



**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**Tuesday, March 26, 2002, City Council Chambers**

**Commission Members Present:** Fred Cobb, Chris Diana, Alice Englebretsen, Michael Holly, Robert Lewis, Anne Heinze Silvis, Dennis Vidoni

**Commission Members Absent:** Gigi Paquin

**Others Present:** Bob Grewe, Connie Eldridge, Mike Loschen, and Libby Tyler, Community Development Services; Jerry White, Champaign Community Advocacy and Mentoring Resources.

**Call to Order:** Chairperson Cobb called the meeting to order at 7:25 p.m. A quorum was present.

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the February 26, 2002 minutes. On page 6 Commissioner Silvis said to include a comma after Champaign and to correct the spelling of Vermilion and Coles. Commissioner Lewis moved to approve the minutes as corrected. Commissioner Diana seconded the motion. The motion carried unanimously.*

*Chairperson Cobb asked for approval or corrections to the March 5, 2002 minutes. Commissioner Diana moved to approve the minutes, and Commissioner Lewis seconded the motion. The motion carried unanimously.*

**Staff Report:** Mr. Grewe distributed a memo and highlighted the following: Federal Home Loan Bank Funding, Illinois Housing Development Authority Funding, Get the Lead Out, Super Notice of Funds Availability (SuperNOFA), and a funding matrix. He updated commissioners on the FY 2002-2003 Annual Action Plan, hiring a summer intern, and conferences/training. Continuing items are: HUD monitoring scheduled for June 10, 2002; the Eads at Lincoln Homeowners Association meeting, Lead Based Paint Requirements and Get the Lead Out (GLO) Program, TBRA Program, and property acquisition. Long-term initiatives are the King Park Community Center and the HOME Consortium Intergovernmental Agreement. Mr. Grewe distributed a copy of the funding matrix. Commissioner Lewis commented that this helps applicants learn about different funding sources.

Chairperson Cobb inquired about reports on the effectiveness of lead based paint programs, especially those concerning children. Mr. Grewe replied there has not been data to indicate a problem in Champaign/Urbana. Although many lead based paint programs may have begun several years ago, the Department of Housing and Urban Development (HUD) has only tracked this information since January 2002. That is the date the regulations became effective.

Commissioner Lewis asked if United Citizens and Neighbors (UCAN) could benefit from the annual listing of the NOFAs. Mr. Grewe replied it was possible; however, the funding was for

much larger amounts. Commissioner Lewis thought the NOFAs would provide UCAN ideas on expanding their funding requests.

**Petitions and Communications:** None.

**Old Business:** None.

**New Business:** **An Ordinance Authorizing the Execution and Delivery of an Intergovernmental Cooperation Agreement and Certain Documents in Connection Therewith; and Related Matters (AssistUrbana, Series 2002)** – Mr. Grewe said the City of Urbana had to accelerate the timeline for AssistUrbana because the bond counsel needed a resolution by April 1. Since the Urbana City Council’s Committee of the Whole has already received the same information, staff will update the City Council with input from the Community Development (CD) Commission.

Staff has identified two homebuyer assistance programs: AssistUrbana and the Illinois Housing Development Authority (IHDA) Below Market Rate Program. The City of Urbana may issue up to \$2,729,625 in private activity revenue bonds this year, which is an increase over last year’s amount of \$2.2 million.

Program 1- AssistUrbana. Noting that city staff meets regularly with the Community Reinvestment Group (CRG), Mr. Grewe mentioned their comments. The CRG noted that the AssistUrbana Program uses Federal Home Administration (FHA) and Veterans Administration (VA) loans to help underwrite this program. This less stringent underwriting helps more first-time homebuyers purchase homes. The interest rate, which is locked in for a year, will be at or below market rate. Most neighboring communities are participating in the Assist Program, and Champaign County also hopes to participate.

AssistUrbana will be similar to last year’s program. The City of Urbana will set aside 50 percent of funds to target persons at 80 percent or below median family income. Over the last five years 60 percent of the mortgages were made to persons at 80 percent or below median family income. The bond counsel says this is the target market.

Program 2 – Illinois Housing Development Authority Below Market Rate Program (BMR). Mr. Grewe explained this program provides a 30 year fixed-rate mortgage that is one percentage point below the IHDA market rate. There is no downpayment assistance. According to the CRG, most first-time homebuyers need downpayment assistance. Therefore, staff recommended providing 75 percent of the funds to AssistUrbana. Because this program follows market fluctuations, some homebuyers benefit from this program. Mr. Grewe believed both programs provide a diversified portfolio based on feedback from local lenders.

In response to Chairperson Cobb, Mr. Grewe replied that a city ordinance is needed to authorize the intergovernmental cooperation agreement. Fifty communities across Illinois contribute their bond cap monies into these programs. He noted that the Committee of the Whole looked at program limits and the target area. Commissioner Silvis asked about the boundaries of the target

area and the census tract. Within the target area, 70 percent of the people make less than 80 percent of the median family income.

Commissioner Lewis inquired about the total cap for all communities. Mr. Loschen responded the combined total cap is \$250,000,000. In response to Commissioner Diana, Mr. Loschen clarified that the 60 communities determine how much of their allocation to put into the program. The combined total is not to exceed \$250,000,000. Commissioner Silvis wondered if the home must be in the target area. Mr. Grewe answered no; the home must be within the corporate limits. However, there are more generous income and purchase price limits within the target area. This is to attract owner-occupied investment in this area.

Referring to the population of Urbana, Commissioner Diana asked if the figures were based on the adjusted census data. Mr. Grewe had pointed this out to the bond counsel, but they did not adjust Urbana's figures. Commissioner Diana asked about the numbers for the population of Champaign County. Mr. Loschen replied that Scott Rose did not give detailed information about their application.

Commissioner Vidoni inquired about last year's allocation for first-time homebuyer programs. Mr. Loschen replied that AssistUrbana received 50 percent, IHDA's Below Market Rate Program received 25 percent, and IHDA's Help Program received 25 percent. The Help Program was very similar to AssistUrbana. AssistUrbana can provide loans through the VA and FHA; the Help Program can only provide conventional financing. Although Commissioner Vidoni supported the concept of saving for a downpayment, he stated that AssistUrbana increases the probability of getting people into houses. Commissioner Vidoni requested clarification on why the banks recommended AssistUrbana over the other programs. He was skeptical of their motivation. Mr. Grewe reviewed his correspondence with the CRG members. Most banks have clients who only qualify for VA or FHA loans, and AssistUrbana uses only those loans. An IHDA representative noted they are working toward supporting VA and FHA lending. Although IHDA recognizes the benefit, they have more stringent underwriting. Commissioner Vidoni asked about any concerns from City Council. Mr. Grewe responded the Council asked similar questions about the boundaries of the target area; however, there was no concern with the 75/25 percent split.

Commissioner Diana commented that the 4.25 percent downpayment is very agreeable under the FHA and VA programs. However, that amount is too low for conventional mortgage loan programs. Chairperson Cobb asked if there were any negatives. Mr. Loschen replied no; between AssistUrbana and the IHDA program, the City of Urbana has helped 35-40 households purchase a home every year.

*Commissioner Silvis moved to recommend to City Council the following: (1) The City of Urbana cede 75 percent (\$2,047,218) of the city's bond cap allocation to the AssistUrbana Program. (2) The City of Urbana cede 25 percent (\$682,406) of the city's bond cap allocation to the Illinois Housing Development Authority's Below Market Rate Program. Commissioner Holly seconded the motion. The motion carried unanimously.*

**Analysis of Impediments to Fair Housing** – Mr. Grewe stated the Department of HUD has requested the City of Urbana update its Analysis of Impediments (AI). He has reviewed other communities’ programs on the Internet and has seen a wide variety of analysis. Staff plans to have a good working draft by the end of the fiscal year. There is a need to update data to identify trends and challenges. The goal is to identify impediments and create ideas, plans, and remedies to address those impediments.

In response to Commissioner Lewis, Mr. Grewe said staff would gather background information from the Planning Department’s Comprehensive Plan and incorporate data from the 2000 census. Commissioner Lewis mentioned housing stock, the rental market, and homeownership. He was concerned about banks providing information. Referencing the Community Reinvestment Act, Mr. Grewe replied the Federal Reserve has information on loans by census tract that were approved, denied or not completed. Chairperson Cobb stated the Community Reinvestment Group should also analyze the information. Ms. Tyler mentioned surveying realtors and tenants and also coordinating with the Human Relations Commission. Discussion continued on the type of questions and legal issues. After reviewing the older survey, Commissioner Diana stated the data might be different due to different questions. He was concerned about duplication of figures. Chairperson Cobb suggested interviewing community members and getting an interviewer who could easily relate to the community. Commissioner Diana agreed, noting that the setting and timing may affect the answers. Commissioner Holly felt the survey was appropriate because it was optional and anonymous. Commissioner Silvis raised the issue of persons not being able to read the survey. Mr. Grewe felt the survey indicates the community takes fair housing issues seriously.

Discussion continued on demographic issues. In response to Commissioner Diana, Ms. Tyler suggested making the survey consistent with terms used in the 2000 census. Commissioner Diana stated that changing the methods of gathering data would change the results.

Commissioner Englebretsen suggested providing a separate sheet for persons to describe discrimination. Commissioner Lewis favored structuring the survey to match 2000 census forms. Commissioner Diana said it was very appropriate to compare gathered data to the current census data.

Commissioner Holly asked whether landlords could discriminate due to same sex relationships. Ms. Tyler responded that was protected under local ordinance. She mentioned zoning implications and stated that no more than four unrelated persons may live in a single family residence. In response to Commissioner Holly, Ms. Tyler stated it is not legal for landlords to discriminate based on religion. Commissioner Lewis was concerned about religious stereotyping due to the September 11 attack.

**Consolidated Social Service Funding** – Mr. Grewe distributed the strategy portion of the Urbana HOME Consortium and City of Urbana Consolidated Plan. He explained how the City of Urbana, Cunningham Township and Community Development Block Grant (CDBG) public service activity contribute funds for the Consolidated Social Service Funding pool. There is only \$20,000 available from the CDBG public service activity due to the 15 percent cap requirements.

The City Council, which considers funding priorities from the Community Development Commission, determines programs and dollar amounts.

Mentioning past priorities, Mr. Grewe discussed Strategies 10 and 20, and said staff had no particular recommendation. Chairperson Cobb remembered funding requests from the joint study sessions. Commissioner Silvis discussed last year's funding priorities. Noting that Strategy 20 is more limiting than Strategy 10, Commissioner Diana asked about the impact of Strategy 20. Commissioner Silvis said if programs target only the census tracts, participants might not meet all income requirements. Mr. Loschen replied that both the Urbana Park District and the Reading Group can verify income for their participants. Ms. Tyler noted the Consolidated Plan did not prevent additional benefit to those above income level.

Commissioners then discussed funding priorities. Commissioner Lewis remembered the Lakeside Terrace Resident Council receiving funds in the past for walkie-talkies. He discussed the Department of HUD's regulations for crime prevention programs. Chairperson Cobb inquired about funding health care programs such as Frances Nelson Health Center. Commissioner Diana said there are fewer resources for youth services and job training. Commissioner Lewis preferred that youth services receive top priority. Referencing job training, he said the unions have not been cooperative in the past, and the painter's union program was the only successful one. Commissioner Englebretsen felt there may be new successful programs now.

Considering the limited resources, Commissioner Silvis said the CD Commission should ask what programs can be effectively funded. Commissioner Lewis was concerned about possible duplication of services and added that agencies receive funding from many other sources. Ms. Tyler added the following considerations: (1) Are these needs being met elsewhere? (2) Which agencies have applied in the past? (3) How successful were the programs? Commissioner Vidoni requested more information on community needs and effective programs. Noting the majority of funds are from the city's general fund and Cunningham Township, Mr. Grewe said staff has not been asked for reports or analysis in those areas. He added staff would provide additional information as available. Commissioner Lewis remarked the community's needs are changing, and current needs might be different. Ms. Tyler added that the funding picture is also changing.

Since applications are due April 16, Mr. Grewe suggested rethinking the funding process next year. Commissioner Lewis agreed and asked how best to deal with the strategies. He did not want to waste staff time for a small amount of funding; however, he wanted the funding process to be fair and equitable. Commissioner Diana suggested using community feedback as a vehicle to fund programs that have few resources. Chairperson Cobb raised the issue of organizations appealing for funds at a later date. Discussion continued on creating a priority for "an emerging need."

*Commissioner Silvis moved to recommend to City Council the following funding priorities: job training, youth services, health care, crime awareness and assistance to the homeless population. Another priority is the capacity to recognize emerging needs. Commissioner Holly seconded the motion. The motion carried unanimously.*

**April 9 Joint Study Session for Redevelopment of Public Housing Facilities** – Mr. Grewe said the Housing Authority of Champaign County has requested a Certificate of Consistency with the City of Urbana’s Consolidated Plan. The Housing Authority Board of Commissioners will join Urbana City Council and the Community Development Commission for the joint study session. The Housing Authority staff will give a presentation on their perspective and has asked representatives from other communities to discuss their projects. Remembering the earlier joint study sessions, Commissioner Silvis stated that issues need to be clearly defined. Commissioner Lewis agreed. In response to Chairperson Cobb, Mr. Grewe replied the Housing Authority would discuss the project’s financial implications, its scope and a timeline. Chairperson Cobb remarked that housing design was essential. Ms. Tyler replied the city is hoping to learn about successful housing designs and mentioned that Peoria had a good example. In response to Commissioner Englebretsen, Ms. Tyler stated the Department of HUD is promoting mixed income developments. She noted this is not consistent with the City of Urbana’s Consolidated Plan. The Housing Authority must develop alternatives to learn about choices and constraints. Commissioner Lewis stated that the Department of HUD’s primary goal is to return to the fundamental program for public housing. This reduces housing stock. He noted the City of Urbana’s strategy for replacement housing is different from the federal government’s direction. Commissioner Lewis stressed the need for a mutual agreement.

**Adjournment:** Chairperson Cobb adjourned the meeting at 9:27 p.m.

Recorded by Connie Eldridge