

CITY OF URBANA
COMMUNITY DEVELOPMENT COMMISSION
Tuesday, November 27, 2001, City Council Chambers

Commission Members Present: Fred Cobb, Chris Diana, Alice Englebresten, Robert Lewis, Gigi Paquin, Anne Heinze Silvis, Dennis Vidoni

Commission Members Absent: Michael Holly

Others Present: Bob Grewe, Randy Burgett, Connie Eldridge, and Mike Loschen, Community Development Services.

Call to Order: Chairperson Cobb called the meeting to order at 7:10 p.m. A quorum was present.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the October 23, 2001 minutes. Commissioner Lewis requested page 3, paragraph 6, read as follows: "Because the NOG funds are limited and there is very little time for capacity building,..." Also, page 1, paragraph 7, the correct spelling is "Vermilion." Commissioner Silvis moved to approve the minutes with these corrections. Commissioner Lewis seconded the motion. The motion carried unanimously.*

Staff Report: Chairperson Cobb announced that Commissioner Liebman resigned due to scheduling conflicts with CD Commission meetings.

Mr. Grewe distributed a staff report outline and the Consolidated Annual Performance and Evaluation Report (CAPER). He discussed efforts with the Urbana HOME Consortium to reach an agreement concerning the HOME Subrecipient Agreement with Illinois Center for Citizen Involvement (ICfCI) for completing HomeBuild3. During a teleconference with the Department of Housing and Urban Development (HUD), ICfCI agreed to work with the Department of HUD's technical assistance providers to develop benchmarks. The Department of HUD could provide "pass through dollars" to ICfCI to hire a consultant for technical assistance.

Mr. Grewe also distributed information from the Housing Authority concerning the proposed Lakeside Terrace Redevelopment Plan. The Housing Authority will ask for City Council's approval in January. This information is the groundwork for an agency plan to be drafted with a consultant. Commissioner Lewis asked if this was HOPE VI again. Mr. Grewe sensed the Housing Authority wants to bring a market approach to their housing programs and rely less on federal funds. Chairperson Cobb raised the issue of flooding in the area, and Commissioner Lewis mentioned sewer backup problems. In response to Commissioner Diana, Mr. Loschen said the Housing Authority would want a certificate of consistency with the City of Urbana's Consolidated Plan. Mr. Grewe anticipated the Housing Authority might request city funds. Commissioner Lewis noted the Department of HUD has changed its philosophy regarding public housing and is giving housing authorities more latitude. There is a nationwide direction to return to the original concept of public housing as a stepping-stone to permanent housing.

Commissioner Diana noted the HOPE VI consultant recommended reducing the number of housing units and developing scattered site housing. He added that City Council was reluctant to reduce the number of units at Lakeside Terrace. Discussing the point of diminishing returns, Commissioner Lewis was concerned about continuing to put funds into this project, especially since there are now asbestos and lead-based paint issues.

Mr. Grewe said participants at the Eads Subdivision meeting discussed disposal of the remaining odd lots. Commissioner Lewis asked about the possibility of a mini-park on the small triangular lot. Mr. Grewe replied that most residents did not want an area for persons to congregate.

Mr. Grewe announced that Randy Burgett and Mike Nickols passed the State of Illinois exam for Lead Based Paint Workers. The State of Illinois is furnishing local health departments with an XRF machine to detect lead paint through many layers. In response to Chairperson Cobb, Mr. Burgett explained that contractors need to know if lead paint is on any surfaces before proceeding with repairs. He discussed testing soil and cost of laboratory testing. City staff will work with the C/U Public Health Department on future projects. Currently, the City of Urbana is waiting for bids to make one Transitional Housing unit lead safe.

City staff may ask the Department of HUD for funding technical assistance for the HOME Consortium to help the jurisdictions. In response to Commissioner Lewis, Mr. Loschen said United Citizens and Neighbors (UCAN) and Urban League have attended the Department of HUD's training for CHDOs.

Mr. Grewe reviewed participation in the City of Urbana's homebuyer assistance programs and discussed possibly reducing the mortgage rates for Assist Urbana.

Petitions and Communications: Mr. Grewe announced that Dennis Schmidt, Urbana-Champaign Sanitary District, would not be attending this CD Commission meeting. Instead, Mr. Grewe had contacted the City's Public Works Department about Commissioner Vidoni's concerns with the Woodland site expansion. Commissioner Vidoni asked about funding the expansion of the east plant and why the U/C Sanitary District was trucking effluent from the west to the east plant. According to City of Urbana Public Works staff, this is a simple engineering process and the pilot programs worked well. Mr. Grewe remarked that staff was confident this was not an equity issue—there was solid engineering behind it. Commissioner Lewis noted the population most affected would be east of the Woodland Park plant. Mr. Grewe reminded commissioners that special use permits would be needed as the expansion continued. This would provide other opportunities to look at the proposal. Commissioner Lewis added that as the treatment plant grew larger, the potential for problems would also grow. In response to Commissioner Vidoni, Mr. Grewe said that Public Works staff did not anticipate any negatives concerning equity or the engineering process. Commissioner Diana understood the U/C Sanitary District would be trucking processed sludge not effluent. The sludge, which is not a hazardous material, is the end product and will be applied to farmland.

Old Business: None.

New Business: Urbana HOME Consortium Community Development Organization Amendment to an Agreement with ICFCI for HomeBuild3 Project FY 2000-2001 – Mr.

Loschen explained the City is amending the Annual Action Plan (AAP) for FY2000-2001 to allocate more HOME dollars so that ICFCI may complete the HomeBuild3 project. The AAP must be amended to allow payment. \$15,200 is for incurred administrative expenses, with \$8,000 for construction loan interest payments for the three remaining houses in Urbana. ICfCI's financing package with the Illinois Housing Development Authority was for no interest construction loans. Because there was difficulty in getting lots, there was no construction activity early in the program. Each house then accumulated over \$2,250 in interest. The Department of HUD has approved using HOME dollars to pay these interest fees. Mr. Loschen added there are no HomeBuild3 funds in this year's budget, and the expenses were incurred in FY2000-2001.

Mr. Loschen said page one of the amendment, paragraph four, should read: "WHEREAS, the Urbana City Council has adopted a Consolidated Plan for Program Years 2000-2004..."

In response to Chairperson Cobb, Mr. Loschen confirmed that funds were being transferred from Urbana's Housing Rehabilitation Program. Chairperson Cobb asked if the Housing Rehabilitation Program would be compensated in next year's budget. Mr. Loschen replied it was at the discretion of the CD Commission and City Council. Commissioner Diana had thought there were other sources of funds available for ICfCI. Mr. Loschen discussed ICfCI's funding from different fiscal years. Commissioner Vidoni questioned funding projects from past fiscal years. Mr. Loschen said these are additional expenses incurred by ICfCI. The funds are coming from Urbana's share of consortium funds. Mr. Grewe explained that federal regulations allow CDBG funds to be carried over to other fiscal years; however, HOME funds may not be carried over. Each fiscal year is independent of the other years. He discussed supporting CHDOs with other costs they did not anticipate. Mr. Grewe said the City of Urbana was being a good steward to help them, and he hoped the CHDOs would grow more efficient.

Chairperson Cobb asked if staff knew in advance about ICfCI's funding shortage. Mr. Loschen replied yes, staff has been discussing completion of the project. Since ICfCI receives funds from several different sources, staff was not certain where ICfCI would apply for the shortfall. Commissioner Vidoni asked if the City was able to rehabilitate the planned number of houses through the Urbana Rehabilitation Program. Mr. Burgett replied that last year the City was able to proceed as planned with housing rehabilitation because of the difference between funding grant/deferred loans and grant/installment loans.

Commissioner Vidoni moved to recommend to City Council approval of the Urbana HOME Consortium Community Development Organization Amendment to an Agreement with Illinois Center for Citizen Involvement for the HomeBuild3 Project FY 2000-2001. Commissioner Diana seconded the motion. The motion carried unanimously.

Results of Fall Neighborhood Cleanup and Approvals for Spring Cleanup – Mr. Burgett summarized Fall Neighborhood Cleanup expenses. Noting that half of the budgeted amount was spent this fall, staff is trying to stay within budget for Spring 2002 Cleanup. The Department of

HUD will not allow the City to fund cleanup through Interim Assistance Funds. Since the City collects more junk at Spring Cleanup, staff is requesting the following changes:

- Reduce the number of trips for junk drop-off from three to one trip per residence
- Eliminate yardwaste disposal from Spring Cleanup
- Eliminate tire disposal service
- Eliminate appliance collection service

If Spring Cleanup is still over budget, other sources of funds would be needed.

Noting yardwaste costs remained the same, Commissioner Lewis asked why there was a significant jump in price of junk disposal from 2000 to 2001. Mr. Burgett discussed average dumpster fees, charges for metal dumpsters, and the possibility of reducing cleanup hours. Commissioner Paquin felt it was acceptable to reduce the number of trips for junk disposal. Chairperson Cobb and Commissioner Diana raised the issue of metal recycling. Discussion continued on cleanup expenses and ways to possibly reduce the cost of Spring Cleanup. Commissioner Silvis felt the strategies to hold down cleanup costs were appropriate. Chairperson Cobb agreed and added it was important to inform residents about the changes ahead of time. After further discussion, Chairperson Cobb stated the CD Commission was in consensus about these proposed changes to Spring Cleanup.

Neighborhood Cleanup Funding for FY2002-2003 and Future Fiscal Years – Mr. Burgett explained that federal regulations allow 15 percent of CDBG funds to be designated for public service projects. Last year's public service funding was \$82,950. \$45,000 was used to fund the City's Transitional Housing Program, with the balance contributed to the Consolidated Social Service Funding Program. The Department of HUD has determined that Neighborhood Cleanup may only be funded from this category. Therefore, staff is requesting that public service funds be kept in-house and used for the Transitional Housing Program and Neighborhood Cleanup. No funds would be contributed to the Consolidated Social Service Funding Program. Without these changes, there will be no federal funds for Neighborhood Cleanup. If funds were available, he suggested offering yardwaste disposal at the Landscape Recycling Center one time per year.

Mr. Burgett summarized the results of the cleanup survey. He described program costs, using volunteers, and problems with charging a user fee. Also, there are no contingency funds for the Transitional Housing Program. Mr. Grewe discussed the federal portion of the Consolidated Social Service funding pool. Commissioner Lewis inquired about the negative impact of this recommendation. Mr. Burgett reminded commissioners that currently they recommend funding priorities to City Council. Commissioner Lewis commented that the general funds in the Consolidated Social Service funding pool do not have government regulations. Chairperson Cobb inquired about the anticipated reaction from social service agencies. Mr. Grewe answered these changes would be reflected in the draft Annual Action Plan. The public may comment on these changes during the public hearing process. City Council will consider these recommendations and make the final decision.

Commissioner Lewis was concerned with agencies losing funding. Discussion continued on using general funds for Neighborhood Cleanup and problems if it were to be citywide.

Commissioner Diana stated it was important to prioritize limited resources. Chairperson Cobb supported the staff's proposal. Commissioner Vidoni felt that staff's alternatives represented a one-way approach. He supported Neighborhood Cleanup; however, he wanted staff to continue to look for other ways to finance cleanup, such as income from recycling metals. Chairperson Cobb inquired about reducing the Transitional Housing Budget. Mr. Grewe noted the funds pay for salary and upkeep of the units. Many improvements have been postponed due to shortage of funds. Also, the Department of HUD requires the City of Urbana to continue the Transitional Housing Program for a pre-determined number of years. Commissioner Diana agreed with trying to find alternative funding, such as obtaining sponsorship. He suggested including sponsors' names in the newsletter. Mr. Loschen mentioned regulations concerning campaigning. Chairperson Cobb said the CD Commission accepts staff recommendation but wants staff to seek other ways to fund cleanup.

Commissioner Lewis moved to recommend that the public service portion of CDBG funds provide funding for Neighborhood Cleanup and the Transitional Housing Program. Additional funds should be provided to the Transitional Housing Program. Staff should explore other sources of funds for Neighborhood Cleanup. Commissioner Silvis seconded the motion. The motion carried unanimously.

Schedule for Adoption of the FY 2002-2003 Annual Action Plan – Mr. Grewe said this framework is similar to last year's schedule. He distributed last year's application for CDBG/HOME funds. Chairperson Cobb stated it was the consensus of the CD Commission that the schedule for adoption was acceptable.

Mr. Grewe summarized discussions on new housing programs versus housing rehabilitation. The City may need a new model for production of homes. He noted production is a function of what funds may be used to reduce the selling price of the house. There are no magic bullets. Mr. Grewe noted the city is fortunate to have many diverse programs. Urban League has a new lease-purchase program, and Homestead Corporation focuses on large family rental units. Staff is creating an evaluation matrix to look more closely at potential programs. They have not found definitive research supporting housing rehabilitation or new housing programs.

Adjournment: Chairperson Cobb adjourned the meeting at 9:01 p.m.

Recorded by Connie Eldridge