



**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**Tuesday, November 25, 2003, City Council Chambers**

**Call to Order:** Chairperson Cobb called the meeting to order at 7:04 p.m.

**Roll Call:** Connie Eldridge called the roll. A quorum was present.

**Commission Members Present:** Fred Cobb, Robert Lewis, Joanna Shisler, Anne Heinze Silvis, Umesh Thakkar, Dennis Vidoni

**Commission Members Absent:** Chris Diana, Carl Perry

**Others Present:** Bob Grewe, Connie Eldridge, and Mike Loschen, Community Development Services; Ed Bland, Housing Authority of Champaign County.

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the October 28, 2003 minutes. Commissioner Silvis moved to approve the minutes, and Commissioner Thakkar seconded the motion. The motion carried unanimously.*

**Petitions and Communications:** None.

**Staff Report:** Commissioner Thakkar thanked staff for arranging a teleconference so that he could participate in the October Community Development Commission meeting.

Mr. Grewe introduced Ed Bland, the new Executive Director of the Housing Authority of Champaign County.

Mr. Grewe distributed copies of the Consolidated Analysis Performance and Evaluation Report (CAPER). He also noted that the Analysis of Impediments to Fair Housing Choice (AI) is on the City of Urbana's website. The City's Information Services Division has provided a form so that persons may comment on the report electronically, in addition to mail, telephone and fax.

Staff from Homestead Corporation and the City of Urbana are closing on four homes in the Eads at Lincoln Subdivision closeout.

City staff is refining three alternatives for redevelopment of Lakeside Terrace.

Mr. Grewe pointed out the public hearings for the FY 2004-2005 Annual Action Plan. The City uses public input when developing its Annual Action Plan.

Commissioner Vidoni remarked there was a notice concerning the availability of the Analysis of Impediments to Fair Housing Choice in Community Development's newsletter, *Neighborhood News*.

**Old Business:** None.

**New Business:** **A Resolution Authorizing the Mayor to Execute a Certification of Consistency for the Housing Authority of Champaign County 2004 Annual Plan** – Mr. Grewe summarized the Housing Authority’s process to prepare their Annual Plan and to request a Certification of Consistency from the City of Urbana.

Mr. Grewe noted that last year City Council provided many comments on this plan, and he briefly summarized them. City staff is continuing to develop three financial alternatives for Lakeside Terrace redevelopment. Alternative 1 is the amount of funding needed to meet the goal of 80 percent replacement for public housing units. This is consistent with the goals of the City’s Consolidated Plan. Alternative 2 provides less than 80 percent replacement. Alternative 3 is an independent approach by the Housing Authority with no financial assistance from the City. Mr. Grewe hoped the alternatives would be firmed up soon.

Referencing the City of Urbana’s Consolidated Plan, Mr. Grewe reviewed the actions and comments from the Housing Authority’s 2003 Annual Plan and also new language that should be included in the 2004 Annual Plan for the Certification of Consistency. Mr. Grewe anticipated that City Council would want to include the same provisions from last year. Council’s concerns were providing 80 percent replacement of public housing units and providing housing for people with incomes under 30 percent Median Family Income (MFI).

Another provision is that the City of Urbana will not provide substantial funding for the demolition of Lakeside Terrace units without a viable redevelopment plan. This is consistent with the provisions of the Consolidated Plan for the replacement of these units. Mr. Grewe wondered if the City did not provide funding, could the City insist on a certain level of replacement. Additional comments on the plan are housekeeping items concerning housing needs, families on the wait list for public housing, and the increased wait list as compared to last year.

Commissioner Vidoni asked why the wait list went from 9 to 262. Mr. Grewe answered it was a function of timing when the Housing Authority opened the list and created the report. In response to Commissioner Lewis, Mr. Grewe said it was similar to the timing factor with the Section 8 table. Although the Section 8 table opened in July, it was not completed because the Housing Authority had not yet determined who was eligible to be on the list. Mr. Grewe noted the Housing Authority’s budget increased a little; however, the Housing Authority lost drug elimination funding.

Mr. Grewe spoke with Housing Authority staff concerning this plan. He clarified that the City of Urbana’s visitability ordinances are in effect regardless of the slope of the land, and Housing Authority staff agreed.

Providing certification does not have an immediate fiscal impact. However, the Housing Authority's Annual Plan and the City of Urbana's Consolidated Plan and Annual Action Plans would provide a framework for future funding, such as redevelopment of Lakeside Terrace. Mr. Grewe said that city staff has suggested a favorable recommendation.

Referencing the three alternatives, Chairperson Cobb asked if the City was leaning toward one alternative. Mr. Grewe answered no; staff is trying to adequately investigate each scenario to get the truest financial picture. One consideration is to ask how close to the 80 percent replacement can the project get without a full investment. Chairperson Cobb noted this was still the research phase. Mr. Grewe affirmed this and planned to provide an analysis so the CD Commission and City Council can consider the alternatives.

Remembering City Council's preference for one-to-one replacement in the past, Commissioner Lewis asked if City Council has reached an agreement. Mr. Grewe answered no; staff is just presenting all financial options. Commissioner Lewis asked if this was in compliance relative to the Department of Housing and Urban Development (HUD). Mr. Grewe noted that discussions with the Housing Authority last year indicated that the HUD prefers a mixed income approach. Commissioner Lewis wondered if this should be the driving factor in terms of compliance. Mr. Grewe said the last time the City reviewed the Housing Authority's Certification of Consistency, City Council still preferred 80 percent replacement. There have been no requests to amend the Consolidated Plan.

Commissioner Lewis brought up this issue because it appeared to be a stumbling block with the City of Urbana. He encouraged the City and the Housing Authority to understand the significance of both sides. Commissioner Lewis believed that HUD wants all parties to work together as a team. Commissioner Lewis questioned if the 80 percent replacement was a "happy medium." Mr. Grewe responded that City Council was originally interested in 100 percent replacement at Lakeside Terrace.

Commissioner Silvis asked if the 80 percent replacement was to be at the Lakeside Terrace site with 20 percent at scattered sites. Mr. Grewe believed that 80 percent replacement included both on-site and scattered sites. Mr. Grewe sensed that City Council was concerned about losing any public housing units, because these are a significant resource for very low-income persons. Commissioner Silvis supposed the percentages were for budget implications, and Mr. Grewe agreed. He added that some have criticized HUD's mixed income approach.

Commissioner Lewis felt after this long period of time there was a need to "gel" on a reasonable approach. Mr. Grewe commented that the Annual Action Plan budget process might encourage this. If the City wants to make investments in particular projects, the City must consider them now.

Commissioner Vidoni asked if there was a difference in vision or direction among City Council, City administration and the Housing Authority regarding the 80 percent replacement versus HUD's model. He sensed this at last year's meeting on Lakeside Terrace when concerns were raised about the interest of developers and HUD. Commissioner Vidoni also asked what would happen to Lakeside Terrace if the City did not fund the project at 80 percent. Mr. Grewe replied

that is why staff was working on the last alternative. The developer may chose to do something very different or let Lakeside Terrace remain as it is. Because this is not clear, Mr. Grewe wants to share all factors, outcomes, etc.

Chairperson Cobb inquired about feedback from the Housing Authority. Mr. Grewe believed that Housing Authority staff agreed with the City's comments. The alternatives were developed for information purposes to share the City's perspective.

Commissioner Thakkar asked if the Housing Authority Plan would cross-reference the Analysis of Impediments to Fair Housing Choice (AI). Mr. Grewe said there was a fair housing reference. Commissioner Thakkar believed the Housing Authority Plan should refer to the City's AI. Commissioner Lewis added that federal guidelines have criteria on fair housing and, although it is not shown here, it is included in the process.

*Commissioner Lewis moved to recommend to City Council approval of a Resolution Authorizing the Mayor to Execute a Certification of Consistency for the Housing Authority of Champaign County 2004 Annual Plan. Commissioner Quisenberry seconded the motion. Commissioner Lewis added this document is a draft. Commissioner Silvis asked if the motion should acknowledge changes recommended by city staff. Commissioner Lewis clarified this motion included city staff recommendations.*

*Commissioner Vidoni requested discussion about a potential amendment to the motion. Commissioner Lewis amended the motion to include clarification on the three alternatives presented in staff comments. He referenced the controversy regarding the implication of 80 percent replacement. Commissioner Quisenberry retracted her second because there appeared to be two separate items. She felt the only appropriate addition to the original motion would be contingent upon the Housing Authority agreeing to the changes as written in the recommendations. The second issue would be asking for clarification of the 80 percent replacement. Chairperson Cobb stated the CD Commission was concerned with the 80 percent replacement.*

Commissioner Vidoni asked how the mayor would be informed of CD Commission's recommendations. Mr. Grewe answered that the CD Commission could put their concern in a motion, or staff would include the fact there was considerable discussion in the recommendation section of staff's memo to City Council.

In response to Commissioner Lewis, Commissioner Vidoni was concerned that an amended motion or the recommendations would not convey the CD Commission's concerns. There appears to be a big difference in what each group wants for Lakeside Terrace. He suggested recommending approval to the mayor but highlighting the concerns.

Chairperson Cobb asked commissioners what were their concerns for redevelopment of Lakeside Terrace. Commissioner Silvis was concerned that the CD Commission was looking at 80 percent replacement while the City Council may want 100 percent. She wanted to know what the City Council's goals and objectives were regarding percentage replacement. If the decision

was one-for-one replacement, this would eliminate other alternatives immediately. Discussion continued on whether to retract the motion.

Commissioner Silvis felt the first motion was right and suggested a notation that would clarify the objective: one-for-one replacement or 80 percent replacement.

Ed Bland indicated that the Housing Authority was looking at 80 percent replacement; however, when replacement vouchers were included, the percentage would exceed 80 percent. He believed the confusion was due to looking only at Lakeside Terrace's physical site. He indicated that vouchers would be part of this process. Chairperson Cobb asked if 100 percent of the residents at Lakeside Terrace would be serviced. Commissioner Silvis asked if this meant one-for-one replacement but not on-site. Mr. Bland answered yes; the Housing Authority pays private landlords over \$6,000,000 in rent within Champaign County.

Commissioner Shisler asked about the likelihood of renters with vouchers finding housing. Mr. Bland answered that the Housing Authority has spent all funds from HUD for the voucher program. He said the voucher program gives clients different alternatives. Some residents may not want to return to the site. The vouchers will allow a resident to move anywhere within the United States and may allow the resident to become a Section 8 homeowner.

Commissioner Shisler asked if Lakeside Terrace residents would be competing for limited Section 8 vouchers. Mr. Bland answered they would get a special allotment of vouchers for the families who would be leaving the site. Referencing the long waiting list for Section 8 vouchers, Commissioner Shisler wondered about the willingness of landlords to participate. Mr. Bland replied that was not the reason for the wait. The Housing Authority receives only a certain amount of funding per year, and there are more people wanting the vouchers than the funding allows.

Commissioner Thakkar wanted the motion to include a connection between the Housing Authority Plan and the AI. Mr. Grewe suggested including this in the general comment section or referencing in fair housing issues.

*Commissioner Lewis requested that his first motion on the Certification of Consistency stand. Commissioner Quisenberry seconded the motion. Chairperson Cobb clarified this motion included a note to City Council about the Community Development Commission's concerns with 80 percent replacement and fair housing issues. The motion carried unanimously.*

**An Ordinance Approving Modification to the City of Urbana and Urbana/Champaign/Champaign County HOME Consortium FY 2003-2004, FY 2002-2003, and FY 2001-2002 Annual Action Plans** – Mr. Grewe explained this was a housekeeping matter to amend earlier Annual Action Plans. While Community Development Block Grant (CDBG) allows funds to be carried over to the current fiscal year, the HOME Program keeps funding in the original fiscal years. Staff is working with Accounting to get a more user-friendly system.

The HOME Program is being modified due to Homestead Corporation's decision not to pursue rental housing acquisition. Instead, Homestead will use the budgeted funds for a new housing construction project. Jim Rose, Homestead's director, feels confident that Homestead is in a position to do this due to the success of Eads at Lincoln subdivision closeout. The HOME Consortium members are in agreement that this is a good use of Community Housing Development Organization (CHDO) funds which were previously pledged for the rental project.

For FY 2001-2002 Annual Action Plan, the line item was decreased from \$100,000 for Homestead Corporation's Rental Housing Development Project to \$35,351. Homestead spent only \$64,649 from this account for rental units. The balance will be used for a new housing construction project. These funds will be added to New Housing Construction funding from FY 2003-2004. Mr. Grewe noted the New Housing Construction funding was from the City of Urbana's allocation of HOME funds, rather CHDO funds.

For FY 2002-2003 Annual Action Plan, the title was changed from Rental to New Housing Development so that Homestead may use \$40,000 in CHDO funding.

For FY 2003-2004 Annual Action Plan, the title was changed to Homestead Corporation New Housing Development. Funds will be allocated to facilitate construction of two new affordable single-family units in Champaign and one in Urbana for sale to income-qualified households.

The amendment to the CDBG program is to reallocate \$12,726 of unprogrammed CDBG funds from the FY 2002-2003 Annual Action Plan. \$12,000 would provide matching funds for six City of Urbana Paint and Siding Projects. Since the City of Urbana received funding from the Federal Home Loan Bank (FHLB), each project would receive \$1,000 from FHLB and \$2,000 from CDBG funding. The balance of CDBG funding, \$726, will be incorporated into the FY 2004-2005 Annual Action Plan. The funds had been budgeted with the assumption there would be property acquisitions; however, this had not come to pass. Staff will need to look at the entire resources and make decisions about larger investments.

Mr. Grewe added there will be a public hearing on these budget amendments.

Commissioner Vidoni asked if any CHDOs were providing rental housing. Mr. Grewe answered that Homestead ceased acquiring new units; however, they have nine rental homes and will operate them for five to ten years. Mr. Loschen added these were single-family rentals. Mr. Grewe commented that Homestead Corporation's focus was to provide rental housing for larger families. Homestead is not stopping this focus; however, it is no longer purchasing new units. Mr. Grewe noted that Urban League, which is another CHDO, is looking at rental housing programs, but he does not know the extent.

Mr. Grewe said the HOME Consortium has discussed looking for rental housing opportunities. City and Homestead staff have reviewed the business model. Some concerns are the increased cost to purchase and operate single-family houses and low rents allowed by HOME. Mr. Grewe thought a rental complex might work better than single-family housing. He stated it was good that Homestead Corporation recognized these issues and believed that Homestead will consider a different rental model.

Commissioner Vidoni wondered if the need for rental housing had changed. Mr. Grewe sensed the need is the same and mentioned documenting the rental burden.

Commissioner Quisenberry questioned how Homestead could afford to rent newly constructed houses versus existing houses. Mr. Grewe answered that Homestead's new housing construction would be for a homebuyer program. The funding would provide downpayment assistance.

Commissioner Quisenberry asked about the wording in the Annual Action Plan. Mr. Loschen explained the Annual Action Plan wording allows for more flexibility. He confirmed that the homebuyers must be at or below 80 percent of Median Family Income. Mr. Grewe added that commissioners will see the actual agreement with Homestead later and may spell out the number of homebuyers at different income levels.

*Commissioner Vidoni moved to recommend to City Council an ordinance approving modification to the City of Urbana and Urbana/Champaign/Champaign County HOME Consortium FY 2003-2004, FY 2002-2003, and FY 2001-2002 Annual Action Plans. Commissioner Thakkar seconded the motion. The motion carried unanimously.*

Commissioner Thakkar wanted to encourage persons to attend CD Commission meetings. He suggested inviting persons with fair housing concerns. A forum or roundtable discussion was also mentioned as a possibility. Possible sites would be the Urbana Free Library or the Urbana Civic Center. Mr. Grewe mentioned the Open Meetings Act.

**Adjournment:** Chairperson Cobb adjourned the meeting at 8:13 p.m.

Recorded by Connie Eldridge