



## 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, Director Community Development Services

**DATE:** May 7, 2009

**SUBJECT:** **A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2009-2010 (Homestead Corporation of Champaign-Urbana)**

**A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2009-2010 (Ecological Construction Laboratory)**

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### **Description**

Included on the agenda of the May 11, 2009 meeting of the Urbana Committee of the Whole are resolutions to re-certify Homestead Corporation of Champaign-Urbana (Homestead) and Ecological Construction Laboratory (e-co lab) as Community Housing Development Organizations (CHDOs) for the Urbana HOME Consortium for Fiscal Year (FY) 2009-2010. Homestead and e-co lab have met all of the Federal HOME Program requirements for recertification as CHDOs for FY 2009-2010.

### **Issues**

The issue is whether the Urbana Committee of the Whole should approve the resolutions recertifying two agencies as Urbana HOME Consortium CHDOs.

### **Background**

In order to receive allocated HOME Program funds identified in the proposed FY 2009-2010 Annual Action Plan (AAP), CHDOs must maintain eligibility status according to HOME Program regulations. Staff has conducted annual on-site monitoring and recertification reviews of the agencies to ensure CHDO compliance and eligibility in late February, 2009. During those reviews, staff verified that the two current CHDOs in the Urbana HOME Consortium, Ecological Construction Laboratory and Homestead Corporation of Champaign-Urbana, have met the requirements to be recertified as CHDOs for FY 2009-2010. Those qualifications pertain to maintaining non-profit status, ensuring adequate capacity for affordable housing development, having proper board member makeup, and pursuing outreach to the low income community.

## **Options**

1. Approve one or both of the resolutions recertifying Ecological Construction Laboratory and Homestead Corporation of Champaign-Urbana as Community Housing Development Organizations.
2. Approve one or both of the resolutions with suggested changes.
3. Do not approve the resolutions.

## **Fiscal Impacts**

There will be no fiscal impact to the city budget. HOME funding for CHDO Operating Funds is allocated in the City of Urbana and Urbana HOME Consortium Annual Action Plan for Fiscal Year 2009-2010 and is included in the FY 2009-2010 City of Urbana budget.

## **Recommendations**

The Community Development Commission voted unanimously to forward the attached resolutions the Urbana City Council with a recommendation for approval.

**Memorandum Prepared By:**

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**Janel Gomez**  
**HOME Grant Coordinator**  
**Grants Management Division**

## **Attachments:**

1. A RESOLUTION CERTIFYING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR THE URBANA HOME CONSORTIUM FOR FY 2009-2010 (ECOLOGICAL CONSTRUCTION LABORATORY)
2. A RESOLUTION CERTIFYING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION FOR THE URBANA HOME CONSORTIUM FOR FY 2009-2010 (HOMESTEAD CORPORATION OF CHAMPAIGN-URBANA)
3. UNAPPROVED MINUTES FROM APRIL 28, 2009 MEETING OF THE URBANA COMMUNITY DEVELOPMENT COMMISSION

RESOLUTION NO. 2009-05-019R

A RESOLUTION CERTIFYING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION  
FOR THE URBANA HOME CONSORTIUM FOR FY 2009-2010

(Homestead Corporation of Champaign-Urbana)

WHEREAS, The City Council of the City of Urbana, Illinois, has found and determined that certification of the Homestead Corporation of Champaign-Urbana as a Community Housing Development Organization for the Urbana HOME Consortium for FY 2009-2010 is desirable and necessary to carry out one of the corporate purposes of the City of Urbana, to wit: implementation of Strategies and Objectives to Address the Affordable Housing Needs of Low and Moderate Income Households described in the *Urbana HOME Consortium and the 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 the Homestead Corporation of Champaign-Urbana (Homestead) be identified and certified as a Community Housing Development Organization (CHDO) for the Urbana HOME Consortium for FY 2009-2010, and as such, be eligible to request specific HOME funds set aside for use by CHDOs, under regulations set forth by the U.S. Department of Housing and Urban Development.

Section 2. That said certification and the benefits afforded by it be in effect until June 30, 2010, or until such time that Council be informed of conditions necessitating a change in the status of Homestead Corporation of Champaign-Urbana as a CHDO.

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



**UNAPPROVED**  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**Tuesday, April 28, 2009, City Council Chambers**  
**400 South Vine Street, Urbana, IL 61801**

**Call to Order:** Chairperson Cobb called the meeting to order at 7:02 p.m.

**Roll Call:** Connie Eldridge called the roll. A quorum was present.

**Commission Members Present:** Fred Cobb, Janice Bengtson, Chris Diana, George Francis, Jerry Moreland, Brad Roof, Anne Heinze Silvis,

**Commission Members Absent:** Theresa Michelson, Dennis Vidoni

**Others Present:** John Schneider, Janel Gomez, Randy Burgett and Connie Eldridge, Community Development Services; Aaron P. Smith, Homestead Corporation of Champaign-Urbana (Homestead).

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the March 24, 2009 minutes. Commissioner Francis moved to approve the minutes, and Commissioner Roof seconded the motion. The motion carried unanimously.*

**Petitions and Communications:** None.

**Staff Report:** Mr. Schneider provided updates and distributed the following: a staff briefing memorandum dated April 28, 2009; the City of Urbana and Urbana HOME Consortium Minority Business Enterprise/Women Business Enterprise (MBE/WBE) report for the U.S. Department of Housing and Urban Development (HUD); Champaign County Computer & Electronics Recycling Event flyer; Amendment to Annual Action Plan Fiscal Year (FY) 2004-2005; Amendment to Annual Action Plans FY 2006-2007, 2007-2008, and 2008-2009.

HUD has notified the City of Urbana about mandatory training regarding the Supportive Housing Program and Shelter Plus Care Financial Management on May 12, 2009.

City Council approved the amendment to the Ecological Construction Laboratory (e-co lab) agreement and the two resolutions on Private Activity Bond Issues.

The closing for 1007 West Fairview Avenue is delayed while waiting for Federal Home Administration (FHA) approval. FHA is a division of HUD.

Neighborhood Cleanup is scheduled for Saturday, May 9.

Ms. Gomez stated there have been many requests to subordinate HOME mortgages, including American Dream Downpayment Initiative (ADDI). Homeowners are improving their interest rate on their first mortgages, which helps them build equity faster. Commissioner Roof asked if

there is a requirement for a traditional mortgage. Ms. Gomez answered yes, and the homeowner must not receive cash out and must save at least 1% on their interest rate.

Kelly Hartford, CDBG Grant Coordinator, processed 43 Consolidated Social Service Fund (CSSF) grant applications, which requested a total of \$540,000. She will use the Community Development (CD) Commission recommendations to choose programs for Community Development Block Grant (CDBG) Public Service funds.

The City of Urbana's Transitional Housing (TH) Program has accepted 35 applications.

Money Smart Week (April 18-25, 2009) culminated with the Annual Housing Fair Seminar on Saturday, April 25.

The City has transferred the lot at 1306 West Dublin Street to Habitat for Humanity. Also, City Council approved purchase of 1410 West Eads Street, and staff is preparing the demolition bid.

Staff completed the closing for Crystal View Townhomes on April 13, 2009. The CD Commission will be among those invited to the May 20, 2009 groundbreaking ceremony.

Referencing the listing of subcontracts awarded on the MBE/WBE report, Chairperson Cobb inquired about any minorities who attempted to participate but were denied or unsuccessful. Mr. Burgett replied that all contractors are preapproved, and Grants Management Division (GMD) programs require low bid. The general contractor is responsible for hiring their subcontractors. He did not know whether or not they bid out their contracts. Mr. Schneider added that every contractor who contacts GMD is given information about the Contractor Bidders List. Contractors must have experience, insurance, and licenses. Staff has tried to recruit minority contractors; however, it remains a challenge. GMD encourages general contractors to use qualified minority contractors.

Chairperson Cobb was concerned that minority or women-owned businesses may be unsuccessful when they attempt to get on the list and/or bid on projects. Mr. Burgett replied that when a contractor contacts the City, he goes through the entire packet with them. If they are a subcontractor, he provides a list of preapproved contractors to contact. Contractors must have licensed lead abatement worker on their staff.

Chairperson Cobb asked if Randy Burgett was the contact person, and Mr. Burgett answered yes. Mr. Schneider reviewed GMD's advertisement process, noting it is not easy to find contractors. His personal experience with minority business contractors is that they are encouraged to apply and participate. Usually those contractors are also doing work at the University of Illinois, which is more lucrative.

Chairperson Cobb clarified that he wanted to raise consciousness. Mr. Burgett noted that the City of Champaign, Village of Rantoul, and Champaign County are also looking for minority businesses. All government entities share their MBE/WBE contact information.

Commissioner Roof asked if there was a target for a mix, if there were goals on how to diversify award of contracts, and if HUD had any requirements. Mr. Schneider said that HUD requires the

City submit the MBE/WBE report but does not have a target. The staff works hard toward meeting a goal that reflects minority representation in the area. Many minority contractors use the City as a springboard to bigger and more lucrative jobs. It is always a challenge just to get any qualified contractors to our projects, let alone minority contractors.

Commissioner Francis asked about Category 0 on page 3. Mr. Burgett answered that 0 is used for demolition (SHEDAWAY) projects. He added this report includes a compilation of information from HOME projects for the Cities of Urbana, Champaign, and Champaign County.

Commissioner Roof asked about comparing data relative to a pool of available contractors to this list. Mr. Schneider noted the City did not have access to that information. HUD looks at the general population of an area. Commissioner Roof commented that it did not mean the population was doing this type of work. Mr. Schneider described how Section 3 project contractors must advertise for low income workers in the immediate neighborhood of a project. Chairperson Cobb stated the State of Illinois publishes labor statistics, which the University of Illinois and Office of Federal Contract Compliance use. He noted the City does not use that in its operations and to set goals for an area.

**Old Business:** None.

**New Business:** **An Ordinance Repealing Ordinance No. 2003-03-024 and Approving and Authorizing the Sale of Certain Real Estate (1107 North Gregory Street and 1109 North Gregory Street / Homestead Corporation of Champaign-Urbana)** – Mr. Schneider gave an overview of this issue. The City needs to repeal the ordinance that would have transferred these properties to Peter Pan Daycare. Because Yvette Gray Brown, the owner/operator, has decided not to expand Peter Pan Daycare except on her property, this action would transfer the two properties to Homestead Corporation for development of affordable housing.

Mr. Burgett noted the City of Urbana purchased and cleared the two properties in 1992 and 1994 with Community Development Block Grant (CDBG) funds. This was during the Eads Street Subdivision project. At that time the two lots were left vacant for the possible future expansion of Peter Pan Daycare. Now Homestead Corporation would like to acquire the two lots and build affordable housing, thus closing out the Eads Subdivision. Staff recommends this action, which would also reduce the number of lots the City currently maintains and mows.

Referencing the original contract to sell the properties to Peter Pan, Commissioner Roof asked why there was a purchase price of \$10,000. Mr. Burgett explained that was the sale price based on an appraisal to a business. Mr. Schneider mentioned the real estate and public hearing processes when the City sells a property. With Grants Management Division programs, there is an ordinance to provide lots at no cost to CHDOs for the purpose of developing affordable housing. He clarified that Peter Pan Daycare would not qualify since it is not a not-for-profit organization.

Referencing the original ordinance, Commissioner Diana noted it required disposition of the real estate by June 30, 2003. He asked if the ordinance no longer applied since the deadline had passed. Mr. Schneider answered that the City's Legal Division had determined staff should notify Yvette Brown and repeal the ordinance to make the procedure completely clean.

*Commissioner Moreland moved to recommend to City Council approval of an Ordinance Repealing Ordinance No. 2003-03-024 and Approving and Authorizing the Sale of Certain Real Estate (1107 North Gregory Street and 1109 North Gregory Street) to Homestead Corporation of Champaign-Urbana. Commissioner Bengtson seconded the motion, and the motion carried unanimously.*

**A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2009-2010 (Homestead Corporation of Champaign-Urbana) -**

**A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2009-2010 (Ecological Construction Laboratory) -** Chairperson Cobb stated these two agenda items would be considered together. Ms. Gomez indicated the same information applied to both CHDOs. HUD requires that CHDOs be recertified periodically, and the Urbana HOME Consortium decided to do this annually. Staff has conducted on-site monitoring and has determined both CHDOs have met the recertification requirements. Those are: maintaining not-for-profit status, adequate capacity for affordable housing development, board member makeup, and outreach to the low income community. Ms. Gomez felt both CHDOs were doing well.

Chairperson Cobb asked how the Annual Action Plan (AAP) would be affected if the Consortium did not approve CHDO recertification,. Mr. Schneider stated that CHDOs understand that, once they are certified as a CHDO, they will be recertified as long as they maintain this status. This was an administrative process with documentation to the file.

In response to Commissioner Roof, Ms. Gomez stated that a CHDO board must include one-third from the low income community and no more than one-third from public officials. The CHDOs find this difficult to maintain, and they continually do outreach. She clarified the CHDO board of directors provides checks and balances, oversees expenditures, etc.

*Commissioner Silvis moved to recommend to City Council approval of Resolutions Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2009-2010 for Homestead Corporation of Champaign-Urbana and Ecological Construction Laboratory. Commissioner Bengtson seconded the motion, and the motion carried unanimously.*

**Adjournment:** *Commissioner Roof moved to adjourn the meeting, and Commissioner Moreland seconded the motion. Chairperson Cobb adjourned the meeting at 7:45 p.m.*

Recorded by Connie Eldridge