



## Legislation Text

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**File #:** 19-309, **Version:** 1

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### **CITY COUNCIL AGENDA ITEM**

#### **ACTION REQUESTED:**

Approve Substantial Amendment 1 to the Program Year 2018 Annual Action Plan reallocating a total of \$92,667 of Community Development Block Grant funds to Naperville Elderly Homes (Item 2 of 2)

**DEPARTMENT:** City Clerk's Office

**SUBMITTED BY:** Ruth Broder, CDBG Coordinator

#### **BOARD/COMMISSION REVIEW:**

N/A.

#### **BACKGROUND:**

The Annual Action Plan (AAP) outlines how Community Development Block (CDBG) funds will be spent in a Program Year and how these projects meet the objectives of the CDBG program and the Consolidated Plan.

Applications for Program Year 2018 CDBG funds were submitted in September, 2017. The applications were evaluated by staff and recommended awards were included in the AAP, which was preliminarily approved by the City Council in March, 2018. The AAP was based on the City's estimated CDBG allocation, however after the U.S. Department of Housing and Urban Development (HUD) released Naperville's actual 2018 CDBG allocation, staff prepared a revised AAP accordingly. The City Council granted final approval to the revised AAP on June 19, 2018, following the required 30-day public comment period and public hearing.

After the City received its Program Year 2018 funding agreement from HUD in October, 2018, two of the recipient organizations determined that they were no longer be able to accept the awards. The City is now proposing a Substantial Amendment to the Program Year 2018 AAP to replace these two approved projects with a new project.

#### **DISCUSSION:**

The approved Program Year 2018 AAP included an award of \$29,211 to the Naperville Park District for Riverwalk Warming House accessibility improvements to restrooms and an award of \$63,446.00 to Naperville Elderly Homes for rehabilitation of four bathrooms at its 310 Martin Avenue apartment complex for low-income senior citizens.

The award to the Naperville Park District was contingent on it obtaining flood insurance through the National Flood Insurance Program. Although the park district was willing to do this, the estimates that they obtained exceeded the previously estimated cost and were determined to be cost-prohibitive. The park district is unable to offer an alternative project at this time, but will work with the City to

develop other CDBG-eligible projects in Program Year 2019 or subsequent years.

In September, 2018, the Illinois Housing Development Authority (IHDA) awarded low-income housing tax credits (LIHTC) and low-interest bond financing to Naperville Elderly Homes to construct a 62-unit addition to Martin Avenue Apartments and rehabilitate the interior of the existing 121-unit structure, including bathroom renovation. The Board of Directors and building management concluded that the new scope of work would allow for additional renovation to the bathrooms and that it would be more appropriate to include them in the new renovation project.

As an alternative, Naperville Elderly Homes is requesting funding for improvements to the existing building that were not included in the new design and construction estimates. These improvements upgrade the main entrance to the property by replacing the existing canvas awning with an expanded metal canopy that will reduce energy costs and provide a safer, weather-protected waiting area for residents waiting for bus and ride pick-up and drop-off.

Naperville Elderly Homes estimates that the total cost to complete this project will be approximately \$96,000. Recommended CDBG funding is \$92,667, which would include the \$63,446 previously awarded to Naperville Elderly Homes, plus the \$29,211 previously awarded to the Naperville Park District.

**FISCAL IMPACT:**

Reallocation of \$92,667 in CDBG funds to Naperville Elderly Homes.