



*APPROVED by CD Commission 2-24-10*  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION MEETING**  
**Tuesday, January 26, 2010, City Council Chambers**  
**400 South Vine Street, Urbana, IL 61801**

**Call to Order:** Chairperson Cobb called the meeting to order at 7:00 p.m.

**Roll Call:** Connie Eldridge called the roll. A quorum was present.

**Commission Members Present:** Fred Cobb, Janice Bengtson, Chris Diana, George Francis, Theresa Michelson, Brad Roof, Anne Heinze Silvis, Dennis Vidoni

**Commission Members Absent:** Jerry Moreland

**Others Present:** John Schneider, Kelly Hartford, Jennifer Gonzalez, Randy Burgett and Connie Eldridge, Community Development Services Department; Sheila Ferguson & Lisa Benson, Mental Health Center (MHC) of Champaign County; Katrin Klingenberg & Keihly Moore, Ecological Construction Laboratory (e-co lab); Tami Tunnell, A Woman's Fund (AWF); Janice McAteer, Developmental Services Center (DSC); Aaron P. Smith, Homestead Corporation; Beverly Huffman, Habitat for Humanity of Champaign County; James Harris.

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the November 24, 2009 minutes of the Community Development (CD) Commission. Commissioner Vidoni moved to approve the minutes, and Commissioner Silvis seconded the motion. The motion carried unanimously.*

**Petitions and Communications:** None.

**Staff Report:** Mr. Schneider provided updates and distributed a staff memorandum. Due to weather conditions, the Neighborhood Meeting at King School was rescheduled for Thursday, January 28, at 7:00 pm. The Department of Housing and Urban Development (HUD) closed out the City of Urbana's Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year (FY) 2008-2009. There were no findings. HUD also indicated the City should use last year's funding allocation when preparing the budget for the Annual Action Plan for FY 2010-2011. City Council approved the Analysis of Impediments to Fair Housing Choice 2010 with some changes. Mr. Schneider and Commissioner Roof recently attended a Downstate Illinois Economic Workshop, which was a collaboration among local government entities and the University of Illinois. The Single Audit recently completed for the City CDBG program resulted in no findings.

**Old Business:** None.

**New Business:** **An Ordinance Approving Further Modifications to the City of Urbana and Urbana/Champaign/Champaign County HOME Consortium FY 2008-2009 Annual Action Plans** – Mr. Schneider stated this amendment is to allocate \$106,025 in federal FY 2009-2010 HOME funds that were allocated by HUD in excess of the amount budgeted in

the AAP. The Urbana HOME Consortium decided the best use of these additional funds was for a Consortium-Wide Tenant Based Rental Assistance (TBRA) Program that will be administered by Champaign County. The amendment also reallocates \$25,305 of Champaign County's HOME program income to its Whole House Rehabilitation Program (\$10,805) and a new program, Lot Acquisition (\$14,500).

Commissioner Vidoni asked about feedback concerning the reallocation of funds for the TBRA Program. Mr. Schneider noted there was no attendance at the first of two public hearings; however, this was discussed during the Consolidated Plan Neighborhood Hearings. Commissioner Vidoni wondered if the amount of funding (\$106,025) was meeting the needs articulated at earlier public hearings. Mr. Schneider responded Champaign County has a waiting list for the TBRA Program, and this action was "going in the right direction." Since 2005 the total of all funds allocated for the TBRA Program will be close to \$500,000.

In response to Commissioner Roof, Mr. Schneider described Champaign County's No Limits Program, which will receive TBRA funds. Case workers work with clients to achieve self-sufficiency. Participants make rental co-payments based on a percent of their income. Mr. Schneider will invite Darlene Kloepfel, Champaign County Regional Planning Commission (RPC), to attend a CD Commission meeting and explain this program.

In response to Commissioner Diana, Mr. Schneider stated the lot identified for acquisition is zoned for a duplex and is located in the Dobbins Downs subdivision. This is in unincorporated Champaign County. This will be the first Community Housing Development Organization (CHDO) project done in Champaign County.

*Commissioner Vidoni moved to recommend to City Council approval of an Ordinance Approving Further Modifications to the City of Urbana and Urbana/Champaign/Champaign County HOME Consortium FY 2008-2009 and FY 2009-2010 Annual Action Plans. Commissioner Francis seconded the motion, and the motion carried unanimously.*

**An Ordinance Authorizing the Sale of Certain Real Estate (1405 West Beslin Street) –** Randy Burgett explained this property will be donated to Habitat for Humanity. In June 2009 the seller purchased the property taxes and then contacted the City of Urbana. City purchased the property with Community Development Block Grant (CDBG) funds and then worked to release the outstanding liens. This is a solution to a long standing vacant problem property, which was neglected since the death of the owner in 1995.

Since the City transferred the adjacent lot (1405 ½ West Beslin Street) to Habitat in 2008, there are several options. Habitat must decide whether to build two single family homes on the two half lots, or build one duplex or a large single family house on the larger lot. The deadline is December 2012. Chairperson Cobb asked if all liens were removed. Mr. Burgett answered yes, the City has clear title to the property.

*Commissioner Michelson moved to recommend to City Council approval of an Ordinance Authorizing the Sale of Certain Real Estate (1405 West Beslin Street) to Habitat for Humanity. Commissioner Bengtson seconded the motion, and the motion carried unanimously.*

**Review of Community Development Block Grant (CDBG) grant applications for funding for Fiscal Year 2010-2011 to be included in the FY 2010-2011 Draft Annual Action Plan –**

Kelly Hartford announced that three agencies submitted a total of four applications, and the copies include staff's scoring. Agency representatives then presented their applications to the CD Commission.

**A Woman's Fund – *Foundation repair, Heating Ventilation and Air Conditioning (HVAC) system replacement*** – Tami Tunnell, Executive Director of A Woman's Fund, distributed a project budget and a bid proposal for drainage issues at A Woman's Place (emergency shelter) from R&D Ground Services. The application is to complete the drainage project, repair the foundation, install a ground swale, add gutters and downspouts, install two sump pumps, replace the water heaters, and upgrade the HVAC system. The priority is addressing the drainage issue and augmenting the work already done.

Commissioner Vidoni was concerned that AWF's two previous projects with the City of Urbana were not closed out. Ms. Tunnell explained the work was completed on the first project, while the second needed to be rebid to be compliant with the American with Disabilities Act (ADA). Commissioner Vidoni stressed that HUD needs timely completion of projects.

Ms. Tunnell clarified that although AWP will accept clients of any income, most recent clients have had extremely low incomes. In response to Commissioner Michelson, she noted the shelter and administrative offices total 12,000 square feet. There are 10 bedrooms which hold 40 people at one time. Commissioner Diana requested clarification of the amounts. Ms. Tunnell reviewed the figures and noted this was a verbal estimate, not a bid.

**Prairie Homes, Inc. – *Interior Repairs to Hartle Group Home*** – Janice McAteer, Director of Development, explained that Prairie Homes is the managing corporation for the Developmental Services Center (DSC) group home in Urbana. Because the group home is a HUD project, HUD required a separate managing corporation that supports the mission of the DSC. She invited commissioners to visit the group home.

Funds will be used to redo the kitchen, which has not been upgraded for 20 years. Because the current sink and dishwasher are still good, they will be reinstalled. Also, the toilets will be replaced with heavy duty flushing toilets.

In response to Commissioner Michelson, Ms. McAteer reviewed DSC's financial situation in light of the State of Illinois lack of payments to social service agencies. DSC has minimized costs and has a line of credit to operate. DSC may need to lower services and further reduce staff rather than close its doors.

**Mental Health Center (MHC) of Champaign County – *Lincolnshire Adult Group Home*** – Sheila Ferguson, CEO, reviewed both applications. The MHC will replace the roof and do foundation work on the front brick facing wall. Due to confusion about the 25% match, she clarified that the total project cost is \$29,594, and the requested amount is \$22,196. This house, which was purchased in 1995, is a 24 hour group home. It serves residents of both Champaign and Urbana, and there are few vacancies.

**Mental Health Center of Champaign County – Elm Street Supported Apartments, Urbana –** Ms. Ferguson clarified (also due to confusion about the 25% match ) the total project cost is \$27,205, and the requested amount is \$20,404. The request is to replace windows and doors in the apartment. The apartments have provided affordable housing to eight clients since the building was purchased in 1999. She reviewed the location of the apartment and the number of windows and doors to be replaced.

Commissioner Michelson believed there were enough funds to fully fund both MHC applications. Mr. Schneider reviewed staff's recommendations, which were based on feedback and percent of Urbana residents served. Staff reduced the amount in the projected budget for the Lot Acquisition Program to accommodate the social service agency requests. Not every municipal government is funding every social service agency. After reducing the requests (based on the information regarding the inclusion of match in the original requests) staff calculated the recommended CDBG allocations. The Lincolnshire project would receive \$13,318, which is based on assisting 60% of Urbana residents served, and the Elm Street project would receive \$20,404 based on 100% Urbana residents served.

Commissioner Roof asked about the City's lot inventory for the CHDOs, program delivery, and carryover funds. Mr. Schneider noted the City only owns lots for the Kerr Avenue project and has conveyed all other lots to the nonprofit organizations for affordable housing development. The amount of program delivery is exactly the same as last year's. \$100,000 is being carried over for lot acquisition, possibly to acquire properties for the Housing Authority's redevelopment of Dunbar Court. Staff would recommend any remaining CDBG funds be added to lot acquisition to acquire other properties that become dilapidated or vacant.

Noting AWF's match calculation was not correct, Commissioner Diana suggested recalculating their grant amount. 32% of their revised project would be about \$36,480. There was discussion on whether funds should be allocated for lot acquisition or for the social service agencies. Noting the agencies are facing hard times, Commissioners Vidoni, Francis and Roof preferred to allocate any additional funds to the agencies rather than lot acquisition. Mr. Schneider stated the CD Commission can recommend different amounts. Ms. Ferguson added that a group home's calculation of Urbana residents reflects only a moment in time and that it would be better to consider the number served over time.

Mr. Schneider discussed how CDBG funding is intended to benefit citizens of Urbana and suggested looking "at the big picture." There was discussion on whether the agencies would receive funds from the City of Champaign, the State of Illinois or the Federal Government. Ms. Ferguson remarked because the MHC owns apartment buildings and houses, they are able to draw on a line of credit during these times.

*Commissioner Michelson moved to recommend that the City of Urbana fund the Mental Health Center's two applications at 100% of their request as follows: \$22,196 for Lincolnshire Adult Group Home in Champaign and \$20,404 for Elm Street Supported Apartments in Urbana. Commissioner Vidoni seconded the motion. There was discussion on whether HUD would accept the funding allocations and the importance of correct figures on the applications. Although he agreed with Commissioner Diana's concern with the applications, Commissioner*

*Vidoni remarked these funding decisions reflected deliberations of Urbana citizens. The motion carried with 7 ayes, 1 no. The motion carried.*

There was discussion whether the motion included the application for Prairie Homes Hartle Group Home, the amount of funding for A Woman's Fund, and whether percentage of Urbana population should be considered. Commissioner Diana remarked that when you abandon the percentage on one application, you abandon the percentage on all. Chairperson Cobb clarified that the motion was only for funding the MHC applications, and the recalculated amount of funding for AWF was \$34,290.

*Commissioner Francis moved that it was the sense of the CD Commission that (1) any surplus funds be applied to the already decided areas of need for A Woman's Place and Prairie Homes Hartle Group Home, and (2) no additional funds be added to the already allocated sums for land acquisition. Commissioner Vidoni seconded the motion. It was clarified that Prairie Homes application was presented with 25% match. The motion carried unanimously.*

**Review of HOME Investment Partnership (HOME) Program grant applications for funding for FY 2010-2011 to be included in the FY 2010-2011 Draft Annual Action Plan –**

Mr. Schneider announced that Jennifer Gonzalez was promoted to the HOME Grant Coordinator position. Ms. Gonzalez introduced the HOME applicants.

**Ecological Construction Laboratory (e-co lab)** - Katrin Klingenberg and Keihly Moore reviewed their two applications. Ms. Klingenberg noted e-co lab's application for CHDO Operating Funds was marked as conditional because they had not submitted their invoices to the City. E-co lab has merged with a nonprofit national organization and has been reorganized.

Referencing e-co lab's application for CHDO Project Funds for the Kerr Avenue Affordable Passive House Development, Ms. Klingenberg stated the Kerr Avenue project was very important. It provides an example that high performance building can be done at close to the standard costs of typical construction. The first phase has 23 units, and e-co lab has started discussions with the developer. However, e-co lab cannot apply for additional funding unless the City commits HOME funds to the project. Ms. Moore added it was more cost effective and efficient to develop townhomes.

In response to Commissioner Roof, Ms. Klingenberg stated e-co lab has submitted its quarterly reports to the City. She also discussed e-co lab's hesitancy to move forward with new affordable home construction due to the current economy and difficulty finding a qualified homebuyer. Commissioner Roof asked if e-co lab had abandoned their plan to pre-sell future single family homes. Ms. Klingenberg answered no; e-co lab would do its best to find a homebuyer for a very narrow niche market. Although they have received calls, e-co lab has not started an extensive marketing campaign. She discussed reducing the cost of the homes. Due to market difficulties, e-co lab is considering multi-family retrofits.

Commissioner Vidoni stated that he concurred with the HOME Consortium's recommendation not to provide any funding for the Kerr Avenue project at this time. Even an experienced CHDO such as Homestead Corporation can get overwhelmed with very large projects. Ms. Klingenberg said that e-co lab would be a consultant to the actual developer.

In response to Chairperson Cobb, Ms. Klingenberg reviewed e-co lab's past grant applications with other grantors. She noted those grantors ask for a contract in place before committing their funds, and they would not provide any guarantees. It is a very competitive process, with grants usually going to larger developments.

In response to Commissioner Diana, Ms. Klingenberg explained that e-co lab has merged with Passive House Institute US, an Illinois nonprofit agency that was established parallel to e-co lab. This larger umbrella can apply for Building America funding beyond what e-co lab can raise in the community. E-co lab is a program under the 501(c)3 umbrella. There was discussion about whether the merger affected e-co lab's CHDO status. Although staff needed more information about this merger, Mr. Schneider believed it was similar to Urban League's CHDO, Urban League of Champaign County Development Corporation. Habitat for Humanity's anticipated CHDO status would be a similar arrangement.

Commissioner Roof inquired about e-co lab's organizational structure. Ms. Klingenberg stated it would stay the same with the same board of directors. She planned to move from Executive Director to President of the Board of Directors. E-co lab was looking to hire a full time Executive Director to work on increasing capacity.

In response to Commissioner Roof, Mr. Schneider indicated that the HOME Consortium was holding some CHDO Operating Funds in anticipation of Habitat becoming a CHDO.

**Homestead Corporation of Champaign County** – Aaron Smith, Executive Director, stated that Homestead had requested the same amount of CHDO Operating Funds as last year's request. Noting the funds were split 50/50 again, Commissioner Roof questioned whether CHDO Operating Funds should be allocated on a need or performance basis. Mr. Schneider discussed how startup CHDOs initially received more funds. Because developer fees help build capacity, staff encourages the CHDOs to complete projects and also increase their developer fees to receive more funds.

There was discussion on whether or not to provide CHDOs with the same amount of CHDO Operating Funds. Mr. Smith added that Homestead was in the process of creating a five year developer plan and a business plan. Although Homestead will continue to build single family homes, they see a need in the community for more multi-family projects. One issue is whether or not to add additional staff.

Commissioner Roof preferred the CHDOs received funds on a need basis rather than historic precedent. Commissioner Michelson noted the CHDOs had completed their planning and had not asked for a different amount. Commissioner Francis remarked that, in the absence of compelling reasons otherwise, it was prudent to follow staff's suggestions. To allocate funds on another basis would require an enormous amount of work with maybe the same outcome.

*Commissioner Francis moved that the CD Commission approve the HOME funding allocation as outlined in the staff memorandum without any changes. The recommendation is as follows:*

- *CHDO Project Funds – Ecological Construction Laboratory \$0*
- *CHDO Operating Funds – Ecological Construction Laboratory \$22,500 (conditional)*

- *CHDO Operating Funds – Homestead Corporation \$22,500*
- *Reserved CHDO Operating Funds for a new CHDO - \$11,403*

*Commissioner Michelson seconded the motion, and the motion carried unanimously.*

**Study Session:** Katrin Klingenberg of e-co lab provided information related to energy cost savings of the e-co lab houses compared to homes constructed using other types of energy saving methods. The e-co lab house (Passiv Haus) saves approximately \$1,500 each year in energy costs over standard construction models.

**Adjournment:** Chairperson Cobb adjourned the meeting at 9:18 p.m.

Recorded by Connie Eldridge

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*APPROVED by CD Commission*