds are carryover funds from previous years. There is no fiscal impact to the City budget.

## Programmatic Impacts

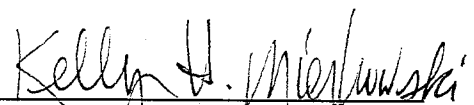
Continuing to promote affordable housing opportunities and working to eliminate homelessness, which can be addressed by providing affordable homeownership through new construction, Tenant Based Rental Assistance, and down payment assistance, has been long standing goals of the Mayor and City Council. These goals are expressed in various City documents, including the Urbana City Mayor and Council Goals, the 2005 Urbana Comprehensive Plan, the 2010-2014 City of Urbana and Urbana HOME Consortium Consolidated Plan, and the 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan.

Reprogramming funds from FY 2014-2015 and FY 2015-2016 will ensure that staff is able to commit sufficient HOME funds to avoid a shortfall and will allow for the timely expenditure of HOME funds as required by HUD. A commitment shortfall or timeliness issue could result in forfeiting grant funding to the Department of Housing and Urban Development, which is a significant concern, as it may jeopardize future funding for the City of Urbana and/or Urbana HOME Consortium.

## Recommendations

Staff recommends that the Community Development Commission review the Resolution and make a recommendation for approval.

Memorandum Prepared By:



Kelly H. Mierkowski, Manager  
Grants Management Division

**Attachments:**

1. A Resolution Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2014-2015 and FY 2015-2016 Annual Action Plans
2. City of Urbana and Urbana HOME Consortium Proposed HOME Amendment (Annual Action Plans FY 2014-2015 & FY 2015-2016)
3. *Minutes for Public Hearing held on March 28, 2017 for the Draft FY 2017-2018 Annual Action Plan and the Amendment to the FY 2014-2015 and FY 2015-2016 Annual Action Plans*

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING MODIFICATIONS TO  
THE CITY OF URBANA AND URBANA HOME CONSORTIUM  
FY 2014-2015 and FY 2015-2016 ANNUAL ACTION PLANS

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 Plan for FY 2014-2015 and FY 2015-2016 which included proposed budgets for the HOME Program and HUD subsequently approved said Annual Action Plans; and

WHEREAS, on March 10, 2017, 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 28, 2017 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 amend the City of Urbana and Urbana HOME Consortium Annual Action Plans for FY 2014-2015 and FY 2015-2016.

NOW, THEREFORE, BE IT RESOLVED 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 Urbana HOME Consortium Annual Action Plans for FY 2014-2015 and FY 2015-2016, 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 Plan for FY 2014-2015 and FY 2015-2016, 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:

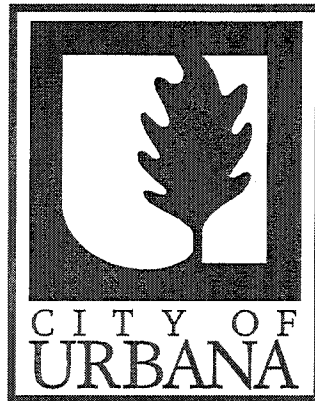
ABSTAINS:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor

**City of Urbana  
and  
Urbana HOME Consortium**



**Proposed Amendment to  
Annual Action Plan  
FY 2014-2015 and FY 2015-2016**

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 Resolution No. \_\_\_\_\_

**PROPOSED AMENDMENT TO CITY OF URBANA & URBANA HOME CONSORTIUM  
FY 2014-2015 and FY 2015-2016 ANNUAL ACTION PLAN**

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The Urbana HOME Consortium proposes to amend the City of Urbana HOME Program budget in the Fiscal Year (FY) 2014-2015 Annual Action Plan (AAP) as well as the FY 2015-2016 AAP. Reductions to the City of Urbana Neighborhood Revitalization program for FY 2014-2015 and FY 2015-2016 are proposed to allow for funding of projects submitted through a Request for Proposals process and selected by the Urbana HOME Consortium. The total amount of funding to be provided to these projects will consist of \$505,343. The projects selected include Habitat for Humanity’s Affordable Homeownership Program (\$150,000), Courage Connection’s Tenant-Based Rental Assistance Program (\$150,000 + Program Delivery), and Navicore – Community Reinvestment Group’s Down-payment Assistance Program (\$150,000 + Program Delivery). These funds will be provided by \$455,000 from the City of Champaign’s allocation of HOME funds and roughly \$50,000 from the City of Urbana’s allocation of FY 14-15 HOME funds and FY 15-16 HOME Funds.

**URBANA HOME CONSORTIUM PROPOSED HOME AMENDMENT:**

| <u>HOME Budget Item</u>                                   | <u>Current</u> | <u>Proposed Amended</u> |
|---|----------------|-------------------------|
| City of Urbana Neighborhood Revitalization FY 14-15       | \$210,493.26   | \$158,362.00            |
| City of Urbana Neighborhood Revitalization FY 15-16       | \$145,833.00   | \$140,805.00            |
| City of Champaign Neighborhood Revitalization<br>FY 14-15 | \$203,277.00   | -0-                     |
| City of Champaign Neighborhood Revitalization<br>FY 15-16 | \$244,907.00   | -0-                     |
| <b>TOTAL CHANGE</b>                                       |                | <b>(\$505,343.00)</b>   |
| <br>  |                |                         |
| FY 14-15 HOME Neighborhood Revitalization                 | -0-            | \$255,408.00            |
| FY 15-16 HOME Neighborhood Revitalization                 | -0-            | \$249,935.00            |
| <b>TOTAL CHANGE</b>                                       |                | <b>\$505,343.00</b>     |

**FY 14-15 Annual Action Plan**

*Following is the HOME Program language and/or budget changes for the FY 2014-2015 Annual Action Plan found on page 38:*

**CITY OF CHAMPAIGN**

**2. Neighborhood Revitalization Program**

Funds may be allocated to new or existing programs, such as the Acquisition-Rehab, Full Home Improvement Program, or Lot Acquisition programs, to promote revitalization efforts of targeted neighborhoods. The areas identified may be included in the Neighborhood Wellness Plan or in specific neighborhood plans (i.e. Beardsley Park, Bristol Park, and Burch Village Area Redevelopment) to further goals identified in the plans.

**~~\$189,773.33~~ HOME; \$24,500 Estimated Program Income**



Goal 3, Strategy 3 & 6

Citation – [24 CFR 92.206(d)]

Environmental – Non-Exempt/Non-Categorically Excluded

**Objective:** Provide Decent Housing by creating affordable housing opportunities for households with incomes at or below 80% of the area median.

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

**Outcome Indicators:** Number of units affordable owner occupied units purchased and/or rehabbed. Amount of funding leveraged through local match.

## **CITY OF URBANA**

### **2. City Redevelopment Programs**

Funds, including carryover funds, may be allocated to programs such as Down Payment Assistance, Acquisition-Rehab, Purchase-Rehab-Resale, Rental Rehab, Kerr Avenue Sustainable Development, Lot Acquisition/Demolition, and/or other programs currently under development or may be proposed that further the affordable housing goals and mission of the City, Council, and Grants Management Division. Programs must comply with applicable local, state and federal regulations, including but not limited to HOME regulations.

#### **\$158,362.00 HOME**

Goal 2, Strategy 1

Citation - [24 CFR 92.205(a)(1)]

Environmental – Assessment Required

**Objective:** Provide Decent Housing by creating affordable housing opportunities for households with incomes at or below 80% of the area median.

**Outcome:** Sustainability for the purpose of providing decent housing.

**Outcome Indicators:** Number of owner-occupied households assisted at or below 50% MFI. Number of owner-occupied households assisted at 51-80% MFI. Total amount of households served. Amount of funding leveraged through local match.

## **CONSORTIUM-WIDE**

### **3. HOME Neighborhood Revitalization**

Funds will be used to support neighborhood revitalization activities undertaken by the cities of Champaign and Urbana, and by Champaign County. Programs include: Navicore CRG Down-Payment Assistance Program, Courage Connection Tenant Based Rental Assistance Program and Habitat for Humanity New Construction/Rehabilitation

#### **\$255,408.00**

Goal 1, Strategy 1, 5, and 6

Citation – [24 CFR 92.206(a)(c)(d)(e)]

Environmental – Non-Exempt/Non-Categorically Excluded

**Objective:** Provide Decent Housing by creating affordable housing opportunities for households with incomes at or below 80% of the area median.

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

**Outcome Indicators:** Number of units affordable owner-occupied units purchased and number of TBRA-supported leases entered-into. Amount of funding leveraged through local match.

## 2015-16 ANNUAL ACTION PLAN

Following is the HOME Program language and/or budget changes for the FY 2015-2016 Annual Action Plan found on page 20:

|  |   |
|--|---|
| <b>2. Project Name</b>   | HOME City of Urbana Neighborhood Revitalization   |
| <b>Target Area</b>   | CENSUS TRACT NUMBERS 53, 54, 55, AND 56<br>City of Urbana   |
| <b>Goals Supported</b>   | Provide decent affordable housing opportunities   |
| <b>Needs Addressed</b>   | Affordable Housing  |
| <b>Funding</b>   | HOME: <del>\$145,833</del> <b>\$140,805.00</b>  |
| <b>Description</b>   | Funds will be used to support the neighborhood revitalization activities undertaken by the City of Urbana, including: Down Payment Assistance, Acquisition-Rehab, Purchase-Rehab-Resale, Rental Rehab, Kerr Avenue Sustainable Development, New Construction activities, Tenant Based Rental Assistance, Owner-Occupied Rehabilitation, Lot Acquisition/Demolition, and/or other programs currently under development or may be proposed that further the affordable housing goals and mission of the City, Council, and Grants Management Division. Programs must comply with applicable local, state and federal regulations, including but not limited to HOME regulations.  |
| <b>Target Date</b>   | 6/30/2016   |
| <b>Estimate the number and type of families that will benefit from the proposed activities</b> | Approximately 22 households will benefit from Neighborhood Revitalization activities.   |
| <b>Location Description</b>  | The various neighborhood revitalization programs are available within the Urbana city limits.   |
| <b>Planned Activities</b>  | Neighborhood Revitalization activities include: Down Payment Assistance, Acquisition-Rehab, Purchase-Rehab-Resale, Rental Rehab, Kerr Avenue Sustainable Development, Lot Acquisition and/or Demolition, New Construction activities, Owner Occupied Rehabilitation, Tenant Based Rental Assistance, and/or other programs currently under development or may be proposed that further the affordable housing goals and mission of the City, Council, and Grants Management Division. Programs must comply with applicable local, state and federal regulations, including but not limited to HOME regulations. Funds are anticipated to be used for the Urbana Dream Down Payment Program and the Whole House Rehabilitation program. If tax credits are approved for the Urbana Townhomes/Aspen Court and the Kerr Avenue site, the City of Urbana will pursue investing in these tax credit projects in FY 15-16. This funding is continuously expended throughout the program year. |

Following is the HOME Program language and/or budget changes for the FY 2015-2016 Annual Action Plan found on page 26:

|  |  |
|--|--|
| <b>9. Project Name</b>   | HOME City of Champaign Neighborhood Revitalization   |
| <b>Target Area</b>   | Beardsley Park Neighborhood Improvement Plan Area Garden Hills<br>United Neighborhood Association Action Plan City of Champaign  |
| <b>Goals Supported</b>   | Provide decent affordable housing opportunities  |
| <b>Needs Addressed</b>   | Affordable Housing   |
| <b>Funding</b>   | HOME: \$228,579 <b>\$0</b>   |
| <b>Description</b>   | Funds will be used to support the neighborhood revitalization activities undertaken by the City of Champaign, including full home improvement program (FHIP), acquisition rehabilitation program (Acq-Rehab) and lot acquisition/clearance for new construction (LAP). The FHIP and Acq-Rehab programs will be prioritized in the following areas of Champaign in order to provide maximum benefit in areas identified with the greatest housing needs and/or lowest incomes: Planning Areas 1, 2, 4, 7, 8, 9 14, and 15. The LAP program will be limited to neighborhoods with plans underway or being developed at the time of this Consolidated Plan: Beardsley Park, Bristol Park and Garden Hills.  |
| <b>Target Date</b>   | 6/28/2019  |
| <b>Estimate the number and type of families that will benefit from the proposed activities</b> | The City of Champaign's program will benefit approximately 10 households in FY 2015-2016.  |
| <b>Location Description</b>  | City of Champaign limits.  |
| <b>Planned Activities</b>  | Funds will be used to support the neighborhood revitalization activities undertaken by the City of Champaign, including full home improvement program (FHIP), acquisition rehabilitation program (Acq-Rehab) and lot acquisition/clearance for new construction (LAP). The FHIP and Acq-Rehab programs will be prioritized in the following areas of Champaign in order to provide maximum benefit in areas identified with the greatest housing needs and/or lowest incomes: Planning Areas 1, 2, 4, 7, 8, 9 14, and 15. The LAP program will be limited to neighborhoods with plans underway or being developed at the time of this Consolidated Plan: Beardsley Park, Bristol Park and Garden Hills. This funding is continuously expended throughout the program year. |

|   |   |
|---|---|
| <b><u>10. Project Name</u></b>  | <u>HOME Neighborhood Revitalization</u>   |
| <b><u>Target Area</u></b>   | <u>Incorporated Champaign, Incorporated Urbana, Unincorporated Champaign County</u>   |
| <b><u>Goals Supported</u></b>   | <u>Provide decent, safe, and affordable housing opportunities</u>   |
| <b><u>Needs Addressed</u></b>   | <u>Affordable Housing</u>   |
| <b><u>Funding</u></b>   | <b><u>HOME: \$249,935</u></b>   |
| <b><u>Description</u></b>   | <u>Funds will be used to support neighborhood revitalization activities undertaken by the cities of Champaign and Urbana, and by Champaign County. Programs include: Navicore CRG Down-Payment Assistance Program, Courage Connection Tenant Based Rental Assistance Program and Habitat for Humanity New Construction/Rehabilitation</u> |
| <b><u>Target Date</u></b>   | <u>06/30/2018</u>   |
| <b><u>Estimate the number and type of families that will benefit from the proposed activities</u></b> | <u>15 households TBRA</u><br><u>10 households Downpayment Assistance</u><br><u>4 households Single Family Homeownership</u>   |
| <b><u>Location Description</u></b>  | <u>Programs will be available in Champaign, Urbana and in unincorporated Champaign County.</u>  |
| <b><u>Planned Activities</u></b>  | <u>TBRA, Down-Payment Assistance, Affordable New Construction</u>   |