



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor, City of Urbana

FROM: Elizabeth H. Tyler, FAICP, Director, Community Development Services

DATE: April 20, 2017

SUBJECT: A RESOLUTION AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE VILLAGE OF RANTOUL REGARDING MANAGEMENT OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

Description

Included on the agenda of the April 24, 2017 meeting of the Urbana City Council Committee of the Whole is a Resolution Authorizing the Execution of an Intergovernmental Agreement with the Village of Rantoul for the temporary management of its Community Development Block Grant (CDBG) program. The Village of Rantoul currently has no dedicated staff available to programmatically manage its CDBG program. With that in mind, Village staff contacted the City of Urbana to inquire about the possibility of contracting with the City to temporarily manage CDBG-funded projects in Rantoul for a period of approximately six to nine months. The Grants Management Division has prepared an estimate to undertake the requested services, but the estimate requires an intergovernmental agreement to be formalized.

Background

The Community Development Block Grant (CDBG) program annually allocates Federally-funded grants on a formula basis to states, cities, and counties to develop viable urban communities by providing decent housing and a suitable living environment, and by expanding economic opportunities, principally for low- and moderate-income persons. The program is authorized under Title 1 of the Housing and Community Development Act of 1974. CDBG funds are managed on the Federal level by the U.S. Department of Housing and Urban Development (HUD). The City of Urbana has participated in the CDBG program as an entitlement grantee since 1994, and has successfully used it to subsidize individual projects such as the Lanore-Adams-Fairlawn Multi-Use Path, Crystal View Townhomes, and Highland Green, as well as to help fund annual programs such as the neighborhood cleanup, senior repair program, and Consolidated Social Service Fund, among others.

The Village of Rantoul uses CDBG funds for similar annual programs, which are described below:

- Building Demolition Program: funds are used to remove blighted and dilapidated structures in low- to moderate-income neighborhoods.
- Rehabilitation Programs
 - Emergency Rehabilitation Program: a grant up to \$6,000 is provided for code-related repairs of an emergency nature which threatens the health or safety of the occupants of the home.
 - Emergency PLUS Rehabilitation Program: same as the Emergency Rehabilitation Program except that any cost exceeding \$6,000 will be placed in a 3-year forgivable mortgage on the home.
 - Full-Home Rehabilitation Program: assistance up to \$20,000 is available for major repair or renovation of homes which contain several code-related repairs or are in need of significant rehabilitation. The funds are placed in a 3-year forgivable mortgage on the home.
 - Rental Rehabilitation: this program is designed to assist in the rehabilitation of rental housing with 11 or fewer units by providing funding for rehabilitation projects. The maximum loan amount is \$8,500 per unit and must be matched by the property owner.
- Social Services: funds are provided to various social service agencies to offer programs and services to residents. Various services such as home care for senior citizens; dental care for Head-Start students; drug and alcohol abuse counseling; and GED classes have been provided in the past.

Proposed Agreement

The proposed agreement includes a required scope of services, as well as an optional scope of services. Under the required scope of services, City staff would prepare and submit the Village of Rantoul's Consolidated Annual Performance and Evaluation Report (CAPER). This activity would require City staff to become familiarized with Rantoul's context and projects, which will be billed separately as flat fee in addition to the flat fee proposed for the CAPER. Under the optional scope of services, which could be entered into upon the Village's request, City staff could also help to process applications for grant activities, prepare environmental reviews for grant-funded projects, and report project details in the HUD's Integrated Disbursement and Information System (IDIS), among other miscellaneous tasks. The optional scope of services would also cover activities related to follow up on the CAPER submission, such as providing additional information to HUD.

The proposed Intergovernmental Agreement will provide additional funding to the City of Urbana beyond the amount required to cover staff time, benefits, and some administrative costs. It will enhance the City's ability to continue its current staffing levels, including the employment of a part-time Community Development Associate. The City of Urbana will receive direct benefit from its participation in this partnership with the Village of Rantoul, and indirect benefits by helping to provide essential services to needy residents of Champaign County. In addition to helping our intergovernmental partner, the City sees the agreement as an opportunity to potentially engage Rantoul in regional grant programs such as the Urbana HOME Consortium.

The proposed Intergovernmental Agreement will require the review and acceptance by the Village of Rantoul's Board of Trustees. Any changes requested by the Board may necessitate reapproval by the City Council.

Options

1. Approve the Resolution Authorizing the Execution of an Intergovernmental Agreement with the Village of Rantoul Regarding the Management of Community Development Block Grant Funds.
2. Approve the Resolution with suggested changes.
3. Do not approve the Resolution.

Fiscal Impacts

Approval of this Intergovernmental Agreement does not commit any City financial resources to the project at this time. It would redirect available staff to work on projects and reports related to Rantoul for a maximum of nine months. The funds provided back to the City through the agreement would assist the City in sustaining its current staffing levels. Funds provided to the City of Urbana under the agreement would also indirectly benefit community activities which undertaken in the City of Urbana.

Recommendation

Staff recommends approval of the Resolution as attached. The proposed agreement will allow the Village of Rantoul to continue operating its CDBG-funded programs which benefit low- and moderate-income Rantoul residents. In return for temporarily supporting the Village of Rantoul, the City of Urbana will receive additional revenue which will benefit the larger community.

Memorandum Prepared By:



Matthew Rejc
Community Development Coordinator
Grants Management Division

Attachments:

1. A RESOLUTION AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE VILLAGE OF RANTOUL REGARDING MANAGEMENT OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS
2. Intergovernmental Agreement Between the City of Urbana and the Village of Rantoul Regarding Management of Community Development Block Grant Funds

Cc: Jeffrey A. Fiegenschuh, Village Administrator, Village of Rantoul

RESOLUTION NO. 2017-04-026R

A RESOLUTION AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT WITH THE VILLAGE OF RANTOUL REGARDING MANAGEMENT OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS

WHEREAS, City of Urbana (hereafter, the "City") is a municipal corporation, a body politic, and a home rule unit of government pursuant to Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, the Village of Rantoul (hereafter, the "Village") is a municipal corporation, a body politic, and a home rule unit of government pursuant to Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, the Parties receive separate annual allocations of Community Development Block Grant (hereafter, CDBG) funds from the U.S. Department of Housing and Urban Development; and

WHEREAS, Section 10 of Article VII of the Constitution of the State of Illinois, 1870, provides authority for local governments to contract or otherwise associate among themselves to obtain and share services and exercise, combine or transfer any power or function in any manner not prohibited by law or ordinance; and

WHEREAS, the Intergovernmental Cooperation Act (5ILCS220/1-220/9) also provides that any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform provided that such contract shall be authorized by the governing body of each party to the contract; and

WHEREAS, the Village requires temporary administrative assistance to successfully and appropriately use its allocation of CDBG funds; and

WHEREAS, the City and the Village seek to enter into an arrangement in order to meet the Village's short-term administrative needs while ensuring

that the City is appropriately repaid for the labor of and services provided by its staff; and

WHEREAS, City staff has the ability, competency, knowledge, and experience to provide assistance to the Village in connection with management of the Village's allocation of CDBG funds.

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

Section 1. That an Intergovernmental Agreement pertaining to the management of CDBG funds and activities undertaken by the Village of Rantoul, between the City of Urbana and the Village of Rantoul, in substantially the form and substance as the Exhibit attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

Section 2. That the Mayor of the City of Urbana, Illinois, be and the same is hereby authorized to execute and deliver and the City Clerk of the City of Urbana, Illinois, be and the same is authorized to attest to said execution of said Agreement as so authorized and approved for and on behalf of the City of Urbana, Illinois.

PASSED by the City Council this _____ day of _____, _____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____, _____.

Laurel Lunt Prussing, Mayor

**INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF
URBANA AND THE VILLAGE OF RANTOUL REGARDING MANAGEMENT OF
COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS**

This Intergovernmental Agreement is entered into this ____ day of _____, 2017 by and between the City of Urbana and the Village of Rantoul (collectively, the “Parties”).

WHEREAS, City of Urbana (hereafter, the “City”) is a municipal corporation, a body politic, and a home rule unit of government pursuant to Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, the Village of Rantoul (hereafter, the “Village”) is a municipal corporation, a body politic, and a home rule unit of government pursuant to Article VII, Section 6 of the Illinois Constitution of 1970; and

WHEREAS, the Parties receive separate annual allocations of Community Development Block Grant (hereafter, CDBG) funds from the U.S. Department of Housing and Urban Development; and

WHEREAS, Section 10 of Article VII of the Constitution of the State of Illinois, 1870, provides authority for local governments to contract or otherwise associate among themselves to obtain and share services and to exercise, combine or transfer any power or function in any manner not prohibited by law or ordinance; and

WHEREAS, the Intergovernmental Cooperation Act (5ILCS220/1-220/9) also provides that any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform provided that such contract shall be authorized by the governing body of each party to the contract; and

WHEREAS, the Village requires temporary administrative assistance to successfully and appropriately use its allocation of CDBG funds; and

WHEREAS, the City and the Village seek to enter into an arrangement in order to meet the Village’s short-term administrative needs while ensuring that the City is appropriately compensated for the labor of and services provided by its staff; and

WHEREAS, City staff has the ability, capacity, competency, knowledge, and experience to provide assistance to the Village in connection with management of the Village’s allocation of CDBG funds.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the City and the Village hereby agree as follows:

Section 1. CDBG Management Services. The City will provide administrative services related to grant requirements associated with the Village's receipt and use of the Village's CDBG funds pursuant to the terms and conditions as set forth herein.

Section 2. Scope, Billing and Payment. The required scope of the agreement will involve flat fees for ramp-up and familiarization of City staff with the Village's context, as well as submission of the Village of Rantoul's Consolidated Annual Performance and Evaluation Report (CAPER). The payment rates and more detailed description of activities to be undertaken for the required scope of services are detailed in Schedule A, which is attached hereto and incorporated by reference herein. The optional scope of this agreement would involve City staff working on additional CDBG-related tasks and being reimbursed in accordance with the rates established in Schedule B, which is attached hereto and incorporated by reference herein. Responses to any comments on the CAPER from the U.S. Department of Housing and Urban Development, or any other activities undertaken related to the CAPER following its submission, can be undertaken by the City under the optional scope of this agreement. If environmental review services are undertaken as part of the optional scope, then the Village will remain the Responsible Entity, as defined at 24 CFR 58.2(a)(7), for environmental reviews conducted within its jurisdiction, and its Certifying Officer, as defined at 24 CFR 58.2(a)(2), will remain in his/her role, as City staff will only prepare environmental reviews to be approved by the Village's Certifying Officer. Likewise with regards to additional CDBG-related tasks, the Village will retain its status as an entitlement community under the CDBG program, as City staff will solely perform administrative duties related to CDBG activities without taking on titles or legal responsibilities related to CDBG grant funds that are currently held by the Village. City of Urbana staff will be reimbursed based on the hourly rates presented in the table in Schedule B. If the optional scope is utilized, The Village will identify in writing for the City the administrative tasks related to the Village's CDBG program that will be undertaken by the City. On the first work day of each month that the City has provided service, the City will submit to the Village an invoice for the services rendered in connection with administering the Village's CDBG program the preceding month.

Section 3. CDBG Management Services Data. Upon request, the City will provide a detailed report of administrative services rendered to the Village. The City will provide said

report within seven (7) days of the Village's written request for such report. Said requests will be limited to one (1) per month.

Section 4. Contact Information. The primary contact for the City will be Community Development Director/City Planner Elizabeth Tyler, or her successor. The primary contact for the Village will be Village Administrator Jeffrey Fiegenschuh, or his successor.

Section 5. Default and Cure: In the event that either Party believes that the other Party has defaulted on its obligations with any term, provision or covenant contained in this Agreement, the grieving Party shall give written notice to the other Party identifying the Section of the Agreement which it believes has been breached and specifying, in reasonable detail, the nature of the breach. The Party receiving the notice shall have fourteen (14) days in which to either cure the alleged breach or provide a written response which either states that a cure may not be completed within the aforesaid fourteen (14) day period and which states the date of commencement and anticipated completion of such cure or which states why the recipient of such notice believes it did not breach this Agreement. In the event that the Parties cannot resolve the dispute, either Party may terminate this Agreement by providing written notice to the other party which advises that the Agreement shall be deemed terminated on the thirtieth (30th) day of the date of such notice of termination. Upon termination, neither party shall have any further obligation to the other. In the event of any breach, any amounts due and owing by the Village to the City for CDBG management services shall become immediately due and owing and such termination shall not constitute a waiver of the City's right to receive or collect those amounts.

Section 6. Term: This Agreement shall be effective as of the date of its execution by the last of the parties to approve it and shall remain, and continue in full force and effect for nine (9) months.

Section 7. Miscellaneous:

Indemnity: Each Party agrees to indemnify, defend and hold harmless the other Party and its officers, agents, and employees from and for any and all losses, costs, expenses, demands, claims, causes, causes of action, judgments, and liabilities sustained and/or alleged to have been sustained in connection with, as a result of, and/or arising out of the intentional, willful, wanton, or gross negligence or negligent act or omission of the other Party in connection with the performance or undertaking of any obligation provided for in this Agreement. This indemnity, duty to defend and

hold harmless covenant shall not be deemed, construed or interpreted as requiring a Party to indemnify, defend or hold harmless a Party for that Party's own intentional, willful, wanton, gross negligent, or negligent act or omission. This covenant shall survive and remain in full force and effect following the expiration and/or termination of this Agreement.

A. Notices: Any and all notices required to be given by this Agreement shall be given in the following means and any such notice shall be deemed effective as hereinafter provided:

- i. If by First Class U.S. Postal Service: Any and all notices sent by U.S. Postal Service shall be sent via First Class mail, registered or certified mail with return receipt requested. If any notice is placed in a properly addressed and stamped envelope, such notice shall be deemed effective five (5) business days after the date of placement with the U.S. Postal Service.
- ii. If by facsimile transmission: Any and all notices sent by facsimile transmission shall be deemed effective the day after the date of transmission but only if the sending fax machine provides a written acknowledgement that the transmission was properly sent to the recipient Party's facsimile telephone number and received by the recipient Party's fax machine. If any one of the immediate afore-stated conditions is not met, the notice shall be deemed ineffective.
- iii. If sent by overnight courier service: Any and all notices sent by overnight courier service shall be deemed effective the date after delivery of such notice but only if the said courier service provides or otherwise makes available a tracking of the delivery of such notice which tracking shall include the date and time when such delivery to the recipient Party was made.
- iv. If by personal service: Any and all notices which are personally served on the recipient party shall be deemed effective the day after delivery is made

but only if the person delivering any such notice executes an affidavit which states the date when such personal delivery was made.

- B. Record Keeping: The Parties agree to keep and maintain any and all records and documents created in connection with the management of CDBG funds. Such records shall be kept and maintained in accordance with the State Records Act (5 ILCS 160/1 *et seq.*).
- C. Severability: If any term or other provision of this Agreement is declared by a court or administrative agency of competent jurisdiction to be invalid, illegal or incapable of being enforced, all other conditions and provision of this Agreement shall nevertheless remain in full force and effect so long as the economic, financial, or legal substance of these transactions contemplated hereby is not affected in any manner materially adverse to either party. Notwithstanding the immediate foregoing, if in any such proceeding one Party's performance under this Agreement is declared to be unenforceable by the other Party, then this Agreement shall be deemed to automatically terminate with such termination date to be effective on the date when such declaration, finding, order, or decree is entered.
- D. Entirety of Agreement: This Agreement constitutes the entire agreement between the parties; it supersedes any prior agreement or understanding between them, oral or written, with respect to the matters addressed herein, all of which are hereby canceled.
- E. Amendment or Modification: This Agreement may not be amended or modified except by an instrument in writing signed by both Parties.
- F. Waiver: Any waiver or release by one Party of the other Party in connection with that Party's performance of any term, condition or covenant contained in this Agreement shall be deemed effective only if such waiver is contained in a writing signed by the Party granting such waiver. Any waiver, other than as provided in the immediate

aforesaid sentence, shall not be deemed, construed, or interpreted as a waiver or release of any other term, condition or covenant contained in this Agreement.

G. Execution in Counterparts: This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

H. Government Law and Jurisdiction: The laws of the State of Illinois shall apply to any construction, interpretation, enforcement, or action for breach of this Agreement. In the event that any action is filed which seeks to interpret, enforce or declare breach of this Agreement, any such action shall be filed and maintained in the Sixth Judicial Circuit of the Circuit Court, Champaign County, Illinois.

I. Representations and Warranties of Village to Execute: The Parties represent and warrant that the person executing this Agreement on the respective Party's behalf is duly authorized to do so.

IN WITNESS WHEREOF, the City of Urbana and the Village of Rantoul have caused this Agreements to be executed and delivered as of the date first set forth above and in the cover page hereof.

For the City of Urbana:

For the Village of Rantoul:

By: _____

By: _____

Title: _____

Title: _____

Attest: _____

Attest: _____

Schedule A: Proposed Scope of Services and Cost Estimate

Scope of Services

The following tasks will be undertaken as part of the required scope of this agreement:

- Ramp-up and familiarization with local context
 - Meet with local officials and/or partner agencies
 - Examine and gather relevant data
 - Study recently completed and on-going community development projects
 - Setup the Integrated Disbursement and Information System (IDIS)
 - Perform other activities necessary for completion and submission of the CAPER
- Completion of the Consolidated Annual Performance and Evaluation Report (CAPER)
 - Input required CAPER narratives and data into IDIS
 - Hold public comment period and collect responses for draft CAPER
 - Submit CAPER within IDIS by due date

Cost Estimates

Items	Estimated Costs
<p><i>Ramping-Up and Familiarization</i></p> <p>Estimated staff time requirements</p> <ul style="list-style-type: none"> • Grants Management Division Manager: 10 hours (\$53.95/hr) • Community Development Coordinator: 10 hours (\$41.20/hr) • Grants Compliance Specialist: 15 hours (\$35.02/hr) • Community Development Associate: 15 hours (\$35.02/hr) 	<p><i>\$2,002.10</i></p>
<p><i>CAPER Completion</i></p> <p>Estimated staff time requirements</p> <ul style="list-style-type: none"> • Grants Management Division Manager: 10 hours (\$53.95/hr) • Housing Rehab Coordinator: 1 hour (\$42.82/hr) • Community Development Coordinator: 37.50 hours (\$41.20/hr) • Grants Compliance Specialist: 1 hour (\$35.02/hr) 	<p><i>\$2,162.34</i></p>
Total:	\$4,164.44 flat fee

Responses to any comments from the U.S. Dept. of Housing and Urban Development, or any other activities undertaken related to the CAPER following its submission, can be undertaken by the City of Urbana under the optional scope of this agreement. City of Urbana staff will be reimbursed based on the table in Schedule B.

Schedule B: Hourly Rates for Additional Services

Position	Hourly Rate*
Grants Management Division Manager	\$53.95
Housing Rehab Coordinator	\$42.82
Community Development Coordinator	\$41.20
Grants Compliance Specialist	\$35.02
Community Development Associate	\$35.02
Grants Management Intern	\$17.51

*Hourly rates may be adjusted by up to 5% on annual basis starting July 1st