



APPROVED by CD Commission 11-30-10
MINUTES
COMMUNITY DEVELOPMENT COMMISSION MEETING
Tuesday, August 24, 2010, City Council Chambers
400 South Vine Street, Urbana, IL 61801

Call to Order: Chairperson Cobb called the meeting to order at 7:02 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, Jerry Moreland, Anne Heinze Silvis, Dennis Vidoni

Commission Members Absent: None

Others Present: John Schneider, Jennifer Gonzalez, and Connie Eldridge, Community Development Services.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the May 25, 2010 Community Development (CD) Commission minutes. Commissioner Silvis moved to approve the minutes, and Commissioner Francis seconded the motion. The motion carried unanimously.*

Petitions and Communications: Commissioner Vidoni referenced earlier discussions and emails with former CD Commissioner Brad Roof, Community Development Services Department Director Libby Tyler, and City Council member Brandon Bowersox. Commissioner Vidoni and Mr. Roof plan to address the Urbana City Council on September 20, 2010. While this was precipitated by different funding recommendations for the Fiscal Year (FY) 2010-2011 Annual Action Plan (AAP), Commissioner Vidoni stated the purpose was to clarify the role of the CD Commission and ask about the CD Commission's impact on the City Council's decision-making.

There was discussion on the role of the CD Commission. Commissioner Francis asked if other commissioners could also attend this presentation. Commissioner Bengtson remarked the CD Commission as a group needed to clarify its goals, and Chairperson Cobb agreed. Commissioner Michelson noted this action seemed predicated on the fact the CD Commission twice recommended a funding amount, which was not approved by City Council. Commissioner Francis wondered if it was necessary for commissioners to appear before City Council and "plead our case." He questioned whether this was proper and what City Council expected from the CD Commission.

John Schneider reviewed the CD Commission's bylaws and original history. After reading the preamble, he noted the key word was "advise." Both times the City Council had the CD Commission's recommendations and unapproved minutes prior to making a decision.

Referencing the by-laws, Commissioner Moreland wondered if City Council has strayed from the original purpose of the CD Commission. He supported asking Council to clarify the CD

Commission's role and impact of its advice. Chairperson Cobb agreed and suggested the City Council should acknowledge the CD Commission's advice and, if not taken, explain why they did not. He requested Commissioner Vidoni include these points.

Commissioner Diana did not feel the language was vague; normally commissions advise and recommend. He felt commissioners were "trying to read more into this." Council is not required to explain why they do or do not take advice. Commissioner Diana remarked if a commissioner felt very strongly about an issue, perhaps there should have been additional follow through.

Commissioner Francis remarked that the CD Commission is not just "people on the street." He felt a commission had more stature and should not have to go to Council to plead its case. It appeared to him that the CD Commission's advice was not read and was ignored, which felt like an insult.

Commissioner Diana felt it was presumptuous to state that just because City Council did not take the CD Commission's advice, it meant City Council had not read it. He felt there was an attempt to put the Commission's expertise above that of staff and everyone else. Commissioner Francis said the Council could acknowledge the CD Commission's position, especially if they disagreed. Commissioner Diana felt the CD Commission had spent more time on this issue than was justified and requested they "don't beat this dead horse." Commissioner Bengtson agreed with Commissioner Diana that the CD Commission does not have the final say.

Commissioner Michelson agreed that although the CD Commission is "not people on the street," she felt less qualified than staff to make decisions. The word "advise" is the only verb in the CD Commission's by-laws, and commissioners cannot set rules on how Council will consider the CD Commission's advice. Although she believed this was the first time the CD Commission disagreed with staff, she did not feel insulted with Council's decision. Commissioner Michelson favored letting this issue go and mentioned "making a mountain out of a molehill." She wanted to review Mr. Roof's letter before it was presented to Council and decide whether or not to sign it.

Commissioner Vidoni clarified that only his name and Brad Roof's would be on the letter. They agreed it was right to inform CD Commission about their plan to address City Council. He encouraged commissioners to provide feedback to Mr. Roof. He noted that Commissioner Diana was welcome to attend and present a different point of view, as this is a hallmark of a democracy.

Chairperson Cobb stated the CD Commission was basically in agreement that City Council can make its own decisions, even if those decisions do not agree with the CD Commission's decisions. However, the CD Commission is not in agreement on how the City recognizes it. Some perceived this to be an insult that the CD Commission did not get proper recognition as far as issues being presented. He hears that the CD Commission wants acknowledgement, which would indicate Council has considered the commission's suggestions.

Staff Report: Mr. Schneider provided updates and distributed a staff briefing memorandum dated August 24, 2010. The Department of Housing and Urban Development

(HUD) approved the FY 2010-2011 Annual Action Plan and sent executed grant agreements. The City received authority to use grant funds on August 1. HUD has also requested another copy of the City's *Analysis of Impediments to Fair Housing Choice*.

City Council approved all agenda items forwarded for approval by the CD Commission at its May 25, 2010 meeting.

Staff is working on the Consolidated Annual Performance and Evaluation Report (CAPER), which is due to HUD by the end of September. The report, which is very lengthy, will be available on the City's website. Commissioners may request a paper copy.

The Cities of Urbana and Champaign, the Champaign County Regional Planning Commission, the Housing Authority of Champaign County, and the Village of Rantoul are working on a Request for Proposals (RFP) for a regional housing needs study. In response to Commissioner Michelson, Mr. Schneider stated the City of Urbana will use administrative funds to pay a prorata share of about \$11,500. Because it will be at least three years before data from the 2010 Census is available, this study will provide more information on the availability of housing and housing needs in the community.

Crystal View Townhomes project is being finalized. Commissioner Diana noted it took a lot of public and private effort to replace Lakeside Terrace public housing units with Crystal View Townhomes. The results appear to be worthwhile, and everyone should be proud of this accomplishment. Commissioner Moreland inquired if many former residents of Lakeside Terrace returned to Crystal View and if the units were all rented. Mr. Schneider noted all Lakeside Terrace residents received vouchers to move wherever they wanted. He will check with the Housing Authority to see how many returned to Crystal View.

Chairperson Cobb mentioned the earlier concern that Crystal View had fewer housing units than Lakeside Terrace. Mr. Schneider discussed the City Council's decision that 80 percent of the units be replaced somewhere in the City. Homestead Corporation planned to acquire properties, rehabilitate them, and then rent to low income persons. However, Homestead's rental program was too costly in the long run. Crystal View has 70 units compared to Lakeside Terrace's 99 units. Crystal View is a tax credit project, with seven units at market rate and the rest required to rent to persons at or below 80 percent of Median Family Income (MFI). Mr. Schneider believed at least 60 units were rented to households at or below 60 percent MFI. While this project did not produce as many public housing units per se, it provided affordable housing that was decent, safe and sanitary.

Old Business: None.

New Business: **An Ordinance Approving Additional Changes and Modifications to the City of Urbana and Urbana/Champaign/Champaign County HOME Consortium FY 2008-2009 and FY 2009-2010 Annual Action Plans HOME Program** – Mr. Schneider stated these amendments will reallocate funding from the Kerr Avenue Development Project to the Aspen Court Rental Rehabilitation Program, which is an affordable housing project that is more ready to start. He briefly reviewed the history of the Scottswood Manor Apartments, which an

absentee owner had allowed to go into foreclosure. MOJO Properties LLC purchased Scottswood Manor and then created Aspen Court Apartments LLC.

Mr. Chris Saunders, the new owner, is intent on making major changes, rehabilitating the units and making major site improvements. Building Safety staff, Libby Tyler, and John Schneider have met with him regarding his plans to repair and upgrade the 144-unit property.

Mr. Schneider explained one of the key reasons for the reallocation was for budget purposes. HUD requires HOME funds to be committed within two years and spent within five years. New regulations indicate that every January HUD reviews projects that had no movement within the last 12 months. HUD may then take back and reallocate funds to someone else. At this time the Kerr Avenue project is not ready to proceed. The local developers are not interested, and the lending market is very soft. No one is willing to take the risk. This is a good time to reallocate HOME funds to a project that is ready to go.

This project would rehabilitate up to 11 rental units. HOME regulations would apply to the rents, and tenants must meet income guidelines at or below 60 percent Area Median Income. This would then free up other project funds that can be used for site improvements.

Stating he was inclined to support this, Commissioner Vidoni asked what was Mr. Saunders' role and invited him to meet with the CD Commission to discuss the current situation and his rehabilitation plans. Mr. Schneider believed Mr. Saunders was the manager/owner of MOJO Properties. Commissioner Vidoni wondered if they would like to become a Community Housing Development Organization (CHDO). Mr. Schneider stated they would have to be nonprofit. Rather, staff is working hard to encourage current not-for-profit agencies such as Habitat for Humanity and Metanoia Centers to become CHDOs.

In response to Commissioner Michelson, Mr. Schneider clarified that Aspen Court Apartments are located off Lanore Drive. Her concern was the effect of blight on any potential rehabilitation, and she wanted to know more about their business practices. Mr. Schneider responded that the City is committed to helping improve property values in this area and help prevent crime. Staff has seen a consistent effort by Mr. Saunders to improve the condition of his properties in Urbana and Champaign. Commissioner Michelson mentioned the federal initiative to decentralize poverty and asked about the number of low income units in the complex. Mr. Schneider stated only the units assisted by the City will be required to use HOME rents. Because the apartment complex was originally constructed with HUD assistance, there are a number of assisted units or assisted tenants. For example, there are 40 units that receive assistance through HUD. Other units may be rented at market rate.

Commissioner Diana inquired if Aspen Court Apartments LLC was affiliated with the Aspen Court complex in Bloomington and also in Macomb, IL. Mr. Schneider responded he did not believe so, but he would check. In response to Commissioner Diana, Mr. Schneider explained the City would provide \$14,999 of HOME funds to 11 units at \$14,999, which equals \$164,989. There is an affordability period of five years, which makes it attractive for the owner. The City still plans on doing the Kerr Avenue Development Project and, if needed, may transfer HOME funds from the Owner-Occupied Housing Rehabilitation Program to the Kerr Avenue project.

The City would like to recruit a CHDO to be a sponsor of the Kerr Avenue project, so that CHDO funds may also be used.

In response to Commissioner Michelson and Chairperson Cobb, Mr. Schneider will request Mr. Saunders attend an upcoming City Council meeting and the next CD Commission meeting to review his project and present his site plan. At that time the CD Commission would be approving the reallocation and contract documents. Chairperson Cobb inquired about drawings. Mr. Schneider noted most of the changes are cosmetic—changing out doors and windows, and replacing an entire roof. The changes are to an eight unit building, plus three units in the next building. Chairperson Cobb asked if any unused funds would be returned. Mr. Schneider stated there will be a contract for a certain amount of funding, which is disbursed on a reimbursement basis. The contract will be up to \$164,989 and will be a five-year forgivable loan. Any HOME funds not spent on rehab will be reobligated to another project. Chairperson Cobb commented this would be an improvement for that area.

Commissioner Michelson moved to recommend to City Council approval of an Ordinance Approving Additional Changes and Modifications to the City of Urbana and Urbana/Champaign/Champaign County HOME Consortium FY 2008-2009 and FY 2009-2010 Annual Action Plans HOME Program. Commissioner Bengtson seconded the motion, and the motion carried unanimously.

Commissioner Michelson questioned the changes at Ecological Construction Laboratory (e-co lab). Ms. Gonzalez explained Natasha Elliott is the new Executive Director, and Katrin Klingenberg is on the board of directors. This had to do with HUD regulations and separation of duties. Only the Executive Director is being paid with HOME funds.

E-co lab is now a part of Passive House Institute of the United States (PHIUS). City staff will meet with them to better understand their organizational structure. E-co lab is a CHDO.

Adjournment: Chairperson Cobb adjourned the meeting at 8:05 p.m.

Recorded by Connie Eldridge

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