



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Urbana Community Development Commission

FROM: John A. Schneider, MPA, Director, Community Development Services Department
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DATE: April 18, 2019

SUBJECT: **A RESOLUTION APPROVING THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2019-2020 ANNUAL ACTION PLAN**

Description

The City of Urbana, Grants Management Division, has prepared a City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) Annual Action Plan for FY 2019-2020. For many years, the Plan was to be submitted to the US Department of Housing and Urban Development (HUD) within 60 days of the notice of allocation, in order for the City of Urbana to continue to receive Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funding. More recently, HUD has not received its annual funding appropriation until several months into the federal fiscal year. Once a fiscal year's appropriation is enacted, HUD needs time to compute Grantees' allocation for the programs covered by the Consolidated Plan and Annual Action Plan.

Issues

The issue is for the Community Development Commission (CDC) to review the final proposed Annual Action Plan for FY 2019-2020 and make recommendations to staff and the Urbana City Council regarding approval.

Background & Discussion

In its Guidance for Submission, HUD suggested several options regarding the development of proposed Annual Action Plans and Citizen Participation, which is a required part of the process per HUD regulations for both CDBG and HOME (24 CFR 570 and 91). A grantee may conduct citizen participation on its draft plan with estimated funding amounts according to its normal timetable and citizen participation procedures. In addition, a grantee should include "contingency provision" language in its Annual Action Plan, which explains how it will adjust its proposed plan to match its actual allocation amounts, once the actual amounts become known by the grantee.

As part of the City's contingency plan, with regard to CDBG and HOME grants, all proposed activities' budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts. This will be done once the City is notified of its allocation prior to submission of the Annual Action Plan (AAP) to HUD for approval, as recommended by the HUD Chicago Field Office staff.

In FY 2018-2019, the HOME allocation for the Urbana Home Consortium was **\$626,655** and the CDBG allocation to the City of Urbana was **\$408,127**.

The Draft Annual Action Plan (AAP) for FY 2019-2020, which has been available for public comment since March 22, 2019, includes estimated budgets for utilizing the Urbana CDBG entitlement funds. The Draft AAP will also include amounts budgeted for the HOME Program with regard to Community Development Housing Organization (CHDO) Reserve Set-Aside and Program Administration.

Options

The options for the Community Development Commission are:

1. Forward the Resolution approving the City of Urbana and Urbana HOME Consortium Annual Action Plan for FY 2019-2020 to the Urbana City Council with a recommendation for approval.
2. Forward the Resolution approving the Annual Action Plan for FY 2019-2020 to the Urbana City Council with a recommendation for approval, with suggested changes.
3. Do not recommend the Urbana City Council approval of the Resolution.

Fiscal Impact

There are considerable fiscal impacts associated with the FY 2019-2020 Annual Action Plan. The main impact of the Annual Action Plan is that it sets priorities regarding funding availability and utilization of CDBG and HOME funding and provides an estimated budget for the expenditure of the funds. If a proposed project is not consistent with the goals and strategies of the Annual Action Plan, the project cannot be funded with CDBG or HOME funding, unless the Plan is amended to include the project. The proposed Annual Action Plan FY 2019-2020 includes potential revenues from HUD of **\$408,127** in CDBG funds to the City of Urbana, and **\$596,655** in HOME program revenue for the Urbana HOME Consortium.

Recommendation

According to HUD's Guidance on Submission, an affected grantee may delay submission of its Consolidated Plan or Annual Action Plan to HUD until 60 days after the date allocations are announced, or until August 16, 2019 (whichever comes first). This delay will give a grantee time to revise its Annual Action Plan to incorporate actual allocation amounts and to conduct any additional citizen participation, if necessary.

Therefore, staff recommends that the Community Development Commission forward the Resolution approving the City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2019-2020 to the Urbana City Council with a recommendation for approval.

The Committee of the Whole will consider the FY 2019-2020 Annual Action Plan at its meeting on May 13, 2019, with approval to be made at its May 20, 2019 City Council meeting. The City will then submit its Annual Action Plan to HUD as recommended in HUD's Guidance for Submission.

Attachment:

1. A Resolution Approving the City of Urbana and Urbana HOME Consortium FY 2019-2020 Annual Action Plan