



UNAPPROVED - INCOMPLETE
MINUTES
COMMUNITY DEVELOPMENT COMMISSION
Tuesday, August 26, 2008, City Council Chambers
400 South Vine Street, Urbana, IL 61801

Call to Order: Chairperson Cobb called the meeting to order at 7:05 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, Randy Burgett, and Connie Eldridge, Community Development Services; Katrin Klingenberg and Elise Pfleederer, Ecological Construction Laboratory; Marli Bardell and Paul Zindars, Habitat for Humanity of Champaign County; Rashidi Overstreet, Urban League of Champaign County Development Corporation.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the July 1, 2008 minutes. Referencing page 2, Commissioner Silvis clarified her intent concerning the Amendment to an Agreement with United Citizens and Neighbors (UCAN). She felt the Community Development (CD) Commission provides UCAN with funds to build capacity, not to review or assess UCAN's agenda. She felt questions about what UCAN was doing or who they were working with were outside the scope of the CD Commission. Commissioner Roof moved to approve the minutes as clarified, and Commissioner Silvis seconded the motion. The motion carried unanimously.*

Petitions and Communications: None.

Staff Report: Mr. Schneider welcomed Janice Bengtson as a new member of the CD Commission. He provided updates and distributed a staff briefing memorandum dated August 26, 2008.

Old Business: None.

New Business: **Amendment to a Certain Agreement for Technical and Advisory Planning Services (Housing Rehabilitation Program) Urban League of Champaign County Development Corporation FY 2007-2008) -**
Commissioner Francis moved to recommend to the Mayor approval of an Amendment to the Agreement for Technical and Advisory Services between the City of Urbana and the Urban League of Champaign County Development Corporation in its current form. Commissioner Diana seconded the motion. Chairperson Cobb clarified this was Option 1 on the memorandum. The motion carried unanimously.

Ordinances Authorizing the Sale of Certain Real Estate (1306 West Dublin Street, 1405 ½ West Beslin Street and 1201 West Beslin Street) to Habitat for Humanity of Champaign County for Affordable Housing Development – Mr. Burgett reviewed the three properties that would be donated to Habitat for Humanity, which has constructed over 17 houses in Urbana. Habitat is currently starting construction on a house at 708 North Goodwin Avenue, which was also donated to Habitat by the City of Urbana. Two of the lots are half-lots, with the smallest lot being a corner lot at the intersection of Goodwin Avenue and Beslin Street. Habitat is able to construct homes on small lots. Because the Zoning Board of Appeals (ZBA) and City Council have granted a minor and major variance for side yard setbacks for 1306 West Dublin Street.

Mr. Schneider stated that in the past the City of Urbana provided \$14,999 to Habitat for the Homebuilders Blitz. Now the City is taking a different approach and is donating lots. He noted the two half lots are similar in size to the lot at 1105 North Goodwin Avenue. In response to Commissioner Michelson, Paul Zindars, Construction Manager for Habitat, described how Habitat’s houses would be “shotgun style.” Vehicle access would be through the alley behind Beslin Street.

The lot at the corner of Beslin Street and Goodwin Avenue is currently being used as a mini-park. There was an incident last spring, and City Council gave staff direction to do something positive with this lot. Habitat is willing to accept this smaller lot.

In response to Chairperson Cobb, Mr. Schneider confirmed the variance on 1306 West Dublin Street was completed by the ZBA. However, the corner lot will take more planning.

Concerning 1405 ½ West Beslin Street, Commissioner Diana noted the Warranty Deed was subject to all applicable zoning laws and ordinances. Current zoning will not allow a house to be built there. Mr. Schneider explained this was similar to earlier Warranty Deeds, which were reviewed by the City’s Legal Department. He mentioned attempts to acquire the lot next to this one. Commissioner Diana stated if the Legal Department was happy with this, that was fine with him.

Since he is no longer on any Habitat committees, Commissioner Vidoni planned to vote (rather than recuse himself) on issues concerning Habitat. In response to Commissioner Vidoni, Mr. Burgett said the City has owned these properties over 10 years. The City originally purchased these properties with the intent to purchase the adjoining lots. However, the City has not been able to acquire these. Also, the CD Target Area has many houses on half lots, so a house built by Habitat would not look out of place. Because the demand for full lots is higher than the supply, Mr. Schneider said the City has had to be more creative in its approach. Homestead Corporation and Ecological Construction Laboratory (e-co lab) indicate their houses can fit on smaller lots.

Commissioner Vidoni asked about several open lots he noticed when driving through the CD Target Area. Mr. Burgett mentioned the Property Survey of the CD Target Area by Grants Management and Building Safety staff. Although many open lots appear to be available, they

have liens and other legal issues that must be cleared before the lots can be purchased. The City has mailed letters to property owners and works to identify lots available for purchase.

Noting he was not familiar with the variance process, Commissioner Roof asked if the neighbors provided input. Mr. Schneider answered there were notices, signs, and a public hearing process. Commissioner Silvis added that residents within 250 feet of the property would be notified.

In response to Commissioner Bengtson, Mr. Zindars said that Habitat has not yet created a “shotgun style.” However, they have good volunteer architects willing to help. Once Habitat knows the setbacks, they will know how wide to make the house.

Commissioner Roof inquired about the median price of houses in the neighborhood and the value of Habitat’s houses. There was discussion on property tax assessment. Mr. Zindars stated that Habitat’s three bedroom standard plan houses have appraised at \$100,000. Noting there is a broad range of house styles and values in the CD Target Area, Mr. Schneider said that Habitat’s houses are a good fit in the neighborhood.

In response to Commissioner Roof, Mr. Zindars summarized Habitat’s process to select a homeowner. Mr. Burgett remarked that Habitat’s houses are presold and preapproved.

In response to Commissioner Francis, Mr. Schneider said the adjacent half lot next to 1405 ½ West Beslin was vacant. 1306 West Dublin had a house on the adjacent lot and the corner lot at 1201 West Beslin had a house on either side of it.

Commissioner Vidoni suggested the CD Commission tour these houses after they are built.

In response to Commissioner Roof, Mr. Schneider reviewed Habitat’s process of selecting and preparing a family for home ownership. Habitat houses are unique in that Habitat provides funds for its own mortgages. Habitat does not have the same issues that other Community Housing Development Organizations (CHDOs) have finding lower income homebuyers. Also, because the contract provides a specific performance period, if Habitat is not able to find families, the City can recover the property by recording a Quit Claim Deed.

Commissioner Diana felt Habitat’s houses were somewhat higher value than the general neighborhood. This was a win-win situation, with a good value for the homeowner and putting a house back on the tax rolls.

In response to Chairperson Cobb, Mr. Schneider understood that citizens complained to City Council about the mini-park. Because this was not an isolated incident, there was concern for the children at King School. City Council gave staff direction to mitigate that.

Commissioner Michelson moved to recommend to City Council approval of the Ordinances Authorizing the Sale of Certain Real Estate (1306 West Dublin Street, 1405 ½ West Beslin Street, and 1201 West Beslin Street) to Habitat for Humanity of Champaign County. Commissioner Francis seconded the motion, and the motion carried unanimously.

An Ordinance Authorizing the Sale of Certain Real Estate (901 North Division Avenue) to Ecological Construction Laboratory for Affordable Housing Development – Elise Pflederer and Kat Klingenberg gave a PowerPoint presentation on e-co lab’s Kerr Avenue Development proposal. They discussed the proposed site and building design, project overview, site plan, and housing options. E-co lab will contract with Homeway Homes to build a new Passive House for a low-income homebuyer at 901 North Division.

In response to Commissioner Francis, Ms. Pflederer said although passive houses are built on a slab, there is a mechanical ventilation system to take care of any radon issues. Ms. Klingenberg noted that Homeway Homes is one of the leading builders following green homebuilding guidelines. They would not include any plastics that are potentially harmful. Noting the small windows, Commissioner Francis wondered if the houses were dark. Ms. Klingenberg replied that all e-co lab houses have very large windows on the south side, and they are not dark.

In response to Commissioner Michelson, Mr. Schneider said e-co lab will be the principle designer manager the Kerr Avenue Development. The City is still working through the process with e-co lab to identify critical elements of the project. At a certain point the CD Commission will review a Development Agreement Proposal.

Noting the large number of apartments and management issues, Commissioner Michelson asked why there were apartments in the Kerr Avenue Development. Mr. Schneider responded that a market study was completed as part of the preliminary design phase. The units could be condominiums rather than apartments. He discussed the issue of the land being purchased with federal money. One idea is for the developer to reimburse the federal money to the City so this could be a mixed income development.

There was discussion about e-co lab using Homeway Homes to construct houses for the Kerr Avenue Development. Mr. Schneider felt it was a good idea to use Homeway Homes to build a an “incubator” home at 901 North Division Avenue that would be consistent with the type of construction method proposed for the Kerr Avenue Development. Because affordable developers have issues getting qualified homebuyers, the developers are trying to reduce the overall cost. One way is to reduce the house size. Using the modular home approach would reduce time needed for construction, thus reducing construction-financing costs.

In response to Chairperson Cobb, Ms. Klingenberg said the exterior may be any material except vinyl. She discussed the cost and energy efficient factors and noted that green building can be very expensive. There was discussion about the possibility of the homes generating electricity and selling it back to the power grid. E-co lab would like to get a developer to support that idea. There area lot of options for energy efficient and sustainable components, and a homeowner will have to make a decision on what to invest. E-co lab’s approach is “conservation first.”

In response to Commissioner Roof, Ms. Klingenberg said Homeway Homes are building super airtight homes and use the same principles as e-co lab. The company is located in Goodfield, IL.

Commissioner Roof inquired about the price of e-co lab’s house at 1007 West Fairview and whether this new project was contingent upon sale of the Fairview house. Ms. Klingenberg

answered the price was \$127,000, and they have not found a buyer yet. There are no plans to lower the price due to the construction costs. Ms. Klingenberg stated that e-co lab will no longer built “spec” homes but will presell them. There was discussion about the cost of the home and what homebuyers could afford. Mr. Schneider added there are \$31,000 HOME CHDO funds that may be used by e-co lab for 901 North Division Avenue. He clarified that e-co lab will not start construction until they have identified a buyer. Ms. Klingenberg said the target price is \$95,000, with possible downpayment assistance from various sources such as American Dream Downpayment Initiative (ADDI), Federal Home Loan Bank (FHLB), or other programs that may be available at the time.

Commissioner Vidoni moved to recommend to City Council approval of an Ordinance Authorizing the Sale of Certain Real Estate (901 North Division Avenue) to Ecological Construction Laboratory for Affordable Housing Development. Commissioner Diana seconded the motion, and the motion carried unanimously.

An Ordinance Approving the Purchase of Certain Real Estate (1302 West Dublin Street) – Mr. Burgett stated this property had earlier been identified in the Building Safety Property Survey as one that did not meet codes. The Building Safety Division had mailed letters to homeowners asking them to maintain their properties. The City had not heard from the owner until after the house fire. At the meeting with the owner, the owner indicated that he was not interested in repairing the property and asked about alternatives. City staff offered to purchase the property because the house could not be rehabilitated to meet code, is in a target area and could be redeveloped into affordable housing. The owner agreed that he was interested in selling to the City. Staff went through the required steps to acquire a property, including an appraisal and appraisal review both by licensed appraisers. The City is offering the appraised amount, and the owner has accepted. After the purchase is completed, the City will demolish the two vacant, dilapidated structures on the property and donate the lot to an affordable housing developer.

Chairperson Cobb inquired about the cost to rehabilitate the property and whether the owner felt pressured to sell. Mr. Burgett said the property was in extremely poor condition and it would not be cost effective to rehabilitate. He noted the homeowner was very willing to sell as he owns several other properties and had already moved into one of his other properties. Mr. Schneider added the owner signed a form indicating his voluntary agreement to sell.

There was discussion about the cause of the fire, which was a grease fire in the kitchen, and whether the owner had insurance. Mr. Schneider said the owner came in the next day after the fire and offered this property and another for sale. Also, the owner is getting older and is selling off his properties. Chairperson Cobb confirmed this, since he knew the owner. Commissioner Roof asked about not purchasing the property, having the owner demolish the buildings, whether the property was rental or owner-occupied, and cost of demolition. There was discussion on the availability of properties without multiple liens in the CD Target Area. Mr. Schneider stated that purchasing properties with CDBG funds is similar to the federal government old urban renewal program in that dilapidated structures are replaced with new homes. However, many owners prefer to keep their properties.

Commissioner Michelson supported using CDBG funds to reduce blight in the neighborhoods. She felt the property would be a good building site for the CHDOs. Commissioner Roof was concerned with using federal funds efficiently and the responsibility of slum landlords. He mentioned bidding on other lots in the CD Target Area. Mr. Schneider reviewed the City's process to purchase a property and noted there is no mechanism in place to bid on a property. Commissioner Silvis felt for the good of the whole, the City should take advantage of this opportunity.

Commissioner Michelson supported the City purchasing properties through auctions. Mr. Schneider said this would require an ordinance for someone to act on behalf of the City. Commissioner Diana remembered the CD Commission approving a range of prices.

Commissioner Michelson moved to recommend to City Council approval of an Ordinance Approving the Purchase of Certain Real Estate (1302 West Dublin Street for \$10,500. Commissioner Vidoni seconded the motion. Chairperson Cobb recused himself because he knew the owner of the property. The motion carried with six ayes, one no, and one abstention..

Adjournment: Chairperson Cobb adjourned the meeting at 9:00 p.m.

Recorded by Connie Eldridge

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