



**DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES**

*Grants Management Division*

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

**TO:** Laurel Lunt Prussing, Mayor, City of Urbana

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

**DATE:** March 7, 2013

**SUBJECT:** **AN ORDINANCE APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2011-2012 AND FY 2012-2013 ANNUAL ACTION PLANS (Winter 2012 HOME CHDO Amendment)**

**AN ORDINANCE APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2008-2009, FY 2010-2011, FY 2011-2012, & FY 2012-2013 ANNUAL ACTION PLANS (TBRA Programs, CHDO Demolition Funds, & 1107 N Gregory CHDO Project)**

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**Description**

Included on the agenda of the March 11, 2013 meeting of the Urbana Committee of the Whole are two Ordinances approving modifications to Annual Action Plans previously approved by the Urbana City Council.

The first amendment outlines changes to the Fiscal Year (FY) 2011-2012 and FY 2012-2013 Annual Action Plans to allow for project and operating funds for Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance).

The second amendment proposes modifications to the FY 2008-2009, FY 2010-2011, FY 2011-2012, and FY 2012-2013 Annual Action Plans in order to increase funding available for Tenant Based Rental Assistance programs currently operating in the Consortium area. It also proposes a change to Homestead Corporation of Champaign-Urbana's Affordable Homeownership Program to allow for a rental project to replace current homeownership projects that have been unsuccessful in finding eligible homebuyers. The final piece to the amendment provides for a Community Housing Development Organization demolition fund to be used by Neighborhood Alliance.

**Amendment 1 – Winter 2012 HOME CHDO Amendment**

The Winter 2012 HOME CHDO Amendment outlines changes to the FY 2011-2012 and FY 2012-2013 Annual Action Plans in order to execute agreements with Champaign County

Neighborhood Alliance for Habitat (Neighborhood Alliance) using HOME CHDO funding. Approximately \$42,842.54 has not been committed from FY 2011-2012 for eligible CHDO activities, and no commitments were made in the FY 2012-2013 Annual Action Plan for the fifteen percent set-aside required, or \$116,437.35, for a total \$159,279.89 available.

Neighborhood Alliance requested \$200,000 in its most recent application submission for CHDO project funding. The HOME Technical Committee recommended funding Neighborhood Alliance for the construction of four single-family units in the Community Development Target Area with the total amount of uncommitted funds available, or \$159,279.89. Based on past performance of Neighborhood Alliance, which has completed three of the four units under its current contract, the Committee expects that four homes is well within the organization's building capacity and is confident that the projects will meet the timeliness requirements stipulated as part of the HOME Program.

Also requested was \$28,250 in CHDO Operating funds to assist with the day to day activities associated with carrying out the Affordable Homeownership Program. The HOME Technical Committee had previously agreed to prorate Operating funds to eligible CHDOs on a per unit basis in an effort to encourage greater building capacity. Based on the total funds available, the Committee agreed that \$7,000 per unit was appropriate at the time the funding recommendation was made. Neighborhood Alliance has agreed to construct a total of four units under the proposed contract, and as such, the Committee approved \$28,000 in conjunction with the project funding awarded.

A public hearing was held regarding the amendment on January 8, 2013, and notice of the hearing was posted on the City's website on December 21, 2012. Minutes from the hearing and supporting documentation are attached.

## **Amendment 2**

### ***Part 1 – TBRA Programs***

The second amendment to be presented before the Commission outlines further modifications to Annual Action Plans for Fiscal Year (FY) 2008-2009, FY 2010-2011, FY 2011-2012, and FY 2012-2013.

The HOME Technical Committee met to discuss potential commitments for the upcoming commitment deadline imposed by the Department of Housing and Urban Development. Based on the amount of unobligated funds resulting from program income carried over from previous fiscal years among all three entities, the Consortium agreed to commit additional funds to Tenant Based Rental Assistance (TBRA) program currently operating in the Consortium-wide area. This action would also take into account public comments received over the past several years indicating a need for rental housing assistance for those households whose incomes fall below 30 percent of the Median Family Income. Homeownership is generally not an option for these households, and TBRA is an effective program to meet the immediate needs of this income group, in conjunction with self-sufficiency measures as part of a comprehensive housing strategy.

The TBRA programs to receive funding are listed below and are also listed in the attached proposed Amendment:

<b><u>Program:</u></b>	<b><u>Funding Award:</u></b>
City of Champaign TBRA	\$148,805.80
Champaign County TBRA	\$100,000.00
Community Elements TBRA	\$ 55,000.00
Center for Women in Transition TBRA	<u>\$ 80,000.00</u>
TOTAL	\$383,805.80

Each of the programs listed above are open to residents County-wide, with the exception of the program operated by the Center for Women in Transition, which is subcontracted through the City of Champaign and benefits Champaign residents only.

### ***Part 2 – 1107 N Gregory CHDO Project***

Also outlined in the Amendment is a substantial change to the Homestead Corporation of Champaign-Urbana (Homestead) Affordable Homeownership projects currently under contract. Homestead had a deadline of January 1, 2013 to find eligible buyers for the CHDO projects at 1107 N Gregory Street, Urbana and 1304 Williamsburg, Champaign. Homestead was unable to secure buyers for either home due to tight lending restrictions.

A total of \$55,010 was committed to the 1107 N Gregory project. The 1304 Williamsburg project funding committed was \$150,000, including construction financing, for a total commitment of \$205,010 between both contracts.

Failure to complete the 1107 N Gregory project deadline imposed by HUD would require repayment of funds or conversion to a rental unit by June, 2013. In order to avoid repayment of funds for the unit partially constructed at 1107 N Gregory, staff has proposed to convert the unit to a rental project.

Community Elements, Inc. has agreed to take on the project and to operate it as an affordable rental unit for a 20-year affordability period. The home will serve as permanent supportive housing for clients graduating out of the transitional housing program currently operated by Community Elements. The contract must be amended to a CHDO Sponsor Agreement, which will identify Community Elements as the non-profit responsible for ownership at the completion of the project. The project will be structured similarly to that of the unit being finalized at 510 E Beardsley, Champaign, which will be constructed by Homestead and ultimately owned and operated by the Center for Women in Transition, Inc.

This amendment will terminate the contract for construction of a unit at 1304 Williamsburg, Champaign. A portion of the uncommitted funds from the \$150,000 cancelled contract will be put into the 1107 N Gregory Rental Project, as detailed below:

<b>Proposed Project:</b>	<b>Current Award:</b>	<b>Amended Award:</b>
CHDO Homestead 1107 N Gregory Rental	-55,010-	\$153,100.00
CHDO Unobligated FY 2012-2013	-0-	\$ 51,910.00
TOTAL		\$205,010.00

This amendment will leave \$51,910 unobligated for future CHDO projects, a portion of which has been proposed for demolition activities in Part 3 of the Amendment.

### ***Part 3 – CHDO Demolition Funds***

The final modification to the Annual Action Plans includes funding for demolition activities in combination with eligible CHDO new construction projects to be undertaken by Neighborhood Alliance.

Current practice for lot donation to non-profits for affordable housing construction requires that the City use Community Development Block Grant funds to first acquire the property. The City has also historically removed any dilapidated structures on the lots prior to donation to an eligible CHDO. The City had hoped to eventually grant funds to CHDOs to carry out demolition activities but has been precluded from doing so due to a 12-month deadline imposed by the Department of Housing and Urban Development (HUD) for breaking ground.

With Champaign County Neighborhood Alliance for Habitat operating as quickly as it has been over the last year, staff is confident that Neighborhood Alliance will be able to break ground and begin construction on the proposed single-family units within the 12 month requirement. One of the lots being proposed for transfer to Neighborhood Alliance, 1411 W Beech, currently has a parking lot that needs to be removed prior to beginning construction. With the modification to Homestead Corporation's contracts for 1107 N Gregory and 1304 Williamsburg, additional funds became available for demolition activities. A total of \$14,000 is recommended for this demolition fund to be used by Neighborhood Alliance.

Removing the parking lot at 1411 W Beech will cost approximately \$2,000. The remaining \$12,000 is the average cost of demolition for a lot in the Community Development Target Area and will be used at the time Neighborhood Alliance requests an additional lot for construction, which will likely be at the end of 2013.

A public hearing was held on Friday, March 1, 2013 regarding this amendment, and notice of the hearing was posted on the City's website on February 15, 2013. Minutes from the hearing and supporting documentation are attached.

At the February 26, 2013 regular meeting of the Community Development Commission, the Commission reviewed the proposed amendments and unanimously forwarded them to the Urbana City Council with a recommendation for approval.

## Options

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


## Fiscal Impacts

The proposed Ordinances will allow staff to disburse grant funding in accordance with the timeliness requirements stipulated by the HOME Program guidelines. There will be no change to the City Budget, as the proposed amendments only make modifications to the activities being carried out with funds already set aside in the budget for CHDO activities.

## Recommendations

Staff and the Community Development Commission unanimously recommend approval of the proposed Ordinances.

**Memorandum Prepared By:**

  
\_\_\_\_\_  
**Jen Gonzalez**  
**HOME Grant Coordinator**  
**Grants Management Division**

## Attachments:

### Amendments:

1. AN ORDINANCE APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2011-2012 AND FY 2012-2013 ANNUAL ACTION PLANS (Winter 2012 HOME CHDO Amendment)
2. *City of Urbana and Urbana HOME Consortium Proposed Amendments to Annual Action Plans FY 2011-2012 & FY 2012-2013 (Winter 2012 HOME CHDO Amendment)*
3. AN ORDINANCE APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2011-2012 AND FY 2012-2013 ANNUAL ACTION PLANS (TBRA Programs, CHDO Demolition Funds, & 1107 N Gregory CHDO Project)

4. *City of Urbana and Urbana HOME Consortium Proposed Amendments to Annual Action Plans FY 2008-2009, FY 2010-2011, FY 2011-2012, & FY 2012-2013 (TBRA Programs, CHDO Demolition Funds, & 1107 N Gregory CHDO Project)*
5. *Minutes from the January 8, 2013 Public Hearing Regarding An Ordinance Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2011-2012 and FY 2012-2013 Annual Action Plans (Winter 2012 HOME CHDO Amendment)*
6. *Minutes from the March 1, 2013 Public Hearing Regarding An Ordinance Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2008-2009, FY 2010-2011, FY 2011-2012, and FY 2012-2013 Annual Action Plans (TBRA Programs, CHDO Demolition Funds, & 1107 N Gregory CHDO Project)*
7. *Unapproved Minutes from the February 26, 2013 regular meeting of the Urbana Community Development Commission.*

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2011-2012 and FY 2012-2013 ANNUAL ACTION PLANS (Winter 2012 HOME CHDO Amendment)

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 Funds (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 2011-2012 and FY 2012-2013 that included proposed budgets for the HOME Programs and HUD subsequently approved the said Annual Action Plans; and

WHEREAS, on February 15, 2013, 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; and

WHEREAS, on March 1, 2013 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, the City Council now finds it necessary and appropriate to further amend the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plans for FY 2011-2012 and FY 2012-2013.

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 2011-2012 and FY 2012-2013, 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 2011-2012 and FY 2012-2013, 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 Amendment 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:

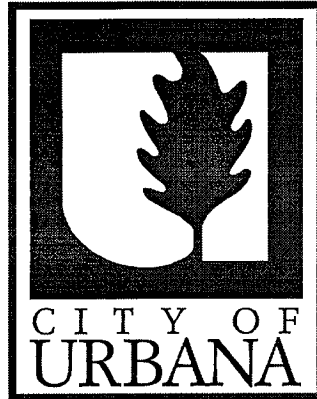
\_\_\_\_\_  
Phyllis D. Clark, City Clerk

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

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



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



## **Proposed Amendments to Annual Action Plans FY 2011-2012 & FY 2012-2013**

*(Winter 2012 HOME CHDO Amendment)*

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. \_\_\_\_\_

**PROPOSED AMENDMENT TO CITY OF URBANA and URBANA HOME CONSORTIUM  
FY 2011-2012 & 2012-2013 ANNUAL ACTION PLANS**

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The Urbana HOME Consortium proposes to amend the HOME Program budgets for the FY 2011-2012 and 2012-2013 Annual Action Plans (AAPs) to re-allocate unobligated CHDO funding to Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance), as outlined below, for the construction of four single-family homes in the Community Development Target Area. Also proposed is a CHDO Operating re-allocation to Neighborhood Alliance in the amount of \$28,000. Funding for these activities was previously unallocated, and per Department of Housing and Urban Development HOME regulations, these funds are to be committed within two years of receiving a grant allocation.

The amendment proposes to re-allocate a total of \$159,279.89 in unobligated HOME funds for CHDO projects, as well as \$28,000 in CHDO operating funding to Neighborhood Alliance.

**URBANA HOME CONSORTIUM PROPOSED HOME AMENDMENT:**

<u>Urbana HOME Consortium HOME Budget</u>	<u>Current</u>	<u>Proposed Amended</u>
Unobligated Funds for CHDO Projects	\$159,279.89	-0-
Unobligated Funds in CHDO Operating	<u>\$ 28,000.00</u>	-0-
TOTAL	\$187,279.89	
FY 11-12 CHDO Neighborhood Alliance AHP	-0-	\$ 42,842.54
FY 12-13 CHDO Neighborhood Alliance AHP	-0-	<u>\$116,437.35</u>
TOTAL		\$159,279.89
FY 12-13 CHDO Neighborhood Alliance Operating	-0-	\$ 28,000.00

*Following is the HOME Program language and/or budget changes for the FY 2011-2012 Annual Action Plan (pages 41)*

**2. CHDO RESERVE FUNDS (FY 11-12)**  
**(15% SET-ASIDE IS REQUIRED EACH EAR, 25% MATCH PROVIDED BY CHDO)**

**TOTAL Allocation Available:           \$42,842.54**

**CHDO Reserve Funds**

~~CHDO Reserve funds in the amount of 15% of the total annual allocation are being set aside to be allocated to certified Urbana Consortium CHDOs whose proposed project(s) meet project readiness requirements. In order to meet project readiness requirements, the CHDO project(s) receiving reserve allocation(s) must be able to begin construction within one year from the date of execution of the agreement.~~

CHDO Reserve Funds will be allocated to Champaign County Neighborhood Alliance to construct four single-family homes in the Community Development Target Area, using FY 2011-2012 CHDO Reserve Set-Aside funding, in conjunction with FY 2012-2013 funds as part of its Affordable Housing Program (AHP). Units will be sold to income-eligible homebuyers.

Following is the HOME Program language and/or budget changes for the FY 2012-2013 Annual Action Plan (pages 38-39)

**2. CHDO RESERVE FUNDS (FY 12-13)**

**(15% SET-ASIDE IS REQUIRED EACH EAR, 25% MATCH PROVIDED BY CHDO)**

**TOTAL Allocation Available:           \$116,437.35**

**CHDO Reserve Funds**

~~CHDO Reserve funds in the amount of 15% of the total annual allocation are being set aside to be allocated to certified Urbana Consortium CHDOs whose proposed project(s) meet project readiness requirements. In order to meet project readiness requirements, the CHDO project(s) receiving reserve allocation(s) must be able to begin construction within one year from the date of execution of the agreement.~~

CHDO Reserve Funds will be allocated to Champaign County Neighborhood Alliance to construct four single-family homes in the Community Development Target Area, using FY 2012-2013 CHDO Reserve Set-Aside funding, in conjunction with FY 2011-2012 funds as part of its Affordable Housing Program (AHP). Units will be sold to income-eligible homebuyers.

**3. CHDO OPERATING SET-ASIDE (FY 12-13)**

**(5% Maximum Set-Aside, No Match Requirement)**

**FY 12-13 Total Allocation Available Maximum:   \$28,000**

~~Funds will be allocated to locally certified CHDOs for eligible operating expenses that support the capacity building efforts of the organization and that are likely to lead to its fiscal independence and stability.~~

Funds will be allocated to Champaign County Neighborhood Alliance in the amount of \$28,000 in CHDO Operating Set-Aside funding to assist in carrying out its Affordable Homeownership Program during FY 2012-2013.



ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2008-2009, FY 2010-2011, FY 2011-2012, AND FY 2012-2013 ANNUAL ACTION PLANS

(TBRA Programs, CHDO Demolition Funds, & 1107 N Gregory CHDO Project)

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 Funds (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, FY 2010-2011, FY 2011-2012, and FY 2012-2013 that included proposed budgets for the HOME Programs and HUD subsequently approved the said Annual Action Plans; and

WHEREAS, on February 15, 2013, 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; and

WHEREAS, on March 1, 2013 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, the City Council now finds it necessary and appropriate to further amend the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plans for FY 2008-2009, FY 2010-2011, FY 2011-2012 and FY 2012-2013.

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, FY 2010-2011, FY 2011-2012 and FY 2012-2013, 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, FY 2010-2011, FY 2011-2012 and FY 2012-2013, 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 Amendment 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:

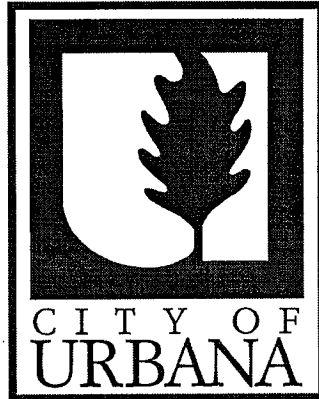
ABSTAINS:

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

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

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

# City of Urbana and Urbana HOME Consortium



## Proposed Amendments to Annual Action Plans FY 2008-2009, FY 2010-2011, FY 2011-2012 & FY 2012-2013

*(TBRA Programs, CHDO Demolition Funds,  
& 1107 N Gregory CHDO Project)*

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. \_\_\_\_\_

**PROPOSED AMENDMENT TO CITY OF URBANA and URBANA HOME CONSORTIUM  
FY 2011-2012 & 2012-2013 ANNUAL ACTION PLANS**

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The Urbana HOME Consortium proposes to amend the HOME Program budgets for the FY 2009-2010, 2010-2011, 2011-2012 and 2012-2013 Annual Action Plans (AAPs) to re-allocate unobligated Urban HOME funds to Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance), as outlined below, for demolition of the structure at 1310 Hill Street, Urbana. Also proposed are disbursements to various social service agencies for TBRA programs currently operating in the Champaign County area. Lastly, funds from the 1304 Williamsburg CHDO homebuyer project are being reallocated to fully finance the CHDO project at 1107 N Gregory, Urbana to convert the unit to permanent, affordable rental housing. The rental unit will be operated by Community Elements, Inc.

The amendment is presented in three parts. The first proposes to re-allocate a total of \$383,805.80 in unobligated City of Champaign and Urbana HOME Consortium funds from program income to support ongoing TBRA programs in the Consortium-wide area.

The second proposal seeks to deobligate funding previously slated for the 1304 Williamsburg CHDO Homestead homebuyer project. The project will not move forward at this time due to difficulty finding a buyer. The deobligated funds will be combined with funds already invested in the 1107 N Gregory homebuyer project. A buyer has not been found for this unit for sale, and the deadline imposed by the Department of Housing and Urban Development (HUD) is the end of Fiscal Year 2012-2013. In order to complete the project and remain in compliance with the HOME regulations, the unit must be converted to a rental property, otherwise the funds must be returned. The funds from the 1304 Williamsburg project will be invested in the 1107 N Gregory project in order to fully finance the unit as a permanent, affordable housing unit to be operated by Community Elements, Inc. Remaining unobligated funds will be allocated as additional CHDO projects are identified in the coming fiscal year.

The third proposal is in regard to a lot slated for donation to Champaign County Neighborhood Alliance for Habitat for the construction of a single-family unit as part of the Affordable Homeownership Program using HOME funds. The City of Urbana has not yet demolished the structure currently standing on 1310 Hill Street, Urbana, and Neighborhood Alliance has agreed to carry out the demolition project using HOME CHDO funding. Because this activity was not proposed as an eligible HOME expense in the most recent FY 2012-2013 Annual Action Plan, an amendment is necessary to allocate HOME funds for this purpose. Details for each grant allocation are outlined below.

**URBANA HOME CONSORTIUM PROPOSED HOME TBRA AMENDMENT:**

Urbana HOME Consortium HOME Budget	Current	<i>Proposed Amended</i>
Unobligated City of Champaign Funds	\$ 65,805.80	-0-
Unobligated Consortium-wide Funds	<u>\$318,000.00</u>	-0-
TOTAL	\$383,805.80	
City of Champaign TBRA	-0-	\$148,805.80
Champaign County TBRA	-0-	\$100,000.00
Community Elements TBRA	-0-	\$ 55,000.00
Center for Women in Transition TBRA	-0-	<u>\$ 80,000.00</u>
TOTAL		\$383,805.80



Following is proposed language for the TBRA programs to be added to each Fiscal Year's Annual Action Plan:

**1. Tenant Based Rental Assistance Program.** HOME funds will be used to provide affordable housing assistance to low-income residents throughout Champaign County. Assisted households will have annual incomes at or below 60% of the Area Median in accordance with HOME Regulations. The participating clients follow a team-approved plan for achieving self-sufficiency and make co-payments toward rent (not to exceed 30% of the household income), based on their approved self-sufficiency plan prescribed by each respective agency operating the program. The following entities will operate Tenant Based Rental Assistance Programs, with 25 percent match required for every HOME dollar allocated:

Goal 2, Strategy 2, Activity 1  
 Citation - [24 CFR 92.209]  
 Environmental – EXEMPT

**Objective:** Provide decent housing by creating affordable housing opportunities for households with annual incomes at or below 80% of Area Median, of which 90% will be at or below 60% of the Area Median).

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

**Outcome Indicators:** Number of tenants maintaining affordable rental units at or below 60% of Area Median (est. 35).

**URBANA HOME CONSORTIUM PROPOSED HOME CHDO AMENDMENT:**

<u>Urbana HOME Consortium HOME Budget</u>	<u>Current</u>	<u>Proposed Amended</u>
Homestead CHDO 1304 Williamsburg Project	\$150,000.00	-0-
Homestead 1107 N Gregory Homebuyer	<u>\$ 55,010.00</u>	
TOTAL	\$205,010.00	
CHDO Homestead 1107 N Gregory Rental	-55,010-	\$153,100.00
CHDO Unobligated FY 2012-2013	-0-	<u>\$ 51,910.00</u>
TOTAL		\$205,010.00

Following is proposed language for the 1107 N Gregory, Urbana project to be added to the Fiscal Year 2008-2009 and FY 2011-2012 Annual Action Plans:

**1. Homestead Corporation Sponsor Project (1107 N Gregory) (FY10-11)**

Funds will be provided to the Homestead Corporation to fully finance the construction of a single-family unit at 1107 N Gregory Street, Urbana, for the purposes of sponsoring affordable rental housing for Community Elements, Inc.

***\$153,100 (25% additional match must be provided by CHDO)***

Goal 1, Strategy 1, Activity 3

Citation - [24 CFR 92.206]

Environmental – Non-Exempt/Non-Categorically Excluded

**Objective:** Provide Decent Housing by creating affordable housing opportunities for households who meet HOME Program income requirements.

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

**Outcome Indicators:** Number of affordable housing units assisted with households meeting HOME Program income requirements – one (1). Amount of funding leveraged through local match.

**Urbana HOME Consortium PROPOSED HOME AMENDMENT:**

*The following language is to be added to the list of neighborhood programs/projects on page 38 of the FY 2012-2013 Annual Action Plan under Community Housing Development Organization HOME Set-Aside funds:*

**e. Demolition** – CHDO Reserve funds will be used to assist in the demolition of dilapidated structures located on properties acquired for the construction of affordable housing. Only Community Housing Development Organizations are eligible to carry out the demolition work.

Goal 1, Strategy 1, Activity 3

Citation - [24 CFR 92.206]

Environmental – Non-Exempt/Non-Categorically Excluded

**Objective:** Provide Decent Housing by creating affordable housing opportunities for households who meet HOME Program income requirements.

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

**Outcome Indicators:** Number of affordable housing units assisted with households meeting HOME Program income requirements – two (2). Amount of funding leveraged through local match.

<u>Urbana HOME Consortium HOME Budget</u>	<u>Current</u>	<u>Proposed Amended</u>
CHDO Reserve FY 12-13 Unobligated Funds	\$ 51,910	\$ 37,910.00
Neighborhood Alliance Demolition Fund	-0-	\$ 14,000.00



**CITY OF URBANA & URBANA HOME CONSORTIUM  
PROPOSED AMENDMENTS  
TO FY 2011-2012 & FY 2012-2013 ANNUAL ACTION PLANS  
(Winter 2012 CDBG Amendment & Winter 2012 HOME CHDO Amendment)  
PUBLIC HEARING MINUTES**

**Tuesday, January 8, 2013, 7:00 p.m.  
City Council Chambers, 400 S. Vine Street, Urbana, IL**

Present:

- City of Urbana Grants Management Division: Kelly H. Mierkowski, Connie Eldridge, Jennifer Gonzalez, Jenell Hardy
- Esther Patt, Champaign-Urbana Tenant Union; Lisa Benson, Community Elements (see attached sign-in sheet)

Ms. Mierkowski called the public hearing to order at 7:41p.m., immediately following the public hearing for the Draft FY 2013-2014 Annual Action Plan. The purpose of this public hearing was to provide an opportunity for the public to provide input and for the City to accept comments regarding the proposed amendments to the FY 2011-2012 and FY 2012-2013 City of Urbana and Urbana HOME Consortium Annual Action Plans.

The City of Urbana receives Community Development Block Grant (CDBG) funding from the Department of Housing and Urban Development (HUD) to benefit low- and moderate-income citizens within the City of Urbana. The Urbana HOME Consortium, of which the City of Urbana is the lead entity, receives HOME funding allocations from HUD for the purpose of building affordable housing.

Notice of this public hearing was placed on the City's website on December 21, 2012; faxed, mailed and emailed to various social service agencies and citizens; and published on Friday, December 21, 2012 in Champaign-Urbana's local newspaper, *The News-Gazette*. Questions and comments may also be directed in writing, beginning December 21, 2012 and ending before the close of business on Tuesday, January 22, 2013 to Kelly H. Mierkowski, Manager, Grants Management Division, City of Urbana, 44 S. Vine St, Urbana, IL 61801 or [khmierkowski@urbanaininois.us](mailto:khmierkowski@urbanaininois.us).

Ms. Mierkowski explained these amendments were placing unobligated and carryover funds into projects. The CDBG amendment also renamed the project *Neighborhood Sidewalks (FY 11-12 c.o.)* to *Lanore/Adams/Fairlawn Multi-Use Path Project (FY 11-12 c.o.)*. The HOME amendment allocated reserved HOME funds to a specific Community Housing Development Organization (CHDO). Neighborhood Alliance, which is the CHDO for Habitat for Humanity of Champaign County, will build four houses in Champaign County.

Lisa Benson, Community Elements, asked about green development. Jen Gonzalez reviewed the Ecological Construction Laboratory's current project at 1302 West Dublin Street, Urbana. Eco-lab would like to provide consulting services to Brinshore Development and Homestead Corporation on the City's Kerr Avenue Redevelopment project.

Esther Patt, Champaign-Urbana Tenant Union, inquired if the Kerr Avenue Redevelopment project would serve extremely low income persons. Ms. Gonzalez believed the regulations usually require four percent of the persons to be at 30% or below Median Family Income (MFI). There was discussion if this federal requirement was directed at persons with physical disabilities who would need accessible units. Ms. Patt added that new construction has been very expensive, and many persons with disabilities cannot afford wheelchair accessible units. An exception is new Tax Credit Housing, which may be less expensive for renters.

In response to Ms. Benson and Ms. Patt, Ms. Gonzalez explained the Kerr Avenue Redevelopment project still needs to receive funding. Brinshore Development and Homestead Corporation submitted a two-phased project, a mixture of rental and owner-occupied townhomes. Ms. Patt discussed the Housing Authority's redevelopment of the former Dunbar Court and Joanne Dorsey Homes sites and the number of project based rental subsidies. These are partnerships between the non-profit developer, which receives the tax credits, and the Housing Authority. Ms. Patt is concerned the majority of tax credit housing units will not be affordable to people who really need the help.

Ms. Mierkowski adjourned the public hearing at 7:48 p.m.

Respectfully Submitted

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Connie Eldridge, Recording Secretary







**CITY OF URBANA & URBANA HOME CONSORTIUM PROPOSED  
AMENDMENTS TO FY 2008-2009, 2010-2011, 2011-2012 & FY 2012-2013  
ANNUAL ACTION PLANS (TBRA Programs, CHDO Demolition Funds, &  
1107 N Gregory CHDO Project) PUBLIC HEARING MINUTES**

**Friday, March 1, 2013, 10:00 a.m.  
City Council Chambers, 400 S. Vine Street, Urbana, IL**

Present:

- City of Urbana Grants Management Division: Jennifer Gonzalez
- Bridget Evans and Lee Ankely, UIUC (see attached sign-in sheet)

Ms. Gonzalez called the public hearing to order at 10:05 a.m. The purpose of this public hearing was to provide an opportunity for the public to provide input and for the City to accept comments regarding the proposed amendments to the FY 2008-2009, 2010-2011, 2011-2012 and FY 2012-2013 City of Urbana and Urbana HOME Consortium Annual Action Plans.

The City of Urbana receives HOME Investment Partnerships Program (HOME) funding from the Department of Housing and Urban Development (HUD) to benefit low- and moderate-income citizens within the City of Urbana for the purpose of building affordable housing.

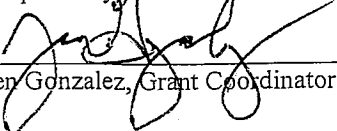
Notice of this public hearing was placed on the City's website on February 15, 2013; faxed, mailed and emailed to various social service agencies and citizens. Questions and comments may also be directed in writing before the close of business on Monday, March 18, 2013 to Kelly H. Mierkowski, Manager, Grants Management Division, City of Urbana, 400 S. Vine St, Urbana, IL 61801 or [khmierkowski@urbanaininois.us](mailto:khmierkowski@urbanaininois.us).

Ms. Gonzalez explained these amendments would modify funding for three program activities: Tenant Based Rental Assistance, a Community Housing Development Organization (CHDO) rental unit with Homestead Corporation of Champaign-Urbana (Homestead), and a CHDO demolition fund for Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance).

Ms. Evans and Ms. Ankely inquired about the process for taking amendments to the City Council. Ms. Gonzalez explained that the Community Development Commission regularly meets every fourth Tuesday of the month to make recommendations to the City Council, and those recommendations are then forwarded before the Council takes action on the agenda item.

Ms. Gonzalez referred Ms. Evans and Ms. Ankely to the Urbana City website for a video of the most recent meeting, which covered the proposed amendments on February 26, 2013 for further information. Seeing no further comments, Ms. Gonzalez adjourned the public hearing at 10:09 a.m.

Respectfully Submitted,

  
\_\_\_\_\_  
Jen Gonzalez, Grant Coordinator



PUBLIC HEARING FOR THE CITY OF URBANA &  
 URBANA HOME CONSORTIUM  
 FY 2008-2009, 2010-2011, 2011-2012, 2012-2013 ANNUAL ACTION PLANS  
 10 AM, FRIDAY, MARCH 1, 2013  
 CITY COUNCIL CHAMBERS, 400 South Vine, Urbana – SIGN-IN SHEET

<u>NAME</u>	<u>ADDRESS</u>	<u>PHONE</u>	<u>ORGANIZATION</u>
Bridget Evans	700 S Gregory, Urbana		
L. Anselmi	1010 W. Park Ave. Jefferson		





**UNAPPROVED  
MINUTES  
COMMUNITY DEVELOPMENT COMMISSION MEETING  
Tuesday, February 26, 2013, 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:** Jennifer Gonzalez called the roll. A quorum was present.

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

**Commission Members Absent:** Gregory Hayes

**Others Present:** Elizabeth Tyler, Kelly H. Mierkowski, Jennifer Gonzalez, and Jenell Hardy, Community Development Services; Rev. Eugene Barnes, Metanoia; Jennifer Speaker, Max Mahalek, Matthew Rejc, Kiera House, UIUC; Sheila Dodd, Habitat for Humanity; Aaron Smith, Homestead Corporation of Champaign Urbana.

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the January 22, 2013 minutes. Commissioner Silvis moved to approve the minutes, and Commissioner Roof seconded the motion. The motion carried unanimously.*

**Petitions and Communications:** Reverend Dr. Eugene Barnes of the New Life Church of Faith in Lincoln Square Mall addressed his concerns regarding non-compliance with the Faith-Based Initiative. The Initiative was designed to end discrimination between the federal government and faith based organizations. To be in compliance, governmental entities must acknowledge on its website the faith based organizations currently partnering in Federally-funded projects, in accordance with Executive Order 13279. Reverend Barnes also reference Public Law 104-193 in connection with the Faith Based Initiative and requested that the City of Urbana make an effort to comply with this Executive Order, as amended.

**Staff Report:** Elizabeth Tyler, Community Development Director, addressed an item from the January 22, 2013 meeting of the CDC that raised concern amongst the commissioners. Ms. Tyler provided additional information regarding the budget amendments. She explained each of the three funding sources involved in the amendments: CDBG, CIP and TIF-District 3. Ms. Tyler also explained in detail the importance of the programs and the annual timeliness test that is performed by HUD in May, both of which require the CDBG funds to be invested in several projects.

Commissioner Francis asked why the TIF 3 funds are being used to augment the proposed projects when the funds were not previously mentioned to the CDC in the past.

Commissioner Bengtson asked if there were street lights currently in the Lanore/Adams neighborhood. Ms. Tyler responded that there were no lights in the area, and that the path will

have some innovative lighting that will be presented later. She went on to describe the proposed use of the amended funds, one of which is the demolition of Urbana Townhomes. Ms. Tyler described the current condition of the units and the public request to demolish the units in an effort to improve the health and safety of the neighborhood.

Commissioner Francis inquired about the cost of demolition and the reasoning behind utilizing the CDBG funds instead of another funding pool for the one-time expense. Ms. Tyler explained that there are limited funds available for the project and that CDBG is necessary to allow the demolition to move forward.

Commissioner Francis asked what would be the impact of the programs under the CDC. Ms. Tyler went over a budget spreadsheet detailing the amendment and how each funding pool would be used. Commissioner Francis expressed frustration over the funding decisions and the CDC's inability to provide input on the amendment as presented. Ms. Tyler continued to discuss the purpose of the funds and the time constraints involved in expending such funds in a timely manner.

Commissioner Roof asked when the City acquired Urbana Townhomes and if it was known at that time what would be done with the property. Ms. Tyler responded that it was acquired sometime in December, and the property was creating distress in the neighborhood. Commissioner Roof expressed concern over the liability of taking on a distressed property, and Ms. Tyler indicated that the liability was already present due to a noncompliant property owner.

Commissioner Francis and Commissioner Roof raised concerns over the procedural measures in place governing the Council's review of CDC recommendations. Commissioner Roof requested that the Commission's recommendations be highlighted and brought to the attention of Council in a manner.

Commissioner Diana voiced concern regarding the manner in which the budget amendments were presented and the rate at which the project moved forward, which he felt was outside of the normal procedure in which projects are normally presented to the CDC.

Commissioner Bengston provided insight regarding the public comments provided during the Petitions and Communications portion of the January 22, 2013 meeting of the CDC. A delegation from the Ellis Neighborhood attended the meeting and requested City assistance for sewer repairs in the neighborhood. Ms. Bengston indicated that the presence of the neighborhood at the meeting and the ensuing discussion influenced her vote regarding the proposed budget amendment. Commissioners Diana and Roof indicated that this had not influenced their vote.

Commissioner Cobb asked if the City could reimburse the CDBG funds. Ms. Tyler explained that the budget does not operate in such a way.

Commissioner Roof stressed the need for an additional mechanism to communicate the sentiment of the Commission to the City Council when it conflicts with staff recommendations. Ms. Tyler assured Commissioner Roof that staff would be looking into how to highlight such situations in the memos moving forward.

Commissioner Silvis commented on three issues involving the Commission: procedural efficacy, acknowledgement of the Commission's recommendations, and appropriateness of the funding allocations. Ms. Silvis stressed the importance of the partnership of the CDC with both the staff and City Council. She expressed appreciation for the improvements being made to the King Park area and the Lanore/Adams area and highlighted the progress the City has made so far.

Ms. Tyler presented a diagram of the Lanore/Adams path. The path would connect the AMVETS II and LNAC Neighborhoods. The area is an old railroad right-of way that is currently not in use, and there have been security issues. The planned pathway is currently designed at 8 feet wide and compliant with the Americans with Disabilities Act (ADA).

Commissioner Francis asked why the engineers did not opt for a street instead of a pathway. Ms. Tyler replied that the engineers indicated that a road was not necessary for connectivity and traffic management in the area. The neighborhood was originally built without the street. Ms. Tyler went on to present examples of lighting and landscaping planned as part of the project. She explained that the project will start the first week in March and be completed by May 1<sup>st</sup>.

This project is funded by CDBG and has been approved by the neighborhood. Because the project is proceeding, the City will not have to send funds back to HUD. Mr. Roof asked for information regarding the timeliness calculation used by HUD in regard to expenditure of funds. Ms. Mierkowski explained that as a grant allocation gets smaller, entities are required to spend funds more quickly due to the manner in which the calculation is applied.

Commissioner Francis inquired about the funds that would be returned if the amendment were not passed. Commissioner Diana questioned the renaming of the project since there were already funds set aside for sidewalks. Ms. Mierkowski explained that the project description of "sidewalks" limited the expenditure of CDBG funds and would not allow for landscaping and lighting. Renaming the project was necessary to allow for a broader project scope. Commissioner Diana indicated that the urgency of the project was attributable to engineering of the project rather than the timeliness of funding expenditures.

Ms. Tyler explained that the Public Works Department has a lot of projects that are going on at any given time, and the City is working hard to get everything completed in a timely manner for all of their projects. Commissioner Cobb thanked Ms. Tyler for her presentation.

Ms. Mierkowski reviewed the staff briefing memorandum dated February 26, 2013. The City is still awaiting a response from HUD regarding the City's Consolidated Annual Performance and Evaluation Report (CAPER) closeout letter. The CDC is invited to a ribbon cutting ceremony for the Hunter/Lanore and Hunter/Austin Street lights on April 19, 2013 at 12:15pm. Ms. Mierkowski reported that the Council has revised their consolidated Social Service Funding Process. Staff presented key areas for funding based on historical allocations, and Council approved a scoring sheet and created some guiding principles as part of the application process. Council will vote on Monday on the final application, and Ms. Mierkowski indicated that she would bring the final information to CDC once it has been approved.

Commissioner Francis questioned the need to bring the materials to CDC if they have already been approved by Council, and Ms. Mierkowski explained that CDC still needs to select priorities for the CDBG portion of the funding pool as part of the process.

Commissioner Diana left the meeting at 8:40pm.

**Old Business:** Commissioner Cobb inquired about the Issue that was raised a last month's meeting during Petitions and Communications in regard to the sewer issue in the Ellis Neighborhood. Ms. Mierkowski replied that the residents had been contacted and have received information in regard to the City's Emergency Grants, which may help with the cost of sewer repair. Council is discussing the issue as well.

Commissioner Roof asked for an update on the solution that is currently being discussed for the sewer issue, stating that the solutions so far have been on a case by case basis. He asked if there is an infrastructure solution that would have broader impact. Ms. Tyler noted that the sewer system cannot be replaced, and the issue rests with the connection to the sewers, not the main lines themselves. She noted that there are no income restrictions for certain grants provided through Public Works related to sewer repair.

**New Business:** **An Ordinance Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2011-2012 and FY 2012-2013 Annual Action Plans (Winter 2012 HOME CHDO Amendment)** – Ms. Gonzalez reviewed the amendment, which outlines changes to CHDO funding allocations. Neighborhood Alliance for Habitat has lined up a set of homebuyer participants for the next build year and is ready to begin construction. She also noted that the Urbana HOME Consortium switched a rolling application period for Community Housing Development Organization project funds so that a CHDO can apply at any time during the build year.

There is currently \$159,279.89 available in CHDO project funding, and Neighborhood Alliance requested \$200,000. The Urbana HOME Consortium met in a regular HOME Technical Committee meeting to discuss the project funding application and agreed to fund Neighborhood Alliance for the full amount currently available. Based on past performance of Neighborhood Alliance, the Committee felt that the organization could build four homes within the required timeline imposed by HUD.

She also talked about awarding CHDO operating funds on a per unit basis to incentivize construction of unit in order to impact more families in the area. The Committee agreed that \$7,000 per unit would be reasonable. Neighborhood Alliance will be building 4 units, and as such, the Committee recommended an operating fund award of \$28,000. Commission Cobb asked if the CHDOs were agreeable to the prorated funding plan. Ms. Gonzalez said that Neighborhood Alliance was very happy with the award.

**An Ordinance Approving Modifications to the City of Urbana and Urbana HOME Consortium FY 2008-2009, FY 2010-2011, FY 2011-2012 & FY 2012-2013 Annual Action Plans (TBRA Programs, CHDO Demolition Funds, & 1107 N Gregory CHDO)**

Ms. Gonzalez explained the first part of the second amendment regarding the TBRA re-allocation of funds through the following agencies: The City of Champaign, Champaign County, Community Elements and the Center for Women in Transition. The Consortium is seeing a shortfall of expenditures and decided to address the current unmet need of housing for those at or below 30 percent of the Median Family Income through additional Tenant Based Rental Assistance contracts.

An \$80,000 award is proposed for the Center for Women in Transition, a \$55,000 award is recommended for Community Elements, Inc., \$100,000 was requested by Champaign County Regional Planning Commission, and the City of Champaign has set aside \$148,805.80 to potentially be slated for an Emergency Family Shelter as a transitional step for those graduating out of the Emergency program.

She noted that the contracts were not yet in place in order to allow each entity to review drafts and to decide the best way to split up the monitoring of each contract. For example, the City of Champaign traditionally has allocated funds to the Center for Women in Transition, and the \$80,000 proposed funding allocation would likely be contracted by the City of Champaign, rather than directly by the City of Urbana as lead entity.

She also noted that all of the TBRA program funds would be available to anyone within the County area, with the exception of the Center for Women in Transition which assists only residents of the City of Champaign. She pointed out that the County is currently considering opening up its service area to include incorporated areas of the County, such as Rantoul or Mahomet since they have clients the work in those communities and would like to rent there if possible. This would require an amendment to the County's current program manual.

Ms. Gonzalez explained the second part of the second amendment which reallocated funds from previously awarded homebuyer projects at 1107 N Gregory, Urbana and 1304 Williamsburg, Champaign. Homestead was unable to find buyers for either property and has requested to take some of the funds originally slated for the 1304 Williamsburg house and to put them into the 1107 N Gregory unit, converting it to a CHDO Sponsor rental project similar to the 510 E Beardsley project being constructed for the Center for Women in Transition.

She noted that the unit would have to be converted to a rental unit due to restrictions imposed by the Department of Housing and Urban Development. Converting the unit to a CHDO Sponsor unit allows for an exit strategy for Homestead Corporation since the unit was not originally financed as a rental activity. There was approximately \$205,000 available between both units, and the amendment will fully subsidize the 1107 N Gregory unit, which is partially constructed, at the full construction cost of \$153,100. The project at 1304 Williamsburg will be cancelled and then those funds will be applied to 1107 N Gregory. Community Elements will be the nonprofit to operate the unit at the time of closing and for the full 20-year affordability period.

The third part of the second amendment allows for a \$14,000 demolition fund to be set up for Neighborhood Alliance to allow them to demolish dilapidated structures on lots that are donated by the City in order to clear them for affordable housing construction. One of the lots requested by Neighborhood Alliance has a parking lot that needs to be removed for \$2,000, and the

remaining \$12,000 represents the average cost of a single-family demolition in the Community Development Target Area that will be used when Neighborhood Alliance requests another lot in the next year.

Aaron Smith, Executive Director of Homestead Corporation, stated that the only way to get the unit completed at 1107 N Gregory would be to convert it to a rental unit. Commissioner Cobb asked if there were clients to move into the unit. Mr. Smith responded that Community Elements already has clients lined up to rent the affordable unit.

*Commissioner Francis moved that the CD Commission forward both Ordinances with a recommendation for approval to the Urbana City Council. The motion was seconded by Commissioner Moreland. The motion carried unanimously.*

**A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2012-2013 (Neighborhood Alliance)**

**A Resolution Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Agreement (Champaign County Neighborhood Alliance for Habitat Affordable Homeownership Program FY 2012-2013)**

**A Resolution Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Agreement (Champaign County Neighborhood Alliance for Habitat CHDO Operating March 2013)**

Ms. Gonzalez noted that HUD has changed the regulations in regard to certifying Community Housing Development Organizations, and the Consortium is now required to certify a CHDO each time a new funding award is made. Commissioner Roof asked if this is a new rule, and Ms. Gonzalez explained that the Consortium historically has recertified CHDOs on an annual basis. HUD now requires that every time a new contract is executed, a CHDO must be certified again. Commissioner Roof asked if the process had been streamlined, and Ms. Gonzalez stated that the process is still the same.

*Commissioner Heinz-Silvis moved to forward the three Resolutions with a recommendation for approval to the Urbana City Council. The motion carried unanimously.*

**An Ordinance Authorizing the Sale of Certain Real Estate (1409 Beech Street)**

**An Ordinance Authorizing the Sale of Certain Real Estate (1411 Beech Street)**

Ms. Gonzalez stated that the two lots had been acquired by the City of Urbana, and Neighborhood Alliance had requested the lots on behalf of two homebuyers who would like to build there as part of the Affordable Homeownership Program.

*Commissioner Moreland moved that the Community Development Commission forward the two Resolutions with a recommendation for approval to the Urbana City Council. Commissioner Heinz-Silvis seconded the motion.*

Roof asked about the commitment regarding the contract obligation of breaking ground within 12 months and the mechanism of a Quit Claim Deed. Ms. Gonzalez stated that the Quit Claim Deed is rarely used, but when a CHDO does not break ground in twelve months the City must cancel the project because of HUD regulations. The Quit Claim Deed allows the City to take back ownership of the property easily so that it can be transferred to another CHDO that is ready to build.

*The Commission moved to a vote, and the motion carried unanimously.*

### **Draft City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) Annual Action Plan – FY 2013-2014**

Ms. Mierkowski explained the sequestration, which is part of the Budget Control Act of 2011 and was scheduled to take effect on March 3, 2013 will reduce our HOME and CDBG allocations by 8.2%. In light of the estimates provided by HUD, and in keeping with the estimates used by surrounding entities, the Annual Action Plan budgets for an 8.2% cut.

In accordance with the Consolidated Plan, several Neighborhood Hearings were held in January to the public and for Social Service Agencies.

Ms. Hardy explained the summary sheet outlining the planned expenditure of CDBG funds. Public facilities are not slated for funding in 2013-2014. Consolidated social service funding is estimated at \$5,000 from CDBG funding. This is reduction from the previous year.

Commissioner Roof asked if the programs in this year's plan are the same as last year. Ms. Hardy indicated that the programs are the same, and the funding is slightly lower due to the projected budget cuts. She noted that not all programs were cut equally in an effort to maintain current levels of service to the community, such as with the Access Grants and Senior Repair Grant Programs.

Commissioner Bengtson left the meeting at 9:37pm.

Commissioner asked how the 8.2% was calculated. Ms. Mierkowski indicated that the information used to project the budget cuts was provided by the National Community Development Association. She also called staff at the Village of Rantoul and the City of Champaign to verify that the budget estimates were in line with the national projections.

There was discussion about the carryover funds listed in the Annual Action Plan. Ms. Hardy explained that each project receives a funding year designation based on the Annual Action Plan in which it first appears. Commissioner Roof asked about how carryover is available in total. Ms. Mierkowski pointed out where the unobligated funds are listed under infrastructure for Kerr

Avenue in the Annual Action Plan. Ms. Gonzalez noted that the Kerr Avenue project is on hold due to lack of Tax Credit financing. The remaining funds are allocated to property acquisition.

Commissioners Heinz-Silvis and Roof asked for an inventory of the lots currently held that have been acquired. Commissioner Rood asked for a history of the level of inventory and a goal for the lot inventory moving forward at the next CD Commission meeting. Commissioner Heinz-Silvis noted that the demolition of Urbana Townhomes will also provide additional land to develop for affordable housing.

Ms. Gonzalez presented her HOME Annual Action Plan items on page 40. Ten percent is allocated to administration, 15 percent is set aside for Community Housing Development Organizations for project funding, 5 percent is allocated to operating funds for CHDOs, and the remainder is split amongst the Consortium Members.

She mentioned that the City is looking to start a down payment plan utilizing Federal Home Loan Bank (FHLB) funding, in partnership with Busey Bank. Carryover funds would be used to start up the program in the hopes of extending the program with FHLB funds in the coming year.

Commissioner Cobb asked if the Annual Action Plan materials would be posted on the City's website. Ms. Mierkowski responded that the Draft is already posted and is available for review and public comment. A public hearing is scheduled for March 26, 2013.

**Adjournment:** Chairperson Cobb adjourned the meeting at 9:44 p.m.

Recorded by Jen Gonzalez, Grant Coordinator

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*UNAPPROVED*