




## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

**TO:** Diane Wolfe Marlin, Mayor, City of Urbana

**FROM:** John Schneider, Manager, Community Development Services Department 

**DATE:** July 6, 2017

**SUBJECT:** **A RESOLUTION APPROVING A SUPPORTIVE HOUSING PROGRAM SUBRECIPIENT AGREEMENT WITH COURAGE CONNECTION (FY 2017-2018)**

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### **Description**

Included on the agenda of the July 10, 2017 meeting of the Urbana City Council Committee of the Whole is an agreement for the FY 2017-2018 Supportive Housing Program (SHP) – Domestic Violence Families in Transition. The proposed agreement is with Courage Connection, the agency that currently participates in the SHP Domestic Violence Families in Transition project.

### **Issues**

The issue is whether the Committee of the Whole should forward the subrecipient agreement to the Urbana City Council with a recommendation for approval.

### **Background**

The Supportive Housing Program is designed to promote the development of supportive housing and supportive services, and to promote the provision of supportive housing to homeless persons to enable them to live as independently as possible. The agency receives funds through this program to provide supportive services, such as case management services, outreach, life skills, housing placement, and transportation, to single women and families who are homeless. The organization also receives program funds for operation costs, homeless information management systems (HMIS) and administrative expenses.

In FY 1995-1996, the City of Urbana received its first SHP grant from HUD for a three (3) year funding cycle, with renewals on a yearly basis. The funds received were initially utilized by the Salvation Army, the Center for Women in Transition and A Woman's Fund. The initial grant included funds for operations, supportive services, and administration, as well as funding for acquisition and rehabilitation. All three organizations used funds to either acquire or rehab the units that they operated for transitional housing.

Since FY 1995-1996, the City has applied every year through the Notice of Funding Availability (NOFA) process and has received funding from the U.S. Department of Housing and Urban Development (HUD) for this program. On April 22, 2016, HUD issued the 2016 NOFA announcing funds were available for the City of Urbana's Supportive Housing Program.

On August 12, 2016, the City of Urbana (City) submitted an application, through the Champaign County Continuum of Care, for renewal of grant funds for the Supportive Housing Program in the amount of \$89,036. The funds were to be used to continue Courage Connection's Domestic Violence Families in Transition program, which is a cooperative effort with a local service provider and the City of Urbana to offer housing, supportive services and case management to victims of domestic violence (singles and families) in multiple dormitory style programs.

On December 20, 2016, the City received notice from HUD that the application for Supportive Housing Program funds was approved for the full amount requested. However, additional information was required before HUD would issue the grant agreement, and that information was subsequently provided. HUD then gave notice on June 6, 2017 that the grant agreement was signed by HUD, and on June 8, 2017, the City executed the grant agreement with HUD to govern expenditure of SHP renewal funds by the City and Courage Connection.

Due to recent significant cuts to the program made by HUD, City staff, Courage Connection, and HUD discussed the possibility of transfer of the administration of the program from the City to Courage Connection for improved cost-effectiveness and efficiency. HUD has agreed to this proposed change and the City and Courage Connection are working with HUD in determining the specifics of the transfer. Consequently, the SHP grant agreement is anticipated to be administered directly by Courage Connection in 2018. However, for the grant funds to be available until that time, a subrecipient agreement between the City and Courage Connection is needed.

At the June 27, 2017 regular meeting of the Community Development Commission (CDC), the CDC voted 7-1 to forward the Resolution to the Urbana City Council with a recommendation for approval. Discussion focused on whether or not the transfer of the grant to Courage Connection is desirable given the agency's financial condition. Since funding cannot be provided from HUD through the City and to Courage Connection in the immediate future without the subrecipient agreement in place, the CDC voted to recommend approval of the subrecipient agreement.

## **Fiscal Impacts**

There will be no direct fiscal impact on the City General Fund, as the funding for this program comes from HUD. The Federally-funded Supportive Housing Program budget will be identical to the amount allocated in the previous year.

As discussed during the most recent Community Development Commission regular meeting, the proposed subrecipient agreement allows the City to retain project funding even if Courage Connection is forced to close or otherwise discontinue the funded project. Section 9 of the subrecipient agreement discusses default situations and possible remedies. Specifically, if the

subrecipient is unable to continue the project, then the City can “[r]educe or recapture the grant authorized herein.” This provision allows the City to legally protect HUD funding for the project.

If the grant is transferred, it would mean that Courage Connection would receive the \$1,866 share of administrative funds currently utilized by the City for grant administration. This will not impact the Grants Management Division’s ability to maintain current staffing levels, and will assist Courage Connection by providing them with much needed administrative funds.

## **Programmatic Impacts**

City staff will continue to provide the programmatic and administrative support for the Supportive Housing Program Homeless Families in Transition Program as in previous years, until the transfer to Courage Connection is approved by HUD, and the budget amendment and transfer is completed.

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 delivering services to homeless individuals and families, and encouraging the expansion of local services to meet community homeless needs.

## **Options**

The Committee of the Whole may choose one of the following options:

1. Forward the Resolution approving the agreement with Courage Connection to the Urbana City Council with a recommendation for approval.
2. Forward the Resolution approving the agreement, with suggested changes, to the Urbana City Council with a recommendation for approval.
3. Do not make a recommendation to the Urbana City Council for approval of the agreement.

## **Recommendations**

Staff recommends that the Committee of the Whole forward the Resolution approving the Supportive Housing Program grant agreement with Courage Connection to the Urbana City Council with a recommendation for approval. At the June 27, 2017 regular meeting of the Community Development Commission, the CDC voted 7-1 to forward the Resolution to the Urbana City Council with a recommendation for approval.

Memorandum Prepared By:

*Matthew Rejc*

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**Matthew Rejc**  
Community Development Coordinator  
Grants Management Division

**Attachments:**

1. A Resolution Approving a Supportive Housing Program Subrecipient Agreement Between the City of Urbana and Courage Connection.
2. Supportive Housing Program Subrecipient Agreement Between the City of Urbana and Courage Connection (FY 2017-2018)
3. Unapproved minutes from the June 27, 2017 regular meeting of the Urbana Community Development Commission

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION APPROVING A SUPPORTIVE HOUSING PROGRAM  
SUBRECIPIENT AGREEMENT WITH COURAGE CONNECTION**

(FY 2017-2018)

WHEREAS, on August 12, 2016, the City submitted an application to the U.S. Department of Housing and Urban Development (hereinafter "HUD") for Supportive Housing Program (hereinafter "SHP") funds to continue transitional housing programs sponsored by Courage Connection, formerly The Center for Women in Transition, Champaign, Illinois, a private non-profit organization (hereinafter referred to as the "Participating Organization"); and

WHEREAS, on December 20, 2016 the City received notice that HUD had approved the City's application for SHP funds; and

WHEREAS, on June 8, 2017, the City executed a SHP Grant Agreement (Grant No. IL0037L5T031609) with HUD to govern expenditure of SHP renewal funds by the City and Participating Organization; and

WHEREAS, in its application for SHP funds the City declared its intent to provide SHP funds to the Participating Organization for their use in continuing their transitional housing programs for single women and homeless families.

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

Section 1. That an Agreement providing Supportive Housing Program funds to Courage Connection for their Homeless Services and Domestic Violence Services in the amount of \$89,036 so as to continue their transitional housing programs for single women and homeless families, in

substantially the form of the copy of said Agreement 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:

ABSTAINED:

\_\_\_\_\_  
**Charles A. Smyth, City Clerk**

**APPROVED BY THE MAYOR** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
**Diane Wolfe Marlin, Mayor**

**SUPPORTIVE HOUSING PROGRAM  
SUBRECIPIENT AGREEMENT WITH COURAGE CONNECTION**

This Subrecipient Agreement is made by and between the City of Urbana, Illinois (hereinafter the "City"), and Courage Connection (hereinafter the "Subrecipient") for Supportive Housing Program Project Number IL0037L5T031609.

WITNESSETH:

WHEREAS, on August 12, 2016, the City submitted an application to the U.S. Department of Housing and Urban Development (hereinafter "HUD") for Supportive Housing Program (hereinafter "SHP") funds to continue transitional housing programs sponsored by two private non-profit organizations: Courage Connection (formerly The Center for Women in Transition), Champaign, Illinois; (hereinafter referred to as the "Participating Organization"); and

WHEREAS, in its application for SHP funds the City declared its intent to provide SHP funds to the Participating Organization for their use in continuing their respective transitional housing programs for homeless families; and

WHEREAS, the Participating Organization have heretofore expressed their intent to assume responsibility from the City for expanding their respective transitional housing programs with SHP funds and in accordance with SHP regulations; and

WHEREAS, on December 20, 2016, the City received notice that HUD approved the City's application for SHP funds for the full amount requested; and

WHEREAS, on June 8, 2017, the City executed a SHP Grant Agreement with HUD to govern expenditure of SHP renewal funds by the City and the Participating Organization.

NOW, THEREFORE, in consideration of the matters set forth above and below, the parties agree as follows.

**Section 1. Definitions.** Whenever used in this Subrecipient Agreement:

- A. The term "Grant Agreement" means the agreement between the City and HUD executed by the City on June 8, 2017, in connection with the SHP Project No. IL0037L5T031609.
- B. The terms "grant" and "grant funds" mean the assistance provided under this Subrecipient Agreement.
- C. The term "Grant Application" means the application submission, August 12, 2016, on the basis of which a SHP renewal grant was approved by HUD, including the certifications and assurances and any information or documentation required to meet any SHP award conditions.
- D. The term "Act" shall mean Subtitle C of Title IV of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11381 *et seq.*) as amended by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act.
- E. The term "matching funds" means a cash payment for the provision of supportive services, cash payment for activities related to HMIS, and the difference between the total operating costs and the amount of the SHP operating funds.

**Section 2. Purpose of Subrecipient Agreement.** The purpose of this Subrecipient Agreement is to set forth the terms and conditions under which the City shall grant SHP funds to the Subrecipient for its transitional housing program for homeless families. This Subrecipient Agreement sets forth rights and responsibilities of both parties in connection with the Subrecipient's transitional housing program. In this Subrecipient Agreement, the Subrecipient assumes full responsibility for adherence to all applicable laws, assurances, regulations, and guidelines associated with the SHP.

**Section 3. Applicable Laws, Assurances, Regulations, Guidelines.** The financial assistance which is the subject of this Subrecipient Agreement is authorized by the Act. The Subrecipient Agreement and all activities undertaken by the Subrecipient pursuant thereto shall be governed by the Act; the Homeless Emergency Assistance and Rapid Transition to Housing: Continuum of Care Program; Interim Final Rule which was published at 24 CFR Part 578 on July 31, 2012, at FR-5476-I-01, a copy of which is attached hereto as Attachment A and made a part hereof; and the Notice of Fund Availability, published on November 22, 2013 at FR-5700-N-17. The Application is incorporated herein as part of this Subrecipient Agreement; however, in the event of a conflict between any part of the Application and any part of the Subrecipient Agreement, the Subrecipient Agreement shall control.

**Section 4. Grant Award.** Subject to the terms of the Grant Agreement and this Subrecipient Agreement, the City agrees to provide up to **\$89,036.00** in SHP renewal funds to the Subrecipient for activities identified as the responsibility of the Subrecipient in the Application. The Subrecipient agrees to use funds granted to it by the City pursuant to this Subrecipient Agreement to undertake those activities in the Application identified as the responsibility of the Subrecipient in the manner identified in the Application. The Subrecipient agrees that funds awarded it pursuant to this Subrecipient Agreement shall be used for the following purposes:

	<u>Courage Connection</u>
Acquisition/Rehabilitation:	0
New Construction:	0
Rehabilitation:	0
HMIS	0
Supportive Services:	\$ 58,000.00
Operations:	\$ 26,371.00
<u>Administration:</u>	<u>\$ 4,665.00</u>
Total Grant Award:	\$ 89,036.00

**Section 5. Matching Funds.** The Subrecipient agrees to provide funds in at least the amounts specified in the Application plus any amount necessary to comply with matching requirements of the Act in connection with activities the Subrecipient undertakes in connection with this Subrecipient Agreement. Documentation of match is required of all projects. Subrecipients are required to maintain detailed fiscal records during each year of the project to ensure adequate documentation of all expenditures related to the grant, including those paid through the use of cash match sources.

- A. Supportive Services:** SHP funds can be used to pay up to 75% of the total costs for the provision of supportive services. The Subrecipient must match the remaining 25% of the total costs with funds from other sources. All matching funds must be used for eligible service costs identified on the supportive services budget, and included in the application and/or technical submission.
- B. Operating Costs:** SHP funds can be used to pay up to 75% of the operating cost in each year of the grant term. The Subrecipient must match the remaining 25% with a cash source which can be from itself, the Federal government, State and local governments, or private contributions. Resident rents may be used to meet the cash match requirement for transitional housing provided those funds are used to cover costs associated with eligible SHP activities.



If the program match obligation is met through other means, then resident rents can be used for other program costs, and may cover activities that are not eligible under SHP. Note that resident rents are considered program income and must be accounted for and reported appropriately on annual reports.

**C. HMIS:** SHP funds can be used to pay up to 75% of the eligible costs related to the implementation and operation of an HMIS. The subrecipient must match the remaining 25% with a cash match. Cash match is actual dollar resources contributed and spent on eligible HMIS project costs by the subrecipient, and it must be actual money spent by the subrecipient.

**D. Matching.** The Subrecipient acknowledges and agrees that the City shall not be responsible for providing the Subrecipient with any funds to meet the Subrecipient's matching requirements. However, nothing herein shall prohibit the City from making funds available to the Subrecipient for transitional housing program activities in addition to funds granted to the Subrecipient pursuant to this Subrecipient Agreement.

**Section 6. Allowable Costs.** The following costs are allowable, per the Department of Housing and Urban Development (HUD), 24 CFR Part 578, Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) - Continuum of Care Program:

**A. § 578.53 Supportive Services:** Grant funds may be used to pay the eligible costs of supportive services that address the special needs of the program participants. If the supportive services are provided in a supportive service facility not contained in a housing structure, the costs of day-to-day operation of the supportive service facility, including maintenance, repair, building security, furniture, utilities, and equipment are eligible as a supportive service. Supportive Services must be necessary to assist program participants obtain and maintain housing. Recipients and subrecipients shall conduct an annual assessment of the service needs of the program participants and should adjust services accordingly.

Eligible supportive service costs include: Annual assessment of service needs, assistance with moving costs, case management, child care, educations services, employment assistance and job training, food, housing search and counseling services, legal services, life skills training, mental health services, outpatient health services, outreach services, substance abuse treatment services, transportation, utility deposits, direct provision of services including

- (i) the costs of labor or supplies, and materials incurred by the recipient or subrecipient in directly providing supportive services to program participants; and
- (ii) the salary and benefit packages of the recipient and subrecipient staff who directly deliver the services.

**B. § 578.55 Operations:** Grant funds may be used to pay the costs of the day-to-day operation of transitional housing in a single structure or individual housing units.

Eligible operational costs include: The maintenance and repair of housing; property taxes and insurance; scheduled payments to a reserve for replacement of major systems of the housing (provided that the payments must be based on the useful life of the system and expected replacement cost); building security for a structure where more than 50 percent of the units or area is paid for with grant funds; electricity, gas, and water; furniture; and equipment.

**C. § 578.57 Homeless Management Information System (HMIS):** The recipient or subrecipient may use Continuum of Care program funds to pay the costs of contributing data to the HMIS designated by the Continuum of Care.

Eligible HMIS costs include: Purchasing or leasing computer hardware; purchasing software or software licenses; purchasing or leasing equipment, including telephones, fax machines, and furniture; obtaining technical support; leasing office space; paying charges for electricity, gas, water, phone service, and high-speed data transmission necessary to operate or contribute data to the HMIS; paying salaries for operating HMIS, including: completing data entry; monitoring and reviewing data quality; completing data analysis;

Reporting to the HMIS Lead; training staff on using the HMIS; and Implementing and complying with HMIS requirements; paying costs of staff to travel to and attend HUD-sponsored and HUD-approved training on HMIS and programs authorized by Title IV of the McKinney-Vento Homeless Assistance Act; Paying staff travel costs to conduct intake; and paying participation fees charged by the HMIS Lead, as authorized by HUD, if the recipient or subrecipient is not the HMIS Lead.

- D. § 578.59 Project administrative costs:** The recipient or subrecipient may use up to 10 percent of any grant awarded under this part, excluding the amount for Continuum of Care Planning Activities and UFA costs, for the payment of project administrative costs related to the planning and execution of Continuum of Care activities. This does not include staff and overhead costs directly related to carrying out activities eligible under § 578.43 through § 578.57, because those costs are eligible as part of those activities.

Eligible administrative costs include: General management, oversight, and coordination; costs of overall program management, coordination, monitoring, and evaluation. These costs include, but are not limited to, necessary expenditures for the following:

Salaries, wages, and related costs of the recipient's staff, the staff of subrecipients, or other staff engaged in program administration. In charging costs to this category, the recipient may include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involve program administration assignments, or the pro rata share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The recipient may use only one of these methods for each fiscal year grant.

Program administration assignments include the following: Preparing program budgets and schedules, and amendments to those budgets and schedules; Developing systems for assuring compliance with program requirements; Developing agreements with subrecipients and contractors to carry out program activities; Monitoring program activities for progress and compliance with program requirements; Preparing reports and other documents directly related to the program for submission to HUD; (F) Coordinating the resolution of audit and monitoring findings; Evaluating program results against stated objectives; and Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in this section.

Travel costs incurred for monitoring of subrecipients; Administrative services performed under third-party contracts or agreements, including general legal services, accounting services, and audit services; and Other costs for goods and services required for administration of the program, including rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space.

Training on Continuum of Care requirements. Costs of providing training on Continuum of Care requirements and attending HUD sponsored; Continuum of Care trainings; Environmental review. Costs of carrying out the environmental review responsibilities under § 578.31; Sharing requirement: Recipients that are not UFAs - If the recipient is not a UFA, it must share at least 50 percent of project administrative funds with its subrecipients.

**Section 7. Payouts.** The Subgrantee understands and agrees that a request for disbursement of SHP funds pursuant to this Subrecipient Agreement shall not be made until such funds are needed to pay eligible costs related to the Project. Subgrantee understands and agrees that funding in the full amount of this Subrecipient Agreement is contingent upon the City receiving said SHP funds, and should the entitlement funds be discontinued or reduced for any reason, Subgrantee understands and agrees that funding under this Subrecipient Agreement could cease or be reduced without advance notice. The sponsor agency shall:

- A. Maintain adequate documentation to demonstrate the homeless eligibility of persons served by SHP funds;
- B. Maintain records that show the eligible supportive services costs and operating costs of the program;
- C. Use required forms to show participant eligibility, the calculation of resident rent, the policy showing savings program (if any) and the procedures for communicating said information to the participant, which must be maintained in participant file.
- D. Submit proper documentation of eligible expenses for match to the city on a regular basis.
- E. Submit timesheets and activity sheets on a monthly basis for review and approval;
- F. Submit monthly reports to the City of Urbana no later than 30 days of month end.
- G. Maintain files and records as required which relate to the overall administration of the SHP - HFIT program;
- H. Provide information for Annual Performance Report (APR) within required timeframes; and
- I. Enter participant data into the HMIS, and update all participant changes while in the program.

**Section 8. Notices.** Any notice, demand, request, or other communication that either party may desire or may be required to give to the other party hereunder shall be given in writing at the addresses set forth below by any of the following means: (a) personal service; (b) electronic communication whether by telegram, telecopier, or email, together with confirmation of transmission; or (c) first-class United States mail, postage prepaid.

TO THE CITY: Kelly H. Mierkowski, Manager, Grants Management Division  
Dept. of Community Development Services  
City of Urbana  
400 South Vine Street  
Urbana, Illinois 61801

TO THE SUBRECIPIENT: Isak Griffiths, Executive Director  
Courage Connection  
508 East Church Street  
Champaign, Illinois 61820

**Section 9. Default.** A default shall consist of any use of grant funds for a purpose other than as authorized herein, failure of the Subrecipient to provide the supportive housing in the minimum amounts and for the minimum time period in accordance with the requirements of Attachment A provisions, noncompliance with the Act or Attachment A provisions, failure to return the executed subrecipient agreement or any other material breach of the Subrecipient Agreement.

Upon due notice to the Subrecipient of the occurrence of any such default and the provision by the City of a reasonable opportunity to respond, the City may take one or more of the following actions. If it is the decision of the City to require the repayment to the City of any grant funds provided to the Subrecipient, the Subrecipient agrees to promptly pay back to the City all such funds up to the amount of grant funds provided to them by the City (hereafter called "Recapture"):

- A. Direct the Subrecipient to submit progress schedules for completing approved activities;
- B. Issue a letter of warning advising the Subrecipient of the default, establishing a date by which corrective actions must be completed and putting the Subrecipient on notice that more serious actions will be taken if the default is not corrected or is repeated;

- C. Direct the Subrecipient to establish and maintain a management plan that assigns responsibilities for carrying out remedial actions;
- D. Direct the Subrecipient to suspend, discontinue, or not incur costs for the affected activity;
- E. Reduce or recapture the grant authorized herein;
- F. Direct the Subrecipient to reimburse the City for costs inappropriately charged to the City;
- G. Other appropriate action including, but not limited to, any remedial action legally available.

No delay or omission by the City in exercising any right or remedy available to it under this Subrecipient Agreement shall impair any such right or remedy or constitute a waiver or acquiescence in any Subrecipient default.

**Section 10. Certification by Subrecipient.** The Subrecipient agrees to the following terms and conditions as outlined by HUD in the Grant Agreement:

- A. Subrecipient will maintain the confidentiality of records pertaining to any individual or family that was provided family violence prevention or treatment services through the project;
- B. The address or location of any family violence project assisted with grant funds will not be made public, except with written authorization of the person responsible for the operation of such project;
- C. Subrecipient will establish policies and practices that are consistent with, and do not restrict, the exercise of rights provided by subtitle B of title VII of the Act and other laws relating to the provision of educational and related services to individuals and families experiencing homelessness;
- D. In the case of a project that provides housing or services to families, that subrecipient will designate a staff person to be responsible for ensuring that children being served in the program are enrolled in school and connected to appropriate services in the community, including early childhood programs such as Head Start, part C of the Individuals with Disabilities Education Act, and programs authorized under subtitle B of title VII of the Act;
- E. The subrecipient, its officers, and employees are not debarred or suspended from doing business with the Federal Government;
- F. Subrecipient will provide information, such as data and reports, as required by HUD; and
- G. To comply with such other terms and conditions as HUD may have established in the applicable Notice of Funds Availability.

**Section 11. Subgrants by the Subrecipient.** The Subrecipient agrees to accept responsibility for compliance with all requirements of this Subrecipient Agreement by any entities to which the Subrecipient in turn makes grant funds available. This Subrecipient Agreement constitutes the entire agreement between the parties hereto. This Subrecipient Agreement may be amended only by a written agreement executed by the City and the Subrecipient. The effective date of this Subrecipient Agreement shall be the date of execution by the City. IN WITNESS WHEREOF, the City and the Subrecipient have respectively signed this Subrecipient Agreement and have caused their seals to be affixed hereto.

**CITY OF URBANA, ILLINOIS:**

BY: \_\_\_\_\_  
Diane Wolfe Marlin, Mayor

DATE \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Charles Smyth, City Clerk

DATE: \_\_\_\_\_

**COURAGE CONNECTIONS (SUBRECIPIENT):**

BY: \_\_\_\_\_  
Isak Griffiths, Executive Director

DATE: \_\_\_\_\_

ATTEST: \_\_\_\_\_  
Name & Title:

DATE: \_\_\_\_\_

**ATTACHMENT A:**

**24 CFR Part 578**

**Homeless Emergency Assistance and Rapid Transition to Housing:  
Continuum of Care Program; Interim Final Rule**

**July 31, 2012**



*UNAPPROVED*  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION MEETING**  
**Tuesday, June 27, 2017, City Council Chambers**  
**400 South Vine Street, Urbana, IL 61801**

**Call to Order:** Chairperson Cobb called the regular meeting to order at 7:00pm.

**Roll Call:** Kelly Mierkowski called the roll. A quorum was present.

**Commission Members Present:** Fred Cobb, Anne Heinze-Silvis, Jerry Moreland, Lauren Karplus, Abdulhakeem Salaam, Chris Diana, Karin Hodgins-Jones and Michael Braun

**Commission Members Excused/Absent:** Janice Bengtson

**Others Present:** Kelly Mierkowski, Matt Rejc and Don Ho, Community Development Services

**Approval of Minutes:** Chairperson Cobb asked for approval or corrections to the April 25, 2017 Public Hearing and regular meeting minutes. Commissioner Diana moved to approve the minutes as written and Commissioner Salaam seconded the motion. The motion carried unanimously.

**Petitions and Communications:** Chairperson Cobb asked if there was any written communication to the Commission, there were none.

**Audience Participation:** Chairperson Cobb stated that audience members could speak if they so wished, no one from the audience stepped forward to speak.

**Staff Report:** Kelly Mierkowski, Grants Management Manager, provided a brief overview of the staff report provided to the Commissioners that evening, which included HUD activities, staff activities, meetings attended, and various projects and programs.

Ms. Mierkowski then presented some awards and congratulated Commissioner Karplus and Commissioner Bengtson on their retirement from the Commission

**Old Business:** None.

**New Business:**

**A RESOLUTION APPROVING A SUPPORTIVE HOUSING PROGRAM  
SUBRECIPIENT AGREEMENT WITH COURAGE CONNECTION (FY 2017-2018)**

Mr. Rejc explained that the agreement is similar to the ones that have been brought to the Community Development Commission in past years. Grants Management Division (GMD)

usually does the agreement in an annual basis. The agreement is in line with the City's Supportive Housing Agreement that the City has with the U.S Housing Urbana and Development (HUD) wherein the City passes federal funds through the City along to Courage Connection for their domestic violence and family transitioning program. This grant is used to fund Courage Connection both of their supportive services and administrative costs for providing the services to people in need and their operations for helping to keep their shelter open. The details for the costs are listed in the agreement that was provided as part of the memo. The City first applied for this grant in 1995 and it was used for acquisition and rehabilitation for three local agencies. The only agency that currently receives this funding is Courage Connection. It has been 21 or 22 years that they have been using this grant funding. They are the only agency now and the City is looking to pass that funding to them, so they can directly receive funding from HUD. GMD is still working on that, but in the meantime GMD acts as a pass-through entity. With that in mind, the City requires a subrecipient agreement to pass the funding along. Renewal funding was applied for on August 12, 2016, the City was notified of a grant award on December 20, 2016, and HUD provided the City with a grant agreement on June 6, 2017. The funding amounting is the same as last year, roughly \$89,000. This is a critical funding source to meet goals noted in the approved Consolidated Plan. Staff recommends that the Community Development Commission to the Urbana City Council with a recommendation for approval.

Chairperson Cobb inquired about whether or not the transfer of grant funds has occurred or not. Mr. Rejc explained that the transfer has been agreed upon but the multi-year process of finalizing the transfer is currently underway. Ms. Mierkowski explained that Courage Connection and the City of Urbana had to agree to the transfer in writing and send the documents to HUD for approval. HUD has also experienced turnover with regards to homeless program management. Ms. Mierkowski also explained that an SHP budget amendment was also submitted by the City at the same time. The current CoC representative at HUD is working on it, and HUD expects to transfer the grant in 1-2 grant years.

Commissioner Karplus asked about what would happen if the grant were transferred and Courage Connection folded. Mr. Rejc explained that the State of Illinois budget crisis is impacting them severely, and Ms. Mierkowski explained that local funders along with Cunningham Township are willing to assist Courage Connection in their time of need. With regard to the SHP funds, GMD is not sure what would happen if Courage Connection folded after the grant transfer takes place. Mr. Rejc added that if Courage Connection does not use the grant funds in the approved manner, then the City would be able to recover the funds while it is administering the funds.

Commissioner Hodgins-Jones asked if the City has any recourse to maintain control over the funds if Courage Connection became insolvent. Ms. Mierkowski stated that HUD would have to answer that question.

Commissioner Braun clarified that it is possible that if Courage Connection became insolvent and did not grant the funds elsewhere, that the funding could go away. Ms. Mierkowski verified that we will need to ask HUD about the situation and added that we should ask HUD about the City's options should Courage Connection fold while acting as a subrecipient of the City.



Commissioner Diana asked why Courage Connection would want to take on the administrative burden of receiving the funds. Ms. Mierkowski answered by saying that Courage Connection already has the administrative capacity to manage this grant. Commissioner Diana also noted that resources to provide supportive housing services are diminishing, and expressed his concern that the funds leave the community if the funding is transferred to Courage Connection, and they fold. He also stated that if another agency proposed a project that required City administration, we may not be able to take them on if we transfer the grant. Ms. Mierkowski stated that transitional housing is no longer a HUD priority, and that has led to much of the reduction in resources for this program. She also said that Courage Connection has merged its two main programs due to those cuts, and that Courage Connection has been awarded funds through the City of Urbana and Cunningham Township Consolidated Social Service Funds.

Commissioner Diana wondered if the GMD should re-visit the priorities identified in City planning documents. Ms. Mierkowski stated that homeless needs are served through multiple grant fund sources, including the Emergency Solutions Grant, beyond only the SHP funds, and that not many TH programs exist in the community anymore. Commissioner Diana concluded that more information needs to be obtained before agreements are signed.

Commissioner Hodgins-Jones inquired about the efficiencies that would be gained by transferring the grant to Courage Connection. Mr. Rejc indicated that the City must commit staff time to operating this grant, and since Courage Connection has the staff in place to manage the grant, GMD staff time could be spent elsewhere. Ms. Mierkowski stated that all administrative funds would also be transferred to Courage Connection.

Commissioner Braun asked where the administrative funds are currently used. Mr. Rejc explained that the GMD receives about \$3,000 in administrative funds through the SHP grant, and although not insignificant, those funds could be made up through other grant sources and would be better used at Courage Connection. Commissioner Braun clarified that this does indeed constitute a fiscal impact, which Mr. Rejc agreed is the case. Commissioner Diana clarified that the administrative funds are grant funds and would not be considered City general funds, and also that the SHP work would not be done, thereby breaking even financially.

Commissioner Karplus expressed concern about the fate of the grant if it is transferred and Courage Connection folds. Chairperson Cobb stated that the subrecipient agreement can be made to allow for recapture of the funds if needed. Mr. Rejc clarified that recapture provisions are already included in the subrecipient agreement under Section 9.

Commissioner Diana wanted to verify that the status of the grant should it be transferred and if Courage Connection became insolvent. Mr. Rejc clarified that the City would be removed from the grant, but that City could still reapply with the Champaign County Continuum of Care as a new project if another agency requested administrative support for a supportive housing program. Ms. Mierkowski echoed that sentiment by explaining that the GMD took on a similar responsibility with regards to the Emergency Solutions Grant in 2013.

Commissioner Heinze-Silvis stated that the transfer of the grant could be considered a success story for Courage Connection, since they have built up the capacity to take on full responsibility for their grant award.

Chairperson Cobb entertained a motion to either forward the Resolution to Council with a recommendation for approval, forward the resolutions to Council with a recommendation for approval with changes, or to not forward for approval. Commissioner Braun motioned to not forward for approval of the Resolution. No one seconded the motion. Commissioner Karplus motioned for the approval to forward the Resolution to Council. Commissioner Hodgins-Jones seconded the motion; the motion carried 7-1.

**Study Session:** None.

**Adjournment:** Seeing no further business, Chairperson Cobb adjourned the meeting at 7:54p.m.

Recorded by

Don Ho  
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*Don Ho*

UNAPPROVED