



MINUTES
COMMUNITY DEVELOPMENT COMMISSION
Tuesday, July 23, 2002, City Council Chambers

Call to Order: Chairperson Cobb called the meeting to order at 7:15 p.m.

Roll Call: Chairperson Cobb called the roll. A quorum was present.

Commission Members Present: Fred Cobb, Alice Englebretsen, Robert Lewis, Joanna Shisler, Dennis Vidoni

Commission Members Absent: Chris Diana, Michael Holly, Anne Heinze Silvis

Others Present: Bob Grewe, Randy Burgett, Connie Eldridge, Annalise Fonza, Mike Loschen, and Karen Rasmussen, Elizabeth Tyler, Community Development Services; Jim Rose, Homestead Corporation.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the May 28, 2002 minutes. Commissioner Englebretsen moved to approve the minutes. Commissioner Lewis seconded the motion. The motion carried unanimously.*

Staff Report: Bob Grewe reviewed the following new items: Federal Home Loan Bank Funding, 2002 Continuum of Care Application, and Illinois Center for Citizen Involvement Transition.

Mr. Grewe discussed the Department of Housing and Urban Development's (HUD) monitoring letter dated July 12, 2002. HUD acknowledged that the HOME Consortium had requested HUD's assistance from them concerning written agreements. Attachment A listed findings on written agreements with Illinois Center for Citizen Involvement and the City of Champaign's Small Rental Rehab Program. Concerning project records, HUD requested the City of Champaign provide more documentation of property inspections, affordability and income compliance. Attachment B listed four areas of concerns for the HOME Consortium: affordability, project records, written agreements and timeliness. HUD wants the HOME Consortium to write stronger agreements and develop policies and procedures for the HOME Consortium, subrecipients and CHDOs. Another concern was the City of Urbana's timeliness expending Community Development Block Grant (CDBG) funds. Mr. Grewe discussed HUD's suggestion to fund projects in one year rather than setting funds aside for a period of several years.

In response to Chairperson Cobb, Mr. Grewe explained HUD would prefer communities not "sit-on" funds. Rather than fund part of a project, HUD suggested funding other projects and anticipating large capital projects several years in advance. Commissioner Lewis asked if HUD was requiring more years for the planning process. Mr. Grewe replied that HUD wants cities to budget funds in the same year the project will start. Some cities borrow against their CDBG

entitlement. Mr. Grewe mentioned balancing the needs of non-profit organizations and city projects. He suggested not funding projects if an organization is not ready to proceed.

Mr. Grewe added that HUD staff noted the City of Urbana accomplished a great deal with a smaller staff.

Mr. Grewe provided updates on the Consolidated Annual Performance and Evaluation Review (CAPER), the bond cap allocation for First-Time Homebuyer Program, the FY 2002-2003 Annual Action Plan, and Get the Lead Out. He distributed a list of hearings for the Housing Authority of Champaign County's Plan Amendment concerning redevelopment of public housing facilities. Noting the City of Urbana was partnering with the Housing Authority, Ms. Tyler added that Community Development was coordinating other planning activities.

HUD has approved the City of Urbana's FY 2002-2003 Annual Action Plan (AAP). Get the Lead Out funding is contingent upon HUD's final grant award to the Illinois Department of Public Health.

Mr. Grewe mentioned the following continuing items: Fall/Spring Neighborhood Cleanup, Eads at Lincoln Subdivision, Transitional Housing Program, Tenant Based Rent Assistance Program, Property Acquisition, King Park Community Center and HOME Consortium Policies and Procedures. The Urbana HOME Consortium's renewal is due in spring 2003.

Petitions and Communications: None.

Old Business: **Analysis of Impediments (AI) to Fair Housing** – Annalise Fonza gave a Power Point presentation on information she had assembled regarding the Analysis of Impediments to Fair Housing. State and local governments that receive HUD funds are required to do an Analysis of Impediments to Fair Housing. The AI is an exploration of housing and housing related policies for both public and private sectors. She discussed the purpose of the analysis and noted every municipality is required to address discriminatory practices. The Federal Housing Act prohibits discrimination on the basis of race, color, religion, sex, disability, family status and national origin. The City of Urbana's Human Rights Ordinance also includes other groups: sexual orientation, matriculation, prior arrest record and felony conviction, and Section 8 vouchers.

Ms. Fonza provided background data on the racial composition of the City of Urbana. Black and Asian populations have grown by 10 percent over the last 10 years, with a corresponding decrease in the White population. This is primarily due to enrollment of students and international students at the University of Illinois, with 83 percent being graduate students. The correlation to housing is because graduate students need off-campus housing. The charts show that census tracts are very distinct neighborhoods. White and Asian persons live closer to the University of Illinois, with Blacks near the edge of the community in low-income housing. She felt this was related to issues of race, income, and proximity to resources.

Champaign County is primarily a manufacturing county. The University of Illinois and government represent the largest number of employees. In response to Chairperson Cobb, Ms.

Fonza listed the top employers: University of Illinois, Carle Clinic, Carle Hospital, Kraft Humco, Provena Covenant Hospital, Textron in Rantoul, Champaign Public Schools, Parkland College, SuperValu, County of Champaign, Urbana Public Schools.

Home Mortgage Disclosure Act (HMDA) data shows a steady increase in mortgage loans in the target areas except in 2000. HMDA data only measures those persons who actually apply for a home loan. It does not address those who are discouraged by the process and never apply. In response to Commissioner Lewis, Ms. Fonza said this information is available on-line.

Ms. Fonza noted that housing occupied by renters and non-family households are predominant in the City of Urbana. Public housing units are located in census tract 54 (Lakeside Terrace); census tract 53 (Dunbar Court), and census tract 57 (Steer Place). Steer Place is senior housing while Lakeside Terrace and Dunbar Court are family housing.

Ms. Fonza reviewed information from different agencies in the housing market. The most common reported types of discrimination were by race, family status, and disability. Esther Patt, Champaign Urbana Tenant Union, had noted that only 1 percent of all discrimination is reported. Ms. Fonza stated that many women with children choose not to complain due to the length of time it takes to find housing. Also many women find rents in the City of Urbana too high. Ms. Fonza mentioned the impact on mothers when the local women's shelter enrolled children in Urbana schools. Esther Patt and Vacellia Clark, Human Relations Officer, had commented on the length of time this process takes.

Ms. Fonza noted that last fall the City of Urbana held neighborhood workshops for updating the Comprehensive Plan. The following issues were seen as important: housing improvement and maintenance, clean neighborhoods, pedestrian-friendly crosswalks, better road infrastructure and maintenance, and controlling residential development. Staff is working on a community survey to be distributed later.

Ms. Fonza listed preliminary impediments to fair housing choice for the City of Urbana.

1. Student enrollment keeps rents high.
2. Lack of quality affordable housing units.
3. Champaign County Housing Authority and Section 8 have long waiting lists.
4. Building wear and tear at public housing units.
5. Lack of awareness of housing laws and rights.
6. Changes in census tract data that might reflect neighborhood changes.
7. Joblessness, homelessness, illness.
8. Parking requirements.
9. Lack of local Community Housing Development Organizations (CHDO) and not-for-profit fair housing organizations available to address fair housing issues.
10. Accessibility and adaptability often at owner's expense.
11. School district conflicts concerning race and income.

Commissioner Lewis inquired about the Housing Authority's waiting lists, and Commissioner Shisler asked how it compared to the national average. Ms. Fonza did not know why there was a delay and noted the Housing Authority would purge their list in the fall.

According to the latest census data, Ms. Fonza stated the black population increased in census tract 51. Mr. Grewe noted that the Men's SAFE House and Single Room Occupancy facility are in this core urban area immediately north of downtown. Commissioner Lewis asked how the census' new racial categories impacted data. Ms. Fonza replied the data was based on the census long form. Commissioner Lewis felt it was difficult to compare the 1990 and 2000 census due to the changes in racial categories.

Commissioner Vidoni questioned how a change in the census tract data could be an impediment. Ms. Fonza responded that the change is not the impediment; however, the reason for the change might be. Certain changes reflect deeper issues, such as "not in my back yard" or resistance to multi-family housing, students, etc. Commissioner Vidoni felt the deeper issues should be listed. In response to Commissioner Lewis, Ms. Fonza felt the city should establish not-for-profit organizations to test and promote fair housing. She agreed with Commissioner Vidoni that neighborhood organizations could also promote this.

Chairperson Cobb wondered if property taxes were an issue. Ms. Fonza replied no, not yet. Chairperson Cobb believed that escalation of taxes could be a factor in the future.

To affirmatively further fair housing, Mr. Grewe suggested using CDBG and HOME funds to invest in the target areas through access grants, housing rehabilitation, and transitional housing programs. The Building Safety Division should review building codes concerning visitability. The Planning Division should review land use related considerations.

Ms. Fonza listed the following positive highlights for the City of Urbana.

1. A comprehensive human rights ordinance.
2. Landlord-tenant ordinance.
3. Steady slow changes in urban growth.
4. CDBG programs offer assistance.
5. The University of Illinois is a community resource.
6. Low unemployment rates.
7. The Building Safety Division is proactive. Housing inspectors go on random checks, and staff attends local and regional association meetings with landlords.
8. Potential for greater community involvement regarding workshops.

Chairperson Cobb inquired if low unemployment resulted from employment within Urbana. Ms. Tyler replied that Champaign/Urbana is seen as the same labor pool, and unemployment rates are low in both communities. Many county residents commute to Champaign/Urbana. Ms. Fonza mentioned the difference between unemployment rates for black and white persons.

Commissioner Lewis asked about specific recommendations in the final report. Noting there may be other issues for consideration, Ms. Fonza said this report is a framework for discussing housing impediments. Commissioner Lewis requested more input from the African American community from the census tracts that had demographic changes. He suggested asking elderly residents about the changes. Ms. Fonza said this report looks backward at data from 2000. The next three to five years may show more changes.

In response to Ms. Tyler and Commissioner Lewis, Ms. Fonza reviewed the changes from the previous 1991 report. There have been changes, and progress was made. For example, the City's Human Rights Ordinance has been expanded, and the Federal Fair Housing Act added family status disability as considerations. She also noted that a new report, which has a different focus, asked what is the connectedness of race and income. Ms. Fonza felt in general people are more aware of discrimination issues. She is looking at the trends in particular census tracts and comparing it with HMDA data and CDBG programs.

New Business: **CDBG Subrecipient Agreements for FY 2002-2003** – Ms. Rasmussen stated these projects are included in the Annual Action Plan for FY 2002-2003. Commissioner Vidoni asked if the agreements for the Don Moyer Boys and Girls Club at Lakeside Terrace and Urbana Park District Summer Scholarship Program matched the priorities set by CD Commission. Ms. Rasmussen responded these projects fit the priorities, and the required funds matched the limited available CDBG funds. Both activities have been previously funded. In response to Commissioner Vidoni, Ms. Rasmussen reviewed the funding priorities for public services. Ms. Tyler added that the city attorney was reviewing all agreements. Chairperson Cobb believed these to be good programs and remarked that the CD Commission has supported these programs. Noting there has been a big increase in membership and attendance, Ms. Rasmussen said the funds help provide two staff positions. Also the Urbana Park District uses the CDBG funds to leverage other funding.

In response to Chairperson Cobb, Ms. Rasmussen said the House Painting/Siding Program with Urban League encourages siding due to problems with lead based paint. Chairperson Cobb remembered in the past this program encouraged young people to get into the painters' union. Ms. Rasmussen replied that many youth do not want to be trained in the trades, and the program has become a summer employment program. She anticipated the same labor force would learn siding.

Commissioner Lewis moved to recommend to the mayor approval of the following Public Service Activities under the Consolidated Social Service Funding Pool: Don Moyer Boys and Girls Club at Lakeside Terrace, Urbana Park District Summer Scholarship Program, and the House Painting/Siding Program with Urban League of Champaign County. Commissioner Vidoni seconded the motion. The motion carried unanimously.

Ms. Rasmussen briefly discussed the Neighborhood Organization Grant Program VII and the agreement with the Historic East Urbana Neighborhood Association (HEUNA). She noted the NOG programs have encouraged neighborhood groups to form and apply for their not-for-profit (501C3) status. HUENA is a new neighborhood group. Commissioner Englebretsen, who is a member of the group, described the boundaries. In response to Chairperson Cobb, Ms. Rasmussen outlined how NOG funds may be spent and how staff works with the organizations. If funds need to be shifted, staff may be able to help if the activity is eligible and consistent with guidelines. Commissioner Lewis asked if City Council was aware of this. Ms. Rasmussen replied yes, City Council is aware of the guidelines and eligibility requirements.

Commissioner Shisler moved to recommend to City Council approval of the Neighborhood Organization Grant Program VII, Historic East Urbana Neighborhood Association. Commissioner Lewis seconded the motion. Commissioner Englebretsen abstained from voting due to membership in the organization. The motion carried with four ayes and one abstention.

Ms. Rasmussen reviewed the remaining CDBG subrecipient agreements for FY 2002-2003. The agreement with Provena Behavioral Health at the Mental Health Center provides \$9,000 toward rehabilitation of a group home and transitional apartment building for persons with chronic mental health issues. The agreement with Prairie Center Health Systems provides funds \$40,000 this year and \$60,000 next year toward property acquisition and expansion. The City of Champaign is also providing funds. Ms. Rasmussen remarked that Prairie Center must move quickly to spend the funds, which act as leverage for other funding. The agreement with Family Service of Champaign County provides \$16,000 for architectural and engineering services for construction and renovation of Family Service facility.

Chairperson Cobb asked if the total number of persons served by Family Service (5,000) was accurate. Ms. Rasmussen replied the total is countywide and explained the difference between persons and service persons. Currently one person who received three different services is counted as three service persons rather than one. The new data system will count actual persons served rather than service units.

Referencing the recent HUD report, Commissioner Lewis questioned the timeframe for spending federal funds. Ms. Rasmussen stated HUD regulations require grantees to be within 1.5 times of entitlement funds. The city was at 1.67. Money was set aside for too many projects instead of taking projects that were ready to go. Also, the city had received a large amount of program income, which must be spent before entitlement funds. Ms. Tyler added that the capital improvement programs would place the city under 1.5. She stated the city can and should phase projects.

Noting the short term for spending funds, Commissioner Lewis wondered if Prairie Center would have time to respond to the city. Ms. Rasmussen said staff must consider these issues and asked how long the CD Commission wanted projected to be held open. Mr. Grewe suggested holding a project open if there is progress and the agreement may be extended. Noting the city has been flexible in the past, Ms. Rasmussen felt regulations might not allow the same flexibility.

Commissioner Vidoni moved to recommend to City Council approval of the following CDBG Subrecipient Agreements for FY 2002-2003: Provena Behavioral Mental Health Center Group Home and Transitional Apartment Building renovations; Prairie Center Health Systems Inc. Property Acquisition and New Construction or Renovation, and Renovation of Facility at Family Service of Champaign County. Commissioner Shisler seconded the motion. The motion carried unanimously.

Subrecipient Agreement for Housing Authority of Champaign County – Mr. Grewe noted the FY 2002-2003 Annual Action Plan pledged \$40,00 for predevelopment costs for redevelopment of Lakeside Terrace. Staff has reviewed eligibility based on HUD regulations, and there is a question of eligibility for Housing Authority projects. HUD has approved the

Annual Action Plan, thereby approving this program. However, HUD has funded programs and then later determined those programs were not eligible. Staff has recommended approval and forwarding to City Council contingent upon approval from HUD. Commissioner Lewis inquired about the administrative cap. Mr. Grewe answered that it is 20 percent and includes salaries, overhead and travel. When Chairperson Cobb asked about changes in the Housing Authority leadership, Steve Clark responded things are still the same. Mr. Clark stated the Housing Authority is going forward with the Lakeside Terrace project and invited commissioners to the kickoff meeting on July 31. Chairperson Cobb supported the project and felt the CD Commission was in favor of the project.

Commissioner Lewis moved to recommend to City Council approval of the CDBG Subrecipient Agreement for the Housing Authority of Champaign County with the stipulation that HUD approves the scope of the work. Commissioner Englebretsen seconded the motion. The motion carried unanimously.

HOME, Community Housing Development Organization (CHDO) Operating Agreements for FY 2002-2003 – Mr. Loschen stated the two agreements, which are similar, provide monies for administration and operating costs for the Homestead Corporation and the Urban League of Champaign County Development Corporation. The HOME Program allows five percent of the HOME allocation to be used for CHDO administration and operating costs. These funds may be used for salaries, overhead, rent, and travel but not for project costs. Any remaining administrative funds will be reallocated at a later date. Each CHDO can receive 50 percent of their annual operating budget or \$50,000, whichever is greater. HUD requested that Section 7K of the agreement be strengthened and the addition of Section 8. Exhibit 1 of the agreement shows the general operating budget and how funds are to be used.

Commissioner Vidoni asked about funding 50 percent of Homestead’s operating budget and 100 percent of the Urban League’s operating budget. Mr. Loschen replied the amounts came from the organizations’ applications and added the organizations have contingency funds. Commissioner Vidoni inquired about past funding and if staff was comfortable with the request. Mr. Loschen said this was the second year of 100 percent administrative funding for Urban League. There was no problem with the request.

Commissioner Englebretsen moved to recommend to City Council approval of the HOME, Community Housing Development Organization Operating Agreements for FY 2002-2003 for Homestead Corporation and Urban League of Champaign County Development Corporation. Commissioner Lewis seconded the motion. The motion carried unanimously.

Amendment to the Urbana Housing Rehabilitation Manual to Accommodate Federal Home Loan Bank (FHLB) Funding Requirements – Mr. Grewe noted the new funding from the FHLB resulted in additional requirements to the City of Urbana’s Housing Rehabilitation Manual. Staff suggested amending the Rehabilitation Manual for this year only because funding might be different in the following years. By creating a sunset provision, the guidelines would revert to the original guidelines when FHLB funds are expended.

Mr. Grewe reviewed the funding changes for owner-occupied whole house rehabilitation programs. For Grant/Deferred Loan projects, \$10,000 would be a grant, \$10,000 a deferred loan from HOME funds, and \$5,000 would be grant from FHLB funds. The FHLB funds have a retention period of five years. The City's deferred loan remains until title is transferred. The city's budget would be adjusted to include additional funding. This change benefits the homeowner.

In response to Commissioner Vidoni, Mr. Grewe reviewed the current funding. Mr. Burgett added the homeowner might still receive a maximum of \$25,000 for housing rehabilitation. This change provides more funds for the housing rehabilitation program in general. Commissioner Vidoni wondered if this would interfere with the timely expenditure of funds. Mr. Grewe recognized the impact to timeliness, but felt it was not a major concern. Mr. Burgett commented that this would allow the City of Urbana to rehabilitate one additional house. Anticipating future applications, Mr. Grewe wanted the City of Urbana to create a good track record with FHLB funding. In response to Commissioner Lewis, Mr. Burgett said the funds must be spent during FY 2002-2003. Mr. Burgett was concerned about the change to the Access Grant Program. Currently, up to \$5,000 is provided in the form of a grant. FHLB funding will require a retention agreement for five years.

Chairperson Cobb felt the change benefited the borrower due to the lower amount owed. Mr. Burgett clarified that the FHLB funding applied only to the first five whole house applicants, and then the funding would return to the original guidelines. Mr. Grewe said staff would rethink using FHLB funds for the Urban League's Paint and Siding Program. Mr. Burgett mentioned contacting health care providers about the new Access Grant changes for owner-occupied homes.

Commissioner Lewis moved to recommend to City Council approval of the Amendment to the Urbana Housing Rehabilitation to Accommodate Federal Home Loan Bank Funding requirements. Commissioner Vidoni seconded the motion. The motion carried unanimously.

Adjournment: Chairperson Cobb adjourned the meeting at 9:36 p.m.

Recorded by Connie Eldridge