



## 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:** February 23, 2018  
**SUBJECT:** **CDBG Public Service Funding Priorities as part of the Consolidated Social Service Funding Pool (FY 2018-2019)**

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### **Description**

In its advisory capacity to the Urbana City Council, one of the responsibilities of the Community Development Commission (CDC) is to develop priorities for the Community Development Block Grant (CDBG) funding portion of the City's Consolidated Social Service Funding Pool.

### **Issues**

The issue is for the Community Development Commission to identify priorities for allocation of the CDBG Public Service Funds included in the FY 2018-2019 Annual Action Plan (AAP).

### **Background**

In September 1996, the City of Urbana and Cunningham Township established a Consolidated Social Service Funding (CSSF) Pool to provide grants to non-profit organizations that sponsor social services for Urbana residents. The consolidated fund combines funds from the following sources: City of Urbana general funds, Cunningham Township funds, and City of Urbana CDBG funds.

This year, an estimated amount of \$5,000 in CDBG funding will be budgeted in the CSSF pool, which is the same as the \$5,000 allocated last fiscal year (FY 2017-2018). The total combined pool allocation available for FY 2017-2018 was \$250,000, with the CDBG allocation of \$5,000, the City General Fund allocation of \$70,000 and Cunningham Township allocation of \$175,000.

For this year, the City of Urbana general fund allocation and Cunningham Township funding will be determined at a later date. It is unknown at this time if the total pool of funds available to be allocated through the CSSF process will be approximately the same amount that was available for FY 2017-2018.

The Grants Management Division of the City's Department of Community Development Services administers a single application process, and funds are granted to non-profit organizations by joint decision of the Urbana City Council and the Cunningham Township Board.

All grants awarded through the consolidated funding pool are monitored throughout the year for eligibility of disbursements and compliance. The Grants Management Division monitors all programs funded through CDBG and the City of Urbana General Fund, and the Cunningham Township Supervisor's Office monitors all grants funded with Township funds.

The Consolidated Social Service Funding applications for FY 2018-2019 will be made available Monday, March 5, 2018. The deadline for submission of completed applications is scheduled for Friday, April 6, 2018 by 4:00 p.m. The Urbana City Council reviews the applications and makes allocations through an open review process. Grant allocations will be formalized through approval of the City and Township budgets in June 2018. The Community Development Commission will review the CDBG grant agreements and forward to the Urbana City Council for approval.

Federal regulations require that use of CDBG funds allocated for public services be consistent with needs identified by the City in its Consolidated Plan and Annual Action Plan. It is the role of the CDC to determine which of these needs should be addressed during the planned program year and to prioritize the same by importance to the community. Last year, the CDC designated the priorities in the following order beginning with highest importance: (1) Youth & Seniors, (2) Homelessness, and (3) Special (Needs) Populations.

In order to address these priorities, in FY 2017-2018, CDBG Public Service funding was provided to the following agencies: Urbana Neighborhood Connections Center - Urbana Youth and Development Center [Support Services and Training for Low-Income Persons] and Courage Connection [Support Homeless Needs].

## Options

The CDC may determine funding priorities for public services to be funded with CDBG that are related to the following goals and priority needs referenced in the 2015-2019 Consolidated Plan:

### *Specific Goals:*

1. Provide decent affordable housing opportunities
2. Address barriers to affordable housing
3. Preserve existing affordable housing supply
4. Coordinate with the Housing Authority
5. Support services and training for low-income persons
6. Support homeless needs
7. Reduce lead exposure risk
8. Support infrastructure
9. Preserve Consortium neighborhoods.

### *Priority Needs:*

1. Affordable Housing, which is associated with providing decent affordable housing, addressing barriers to affordable housing, preserving existing affordable housing supply, coordinating with the Housing Authority, supporting services and training for low-income persons, and supporting homeless needs.
2. Homeless Prevention and Service, which is associated with supporting homeless needs.

3. Non-Homeless Special Needs, which is associated with addressing barriers to affordable housing, and supporting services and training for low-income persons.
4. Community Development Needs, which is associated with supporting services and training for low-income persons, supporting homeless needs, reducing lead exposure risk, supporting infrastructure improvements, and preserving Consortium neighborhoods.

Of the goals and priority needs listed above, Affordable Housing, Coordinate with Housing Authority, Reduce Lead Exposure Risk, Infrastructure, and Preserve Consortium Neighborhoods are addressed through other CDBG and HOME grants, as are the Emergency Solutions Grant (ESG), the Blight Reduction Program (BRP), and the Abandoned Properties Program (APP).

The goal and priority need of Affordable Housing is addressed by HOME Program activities, specifically through the Tenant Based Rental Assistance program and funding for Community Housing Development Organizations (CHDOs), such as Habitat for Humanity. Multifamily affordable housing developments such as Crystal View Townhomes and Highland Green, in which the City coordinated with the Housing Authority of Champaign County and/or Affordable Housing Developers, have been funded in part with HOME funds.

Through the City's Housing Rehabilitation programs including the Emergency Grant, Access Grant, and Senior Repair Programs (all funded with CDBG), and the Whole House Program (funded with HOME), the City ensures that the risk of lead exposure is reduced in the home and, in partnership with the City's Public Works Department, CDBG funds are used for infrastructure projects in targeted areas of the City, such as the Philo Road Sidewalk and Multi-use Pathway.

To preserve Consortium neighborhoods, the Blight Reduction Program aims to decrease preventable foreclosures and stabilize neighborhoods, and provide funding to target blighted, vacant, residential properties in specific communities for demolition, greening, and eventual reuse, repurpose and/or redevelopment. The purpose of the Abandoned Property Program is to use grant funding to assist with costs incurred by a municipality for the securing, maintenance, and demolition of abandoned residential properties. CDBG property acquisition funds are used as leverage for these programs.

The City administers the Emergency Solutions Grant Program on behalf of social service agencies that provide shelter and services to homeless individuals and families. The City also uses a portion of CDBG Public Service Funds to operate a transitional housing program for homeless families with children.

The goal and priority need of supporting services and training for low-income persons is not otherwise covered by other city grant programs. The goal and priority need of supporting homeless needs is covered by CDBG and ESG grant programs, but cuts to these programs have reduced the number of homeless individuals and families that can be served.

## **Fiscal Impacts**

The estimated \$5,000 in CDBG CSSF funding will be included in the proposed City of Urbana and Urbana HOME Consortium FY 2018-2019 AAP. These funds will be combined with City of

Urbana general funds and Cunningham Township funds for Consolidated Social Service Funding Pool grants.

### **Programmatic Impacts**

The use of these funds is in keeping with the goals and strategies outlined in the City of Urbana and Urbana HOME Consortium Consolidated Plan FY 2015-2019, by providing support for existing agencies that deliver support services to Urbana residents, both individuals and families, and by encouraging the expansion of local services to meet community needs for training and for homeless families and individuals.

### **Recommendations**

Staff recommends that the Community Development Commission choose the following options for funding priorities for FY 2018-2019: (1) Support services and training for low-income persons, and (2) Support homeless needs. These priorities are suggested because they provide for a larger range of funding possibilities and will work to address the needs that are not addressed through other programs.

### **Memorandum Prepared By:**

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Kelly H. Mierkowski, Manager  
Grants Management Division

### **Attachment:**

1. PY 2015-2019 Consolidated Plan: Goals, Strategies and Activities to Address Local Funding Priorities and Community Need

## **Goals, Strategies and Activities to Address Local Funding Priorities and Community Need**

**Goal 1:** Provide decent affordable housing opportunities for low- and moderate-income households

**Strategy:** Increase supply of affordable housing available to low and moderate income households.

**Activity:** Provide Tenant Based Rental Assistance to households with incomes at or below 60% of the area median, targeting those at or below 125% of the poverty level.

**Activity:** Support new construction for homeownership sponsored by CHDOs and other nonprofits.

**Activity:** Support new construction of affordable rental units sponsored by CHDOs and other nonprofits.

**Activity:** Support and provide guidance for for-profit developers building new affordable renter and owner units.

**Activity:** Support construction of new affordable rental units through LIHTC, in compatible areas.

**Activity:** Encourage the development of non-profit housing development organizations eligible for CHDO status.

**Strategy:** Expand homeownership opportunities for low and moderate income households.

**Activity:** Support and encourage homeownership education programs.

**Activity:** Support the Housing Authority of Champaign County's Section 8 Homeownership program.

**Activity:** Support the development of local Lease Purchase Programs.

**Activity:** Directly encourage homeownership through downpayment assistance programs such as programs funded with Private activity bond funds.

**Activity:** Develop new downpayment assistance programs for low-income buyers.

**Goal 2:** Address barriers to obtaining affordable housing

**Strategy:** Address issues faced by certain special populations, such as seniors and individuals in need of supportive service/ substance abuse treatment.

**Strategy:** Partner with other municipalities and agencies in the Consortium area to complete a housing needs study that will identify gaps in the housing stock, including an analysis of current housing availability and a projection of future housing needs.

**Strategy:** Provide assistance for affordable permanent housing for persons with targeted disabilities.

**Strategy:** Support efforts to increase accessible and visitable housing units for persons with disabilities.

**Activity:** Encourage housing developers to include visitability/accessibility measures in new construction efforts.

**Activity:** Access Grants: Provide grants for approximately 25 low-income residents over a five-year period to increase the supply of accessible and visitable housing.

**Strategy:** The Urbana Human Relations Division will promote community awareness of the Urbana Human Rights Ordinance and will provide fair housing training for landlords and tenants.

**Activity:** Education and training opportunities, which focus on eliminating barriers to affordable housing, will be encouraged.

**Activity:** Encourage the Urbana Human Relations Division, the Building Safety Division, and Persons Assuming Control of their Environment, Inc. (PACE) to join forces in an effort to acquaint developers with local codes and fair housing laws to insure that handicapped units are produced when new housing is constructed.

**Activity:** Support tenant advocacy and educational efforts by agencies such as the C-U Tenant Union.

**Activity:** Encourage landlord and community group distribution of information in multiple languages to help overcome language and/or cultural barriers.

**Activity:** The City could consider undertaking a discrimination testing program to obtain preliminary results to determine if further programs are necessary.

**Goal 3:** Preserve and improve supply of affordable housing as a community resource.

**Strategy:** Continue and expand city's repair and rehabilitation programs.

**Activity:** Senior Repair: Provide home repair service for approximately 175 very low-income elderly households over a five-year period to help maintain those households in their homes longer thus reducing demand for higher levels of sheltered care. In addition to home repair, the service would provide referrals to other home-care programs such as Meals on Wheels.

**Activity:** Emergency Grants: Provide emergency repair service for approximately 55 low-income residents over a five-year period to help maintain those households in their homes longer thus reducing demand for higher levels of sheltered care.

**Activity:** Whole House Rehabilitation: Provide loans and grants for major home improvements for low-income homeowners to approximately 25 households over the next five years.

**Activity:** GLO (if funding is available): Provide lead hazard reduction for approximately 22 single family residences over the next five years, in coordination with the Champaign-Urbana Public Health District and the Illinois Department of Public Health.

**Activity:** Purchase Rehabilitation Resale: Purchase housing that is structurally sound but in need of major code-related renovation, and rehabilitate property for sale as affordable housing to income-qualified households.

**Activity:** Acquisition-Rehabilitation: Provide funds for downpayment and rehabilitation to low-income homebuyers to purchase and rehabilitate properties that may be in need of repair.

**Activity:** Rental Rehabilitation: Provide HOME funds for rehabilitation of rental housing units to rent to households with incomes at or below 60% of the area median.

**Strategy:** Support and encourage home maintenance programs.

**Activity:** Encourage counseling and educational opportunities and resources, which teach homeownership maintenance skills.

**Goal 4:** Work with Housing Authority of Champaign County (HACC) to improve conditions for residents of public housing.

**Strategy:** Promote substantial upgrading of the living environment for residents of Urbana public housing, particularly family units.

**Activity:** Assist in developing a plan, which partners with the private sector to use private dollars to leverage HOPE VI or other Federal funds, to redevelop units and to replace demolished units with a combination of new on-site units, scattered-site units and Section 8 rent subsidies.

**Strategy:** Encourage the Housing Authority of Champaign County to increase the number of affordable housing units available to extremely low-income households. Seek additional means of subsidizing very low-income households with rental assistance.

**Strategy:** Encourage the Housing Authority of Champaign County to increase the earning potential of extremely low-income households.

**Strategy:** Strongly encourage the Housing Authority of Champaign County to rehabilitate existing units and develop new units, which would be accessible to families, which include persons with disabilities.

**Strategy:** Encourage the Housing Authority of Champaign County to follow a similar process and design as the Burch Village and Lakeside Terrace redevelopment projects for the demolition or redevelopment of any other Public Housing units.

**Goal 5:** Support community efforts to provide services and training for low- and moderate-income residents.

**Strategy:** Encourage and support appropriate area social service agencies to provide additional economic assistance for persons who pay out-of-pocket expenses for medical and psychological services, perhaps by developing a centralized process to contact pharmaceutical companies with requests for donations of medicines.

**Strategy:** Encourage appropriate area social service agencies to expand recreational, educational, and cultural opportunities and alternatives for very low-income youth and young adults

**Strategy:** Support expansion of job-training programs for low-income individuals by area social service agencies, and encourage them to conduct a review of all available programs to determine if they meet current need.

**Strategy:** Support area providers such as the Senior Services Division of Champaign County Regional Planning Commission and Family Service of Champaign County in their efforts to provide supportive services to low-income elderly persons residing in Urbana.

**Strategy:** Support efforts by local service providers to area youth to increase supportive services available to at-risk youth.

**Strategy:** Encourage existing childcare facilities to expand services to late night/overnight and weekend hours.

**Strategy:** Support development of a program(s) by area agencies to provide transitional housing services and/or foster care to teen parents of young children.

**Strategy:** Encourage current and newly created companies to hire low-income persons by providing public incentives linked directly to hiring local residents.

**Strategy:** Support agencies that provide services to victims of domestic violence

**Goal 6:** Provide Support for existing agencies delivering services to homeless individuals and families, and encourage the expansion of local services to meet community homeless needs.

**Strategy:** Support the existing network of local homeless services.

**Activity:** Continue to provide leadership and support of Continuum of Care.

**Activity:** Provide support to emergency and transitional shelters through Consolidated Social Service Pool fund allocations.

**Strategy:** Improve and expand the existing network of local homeless services.

**Activity:** Support and encourage local efforts to acquire additional grant funding.

**Activity:** Support accurate and comprehensive data management through the Homeless Management Information System (HMIS) and annual surveys.

**Activity:** Encourage and support the expansion of transitional housing for women and children.

**Activity:** Encourage development of emergency shelter services or transitional housing for homeless two-parent households with children.

**Activity:** Encourage development of transitional living facilities for adults and youth with substance abuse issues.

**Activity:** Encourage the development of a shelter facility to provide emergency services for elderly persons who are victims of domestic violence.

**Strategy:** Regularly review and evaluate the needs of the community for homeless and homeless prevention service, and encourage local agencies to match service provided to community needs.

**Activity:** Encourage and support area agencies to develop services such as Supportive Housing and Safe Havens for targeted populations such as homeless teens, teen parents, families, persons with disabilities, etc.

**Activity:** Participate in the Urbana-Champaign Continuum of Care, Council of Service Providers to the Homeless, Supportive Housing Program.

**Strategy:** Take steps to stabilize households at risk of homelessness.

**Activity:** Develop and support rental assistance programs (such as Tenant Based Rental Assistance, the No Limits Program, and Shelter Plus Care) with and without supportive services for extremely low and very low income persons.

**Activity:** Work with regional group to provide information and a support network in the case of a need for emergency relocation of residents of multifamily apartments when utilities are disconnected.

**Activity:** Support programs offering permanent housing solutions for low and extremely low income households (see Goal 1)

**Activity:** Support educational services including financial literacy, homeowner education and debt management.

**Goal 7:** Support efforts to reduce the exposure of young children to lead-based paint hazards in their homes.

**Strategy:** Coordinate public and private efforts to reduce lead poisoning hazards and protect young children

**Activity:** Encourage Private Funding

**Activity:** Expand Childhood Testing

**Activity:** Prevention Education

**Strategy:** Reduce lead-based paint hazards in residential housing, particularly homes occupied by young children

**Activity:** Lead Assessment in Housing Assistance Programs

**Activity:** Preserve and Expand Funding for Lead Hazard Reduction Activities



- Activity:** Temporary Relocation of Occupants during Lead Hazard Work
- Activity:** Lead Contractor Incentives
- Activity:** Distribution of Lead Contractor List

**Goal 8:** Support infrastructure improvements in Urbana’s Community Development Target Area

**Strategy:** The majority of CDBG funds will be targeted toward improvements in and services to the City's Community Development Target Area.

**Strategy:** 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.

**Goal 9:** Preserve and support Urbana’s neighborhoods as vibrant places to live.

**Strategy:** Identify and encourage or assist in removal of blighting and deteriorated structures from neighborhoods.

**Activity:** Perform regular surveys of City to identify deteriorated housing and accessory structures that need to be addressed either through repair or removal.

**Activity:** Using CDBG funds, clear dilapidated accessory structures such as sheds and garages from income qualified owner-occupied properties

**Strategy:** Acquire and clear deteriorated housing and vacant lots for donation to non-profit home construction programs. Acquisition and clearance efforts may be implemented in the CD Target areas and will be focused on the King Park Neighborhood in accordance with the King Park Neighborhood Plan.

**Activity:** Using HOME and/or CDBG funds to acquire vacant properties and deteriorated and/or substandard structures that will be cleared as necessary, for donation to a non-profit housing developer for the purpose of new construction of affordable housing.

The City will properly maintain such properties until transfer of ownership occurs.

**Strategy:** Explore the creation of a Neighborhood Revitalization Strategy for low-income Urbana neighborhoods.

**Strategy:** Clearly identify and document designated Brownfields and seek additional funding sources to alleviate same.

**Strategy:** Through its Neighborhood Organizations, the City will support resident involvement in neighborhood housing development projects.

**Activity:** Encourage the creation and development of local groups concerned with furthering the interests of their neighborhood. Specifically, encourage such groups to accomplish non-profit status by obtaining a 501(c)3 designation, thus making them eligible for grant funding.