To: Chair and Members of the Housing & Community Development Act Committee

From: Mark Muenzer, Director of Community Development
Sarah Flax, Housing & Grants Administrator
April Jacobs, Grants & Compliance Specialist

Subject: Information for 2015 CDBG Allocations

Date: September 19, 2014

Please see below for information related to the FY2015 CDBG allocation meeting, including Consolidated Plan priorities, low- and moderate-income area eligibility and status updates on applications that required follow up items.

Areas of Priority – Community Input
Although the 2015-2019 Consolidated Plan is not yet complete, staff has done significant research and outreach to determine areas of priority in order to develop the plan. Listed below are the top areas of greatest need and the activities in each sub-category that the community identified (through surveys and stakeholder meetings) as high priority for your reference when considering how to allocate CDBG funding for FY2015.

Three largest areas of need:
-Lack of affordable housing
-Unemployment/underemployment
-Unsafe/poorly maintained neighborhoods

Activities by sub-category:
Public Facilities & Infrastructure
  1. Youth and Childcare centers
  2. Paving / resurfacing of streets and alleys
  3. Homeless facilities
  4. Street lighting
  5. Facilities that serve persons with disabilities
  6. Recreational Facilities

Public (social) Services
  1. Youth Services
  2. Mental Health Services
  3. Abused & Neglected Children Services
  4. Health Services
5. Domestic Violence Services

Area Benefit – Eligibility
New low- and moderate- income data has been released by HUD for use of determining eligible Census Tracts and Census Tract Block Groups. This information has changed quite drastically since our last consolidated plan, and therefore has had a significant impact on our geographic strategy areas (Neighborhood Revitalization Strategy Area [NRSA] and CDBG Target Area). We have included maps of eligible Census Tract Block Groups, the proposed CDBG Target Area and the proposed NRSA. Please note that any public facility or infrastructure improvement that is qualified on the basis of location in the NRSA or CDBG Target Area will not be determined to be eligible until HUD has approved our Consolidated Plan and NRSA plan.

Follow up Items & Updates
Updates on additional information requested at the application review meetings and any information from staff related to project eligibility or significant concerns is addressed below. Activities are listed in the order they appear on the draft funding spreadsheet.

Public Services

1. Family Focus – the Future Focus Program
Additional information requested relating to cost increases was provided and may be found on the “extra” tab in ZoomGrants.

2. Youth Action Ministry NFP (YAMNFP) – Annual College Trip
Additional information on the budget was provided on the “Extra” and “Documents” tabs in ZoomGrants, but was not entered on the “Budget” tab. Cost estimates per student were provided. In addition, the total number of students was increased, though this is not reflected in the “Application questions” section. Staff still has significant concerns regarding the organization’s capacity to meet federal requirements, particularly related to cost reasonableness and procurement, and how they expect to raise all the funds required based on the program scope.

3. Have Dreams (Helping Autistic Voices Emerge) – SCILS program for children
Information breaking out Evanston program from Park Ridge was provided on the “Extra” and “Budget” tabs. Cost for Evanston location is considerably higher on a cost per person served. (Total program budget for both locations in 2014 is $655,836). There are three additional Evanston clients projected to be served in 2015 from 2014 on the “Application questions” page. Staff questions whether $25,000 in CDBG is justified. The number of people served at the Evanston location each quarter, which may not be unduplicated, is shown as 37.5.

4. Evanston Rebuilding Warehouse
Information requested (breaking out salaries and benefits for staff from trainees) was provided on the “Budget” tab.

Housing

5. Safe & Healthy Homes
Due to the likely size of each individual project within this program, staff recommends funding it out of Affordable Housing Fund rather than CDBG – this is primarily due to the compliance and oversight requirements required by CDBG. This was proposed as part of the staff recommendation to address needs of At-Risk Families. (It is also recommended that the Handyman program, which hasn’t applied for additional funds this year, be moved to that source.)

6. Rimland Services – Increased Accessibility
Additional information requested was provided under “Documents” tab. Total household income must be at or below $57,900 to qualify. If funded, staff recommends funding as 0% interest title transfer loan rather than a forgivable grant. If the property were sold and no longer functioned as special needs housing, the funds would be returned to the CDBG program.

7. SHORE Community Services – Judson Condo Bathroom Remodel
Total household income must be at or below $46,350 to qualify. If funded, staff recommends using a 0% interest title transfer loan, as with Rimland. Davis-Bacon applies to this project and it is not clear if estimates included this.

Public Facilities and Improvements

8. CJE Senior Life – Howard Street Adult Day Services Mural
Additional information requested provided in ZoomGrants under “Budget” and “Documents” tab. Staff has concerns regarding eligibility of this project under “public facilities” category versus “public services” due to the nature of the project and does not yet have a response from HUD. Because the project is a piece of public art, not a typical building improvement, the City should have input/approval of the actual work, if it were to be funded.

9. Youth Organizations Umbrella – YOU Headquarters
The total project budget has been updated in ZoomGrants (“budget” tab) to show FY2013 and 2014 CDBG funds previously allocated, which total $52,000. A letter from the applicant has been provided requesting these grants be reallocated towards the new headquarters, as they were previously approved for renovation of their existing headquarters, is attached for your reference. Staff would like to note that use of CDBG funds for any construction work will subject the entire project to Davis-Bacon wage rates and compliance oversight. If CDBG were allocated for architectural and project management costs for this project, as planned for the former, and no construction costs were funded no Davis-Bacon compliance would be required. Those items total $82,000.

10. Church & Brown Parking Lot
Staff has eligibility concerns, as the program description states it will be used for residential parking primarily, and the census block group in which it is located is not eligible for CDBG on an area basis under the newly released low/mod income information. The service area for the parking lot could be defined and a survey conducted to determine eligibility.

11. Penny Park Renovations
Due to the change in low/mod income information, this project is no longer qualified for CDBG based on census data. Per HUD, because the project was not underway prior to the release of the new low/mod income, the project is not eligible for use of funding allocated in 2013 and 2014. However, a survey could be used to determine eligibility once the service area is confirmed. If this is pursued and survey results do not establish it as eligible, staff recommends state that the funds (old and any new, if recommended) will be reallocated to an eligible City Public Facilities and Improvements project in the Action Plan.
September 15, 2014

Sarah Flax  
CDBG Administrator  
City of Evanston  
2100 Ridge  
Evanston, IL 60201

Dear Sarah:

I am writing to request that the $52,000 in city of Evanston CDBG funds (FY13 and FY14) which have been granted to Y.O.U. for the Nichols Youth Center project, be authorized for use on the reimagined project, Y.O.U.’s new headquarters and youth center to be located at 1911-17 Church Street.

At our meeting in August I shared an update and change in direction on our project, based on a unique opportunity that was presented to Y.O.U. by Tawani Development Corporation. Since that conversation, our plans have transformed further and are now solidified.

When we met previously, we discussed Y.O.U.’s role as lessee in Project Beacon, a planned Tawani Development. Now, Y.O.U. will be the beneficiary of the land currently owned by Tawani at this location. In addition, Tawani is purchasing the parking lot on the southeast corner of Church and Dodge which they are also planning to donate to Y.O.U. We anticipate that these properties will be transferred to Y.O.U. in November. With this generous gift (which also includes a cash gift of $550,000) Y.O.U. will proceed with plans to build a 9,000-11,000 square foot building on this site that will include space for 15-20 staff, a plug-in option for all of our 53 person staff to work on-site (for short periods of time), two private counseling rooms for youth and families, and 2-4 experiential learning spaces. Two of these spaces have been identified – a 1,000 square foot multi-purpose room and a 1,000 square foot maker’s lab (note: a “maker lab” uses creative challenges and state-of-the-art technology to immerse youth in fun, hands-on learning in science, technology, engineering, arts, and mathematics). Youth will be transported from our afterschool program sites on a regular basis to this location to utilize these specialized spaces. In addition, we are considering the inclusion of a demonstration kitchen and dance/movement studio.

The project budget and project schedule were included in our recent FY15 CDBG application. They are as follows:

The project schedule is:

- Building demolition and clearing of property – Complete
- RFP posted seeking architect – September 2014
• Collaborative listening sessions—October 2014
• Schematic Design - December 2014
• Design Development - February 2015
• Foundation Permit - April 2015
• Construction Documents - May 2015
• Begin Construction - June 2015
• Complete Construction and Occupancy by - May 2016

BUDGET

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Funding Revenue/Sources       Total Project Income

| FY15 Evanston CDBG Request   | $90,000    |
| City of Evanston CDBG        | $52,000    |
| Lewis-Sebring Family Foundation | $1,000,000 |
| Tawani Enterprises/Foundation| $550,000   |
| Private Donors               | $1,600,000 |
| Irvin Stern Foundation       | $25,000    |
| IL DECO                      | $35,000    |
| TOTAL                        | $3,352,000 |

We appreciate your consideration of this request which will allow us to complete our original intention of creating a more appealing, accessible and safer space for Evanston youth and their families. The construction of a new Y.O.U. headquarters and youth center is an investment in the future of Evanston youth.

Sincerely,

Marianne Moberly

cc: April Jacobs