



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

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

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

**DATE:** January 23, 2018

**SUBJECT: A RESOLUTION APPROVING MODIFICATIONS TO THE CITY OF URBANA COMMUNITY DEVELOPMENT TARGET AREA**

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### **Description**

Included on the agenda of the January 23, 2018 Community Development Commission meeting is a Resolution Approving Modifications to the City of Urbana Community Development Target Area (CDTA).

### **Issue**

The issue before the Community Development Commission is to recommend whether or not the Urbana City Council should approve revisions to the CDTA.

### **Background**

According to the City of Urbana's 2017 Capital Improvement Plan (CIP), the Urbana Public Works Department has identified two potential projects within Census Tract 56, Block Group 1 that could make use of CDBG funds. One is a proposed street lighting project along Kinch Street from Washington Street to Pennsylvania Avenue, and the other is a sidewalk construction project along Philo Road from Washington Street to Fairlawn Drive. Previously, these projects could not be completed because the U.S. Department of Housing and Urban Development (HUD) requires that infrastructure projects funded through the Community Development Block Grant (CDBG) must only be implemented in Census tracts or block groups where at least 51% of the residents are low/moderate income (LMI) according to American Community Survey (ACS) data. Census Tract 56, Block Group 1 does not meet this threshold based on the ACS.

The Grants Management Division prepared an income survey for Census Tract 56, Block Group 1 due to the advocacy of the Lierman Neighborhood residents, the relatively high percentage of LMI residents in the area, and the recognized need for physical infrastructure improvements in the neighborhood. Based on the results of the income survey, the proposed infrastructure projects would be eligible improvements. Prior to committing funds to the projects, Grants Management staff recommends adjusting the extent of the Community Development Target Area (CDTA) to reflect the updated data provided by HUD and include Census Tract 56, Block Group 1, which will ensure consistency with the City's FY 2015-2019 Housing Program Manual.

All block groups within the proposed CDTA include areas that are comprised of at least 51% LMI residents. Some block groups closer to the University of Illinois were also shown to have at least 51% of their residents qualify as LMI through the ACS data, but these block groups were excluded from the proposed CDTA.

Several block groups that are not included in the current CDTA do qualify for inclusion within the proposed CDTA, including Block Group 2 of Census Tract 57.01, as well as Block Groups 3 and 4 of Census Tract 56.

However, Census Tract 55, Block Group 4, which is the area bounded by Lierman Ave. on the east, Main St. to the north, Lynn and Grove Streets to the west, and Washington St. to the south, is no longer eligible to be included in the CDTA since ACS statistics show 37% of its residents as LMI.

## **Discussion**

The existing CDTA was established using income data from the 2000 Census, which indicated that over half of the households in the block groups included in the CDTA are LMI. Residents of the CDTA are able to take part in annual neighborhood cleanup events, and areas located within the CDTA are eligible for CDBG-funded public facility and infrastructure improvements. Homeowners in the CDTA are also eligible for whole house rehabilitation activities without prior approval by the Community Development Commission.

HUD announced in 2014 that new data from the 2006-2010 ACS would be used to determine the LMI status of block groups among communities that receive CDBG funds. The new ACS data showed that most of the existing LMI areas retained their LMI status, such as Census Tracts 53 and 54, but other areas, such as Census Tract 56, Block Group 1, were excluded. Specifically, 47% of the residents in Census Tract 56, Block Group 1 are qualified as LMI per HUD's 2006-2010 ACS data.

If a CDBG recipient community feels that the ACS data is incorrect for a certain block group, then the community may undertake an income survey of that block group's residents to verify the data. HUD's regulatory requirements for conducting a survey to determine the percentage of LMI persons in the service area of a CDBG-funded activity are located at 24 CFR 570.208(a)(1)(vi). The methodology for the income survey in Census Tract 56, Block Group 1 was prepared and submitted to HUD on February 6, 2017, and approved by HUD on February 14, 2017.

The final results of the survey indicate that about 60% of the block group self-identifies as low-/moderate-income based on ACS data, roughly 22% of households self-identify as earning an amount greater than moderate-income limits, and approximately 18% did not respond. These figures indicated that greater than 51% of the residents in Census Tract 56, Block Group 1 were LMI.

## **Options**

1. Forward the Resolution 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 additional changes.
3. Do not recommend approval of the Resolution.

## **Programmatic Impacts**

Completing infrastructure activities in Census Tract 56, Block Group 1 would be consistent with goals and objectives stipulated in the City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2015-2019. Specifically, the Consolidated Plan states that anticipated CDBG resources will be used to support "the construction or reconstruction of City infrastructure in one or more projects in the City Target areas, or the construction of new streetlights or reconstruction of existing streetlights in target area neighborhoods." Goal

#8 in the Consolidated Plan calls upon the City to “Support Infrastructure Improvements” in target neighborhoods, with the anticipated outcome of assisting approximately 400 households in the area. The strategies included within Goal #8 include the following:

- The majority of CDBG funds will be targeted toward improvements in and services to the City's Community Development Target Area.
- The City shall allocate to its designated Community Development Target Area its proportionate share of City capital improvement funds for upgrading infrastructure. CDBG funds may be set aside during one fiscal year for infrastructure projects scheduled in another fiscal year in order to fulfill a commitment to a scheduled project.

The proposed modification of the CDTA would also help to fulfill Goal #41 in the City of Urbana 2005 Comprehensive Plan, which calls on the City to “[p]romote access to employment opportunities for all Urbana residents.” Objective #41.3 specifically states that the City should strive to “[p]rovide pedestrian and bicycle connections to employment centers.” The Philo Road sidewalk project in particular will help improve pedestrian and bicycle connectivity between the Aspen Court complex and the commercial district to the south of the Lierman Neighborhood along Philo Road.

## **Fiscal Impacts**

Amending the CDTA could impact the City General Fund, as City General Funds are used in the annual neighborhood cleanup event. The neighborhood cleanup event follows standard City procurement procedures by awarding contracts to the lowest responsible bid from a local solid waste hauler, and paying for junk collection on a per 20-yard dumpster basis. The CDBG program funds only \$4,000 of each cleanup activity, while \$4,377 in City General Funds were used to pay for the remaining balance of the May 2017 cleanup event. The amount of CDBG funds that can be used on neighborhood cleanup activities is limited by the 15% Public Services cap, which stipulates that only 15% of each annual grant award to the City of Urbana can be used for public service activities such as the neighborhood cleanup, the City’s Transitional Housing Program, and the CDBG-funded portion of the Consolidated Social Service Fund.

The implementation of infrastructure activities in Census Tract 56, Block Group 1 would help the City to expend additional CDBG funds, and in turn meet the timeliness requirements of the grant. These projects have been listed in the CIP since FY 2014-2015, and the City has maintained CDBG reserves since that time to undertake the infrastructure activities in the event that the income survey is completed. Using CDBG funds on the infrastructure projects proposed in the CIP will not negatively impact funding for existing CDBG-funded programs.

## **Recommendations**

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

Memorandum Prepared By:



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**Matthew Rejc, AICP**  
Community Development Coordinator  
Grants Management Division

**Attachments:**

1. A RESOLUTION APPROVING MODIFICATIONS TO THE CITY OF URBANA  
COMMUNITY DEVELOPMENT TARGET AREA
2. Map of the proposed Community Development Target Area
3. Map of the existing Community Development Target Area

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

**A RESOLUTION APPROVING MODIFICATIONS TO THE CITY OF URBANA  
COMMUNITY DEVELOPMENT TARGET AREA**

**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**, guidance promulgated by HUD through Notice CPD-14-11 requires the City of Urbana to use the 2014 Low/Moderate Income Summary Data (hereinafter “LMISD”) to qualify area benefit activities funded through the CDBG program; and

**WHEREAS**, this requirement makes it necessary to revise the existing Community Development Target Area.

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

Section 1. That the City of Urbana hereby approves the geographic extent of the Community Development Target Area, in substantially the same form as depicted 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 activities related to the CDBG and HOME programs undertaken in the Community Development Target Area and the provision of such additional information as may be required.

**PASSED BY THE CITY COUNCIL** this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

AYES:

NAYS:

ABSTENTIONS:

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Charles A. Smyth, City Clerk

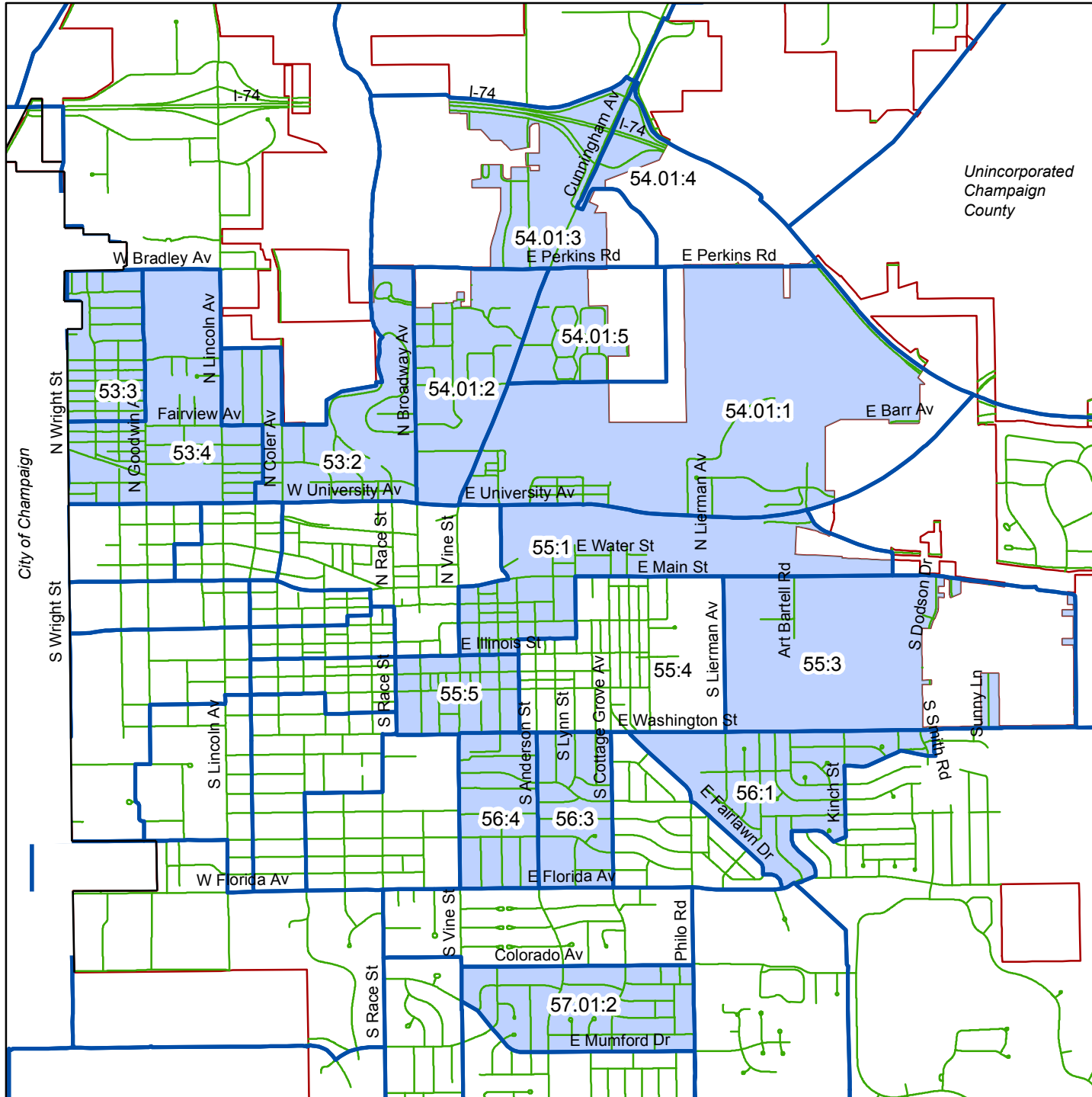
**APPROVED BY THE MAYOR** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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Diane Wolfe Marlin, Mayor

Attachment #2

Proposed Community Development Target Area



Unincorporated  
Champaign  
County

Census Tract	Census Block	Low/Mod Income %
53	2	69
53	3	64
53	4	84
54.01	1	90
54.01	2	58
54.01	3	52
54.01	4	66
54.01	5	75
55	1	74
55	3	66
55	5	54
56	1	60
56	3	78
56	4	57
57.01	2	61

\*Based on 2006-2010 American Community Survey

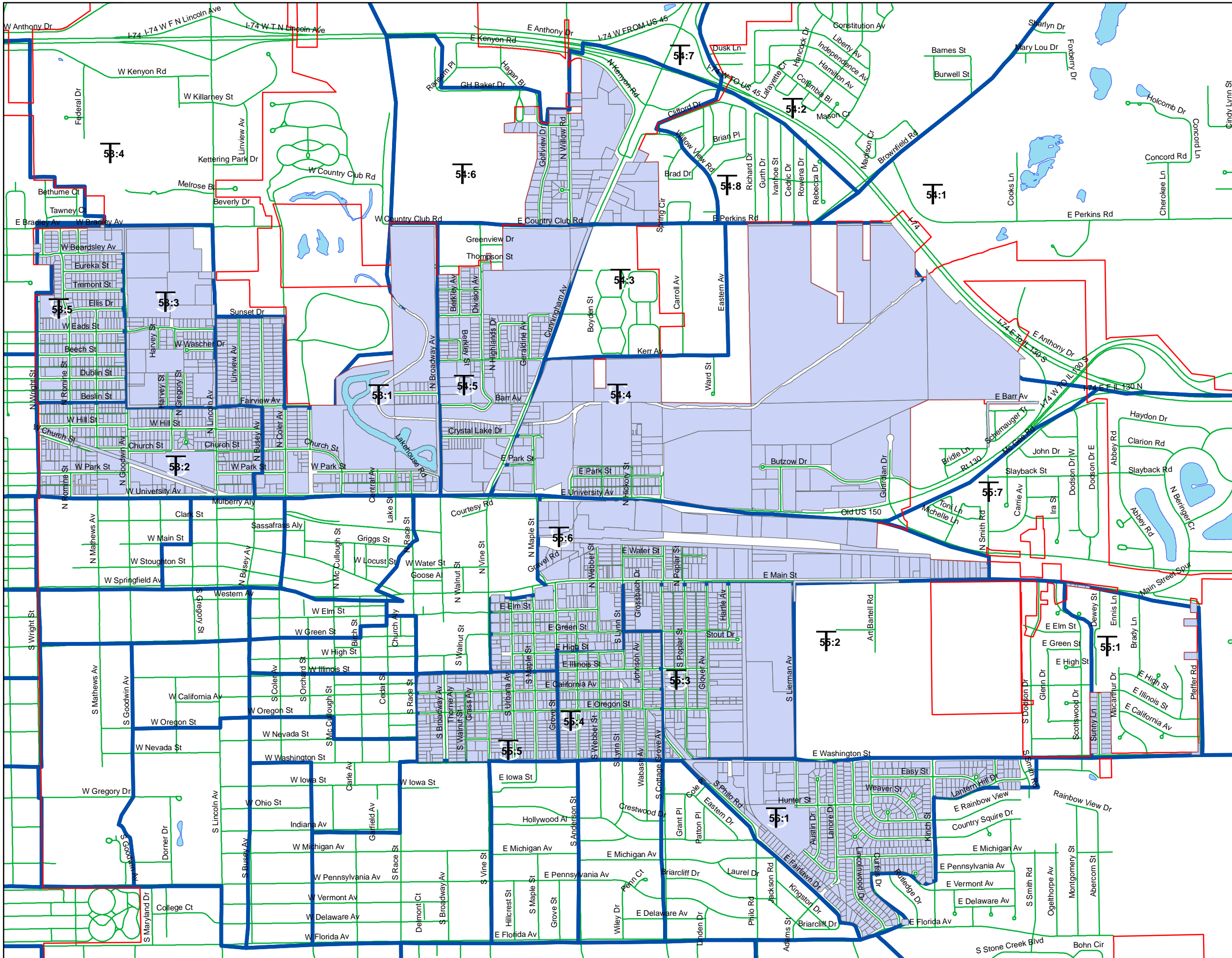
\*\*Does not include university-dominated parcels or downtown Urbana

- Census Block Groups
- Roads
- Proposed Community Development Target Area
- Urbana Corporate Boundary
- 53:4    Census Tract : Block Group



# Community Development Target Area

Approved July 1, 2005  
Urbana City Council



CENSUS TRACT	BLOCK GROUP	LOW MOD INCOME%
53	1	64.1%
53	2	87.4%
53	3	81.0%
53	5	76.7%
54	4	79.3%
54	5	68.7%
54	6	51.5%
55	1	91.9%
55	3	69.5%
55	4	39.4%
55	5	48.1%
55	6	61.0%
56	1	58.7%

\* Based on Census 2000 Data

## Legend

- Urbana Corporate Boundary
- Roads
- Lakes
- CD Target Area
- Census Block Group Boundary
- 55:1 Census Tract 55 Block Group 1