

RESOLUTION NO. 8182-R44

A RESOLUTION APPROVING A 1982-83 COMMUNITY DEVELOPMENT
BLOCK GRANT PROGRAM

WHEREAS, a 1982-83 Community Development Block Grant Program has been prepared and recommended for implementation by the Urbana Community Development Commission; and

WHEREAS, the City Council desires to undertake the 1982-83 Community Development Block Grant Program as provided for in the Summary of Recommended Programs; and

WHEREAS, for efficient program planning and management and for consistency with past administrative practices City Council approval of a general 1982-83 Community Development Block Grant Program is required at this time.

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

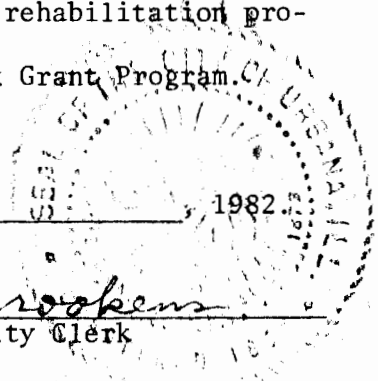
Section 1. That a 1982-83 Community Development Block Grant Program, as generally set forth in 1982-83 Community Development Block Grant Summary of Recommended Programs, a copy of which is attached hereto and incorporated by reference, is hereby approved.

Section 2. That the Director of the Community Development Division, or his designee, is hereby authorized to prepare said 1982-83 Community Development Grant Program for implementation in accordance with all applicable City, State and Federal laws and regulations.

Section 3. That the Director of the Community Development Division, or his

designee, shall present to the City Council for approval, at a later date and with the recommendations of the Community Development Commission, specific amendments to the Community Development Housing Rehabilitation Program Operational Manual (Revised) necessary or desirable to implement certain housing rehabilitation programs provided for in said 1982-83 Community Development Block Grant Program.

PASSED by the City Council this 3rd day of May, 1982.


Ruth S. Brookens
Ruth S. Brookens, City Clerk

APPROVED by the Mayor this 12th day of May, 1982.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor

1982-83 COMMUNITY DEVELOPMENT BLOCK GRANT
SUMMARY OF RECOMMENDED PROGRAMS

At its meeting of March 23, 1982, the Urbana Community Development Commission voted unanimously to recommend the following 1982-83 Community Development Block Grant Program:

1982-83 Entitlement Grant:	\$473,000.00
1981-82 Uncommitted Carryover:	\$ 72,300.00
Total to be Budgeted:	\$545,300.00

<u>PROGRAM</u>	<u>BUDGET</u>
Housing Rehabilitation	\$ 45,000.00
-- Deferred Loan Program	
Housing Rehabilitation	\$ 45,000.00
-- Rental Rehabilitation Program	
Housing Rehabilitation	\$ 5,050.00
-- Subgrantee Program	
-- CCCPC Deadbolt Lock Project	
Capital Improvements	\$109,738.00
-- Dr. Ellis Subdivision Side-walk Project	
-- In-house construction (Public Works)	
Capital Improvements	\$131,250.00
-- Fairview North Streetlight Project	
-- In-house construction (Light)	
Capital Improvements	\$ 55,000.00
-- Dr. Ellis Subdivision Street-light Project	
-- In-house construction (Light)	
Capital Improvements	\$ 3,000.00
-- Carle Clinic Area Tree Program	
-- In-house construction (Public Works-Arbor)	

<u>PROGRAM</u>	<u>BUDGET</u>
Administration	\$121,635.00
-- Program management - \$27,228	
-- Program delivery - \$94,407	
Local Option/Contingency	<u>\$ 29,627.00</u>
TOTAL	\$545,300.00

The following is a brief summary of each activity:

1. Deferred Loan Program -- \$45,000.00

Intended as a supplement to last year's leveraged loan and grant agreement with Busey. Would replace outright grants to lower income households (below 50% of median income) except for elderly. Essentially a deferred payment, no monthly payment loan secured by lien (mortgage), due and payable upon sale of property, transfer or conveyance of title.

Implementation procedure is amendment to Agreement executed last year by Busey, HUD and City, amendments to Rehabilitation Operational Manual. Would be effective July 1, 1982. Current applications would be subject to existing programs.

Two problems yet to be resolved are: (1) Should interest be charged on the loans, and if so, at what rate?; and (2) Should income limits be adjusted for this activity?

It is anticipated that all necessary changes will be brought before the City Council in June.

Anticipated accomplishments:

Total loans: 10

Total grants: 4

Future assets secured by liens: \$100,000.00

Required Council action in April: Approval of fund allocation pending specific program element approval.

2. Rental Rehabilitation Program -- \$45,000.00

Intended to generate a \$500,000.00 loan fund using interest subsidy/leveraging principles. Directed at 1 and 2 unit rental units in small, targeted neighborhoods in Census Tracts 53 and 55. Leverage of 11.11:1. Combine with Systematic Inspection Program, interest subsidies and Section 8 certificates or rental rehabilitation agreements (conditions for rents, low- or moderate-income tenants and property maintenance). Intended as a pilot or demonstration project.

Reagan proposal uses different philosophy: 50% outright grants, housing vouchers, market forces. Approaches are not compatible as proposed.

Will be several months until Reagan proposal finalized and Urbana's status for funding is known.

Anticipated accomplishments - Urbana approach:

- Inspection of small rental properties in selected areas.
- Procedures to bring all small rental properties in selected areas into minimum code compliance.
- Rehabilitation of approximately 42 units through City program.
- Rehabilitation of units without City assistance.
- \$500,000 local loan fund with market return to lending institutions.
- 4%-5% interest reduction to owners.
- Safeguards from displacement of low-income families.
- Utilization of Urbana's Section 8 certificates.

Required Council action in April: Approval of fund allocation pending future approval of specific program elements. This will be sometime after July 1, 1982, when Reagan initiative is clear.

3. Champaign County Crime Prevention Council Deadbolt Lock Project -- \$5,050.00

Only subgrantee project recommended for approval. Crime Prevention Council has successfully implemented this project in Champaign. Involves the installation of 200 deadbolt locks in 100 owner-occupied single family homes in Census Tracts 53 and 55 owned by low- or moderate-income households.

Implementation is primarily the responsibility of the Crime Prevention Council. The City provides assistance in identifying recipients and publicizing program. Implementation to begin July 1, 1982.

Only potential problem is hollow core doors--locks will not be installed in such doors. Not yet known what the incidence of hollow core doors will be.

4. Dr. Ellis Sidewalk Project -- \$109,738.00

Construction of new sidewalks in the area bounded by Beardsley, Eads, Goodwin and Romine. Also involves removal of shrubs, trees and fences obstructing the right-of-way, planting of 100 trees and installation of 165 ft. of 2 inch conduit for streetlighting. Includes 6,855 ft. of 4" sidewalk and 1,595 ft. of 6" sidewalk.

Would be constructed by Public Works at a savings of 27% below estimated contractor rate. 385 residents in project area. Construction to begin shortly after July 1, 1982, and be completed by September 30, 1982. Design to be performed by consultant; payment through 1981-82 CDBG funds.

5. Fairview North Streetlight Project -- \$131,250.00

Installation of 96 12 ft. concrete poles and luminaires, high pressure sodium, 100 watt. Includes all new fixtures, conduit and control boxes.

Project area is Fairview from Lincoln to Orchard, Busey, Linview and Coler from Fairview to Sunset and Sunset from Lincoln to Coler.

Some discussion of 30 ft. poles on Coler due to foilage and safety factors. Will be worked out in final design.

No streetlighting currently exists in this area.

Would be constructed by the Light Department at a savings of 22% below estimated contractor rate. 361 residents in project area. Construction timetable to be coordinated with proposed Dr. Ellis Subdivision Streetlight Project; both projects to be complete no later than June 1, 1983. Design to be performed by a consultant, payment from 1981-82 CDBG funds.

6. Dr. Ellis Subdivision Streetlight Project -- \$55,000.00

Installation of 56 12 ft. concrete poles and luminaires, high pressure sodium, 100 watt, including all new fixtures, conduit and control boxes.

Project area is bounded by Beardsley (but not including Beardsley) to Eads (but not including Eads) from Romine to Goodwin.

No streetlighting currently exists in this area.

Would be constructed by the Light Department at a savings of 23% below estimated contractor rate. 385 residents in project area. Construction timetable to be coordinated with proposed Dr. Ellis Subdivision Sidewalk Project and proposed Fairview North Streetlight Project; to be completed no later than June 30, 1983. Design to be performed by a consultant, payment from 1981-82 funds.

7. Carle Clinic Area Tree Program -- \$3,000.00

Planting of 45-60 trees in area generally bounded by Park, Lincoln, Fairview and Orchard. CDBG funds used for labor; trees purchased with funds provided through Carle Clinic

construction agreements.

Would be planted by Arbor Division during Fall, 1982 season. 247 residents in project area. Planting design being prepared by City Arborist.

8. Administration -- \$121,635.00

This is a reduction of 23% from the projected 1982-83 administrative budget. It includes:

- elimination of Financial Specialist position;
- decrease in Director's salary;
- employment of a part-time Property Maintenance Inspector (1,000 hours) for Rental Rehab Program;
- provision for an owner/tenant awareness project for Rental Rehab Program; and
- all Community Development Division personnel and operating expenses except rent, utilities, vehicles, telephone, postage and audit.

This represents Phase I of Community Development Division's reorganization. Additional phases to include improving delivery of clerical services, physical location reorganization and Rehabilitation Specialist position changes.

For HUD purposes, a distinction is drawn between "program management" (i.e., the cost to administer the overall CDBG program), and "program delivery" (i.e., the cost to provide specific CDBG services). HUD defines administration as program management, and restricts expenses in this category to 20% of the entitlement. Urbana's program management costs will be \$27,228.00 representing HUD administrative budget of 5.76% of the 1982-83 entitlement.

9. Local Option/Contingency -- \$29,627.00

Maximum Local Option/Contingency allocation allowable is 10% of the entitlement; this proposal represents 6.26%.

This fund is important because the funds can be utilized at the discretion of the City foreligible projects and unforeseen projects or costs.

Among the possible uses for this fund in 1982-83 are:

- Contingency for 1982-83 capital improvement projects;
- Design for 1983-84 capital improvement projects;
- Further assistance for community center project;
- 1983-84 Paint Rebate Program;
- Contingency for Rental Rehabilitation Program;
- General contingency; and
- Economic development planning.

The following are 1981-82 funds which are obligated but must still be carried over to 1982-83:

1. Subgrantee Project 81-82-03, North Urbana Concerned Citizens Development Corporation, Community Center Project (Local Option) \$20,000.00.
2. Planning support services for preparation of an Economic Development Strategy (Local Option) \$15,000.00.
3. Housing Rehabilitation Grants, \$95,000.00 (est.)

Should NUCCDC be unable to meet the special conditions of its grant award, a request for extension will be brought before the Council in June.

Expenditures relating to the preparations of an Economic Development Strategy are subject to future decisions on staffing and/or consulting arrangements.

Funds for housing rehabilitation grants are part of the two year leveraged loan agreement and thus are intended to be spent over a two year period ending on June 30, 1983.