



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

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

**TO:** Laurel Lunt Prussing, Mayor

**FROM:** Elizabeth H. Tyler, FAICP, Community Development Director

**DATE:** September 22, 2010

**SUBJECT: 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 (FALL 2010 HOME Rental Rehabilitation)**

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### **Description**

On the agenda of the September 27, 2010 meeting of the Urbana City Council Committee of the Whole is an Ordinance Approving Additional Changes and Modifications to the City of Urbana and Urbana HOME Consortium Annual Action Plans for Fiscal Years 2008-2009 and 2009-2010. The Amendment is being proposed to reallocate funding from the Kerr Avenue project to provide funding to assist with the rehabilitation of Aspen Court (former Scottswood Manor property).

The proposed amendments were placed on display on August 20, 2010 and were available for public review and comment at the City Clerk's office, the Department of Community Development Services office, and the Urbana Free Library until 5:00 p.m., September 20, 2010.

### **Issues**

The issue is whether the Urbana City Council should approve the Ordinance.

### **Background**

The amendments reflect proposed project funding and program changes that have occurred since the approval of the Annual Action Plans (AAP) and previous Amendments for FY 2008-2009 and FY 2009-2010. The Department of Housing and Urban Development (HUD) regulations require that in the event significant changes to projects or programs described in the Annual Action Plans occur, the plans shall be amended to reflect the changes.

The City of Urbana and Urbana HOME Consortium Consolidated Plan for FY 2010-2014 sets forth a process that must be followed in order to amend Annual Action Plans. The City is required to give notice of public hearings regarding any substantial amendment. In order to provide opportunity for public comment regarding the proposed AAP Amendments, a public hearing regarding the proposed amendments was held in the Urbana City Council Chambers at 10:00 a.m. on September 8, 2010 (Public Hearing minutes attached).

The amendments propose to reallocate a total of **\$164,989** of FY 2008-2009 and FY 2009-2010 City of Urbana HOME funds from the Kerr Avenue Sustainable Development Project to the proposed Aspen Court Rental Rehabilitation Project.

### **PROPOSED HOME PROGRAM AMENDMENTS**

The proposed amendments to reallocate HOME funding are needed to address program viability as well as remain in compliance with HUD commitment and timeliness deadlines. Following is a summary of the proposed HOME Program Amendments:

#### **CITY OF URBANA HOME PROGRAM**

Reduce the funding allocated to the Kerr Avenue Sustainable Development as follows:

- a) **FY 2008-2009 KERR AVENUE PROJECT FUNDING:**  
**~~\$72,750 (\$58,200 HOME; \$14,550 Match)~~ \$ 0.00**
  
- b) **FY 2009-2010 KERR AVENUE PROJECT FUNDING:**  
**~~\$174,000~~ \$67,211 HOME**
  
- c) **FY 2009-2010 Aspen Court Rental Rehabilitation Program** Funding will be used to assist in the renovation of Aspen Court Apartments, a multifamily rental property in Urbana. Eligible units/properties will be occupied by tenants at or below 60% of the Area Median Family Income and will comply with HOME Program rent restrictions for the area. Long-term affordability restrictions will apply to units renovated through this program, in accordance with the level of HOME subsidy provided to assist each unit.  
**\$164,989 HOME; (\$41,247 Match to be provided by property owner)**

In May 2008, in response to an RFP/RFQ process, Ecological Construction Laboratory (e-co lab) submitted a proposal to the City to serve as a development team leader, CHDO, and designer for development of the Kerr Avenue site. Since that time, staff has worked closely with e-co lab to identify a development partner for the project. However, due to the softening of the housing and lending markets, we have not yet been able to identify a committed developer for the project.

Because progress on the Kerr Avenue Project has slowed, the funds allocated to the project need to be reprogrammed to a project that will begin construction within 12 months of the date of commitment to meet HUD timeliness requirements. The HOME regulations require funds to be committed to a viable project that is likely to begin construction within 12 months of the

commitment date. As such, it is necessary to utilize the funding originally allocated to Kerr Avenue for a project that is ready to begin construction in the near future.

With respect to the Kerr Avenue project, the City continues to work closely with e-co lab to identify an appropriate development approach. If a viable development partner is not identified within the coming months, the City will re-issue an RFP/RFQ for the Kerr Avenue project. Based upon the needs of the project, allocation of additional HOME funding to Kerr Avenue can occur next year, and in additional future years.

The amendment proposes to reallocate the HOME funds to be utilized for the rehabilitation of up to eleven (11) units in Aspen Court, formerly Scottswood Apartments. The property was originally constructed with HUD assistance and continues to provide HUD assisted housing for eligible tenants. A local developer recently acquired this property via a bank foreclosure, an extensive process that contributed to the gradual decline of the property over that time.

The new owner, Aspen Court Apartments LLC, has already made significant progress in improving the property, resulting in a positive effect on the surrounding neighborhood. Mr. Chris Saunders of Aspen Court Apartments has met with City staff regarding the company's plans to upgrade the entire complex and to make major site improvements such as resurfaced lots and drives, improved landscaping and installation of a security system. However, because of the amount of work needed to repair and upgrade the 144-unit property, the new owner has requested assistance from the City to improve some of the units.

The assisted units would be required to be rented to households with incomes at or below 60% of the area median and would remain affordable for a five-year period. The assistance would be provided in the form of a five-year forgivable loan, so long as the property remains in compliance with all HOME program guidelines, which include affordable rents, annual tenant income certification, and regular inspections.

Undertaking rental rehabilitation projects is consistent with a strategy included under the FY 2010-2014 Consolidated Plan goal to preserve and improve supply of affordable housing as a community resource (Goal 3). The strategy, to "Continue and expand city's repair and rehabilitation programs," details the activity of, "Rental Rehabilitation: Provide HOME funds for rehabilitation of rental housing units to rent to households with incomes at or below 60% of the area median."

The Aspen Court rehabilitation project is a project on which these HOME funds can be utilized to ensure the City of Urbana and Urbana HOME Consortium meet the HOME commitment and expenditure requirements.

At its August 24, 2010 regular meeting, the Urbana Community Development Commission voted unanimously to forward the Ordinance to the Urbana City Council with a recommendation for approval (unapproved minutes attached).

## **Options**

1. Approve the 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
2. Approve the Ordinance with changes.
3. Do not approve the Ordinance.

## **Fiscal Impacts**

Approving the proposed amendments to the Annual Action Plans will not change the amount of HOME funding provided to the City by HUD and will protect federal funding by meeting timeliness guidelines. There is no fiscal impact to the City budget.

## **Recommendations**

The Community Development Commission and staff recommend that the Urbana City Council approve the Ordinance.

Memorandum Prepared By:

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John A. Schneider  
Manager, Grants Management Division

## **Attachments:**

1. 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 (FALL 2010 HOME Rental Rehabilitation)
2. AMENDMENTS TO CITY OF URBANA and URBANA HOME CONSORTIUM FY 2008-2009 and FY 2009-2010 ANNUAL ACTION PLANS
3. Community Development Commission unapproved meeting minutes, August 24, 2010
4. Setpember 8, 2010 Public Hearing Minutes

cc: Chris Saunders, Aspen Court Apartments, LLC

**ORDINANCE NO. 2010-09-085**

**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**

**(Fall 2010 HOME Rental Rehabilitation)**

WHEREAS, the City of Urbana has been designated an entitlement city under the Federal Housing and Community Development Act of 1974, as amended, and as such is eligible for Community Development Block Grant (hereinafter "CDBG") and Home Investment Partnerships Program (hereinafter "HOME") funds upon proper submittal being made to the United States Department of Housing and Urban Development (hereinafter "HUD"); and

WHEREAS, the Urbana City Council previously approved ordinances authorizing submittal to HUD of the Annual Action Plans for FY 2008-2009 and FY 2009-2010 that included proposed budgets for the HOME Programs, and HUD subsequently approved the said Annual Action Plans; and

WHEREAS, on August 20, 2010, the City of Urbana published on the City website a notice of a 30-day public review period regarding said proposed budgetary amendments to the Annual Action Plans for FY 2008-2009 and FY 2009-2010; and

WHEREAS, on September 8, 2010 the City of Urbana, the Grants Management Division of the Community Development Services Department, as lead entity for the Urbana HOME Consortium, held a public hearing on the proposed amendments; and

WHEREAS, at its August 24, 2010 meeting, the Urbana Community Development Commission recommended adoption of the amendments by the Urbana City Council; and

WHEREAS, the City Council now finds it necessary and appropriate to amend the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plans for FY 2008-2009 and FY 2009-2010.

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

Section 1. That the City of Urbana, as lead entity for the Urbana HOME Consortium, hereby approves the amendments to the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plans for FY 2008-2009 and FY 2009-2010, in substantially the same form as such amendments are referenced in the attachment hereto.

Section 2. That the Mayor of the City of Urbana is hereby designated as the authorized representative of the City of Urbana to take any action necessary in conjunction with said attached amendments to the Annual Action Plans for FY 2008-2009 and FY 2009-2010, and any prior approved Annual Action Plan or Amendment, including, without limitations, to execute any documents necessary to commit applicable HOME funds to the projects, submittal of the Annual Action Plan Amendments to the HUD-Regional Field Office and provision of such additional information as may be required.

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

# **City of Urbana and Urbana HOME Consortium**



## Amendments to FY 2008-2009 and FY 2009-2010 Annual Action Plans

Prepared by:  
City of Urbana  
Community Development Services  
Grants Management Division  
400 South Vine Street  
Urbana, IL 61801  
217.384.2447

Approved by Urbana City Council Ordinance No. \_\_\_\_\_

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## **AMENDMENTS TO CITY OF URBANA and URBANA HOME CONSORTIUM FY 2008-2009 and FY 2009-2010 ANNUAL ACTION PLANS**

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These amendments change the budgets of the Urbana HOME Consortium for FY 2008-2009 and FY 2009-2010 Annual Action Plans (AAPs) by re-allocating City of Urbana HOME funding to the project budget outlined below. Funding for the amended activities was previously allocated to the Kerr Avenue Redevelopment in 2008 and 2009. However, progress on the development has been slowed due to real estate market conditions.

The amendments reallocate a total of up to **\$164,989** of FY 2008-2009 and FY 2009-2010 City of Urbana HOME funds from the Kerr Avenue Sustainable Development Project to the Rental Rehabilitation Program - Aspen Court Project. This new project is for Rental Rehabilitation of up to eleven qualified dwelling units in the City of Urbana.

*Following are the City of Urbana HOME Program budget changes for existing projects and the program to be added in the FY 2008-2009 and FY 2009-2010 Annual Action Plans:*

### **REDUCTIONS:**

**Kerr Avenue Sustainable Development** HOME funds are set aside to be used in conjunction with the redevelopment of the City-owned property at 401 E. Kerr Avenue into an affordable, energy efficient sustainable housing development. Project must be consistent with affordable housing goals defined in the 2005-2009 Consolidated Plan, the 2005 Comprehensive Plan, and the 2004 Lakeside Redevelopment Plan, and must comply with applicable regulations.

**a) FY 2008-2009 KERR AVENUE PROJECT FUNDING:  
~~\$72,750 (\$58,200 HOME; \$14,550 Match)~~ **\$ 0.00****

**b) FY 2009-2010 KERR AVENUE PROJECT FUNDING:  
~~\$174,000~~ **\$67,211 HOME****

### **ADD NEW PROGRAM:**

**FY 2009-2010 Rental Rehabilitation Program - Aspen Court Project** Funding will be used to assist in the renovation of Aspen Court, a multifamily rental property in Urbana. Eligible units/properties will be occupied by tenants at or below 60% of the Area Median Family Income and will comply with HOME Program rent restrictions for the area. Long-term affordability restrictions will apply to units renovated through this program, in accordance with the level of HOME subsidy provided to assist each unit.

**\$164,989 HOME; (\$41,247 Match required to be provided by property owner)**

**Objective:** Provide decent housing by creating affordable housing opportunities for households with annual incomes at or below 60% of Area Median.

**Outcome:** Affordability for the purpose of providing decent affordable housing.

**Outcome Indicators:** Number of affordable housing units assisted with households below 60% of Area Median (estimated 11 units).



**UNAPPROVED  
MINUTES  
COMMUNITY DEVELOPMENT COMMISSION MEETING  
Tuesday, May 25, 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, Jerry Moreland, Brad Roof, Anne Heinze Silvis, Dennis Vidoni

**Commission Members Absent:** None.

**Others Present:** John Schneider, Kelly Hartford, Jennifer Gonzalez, and Connie Eldridge, Community Development Services; Sheila Ferguson and Lisa Benson, Mental Health Center of Champaign County; DeWayne Doskin, The Salvation Army; Beverly Huffman, Habitat for Humanity; Natasha Elliott, Ecological Construction Laboratory (e-co lab); Aaron P. Smith, Homestead Corporation; Karla Peterson, A Woman's Fund; Janice McAteer, Developmental Services Center; John Sullivan, Center for Women in Transition (CWT).

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the March 23, 2010 minutes. Commissioner Roof moved to approve the minutes, and Commissioner Diana seconded the motion. In response to Chairperson Cobb, Mr. Schneider clarified page 2, sixth paragraph, second line should read, "...1.5 times the amount of their grant..." The motion carried unanimously.*

**Petitions and Communications:** Commissioner Vidoni remarked that the new federal law on lead based paint regulations has implications for Urbana concerning conservation, landmark of historical homes, removing windows, filling landfills, and ecological issues. He believed the law has gone beyond common sense and moderation. Mr. Schneider noted that the Department of Housing and Urban Development (HUD) has had lead based paint regulations for many years.

**Staff Report:** Mr. Schneider distributed and reviewed a staff briefing memorandum dated May 25, 2010. Staff finalized the City of Urbana and Urbana HOME Consortium Consolidated Plan for Fiscal Years (FY) 2010-2014, the Annual Action Plan (AAP) for FY 2010-2011 and submitted to HUD. The City of Urbana Housing Program Manual Program Years 2010-2014 has been finalized. HUD has reported the City of Urbana's ratio for timely expenditure of Community Development Block Grant (CDBG) funds is 1.22, which is below HUD's threshold of 1.5. This indicates that the City's subgrantee social service agencies and in-house City programs continue to spend CDBG funds in a timely manner.

Staff has completed Neighborhood Cleanup, Income Verification Training Part V, and Section 3 Training.

Referencing the two different funding recommendations for the Mental Health Center's application in the FY 2010-2011 AAP, Commissioner Vidoni asked about Council's decision. Mr. Schneider noted City Council approved the staff's recommendation, which was based on the number of Urbana residents served by the Mental Health Center.

**Old Business:** None.

**New Business:** **HOME PROGRAM**

**An Ordinance Approving an Amendment to a Subrecipient Agreement Between the Urbana HOME Consortium and Habitat for Humanity of Champaign County (Homebuilder Blitz Program FY 2006-2007)** – Mr. Schneider stated the amount for each grant agreement reflects amounts in the City of Urbana's Annual Action Plan (AAP). Jennifer Gonzalez provided a brief history of Habitat's Homebuilder Blitz Program with the City of Urbana, which was approved by Council on August 6, 2007. Habitat planned to build five homes in two years; however, this was not met due to staff turnover. The City of Urbana has been amending this agreement as each individual home was built.

This request is to extend the agreement deadline from June 15, 2009 to September 30, 2010. Habitat will build two homes at 1405 and 1405 ½ West Beslin Street, Urbana.

*Commissioner Michelson moved to recommend to City Council approval of an Ordinance Approving an Amendment to a Subrecipient Agreement Between the Urbana HOME Consortium and Habitat for Humanity of Champaign County (Homebuilder Blitz Program FY 2006-2007). Commissioner Roof seconded the motion. Commissioner Diana inquired if the City's legal department had been consulted regarding extending an expired contract. Mr. Schneider responded the contract has technically not expired because it includes the statement. "that the contract is effective until the latest of: June 15, 2009 or the disbursement of all HOME funds associated with the contract." The extension is more of a housekeeping item to reflect what is actually happening with the contract. Beverly Huffman, Habitat's Executive Director, stated volunteers will begin construction June 3. The September 30 deadline will allow time for construction, inspections and closing on the properties. The motion carried unanimously.*

**A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2010-2011 (Homestead Corporation of Champaign-Urbana) -**

**A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2010-2011 (Ecological Construction Laboratory) -**

Both resolutions were presented together to the CD Commission. Ms. Gonzalez explained that Community Housing Development Organizations (CHDOs) must be certified to receive the 15% setaside CHDO funds. City staff monitored each CHDO in February and March 2010 and both CHDOs met the requirements to be recertified. The CHDO funds are included in the FY 2010-2011 AAP.

In response to Commissioner Roof, Ms. Gonzalez discussed the only monitoring concern, which was with e-co lab. Since e-co lab has a new executive director, Ms. Gonzalez recommended that e-co lab create a program manual to help their staff understand how the HOME Program fits into

their development. Mr. Schneider clarified HUD's two levels of concern. A finding means noncompliance with the regulations; a concern means the subrecipient needs to change direction. There was only one concern and no findings for the two CHDOs.

*Commissioner Roof moved to recommend to City Council approval of a Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2010-2011 for (1) Homestead Corporation of Champaign-Urbana, and (2) Ecological Construction Laboratory. Commissioner Francis seconded the motion, and the motion carried unanimously.*

**An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (*Homestead Corporation of Champaign-Urbana CHDO Operating FY 2010-2011*) –**

**An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (*Ecological Construction Laboratory CHDO Operating FY 2010-2011*) -**

Both ordinances were presented together to the CD Commission. Ms. Gonzalez stated that five percent of the Urbana HOME Consortium's funding may be set aside for administrative and operating costs of CHDOs. The CD Commission approved these allocations during the approval of the FY 2010-2011 AAP. Mr. Schneider added this was a procedural matter since contracts are required to expend the funds. After HUD approves the City's AAP, these agreements will be presented to City Council. Commissioner Roof inquired if the amount of funding could be changed. Mr. Schneider noted the amount was determined during approval of the AAP and was what each agency expected to receive.

*Commissioner Vidoni moved to recommend to City Council approval of an Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement for (1) Homestead Corporation of Champaign-Urbana, and (2) Ecological Construction Laboratory. Commissioner Michelson seconded the motion, and the motion carried unanimously.*

**CDBG PROGRAM**

**An Ordinance Approving an Amendment to a City of Urbana Community Development Block Grant Program Agreement (*A Woman's Fund – A Woman's Place, Project. No. 0910-AAP-01*)** – Mr. Schneider described the impending merger of Center for Women in Transition (CWT) and A Woman's Fund (AWF) that is expected to take place on July 1, 2010. CWT will assume AWF's contracts and will continue to operate A Woman's Place (AWP) Shelter. Because AWF's initial bidding process for this project was not correct, City staff has been working with them to provide technical assistance. The changes to the bid process have caused a delay, thus requiring an extension of the contract until September 30, 2010.

The City Special Counsel will advise staff as to the best way for CWT to assume AWF's contractual obligations and responsibilities with the City of Urbana. This will also include AWF's Supportive Housing Program contract. These are both grants that were approved for this

current funding year. It may be necessary to amend the Annual Action Plan to reflect this change.

In response to Commissioner Michelson, Kelly Hartford explained that A Woman's Fund was the umbrella organization over the shelter A Woman's Place (AWP). After the merger, CWT will be the umbrella organization over AWP. John Sullivan, Executive Director of CWT, clarified this merger would reduce administrative costs, result in a management change, and provide economies of scale in administration. In response to Commissioner Diana, Mr. Schneider stated this agreement is with A Woman's Fund – A Woman's Place. Next year the contract will be with Center for Women in Transition – A Woman's Place. The description will be specific to FY 2010-2011 Annual Action Plan.

There was discussion on the wording of the memorandum and the ordinance.

*Commissioner Diana moved to recommend to City Council approval of an Ordinance Approving an Amendment to a City of Urbana Community Development Block Grant Program Agreement (A Woman's Fund – A Woman's Place, Project No. 0910-AAP-01). Commissioner Moreland seconded the motion, and the motion carried unanimously.*

**An Ordinance Approving a City of Urbana Community Development Block Grant Program Agreement (A Woman's Fund – A Woman's Place, Project No. 1011-AAP-01) –**

**An Ordinance Approving a City of Urbana Community Development Block Grant Program Agreement (Prairie Homes Inc., Project No. 1011-AAP-02) –**

**An Ordinance Approving a City of Urbana Community Development Block Grant Program Agreement (Mental Health Center of Champaign County – East Elm Street Apartments, Project No. 1011-AAP-03) –**

**An Ordinance Approving a City of Urbana Community Development Block Grant Program Agreement (Mental Health Center of Champaign County – Lincolnshire Group Home, Project No. 1011-AAP-04) –**

Mr. Schneider suggested considering the four CDBG Program Agreements as a group. There was discussion on the amount of funding requested by the agencies, the CD Commission's and City staff's different funding recommendations, and City Council's allocation. In response to Commissioner Vidoni, Mr. Schneider confirmed that the CD Commission had recommended higher amounts for A Woman's Fund – HVAC at A Woman's Place and Mental Health Center – Lincolnshire Group Home. However, City Council approved staff's recommendations, which were lower and based on the number of Urbana residents served. Citing the CD Commission's majority vote in support of higher funding, Commissioner Vidoni stated he was opposed to the lesser amounts and planned to vote no.

Sheila Ferguson, Executive Director of the Mental Health Center of Champaign County, discussed their original request (\$22,196) for the Lincolnshire Group Home project as compared to the actual allocation (\$13,318). She mentioned the MHC's budget situation, the City's application process, and requested additional opportunities to speak about the MHC's needs. In

response to Commissioner Roof, Ms. Ferguson wondered if the funding decision could be appealed.

Commissioner Michelson inquired if the balance of funding was placed in Property Acquisition, and Mr. Schneider answered yes. Mr. Schneider reviewed the notification and application process for the City of Urbana's CDBG and HOME funds. The City does not always provide complete funding for a project; rather, the agencies typically request funds from other communities and are required to other funding sources for leverage. One example was the Francis Nelson Health Center, which is located in Champaign. CDBG funds are provided by HUD to the City of Urbana to support activities and programs that benefit Urbana residents.

Commissioner Roof asked Ms. Ferguson if the MHC was aware of the different funding recommendations and the funding approval process. Ms. Ferguson answered yes; however she had never seen the City Council not approve the CD Commission recommendations.

Commissioner Francis noted the difference between staff and CD Commission's recommendation was about \$9,000. Mr. Schneider described how funds for land acquisition are used for blight abatement and property acquisition for affordable housing development. This provides property tax revenue to the City. Commissioner Vidoni inquired about the amount of funds in the property acquisition line item. Mr. Schneider noted each year some funding is carried over, with \$54,904 allocated for FY 2010-2011. Commissioner Francis asked if the \$9,000 difference would prevent the Lincolnshire Group Home project from going forward. Mr. Schneider did not know if that was the case.

There was discussion about how much weight the CD Commission's recommendations have with City Council, how many Urbana residents are served by this facility, and the lack of funding from other government entities. Ms. Ferguson said the City of Champaign is using its CDBG funding for the Garden Hills area and is not providing any funds to social service agencies. Commissioner Francis remarked these facts were known at the time the CD Commission made its recommendation. There was concern that the CD Commissions recommendations were ignored. Mr. Schneider reviewed the process and noted Council had asked why there were two recommendations. If there are changes to the funding amounts, the City would need to create a minor amendment to the FY 2010-2011 AAP.

*Commissioner Francis moved to recommend to City Council the original amounts of Community Development Block Grant Public Facilities funds as recommended at the January 26, 2010 meeting be restored. Commissioner Vidoni seconded the motion.*

There was discussion on whether or not the City Council would favorably consider this recommendation, which agreements would not be approved, and the actual amounts of CDBG funding. Commissioner Diana noted the City Council approves CD Commission recommendations the vast majority of the time; however, it is within the purview of the Council to do otherwise. Commissioner Vidoni remarked that years go by without the CD Commission not approving staff recommendations, and he supported this change. Commissioner Roof wondered about the impact of removing \$9,000 from the property acquisition line item.

*Commissioner Francis made a friendly amendment to his motion to separate the Lincolnshire Group Home agreement from the other agreements.*

Janice McAteer, Prairie Homes, requested clarification on the amount of funding they would receive. There was discussion concerning the amount of funding for each project. Mr. Schneider clarified the CDBG Public Facilities funding as follows:

- A Woman’s Fund – A Woman’s Place, Project No. 1011-AAP-01: CD Commission recommended \$34,290; City staff recommended \$31,846.
- Prairie Homes – Hartle Group Home, Project No. 1011-AAP-02: Both CD Commission and City staff recommend \$15,411.
- Mental Health Center – Elm Street Apartments, Project No. 1011-AAP-03: Both CD Commission and City staff recommend \$20,404.
- Mental Health Center – Lincolnshire Group Home, Project No. 1011-AAP-04: CD Commission recommended \$22,196; City staff recommended \$13,318.

*Commissioner Francis stated the original idea was to fund all CDBG projects as the CD Commission originally recommended. He accepted the clarification and the suggestion to vote on each project separately.*

*Commissioner Francis moved to recommend to City Council that funding for the CDBG Public Facilities Project “A Woman’s Fund – A Woman’s Place, Project No. 1011-AAP-01” be restored to the amount originally recommended by the CD Commission, which was \$34,290. Commissioner Moreland seconded the motion. The motion carried with 8 ayes, 1 no.*

*Commissioner Francis moved to recommend to City Council that funding for the CDBG Public Facilities Project “Mental Health Center – Lincolnshire Group Home, Project No. 1011-AAP-04” be restored to the amount originally recommended by the CD Commission, which was \$22,196. Commissioner Vidoni seconded the motion. Commissioner Bengtson asked why City Council chose a lower amount of funding. Mr. Schneider replied that staff had recommended a lower amount, based on number of Urbana residents. Commissioner Francis noted future usage by Urbana residents may be higher. The motion carried with 8 ayes, 1 no.*

*Commissioner Francis moved to recommend to City Council approval of Ordinances Approving City of Urbana Community Development Block Grant Program Agreements: (1) Prairie Homes Inc. – Hartle Group Home, Project No. 1011-AAP-02, for the full amount as recommended by both City staff and the CD Commission, which is \$15,41, and (2) Mental Health Center – Elm Street Apartments, Project No. 1011-AAP-03, for the full amount as recommended by both City staff and the CD Commission, which is \$20,404. Commissioner Michelson seconded the motion, and the motion carried unanimously.*

## **SUPPORTIVE HOUSING PROGRAM**

**An Ordinance Approving a Supportive Housing Program Subrecipient Agreement Between the City of Urbana and A Woman’s Fund –**

**An Ordinance Approving a Supportive Housing Program Subrecipient Agreement Between the City of Urbana and Center for Women in Transition –**

**An Ordinance Approving a Supportive Housing Program Subrecipient Agreement Between the City of Urbana and Salvation Army Services, Inc. -**

Kelly Hartford reviewed the Supportive Housing Program (SHP). The City of Urbana receives SHP funds from HUD and then allocates the funds to A Woman's Fund, Center for Women in Transition, and Salvation Army Services, Inc. These renewal agreements include eligible costs, the amount of funds allocated, and the SHP regulations for the participating agencies. The grant year began March 1, 2010 and ends February 28, 2011.

In response to Commissioner Michelson, Ms. Hartford explained that SHP funds are different from CDBG and HOME funds. Mr. Schneider added the funds are allocated to the Urbana/Champaign Continuum of Care to deal with homelessness. The Continuum is comprised of the Champaign County Regional Planning Commission, Village of Rantoul, Cities of Urbana and Champaign, and social service agencies. Ms. Hartford noted the Continuum receives a variety of grants; however, this particular grant is administered by the City of Urbana.

In response to Commissioner Roof, Ms. Hartford noted the three agencies provide supportive services. DeWayne Doskin, The Salvation Army, reviewed their Transitional Housing Program, which provides housing, case management and counseling for three families. Families may stay in the program up to two years. Commissioner Roof asked about their waiting list. Mr. Doskin replied they could place other families but three homes is their limit. The Salvation Army has received HUD funding for these three TH houses since 1994.

*Commissioner Michelson moved to recommend to City Council approval of Ordinances Approving Supportive Housing Program Subrecipient Agreements Between the City of Urbana and (1) A Woman's Fund, (2) Center for Women in Transition and (3) The Salvation Army Services, Inc. Commissioner Moreland seconded the motion. Ms. Hartford clarified the amount of funding for the agencies was the same as for last year, and the program included administrative funds for the City of Urbana. The motion carried unanimously.*

Commissioner Diana was disturbed at the implication that staff has weighted the presentations to City Council and felt this was unfair. All persons, including those from the Mental Health Center and the CD Commission, are welcome to attend City Council meetings. Commissioner Silvis noted the CD Commission will struggle with more community needs and fewer resources, while Urbana continues to pay more than its share. Commissioner Silvis did not want to measure Urbana versus Champaign residents; rather, she preferred to fund resources that benefit both communities. The CD Commission should continue to do what they think is right, while remaining civil and cordial with each other and staff.

**Adjournment:** Chairperson Cobb adjourned the meeting at 8:29 p.m.

Recorded by Connie Eldridge



**FALL AMENDMENT TO ANNUAL ACTION PLANS  
FY 2008-2009 AND 2009-2010 PUBLIC HEARING**

**Wednesday, September 8, 2010, 10 a.m.  
City Council Chambers  
400 S. Vine St Urbana, IL**

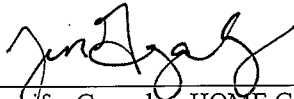
**Minutes**

Present: John Schneider, Janel Gomez, and Jen Gonzalez (City of Urbana Community Development Services Department). Chris Saunders, 6 Fletcher Court, Savoy, IL, was also present.

Mr. Schneider and Miss Gonzalez were prepared to receive interested citizens at 10:00 a.m. Mr. Schneider called the meeting to order at 10:00 a.m. Mr. Saunders expressed his opinion of the proposed amendment on behalf of the developer. He noted that the proposed amendment is a good use of funds for a property that has been neglected over the years. The developer will be using local funding through local lenders. The amendment will allow the developer to spend money on other important aspects associated with the redevelopment of Aspen Court, including site improvements. He commented on the affordability of the project, and mentioned that the program requirements are in line with the current demographic and are consistent with the overall project goals.

No other citizens were present for comment, and the public hearing was adjourned at 10:16 p.m.

Respectfully Submitted



Jennifer Gonzalez, HOME Grant Coordinator

