



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: John A. Schneider, MPA, Manager, Community Development Services

FROM: Kelly H. Mierkowski, Manager, Grants Management Division

DATE: December 1, 2017

SUBJECT: **A RESOLUTION APPROVING AN EMERGENCY SOLUTIONS GRANTS PROGRAM SUBRECIPIENT AGREEMENT WITH UNITED WAY OF CHAMPAIGN COUNTY AND C-U MEN'S SHELTER (FY 2017 -- 2018)**

Description

Included on the agenda of the December 5, 2017 meeting of the Urbana Community Development Commission is a subrecipient agreement related to the FY 2017-2018 Emergency Solutions Grant (ESG) program. This is intended to replace the subrecipient agreement with the United Way of Champaign County, New Covenant Fellowship Church, and Faith United Methodist Church to fund the C-U Men's Shelter that was originally approved by the Urbana City Council on September 18, 2017 as Resolution No. 2017-09-062R, but has not been executed. The proposed agreement would allow ESG funds to be transferred to the United Way and C-U Men's Shelter, upon request by Faith United Methodist Church and New Covenant Fellowship.

Issues

The issue is whether the Community Development Commission (CDC) should forward the Resolution approving the Subrecipient Agreement with the United Way of Champaign County and C-U Men's Shelter to the Urbana City Council with a recommendation for approval.

Background

Through the Champaign County Continuum of Care (CoC), local shelters are able to receive funds for eligible ESG activities. The CoC completes the application to the Department of Human Services (DHS) who receives funding from the Department of Housing and Urban Development (HUD) for funding which includes all agencies that will be receiving funds under the grant. As in the past, the City was selected by the CoC to administer the funds and to be the sole grant recipient for the portion of the ESG funds distributed to the shelters.

The objective of the Emergency Solutions Grants (ESG) is to increase the number and quality of emergency shelters and transitional housing facilities for homeless individuals and families, to operate these facilities and provide essential social services, and to help prevent homelessness. The agencies will receive funds through this program for operational costs.

On May 15, 2017, the City submitted an application to DHS, on behalf of Crisis Nursery and United Way of Champaign County/New Covenant Fellowship/Faith United Methodist Church, through the Champaign County Continuum of Care, for FY 2017-2018 ESG program grant funds to provide operations and essential services to two (2) local shelters within the CoC. On June 29, 2017, the City received notice from the Illinois Department of Human Services (DHS) that the application for the Emergency Solutions Grant program was approved for \$25,000.

On July 27, 2017, the City executed the Emergency Solutions Grants program agreement with DHS that governs the expenditure of ESG funds received by the City and the participating agencies. The City is then required by DHS to execute the agreements with each of the subrecipient agencies, which detail amounts of funding and eligible uses of the funds. The C-U Men's Shelter non-profit was approved for 501(c)3 status on September 8, 2017.

The previous subrecipient agreement, which was approved on September 18, 2017, identified roles for each of the three participating agencies. Specifically, it designated the United Way of Champaign County as the fiscal agent, Faith United Methodist Church as the administrative manager of the shelter, and New Covenant Fellowship as the location of the shelter.

Discussion

The United Way of Champaign County, New Covenant Fellowship, and Faith United Methodist Church together formed a new non-profit in the summer of 2017, the C-U Men's Shelter, specifically related to the operation of a shelter for homeless men in Champaign County. During the formation of the non-profit, due to the anticipated time required for the State of Illinois to approve a new non-profit, City staff and representatives from the ESG applicants agreed to apply for ESG funding as individual entities and not through the C-U Men's Shelter non-profit entity.

After the approval of the resolution approving the previous agreement with the three agencies, representatives from Faith United Methodist Church and New Covenant Fellowship have requested that the ESG subrecipient agreement be executed with the C-U Men's Shelter non-profit instead of the individual applicants. Under the now proposed agreement, the United Way would act as the financial agent for the C-U Men's Shelter, which will be operating an emergency men's shelter at New Covenant Fellowship in Champaign. The City of Urbana will receive funds for the administration of the program.

City staff supports this change, as the proposed agreement retains all relevant provisions of the original agreement, but the C-U Men's Shelter non-profit simply would replace Faith United Methodist Church and New Covenant Fellowship as participants in the agreement. The United Way of Champaign County has agreed to remain on the agreement as the C-U Men's Shelter's financial agent, as it will receive funds from the City of Urbana, and pass them along to the C-U Men's Shelter.

Options

1. Forward the Resolution approving the ESG agreement with the United Way/C-U Men's Emergency Shelter to the Urbana City Council with a recommendation for approval.

2. Forward the Resolution, with suggested changes, to the Urbana City Council with a recommendation for approval.
3. Do not recommend Council approval of the Resolution.

Fiscal Impacts

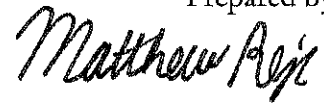
There will be no fiscal impact on the City General Fund, as the \$14,640.00 in funding for this program comes from Illinois Department of Human Services. The grant began on July 1st, 2017, and the total amount of funding is as follows:

<u>Total amount of program funding:</u>	<u>\$15,000.00</u>
United Way/Men's Emergency Shelter	\$14,640.00
City of Urbana	\$ 460.00

Recommendations

Staff recommends approval of the proposed Resolution.

Prepared by:



Matthew Rejc, AICP
Community Development Coordinator
Grants Management Division

Attachments:

1. A RESOLUTION APPROVING AN EMERGENCY SOLUTIONS GRANTS PROGRAM SUBRECIPIENT AGREEMENT WITH UNITED WAY OF CHAMPAIGN COUNTY AND C-U MEN'S SHELTER (FY 2017 – 2018)
2. An Emergency Solutions Grants Program Subrecipient Agreement between the City of Urbana and the United Way of Champaign County and the C-U Men's Shelter (FY 2017-2018)

RESOLUTION NO. _____

**A RESOLUTION APPROVING AN EMERGENCY SOLUTIONS GRANTS PROGRAM
SUBRECIPIENT AGREEMENT WITH UNITED WAY OF CHAMPAIGN COUNTY
AND C-U MEN'S SHELTER**

(FY 2017 – 2018)

WHEREAS, the City of Urbana (the “City”) is a home rule unit of local government pursuant to Article VII, Section 6, of the Illinois Constitution, 1970, and may exercise any power and perform any function pertaining to its government and affairs, and the passage of this Resolution constitutes an exercise of the City’s home rule powers and functions as granted in the Illinois Constitution, 1970; and

WHEREAS, the City heretofore has accepted an Illinois Department of Human Services grant (Agreement No. FCSWH03755, FY 2018), under the Emergency Solutions Grants Program, to allow the City to provide funds to Crisis Nursery and United Way of Champaign County to operate emergency shelters and deliver other essential services to homeless families and individuals; and

WHEREAS, United Way of Champaign County has agreed to provide up to \$14,640 in matching funds for these vital services, in accordance with the Emergency Solutions Grants Program Subrecipient Agreement (“Agreement”) attached hereto; and

WHEREAS, C-U Men's Shelter has agreed to operate emergency shelters and offer related services to homeless persons as a subrecipient of Emergency Solutions Grants Program funds, in accordance with the Agreement; and

WHEREAS, the City Council, after due consideration, finds that approval of an Emergency Solutions Grants Program Subrecipient Agreement with United Way of Champaign County and C-U Men's Shelter is in the best interests of the residents of the City and is desirable for the welfare of the City’s government and affairs.

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

Section 1.

An Emergency Solutions Grants Program Subrecipient Agreement between the City of Urbana, Illinois, United Way of Champaign County, and C-U Men's Shelter, in substantially the form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2.

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 hereby authorized to attest to said execution of said Agreement 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:

ABSTAINED

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this _____ day of _____, _____.

Diane Wolfe Marlin, Mayor

EMERGENCY SOLUTIONS GRANTS PROGRAM SUBRECIPIENT AGREEMENT

CFDA #	14.231
CFDA Title	Emergency Solutions Grants Program
State Awarding Agency	Illinois Department of Human Services
Federal Awarding Agency	Department of Housing and Urban Development
Subrecipients	United Way of Champaign County; C-U Men's Shelter

This Emergency Solutions Grants Program Subrecipient Agreement (“Subrecipient Agreement”) is made between the City of Urbana, Illinois (“City”), United Way of Champaign County (“United Way”), and C-U Men’s Shelter (“C-U”) for Emergency Solutions Grant Agreement No. FCSWH03755. United Way and C-U are each a “Subrecipient” and together are the “Subrecipients.”

On May 15, 2017, the City submitted an application to the Illinois Department of Human Services (“DHS”) for Emergency Solutions Grants Program (“ESG”) funds to continue eligible activities under the ESG sponsored by two private non-profit organizations: United Way and Crisis Nursery, Urbana, Illinois (collectively, the “Participating Organizations”). In its application, 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 to provide essential social services for homeless individuals and families. On June 29, 2017, the City received notice that DHS approved the City’s application for ESG funds. On July 27, 2017, the City executed an ESG Grant Agreement with DHS to govern expenditures of ESG funds by the City and the Participating Organizations.

The purpose of this Subrecipient Agreement is to set forth the terms and conditions under which the City will grant ESG funds to United Way and, in turn, United Way will transfer those funds to C-U for activities authorized in the ESG Grant Agreement. Therefore, the parties agree as follows.

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

- A. “Act” means Subtitle C of Title IV of the McKinney – Vento Homeless Assistance Act, 42 U.S.C. 11381 *et seq.*, as amended by the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 and all rules and regulations promulgated thereto.
- B. “City” is defined in the Background section of this Subrecipient Agreement.
- C. “C-U Men’s Shelter” is defined in the Background section of this Subrecipient Agreement.
- D. “DHS” is defined in the Background section of this Subrecipient Agreement.
- E. “ESG” is defined in the Background section of this Subrecipient Agreement.

- F. "Grant Agreement" means the agreement between the City and DHS executed by the City on July 27, 2017, in connection with ESG Grant Agreement No. FCSWH03755.
- G. "Grant Application" means the application submission, on May 15, 2017, 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.
- H. "Grant Funds" means the assistance provided under this Subrecipient Agreement.
- I. "Matching Funds" means United Way's provision value, whether in money or in-kind services, equal to any money provided by the City to United Way.
- J. "Participating Organizations" is defined in the Background section of this Subrecipient Agreement.
- K. "State" means the State of Illinois.
- L. "Subrecipient" is defined in the Background section of this Subrecipient Agreement.
- M. "Total Committed Funds" means the sum of the total of Grant Funds and Matching Funds.
- N. "United Way" is defined in the Background section of this Subrecipient Agreement.

2. Grant Award.

- A. Subject to the terms of the Grant Agreement and this Subrecipient Agreement, the City shall provide up to **\$14,640.00** in Grant Funds to United Way for activities identified as the responsibility of C-U in the Grant Application. United Way shall use such Grant Funds to reimburse C-U for activities undertaken pursuant to this Subrecipient Agreement only for the following purposes:

Operations:	<u>\$ 14,640.00</u>
Essential Service	<u>\$ 0.00</u>

- B. United Way has secured or will secure Matching Funds to be used only for the following purposes:

Operations Matching Funds:	<u>\$ 0.00</u>
Essential Services Matching Funds:	<u>\$ 34,000.00</u>

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

Total Committed Funds:	<u>\$ 34,000.00</u>
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3. **Matching Funds.**

- A. Subject to the terms of this Subrecipient Agreement, United Way shall provide a matching contribution in funds equal to the **\$14,640.00** the City is providing pursuant to this Subrecipient Agreement. Documentation of Matching Funds is required for payment of all eligible costs. Matching contributions may be obtained from any source, including any federal source other than the ESG, as well as State, local, and private sources.
- B. If a federal source of funds is used for matching contributions, United Way shall ensure that the laws governing any funds to be used as matching contributions do not prohibit those funds from being directly used to match Grant 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.
- C. The City shall not provide United Way with any funds to meet United Way's matching requirements. However, nothing herein shall prohibit the City from making funds available to United Way for emergency shelter operations or essential services activities in addition to the Grant Funds.

4. **Allowable Costs – Emergency Shelter Component.** The Subrecipients shall use Grant Funds only for the following costs of providing essential services to homeless families and individuals in emergency shelters and operating emergency shelters:

- A. Essential Services: Case management, childcare, education services, employment assistance and job training, outpatient health services, legal services, transportation, substance abuse treatment, and services for special populations.
- B. Operations: Maintenance (including minor or routine repairs), rent, security, fuel, equipment, insurance, utilities, food, furnishings, and supplies necessary for the operation of the emergency shelter.

5. **Disbursement.** If and to the extent the City receives funds under the Act, the City shall reimburse the Subrecipients in accordance with the terms of this Subrecipient Agreement. Funding in the full amount of this Subrecipient Agreement is contingent upon the City receiving Grant Funds. If the Grant Funds are discontinued or reduced for any reason, the City's payments to the Subrecipients may cease or be reduced without advance notice, and the City will not be liable for any damages as a result of such discontinuance or reduction of Grant Funds. United Way shall not request disbursement of Grant Funds pursuant to this Subrecipient Agreement until it requires such funds to pay eligible costs that have been expended by C-U.

6. **Disallowance.** A Subrecipient shall reimburse the City for any payments it receives under this Subrecipient Agreement that are disallowed under the ESG. If the City determines that a cost for which the City has made payment is disallowed, the City shall notify the Subrecipient of the disallowance and the required course of action, which, at the City's option, will be to adjust any

future claim submitted by the Subrecipient by the amount of the disallowance or to require the Subrecipient immediately to repay the disallowed amount by issuing a check payable to the City.

7. Subrecipients' Duties.

A. The Subrecipients shall:

- (1) Maintain detailed financial records that show the eligible essential services costs and shelter operating costs;
- (2) Submit quarterly reports to the City not 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 the City receives and approves such reports;
- (3) Maintain files and records as required which relate to the overall administration of the ESG; and
- (4) Provide information for an annual performance report within required timeframes.

B. United Way shall:

- (1) Submit quarterly financial status reports to the City using the format provided by the City; and
- (2) Submit proper documentation of eligible expenses for match to the City on a quarterly basis.

C. C-U shall:

- (1) Gather shelter client data using the format approved by the Champaign County Continuum of Care, and submit shelter client data to the City's Grants Management Division at least once every seven days when the shelter is open to clients;
- (2) Submit quarterly client statistics reports to the City using the format provided by the City;
- (3) Use required forms to show client eligibility and the procedures for communicating this information to the client, which must be maintained in the client's file;
- (4) Maintain adequate documentation to demonstrate the homeless eligibility of persons served by Grant Funds; and

(5) Allow representatives of the City or DHS to inspect facilities used in connection with this Subrecipient Agreement or which implement programs funded under this Subrecipient Agreement and to observe the provision of services.

D. The Subrecipients shall permit the authorized representatives of the City, DHS, U.S. Department of Housing and Urban Development, and Comptroller General of the United States to inspect, copy, and audit, at any reasonable time, all records related to the operation of the emergency shelter and the Subrecipients' performance under this Subrecipient Agreement.

8. **Agreement Term.** This Subrecipient Agreement is effective on the last date signed by a party hereto and will terminate on June 30, 2018, unless otherwise cancelled or amended according to its terms.

9. **Subrecipients' Representations.** Each Subrecipient represents the following to the City:

A. The Subrecipient is qualified to participate in the ESG, has the requisite expertise and experience in the provision of an emergency solutions program for homeless individuals or families, and is willing to use Grant Funds to operate such a program.

B. The Subrecipient will provide services under this Subrecipient Agreement in a competent, professional, and satisfactory manner in accordance with the ESG.

10. **Default.**

A. Any breach of any representation or other provision of this Subrecipient Agreement will constitute a default. A default by a Subrecipient also will consist of any of the following:

(1) Use of Grant Funds for a purpose other than as authorized herein;

(2) Noncompliance with the Act or the requirements of the Interim Rule published at 24 CFR Parts 91 and 576 on December 5, 2011, at FR-5474-I-01, a copy of which is attached as Attachment A; or

(3) Failure to maintain detailed and accurate financial records concerning the use of the Grant Funds.

B. A party claiming a default shall give written notice of such default to the defaulting party, which notice will describe the nature of the default and the Section of this Subrecipient Agreement that the non-defaulting party believes was breached. The defaulting party will have 14 days from the date notice was given to cure or remedy the default. During any such period following the giving of notice, the non-defaulting party may suspend performance under this Subrecipient Agreement until the defaulting party gives written assurances to the non-defaulting party, deemed reasonably adequate by the non-defaulting party, that the defaulting party will cure or

remedy the default and remain in compliance with its duties under this Subrecipient Agreement.

- C. If the defaulting party is the City, and it fails to cure or remedy the default as provided herein, the non-defaulting party may exercise any right, power, or remedy granted to it pursuant to this Subrecipient Agreement or applicable law.
- D. If the defaulting party is a Subrecipient, and it fails to cure or remedy the default as provided herein, the City may take one or more of the following actions:
 - (1) Direct the Subrecipient to submit progress schedules for completing approved activities;
 - (2) Direct the Subrecipient to establish and maintain a management plan that assigns responsibilities for carrying out remedial actions;
 - (3) Direct the Subrecipient to suspend, discontinue, or not incur costs for the affected activity;
 - (4) Reduce or recapture the Grant Funds authorized herein;
 - (5) Direct the Subrecipient to reimburse the City for costs inappropriately charged to the City;
 - (6) Exercise other appropriate action including, but not limited to, any remedial action legally available.
- E. A Subrecipient shall make any reimbursement required by this Section no more than 30 days after the City directs such reimbursement.

11. **Indemnification.** Each Subrecipient shall indemnify and defend the City, its agents, employees, officers, and elected officials against all claims, liability, or damage, including without limitation reasonable attorney's fees and costs, arising from or in any way related to the Subrecipient's performance or failure to perform the provisions of this Subrecipient Agreement, except to the extent caused by the gross negligence or willful misconduct of the City, its agents, employees, officers, or elected officials. This section will survive the termination of this Subrecipient Agreement.

12. **Independent Contractors.** The parties are independent contractors with respect to each other, and nothing in this Subrecipient Agreement creates any association, partnership, joint venture, or agency relationship between them.

13. **Third Party Beneficiaries.** This Subrecipient Agreement does not and is not intended to confer any enforceable rights or remedies upon any person other than the parties.

14. **Assignment.** The Subrecipients shall not assign, convey, or otherwise transfer any of their rights, duties, or obligations under this Subrecipient Agreement to another person or entity without the express written consent of the City and DHS. In the event any Subrecipient seeks to assign, convey, or otherwise transfer any of its rights, duties, or obligations under this Subrecipient Agreement, the Subrecipient shall demonstrate that it will use an open, impartial, and competitive selection process in making any such assignment, conveyance, or transfer of its rights, duties, or obligations.

15. **Entire Agreement; Amendments in Writing.** This Subrecipient Agreement constitutes the entire agreement between the parties, supersedes all other agreements or understandings between them pertaining to the matter of this Subrecipient Agreement, and may not be amended except by a writing signed by all parties. All attachments to this Subrecipient Agreement are incorporated into this Subrecipient Agreement and are made a part of this Subrecipient Agreement by this reference.

16. **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, jointly shall 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, any party may file and maintain an action in the Circuit Court for the Sixth Judicial Circuit, Champaign, Illinois. The laws of the State of Illinois will govern any and all actions to enforce, construe, or interpret this Subrecipient Agreement.

17. **Notices.** The parties shall give all notices required or permitted by this Subrecipient Agreement in writing, addressed as set forth below, unless another address is provided in writing. Notices will be deemed given when personally delivered; deposited in the U.S. mail, postage prepaid, first class; or delivered to a commercial courier.

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

United Way: Beverly Baker, Director of Community Impact
United Way of Champaign County
404 West Church Street
Champaign, Illinois 61820

C-U Men's Shelter: Francis J. Jahn
306 W. Church Street
Champaign, IL 61820

18. **Waiver.** Any party's failure to enforce any provision of this Subrecipient Agreement will not be deemed a waiver of future enforcement of that or any other provision. A waiver of any provision of this Subrecipient Agreement is valid only if in writing and signed by the parties.

19. Compliance with Laws and Regulations.

- A. The Subrecipients shall comply with all applicable federal, State, and local laws, ordinances, rules, and regulations, as amended from time to time, including without limitation the Act, ESG and Consolidated Plan Conforming Amendments, and Attachment A.
- B. The Subrecipients shall comply with the State required certifications provided for in the Grant Agreement and attached as Attachment B. These certifications are in addition to any certifications required by any federal funding source as set forth in this Subrecipient Agreement. The Subrecipients' execution of this Subrecipient Agreement will serve as their attestation that the certifications made herein are true and correct.

20. Interpretation. The parties shall construe this Subrecipient Agreement according to its fair meaning and not strictly for or against any party.

21. Counterparts. The parties may sign this Subrecipient Agreement in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Signatures delivered by email in Adobe Portable Document Format (PDF) or by facsimile will be deemed original signatures for all purposes.

[Signature page follows]

The parties are signing this agreement on the dates indicated below their signatures.

CITY OF URBANA, ILLINOIS

By: _____
Diane Wolfe Marlin
Mayor

Date: _____, 2018

Attest: _____
Charles A. Smyth
City Clerk
Resolution No. _____

UNITED WAY OF CHAMPAIGN COUNTY

By: _____
Name: _____
Title: _____

Date: _____, 2018

C-U MEN'S SHELTER

By: _____
Name: _____
Title: _____

Date: _____, 2018

ATTACHMENT A:

24 CFR Parts 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

