

RESOLUTION NO. 2004-02-003R

**RESOLUTION CLARIFYING THE URBANA CITY COUNCIL'S POSITION ON
REDEVELOPMENT OF LAKESIDE TERRACE**

WHEREAS, lack of affordable housing for extremely low income families with children is a serious problem in Urbana and surrounding communities; and

WHEREAS, the Champaign County Continuum of Care's most recent homeless survey found that more than 100 children are homeless in Champaign County every night; and

WHEREAS, the City of Urbana's Consolidated Plan and Annual Action Plans state:

"If redevelopment of Lakeside Terrace and Dunbar Court is possible without a significant reduction in the total number of permanent, subsidized housing units affordable to the lowest income families with children in the community, the City of Urbana will work with the Housing Authority of Champaign County to develop a HOPE VI application for the redevelopment of Lakeside Terrace and Dunbar Court to create a mixture of public housing, rental or homeownership units and residents representing a mix of incomes. The City will assist in developing a plan which partners with the private sector to use private dollars to leverage HOPE VI or other Federal funds, to replace the demolished units with a combination of new on-site units, scattered site units and Section 8 rent subsidies. Although Section 8 vouchers or certificates may be used to relocate

households living at these complexes at the time of redevelopment, at least 80% of demolished units will be replaced with permanent, subsidized housing units that will be affordable to extremely low income families with children, irrespective of their income."

and

WHEREAS, the Housing Authority of Champaign County has submitted an application to the Department of Housing and Urban Development for demolition of Lakeside Terrace proposing replacement of only 24% of the housing units; and

WHEREAS, the Housing Authority of Champaign County's proposal for redevelopment of Lakeside Terrace is not consistent with the City of Urbana's Consolidated Plan; and

WHEREAS, the City of Urbana and the Housing Authority of Champaign County are currently engaged in discussions about redevelopment options.

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

Section 1. That the City hereby reconfirms its longstanding position that the demolition of Lakeside Terrace not be initiated without a viable redevelopment plan which is consistent with the provisions of the Consolidated Plan for the replacement of at least 80 permanent housing units that are affordable to extremely low-income families with children irrespective of their income.

Section 2. That the Mayor be authorized to develop for City Council review, no later than March 22, 2004, an Interagency Agreement with the Housing Authority of Champaign County (HACC) that includes HACC's commitment of relocation and replacement housing vouchers, conversion of tenant-based Section 8 vouchers to project-based status and use of expected capital fund

replacement funds to create new public housing units, and the City's commitment to support demolition of Lakeside Terrace after the HACC and the Urbana City Council have approved a plan for replacement of the demolished housing in compliance with the City of Urbana Consolidated Plan.

Section 3. That the Interagency Agreement with the HACC be guided in part by these goals:

a. These 80 replacement units will be a combination of public housing units at a mixed-income, multi-family development at the former Lakeside Terrace site, scattered site single-family homes developed by non-profit organizations, and public housing units at mixed-income, multi-family structures acquired or constructed by non-profit organizations.

b. Replacement housing will be provided in coordination with Community Housing Development Organizations (CHDO's) and other non-profit organizations in order to build the capacity of existing CHDO's and to encourage the creation of new CHDO's.

c. The replacement housing plan will leverage city money with as many financing tools as possible available to the HACC (such as Public Housing Replacement Funds, Affordable Housing Program Grant Funds, and Illinois Housing Development Authority Trust Funds) so that the City will be able to maintain diversity of housing programs funded by CDBG and HOME, and preserve its social service funding.

d. Affordability of the replacement housing for the lowest income families with children in our community will be guaranteed for the longest period of time possible with a target of a minimum of 20 years.

Section 4. That the City Council respectfully requests that the HACC withdraw its application to the U.S. Department of Housing and Urban Development for funds to demolish Lakeside Terrace and if the HACC chooses

not to comply with this request, that a copy of this resolution be submitted to the U.S. Department of Housing and Urban Development in conjunction with the application for demolition funds.

PASSED by the City Council this _____ day of _____

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____

Tod Satterthwaite, Mayor