

From: Eldridge, Connie
Sent: Monday, August 28, 2000 9:23 AM
To: Eldridge, Ron
Subject: Approved CDC Minutes for July 25 Meeting

**CITY OF URBANA
COMMUNITY DEVELOPMENT COMMISSION
Tuesday, July 25, 2000, City Council Chambers**

Commission Members Present: Fred Cobb, Chris Diana, Robert Lewis, Dennis Vidoni

Commission Members Absent: Jon Liebman, Gigi Paquin, Anne Heinze Silvis

Others Present: Karen Rasmussen, Michael Loschen, Randy Burgett, and Connie Eldridge, Grants Management Division; Bud Mesker, Greater Champaign County AMBUCS.

Call to Order: Chairperson Cobb called the meeting to order at 7:12 p.m. A quorum was present.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the May 23, 2000 minutes. Commissioner Lewis moved to approve the minutes. Commissioner Diana seconded the motion. The motion carried unanimously.*

Chairperson Cobb asked for approval or corrections to the June 27, 2000 minutes. Commissioner Vidoni moved to approve the minutes. Commissioner Lewis seconded the motion. The motion carried unanimously.

Staff Report: Mr. Burgett announced that he and Mike Nickols had attended training to become a lead based paint risk assessor. City of Champaign, Champaign County, Village of Rantoul and other agencies also sent representatives. To be licensed, applicants must pass state testing, which is rigorous. Commissioner Lewis asked if each government entity must purchase separate testing equipment. Mr. Burgett answered that risk assessors do not need the XRF machine. No decision has been made regarding testing equipment. In response to Chairperson Cobb, Mr. Burgett stated the city's risk assessors will do inspections, risk assessment and clearance. Licensed contractors must do the actual work. The Department of Commerce and Community Affairs will sponsor contractor training. In response to Commissioner Diana, Mr. Burgett said a private contractor and an engineering firm also had representatives at the training.

Commissioner Vidoni inquired about the status of the vacant Grants Management Division Manager position. Ms. Rasmussen answered that the position has been re-advertised, and the city is waiting to receive resumes.

Petitions and Communications: None.

Old Business: The draft proposal on the Visitability Ordinance has been postponed to the August 22, 2000 meeting of the Community Development Commission.

New Business: Approval of Agreement with Owner of Property at 1211 West Eureka Street – Mr. Burgett stated that Steve Holz, Assistant City Attorney, has worked out an agreement between the City of Urbana and Cleveland and Betty Harris, who wish to purchase the property. The City of Urbana rehabilitated the house in 1984 and has a deferred loan of \$15,000.00 on the property. The property has since deteriorated, and there are long standing problems with junk, debris, and unpaid taxes. The agreement allows Cleveland and Betty Harris to purchase the property and rehabilitate it at their own expense by December 30, 2000. If these conditions are met, the City of Urbana will forgive a portion of the deferred loan. The remainder of the loan (\$6,641.00) will have an interest rate of 4 percent, and the Harris' will make monthly payments of \$150.00 a month.

In response to Commissioner Diana, Mr. Burgett explained that federal funds were used to rehabilitate the property and any repayment of funds is returned to a funding pool for housing rehabilitation. Commissioner Diana asked about the appraised value of the property in 1984 and if there is a recent appraisal. Unless Mr. and Mrs. Harris had the property appraised, Mr. Burgett doubted there was a recent appraisal. He noted Mr. and Mrs. Harris approached the City with a proposal to purchase the property. Mike Nickols, Building Safety Housing Inspector, has inspected the property and reported it was in dire condition. Staff has done appraisals on similar properties in the neighborhood in preparation for demolition.

Commissioner Diana was confused about the history of ownership. Noting the deferred loan was to a single party, he questioned the cover letter's reference to three persons transferring title. Since the City's mortgage would have been activated during a title transfer, he felt the transfers were null and void. "It appears there is only one title holder unless the contract has been executed and the \$15,000 loan has been repaid or at the time of transfer, forgiven if there was a monetary transaction, which there apparently was not." He does not feel this is valid or legal and added concerns about a clear title. Although one Benton family member has transferred title to the Harris', Commissioner Diana felt it was a questionable title. "The other third of the title is floating around and not recorded, which I do not see as a valid transfer. If the original party, Joe Benton, transferred a third of the interest, the only thing he could really transfer is 100 percent of the interest since he was the only person on the property. The City getting involved on a note of any sort on a piece of property that does not hold clear title seems questionable. So it seems questionable to be automatically forgiving the major portion of this loan based upon a transaction in which the property is being sold for less than the value of the note. I wonder why. There is no clear reasoning as to the value of the property. I could convey a piece of property to you for a dollar, that wouldn't mean that \$14,999 should be forgiven out of the note. I think there are a lot of questions on this whole transaction. I understand that it is unclear and it would be nice to clear it up, but I'm not sure (1) why we should forgive that amount or in actuality if we even have the legal ability to do so since the terms of the original note on federal money have not been held to. I question whether we have to actually enforce the terms of the original mortgage legally or not."

Chairperson Cobb noted Jack Waaler, City of Urbana Attorney, wrote the letter for Cleveland and Betty Harris, buyers of the property. Did the City Attorney have an opinion on this? Mr. Burgett said Steve Holz, Assistant City Attorney, put the agreement together to cleanup the

property, rehabilitate it, and recover some funds. Mr. Burgett believed the legal issues were considered. Considering federal funds and the City's Rehabilitation Manual, Mr. Burgett thought the City may be forgiving more than what absolutely needs to be. Commissioner Diana agreed and added "if there are two more people on the title than were originally, then it was transferred at some previous time." Mr. Burgett said the City may forgive the difference between the value of the property and what it is actually selling for, if it is over the \$15,000. He believed Mr. Holz came up with the difference based on what the Harris' have invested in the property (paying back property taxes). Mr. Burgett will ask Mr. Holz for additional information.

Commissioner Diana did not know if the City faces any problems with transactions being audited. His concern was there are two clauses in the original loan that the City has not been paying attention to. "One is the gray area on forgiveness on the amount due as to whether we can do it that way or not. The other is number 5 on the preservation and maintenance of the property. If the property has indeed deteriorated to the point where it is not worth what it was when we wrote the note, then action should have been taken sometime in the last sixteen years according to the original note. As the lending party if the City of Urbana has some responsibility for a sense of depletion of these funds and the fact that we can't return \$15,000 to the lending pool. We can only return a lesser amount."

Chairperson Cobb assumed the City was trying to make a bad situation better, but commissioners have questions if everything is according to regulations. The basic objective of improving the property and getting it back on tax rolls is good. The CD Commission could probably endorse doing something to accomplish this. However, the endorsement would be conditional upon it meeting the applicable regulations.

Commissioner Lewis felt the points were well taken concerning observations on the documents. He can only assume the Legal Department has addressed all concerns. He can endorse it once the legal concerns are clarified. Commissioner Vidoni appreciated Commissioner Diana insights and felt the questions were good.

Chairperson Cobb stated it was the consensus of the Community Development Commission to support the objective pending legal support for this action.

A certain Contract for Technical and Advisory Planning Services, Champaign County Regional Planning Commission, Housing Rehabilitation Program – Mr. Burgett explained this contract and the contract for Urban League are identical. Both the Regional Planning Commission and Urban League participate in the city's Housing Rehabilitation Program for owner-occupied single family houses. In FY 2000-2001 the city will provide three whole house rehabilitation projects to the Regional Planning Commission and three to the Urban League. In response to Chairperson Cobb, Mr. Burgett said the only change from last year's contracts is the inclusion of lead based paint regulations. The pay rates, which are different for each agency, stayed the same as last year's rates. Commissioner Vidoni asked how the Regional Planning Commission provided rehabilitation services. Noting the Regional Planning Commission has contracted with the city for three years, Mr. Burgett summarized the Regional Planning Commission's rehabilitation program and staffing. He added that Urban League added a rehabilitation specialist last year and is now in its second year of contracting with the city.

Commissioner Diana moved to recommend to the mayor approval of a Certain Contract for Technical and Advisory Planning Services, Champaign County Regional Planning Commission, Housing Rehabilitation Program. Commissioner Vidoni seconded the motion. The motion carried unanimously.

A Certain Contract for Technical and Advisory Planning Services, Urban League of Champaign County, Housing Rehabilitation Program – *Commissioner Diana moved to recommend to the mayor approval of a Certain Contract for Technical and Advisory Planning Services, Champaign County Regional Planning Commission. Commissioner Vidoni seconded the motion. The motion carried unanimously.*

Amendments to City of Urbana and Urbana HOME Consortium Consolidated Plan for Program Years 2000-2004 and Annual Action Plan FY2000-2001 – Ms. Rasmussen stated the City of Urbana submitted the Consolidated Plan to HUD in a timely manner. The plan has been reviewed by the regional office and is in the process of being signed at the regional, state and federal levels. Although the plan has not officially been approved yet, staff is asking for Community Development Commission approval of the amendments to expedite the process. She clarified the document title is for Fiscal Years 2000-2004, while the program year ends June 30, 2005. Staff anticipates Census 2000 data will be available in two years, which might result in additional changes. Appendix F was added to the document. The table of contents was changed.

Mr. Loschen said the City's HUD representative suggested that Strategy 13C be added to the Consolidated Plan. Strategy 13C allows the City to refinance debt on a case-by-case basis on HOME-funded projects on multi-family projects.

Mr. Loschen distributed a memo for another proposed amendment. This amendment added language regarding resale/recapture provisions to maintain affordability of the property. If the home received some form of homebuyer assistance, the HOME Program requires that home must remain affordable for a certain time period. He briefly described the resale and recapture provisions.

Ms. Rasmussen explained the Annual Action Plan reflects end-of-year budget changes. She said the line item formerly known as "Citizen Participation" was changed to "Public Information." The Neighborhood Organization Grant Program IV was added because funds were encumbered. Since the City of Urbana did not receive any applications for the Neighborhood Organization Grant Program VI, this line item was deleted. She summarized United Citizens and Neighbors (UCAN) efforts to purchase, rehab and resell a house. Ten percent of the Grants Coordinator II administrative expenses was added to Affordable Housing Program Delivery. Funds are encumbered for both Women's and Men's SAFE Houses. Monies encumbered for Emergency Grant, Access Grant, and Senior Repair Service Programs are to fund projects started before the end of the fiscal year. In many situations all that remains is final billing. Census Tract 55 Street Lighting (FY98/99) was added to pay the holdback from the punch list.

The primary reason for amending the Annual Action Plan is to incorporate the Public Services. The programs that received funding were those that met Community Development Commission priorities. Ms. Rasmussen expects encumbered Consolidated Social Service funds to be spent.

Having summarized the CDBG funding changes, Ms. Rasmussen addressed the changes in HOME funding. The Village of Rantoul expenses for development of affordable housing were added.

Commissioner Lewis speculated that HUD's delay in approving the Consolidated Plan was due to this being an election year. Ms. Rasmussen answered the regional office is very short-staffed.

In response to Commissioner Lewis, Ms. Rasmussen anticipated amendments to the Consolidated Plan when the results of the Census 2000 were available. Commissioner Lewis asked if HUD provided an estimated funding commitment letter. Ms. Rasmussen replied HUD sends a letter of commitment for actual CDBG and HOME funding. Because staff is waiting for the approval of the Consolidated Plan that includes the budget for FY2000-2001, staff cannot draw on the funds. Chairperson Cobb supported the amendments and then asked about HUD's approval. Ms. Rasmussen answered while staff is waiting for approval, they are simultaneously moving along the amendments to prevent additional delay. The Consolidated Plan has passed review and is in the signature phase. Once approved, staff will implement the amendments which fund the social service and other programs. Commissioner Vidoni asked if HUD needed to see the amendments. Ms. Rasmussen replied staff will notify HUD once City Council has approved the amendments.

Commissioner Lewis moved to recommend approval to City Council the Amendments to City of Urbana and Urbana HOME Consortium Consolidated Plan for Program Years 2000-2004 and Annual Action Plan FY2000-2001. Commissioner Diana seconded the motion. The motion carried unanimously.

Community Development Block Grant Public Service Subrecipient Agreements for FY2000-2001 (Amendment to Annual Action Plan FY2000-2001) – Ms. Rasmussen said these are the actual agreements for public service programs based on priorities set by the Community Development Commission. Ms. Rasmussen referenced the table showing all social service funding and source of funds. Monies for A Woman's Fund were divided between city general funds and CDBG funds. The agreements are basically the same except for the purpose of the agreement and Attachment C, the specific requirements of individual programs. Ms. Rasmussen provided a brief summary of each agreement.

Greater Champaign County AMBUCS for Wheelchair Ramp Installation - Bud Mesker, Greater Champaign County AMBUCS, thanked the Community Development Commission for their grant. Funds are used for materials—all labor is volunteered. AMBUCS has never turned down an applicant who met their financial qualifications, which are similar to the City of Urbana's. Social workers, hospitals, the Cities of Champaign and Urbana and others refer persons to AMBUCS. AMBUCS recently finished a ramp on Park Street in Urbana. In this case a school bus driver saw a family carry a child to the school bus every day and referred them to AMBUCS. The city's funds allowed AMBUCS to use other funds to purchase an AMTRIKE, a physical

therapy toy for children, for Covenant Hospital. AMBUCS has also provided local scholarships for students in physical therapy. AMBUCS has built over 250 ramps in Champaign County. They build one ramp every two weeks.

Ms. Rasmussen added all labor is volunteered; the funds are used for materials. The projects will be done within the corporate limits of the City of Urbana. Commissioner Vidoni thanked AMBUCS for their good work.

A Woman's Fund for Shelter and Transitional Housing – Funds are used for the Emergency Shelter Services and the Transitional Housing Program, which is offered to victims of domestic violence. These funds are salary line items for the case manager and shelter manager. Ms. Rasmussen reviewed requirements for CDBG funding. Commissioner Vidoni asked how and when the agencies are accountable. Ms. Rasmussen replied the agencies report the numbers of persons served, verify their income-eligibility and residence. However, income eligibility is assumed since the person is homeless. She encourages agencies to provide this information when they request reimbursement. Commissioner Lewis asked if there was a special form. Ms. Rasmussen provides a Certification of Income form; however, some programs use other documents. For example, the Urbana Park District submits source documents indicating the family qualifies for the free lunch program. The Lakeside Terrace Boys and Girls Club submits a roster of membership and attendance. To document actual expenses, Ms. Rasmussen looks for paid bills, personnel reports, etc. Commissioner Vidoni noted one condition of the agreement requires a semi-annual progress report. Ms. Rasmussen said this has been in previous agreements but it has not been enforced. Some organizations provide better feedback than others.

Commissioner Diana questioned the funding difference between the agreement and the CDBG Program Agreements chart. After checking, Ms. Rasmussen stated A Woman's Fund will be receiving \$10,100 in CDBG funds.

Don Moyer Boys and Girls Club for Lakeside Terrace Boys and Girls Club – The funds are for salaries and benefits associated with the unit director at Lakeside Terrace. This is only a contribution to the salary; other funding sources make up the balance.

The Reading Group for Scholarship Program – Marilyn Kay, director of The Reading Group, was very pleased to receive an additional \$1,000 in funds over last year. Commissioner Vidoni noticed that no line item was listed. Ms. Rasmussen explained The Reading Group receives a different amount of funding for each student, depending on the student's needs. The agreement designates payment of tuition as an eligible activity. Chairperson Cobb clarified that the format of this agreement was different from others. Commissioner Diana noted the total number of persons to be served was six. He surmised The Reading Group had a per individual figure in mind for costs. Ms. Rasmussen replied if tuition costs run over the funding, other scholarship funds meet the balance. Commissioner Diana said the agreement specified The Reading Group would serve six individuals under this program. Ms. Rasmussen said they anticipate six persons will be served; however, The Reading Group is not held to that number. Ms. Rasmussen discussed past funding and numbers served. Commissioner Vidoni noted Urban League's agreement was not based on a per student amount. Discussion continued on what could and

could not be funded. Commissioner Diana asked if adding “Tuition Scholarships \$3,000” would preclude staff from paying other bills. Ms. Rasmussen answered no; The Reading Group only bills for tuition scholarships. Ms. Rasmussen agreed to add the line to the agreement.

Urban League of Champaign County for Summer Youth Employment and for the House Painting Program – This is the third year of Urban League’s House Painting Program. City staff selects houses to be painted, and Urban League contracts with a painter who then trains young persons in house painting techniques. The funds cover the students’ salaries. At the beginning of the program, the initial grant helped purchase painting equipment. Commissioner Diana asked if Urban League must follow requirements regarding lead based paint. Ms. Rasmussen replied yes. The regulations take effect September 15. All contracts entered into before that date are exempt from lead based paint abatement requirements. The contract will be signed and work started before September 15. Ms. Rasmussen anticipates this is the last year this program will be offered. Commissioner Lewis asked if this program covered vinyl siding. Ms. Rasmussen said no; the Whole House Rehabilitation Program offers vinyl siding. Mr. Burgett added that city staff and Jean Algee from Urban League are discussing eliminating the paint program and instead wrapping soffits and fascia with siding. Commissioner Lewis felt this was a better idea.

Commissioner Lewis asked about Attachment B in all the agreements. He wondered if city staff provided technical support to the subgrantees. Ms. Rasmussen replied yes. Last year the City of Urbana provided a workshop on the cost principals and the uniform administration requirements. It was videotaped for future use. Staff planned to provide annual training sessions for new subgrantees; however, staff shortages have prevented this. Ms. Rasmussen felt the training was necessary since many subgrantees sign the contracts without a full understanding of federal requirements. Commissioner Lewis stated there are critical issues that subgrantees need to understand. Chairperson Cobb added that contractors of large multi-million dollar contracts often do not understand the regulations either. Ms. Rasmussen said most of the agencies are familiar with the principals in both circulars since they have received past funding from the City of Urbana. Commissioner Lewis stated the auditing and accounting systems have changed, and many subgrantees may be unaware of this. Ms. Rasmussen has informed the subgrantees that they need to review the changes and notify their accountants. Although the federal documents are on-line, many agencies do not understand how to interpret them. Ms. Rasmussen stated all these agencies are required to have a single annual audit, which she saves with their documentation.

Urban League of Champaign County for EaTAC – This is the third year for this successful program that provides job training and support system for persons leaving the penal system. Chairperson Cobb noted the agreement stipulates that 80 persons will be served. He asked if documentation supports 80 residents from the City of Urbana. Ms. Rasmussen said there are easily that many individuals and more who go through the program. The participants are from the half-way house on North Cunningham Avenue.

Urbana Park District for Scholarship Fund – Originally funding was provided for King Summer Camp scholarships. Now funds are available for swimming pool passes, camp tuition, etc. More individuals can be served and for more activities. Funding was increased this year. Commissioner Diana asked if pool passes could be funded when the line item reads “Scholarship

Funds.” Ms. Rasmussen explained that the Park District documents that (1) the children are income eligible, and (2) they participated in park district programs. They do not indicate exactly what programs the children are in. The only requirement is that it be a youth activity for summer recreational activities.

In contrast with the agreement for Lakeside Terrace Boys and Girls Club, Ms. Rasmussen stated these funds may not be used for membership fees. The City of Urbana cannot purchase any equipment that will become permanently attached to the building. The Urbana Park District, however, wrote their application to provide funds for the children. Some agencies have wanted to use their CDBG funds for other purposes, and Ms. Rasmussen worked with them on amendments.

Commissioner Vidoni asked if these agreements are legally binding contracts and if they were reviewed by the Legal Department. Ms. Rasmussen answered yes, the initial contracts were reviewed by legal staff. City staff determines the degree of enforcement. The goal is to work with the agencies to accomplish as much as possible and make the process uncomplicated.

Commissioner Vidoni moved to recommend to the mayor approval of the Community Development Block Grant Public Service Subrecipient Agreements for FY2000-2001 (Amendment to Annual Action Plan FY2000-2001). Commissioner Diana seconded the motion. The motion carried unanimously.

Adjournment: Chairperson Cobb adjourned the meeting at 8:53 p.m.

Recorded by Connie Eldridge