



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: John A. Schneider, MPA, Community Development Manager

DATE: May 10, 2018

SUBJECT: A RESOLUTION APPROVING THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2018-2019 ANNUAL ACTION PLAN

Description

The City of Urbana, Grants Management Division, has prepared a City of Urbana and Urbana HOME Consortium Annual Action Plan for FY 2018-2019. For many years, the Annual Action Plan was to be submitted to the US Department of Housing and Urban Development (HUD) by May 15, 2018, in order for the City of Urbana to continue to receive Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) funding. However, more recently, because HUD has not received its annual funding appropriation until several months into the federal fiscal year the date for submittal was moved to later in the year. After a fiscal year's appropriation is enacted by Congress, HUD needs time to compute Grantees' allocation for the programs covered by the Consolidated Plan and Annual Action Plan.

On January 24, 2018, HUD sent guidance to all its Grantees regarding the requirements for Submission of Consolidated Plans and Annual Action Plans for Fiscal Year 2018. On May 1, HUD notified grantees that the formula allocations were released, with the deadline for the submission of the FY 2018-2019 Annual Action Plan to HUD by June 30, 2018.

Issues

The issue is whether Urbana City Council should approve the Resolution Approving the City of Urbana and Urbana HOME Consortium FY 2018-2019 Annual Action Plan.

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 recommended by the HUD Chicago Field Office staff, and as part of the City's contingency plan, all proposed activities' in both the CDBG and HOME grants budgets were be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts. When the Community Development Commission (CDC), reviewed the proposed FY2018-2019 AAP at its April 24, 2018 meeting, the proposed plan used the same amounts that were allocated in FY 2017-2018 (as was recommended by HUD) with the understanding that the amounts budgeted would be adjusted to reflect the final allocation from HUD. On May 1, 2018, the City received communication from its HUD Representative that the HOME allocation for the Urbana HOME Consortium will be **\$835,540** and the CDBG allocation to the City of Urbana will be **\$408,127**.

The Draft Annual Action Plan (AAP) for FY 2018-2019 includes the proposed budget for utilizing the Urbana CDBG entitlement funds. The Draft AAP also includes amounts budgeted for the HOME Program with regard to Community Development Housing Organization (CHDO) Reserve Set-Aside and Program Administration. A summary of the proposed budgets and recommended allocations of the CDBG and HOME funds in the FY2018/2019 Annual Action Plan is provided at the end of this memo.

In accordance with the Citizen Participation Plan outlined in the City of Urbana and Urbana HOME Consortium Consolidated Plan for FY 2015-2019, a series of neighborhood meetings and public hearings were held to gather citizen input on the proposed utilization of the City's CDBG and HOME funding.

The Annual Action Plan will include comments from public meetings/hearings that were held as follows:

NEIGHBORHOOD MEETINGS/PUBLIC HEARINGS

- Monday, January 8, 2018, 6:00 PM
Martin Luther King Jr. Elementary School Library, 1108 West Fairview, Urbana
- Tuesday, January 9, 2018, 6:00 PM
Crystal View Townhomes Clubhouse, 102 East Stebbins Dr., Urbana
- Wednesday, January 10, 2018, 6:00 PM
City of Urbana 2nd Floor Executive Conference Room/Council Chambers
400 South Vine St., Urbana
- Thursday, January 11, 2018, 6:00 PM
Champaign County Regional Planning Commission, 1776 East Washington St., Urbana

PUBLIC HEARING FOR NON-PROFIT AGENCIES & HOUSING ORGANIZATIONS

- Monday, January 8, 2018, Noon-1:00 PM
Urbana Civic Center, 108 East Water St., Urbana

Options

The options for the Urbana City Council are:

1. Approve the Resolution Approving the City of Urbana and Urbana HOME Consortium FY 2018-2019 Annual Action Plan.

2. Approve the Resolution with additional changes.
3. Do not approve the Resolution.

Fiscal Impact

There are considerable fiscal impacts associated with the FY 2018-2019 Annual Action Plan. The primary 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 Consolidated Plan, it cannot be included in an Annual Action Plan. The proposed Annual Action Plan FY 2018-2019 includes revenues from HUD of **\$408,127** (an **11%** increase) in CDBG funds, and **\$835,540** (a **24%** increase) in HOME program revenue.

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, 2018 (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. With the notification of the allocations from HUD to the City having taken place on May 1, 2018, the deadline for submission of the FY 2018-2019 Annual Action Plan to HUD is now June 30, 2018. Approving the Plan now would allow for submission ahead of the June 30, 2018 deadline and would mean staff could begin processing the Notice of Request for Release of Funds, which is required to be approved by HUD prior to releasing funds for that Plan year.

At its April 24, 2018 regular meeting, the Urbana Community Development Commission voted unanimously to recommend that the Urbana City Council approve the Annual Action Plan with changes, as recommended by HUD. Therefore, the Community Development Commission and staff recommend that the Urbana City Council approved Resolution approving the City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2018-2019.

Prepared By:

**Kelly H. Mierkowski, Manager
Grants Management Division**

Attachments:

1. A Resolution Approving the City of Urbana and Urbana HOME Consortium FY 2018-2019 Annual Action Plan
2. DRAFT City of Urbana and Urbana HOME Consortium Annual Action Plan for FY 2018-2019
3. Notice CPD-18-01: Guidance on Submitting Consolidated Plans and Annual Action Plans for Fiscal Year 2018

**PROPOSED BUDGET AND SUMMARY OF RECOMMENDATIONS FOR CDBG
AND HOME FUNDS:**

HOME PROGRAM FY 2018-2019 Proposed Budget

HOME Grant Allocation	\$835,540.00
Administration (10%)	\$83,554.00
Personnel	\$82,045.00
Other	\$1,500.00
CHDO Set-Aside (15%)	\$125,331.00
CHDO Project Applications (15%)	\$125,331.00
CONSORTIUM SPLIT	\$626,655.00
City of Champaign (54%)	\$338,393.70
County (17%)	\$106,531.35
Urbana (29%)	\$181,729.95
TOTAL Budget	\$835,540.00

CDBG PROGRAM FY 2018-2019 Proposed Budget

CDBG Federal Allocation	\$408,127.00
ADMINISTRATION (20%)	\$81,625.40
Personnel	\$81,625.40
PUBLIC SERVICE (15%)	\$61,219.05
Transitional Housing (personnel)	\$36,141.05
Transitional Housing (programming)	\$16,078.00
Neighborhood Cleanup (\$4,000 CDBG; \$20,000 Other Funding)	\$4,000.00
Consolidated Social Service Fund	\$5,000.00
AFFORDABLE HOUSING PROGRAMS	\$265,282.55
Housing-Related Program Delivery	
Program Delivery (Personnel & misc.)	\$115,000.00
Case Preparation	\$1,000.00
Housing-Related Programs	
Emergency/Access	\$60,000.00
Urbana Senior Repair	\$15,000.00
Property Acquisition/Demolition/New Construction (estimated)	\$72,282.55
TOTAL Budget	\$408,127.00

Following is a summary of recommendations regarding the utilization of the Community Development Block Grant (CDBG) and the Home Investment Partnership Act (HOME) funds:

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

For FY 2018-2019, the City of Urbana's CDBG allocation from HUD is **\$408,127**, which is roughly an **11%** increase from last year's allocation amount.

City of Urbana CDBG (FY 18-19)

Administration

\$81,620.40

Funding for administration is limited to 20% of the current CDBG allocation and 20% of program income received during the program year.

CDBG Housing Activities

\$75,000

Housing Activities include the Emergency Grant Program, which supports affordable housing by making necessary emergency repairs that keep homes habitable, as well as the Access Grant Program, which helps persons with disabilities by providing access improvements to facilitate mobility. The Senior Repair Program is also included among the CDBG Housing Activities, and provides for home maintenance repair for elderly or persons with disabilities who are at or below 50 percent of the Median Family Income.

Property Acquisition/Demolition/New Construction

\$72,282.55

Planned activities include acquisition of uninhabited and dilapidated structures for eventual demolition and redevelopment. Lots can then be transferred to a Community Housing Development Organization for redevelopment.

Public Service Funding Programs

\$61,219.05 (Total Public Service Funding)

Funding for public service programs is limited to 15% of the current CDBG allocation and 15% of any prior year program income. Programs to be funded from the Public Service Fund include the Transitional Housing Program, the Consolidated Social Service Fund, and Neighborhood Cleanup. Staff anticipates that \$5,000 will be allocated to support the Consolidated Social Service Fund, and the Neighborhood Cleanup will be funded at \$4,000, while the Transitional Housing Program will be allocated the remainder \$52,219.05.

Home Investment Partnerships Act (HOME) Program (FY 18-19)

The Urbana HOME Consortium allocation from HUD is **\$835,540** for FY 2018-2019, which is a roughly **24%** increase from last year's allocation amount. The Consortium must also contribute 25% in local match, totaling **\$187,996.50**.

Administration

\$83,554

A maximum of 10% of the FY 2018-2019 funds are anticipated to be used for personnel and administrative functions related to the HOME program.

CHDO Project
\$125,331

The HOME regulations require that a minimum of 15% of the annual allocation be utilized for CHDO projects. CHDO Project Funds or CHDO Reserve (CR) must be used for projects that produce actual housing units in which the CHDO acts as an owner, a developer, or a sponsor.

Consortium Member Projects (FY 18-19)

Following is a listing of projects that are proposed to be undertaken by members of the consortium:

City of Urbana

FY 18-19 HOME allocation: \$181,729.95

Match Required: \$45,432

City Redevelopment Programs

Funds may be allocated to programs such as Owner-Occupied Housing Rehabilitation, Down Payment Assistance, Acquisition-Rehab, Purchase-Rehab-Resale, Rental Rehab, Urbana Townhomes Redevelopment, Lot Acquisition/Demolition, and/or other programs currently under development or which may be proposed, that further the affordable housing goals and mission of the City. Programs must comply with applicable local, state and federal regulations, including but not limited to HOME regulations.

City of Champaign

FY 18-19 HOME allocation: \$338,393.70

Match Required: \$84,598

Neighborhood Revitalization Program

Funds may be allocated to new or existing programs, such as the Tenant Based Rental Assistance (TBRA), Acquisition-Rehab, Full Home Improvement Program, or Lot Acquisition programs, to promote revitalization efforts for targeted neighborhoods. The areas identified may be included in the City's Neighborhood Wellness Plan or in specific neighborhood plans (i.e. Beardsley Park, Bristol Park, Burch Village Area Redevelopment) to further goals identified in the City's plans.

Champaign County

FY 18-19 HOME allocation: \$106,531.35

Match Required: \$26,633

Tenant Based Rental Assistance Program.

Funds may be used to provide affordable housing assistance to low-income residents of the Urbana Consortium area in the City of Urbana, City of Champaign and in unincorporated Champaign County. Assisted households must have annual incomes at or below 60% of the Area Median in accordance with HOME Regulations. The participating clients follow a team-approved plan for achieving self-sufficiency and make co-payments toward rent (not to exceed 30% of the household income), based on approved self-sufficiency plans.

RESOLUTION NO. 2018-05-018R

**A RESOLUTION APPROVING THE CITY OF URBANA
AND CHAMPAIGN/URBANA/CHAMPAIGN COUNTY HOME CONSORTIUM
FY 2018-2019 ANNUAL ACTION PLAN**

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 Grant (hereinafter "CDBG") funds upon proper submittal being made to the United States Department of Housing and Urban Development (hereinafter "HUD"); and

WHEREAS, the City of Urbana has been designated lead entity for the Urbana HOME Consortium in accordance with the Cranston-Gonzalez National Affordable Housing Act of 1990, as amended, and as such is eligible to receive HOME Investment Partnerships (hereinafter "HOME") funds on behalf of the City of Urbana, City of Champaign, and Champaign County; and

WHEREAS, on January 5, 1995, HUD published a final rule in the Federal Register requiring a five-year consolidated plan and annual action plans for all HUD community planning and development formula grant programs, consolidating into a single annual submission the planning, application, and reporting aspects of the CDBG, HOME, Emergency Shelter Grants, and Housing Opportunities for Persons with AIDS Programs, and the Comprehensive Housing Affordability Strategy; and

WHEREAS, the Urbana City Council approved the *City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) FY 2015-2019 Consolidated Plan* on May 4, 2015 (Ordinance# 2015-05-047); and

WHEREAS, the Urbana Community Development Commission, assisted by Urbana Community Development Services staff, has prepared the *City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2018-2019* (hereinafter the "Annual Action Plan"); and

WHEREAS, on December 22, 2017, a notice was published on the City of Urbana website describing the Annual Action Plan, requesting public input, and announcing public hearings which were held on January 8, 2018, January 9, 2018, January 10, 2018, and January 11, 2018 regarding the Annual Action Plan; and

WHEREAS, on April 10, 2018, a notice was published on the City of Urbana website describing the Annual Action Plan; announcing a public review period beginning April 12, 2018 and ending May 11, 2018 during which members of the public are able to view a Draft Annual Action Plan and provide input; and

WHEREAS, the Community Development Commission held a public hearing on the Annual Action Plan on April 24, 2018, at the Urbana City Building, 400 South Vine Street, Urbana, Illinois; and

WHEREAS, at its April 24, 2017 meeting, the Urbana Community Development Commission recommended adoption of the Annual Action Plan by the Urbana City Council.

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

Section 1. That the *City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2018-2019*, in substantially the form as attached hereto and incorporated herein by reference, is hereby approved.

Section 2. That the Mayor is hereby designated as the authorized representative of the City of Urbana to take any action necessary in connection with said Annual Action Plan to implement the CDBG and HOME programs and to provide such additional information as may be required.

Section 3. That upon review and comment by the Urbana Community Development Commission, the Mayor is hereby designated to execute subgrantee agreements for the following programs and activities identified in said Annual Action Plan.

- Public Service Activities under the Consolidated Social Service Funding Program

Section 4. That subgrantee agreements for the following programs and activities identified in said Annual Action Plan shall be subject to review and approval by the Urbana City Council before execution by the Mayor.

- Community Housing Development Project Funds (15% CHDO Set-Aside)
- Community Housing Development Operating Funds (5% CHDO Operating Set-Aside)

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

AYES:

NAYS:

ABSTAINS:

Charles A Smyth, City Clerk

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

Diane Wolfe Marlin, Mayor



DRAFT

***CITY OF URBANA
AND
URBANA HOME CONSORTIUM***

**Annual Action Plan
FY 2018-2019**

Prepared by:
City of Urbana
Community Development Services
Grants Management Division
400 South Vine Street
Urbana, IL 61801
217.384.2447
www.urbanaininois.us

Resolution No. _____

Executive Summary

AP-05 Executive Summary - 91.200(c), 91.220(b)

1. Introduction

The Urbana HOME Consortium and the City of Urbana Annual Action Plan for FY 2018-2019 identifies activities that are planned to be implemented by the City of Urbana and the members of the Urbana HOME Consortium during the period beginning July 1, 2018 and ending June 30, 2019. This Annual Action Plan budgets the use of two federal housing entitlement funds, Community Development Block Grant (CDBG) and the HOME Investment Partnerships (HOME) Program. The Annual Action Plan for FY 2018-2019 has been developed to further strategies identified in the City of Urbana and Urbana HOME Consortium Consolidated Plan for Program Years 2015-2019.

The Annual Action Plan identifies activities that will be undertaken by the City of Urbana and the Urbana HOME Consortium during the second year of the five-year Consolidated Plan period. The CDBG portion of the Annual Action Plan identifies the planned uses of CDBG entitlement funds by the City of Urbana for FY 2018-2019. The HOME portion of the Annual Action Plan identifies uses of HOME funds by members of the Urbana HOME Consortium. The members of the Urbana HOME Consortium (a.k.a. the Champaign/ Urbana/Champaign County HOME Consortium) are the City of Urbana, the City of Champaign, and Champaign County.

The Annual Action Plan will be on file for public review and comment during the period beginning April 24, 2018 through May 24, 2018. On April 24, 2018, the City will hold a public hearing to obtain comments regarding the draft Annual Action Plan. The hearing was at 7:00 p.m. in the Council Chambers of the Urbana City Building, 400 South Vine Street, before the regular meeting of the Urbana Community Development Commission. All comments received at the hearing, as well as other written comments submitted during the public review period, will be included in the Annual Action Plan.

All proposed activities' budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts.

2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

A summary of the Consolidated Plan Objectives and Outcomes is provided below and contains Objectives (with associated Goals as listed in Appendix D of the FY 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan) and the anticipated Outcomes from implementing the strategies associated with the Consolidated Plan goals. The attached Objectives and Outcomes summary serves as the framework for an outcome-based performance measurement system for the City of Urbana and Urbana HOME Consortium to monitor its progress toward meeting goals of the FY 2015-2019 Consolidated Plan. Each project identified in this Annual Action Plan provides the applicable Objectives and Outcomes. The anticipated results are provided as "Outcome Indicators."

OBJECTIVE 1: PROVIDE A SUITABLE LIVING ENVIRONMENT

GOAL 6: Provide Support for existing agencies delivering services to homeless individuals and families and encourage expansion of local services to meet community homeless needs.

GOAL 7: Support efforts to reduce the exposure of young children to lead-based paint hazards in their homes

GOAL 8: Support infrastructure improvements in Urbana's Community Development Target Area

GOAL 9: Preserve and support Urbana's neighborhoods as vibrant places to live.

Outcome: Accessibility for the purpose of creating suitable living environments

Strategies	Create a Suitable Living Environment by providing better access to health care in the community for low-income residents. (<i>Consolidated Social Service Funding Projects</i>)
	Create a Suitable Living Environment for owner-occupied households with incomes at or below 80% of the area median by improving infrastructure in the targeted neighborhood. (<i>Projects including Neighborhood Sidewalks & Streetlights, and Kerr Subdivision Project Infrastructure</i>)
	Create a Suitable Living Environment by improving the appearance of the targeted areas by reducing blight. (<i>Neighborhood Cleanup</i>)

Outcome: Sustainability for the purpose of creating suitable living environments

Strategies	Create Suitable Living Environment by addressing conditions that are a threat to the health and safety of homeowners and/or provide lead safe housing and making housing accessible to persons with disabilities. (<i>Emergency Grant and Access Grant</i>)
	Create Suitable Living Environment by addressing conditions that are a threat to the health and safety of homeowners and/or provide lead safe housing and housing accessible to persons with disabilities. All recipients of assistance must have household incomes at or below 50% of the area median. (<i>Senior Repair Service</i>)
	Create Suitable Living Environment by providing assistance to property owners in the target area having household incomes at or below 80% Median Family Income (MFI) by removing dilapidated structures from owner-occupied property. (<i>Clearance of Slum & Blighted Conditions</i>)

Outcome: Sustainability for the purpose of creating suitable living environments

Strategy	Create a Suitable Living Environment by providing better access to social services in the community for low-income residents. (<i>Consolidated Social Service Funding Projects</i>)
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Outcome: Affordability for the purpose of creating suitable living environments

Strategy	Create a Suitable Living Environment by providing support to the existing network of local homeless services. (<i>Urbana-Champaign Continuum of Care, Council of Service Providers to the Homeless, and the Emergency Relocation Task Force</i>)
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OBJECTIVE 2: PROVIDE DECENT HOUSING

GOAL 1: Provide decent affordable housing opportunities for low- and moderate-income households.

GOAL 2: Address barriers to obtaining affordable housing

GOAL 3: Preserve and improve supply of affordable housing as a community resource.

GOAL 4: Work with Housing Authority of Champaign County (HACC) to improve conditions for residents of public housing.

Outcome: Affordability for the purpose of providing decent affordable housing

Strategies	Provide Decent Housing by increasing capacity of Community Housing Development Organizations (CHDOs) to identify and implement programs that will provide affordable housing opportunities to recipients at or below 60% of area median income for rental and at or below 80% of the area median for homeownership). (<i>CHDO Home ownership/Rental programs</i>)
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	Provide Decent Housing by creating or maintaining affordable housing opportunities for households with incomes at or below 80% of the area median. (<i>Property Acquisition</i>)
	Provide Decent Housing by providing an opportunity for households with incomes at or below 80% of the area median to become homeowners. (<i>CHDO affordable housing projects</i>)
	Provide Decent Housing by constructing new mixed-income housing tax credit development that would include at least thirty units for residents whose household incomes are at or below 60% Median Family Income (MFI). (<i>Redevelop of Urbana Townhomes & Aspen Court</i>)
	Provide Decent Housing by providing tenant-based rental assistance to households with incomes at or below 60% of the area median, targeting those at or below 125% of the poverty line. (<i>Tenant Based Rental Assistance</i>)
	Provide Decent Housing by developing new down payment assistance programs for low-income buyers. (<i>HOME Consortium – Acquisition Rehab; Urbana Dream Down Payment Assistance Program</i>)

Outcome: Accessibility for the purpose of providing decent affordable housing.

Strategies	Provide Decent Housing by providing access to services and counseling for homeless families with children to assist with transition into more permanent housing. (<i>Urbana Transitional Housing Program for Homeless Families with Children; Supportive Housing Program for Homeless Families in Transition</i>)
	Provide Decent Housing by identifying programs that will provide affordable housing opportunities to income qualified recipients (at or below 60% of area median for rental and at or below 80% of the area median for homeownership). (<i>City Redevelopment Programs</i>)
	Provide Decent Housing by addressing conditions that are a result of deferred maintenance through rehabilitation of homes of recipients from three income categories, at or below 30% MFI, 31-50% MFI and 51-80% MFI. Program is intended to improve the quality of the housing stock by bringing units into compliance with applicable code requirements, eliminating lead based paint hazards, and improving exterior appearance. (<i>Whole House Rehabilitation Program</i>)

OBJECTIVE 3: Expand Economic Opportunities

GOAL 5: Support community efforts to provide services and training for low- and moderate-income residents.

GOAL 6: Provide Support for existing agencies delivering services to homeless individuals and families/encourage the expansion of local services to meet community homeless needs.

Outcome: Accessibility for the purpose of creating economic opportunities

Strategies	Support expansion of job-training programs for low-income individuals by area social service agencies, and encourage them to conduct a review of all available programs to determine if they meet current need. (<i>Consolidated Social Service Funding Projects</i>)
	Encourage appropriate area social service agencies to expand recreational, educational, and cultural opportunities and alternatives for very low-income youth and young adults. (<i>Consolidated Social Service Funding Projects</i>)
	Support area providers such as the Senior Services Division of Champaign County Regional Planning Commission and Family Service of Champaign County in their efforts to provide supportive services to low-income elderly persons residing in Urbana. (<i>Consolidated Social Service Funding Projects</i>)

3. Evaluation of past performance

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

Based on input received during public hearings, Community Development Commission meetings and City Council meetings, funds should be set aside for future public facilities and infrastructure projects, as this will help to provide a more suitable and safe living environment. The set aside for infrastructure reconstruction and installation projects in this Annual Action Plan will also address suitable and safe living environment objectives. The demand for assistance through the Emergency, Access, and Senior Repair Programs fluctuates year-to-year. Increasing utility and maintenance costs as well as other rising housing costs place a burden on the lower income households.

The City maintains a waiting list for Whole House Rehabilitation participants for which the demand remains high, due to limited funding availability. Owner-occupied housing rehabilitation programs have a positive impact for participants and help stabilize properties. Programs addressing neighborhood conditions are continuing to become more successful at improving the overall appearance of the target neighborhoods. City of Urbana staff annually conducts a survey in targeted neighborhoods to identify blighted secondary structures and vacant, deteriorated buildings that need to be repaired or demolished. As part of this program, during FY 2018-2019, staff will continue to work with owners to encourage mitigation of the blighted conditions. Property owners are also informed of the availability of City of Urbana programs for income-qualified owner-occupants that will offset the cost of abatement. Residents are informed about services through public notices and information posted on the City website at www.urbanaininois.us, in the local newspaper, and on the public access television channel (UPTV). The City's Emergency Grant and Senior Repair Service Programs provide much-needed funds that mitigate the immediate and deferred maintenance issues for those who otherwise would not be able to afford such repairs. The Access Grant Program is intended to help remove barriers to accessibility for persons with disabilities. It is available for renters or homeowners who earn less than 80% of Median Family Income to make necessary improvements. Both programs are essential elements needed to help stabilize targeted neighborhoods.

4. Summary of Citizen Participation Process and consultation process

Summary from citizen participation section of plan.

The Annual Action Plan was developed by the City of Urbana in accordance with its Citizen Participation Plan included as part of the 2015-2019 Consolidated Plan process. The Urbana Community Development Commission sponsored public hearings to obtain input prior to and during plan preparation. In order to encourage public participation by the broadest audience possible, the City held public hearings, and solicited citizen input at various times and locations throughout the City. See attached table.

5. Summary of public comments

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

Comments received in January – April 2018 regarding the Annual Action Plan will be included in the final Annual Action Plan. Meeting minutes and attendance sheets are also included and attached to this Action Plan. In order to broaden public participation in the Annual Action Plan process, the City provided notice of neighborhood meetings and public hearings as follows: (1) Provided public notice on the City Website www.urbanaininois.us and UPTV, (2) Emailed public notice to social service agencies, media, and concerned citizens, and (3) Posted 14-day public notice on each site where public hearing was to be held.

6. Summary of comments or views not accepted and the reasons for not accepting them

Not applicable

7. Summary

The Annual Action Plan reflects the coordinated efforts of the Urbana HOME Consortium and its citizens, as well as the expansive network of housing and human service providers in Champaign County. Through strategies documented in this plan, the effectiveness and impact of federal funds will be maximized through thoughtful investment of resources, reduced duplication of services, and improved service delivery. The goals and objectives identified in this plan aim to improve the quality of life in Champaign County, particularly for low-income, homeless, elderly, and/or special needs individuals and families. PR-05 Lead & Responsible Agencies - 91.200(b)

1. Agency/entity responsible for preparing/administering the Consolidated Plan

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role	Name	Department/Agency
CDBG Administrator	URBANA	Community Development/Grants Management Division
HOME Administrator	URBANA	Community Development/Grants Management Division

Table 1 – Responsible Agencies

Narrative

The City of Urbana, through the Grants Management Division of its Community Development Services Department, acts as the lead agency for the Urbana HOME Consortium. As such, Urbana staff took the lead role in developing the *City of Urbana and Urbana HOME Consortium Consolidated Plan for Program Years 2015-2019*, especially as it relates to policies, procedures, programs and activities, and other issues specifically involving the City. However, overall development of the Consolidated Plan was a cooperative effort involving the City of Urbana, the City of Champaign, and the Champaign County Regional Planning Commission (representing the unincorporated areas of Champaign County). These regions are geographically contiguous and the areas of responsibility of the entities tend to overlap. These factors have contributed to an open and cooperative relationship among the municipalities which extends to both staff and elected officials. This cooperation is

essential in assessing and attending to the needs of the greater community, and is the foundation for the Consortium's successes. The Grants Management Division also administers the Community Development Block Grant (CDBG), on behalf of the City of Urbana.

Consolidated Plan Public Contact Information

Copies of proposed and approved Consolidated Plans/Annual Action Plans, Performance Reports, and substantial amendments to the plan are available for public review on the City of Urbana website at www.urbanaininois.us and at the following locations:

- City of Urbana, 400 South Vine Street, Urbana - Grants Management Division & City Clerk's Office
- Urbana Free Library, 210 West Green Street, Urbana
- Champaign County Regional Planning Commission, 1776 E. Washington Street, Urbana

The City of Champaign is responsible to make the Plans and Reports available at the following locations:

- Champaign Public Library, 200 West Green Street, Champaign
- City of Champaign, 102 N. Neil Street, Champaign, Neighborhood Services Department Information Desk

Questions or comments regarding the Community Development Program should be addressed to Kelly H. Mierkowski, Manager, Grants Management Division, 400 South Vine Street, Urbana, Illinois 61801 or khmierkowski@urbanaininois.us.

AP-10 Consultation - 91.100, 91.200(b), 91.215(l)

1. Introduction

The Consortium regularly participates in a number of meetings of community organizations, cooperatives, etc. occurring on a monthly, quarterly, or other regular basis, in order to develop and maintain partnerships with other community organizations. These meetings provide continual feedback on the needs and trends in the community, as well as opportunities for the Consortium to disseminate information about the programs and services it provides. Staff members of the Consortium entities often serve on committees and sub-committees, taking a very active and visible role in the community. In addition to the municipalities, a number of public and private entities play key roles in the health of the community. The Consortium makes every effort to include these organizations in the planning and implementation of the Annual Action Plan. Input from the public was also sought through public hearings and neighborhood meetings throughout the City of Urbana in targeted neighborhoods.

Provide a concise summary of the jurisdiction's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(l)).

The Housing Authority continues to inform local jurisdictions of major housing opportunities and is currently collaborating on major redevelopments in Champaign (Bristol Place) and Urbana (Aspen Court/Urbana Townhomes and Highland Green/Kerr Avenue). The Housing Authority also has several new developments being designed in the county. The consultation confirmed the need for additional rental housing opportunities for low income households. The Urbana HOME Consortium coordinates with the Mental Health Board and other local funders during the drafting FY 2018/19 Annual Action Plan. The staff in coordination with other funding groups will continue to discuss and monitor ongoing needs for persons with mental health and other needs, particularly low-income persons and youth. Staff from local government and the Mental Health Board currently serve together on the United Way of Champaign County's Community Impact Committee and are serving together on the local Continuum of Care's monitoring subcommittee.

Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.

The Urbana HOME Consortium members (Lisa Benson, Kelly Mierkowski, and Kerri Spear) have all served as past chairs for the Continuum of Care and/or Council of Service Providers to the Homeless. All three participating jurisdictions/subrecipients to the HOME Consortium continue to serve on the Continuum of Care and Council of Service Providers to the Homeless. The City of Urbana through its Consolidated Social Service Funding process and the administration of the Emergency Solutions Grant, funds many agencies in the community that work with homeless populations, including Courage Connections, Community Elements, Crisis Nursery, Daily Bread Soup Kitchen, and Champaign County Regional Planning Commission.

Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS

The Champaign County Continuum of Care receives funding allocation amounts from the State of Illinois that are then made available to agencies. The CoC reviews the past performance of agencies who have received the funding, in order to determine how to allocate ESG funds in the community. The CoC is currently developing performance standards and the evaluation of outcomes for members who receive funding. The HMIS system is administered by the Champaign County Regional Planning Commission under agreement with the CoC. HMIS staff assigns access and provides initial training for authorized users, maintains oversight and continuing training updates for quality of data entry, collects HMIS data for HUD HDX and other grant reports, and supports CoC planning efforts requiring data about clients served. At this time, most data is entered by a single user from hard copy documents collected at agency intake and data is shared among agencies only in aggregated formats to preserve confidentiality of households.

2. Agencies, groups, organizations and others who participated in the process and consultations

See table on following page.

Table 2 – Agencies, groups, organizations who participated

Name	Title	Agency
Lisa Benson	Community Services Director	CCRPC
Sheila Dodd	Executive Director	Habitat for Humanity of Champaign County
Janel Gomez	Acting Manager of the Neighborhood Programs Division	City of Champaign
Jeremy Overmann	Real Life Singles	Urbana, IL

Identify any Agency Types not consulted and provide rationale for not consulting

Not applicable

Other local/regional/state/federal planning efforts considered when preparing the Plan

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	CCRPC, GCAP	The CoC Strategic Plan overlaps with regarding to housing, i.e. by PROVIDING A COMPREHENSIVE CONTINUUM OF HOUSING SERVICES, Increase affordable housing

Table 3 – Other local / regional / federal planning efforts

Narrative

NA

AP-12 Participation - 91.401, 91.105, 91.200(c)

**1. Summary of citizen participation process/Efforts made to broaden citizen participation
Summarize citizen participation process and how it impacted goal-setting**

The schedule for the FY 1718 Annual Action Plan Process was made available to the public on the City website. Future focus groups, public hearings, and open houses were also posted on the City of Urbana website calendar for public review. In January 2017 the City of Urbana and the Urbana HOME Consortium hosted a public hearing/open house event in each of the four census tracts within the City of Urbana Community Development Target Area. The hearings were designed to obtain resident input regarding community development and housing needs, and were announce on the City website. In addition, the City of Urbana also hosted a public hearing on the AAP at a regular Community Development Commission meeting to obtain preliminary comments from the Commission and public before a draft was underway, which was held in March 2017. A thirty-day comment period was held from March 27, 2017 to April 25, 2017.

Citizen Participation Outreach

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Minorities low mod income households	no response or attendance	no comments received	not applicable	na
2	Public Hearing	low mod income households	Members of several social service agencies and a unit of general government based in Champaign County were in attendance		not applicable	na

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/ attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Hearing	Non-targeted/broad community low mod income households	Members of several social service agencies and units of general government based in Champaign County were in attendance.		not applicable	www.urbanainninois.us
4	Public Meeting	Minorities social service agencies			Not applicable	
5	Public Meeting	Minorities low mod income households			Not applicable	

Table 4 – Citizen Participation Outreach

Expected Resources

AP-15 Expected Resources - 91.420(b), 91.220(c)(1,2)

Introduction

It is estimated that the Urbana HOME Consortium will receive an allocation of \$641,206 in HOME funds, to be distributed amongst the Consortium Members based on the population share of the Consortium-wide area. It is also estimated that the City of Urbana will receive an allocation of \$364,676 in Community Development Block Grant (CDBG) funds. However, all proposed activities budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts. Program Income was received in FY 1718 under the HOME Program for mortgage repayments from the Urbana Dream Down Payment Assistance Program and the Whole House Rehabilitation Program.

Anticipated Resources

See table on following page

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	364,676	0	0	364,676	1,458,704	Acquisition: Funds will be allocated for the purchase and maintenance of properties and structures primarily in CT 53/54/55/56 Block Group 1. Admin/Planning: Admin Activities include personnel/HOME Admin costs/other admin expenses. ED: No plans to use CDBG funding for ED purposes. Housing: Emergency/Access Grants/Senior Repair Grants. Public Improvements: installation of infrastructure for affordable housing developments, the construction/reconstruction of City infrastructure in the City Target areas, or construction/reconstruction of streetlights in target area neighborhoods. Public Service: transitional housing program/one-day, neighborhood cleanup activities held in Fall 2017 and/or Spring 2018, in the CD Target Area/balance of available funding at 15% of the current entitlement will be allocated for program activities yet to be determined which would benefit low-income residents of the CD Target Area.

HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	641,206	33,319	0	674,525	2,551,088	<p>Acquisition, Homebuyer assistance, Homeowner rehab, Multifamily rental new construction, multifamily rental rehab, new construction for ownership, and TBRA: Funds, including carryover funds, may be allocated by the City of Urbana to programs such as DPA, Acq-Rehab, Purchase-Rehab-Resale, Rental Rehab, Kerr Ave Sustainable Development, Lot Acq/Demon, and/or other programs currently under development or may be proposed that further the affordable housing goals and mission of the City, Council, and Grants Management Division. Funds may be allocated by the City of Champaign to new or existing programs, such as TBRA, the Acq-Rehab, FHIP, or Lot Acq programs, to promote revitalization efforts of targeted neighborhoods. Funds may be allocated by Champaign County to TBRA or to provide rehab assistance to both investor-owned properties as well as single-family owner-occupied projects. Admin/Planning: Funds will be contributed to personnel costs as well as supplies and other expenses</p>
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Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied

These federal funds will assist to leverage a variety of private, state and local funds. The City of Urbana and Cunningham Township have historically invested general funds into public service activities, funded with CDBG. Other funds that the City of Urbana uses to meet match obligations include grant funds from the Attorney General and allocations from the City's Capital Improvement Plan. All Consortium members continue to seek grant opportunities from the State of Illinois that further the goals outlined in the Consolidated Plan. The City of Champaign used its CDBG funding to leverage a Section 108 Loan from HUD for the redevelopment of Bristol Neighborhood. Several tax credit developments are anticipated in the AAP period, including the redevelopment of Aspen Court and former Urbana Townhomes site, as well as the Kerr Avenue Sustainable Development (Highland Green).

Habitat secured an Attorney General grant in the amount of \$2M for redevelopment activities that will be matched with HOME CHDO funding and donation of vacant/blighted properties (2-3 per year). That grant will be matched to meet future obligations with HOME CHDO funding for HOME projects or for projects that will be conditioned with HOME funding. The City of Urbana also received funding through the Blight Reduction Program/Abandoned Properties Program from IHDA to be used to demo abandoned/blighted properties. Re the match requirement for the HOME program, the Consortium has utilized a variety of leveraging sources to fulfil this obligation. The City of Urbana contributes cash match towards its HOME projects, and the City of Champaign has historically used a combination of cash match and forbearance of customary fees for large developments. Land donations for larger developments will contribute to the program in the coming year, as well as sweat equity and cash contributions provided by the volunteers of Habitat for Humanity of Champaign County will exceed the anticipated match requirement in the coming five years. Match credit is also available from previous housing development projects, for those entities who are unable to provide any match.

If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan

Not applicable.

Discussion

Not applicable.

Annual Goals and Objectives

AP-20 Annual Goals and Objectives - 91.420, 91.220(c)(3)&(e)

Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Provide decent affordable housing opportunities	2015	2019	Affordable Housing	Community Development Target Area	Affordable Housing	HOME: \$255,088	Homeowner Housing Added: 5 Household Housing Unit Homeowner Housing Rehabilitated: 3 Household Housing Unit Direct Financial Assistance to Homebuyers: 10 Households Assisted Tenant-based rental assistance / Rapid Rehousing: 24 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Address Barriers to Affordable Housing	2015	2019	Affordable Housing Non-Housing Community Development	Community Development Target Area Beardsley Park Neighborhood Improvement Plan Area Garden Hills United Neighborhood Association Action Plan City of Urbana City of Champaign Urbana Consortium-wide Area Bristol Park Neighborhood Plan Area	Community Development Needs	HOME: \$680,000	Direct Financial Assistance to Homebuyers: 15 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
3	Preserve Existing Affordable Housing Supply	2015	2019	Affordable Housing	Community Development Target Area Beardsley Park Neighborhood Improvement Plan Area Garden Hills United Neighborhood Association Action Plan City of Urbana City of Champaign Urbana Consortium-wide Area Bristol Park Neighborhood Plan Area	Affordable Housing	CDBG: \$475,000 HOME: \$244,065	Homeowner Housing Rehabilitated: 6 Household Housing Unit

Table 2 – Goals Summary

Goal Descriptions

See table on following page.

1	Goal Name	Provide decent affordable housing opportunities
	Goal Description	Increase supply of affordable housing available to low and moderate income households, by providing Tenant Based Rental Assistance to households with incomes at or below 60% of the area median, targeting those at or below 125% of the poverty level, support new construction for homeownership sponsored by CHDOs and other nonprofits, support new construction of affordable rental units sponsored by CHDOs and other nonprofits, support and provide guidance for for-profit developers building new affordable renter and owner units, support construction of new affordable rental units through LIHTC, in compatible areas, encourage the development of non-profit housing development organizations eligible for CHDO status. Expand homeownership opportunities for low and moderate income households, by providing support and encourage homeownership education programs, support the Housing Authority of Champaign County's Section 8 Homeownership program, support the development of local Lease Purchase Programs, directly encourage homeownership through down payment assistance programs such as programs funded with Private activity bond funds, develop new down payment assistance programs for low-income buyers.
2	Goal Name	Address Barriers to Affordable Housing
	Goal Description	Address barriers to obtaining affordable housing, by addressing issues faced by certain special populations, such as seniors and individuals in need of supportive service/ substance abuse treatment, partner with other municipalities and agencies in the Consortium area to complete a housing needs study that will identify gaps in the housing stock, including an analysis of current housing availability and a projection of future housing needs; provide assistance for affordable permanent housing for persons with targeted disabilities; support efforts to increase accessible and visitable housing units for persons with disabilities; encourage housing developers to include visitability/accessibility measures in new construction efforts; Access Grants that provide grants for approximately 25 low-income residents over a five-year period to increase the supply of accessible and visitable housing;The Urbana Human Relations Division will promote community awareness of the Urbana Human Rights Ordinance and will provide fair housing training for landlords and tenants; Education and training opportunities, which focus on eliminating barriers to affordable housing, will be encouraged; encourage the Urbana Human Relations Division, the Building Safety Division, and Persons Assuming Control of their Environment, Inc. (PACE) to join forces in an effort to acquaint developers with local codes and fair housing laws to insure that handicapped units are produced when new housing is constructed; support tenant advocacy and educational efforts by agencies such the C-U Tenant Union; encourage landlord and community group distribution of information in multiple languages to help overcome language and/or cultural barriers; and the City could consider undertaking a discrimination testing program to obtain preliminary results to determine if further programs are necessary.
3	Goal Name	Preserve Existing Affordable Housing Supply
	Goal Description	

AP-35 Projects - 91.420, 91.220(d)

Introduction

The following is a list of proposed programs listed in the PY 2015-2019 Consolidated Plan, for the one-year FY 1617 Annual Action Plan period. All of the proposed projects are in response to an identified need in the Consolidated Plan. Consideration has also been given to program delivery, and staffing requirements to successfully operate the grant activities, various objectives of leveraged funding available, as well as programmatic constraints of both the HOME Investment Partnerships and Community Development Block Grant programs. The projected target start date for the proposed programs is July 1, 2016 and projected commencement of proposed programs is June 30, 2017.

#	Project Name
1	CDBG Planning & Administration
2	CDBG Public Services
3	CDBG Housing Activities
4	CDBG Public Facilities
5	HOME Planning & Administration
6	HOME CHDO Operating
7	HOME City of Urbana Neighborhood Revitalization
8	HOME Champaign County Neighborhood Revitalization
9	HOME CHDO Project
10	HOME City of Champaign Neighborhood Revitalization
11	Tenant Based Rental Assistance

Table 3 – Project Information

Describe the reasons for allocation priorities and any obstacles to addressing underserved needs

The City of Urbana has utilized its allocation of CDGB and HOME funds to address obstacles to meeting underserved needs, foster and maintain decent housing, support public housing improvements and resident initiatives, address lead-based paint hazards, reduce the number of persons below poverty level, and has provided assistance in coordinating housing and service agencies. These funded activities are noted within the previous listings and budget for FY 2018-2019 projects.

AP-38 Project Summary

Project Summary Information

Table 3 – Project Summary

1	Project Name	CDBG Planning & Administration
	Target Area	Community Development Target Area
	Goals Supported	
	Needs Addressed	Homeless Prevention & Services Non-Homeless Special Needs Community Development Needs
	Funding	CDBG: \$72,935
	Description	Funds will be used to support the administrative activities associated with carrying out the goals and objectives of the Community Development Block Grant Program.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Funds will be used to support the administrative activities associated with carrying out the goals and objectives of the Community Development Block Grant Program.
2	Project Name	CDBG Public Services
	Target Area	Community Development Target Area City of Urbana
	Goals Supported	Address Barriers to Affordable Housing

	Needs Addressed	Homeless Prevention & Services Non-Homeless Special Needs Community Development Needs
	Funding	CDBG: \$54,701
	Description	Funds will be used to support the public service activities undertaken by the City of Urbana.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Transitional Housing, Neighborhood Cleanup, and public service grant awards.
3	Project Name	CDBG Housing Activities
	Target Area	Community Development Target Area City of Urbana
	Goals Supported	Provide decent affordable housing opportunities
	Needs Addressed	Affordable Housing Non-Homeless Special Needs
	Funding	CDBG: \$75,000
	Description	Funds will be used to support housing rehabilitation activities undertaken by the City of Urbana.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	

	Location Description	
	Planned 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.
4	Project Name	CDBG Public Facilities
	Target Area	Community Development Target Area City of Urbana
	Goals Supported	Preserve Existing Affordable Housing Supply
	Needs Addressed	Non-Homeless Special Needs Community Development Needs
	Funding	CDBG: \$73,039
	Description	Funds will be used to support the public facilities projects undertaken by the City of Urbana.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Planned activities include public facility improvements to social service providers' brick and mortar assets.
	Project Name	HOME Planning & Administration

5	Target Area	Community Development Target Area Urbana Consortium-wide Area
	Goals Supported	Provide decent affordable housing opportunities
	Needs Addressed	Affordable Housing
	Funding	HOME: \$64,121
	Description	Funds will be used to support the administrative activities associated with carrying out the HOME program goals and strategies.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Activities include administrative undertakings associated with carrying out the HOME Program goals and objectives.
	Project Name	HOME CHDO Operating
6	Target Area	Community Development Target Area Urbana Consortium-wide Area
	Goals Supported	Provide decent affordable housing opportunities
	Needs Addressed	Affordable Housing
	Funding	:
	Description	Funds will be used to support the projects undertaken within the Consortium-wide area by Community Housing Development Organizations.
	Target Date	

	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	New construction of approximately four single-family units.
7	Project Name	HOME City of Urbana Neighborhood Revitalization
	Target Area	Community Development Target Area Urbana Consortium-wide Area
	Goals Supported	Provide decent affordable housing opportunities
	Needs Addressed	Affordable Housing
	Funding	HOME: \$153,408
	Description	Funds will be used to support the neighborhood revitalization activities undertaken by the City of Urbana, including: Down Payment Assistance, Acquisition-Rehab, Purchase-Rehab-Resale, Rental Rehab, Kerr Avenue Sustainable Development, New Construction activities, Tenant Based Rental Assistance, Owner-Occupied Rehabilitation, Lot Acquisition/Demolition, and/or other programs currently under development or may be proposed that further the affordable housing goals and mission of the City, Council, and Grants Management Division. Programs must comply with applicable local, state and federal regulations, including but not limited to HOME regulations.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	

	Planned Activities	Neighborhood Revitalization activities include: Down Payment Assistance, Acquisition-Rehab, Purchase-Rehab-Resale, Rental Rehab, Kerr Avenue Sustainable Development, Lot Acquisition and/or Demolition, New Construction activities, Owner Occupied Rehabilitation, Tenant Based Rental Assistance, and/or other programs currently under development or may be proposed that further the affordable housing goals and mission of the City, Council, and Grants Management Division. Programs must comply with applicable local, state and federal regulations, including but not limited to HOME regulations. Funds are anticipated to be used for the Whole House Rehabilitation program. If tax credits are approved for the Urbana Townhomes/Aspen Court and the Kerr Avenue site, the City of Urbana will pursue investing in these tax credit projects in FY 16-17.
8	Project Name	HOME Champaign County Neighborhood Revitalization
	Target Area	Urbana Consortium-wide Area
	Goals Supported	Provide decent affordable housing opportunities
	Needs Addressed	Affordable Housing
	Funding	:
	Description	Funds will be used to support the neighborhood revitalization activities undertaken by the Champaign County Regional Planning Commission, including Tenant Based Rental Assistance and Owner-Occupied Housing Rehabilitation.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
Planned Activities	TBRA and Owner-Occupied Housing Rehabilitation.	
9	Project Name	HOME CHDO Project
	Target Area	Urbana Consortium-wide Area

	Goals Supported	Provide decent affordable housing opportunities
	Needs Addressed	Affordable Housing
	Funding	HOME: \$96,181
	Description	Funds will be used to support the projects undertaken within the Consortium-wide area by Community Housing Development Organizations. CHDO Reserve funds in the amount of 15% of the total annual allocation are being set aside to be allocated to certified Urbana Consortium CHDO or CHDOs whose proposed project(s) meet project readiness requirements. In order to meet project readiness requirements, the CHDO project(s) receiving reserve allocation(s) must be able to begin construction within one year from the date of execution of the agreement. Staff is continuing to work to identify feasible projects in the Consortium area, and a rolling CHDO Project application process is currently underway.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	New construction of approximately four single-family units.
10	Project Name	HOME City of Champaign Neighborhood Revitalization
	Target Area	City of Champaign
	Goals Supported	Provide decent affordable housing opportunities
	Needs Addressed	Affordable Housing
	Funding	HOME: \$240,452

	Description	Funds will be used to support the neighborhood revitalization activities undertaken by the City of Champaign, including full home improvement program (FHIP), acquisition rehabilitation program (Acq-Rehab) and lot acquisition/clearance for new construction (LAP). The FHIP and Acq-Rehab programs will be prioritized in the following areas of Champaign in order to provide maximum benefit in areas identified with the greatest housing needs and/or lowest incomes: Planning Areas 1, 2, 4, 7, 8, 9 14, and 15. The LAP program will be limited to neighborhoods with plans underway or being developed at the time of this Consolidated Plan: Beardsley Park, Bristol Park and Garden Hills, as well as possible redevelopment in these neighborhoods.
	Target Date	
	Estimate the number and type of families that will benefit from the proposed activities	
	Location Description	
	Planned Activities	Funds will be used to support the neighborhood revitalization activities undertaken by the City of Champaign, including full home improvement program (FHIP), acquisition rehabilitation program (Acq-Rehab) and lot acquisition/clearance for new construction (LAP). The FHIP and Acq-Rehab programs will be prioritized in the following areas of Champaign in order to provide maximum benefit in areas identified with the greatest housing needs and/or lowest incomes: Planning Areas 1, 2, 4, 7, 8, 9 14, and 15. The LAP program will be limited to neighborhoods with plans underway or being developed at the time of this Consolidated Plan: Beardsley Park, Bristol Park and Garden Hills, as well as possible redevelopment in these neighborhoods.
11	Project Name	Tenant Based Rental Assistance
	Target Area	Urbana Consortium-wide Area
	Goals Supported	Provide decent affordable housing opportunities
	Needs Addressed	Affordable Housing
	Funding	HOME: \$87,044

Description	Funds will be used to support various TBRA programs in the Consortium area.
Target Date	
Estimate the number and type of families that will benefit from the proposed activities	
Location Description	
Planned Activities	To provide affordable housing through the various TBRA programs in the Consortium area.

AP-50 Geographic Distribution - 91.420, 91.220(f)

Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed

Assistance will be targeted in the City of Urbana's Community Development Target Area, which includes Census Tracts 53, 54, 55 and 56 Block Group 1.

Geographic Distribution

Target Area	Percentage of Funds
CENSUS TRACT NUMBERS 53, 54, 55, AND 56	70
Beardsley Park Neighborhood Improvement Plan Area	
Garden Hills United Neighborhood Association Action Plan	
City of Urbana	10
City of Champaign	
Urbana Consortium-wide Area	20
Bristol Park Neighborhood Plan Area	

Table 5 - Geographic Distribution

Rationale for the priorities for allocating investments geographically

These census tracts have populations in which at least 51% of the total number of households is at or below 80% of the area medium family income. CDBG funds will be targeted to these census tracts, HOME funds will be targeted in low income neighborhoods throughout the Urbana HOME Consortium, including the previously mentioned census tracts.

Discussion

Affordable Housing

AP-55 Affordable Housing - 91.420, 91.220(g)

Introduction

The City of Urbana will use its HOME funds to support its Neighborhood Revitalization program activities, including: Down Payment Assistance, Acquisition-Rehab, Purchase-Rehab-Resale, Rental Rehab, Kerr Avenue Sustainable Development (Highland Green), New Construction activities, Tenant Based Rental Assistance (TBRA), Owner-Occupied Rehabilitation, Lot Acquisition/Demolition, and/or other programs currently under development or may be proposed that further the affordable housing goals and mission of the City, Council, and the Grants Management Division. Programs must comply with applicable local, state and federal regulations, including but not limited to HOME regulations.

One Year Goals for the Number of Households to be Supported	
Homeless	24
Non-Homeless	200
Special-Needs	100
Total	324

Table 6 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	24
The Production of New Units	5
Rehab of Existing Units	3
Acquisition of Existing Units	5
Total	37

Table 7 - One Year Goals for Affordable Housing by Support Type

Discussion

AP-60 Public Housing - 91.420, 91.220(h)

Introduction

The Urbana HOME Consortium and the City of Urbana Annual Action Plan for FY 2017-2018 identifies activities that are planned to be implemented by the City of Urbana and the members of the Urbana HOME Consortium during the period beginning July 1, 2017 and ending June 30, 2018. This Annual Action Plan budgets the use of two federal housing entitlement funds, Community Development Block Grant (CDBG) and the HOME Investment Partnerships (HOME) Program. The Annual Action Plan for FY 2017-2018 has been developed to further five-year strategies identified in the *City of Urbana and Urbana HOME Consortium Consolidated Plan for Program Years 2015-2019*.

The Annual Action Plan identifies activities that will be undertaken by the City of Urbana and the Urbana HOME Consortium during the second year of the five-year Consolidated Plan period. The CDBG portion of the AAP identifies the planned uses of CDBG entitlement funds by the City of Urbana for FY 2018-2019. The HOME portion of the AAP identifies uses of HOME funds by members of the Urbana HOME Consortium. The members of the Urbana HOME Consortium (a.k.a. the Champaign/ Urbana/Champaign County HOME Consortium) are the City of Urbana, the City of Champaign, and Champaign County. The AAP was on file for public review and comment during the period beginning March 27, 2017 through April 25, 2017. On March 28, 2016, the City held a public hearing to obtain comments regarding the draft AAP. The hearing was held at 7:00 p.m. in the Council Chambers of the Urbana City Building, 400 South Vine Street, Urbana, IL, before the regular meeting of the Urbana Community Development Commission. All comments received at the hearing, as well as other written comments submitted during the public review period, will be included in the AAP.

For more information regarding the City of Urbana's use of CDBG or HOME funds, contact:

Kelly H. Mierkowski, Manager, Grants Management Division, City of Urbana, Grants Management Division, at 217-384-2447 or by email: khmierkowski@urbanaininois.us.

For more information regarding use of CDBG or HOME funds in the City of Champaign, contact:

Janel Gomez, Acting Neighborhood Programs Manager, City of Champaign, Neighborhood Services Department, at 217-403-7070. The Neighborhood Services Department email address is NeighborhoodServices@ci.champaign.il.us.

For more information regarding use of HOME funds in Champaign County, contact:

Lisa Benson, Social Services Director, Champaign County Regional Planning Commission, at 217-328-3313 or by email at lbenson@ccrpc.org

Actions planned during the next year to address the needs to public housing

The Housing Authority of Champaign County (HACC) is a Moving to Work (MTW) organization. This innovative approach to housing takes into account the impact work has on an individual, his or her personal growth, as well as an ability to provide for themselves and any other members of the household. Able-bodied public housing residents are required to work a minimum of 20 hours a week, and case management is provided to assist tenants in the job search process. Moving to Work (MTW) is a demonstration that provides a limited number of Public Housing Authorities with the ability to design and test innovative approaches tailored to their communities, using federal dollars more efficiently, providing increased support for families to become economic self-sufficient, and increasing housing choice for low income households. The broad flexibility to waive statute and regulations allows HACC to better serve and house residents while streamlining internal operations. The seven-member HACC Board of Commissioners consists of two commissioners appointed by each of the Cities of Urbana and Champaign, an appointee that rotates between the two cities called a “floating” appointee, a commissioner appointed by the Champaign County Board, and a commissioner appointed from among residents of the HACC properties. The City will work with the HACC towards the redevelopment of Urbana Townhomes complex; a developer has been selected for the site. The City will also continue to work with the HACC to develop collaborative measures to further each organization's programmatic goals in the community regarding affordable housing initiatives.

Actions to encourage public housing residents to become more involved in management and participate in homeownership

The HACC recently started a revised homeownership program in partnership with Habitat for Humanity of Champaign County. Habitat is a certified Community Housing Development Organization (CHDO) for the Urbana HOME Consortium. The Consortium will seek ways to continue to support Habitat, which will in turn further the homeownership goals set by the HACC for its public housing residents seeking to transition into homeownership.

If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance

The Housing Authority of Champaign County is not designated as a troubled PHA.

Discussion

NA

AP-65 Homeless and Other Special Needs Activities - 91.420, 91.220(i)

Introduction

The Champaign County Continuum of Care (CoC) surveys homeless person in Champaign County each January as is required by HUD, in an effort to count the number of homeless individuals and families, to better understand the causes of homelessness and to plan services that will effectively address the needs of this population. In summary, the 2017 Point-In-Time survey reported that Champaign County had approximately 60 homeless individuals (including 39 children) in 20 households.

Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs.

Priority will be given to programming that meets the needs of the chronic homeless population. However, of the chronic homeless population, priority will not be given to new projects at the expense of undermining the current homeless services provided by existing area organizations. The Champaign County Continuum of Care is working towards a centralized intake to assist persons experiencing homelessness find the services they need. Currently, the Phoenix Drop-in Center is working to fulfill that role. As a subsidiary of Partnering Against Homelessness, the Champaign-Urbana Canteen Run works with the Salvation Army to operate a Canteen truck that drives throughout Champaign-Urbana with the purpose of offering food, drinks, blankets, and clothing, as well as information about homeless service agencies, to anyone in need. This service is an important outreach strategy with regards to the unsheltered and chronically homeless populations.

Addressing the emergency shelter and transitional housing needs of homeless persons

The United Way and other members of the Emergency Family Shelter Steering Committee, which includes the City of Urbana, has partnered with the Housing Authority of Champaign County to rehabilitate a former Urban Park Place apartment complex into an Emergency Family Shelter. The City of Urbana maintains a Transitional Housing Program for Homeless Families with Children; the program works with homeless families by providing support and referrals so that they can become self-sufficient. The City of Urbana, through the Supportive Housing Program, administers the Homeless Families in Transition Project on behalf of Courage Connection, which provides homeless services and domestic violence services. The City of Urbana also administers the Emergency Solutions Grant through the State of Illinois and the Continuum of Care, on behalf of agencies and shelters, including Crisis Nursery and Community Elements.

Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again

In the most recent point in time survey data available of homeless persons in Champaign County (January 2017), 20 families with children were identified (4 emergency and 15 transitional sheltered/1 unsheltered), made up of 60 individuals (12 emergency and 44 transitional sheltered/4 unsheltered) of whom 39 (7 emergency and 29 transitional sheltered/3 unsheltered) were children under the age of 18. Four persons age 18-24 were identified as sheltered (2 emergency and 2 transitional), and 17 identified as over age 24 (3 emergency and 13 transitional sheltered/1 unsheltered). Transitional homelessness occurs when a housing crisis (i.e. loss of job, domestic violence) temporarily renders an individual or family homeless. When homeless services are provided, these persons usually are able to locate and obtain another stable housing situation through Centralized Intake.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs.

The Champaign County Continuum of Care seeks to address homelessness at each stage of homelessness through prevention, outreach and assessment, emergency shelters and services, transitional housing, and helping homeless persons make the transition to permanent housing and independent living. There is a wide array of services provided in the community that help coordinate these efforts throughout Champaign County.

Discussion

The City of Urbana has received comments from the Community at large and City Council regarding the need to specifically address homeless youth (K-12), in addition to addressing overall homelessness involving chronically homeless individuals/families, families with children, veterans and their families, and unaccompanied youth. Staff will work with agencies involved in both the Champaign County Continuum of Care and the Council of Service Providers to the Homeless to address this issue of homeless youth in our community.

AP-75 Barriers to affordable housing - 91.420, 91.220(j)

Introduction

Barriers to affordable housing are largely financial. The need for affordable housing units far outweighs funding available to construct or subsidize those units. In addition to financial gaps, other social aspects play a role in an individual or family's ability to secure affordable housing, including mental illness, unemployment, drug and/or alcohol addictions, as well as criminal record. Residents seeking assistance from the Housing Authority of Champaign County must have a clean criminal record over the past five years. This policy is imposed at a federal level and cannot be amended. Persons or families affected with a criminal history often cannot secure housing in the larger metropolitan area and are forced to seek housing in outlying areas that may be more relaxed regarding background and credit checks, however, transportation may be an issue.

Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment

The cost of housing within the Consortium is not significantly affected by local public policies. The City of Champaign, the City of Urbana, and Champaign County have policies on taxation, land use, zoning, building codes, fees, etc., that are conventional and similar to other downstate Illinois and Midwest communities. Housing costs are influenced by the large number of transient tenants and homebuyers who are attending the University of Illinois. This high demand for housing has resulted in increased housing costs, especially in the rental housing market. One significant program change that the City of Urbana will be implementing regarding its owner-occupied housing rehabilitation program is the lien structure imposed on participants receiving assistance. The program formerly operated as a deferred loan program that was not forgiven until sale transfer. This often resulted in liens that remained on a property for upwards of 20 years. Some residents aging out of housing may have been burdened by the lien, or those inheriting properties had to pay the lien to receive clear title. As such, the program is being restructured to allow the lien to be forgiven after a set amount of time, such as five or ten years. This will ensure that the low-income household receives the benefit of the investment but is not burdened by long-term secondary financing.

Discussion

Ways that barriers to affordable housing are being addressed is through the Tenant Based Rental Assistance (TBRA) program, as well as the Shelter Plus Care program administered by the Champaign County Regional Planning Commission, which assists hard to serve homeless individuals with disabilities and their families. These individuals primarily include those with serious mental illness, chronic problems with alcohol and/or drugs, and HIV/AIDS or related diseases.

AP-85 Other Actions - 91.420, 91.220(k)

Introduction

This section describes any actions to be undertaken by the City of Urbana that will further the goals of the Consolidated Plan and Annual Action Plans.

Actions planned to address obstacles to meeting underserved needs

The communities within the Consortium face numerous obstacles to meeting underserved needs. These include but are not limited to the following: (1) Limited Financial Resources. This is the core obstacle to meeting all underserved needs. It is unlikely that there will ever be enough funding to address all housing and community development needs in the community. Funding at levels of government for many community development initiatives increases the difficulty of meeting underserved needs; (2) Success in Providing Social Services: The City of Urbana and the greater community have been very successful in developing social service assistance programming. The provision of such quality services can result in persons requiring such services migrating to the community to consume these services and programs. With this continued influx of new persons in need, it becomes increasingly difficult to meet an ever-increasing demand.

Actions planned to foster and maintain affordable housing

The City of Urbana will continue to partner with developers, as well as the Housing Authority of Champaign County, to redevelop housing units that are in need of repair or replacement. This includes assisting developers with tax credit applications, environmental reviews of the project, and the possibility of providing funds. The City of Urbana and Urbana HOME Consortium will also continue to work with Habitat for Humanity, to provide funding and properties for affordable housing units.

Actions planned to reduce lead-based paint hazards

The City of Urbana will continue to seek funding opportunities to address lead hazards that are outside the scope of our other programs as funding arises. The City will continue to use Lead Safe Practices in implementing its various rehabilitation activities.

Actions planned to reduce the number of poverty-level families

The Tenant Based Rental Assistance programs in the Consortium area are targeted towards persons who are below the poverty-level. The combination of self-sufficiency case management and stable housing is intended to assist households in escaping poverty. Staff will evaluate these programs for their effectiveness during the Annual Action Plan year.

Actions planned to develop institutional structure

Urbana staff work to foster creative ideas for improving the institutional structure that is part of a larger, more holistic network of services that benefit low-income households. By supporting various social service agencies through staff participation on the Continuum of Care and through the City's Consolidated Social Service Funding process, the City of Urbana plays a role in developing programmatic improvements that will further the impact of these services in the community.

Actions planned to enhance coordination between public and private housing and social service agencies

Urbana staff regularly attend board meetings for the Housing Authority of Champaign County. The City also maintains an active presence on the Continuum of Care Executive Committee, offering assistance with various reporting and application systems inherent to the successful delivery of the Continuum of Care network. The City hosts a public hearing each year specifically for social service agencies in order to gauge the evolving needs in the community and in/within the service network.

Program Specific Requirements

AP-90 Program Specific Requirements - 91.420, 91.220(I)(1,2,4)

Introduction

Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
Total Program Income:	0

Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	80.00%

HOME Investment Partnership Program (HOME)
Reference 24 CFR 91.220(l)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

The Urbana HOME Consortium will not be carrying out activities outside of those described in Section 92.205 in the 2018-2019 Fiscal Year.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

For HOME assisted projects that do not include direct buyer assistance, a resale restriction will be used, to be in effect for the duration of the affordability period. The affordability period is based on the amount of HOME assistance provided to the project. A land use restriction, mortgage, and promissory note shall be recorded against the title to the property. Each of these documents will include a provision restricting the sales price such that it must be "affordable" to low-income buyers. In this instance, the affordable price results in a monthly housing cost for principal, interest, taxes and insurance of not more than 30% of the gross monthly income for a household below 80% of the area median income for the Champaign County Area.

The term "low-income buyer" has an annual income, as adjusted for family size, that is less than or equal to eighty percent (80%) of the area median income (as defined by HUD) for the Champaign County area. The owner shall receive a fair return on his/her investment. The sales price may encompass the cost of any home investment documented with receipts, which can be defined as, but is not limited to, any additions to the home such as a bedroom, bathroom, or garage, replacement of heating, ventilation, or air conditioning systems, accessibility improvements such as bathroom modifications for disabled or elderly which were not installed through a federal, state, or locally-funded grant program, or outdoor improvements such as a new driveway, walkway, retaining wall, or fence. The sales price may also encompass the increase in the value of owner equity and investment as calculated by the cumulative percentage of change which is calculated by the Housing Price Index (HPI) calculator of the Federal Housing Finance Agency (X) plus 1.00 times the total owner investment at time of purchase (Y) plus the documented capital improvements (Z). A complete description of the recapture and resale provisions is found in the attached Resale and Recapture Guidelines for HOME Program Activities.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The City of Urbana, Urbana HOME Consortium members, and designated Community Housing Development Organizations agree that, to the extent allowable by law, to secure the HOME funds, an agreement with the homebuyer, as well as a mortgage and promissory note shall be executed for any HOME funded homeownership property. Each document will include the prescribed net sales proceeds provisions for the recapture of HOME funds as outlined below. The mortgage and promissory note are to be recorded against the title to the property. For HOME-assisted, homeownership units, wherein HOME funds are utilized to provide direct assistance to the homebuyer, net proceeds from the sale must provide the original homebuyer, now the home seller, a "fair return" on his/her investment (including any down payment and capital improvement investment made by the seller since purchase).

The table in the attached City of Urbana Resale and Recapture Guidelines for HOME Program Activities provides for the minimum terms of affordability based on the amount of direct assistance provided to the homebuyer. The period of affordability shall commence from the date the activity is identified as “completed” in HUD’s Integrated Disbursement Information System (IDIS). Subject to recapture are the HOME funds that are invested in a HOME assisted unit, as a direct subsidy to the homebuyer. The subsidy could include down payment assistance and the amount of each subsidy would be a minimum of \$1,000 and differ per each homebuyer.

The City will reduce the HOME investment amount to be recaptured from the Net Proceeds on a prorated basis for the time the Homeowner has owned and occupied the housing measured against the remaining years in the required Affordability Period. The prorated basis is as follows: (1) First Year - 90% of HOME investment from available Net Proceeds, (2) Second Year - 70% of HOME investment from available Net Proceeds, (3) Third Year - 50% of HOME investment from available Net Proceeds, (4) Fourth Year - 30% of HOME investment from available Net Proceeds, and (5) Fifth Year - 10% of HOME investment from available Net Proceeds. The amount of recapture funds are subject to the availability of Net Proceeds available from the resale of the property.

The term “Net Proceeds” shall mean the proceeds as indicated upon a closing settlement statement of the net amount to be paid to the seller. In the event that no such statement exists, “Net Proceeds” shall mean the amount equal to the sales price (X) minus any superior private debt (Y) and minus any reasonable closing costs (Z), as determined by the City, including, but not limited to, title insurance, recording fees, Realtor’s commissions or property taxes. A complete description of the recapture and resale provisions is found in the attached Resale and Recapture Guidelines for HOME Program Activities.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

Refinancing of a project may occur only if specifically authorized in an approved Annual Action Plan, and then only if conditions of the refinancing are clearly stated in the Plan. To be eligible for refinancing a project must meet the following conditions: (1) Refinancing cannot be the primary purpose of the HOME investment. Refinancing is only appropriate when HOME funds are loaned to rehabilitate the property for which refinancing is being requested and then only when necessary to permit or ensure continued affordability.

To demonstrate that rehabilitation is the primary activity for which HOME funds have been expended in connection with the property, at least \$5,000 per unit average in HOME funds must have been provided for rehabilitation of the property, (2) The project sponsor requesting HOME funds for debt refinancing must demonstrate, and the Consortium must confirm, that disinvestment in the property has not occurred, long-term needs of the project can be met through the refinancing, and servicing the targeted population over an extended affordability period is feasible, (3) Refinancing may be approved either to maintain current affordable units or to create additional affordable units, (4) Properties for which refinancing is approved may be located anywhere within the corporate limits of the Consortium members, (5) Properties for which refinancing is approved are subject to an affordability period of at least 15 years starting on the date the refinancing is closed, (6) HOME funds cannot be used to refinance multiple-family loans made or insured by any other federal program, including but not limited to, the Community Development Block Grant Program.

Discussion

NA



OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

Special Attention of:

All CPD Division Directors
HUD Field Offices
HUD Regional Offices
All CDBG Grantees
All HOME Participating Jurisdictions
All HTF Grantees
All ESG -Grantees
All HOPWA - Grantees

NOTICE: CPD-18-01

Issued: January 24, 2018
Expires: September 30, 2018

Cross Reference: 24 CFR Part 91

Subject: Guidance on Submitting Consolidated Plans and Annual Action Plans
for Fiscal Year (FY) 2018

Purpose:

The purpose of this Notice is to instruct all Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), Housing Trust Fund (HTF), Emergency Solutions Grants (ESG) and Housing Opportunities for Persons with AIDS (HOPWA) grantees on the timing of submission of FY 2018 consolidated plans and action plans. This Notice provides instructions to grantees/participating jurisdictions under each of these programs regarding costs incurred prior to execution of a grant agreement. This Notice further informs Entitlement CDBG grantees and HOME participating jurisdictions of waivers being made available to certain grantees/participating jurisdictions to assist in the implementation of the pre-award costs instructions. These procedures apply equally to grantees' 3-5-year consolidated plans as well as to annual action plans (either as a stand-alone document or as a component of the overall consolidated plan submission).

Notes regarding applicability:

This Notice uses the term "grantee" generically, to also include HOME participating jurisdictions, except where the term appears in discussions explicitly limited to one of the other covered funding programs. Provisions of this Notice covering the Entitlement CDBG program also apply to Insular Areas grantees and CDBG nonentitlement county grantees in Hawaii, as the Entitlement CDBG program regulations also apply to their CDBG funds.

Background:

Pursuant to 24 CFR 91.15(a)(1), each jurisdiction should submit its consolidated plan to HUD at least 45 days before the start of its program year. The earliest date on which HUD will accept a consolidated plan or action plan submission is November 15, 2017; and the latest submission deadline is August 16, 2018. However, in most years, HUD does not receive its annual funding appropriation until several months into the federal fiscal year (rarely earlier than December,

and sometimes as late as April). Once a fiscal year's appropriation is enacted, HUD needs time to compute grantees' allocation amounts for the programs covered by the consolidated plan.

According to 24 CFR 91.500(a), a plan will be deemed approved 45 days after HUD receives the plan, unless HUD notifies the jurisdiction before that date that the plan is disapproved. In past years, HUD typically did not disapprove a plan solely because it was based on estimated allocation amounts. As a result, a plan submitted by a grantee before its allocation amounts are announced typically received automatic approval, even though the plan did not list the grantee's actual allocation amounts.

This practice resulted in significant additional work for both HUD and grantees. After the actual allocation amounts were announced, a grantee had to submit a revised, re-signed SF-424 form listing the actual allocation amounts for each of its grants. In many cases, the grantee had to make additional changes to amend its plan to reflect its actual allocation amounts. This may have constituted a substantial amendment under 24 CFR 91.505, which is subject to the grantee's citizen participation plan process. For FY 2018, HUD will not execute a grant agreement with a grantee until HUD has received a plan (or an amended plan) which incorporates the actual allocation amounts a grantee is to receive for FY 2018.

Revised Procedures for Submission of FY 2018 Consolidated Plans and Action Plans by Grantees with Early Program Year Start Dates:

HUD is issuing the following revised procedures to govern the submission and review of consolidated plans and action plans for FY 2018 funding prior to computation of FY 2018 allocation amounts. These procedures will apply to any grantee whose normal consolidated plan/action plan submission deadline (45 days before the start of the program year) falls either before, or less than 60 days after, the date HUD announces FY 2018 allocation amounts for CDBG, ESG, HOME and HOPWA funding. (See Section II. for a discussion of the timing of Housing Trust Fund allocations.)

Congress has not completed the appropriations process for HUD's FY2018 appropriation. At this time, HUD cannot predict when its FY 2018 appropriations bill will be enacted and when it will be able to announce FY 2018 allocation amounts. Thus, HUD cannot say how many grantees – or which program year start dates – will be subject to these revised procedures. Similarly, HUD cannot provide estimated FY 2018 allocation amounts for grantees to use for planning purposes in developing annual action plans.

Note: These procedures will not apply to grantees whose normal consolidated plan/action plan submission deadline is more than 60 days after HUD announcement of FY 2018 allocation amounts; those grantees should have sufficient time to revise their plans to match actual allocation amounts prior to the due date for their plan.

I. Revised Submission Dates for FY 2018 Action Plans for CDBG, ESG, HOME, HOPWA

Grantees are advised not to submit their consolidated plan/action plan until after the FY 2018 allocations have been announced. Grantees due to submit a new 3-5-year consolidated plan in FY 2018 should refrain from submitting the overall consolidated plan as well as the FY 2018 action plan contained within the overall document. HUD cannot complete its review of the overall consolidated plan components independent of the current year's action plan component. Once HUD informs grantees of their FY 2018 funding allocation amounts, each grantee should, prior to submission, ensure that the actual FY 2018 allocation amounts are reflected in the form SF-424, in the description of resources and objectives, and in the description of activities to be undertaken (or, for states, the method of distribution). It may be necessary for a grantee to revise its action plan before submission to HUD.

An affected grantee may delay submission of its consolidated plan or action plan to HUD until 60 days after the date allocations are announced, or until August 16, 2018 (whichever comes first). This delay will give a grantee time to revise its action plan to incorporate actual allocation amounts, and to conduct any additional citizen participation, if necessary.

For example, if HUD were to announce the FY 2018 allocation amounts to grantees on April 27, 2018:

- For grantees with January 1 – June 1 program year start dates, their normal plan submission date would have been before the date that HUD announced allocation amounts. These grantees would be able to postpone submission of their consolidated plan/action plan until June 26, 2018.
- For grantees with July 1 and August 1 program year start dates, their normal plan submission date would be less than 60 days after HUD's announcement of allocation amounts. These grantees would also be able to postpone submission of their consolidated plan/action plan until June 26, 2018.
- Grantees with September 1 and October 1 program year start dates would have more than 60 days between the date of announcement of allocations and the normal submission deadline for their consolidated plan/action plan. These grantees would be expected to submit their plan on time.

However, in no case may a consolidated plan/action plan be submitted to HUD later than August 16, 2018. Failure to submit an action plan for FY 2018 by August 16, 2018, will result in the automatic loss of FY 2018 CDBG funds to the grantee. This requirement is established by statute, and HUD cannot waive the August 16 submission deadline. Funding under other CPD formula programs are not subject to this deadline but, since virtually all CPD formula grantees receive CDBG funding, the CDBG submission requirement effectively establishes the deadline for submission of action plans.

The regulations, at 24 CFR 91.15(a)(1), state that "...each jurisdiction should submit its consolidated plan at least 45 days before the start of its program year." HUD has determined that it is not necessary to waive this provision in order to implement the procedures in this Notice for FY 2018 action plans. This provision does not prohibit a grantee from submitting a plan in the eCon Planning Suite after that time. It is not necessary for an affected grantee to request an exception to its normal action plan submission date under 24 CFR 91.15(a)(1), nor is it necessary for a field office to grant an exception to the action plan submission deadlines, under 24 CFR 91.20, in order to implement the procedures in this Notice.

II. Submission Process for the HTF Program

HTF is an affordable housing production program to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low-income and very low-income families. HTF is a formula grant program for states.

The HTF regulation at 24 CFR 93.100 requires each state to include its HTF allocation plan in its annual action plan as described at 24 CFR 91.320(k)(5). The HTF allocation plan describes the method for the distribution of funds, and establishes the application requirements and criteria for selecting applications. The rule also requires a local jurisdiction that receives a subgrant of HTF funds from the state to include a HTF allocation plan (24 CFR 91.220(l)(5)) in its annual action plan, but due to the timing of the publication of HTF allocations, the local jurisdiction may need to amend its annual action plan to include HTF.

The timing of the HTF allocations is different from other CPD formula programs (CDBG, HOME, HOPWA, and ESG) because the source of funding is the mandatory assessments on Fannie Mae and Freddie Mac rather than Federal appropriations. The earliest HUD expects to publish the HTF allocations is April 2018. If HTF allocations are not published before a state submits its consolidated plan/action plan, a state may submit its consolidated plan/action plan for the other CPD formula programs, then submit its HTF allocation plan as a substantial amendment to its annual action plan, after the HTF allocations are published.

III. HUD Review of Action Plans

HUD will review a consolidated plan/action plan in accordance with 24 CFR 91.500(b). The 45-day review period will begin whenever the eCon Planning Suite submission or original executed SF-424, certifications and applicable assurances are received by the field office, whichever is later. HUD will disapprove as substantially incomplete any consolidated plan or action plan covering FY 2018 funding that does not reflect actual CDBG, HOME, ESG and HOPWA allocation amounts on the form SF-424(s), in the description of resources and objectives, and in the description of activities to be undertaken (or, for states, the method of distribution). The HTF allocation must be included if the HTF allocations are published before the state submits its consolidated plan or action plan. (See Section II.) A grantee whose action plan is disapproved for this reason is advised to not resubmit a revised plan until HUD has announced the actual FY 2018 allocation amounts, and until the grantee has incorporated the actual allocation amounts into its plan.

24 CFR 91.500(b) states HUD may disapprove a plan or a portion of a plan if it is inconsistent with the purpose of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12703), if it is substantially incomplete, or, in the case of a CDBG certification under §91.225(a) and (b) or §91.325(a) and (b), if it is not satisfactory to the Secretary in accordance with §570.304, §570.429(g), or §570.485(c). The following are examples provided in §91.500(b) of substantially incomplete plans:

- (1) A plan developed without the required citizen participation or the required consultation;
- (2) A plan fails to satisfy all the required elements in 24 CFR Part 91, as reflected in the eCon Planning Suite. This includes when the grantee has not provided a final statement of community development objectives and the projected use of funds;
- (3) A plan for which a certification is rejected by HUD as inaccurate, after HUD has inspected the evidence and provided due notice and opportunity for comment; and
- (4) A plan without a description of the manner in which the unit of general local government or state will provide financial or other assistance to a public housing agency if the public housing agency is designated as “troubled” by HUD.

24 CFR 91.500(d) states that “(t)he jurisdiction may revise or resubmit a plan within 45 days after the first notification of disapproval.” HUD has determined that it is not necessary to waive this provision in order to implement the procedures in this Notice for FY 2018 consolidated plans/action plans. This provision does not prohibit a grantee from re-submitting a plan after that time period.

24 CFR 91.105(c), 91.115(c) and 91.505 require a grantee to comply with citizen participation requirements when it undertakes a substantial amendment to an approved plan. A plan that has been disapproved by HUD is, by definition, not an approved plan. When a grantee’s plan is disapproved by HUD, the consolidated plan regulations do not necessarily require a grantee to undertake further citizen participation on the changes the grantee makes before re-submitting it. (A major exception to this, however, would be if the reason for disapproval involved the grantee’s failure to fulfill citizen participation requirements to begin with.) However, as noted in this Notice, there are circumstances in which a grantee may need to make major revisions to a disapproved plan, which could trigger further citizen participation efforts. A grantee with a disapproved plan should review its citizen participation plan and local policies to determine whether it will need to conduct further citizen participation as a result of the changes it makes to incorporate actual allocation amounts into its plan, prior to re-submission of the revised plan.

IV. Development of Proposed Action Plans and Citizen Participation During the Interim

A grantee has several options regarding fulfilling its citizen participation obligations while waiting for HUD to announce FY 2018 allocation amounts:

- a. A grantee may conduct citizen participation on its draft plan (with estimated funding amounts) according to its normal timetable and citizen participation procedures. (Grantees are cautioned, though, that they should not submit their plan until allocation amounts are

known.) A grantee doing so should make clear that the funding levels shown are estimated amounts. In addition, the grantee should include “contingency provision” language in its action plan which explains how it will adjust its proposed plan to match its actual allocation amounts, once actual amounts become known. By including such contingency language, a grantee can avoid the need to make significant revisions to its plan (beyond incorporating the final allocation amounts into the plan and the SF-424 form). The grantee may also avoid the potential need to conduct additional citizen participation on a plan that has to be significantly revised in order to reflect actual allocation amounts.

Examples of contingency provisions include:

- A plan could state that all proposed activities’ budgets will be proportionally increased or decreased from the estimated funding levels to match actual allocation amounts.
- A grantee could express its budget in terms of percentages of the allocation to be budgeted to each planned activity, along with the grantee’s current estimate of how many dollars that equates to for each activity. [For example, regardless of what the final allocation amounts are, the United Interfaith Street Outreach Program will receive 22% (currently estimated to be approximately \$38,000) of the grantee’s total ESG allocation, and the Tenant-Based Rental Assistance activity will receive 10% (currently estimated to be about \$68,750) of the HOME allocation.]
- A plan could state that any increase or decrease in funding to match actual allocation amounts will be applied to one or more specific activities (e.g., any increase or decrease relative to the grantee’s estimated allocation amount will be applied to the single-family housing rehabilitation grant program).
- A plan could list its proposed activities in priority order and indicate that the East Side Sidewalk Replacement activity listed in the plan is a “backup” activity that will be funded only if sufficient CDBG funding exists; or conversely, if the grantee’s actual allocation is less than estimated, the East Side Sidewalk Replacement activity will not be funded in FY 2018.
- A plan could state that, should the actual allocation amount exceed the grantee’s estimate, the grantee will increase the Uptown Sewer Separation activity budget and will extend the service area block-by-block along the 600-900 blocks of Cherry Street, based on the amount of additional funding available.

A grantee may include these or other comparable provisions singly or in any combination to meet its needs. A grantee may adopt a different contingency approach for each of the programs covered by this Notice (CDBG, ESG, HOME, HOPWA and HTF).

- b. Alternatively, a grantee may prepare a proposed action plan according to its normal timetable, but wait until actual allocation amounts are known before undertaking citizen participation actions. Once allocation amounts are announced by HUD, the grantee will need to update relevant sections of its plan (such as the listings of resources and

objectives, and the description of activities or the state's method of distribution) to reflect actual allocation amounts before conducting citizen participation. All grantees intending to incur pre-award costs under the programs covered by this Notice should be aware that this option will not be available to them, as citizen participation requirements must be met before pre-award costs are incurred. (See Section V. below.)

HUD has developed these procedures to minimize disruption to grantees and to minimize duplication of effort on grantees' part. A grantee that does not follow either option a. or b. above (i.e., the grantee undertakes citizen participation according to its normal timetable, based solely on estimated funding levels, and the plan does not contain any contingency language on how the final plan will be adjusted to match actual allocation amounts) runs the risk of increasing its own work obligations and costs. The grantee will still be required to update its plan to incorporate actual allocation amounts before submission to HUD. The grantee may need to undertake additional publication and citizen participation processes, depending on the difference between its actual allocation amounts and the estimated amounts in its proposed action plan, and how the grantee plans to adjust its proposed activities in order to match its actual allocation amounts. Local policies and procedures may also require the grantee to obtain re-approval of the revised plan from its legislative body or authorizing officials.

A plan that has not yet been submitted to HUD is also not an approved plan, and is not subject to the citizen participation requirements of a substantial amendment. However, a grantee that delays its plan submission should review its citizen participation plan and local policies to determine whether it will need to conduct further citizen participation as a result of the changes it makes to incorporate actual allocation amounts into its plan, prior to its submission.

V. Pre-Award Costs

A. General Provisions applicable to all Consolidated Plan programs

Special attention must be paid to situations in which a grantee wishes to incur costs prior to grant award. For example, under certain programs, a grantee may want to execute annual renewals of agreements with social service providers in order to prevent interruption of social services. The annual performance cycle of these agreements might normally begin after the grantee's official program year start date but, under this Notice the grantee cannot even submit its Action Plan until after the date that the agreements need to be executed. Thus, the timing instructions in this Notice may cause some program costs to be classified as pre-award costs where they would otherwise not have been.

The government-wide Uniform Administrative Requirements, Cost Principles and Audit Requirements regulation, at 2 CFR Part 200, contains language concerning agency approval of pre-award costs. The language at 2 CFR 200.458 applies to any program that does not have its own separate provisions concerning authorization of pre-award costs:

§ 200.458. Pre-award costs. Pre-award costs are those incurred prior to the effective date of the Federal award directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with the written approval of the Federal awarding agency.

The ESG, HOPWA and HTF program regulations do not contain program-specific language establishing pre-award cost requirements for those programs; the CDBG and HOME program regulations do contain pre-award cost requirements unique to those programs. (However, the HOME requirements apply only to certain types of pre-award costs.) The following guidance applies to all five programs. Additionally, guidance unique to each separate program is provided below.

The Part 91 consolidated plan regulations make distinctions between a “proposed plan” and “a plan”. Most notably, 24 CFR 91.105(b) and 91.115(b) describe the citizen participation requirements for a grantee’s proposed plan. For purposes of this Notice regarding pre-award costs, HUD considers a grantee’s plan to have moved from being “a proposed plan” to being “a plan” once a grantee has completed the publication, public hearing and public comment requirements at 24 CFR 91.105(b)(2), (3) and (4) or 91.115(b)(2), (3) and (4), and has developed its written summary of comments received pursuant to 24 CFR 91.105(b)(5) or 91.115(b)(5).

To minimize additional workload on grantees and HUD field offices, this Notice establishes the following procedures implementing the 2 CFR 200.458 requirements cited above. This Notice provides HUD approval to incur pre-award costs if and when the grantee completes the following documentation in its local files:

1. The grantee documents that the costs incurred prior to grant award are necessary for efficient and timely performance of the activity in question.
2. The grantee documents that the costs are for eligible activities under the regulations for the applicable funding program;
3. The grantee documents that the grantee has complied with all other requirements for pre-award costs under the regulations for the applicable funding program or as described below;
4. The activity for which costs will be incurred is included in a consolidated plan/action plan;
5. The grantee documents completion of its citizen participation process by including in its files a written, dated summary of citizen participation comments received on its plan, pursuant to 24 CFR 91.105(b)(5) or 91.115(b)(5) as applicable.

If the grantee’s files contain all other necessary documentation supporting the costs (described below for each program), the date of HUD approval for pre-award costs is the date of the written summary of citizen participation comments, or the grantee’s program year start date, whichever is later.

B. Additional Provisions: Entitlement CDBG Program

The Entitlement CDBG program regulations specify, at 24 CFR 570.200(h), the situations under which a grantee may incur costs prior to the effective date of its grant agreement. The provisions of this Notice will affect how grantees comply with the pre-award cost reimbursement requirements.

1. 24 CFR 570.200(h) defines the effective date of a grantee's agreement as the grantee's program year start date or the date that the consolidated plan/action plan is received by HUD (whichever is later). Under the provisions of this Notice, a grantee's action plan may not be submitted to (and thus received by) HUD until several months after the grantee's program year start date. This may negatively affect grantees' ability to incur pre-award costs.
2. Therefore, HUD has issued a waiver of 24 CFR 570.200(h) to the extent necessary to implement the following requirement: the effective date of a grantee's FY 2018 grant agreement will be considered to be the earlier of the grantee's program year start date or the date that the consolidated plan/action plan (with actual allocation amounts) is received by HUD. Attachment A contains the HUD memorandum authorizing this waiver. This waiver is applicable to any Entitlement CDBG grantee seeking to incur pre-award costs, whose action plan submission is delayed past the normal submission date because of delayed enactment of FY 2018 appropriations for the Department. An affected community applying this waiver shall document in writing the conditions giving rise to the need to use this waiver, and maintain the documentation for HUD's review. Grantees' authority to make use of this waiver is only in effect until August 16, 2018, as that is the last date that a grantee may submit its FY 2018 action plan.
3. 24 CFR 570.200(h)(1)(i) requires that the activity for which the costs are being incurred must be included in a consolidated plan/action plan prior to the costs being incurred; grantee compliance with steps 4 and 5 under the general pre-award cost provisions above will meet that requirement. However, grantees must also comply with §570.200(h)(1)(ii), which further specifies that the plan must advise citizens of the extent to which the pre-award costs will affect future grants. CDBG grantees intending to incur pre-award costs are cautioned that option b. described in Section IV above is not likely to be a feasible alternative for them. HUD advises any Entitlement CDBG grantee intending to incur pre-award costs to follow the process described in Section IV. a. above; in doing so, the grantee will need to ensure that it has met the citizen participation and notification requirements above.
4. Pursuant to § 570.200(h)(1)(iii) and § 570.604, the costs and corresponding activities must comply with the environmental review requirements at 24 CFR Part 58.

C. Additional Provisions: HOME Program

The HOME regulations specify situations under which a grantee may incur costs prior to the effective date of its grant agreement. The provisions of this Notice will affect how grantees comply with the pre-award cost reimbursement requirements.

1. 24 CFR 92.212(b) defines the effective date for incurring administrative and planning costs to be charged to the HOME allocation as the beginning of the participating jurisdiction's consolidated program year or the date that the consolidated plan is received by HUD (whichever is later). Under the provisions of this Notice, a participating jurisdiction's action plan may not be submitted to (and thus received by) HUD until several months after the PJ's program year start date. This may negatively affect a participating jurisdiction's ability to incur planning and administrative pre-award costs. Therefore, HUD has issued a waiver of 24 CFR 92.212(b) to the extent necessary to implement an alternative requirement: the effective date of a grantee's FY 2018 grant agreement will be considered to be the earlier of the participating jurisdiction's program year start date or the date that the consolidated plan/action plan (with actual allocation amounts) is received by HUD.
2. Attachment A contains the HUD memorandum authorizing this waiver. This waiver is applicable to any HOME participating jurisdiction seeking to incur pre-award administrative and planning costs, whose action plan submission is delayed past the normal submission date because of delayed enactment of FY 2018 appropriations for the Department. An affected participating jurisdiction applying this waiver shall document in writing the conditions giving rise to the need to use this waiver, and maintain the documentation for HUD's review. A participating jurisdiction's authority to make use of this waiver is only in effect until August 16, 2018, as that is the last date that a grantee may submit its FY 2018 action plan.

D. Additional Provisions: ESG Program

An ESG grantee is permitted to incur pre-award costs against its FY 2018 grant, provided that the grantee has met the general conditions described above, plus the following conditions:

1. The costs and corresponding activities must comply with the Emergency Solutions Grants (ESG) Program regulations at 24 CFR Part 576.
2. The costs and corresponding activities must comply with environmental review requirements. The "Moving Ahead for Progress in the 21st Century Act" (MAP-21), (Public Law 112-141) made several changes to HUD's homeless assistance programs, including authorization to permit recipients and other responsible entities to assume HUD environmental review responsibilities in accordance with 24 CFR Part 58. Initially, for FY 2012 ESG funds, ESG projects were subject to the environmental review procedures under 24 CFR Part 50, which assigns HUD all environmental review responsibilities due to the HEARTH Act's repeal of Section 443 of the McKinney-Vento Homeless Assistance Act. Now, recipients or other Responsible Entities assume environmental review responsibilities under 24 CFR Part 58.

E. Additional Provisions: HOPWA Program

A HOPWA grantee is permitted to incur pre-award costs against its FY 2018 grant, provided that the grantee has met the general conditions described above, plus the following conditions:

1. The costs are incurred for eligible activities undertaken in accordance with HOPWA program regulations at 24 CFR Part 574.
2. The costs and corresponding activities must comply with environmental review requirements at 24 CFR 574.510.

F. Additional Provisions: HTF Program

HUD is authorizing HTF grantees to incur pre-award costs permitted under 24 CFR 200.458 for planning activities and preparation of the HTF allocation plan. Eligible pre-award costs may include the cost of public hearings, consultations, and publication of public notices, as well as developing program guidelines. Pre-award costs may not exceed 5% of the minimum allocation amount of \$3 million. This is one half of the grant amount that the state may use for administration and planning in accordance with 24 CFR 93.202, based on receiving a minimum grant amount. The costs and corresponding activities must comply with the environmental review requirements at 24 CFR 93.301(f).

VI. Applicability of This Notice to Future Years

This Notice only applies to consolidated plans/action plans submitted for FY 2018 funding on or before August 16, 2018, or 60 days after HUD announcement of the FY 2018 allocation amounts for CDBG, ESG, HOME, and HOPWA funding (whichever is earlier). HUD anticipates revising the Consolidated Plan regulations (and other related regulations) to explicitly include, as a basis for disapproval of a plan, that a plan does not contain and reflect a grantee's actual allocation amounts. For further information on potential rulemaking in this area, see HUD's June 3, 2015, Federal Register Notice (80 FR 31538). That document solicited public comments on possible amendments to the Consolidated Plan regulations and the CDBG Entitlement regulations to effect such a change. See in particular Sections II.B.1., II.B.2 and II.B.7 of the Notice, pages 31544 and 31546. (Please note, however, that the public comment period for that Federal Register Notice has closed.)

For further information:

Grantees with questions concerning this Notice should direct their inquiries to their local HUD Field Office Community Planning and Development Division. Field Offices should direct their questions to the following Headquarters program offices as applicable:

Office of Block Grant Assistance at (202) 708-1577 for the Entitlement CDBG program or (202) 708-1322 for the State CDBG program

Office of Affordable Housing Programs at (202) 708-2684

Office of Special Needs Assistance Programs at (202) 708-4300

Office of HIV/AIDS Housing at (202) 708-1934 or at hopwa@hud.gov

ATTACHMENT A




ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

DEC 12 2017

MEMORANDUM FOR: All Community Planning and Development Field Office
Division Directors

FROM: Neal Rackleff, Assistant Secretary, D 

SUBJECT: Availability of Waivers of Community Planning and Development
Grant Program Requirements to Facilitate the Ability to Incur
Pre-Award Costs in FY 2018

PURPOSE:

This memorandum explains the availability of waivers of certain statutory and regulatory requirements associated with two Community Planning and Development (CPD) grant programs to facilitate the continuation of eligible activities and ongoing planning and administrative costs due to a delay by HUD in the receipt of annual appropriations for FY 2018. This memorandum covers the following CPD programs:

- Community Development Block Grant (CDBG), and
- HOME Investment Partnerships (HOME)

BACKGROUND:

HUD is issuing procedures to govern the submission and review of action plans for FY 2018 funding prior to the enactment of a FY 2018 appropriation bill. Grantees are advised to not submit a consolidated plan or action plan until the FY 2018 formula allocations have been announced. However, an action plan must be submitted to HUD no later than August 16, 2018.

The likelihood of delays in the receipt of annual appropriations by HUD and implementation of these procedures for FY 2018 may have negative consequences for CDBG and HOME grantees that intend to incur eligible costs prior to the award of FY 2018 funding. Some activities might otherwise be interrupted, and grantees might not otherwise be able to use CDBG or HOME funds for planning and administrative costs of administering their programs.

NOTIFICATION PROCESS:

This waiver will apply to any Entitlement, Insular or Hawaii nonentitlement CDBG grantee and to any HOME participating jurisdiction whose program year start date for FY 2018 funding occurs during the period starting October 1, 2017, and ending August 16, 2018 or 60 days after HUD announcement of FY 2018 allocation amounts for formula program funding (whichever comes first). This waiver is available for use by any applicable CDBG grantee or HOME participating jurisdiction whose action plan submission is delayed past the normal submission date because of delayed enactment of FY 2018 appropriations for the Department.

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Any affected grantee taking advantage of this waiver shall document in writing the conditions giving rise to the need to use this waiver, and shall maintain such documentation for HUD's review. This waiver authority is only in effect until August 16, 2018.

WAIVER AUTHORITY:

Without this waiver, some activities might be interrupted while implementing these procedures. In addition, grantees might not otherwise be able to use CDBG and HOME funds for ongoing planning and administrative costs of administering their programs. To address communities' needs and to ensure that programs can continue without disturbance, I find that good cause exists pursuant to 24 CFR 5.110 to waive the CPD program regulatory requirements set forth below.

WAIVER AVAILABILITY:

1. Pre-award Costs

Requirement: The effective date of the grant agreement is the program year start date or the date that the consolidated plan is received by HUD. These dates determine when a grantee may incur pre-award costs.

Citations: 24 CFR 570.200(h) (Entitlement CDBG program, the Insular Areas CDBG program, and for grants to nonentitlement counties in Hawaii) and 24 CFR 92.212(b) (HOME participating jurisdictions)

Explanation: This waiver will allow a grantee or participating jurisdiction to treat the effective date of the grant agreement as the program year start date or the date that the consolidated plan/action plan (with actual allocation amounts) is received by HUD, whichever is *earlier*.

Justification: HUD recognizes that some activities may be interrupted, and grantees might not otherwise be able to use CDBG and HOME funds for ongoing planning and administrative costs.

Applicability: This authority is in effect until August 16, 2018.