



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Mayor Diane Wolfe Marlin and City Council Members

FROM: Lorrie Pearson, AICP, Community Development Services Director
Sheila Dodd, Manager, Grants Management Division

DATE: February 27, 2020

SUBJECT: **An Ordinance Amending the City of Urbana FY 2014 through 2018 Annual Action Plans**

Description

Attached is an Ordinance revising the FY2020 annual budget to provide for items described below. This budget amendment requires six affirmative votes, including the Mayor, in order to pass. Staff has identified a number of amendments to the City of Urbana Community Development Block Grant (CDBG) budgets referenced in the FY 2014 – 2018 Annual Action Plans (AAP). The proposed amendment has been on display and available for public review and comment at the Urbana City Clerk's office, Department of Community Development Services, and the Urbana Free Library since January 27, 2020. A final public hearing soliciting comments regarding the proposed amendment was held at the February 25, 2020, Community Development Commission regular meeting.

Issues

Any substantial changes to the City's Annual Action Plan must be approved by the Urbana City Council before submission to HUD. Staff requests that the Urbana City Council Committee of the Whole consider the proposed Amendment and forward a recommendation to the Urbana City Council.

Background

In 2015, HUD moved to a grant-based accounting process. Since that time, any unexpended funds remain in the fiscal year they were budgeted and do not roll forward to be reallocated. This amendment proposes moving those unexpended funds from FY 14 through FY 18 to increase funding to the Neighborhood Revitalization project budgeted in FY 19. The budgetary corrections will allow the City to utilize the older funding.

The Fiscal Year 2014/2015, 2015/16, 2016/17, 2017/18, and 2018/19 CDBG Grant allocation balances are from various line items. The total grant funds to be reallocated total \$250,000. The amendment was discussed at the January 28, 2020, Community Development Commission meeting with a public hearing scheduled at the February 25, 2020, meeting. The proposed amendments are necessary to reflect project funding that has occurred since the initial approval of the Annual Action Plans. The Department of Housing and Urban Development (HUD) requires that in the event significant changes to projects or programs described the Annual Action Plan occur, that the plan be

amended to reflect the changes. For ease of review, the attached “City of Urbana Proposed CDBG Amendment” indicates changes to the original budget in strikeout format.

Major changes to the CDBG portion of the Annual Action Plan are as follows:

Reprogram Funds:

CDBG \$250,000 - Community Development Block Grant FY 2014 through 2018 funds listed in the Annual Action Plan. Once the program years closed, there were unexpended balances as outlined in the attached amendment.

FY 2019-20 CDBG Neighborhood Revitalization Increase by \$250,000 – Reallocating funds for Capital Improvement Projects, Blight Reduction, and Code Enforcement projects will ensure the timeliness of spending block grant funds.

The Community Development Commission voted to send the Ordinance to City Council with a recommendation to approve.

Fiscal Impacts

The proposed amendments to the Annual Action Plans will not change the amount of funding available but only reallocate the total amount of CDBG funding. Amending the budgets will allow the City to meet its spending deadlines and not risk returning funds to HUD. The budget amendment also amends an interfund transfer to the General Fund to pay for internal financial services. Allocating CDBG funds to a capital project versus staffing costs shows a greater impact on the community.

Options

1. Recommend approval of An Ordinance Approving the City of Urbana CDBG Amendment.
2. Recommend approval of An Ordinance Approving the City of Urbana CDBG Amendment with additional changes.
3. Do not recommend approval of An Ordinance Approving the City of Urbana CDBG Amendment.

Recommendations

Staff and the Urbana Community Development Commission recommend that the Urbana City Council Committee of the Whole forward a favorable recommendation to the Urbana City Council concerning the proposed amendment to the Annual Action Plans.

Attachments:

Ordinance Approving Amendment

City of Urbana Annual Action Plan FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18, FY 2018-19, FY 2019-20 Amendment

ORDINANCE NO. 2020-03-007

**AN ORDINANCE APPROVING AMENDMENTS TO THE CITY OF URBANA
COMMUNITY DEVELOPMENT BLOCK GRANT BUDGETS IN ANNUAL ACTION
PLANS FY 2014-2015, FY 2015-2016, FY 2016-2017, FY 2017-2018 AND FY 2018-2019**

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 (hereinafter “CDBG”) and Home Investment Partnership 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 resolutions authorizing submittal to HUD of the Annual Action Plan for FY 2014-2015, Annual Action Plan for FY 2015--2016, Annual Action Plan for FY 2016-2017, Annual Action Plan for FY 2017-2018, and Annual Action Plan for FY 2018-2019 that included proposed budgets for the CDBG Program and HUD subsequently approved the said Annual Action Plans; and

WHEREAS, on January 27, 2020, the City of Urbana published on its website a notice of a 30-day public review period regarding said proposed budgetary amendments to the Annual Action Plan for FY 2014-2015, Annual Action Plan for FY 2015-2016, Annual Action Plan for FY 2016-2017, Annual Action Plan for FY 2017-2018, and Annual Action Plan for FY 2018-2019; and

WHEREAS, on February 25, 2020, the Community Development Commission of the City of Urbana 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 Annual Action Plan for FY 2014-2015, Annual Action Plan for FY 2015-2016, Annual Action Plan for FY 2016-2017, Annual Action Plan for FY 2017-2018, and Annual Action Plan for FY 2018-2019

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Urbana, Illinois, as follows:

Section 1. That the City of Urbana, hereby approves the amendments to the following City of Urbana Annual Action Plans, as such amendments are referenced in the attachment hereto, with reference to the following Annual Action Plans:

Annual Action Plan for FY 2014-2015

Annual Action Plan for FY 2015-2016
Annual Action Plan for FY 2016-2017
Annual Action Plan for FY 2017-2018
Annual Action Plan for FY 2018-2019

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 Plans, including submittal of the Annual Action Plan Amendments to the HUD Regional Field Office and provision of such additional information as may be required.

PASSED BY THE CITY COUNCIL this date day of Month, Year.

AYES:

NAYS:

ABSTENTIONS:

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this this date day of Month, Year.

Diane Wolfe Marlin, Mayor

ORDINANCE NO. 2020-03-008

AN ORDINANCE REVISING THE ANNUAL BUDGET ORDINANCE

(Budget Amendment #5 – Action Plan Amendment)

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

WHEREAS, the corporate authorities of the City heretofore did approve the annual budget ordinance of and for the City of Urbana for the fiscal year beginning July 1, 2019 and ending June 30, 2020; and

WHEREAS, the said corporate authorities find that revising the annual budget ordinance by deleting, adding to, changing, or creating sub-classes within object classes and object classes themselves is in the best interests of the residents of the City and is desirable for the welfare of the City’s government and affairs; and

WHEREAS, funds are available to effectuate the purpose of such revision; and

WHEREAS, the Budget Director may not may not make such revision under the authority so delegated to the Budget Director pursuant to 65 ILCS 5/8-2-9.6 or Urbana City Code Section 2-133.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL AND THE MAYOR, BEING THE CORPORATE AUTHORITIES OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1.

The annual budget ordinance shall be and the same is hereby revised as set forth in the exhibit appended hereto and made a part hereof as if fully set forth herein.

Section 2.

This Ordinance shall be in full force and effect from and after its passage and publication in accordance with Section 1-2-4 of the Illinois Municipal Code (65 ILCS 5/1-2-4).

This Ordinance is hereby passed by the affirmative vote, the “ayes” and “nays” being called, of two-thirds of the corporate authorities then holding office (6 of 8 votes) of the City of Urbana, Illinois, at a duly noticed and convened meeting of the said corporate authorities.

PASSED BY THE CORPORATE AUTHORITIES this __ Day of _____, 20__.

AYES:

NAYS:

ABSTENTIONS:

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this __ Day of _____, 20__.

Diane Wolfe Marlin, Mayor

Budget Amendment 2019/20 - 05 - Exhibit A

		<u>Current Budget</u>	<u>Revised Budget</u>	<u>Difference</u>	<u>Reason</u>
<u>GENERAL OPERATING FUND (100)</u>					
<u>Revenues</u>					
100-49330	TRANSFER FROM CD SPECIAL FUND	18,437	-	(18,437)	action plan amendment
<u>Total Revenues</u>		<u>36,306,116</u>	<u>36,287,679</u>	<u>(18,437)</u>	
<u>Ending Fund Balance (estimated)</u>		<u>6,416,665</u>	<u>6,398,228</u>	<u>(18,437)</u>	
<u>COMMUNITY DEVELOPMENT SPECIAL FUND (330)</u>					
<u>Expenditures</u>					
33050530-59100	TRANSFER TO GENERAL FUND	18,437	-	(18,437)	action plan amendment
<u>Total Expenditures</u>		<u>387,586</u>	<u>369,149</u>	<u>(18,437)</u>	
<u>Ending Fund Balance (estimated)</u>		<u>127,969</u>	<u>146,406</u>	<u>18,437</u>	
<u>COMMUNITY DEVELOPMENT GRAND FUND (331)</u>					
<u>Expenditures</u>					
33150531-52800	CDBG - GRANTS MISC CONTRACTUAL SERVICES	3,133	(246,867)	(250,000)	action plan amendment
33150531-53302-40605	CDBG - KINCH STREETLIGHTING	100,000	300,000	200,000	action plan amendment
33050530-53305-40123	CDBG - SIDEWALK & STREETLIGHTING IMPROVEMENTS	25,000	75,000	50,000	action plan amendment
<u>Total Expenditures</u>		<u>1,944,123</u>	<u>1,944,123</u>	<u>-</u>	
<u>Ending Fund Balance (estimated)</u>		<u>(47,597)</u>	<u>(47,597)</u>	<u>-</u>	

City of Urbana



Proposed CDBG Amendment

Annual Action Plans

FY 2014-2015

FY 2015-2016

FY 2016-2017

FY 2017-2018

FY 2018-2019

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 AMENDMENTS TO CITY OF URBANA ANNUAL ACTION PLANS

The City of Urbana proposes to amend its Community Development Block Grant (CDBG) Program budgets in the Fiscal Year (FY) 2014-15, FY 2015-16, FY 2016-17, FY 2017-18, and FY 2018-19 Annual Action Plans. A reduction in CDBG funds for various uses and transfer of carryover funds from various programs from the City of Urbana's allocation of CDBG funds are proposed to allow additional funds to be dedicated to community improvement projects in the Community Development Target Areas.

FY 2014/2015

1. Emergency Grant and Access Grant

- Emergency Grants provide repairs necessary to alleviate hazardous conditions, which pose a threat to the health and safety of a homeowner. Homeowners earning less than 50% of the Median Family Income for Champaign County are eligible for the Emergency Grant Program.
- Access Grants provide general improvements necessary to remove barriers to accessibility by persons with disabilities. The Access Grant Program is available for renters or homeowners who earn less than 80% of Median Family Income. All programs are available citywide and will be accomplished through contractual arrangements.

~~\$60,000~~ Proposed \$48,732.60 Difference \$11,267.40

FY 2015/2016

1. Emergency Grant and Access Grant

- Emergency Grants provide repairs necessary to alleviate hazardous conditions, which pose a threat to the health and safety of a homeowner. Homeowners earning less than 50% of the Median Family Income for Champaign County are eligible for the Emergency Grant Program.
- Access Grants provide general improvements necessary to remove barriers to accessibility by persons with disabilities. The Access Grant Program is available for renters or homeowners who earn less than 80% of Median Family Income. All programs are available citywide and will be accomplished through contractual arrangements.

~~\$35,000~~ Proposed \$26,292.65 Difference \$8,707.35

2. Urbana Senior Repair Service

Funds will be contributed to a citywide home maintenance repair program for very low-income homeowners 62 years old or older and for very low-income homeowners with disabilities (any age). Household income must be less than 50% of the Median Family Income as established annually by HUD.

~~\$14,000~~ Proposed \$6,000 Difference \$8,000.00

FY 2016/2017

1. Public Services

- The City of Urbana operates a transitional housing program that will utilize CDBG funding for case management for the program participants. The City of Urbana also uses a portion of its CDBG dollars to support public service grant awards for services provided to Urbana residents. At least 500 residents in targeted neighborhoods in the City will be assisted at each Neighborhood Cleanup in the Fall and Spring.

~~\$54,701.40~~ Proposed \$45,733.44 Difference \$8,967.96

2. Housing Activities

- Emergency grant, Access grant, and Senior Repair programs. The Emergency Grants program allows up to \$5,000 in repairs that risk the health and safety of household occupants, such as a furnace failing in the winter months or an actively leaking roof that needs to be patched. The Access Grant provides improvements necessary to remove barriers to accessibility to persons with disabilities. It is available for renters or homeowners who earn less than 80% of the Median Family Income. The Senior Repair program provides for home maintenance repair for elderly or persons with disabilities who are at or below 50 percent of the Median Family Income. The ultimate goal of the program is to sustain the housing and continue the occupant's ability to remain in their home.

~~\$197,459.38~~ Proposed \$132,758.83 Difference \$64,700.55

3. Planning & Administration

- Funds will be used to support the administrative activities associated with carrying out the goals and objectives of the Community Development Block Grant Program.

~~\$72,935.20~~ Proposed \$68,762.27 Difference \$4,172.93

FY 2017/2018

1. Public Services

- The City of Urbana operates a transitional housing program that will utilize CDBG funding for case management for the program participants. The City of Urbana also uses a portion of its CDBG dollars to support public service grant awards for services provided to Urbana residents. At least 500 residents in targeted neighborhoods in the City will be assisted at each Neighborhood Cleanup in the Fall and Spring.

~~\$54,303.45~~ Proposed \$28,738.52 Difference \$25,564.93

2. Housing Activities

- Emergency grant, Access grant, and Senior Repair programs. The Emergency Grants program allows up to \$5,000 in repairs that risk the health and safety of household occupants, such as a furnace failing in the winter months or an actively leaking roof that needs to be patched. The Access Grant provides improvements necessary to remove barriers to accessibility to persons with disabilities. It is available for renters or homeowners who earn less than 80% of the Median Family Income. The Senior Repair program provides for home maintenance repair for elderly or persons with disabilities who are at or below 50 percent of the Median Family Income. The ultimate goal of the program is to sustain the housing and continue the occupant's ability to remain in their home.

\$235,316 Proposed \$180,858.12 Difference \$54,457.88

3. Planning & Administration

- Funds will be used to support the administrative activities associated with carrying out the goals and objectives of the Community Development Block Grant Program.

\$72,404.60 Proposed \$55,383.96 Difference \$17,020.64

FY 2018/2019

1. Public Services

- The City of Urbana operates a transitional housing program that will utilize CDBG funding for case management for the program participants. The City of Urbana also uses a portion of its CDBG dollars to support public service grant awards for services provided to Urbana residents. At least 500 residents in targeted neighborhoods in the City will be assisted at each Neighborhood Cleanup in the Spring.

\$66,309.45 Proposed \$62,213.14 Difference \$4,096.31

2. Housing Activities

- Emergency grant, Access grant, and Senior Repair programs. The Emergency Grants program allows up to \$5,000 in repairs that risk the health and safety of household occupants, such as a furnace failing in the winter months or an actively leaking roof that needs to be patched. The Access Grant provides improvements necessary to remove barriers to accessibility to persons with disabilities. It is available for renters or homeowners who earn less than 80% of the Median Family Income. The Senior Repair

program provides for home maintenance repair for elderly or persons with disabilities who are at or below 50 percent of the Median Family Income. The ultimate goal of the program is to sustain the housing and continue the occupant's ability to remain in their home.

~~\$193,000~~ **Proposed** **\$158,944.12** **Difference** **\$34,055.88**

3. Planning & Administration

- Funds will be used to support the administrative activities associated with carrying out the goals and objectives of the Community Development Block Grant Program.

~~\$88,412.60~~ **Proposed** **\$79,424.43** **Difference** **\$8,988.17**

FY 2019/2020

Total Reallocation \$250,000

1. Neighborhood Revitalization

- Funds will be used to support neighborhood revitalization activities including capital improvement projects, code enforcement, and blight abatement projects.

~~\$157,340.95~~ **Proposed** **\$407,340.95** **Difference** **\$250,000.00**