



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, City Planner/Director

DATE: December 4, 2002

SUBJECT: **A Resolution Authorizing the Mayor to Execute a Certification of Consistency for the Housing Authority of Champaign County 2003 Annual Agency Plan**

Description

The Housing Authority of Champaign County (HACC) has indicated that in order to submit their 2003 Annual Plan, a Certification of Consistency must be executed by appropriate local officials, indicating that the Plan is consistent with the Consolidated Plan.

A copy of the Housing Authority of Champaign County 2003 Annual Plan, Housing Authority letter dated November 18, 2002 detailing public hearing arrangements and a copy of the Certification of Consistency are included with this memorandum. The public hearings have been scheduled for the following times and dates:

- 5:30 PM, Thursday, December 12, 2002 at the HACC multi-purpose room
205 W. Park Avenue Champaign, IL 61820.
- 10 :00 AM, Wednesday, December 18, 2002 at the HACC multi-purpose room
205 W. Park Avenue Champaign, IL 61820.

The Housing Authority desires an executed Certification of Consistency by Monday January 6, 2003.

Issues

The principal issues are to determine that the Housing Authority of Champaign County's FY 2003 Annual Agency Plan is consistent with the City of Urbana and Urbana HOME Consortium Consolidated Plan for Program Years 2000-2004 and to adopt a resolution authorizing the mayor to execute the Certification of the PHA Plan's Consistency with the Consolidated Plan.

Background

HUD requires local certification that the HACC's FY2003 Annual Agency Plan is consistent with the local jurisdiction's Consolidated Plan.

A copy of the section of the City of Urbana and Urbana HOME Consortium Consolidated Plan for Program Years 2000-2004 that pertains to Public Housing concerns is included for reference.

The strategies regarding public housing in the Urbana HOME Consortium Consolidated Plan for FY 2000-2004 are outlined below. Staff has provided consideration as to how the Housing Authority's Annual Agency Plan is consistent with these strategies.

Public Housing Strategies

Strategy 1D: Promote substantial upgrading of the living environment for residents of Urbana public housing, particularly family units.

The planned redevelopment of Lakeside Terrace is intended to result in a substantial Upgrading of the living environment for residents.

Strategy 2D: 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.

The Annual Agency Plan does not provide for an increase of units for extremely low-income households. While the Plan provides for redevelopment of Lakeside Terrace, the mixed-income approach to tenant selection will not result in increasing the number of units for extremely low-income households.

However, the Housing Authority has indicated in the course of their redevelopment briefings to Council that they are committed to meeting the goal of replacing 80% of the Lakeside Terrace units for extremely low-income persons. This commitment should be explicitly referenced in the Annual Agency Plan.

The Annual Agency Plan does indicate that efforts will be made to seek additional resources from the following sources: CDBG, HOME, Low Income Housing Tax Credits, Tax Exempt Bonds, State of Illinois Trust Funds and State Donations Tax Credits. These financial resources, along with the Housing Authority plans to apply for additional Section 8 Vouchers, are identified as resources to increase the number of affordable housing units.

The Housing Authority's plans to enter into an agreement with a development partner will also bring additional financial resources to the redevelopment of Lakeside Terrace.

Strategy 3D: Encourage the Housing Authority of Champaign County to increase the earning potential of extremely low-income households.

The Annual Agency Plan does encourage an increase in the earning potential of extremely low-income households by planning to adopt rent policies that support and encourage work. This is noted on Page 13, Strategy 1: Target available assistance to families at or below 30% of AMI and Strategy 1: Target available assistance to families at or below 50% of AMI.

Strategy 4D: 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.

The Annual Agency Plan indicates that the Housing Authority will apply for special purpose vouchers targeted to families with disabilities, should they become available.

Strategy 5D: 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.

The Annual Agency Plan does indicate that the Housing Authority intends to apply for a HOPE VI Revitalization Grant in the Plan Year. The Plan also notes that demolition of Lakeside Terrace is proposed to begin in August 2004 and that Lakeside Terrace will be redeveloped using a mixed finance approach. Further, the Plan provides that the redevelopment will utilize a mixed income approach to selecting tenants for the new housing units. The Plan appears to be inconsistent with the Consolidated Plan policy that 80% replacement of demolished units be provided for extremely low-income families, since it does not explicitly address this goal.

However, the Housing Authority staff have consistently noted in their briefings to Council that they plan to meet this goal through a variety of housing opportunities including but not limited to additional Section 8 vouchers and scattered-site housing developments.

Staff has also identified the following additional considerations that impact the consistency of the Annual Agency Plan. These considerations were noted last year by Councilmember Esther Patt in the course of Urbana's review of the Annual Agency Plan.

The Housing Needs of Families in the Jurisdiction By Family Type table on Page 8 is not consistent with data provided on Page 39 of the Consolidated Plan. The table below provides a summary of this data:

	Urbana	Champaign
Income 0-30% MFI (extremely low-income)	1,916	3,574
Income 31-50% MFI (very low-income)	1,684	2,316
Income 51-80% MFI (low-income)	1,091	1,181

The total for the jurisdiction (i.e., Champaign County) should be higher than the combined totals of these numbers.

The Housing Needs of Families on the Waiting List table on Page 10 indicates that only 9 persons are on the wait list. The 2002 Amended Plan reflected persons on the wait list and those in different phases of eligibility determination. The Plan should include both types of applicants to better reflect households that have applied to live in public housing.

On Page 13 of the Plan, “Strategy: Target available assistance to families at our below 30% AMI” includes only the strategy of adopting rent policies to support and encourage work. The Plan should include two other strategies:

- Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing
- Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant –based section 8 assistance.

Fiscal Impacts

No fiscal impact has been identified, as no city funds are committed to strategies outlined in the FY 2003 Annual Agency Plan. However, the Housing Authority has indicated that they may submit an application for FY 2003-2004 HOME and/or CDBG funding to assist with funding the redevelopment of public housing facilities.

It should be noted that the City provided the Housing Authority \$40,000 from the FY 2002-2003 CDBG allocation for pre-development costs associated with the redevelopment of Lakeside Terrace.

Recommendations

Staff believes that the Annual Agency Plan can gain consistency with the Consolidated Plan by explicitly addressing the commitment to replace 80% of the units at Lakeside Terrace for persons at or below 30% Median Family Income (MFI). As noted earlier, plans for accomplishing this replacement have identified the need to maximize the provision of units that are made available to persons below 30% MFI, within an expanded redevelopment area. Those units not provided on site could be provided at scattered-sites. (Staff comments are in response to Page 3, Item

(ii)(d).

Staff believes that the section of the Plan that addresses plans to redevelop Lakeside Terrace should more accurately reflect the City's involvement in predevelopment planning efforts and the provisions in the Consolidated Plan. These provisions include encouraging the maximum number of affordable units within the Lakeside Terrace redevelopment area and providing additional housing off-site in scattered site developments for persons below 30% MFI. (Staff comments are in response to Page 34 B. HOPE V and Public Housing Development and Replacement Activities (Non-Capital Fund).

Staff understands that the Housing Authority is in the process of providing requested fiscal analysis of various redevelopment scenarios that will aid in identifying the levels of subsidy necessary to achieve the goals outlined in the Consolidated Plan. This ongoing effort should be identified in the Annual Agency Plan.

Community Development Services staff has determined that by addressing the provisions referenced in this memorandum, the Housing Authority's 2003 Annual Agency Plan could be generally consistent with the strategies outlined in the Consolidated Plan. Subject to incorporation of these concerns, staff recommends City Council approve the resolution authorizing the mayor to execute HUD form 50075, Certification by State or Local Official of the PHA Plans Consistency with the Consolidated Plan.

Memorandum Prepared By:

Bob Grewe, AICP
Grants Management Division, Manager

Attachments:

Housing Authority of Champaign County FY 2003 Annual Agency Plan

Housing Authority of Champaign County November 18, 2002 letter

Certification of Consistency, HUD Form 50075

City of Urbana and Urbana HOME Consortium Consolidated Plan for Program Years 2000-2004, Public Housing Section page 57-60.

RESOLUTION NO. 2002-12-031R

A Resolution Authorizing the Mayor to Execute a Certification of Consistency for the Housing Authority of Champaign County 2003 Annual Plan.

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 8, 2000 the Urbana City Council adopted the *URBANA HOME CONSORTIUM AND CITY OF URBANA CONSOLIDATED PLAN FOR PROGRAM YEARS 2000-2004*; and

WHEREAS, 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, has reviewed the Housing Authority of Champaign County's *PHA PLANS 5 Year Plan for Fiscal Years 200-2004 (UPDATED), Annual Agency Plan for Fiscal Year 2003* and found the Plan to be consistent with the *URBANA HOME CONSORTIUM AND CITY OF URBANA CONSOLIDATED PLAN FOR PROGRAM YEARS 2000-2004*, subject to the condition that the following adjustments be incorporated into the final draft of the Annual Agency Plan:

The Housing Needs of Families in the Jurisdiction By Family Type table on Page 8 will reflect the data provided below.

	<u>Urbana</u>	<u>Champaign</u>
Income 0-30% MFI (extremely low-income)	1,916	3,574
Income 31-50% MFI (very low-income)	1,684	2,316
Income 51-80% MFI (low-income)	1,091	1,181

The Housing Needs of Families on the Waiting List table on Page 10 will include persons on the wait list and those in different phases of eligibility determination that have applied to live in public housing.

On Page 13 of the Plan, "Strategy: Target available assistance to families at our below 30% AMI" will also include the following additional strategies:

- Exceed HUD federal targeting requirements for families at or below 30% of AMI in public housing
- Exceed HUD federal targeting requirements for families at or below 30% of AMI in tenant -based section 8 assistance.

Page 3, Item (ii)(d.) will that plans for accomplishing unit replacement identify the need to maximize the provision of units that are made available to persons below 30% MFI, within an expanded redevelopment area and that those units not provided on site could be provided at scattered-sites, so that the no fewer than 80% of demolished units are replaced with permanent, subsidized housing units that will be affordable to extremely low-income families with children.

Page 34 B. HOPE V and Public Housing Development and Replacement Activities (Non-Capital Fund, the section of the Plan that addresses plans to redevelop Lakeside Terrace), should more accurately reflect the City's involvement in predevelopment planning efforts at Lakeside Terrace and the provisions in the Consolidated Plan. Goals of the redevelopment should include encouraging the maximum number of affordable units within the Lakeside Terrace redevelopment area and providing additional housing off-site in scattered site developments for persons below 30% MFI, so that the no fewer than 80% of demolished units are replaced with permanent, subsidized housing units that will be affordable to extremely low-income families with children.

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 Urbana HOME Consortium to execute HUD form 50075 Certification by State and Local Officials of PHA Plans Consistency with the Consolidated Plan, subject to the inclusion of adjustments to the Annual Agency Plan referenced above.

PASSED by the City Council this _____ day of _____,
_____.

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
_____.

Tod Satterthwaite, Mayor

Staff Note:

The Housing Authority of Champaign County provided the following documents as paper copies.

- Housing Authority of Champaign County FY 2003 Annual Agency Plan
- Housing Authority of Champaign County November 18, 2002 letter

No electronic format is available.

If you desire a copy of these documents, please contact:

Bob Grewe, AICP
Manager, Grants Management Division
217.384.2441
bpgrewe@city.urbana.il.us

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

I, Tod Satterthwaite the Mayor of Urbana, Illinois certify
that the Five Year and Annual PHA Plan of the Housing Authority of Champaign Coun is
consistent with the Consolidated Plan of the Urbana HOME Consortium prepared
pursuant to 24 CFR Part 91.

Signed / Dated by Appropriate State or Local Official

D. Public Housing

The 3,082 low-income renter households in Urbana are target households for subsidized housing programs. The Housing Authority of Champaign County (HACC) currently owns and manages nine public housing complexes in Champaign County. Three of these are in Urbana and comprise 125 family units and 103 elderly/disabled units for a total of 228 units. Residents of the complexes qualify for subsidy based on family size and income. The Housing Authority reports waiting lists primarily for family units. Forty four households were on the waiting list as of September 1999. The average monthly unit rent in 1999 was \$160.

Name	Address	Type	# of Units	Units Leased
Dunbar Court	1208 N. Wright	Family	26	24 (98%)
Lakeside Terrace	206 E Lakeside Terrace	Family	99	81 (80%)
Oscar Steer Place	1202 E Harding	Elderly	103	91 (90%)
TOTAL			228	196 (85.5%)

With its 1998/1999 HUD Public Housing Management Assessment score of seventy-seven percent (77%), the HACC was designated a standard performer. As in past reviews, the HUD regional office cited deficiencies in the areas of vacancy rates and turnaround time. All other review areas, such as modernization efforts, collected rents, work orders and inspections, financial management and security, received scores of A or B. Active resident involvement is an area requiring additional efforts, since it only received an assessment score of C. In its FY 2001 Agency Plan Executive Summary, the HACC indicated it would renew efforts to improve partnerships between management and residents. Reported intentions are to develop and implement an improved landlord/resident education program and to conduct quarterly community forums.

While public housing facilities are generally sound, the three most densely populated family developments (Dunbar Court and Lakeside Terrace in Urbana, and Burch Village in Champaign) are over forty years old and in need of extensive renovation including replacement of basic systems such as plumbing and electrical. There are more than 400 children in these three developments alone, and none of the units are easily accessible to persons with disabilities. Replacement of the Urbana developments with fewer number of newly constructed units on the same sites, and additional scattered-site housing made available to those persons being "displaced" is a possible solution. HOPE VI applications may be submitted for Lakeside Terrace, Dunbar Court, and/or Burch Village. At a minimum, extensive renovations will be needed to alleviate health and safety issues now associated with these two developments. The Housing Authority would need to receive additional Federal funding for such efforts.

There are 412 privately-owned rent-subsidized units in the City (141 family, 271 elderly) and there were 251 Section 8 (tenant-based) certificates and vouchers in use in Urbana in September, 1999. Thus, the total number of rent-assisted units in Urbana was 663 compared to 3,082 very low-income households with housing need. Additional subsidized units are needed.

The Section 8 Housing Voucher and Housing Certificate Programs are Federally funded programs administered by the Housing Authority of Champaign County. These programs provide housing assistance to eligible low-income families by subsidizing a portion of the tenant's monthly rent. Subsidies are paid directly to the landlord and can be used for any type of private rental housing. The level of assistance is based on the family size and income, with the family expected to pay 30% of its income towards rent. The main difference between the two programs is that the certificate program has a maximum gross rent limit while the voucher program does not. To date, there are 1,017 vouchers/certificates issued in Champaign County. The average contract rent for tenants occupying one bedroom units for these programs is \$345 with tenants paying an average of \$190. At this time there are 176 households on the Section 8 waiting list which is expected to reopen in Spring 2000.

ASSISTED UNITS LOCATED IN URBANA, ILLINOIS				
PROPERTY	ADDRESS	ASSISTED UNITS	TOTAL UNITS	EXP. DATE
Scottswood Manor	1103 Lierman Dr	14	140	06/30/1998
Scottswood Manor	1103 Lierman Dr	34	---	08/31/1998
SunnyCrest Manor	1805 S Cottage Grove	101	101	04/29/2000
Prairie Homes	106 S Hartle Av	16	16	12/28/2008
C-U Independence Apts	610 E Kerr Av	24	24	08/14/2009
Race St Apts	109 W Illinois St	50	50	01/27/2011
Florida House	1502 E Florida Av	120	120	11/30/2020

Adding to the urgency of this situation is the loss of 48 units of project-based subsidies at Scottswood Manor in 1998 and the loss of another 101 project-based subsidies at Sunnycrest Manor, anticipated April 29, 2000. Contract agreements between each of these complexes and HUD provided for HUD to pay the difference between 30% of the household's income and the market rent that would otherwise be charged for the units, thus making the subsidized units affordable to extremely low-income households. Both complexes have chosen not to renew their contracts with HUD.

Additionally, the HACC recently decided to change eligibility requirements for its three buildings formerly designated as housing for the elderly and persons with disabilities. Washington Place and Steer Place (each 103 units) will be housing exclusively for elderly, while Skelton Place (83 units) will remain mixed population (elderly/non-elderly and persons with/without disabilities). This equals a loss of at least 206 units available to persons with disabilities.

Public Housing Strategies

- Strategy 1D: Promote substantial upgrading of the living environment for residents of Urbana public housing, particularly family units.
- Strategy 2D: 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.
- Strategy 3D: Encourage the Housing Authority of Champaign County to increase the earning potential of extremely low-income households.

Strategy 4D: 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.

Strategy 5D: 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.