



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

**TO:** Bruce K. Walden, Chief Administrative Office

**FROM:** Elizabeth Tyler, AICP, Director of Community Development Services

**DATE:** November 9, 2006

**SUBJECT:** **A Resolution Authorizing the Mayor to Execute a Certification of Consistency for the Housing Authority of Champaign County Five -Year Plan for FY 2005-2009, and the Annual Plan for Fiscal Year 2007**

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### **Description**

The Housing Authority of Champaign County (HACC) has submitted its Five-Year Plan for FY 2005-2009 and Annual Plan for FY 2007 to the City for review and comment. In order to deposit the plan with HUD, a Certification of Consistency must be executed by the City of Urbana, indicating that the Plan is consistent with the 2005-2009 City of Urbana and Urbana HOME Consortium Consolidated Plan.

The public comment period on the Draft Plan ends November 15, 2006. HACC staff has requested that the City of Urbana provide the Certification shortly after this comment period has ended. The Certification of Consistency is due to HUD prior to December 31, 2006.

### **Issues**

The principal issue is to determine that the Housing Authority of Champaign County's (HACC) Five-Year Plan for FY 2005-2009 and Annual Plan for FY 2007 is consistent with the 2005-2009 City of Urbana and Urbana HOME Consortium Consolidated Plan. The Urbana City Council may then adopt a resolution authorizing the Mayor to execute the Certification of the Public Housing Agency (PHA) Plan's Consistency with the Consolidated Plan.

### **Background**

The Certification of Consistency is annual requested annually from the Housing Authority of Champaign County. The HACC Annual Plan for FY 2007 is derived from its Five-Year Plan for FY 2005-2009, and contains few changes from the FY 2006 Plan reviewed by the Community Development Commission and City Council last November.

This year, the Housing Authority of Champaign County completed demolition of the former Lakeside Terrace site using HOPE VI funds. Working in conjunction with Brinshore Development, the HACC proposes to redevelop the site in accordance with HUD guidelines as a mixed-income development. This development will be funded with a variety of funding sources, including low-income housing tax credits issued by the Illinois Housing Development Authority (IHDA) and HOME and CDBG funds from the City of Urbana. The HACC's Annual Plan was updated to include current information on the project:

*“The HACC is in the final phases of planning and predevelopment for the redevelopment of Lakeside Terrace. This family Public Housing site is currently being demolished and will be redeveloped according to HUD’s Mixed-Finance approach. The Mixed-Finance approach will include the use of several funding sources, which many require that families with a variety of incomes occupy units. 25% of the units will continue to serve the same population as Public Housing units while others will be required to be rented to persons between 30% to 60% of the AMI. With regard to replacement units in conjunction with Lakeside Terrace in Urbana and to maintain consistency with the City of Urbana’s Consolidated Plan the HACC recognizes the need to maximize the number of units that will be made available for families below 30% AMI. The HACC will provide for the maximum number of units for families at or below 30% AMI within the expanded redevelopment area.” (p. 2)*

This statement is consistent with the City’s 2005-09 Consolidated Plan and the 2004 Lakeside Terrace Redevelopment Plan. Since this is a mixed-income project, HUD requires that no more than 25% of the new units can be set aside as public housing units. Providing the maximum number of units allowed to extremely low-income families is directly in line with the 2005-09 Urbana Consolidated Plan which states:

Public Housing Strategy: Encourage the Housing Authority of Champaign County to increase the number of affordable housing units available to extremely low-income households. Seek additional means of subsidizing very low-income households with rental assistance (p. 65).

According to the HACC Plan, a further component of the Lakeside Terrace redevelopment is to include accessible and visitable units:

*“The Lakeside Terrace replacement units will be designed in a manner consistent with the City of Urbana Ordinance 2000-09-105, which provides for the design of visitability features in new construction of one-and-two family dwellings, which are funded with financial assistance originating from or flowing through the City of Urbana. The HACC will develop units that are accessible to persons with disabilities commensurate with anticipated demand. Also, the HACC, through its efforts in the redevelopment of Burch Village and*

*Lakeside Terrace will meet the Federal Requirement of 5% of all units for the needs of persons with disabilities including 2% for hearing impaired and 2% for visually impaired. In addition, all ground floor units shall meet the State of Illinois laws and local ordinances relating to visitability.”(p. 12)*

This statement is in accordance with a Public Housing Strategy of the City’s Consolidated Plan:

Public Housing Strategy: Strongly encourage the Housing Authority of Champaign County to rehabilitate existing units and develop new units, which would be accessible to families, which include persons with disabilities. (p. 65)

The final section of the HACC Annual Plan for FY 2007 lists steps the Housing Authority has taken to ensure consistency with the Urbana and Champaign Consolidated Plans:

- 1. Improve the quality of the housing stock: The HACC will undertake several projects using its Capital Funds, which will improve the quality of public housing.*
- 2. Provide Homeownership opportunities: The HACC has implemented its Section 8 Homeownership program that will provide opportunities for Section 8 residents to become first-time homeowners.*
- 3. Redevelopment of Burch Village (IL06-02) into a mixed-income community.*
- 4. Redevelopment of Lakeside Terrace (IL06-04) into a mixed-income community including 80% replacement housing for families below 30% of AMI. (p. 52)*

The first item above conforms to one of the strategies in the Consolidated Plan:

Public Housing Strategy: Promote substantial upgrading of the living environment for residents of Urbana public housing, particularly family units. (p. 65)

Appendix B of the HACC Annual Plan identifies the work that HACC has accomplished with its capital funds in public housing in Urbana. In the past year, such work included grading and landscape work at Dunbar Court, and new exterior lighting and an upgrade of the kitchens at Steer Place. Additional upgrades to these properties are planned and itemized in Attachment B of the HACC Annual Plan.

The fourth item noted above was included to address the activity identified in the City’s Consolidated Plan, Public Housing Strategic Plan which states:

Activity: The City of Urbana 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. 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 (p. 65).

The City's approach to providing this replacement housing is detailed in the 2004 Lakeside Redevelopment Plan. Replacement housing will be provided through a combination of on-site units and off-site units to be developed or set aside in coordination with the HACC and with local CHDO's, such as the Urban League and Homestead. The phrasing of item 4 is somewhat misleading in that it does not clarify that the 80% replacement units can not all be provided on-site. In order to clarify this intent and to make the HACC Annual Plan more precise reflection of the City's Consolidated Plan, staff and the Urbana Community Development Commission suggest the line is changed to read:

*4. Redevelopment of Lakeside Terrace (IL06-04) into a mixed-income community; and replacement of the demolished units with a combination of new on-site units, scattered site units, and Section 8 rent subsidies. At least 80% of the number 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.*

### **Additional Comments**

In reviewing the HACC Five- Year Plan for FY 2005-2009 and Annual Plan for FY 2007, staff noted the following information and data referenced by page in the Plan:

#### Page 10

The HACC has indicated that they are changing the way they assign maintenance personnel. Now each property is connected to a specific person. This will "result in higher quality services and reduced turnover time".

#### Page 17

The HACC has updated its selection criteria to give preference to residents of Federally Declared Disaster Areas and others who have been involuntarily displaced.

#### Page 43

The HACC has implemented new safety and crime prevention measures. One such measure is the floor-monitoring program, in which resident volunteers take the role of emergency coordinator and keep track of units when their occupants are away. There are also pre-addressed "Tip Cards" which residents can use to anonymously report illegal activity to the police.

### **Community Development Commission Action**

At their October 24, 2006 meeting, the Community Development Commission reviewed the HACC Plan for consistency with the City's Consolidated Plan. They recommended a minor change in language to the phrase staff suggests be replaced in item 4 on page 52 of the HACC Annual Plan. CDC suggests the phrase "of the number" be added, as shown above in bold.

The Community Development Commission voted unanimously to forward the resolution to City Council with a recommendation for adoption, contingent upon the Housing Authority changing the language on page 52 as outlined above.

## **Fiscal Impacts**

The City of Urbana 2006-07 Annual Action Plan budgeted \$100,000 (\$50,000 CDBG and \$50,000 HOME and Match) in funding for the redevelopment of the Lakeside Terrace. Additional funds are to be allocated in the 2007-08 AAP, as indicated by the 2004 Lakeside Terrace Redevelopment Plan.

Aside from redevelopment allocations for the former Lakeside Terrace site, no other City funds have been committed to strategies outlined in the HACC FY 2007 Annual Agency Plan.

## **Recommendations**

In creating its Annual Plan for FY 2007, the Housing Authority of Champaign County has taken Urbana's 2005-09 Consolidated Plan into account. Its proposed projects for the upcoming year are consistent with, and in many cases, derived from the City's Consolidated Plan. There is one section in the HACC Annual Plan that is not entirely consistent with the City's Consolidated Plan, (item 4 on page 52). The Housing Authority has indicated that they would agree to rephrase that sentence to clarify that the replacement housing for Lakeside Terrace will not all be built on the redevelopment site.

The Community Development Commission and City staff recommend that the Urbana City Council approve the Resolution Authorizing the Mayor to Execute a Certification of Consistency for the Housing Authority of Champaign County Five -Year Plan for FY 2005-2009 and the Annual Plan for Fiscal Year 2007, contingent upon the corrections noted above.

Memorandum Prepared By:

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Jeff Engstrom  
Planner I

Attachments:

Housing Authority of Champaign County Five -Year Plan for FY 2005-2009 and Annual Plan for Fiscal Year 2007

Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan

A Resolution Authorizing the Mayor to Execute a Certification of Consistency for the Housing Authority of Champaign County Five -Year Plan for FY 2005-2009, and the Annual Plan for Fiscal Year 2007

Minutes from the October 24, 2006 Community Development Commission Meeting

CC: Ed Bland, Director, Housing Authority of Champaign County

RESOLUTION NO. 2006-11-027R

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CERTIFICATION OF CONSISTENCY FOR THE HOUSING AUTHORITY OF CHAMPAIGN COUNTY FIVE-YEAR PLAN FY 2005-2009, AND THE ANNUAL PLAN FISCAL YEAR 2007

WHEREAS, the City of Urbana has been designated lead entity for the Urbana HOME Consortium in accordance with the Cranston-Gonzales National Affordable Housing Act of 1990, as amended; and

WHEREAS, on May 6, 2005 the Urbana City Council adopted the *URBANA HOME CONSORTIUM AND CITY OF URBANA CONSOLIDATED PLAN FOR PROGRAM YEARS 2005-2009*; and

WHEREAS, the U.S. Department of Housing and Urban Development, Office of Public and Indian Housing Notice: PIH-99-33 (HA) requires that state or local government certification of consistency must be made by the appropriate state or local officials that the PHA Plan is consistent with the Consolidated Plan; and

WHEREAS, the Urbana Community Development Services staff have reviewed the Housing Authority of Champaign County's *Annual Plan for Fiscal Year 2007* and found the Plan to be consistent with the *URBANA HOME CONSORTIUM AND CITY OF URBANA CONSOLIDATED PLAN FOR PROGRAM YEARS 2005-2009*.

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

Section 1. That HUD form 50075 Certification by State and Local Officials of PHA Plans Consistency with the Consolidated Plan, as attached hereto and incorporated herein by reference, is hereby approved.

Section 2. That the Mayor is hereby designated as the authorized representative of the City of Urbana and the Urbana HOME Consortium to execute HUD form 50075 Certification by State and Local Officials of PHA Plans Consistency with the Consolidated Plan.

PASSED by the City Council this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

AYES:

NAYS:

ABSTAINS:

\_\_\_\_\_  
Phyllis D. Clark, City Clerk

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_.

\_\_\_\_\_  
Laurel Lunt Prussing, Mayor



**Certification by State or Local Official of PHA Plans Consistency with  
the Consolidated Plan**

I, \_\_\_\_\_ the \_\_\_\_\_ certify  
that the Five Year and Annual PHA Plan of the \_\_\_\_\_ is  
consistent with the Consolidated Plan of \_\_\_\_\_ prepared  
pursuant to 24 CFR Part 91.

\_\_\_\_\_

Signed / Dated by Appropriate State or Local Official