



*APPROVED by CD Commission 1-25-05*  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**Tuesday, November 30, 2004, City Council Chambers**

**Call to Order:** Chairperson Cobb called the meeting to order at 7:02 p.m.

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

**Commission Members Present:** Fred Cobb, Chris Diana, Robert Lewis, Theresa Michelson, Nancy Quisenberry, Joanna Shisler, Anne Heinze Silvis, Dennis Vidoni (arrived 7:04). Umesh Thakkar participated by teleconference.

**Commission Members Absent:** None

**Others Present:** Bob Grewe, Erin Bullok and Connie Eldridge, Community Development Services; Jim Rose, Homestead Corporation; Matthew Hogan and Edward Bland, Jr., Housing Authority of Champaign County; Gene Otto, Partnership Accounts for Individual Development (PAID); Andrea Goldberg and Barbara Dunn, Community Health Improvement Center/Frances Nelson Health Center; Katrin Klingenberg, Ecological Construction Laboratory (E-CO LAB); Jean Algee, Urban League of Champaign County Development Corporation; Chris Stohr, Historic East Urbana Neighborhood Association.

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the October 26, 2004 minutes. Commissioner Quisenberry moved to approve the corrected minutes, and Commissioner Lewis seconded the motion. The motion carried unanimously.*

Commissioner Thakkar reminded commissioners of his request to visit the Center for Women in Transition in the near future. Mr. Grewe noted the groundbreaking for the new facility was held earlier. Commissioner Thakkar will contact Mr. Grewe about setting up a tour.

**Petitions and Communications:** Representatives from various agencies gave short presentations and answered questions on their applications for funding from the Fiscal Year (FY) 2005-2006 Annual Action Plan.

**Neighborhood Organization Grants (NOG) – United Citizens and Neighbors** – No one spoke.

**HOME Fund Applicant – Urban League of Champaign County Development Corporation** – Jean Algee stated that Urban League submitted two applications. One application is for \$25,000 of Community Housing Development Organization (CHDO) set-aside funds. Urban League is a CHDO and uses these funds for operating expenses, such as part-time credit counselors and a maintenance person. The second application of \$80,000 is for its Lease Purchase Principal Reduction Program. Urban League would provide a grant of \$20,000 for four homes. This is an increase over past year's requests and was the result of the Urbana City

Council's request for a longer affordability period. A client must now reside in a home for ten years after purchase.

Commissioner Vidoni noted that Urban League's meeting minutes indicated that the ten-year affordability period would negatively impact the program and asked why. Ms. Algee answered the higher grant per home would reduce the overall number of homes. Since people tend to move every five to seven years, she felt this would be harder to convince people to stay in a home. This may also be a burden on the City of Urbana's Housing Rehabilitation Programs since the houses may eventually need rehabilitation. Ms. Algee said the Urban League increased the subsidy from \$15,000 to \$20,000 to make the program more attractive. Commissioner Michelson asked if homebuyers could purchase a slightly better house and perhaps stay longer. Ms. Algee answered yes.

Commissioner Diana asked if the City Council had a specific reason for requesting a ten-year affordability period. Ms. Algee believed that City Council wanted city funds to be held longer by the homeowner. Mr. Grewe noted the amount of funding per unit determines the affordability period. If a house is sold within this period, the house must remain affordable to low and/or moderate income households. Commissioner Vidoni commented this was a marketing issue. Ms. Algee responded yes; there are both positives and negatives, which is why the City Council agreed to add more funds per home.

**HOME Fund Applicant - Homestead Corporation of Champaign County** – Jim Rose, Executive Director, submitted two applications. The first requests \$35,000 for CHDO operating support, which is used to administer three programs, salaries, and office expenses. The second application is for \$160,000 for the Affordable Single-Family Rental Housing Program, which is in conjunction with the Lakeside Terrace Redevelopment Plan. This plan requires a number of units to be set aside for low-income families, and Homestead Corporation will develop 33 rental housing units. Homestead Corporation will use this funding to leverage other Illinois Housing Development Authority (IHDA) and Federal Home Loan Bank (FHLB) funds. Mr. Rose indicated that plans must be in place to purchase these houses.

Noting that Homestead Corporation did great work, Commissioner Vidoni remarked that it would be helpful if there were more detailed information under "Activity to be Funded." Mr. Rose answered that the attached budget spelled out the use of funds. Commissioner Vidoni said this was difficult to extract. Mr. Rose said the majority of funds would be used for salaries. He will remember this suggestion for the next application.

Commissioner Michelson asked about the consultant/contract line item. Mr. Rose referred to the annual accounting audit as a consultant fee. Commissioner Michelson questioned the difference between Homestead's request of \$35,000 and Homestead's budget line item of \$34,000. Mr. Rose will correct that error and submit an amended budget. He has requested more funding because Homestead's expenses have increased despite the cutbacks in the last few years.

Commissioner Michelson asked about the cost of the homes. Although the cost of the homes will vary based on number of bedrooms, Mr. Rose stated that Homestead's request to the City of

Urbana would stay the same. If other funds are needed, Homestead will request the difference from other agencies.

**HOME Fund Applicant – Ecological Construction Laboratory (E-CO LAB)**– Katrin Klingenberg said that last year’s grant application was to build an ecologically friendly sustainable home in collaboration with Habitat for Humanity. This is no longer possible. E-CO LAB then developed a housing model for a low-income family. The grant funds are being used for downpayment, planning costs, and interest on construction loans. E-CO LAB plans to receive an energy efficiency loan. E-CO LAB will look for a low-income homebuyer and will break ground this spring.

The current application uses the same model with city funds providing downpayment assistance for a low-income homebuyer. E-CO LAB will provide construction management and planning.

E-CO LAB’s second application is for CHDO operating funds. Although E-CO LAB applied for 501(c)(3) status in May 2004, the Internal Revenue Service (IRS) has not yet made a decision. E-CO LAB may not apply for CHDO operating funds unless it is a non-profit organization. E-CO LAB has been shifting from a volunteer organization to one with a full-time director and half-time assistant to plan and execute ecological homes. University of Illinois students are interested in volunteering for working on a larger development (two to six units) as a proposal for the City of Urbana.

In response to Chairperson Cobb, Ms. Klingenberg stated that she is currently living in the prototype home, and her highest electric bill was only \$39 for the coldest month. Average utility bills are \$20/month. This is beneficial for energy efficient loans and also allows banks to consider projected energy savings when determining the amount of the mortgage.

In response to Commissioner Shisler, Ms. Klingenberg indicated housing construction was delayed because E-CO LAB may not work through Habitat for Humanity. Another delay is finding families who fit the requirements. Commissioner Shisler inquired how E-CO LAB would get land for the duplex. Ms. Klingenberg answered that E-CO LAB had applied to the City of Urbana for lot donation and help with downpayment funds. This was an acceptable model for E-CO LAB’s bank. Noting last year there were two adjacent lots available in the City of Urbana, Commissioner Shisler asked if the City planned to give E-CO LAB a lot. Mr. Grewe indicated there was dialog about lot donation; however, this cannot be finalized until the agreements are signed. Commissioner Michelson wondered if lot donation depended on E-CO LAB receiving nonprofit status. Mr. Grewe replied no; the delay is due to the changing nature of the project. In the coming weeks staff will prepare the HOME agreement, which spells out use of the funds.

Noting E-CO LAB’s application indicated 31-50 % Median Family Income (MFI), Commissioner Diana questioned E-CO LAB’s announcement letter stating 51-80 %. Ms. Klingenberg answered this was correct. There is a difference because last year E-CO LAB was planning to build a duplex, which would have allowed targeting 30-50 % MFI. E-CO LAB learned this was no longer an option for financing and had to bump up to 51-80% MFI. E-CO LAB still intends to choose a family with the lowest income and highest number of members.

When E-CO LAB has its 501(c)(3) designation, it can secure other funds to help provide housing for lower income households.

Referencing page 1, Commissioner Quisenberry noted the HOME request was for \$90,700, but on page 8 of the budget HOME funds only total \$17,200. Commissioner Shisler added that \$73,500 of HOME funds were on page 7. Commissioner Quisenberry questioned the total. Ms. Klingenberg did not separate the funds since E-CO LAB did yet not have CHDO status.

Referencing capital outlay, Commissioner Michelson asked if the wages and salaries were for people were working on the house. Ms. Klingenberg answered yes, and for other projects. E-CO LAB has a set a goal to develop, research and implement energy efficient housing for low-income persons as well as educating local builders. In response to Commissioner Silvis, Ms. Klingenberg said E-CO LAB has not begun to look for prospective homebuyers. After discussions with city staff, E-CO LAB will advertise for homebuyers.

Commissioner Silvis asked about the number of directors on E-CO LAB's board. Ms. Klingenberg answered four; however, the board will soon be restructured. Receiving CHDO status means E-CO LAB must comply with the requirement of one-third representatives from low-income neighborhoods or organizations. Because Ms. Klingenberg will be Executive Director, she will remove herself from the board of directors.

Commissioner Vidoni asked about E-CO LAB's two applications—one for operating expenses and one for capital, and what happens if it does not receive a CHDO designation. Mr. Grewe explained that the HOME Consortium technical committee has not yet considered E-CO LAB's request for CHDO designation. It would be difficult to consider CHDO funding if E-CO LAB is not a CHDO. Ms. Bullok added that the budgeted were separately outlined, and it was clear how budget amounts could be separated. Mr. Grewe noted that staff could ask for further clarification and submittals. Commissioner Vidoni commented that other organizations had submitted two separate applications and suggested being consistent. Commissioner Silvis remarked that this is E-CO LAB's only project while other organizations have several projects. There may be a need to keep city funding distinct.

Noting E-CO LAB's total budget is \$268,000, Commissioner Shisler asked which organizations were contacted for the remaining \$195,000. She also wondered about the possibility of receiving enough funds to finish the house. Ms. Klingenberg replied that the grant would pay for the downpayment, and there would be a bank loan for the remainder. 501(c)(3) status means E-CO LAB could receive other donations, including building materials. Ms. Klingenberg believed the cost of the houses could be reduced so families would not need to borrow as much. In response to Commissioner Diana, Ms. Klingenberg stated that E-CO LAB does not need 501(c)(3) to apply for HOME funds.

Commissioner Michelson asked about the size of the duplex units. Ms. Klingenberg said that each 1,400 square foot unit would have four bedrooms (one master, two bedrooms, one den) and two bathrooms.

Commissioner Quisenberry inquired if the low-income board members would be from Urbana. Ms. Klingenberg answered yes.

Chairperson Cobb asked if E-CO LAB would repeat the project it were successful. Ms. Klingenberg answered yes; it is her goal to construct one unit this year, a duplex next year, and then a small ecological community.

**CDBG Fund Applicant – Partnership Accounts for Individual Development (PAID) Individual Development Accounts (IDA)** – Gene Otto stated that PAID is requesting \$16, 268 for the matching portion of its federal grant, Assets for Independence Act (AFIA). This would provide money to IDA participants to purchase homes, start small businesses, or further their education.

Commissioner Michelson asked if allocated funds would be returned if a program were cancelled. Mr. Grewe explained if the PAID Program did not find enough clients to use the funds, PAID would not request the funds. The City of Urbana would then reprogram the funds for other programs. Mr. Otto agreed although he was confident about the PAID Program using all funds.

In response to Chairperson Cobb, Mr. Otto briefly reviewed the IDA program. A person saves money every month for up to two years, with a \$1,000 limit. There are mandatory financial education classes. When a person completes this goal and also meets income requirements, he/she receives a two-to-one matching grant up to \$2,000. This money must be used to purchase an asset. Also, PAID offers financial education classes that are open to all persons regardless of income. These classes are used as a feeder for the PAID program.

Commissioner Michelson asked if these funds would be enough to buy a home. Mr. Otto answered that a few persons have bought homes through affordable housing programs. The PAID Board is reconsidering the \$1,000 limit. If a person wanted to save more, PAID would be open to that. Commissioner Michelson asked if financial counseling included helping persons look for other funding. Mr. Otto provides advice on other funds to the best of his knowledge.

Mr. Grewe asked if funds were used for one category more than the others. Although he did not have statistics, Mr. Otto felt that homeownership is less used than the other two categories. He hopes that more persons will chose homeownership now that American Dream Downpayment Initiative (ADDI) funds are available. Ms. Bullok added that last year there were other options for spending the funds, for example, remodeling a home or car repair. Those were options where \$3,000 would go farther. This might explain why homeownership was not a top choice. However, the program is now limited to the three options.

Commissioner Vidoni asked if Area Median Income (AMI) was equivalent to Median Family Income (MFI). Mr. Otto believed it was the same. Commissioner Vidoni also suggested using the same CDBG terminology for income levels to make the application clearer.

Commissioner Michelson asked if the PAID education classes are dependent on receiving this funding. Mr. Otto answered no; funding for these classes is from a different source. PAID will continue to offer these classes.

**CDBG Fund Applicant – Community Health Improvement Center/Frances Nelson Health Center Satellite Site** – Barbara Dunn, Executive Director, stated that the Community Health Improvement Center (CHIC) is the parent organization of the Frances Nelson Health Center (FNHC). The application requests \$40,000 on behalf of Frances Nelson Health Center to support build-out of a 15,000 square foot building, which is located at 819 Bloomington Road, Champaign. In the past several years, CHIC has investigated the possibility of obtaining a building large enough to meet its needs. Many places did not work. When the Leath Furniture building became available, CHIC decided to lease it. There is room for growth, and the building is accessible to the public.

Frances Nelson Health Center provides primary medical care to 5,100 low-income persons in Champaign County, with 30% from the City of Urbana. Services include diagnosis and treatment of acute and chronic illnesses, preventive services, prenatal care, an ophthalmology program, hospitalization when necessary, and a medication program. There is a small lab on-site. Staff consists of three physicians, one physician assistant, and one family nurse practitioner. The vast majority of patients have incomes below poverty guidelines, with 30% Medicaid eligible and 60% charged on a sliding scale basis.

In June 2001 CHIC, which is located in Decatur, was directed to manage and govern the FNHC. Since then, patient encounters have increased from 14, 489 to 19,738.

Ms. Dunn stated the project's cost estimate is \$1,575,000. To date CHIC has received commitments of approximately \$450,000.

Andrea Goldberg stated that FNHC was a growing entity from the beginning. Numbers of patients have skyrocketed with no end in sight. The facility is at maximum capacity, and Carle Clinic has provided a mobile clinic outside FNHC's back door. Currently there are not enough exam rooms for the number of medical providers or patients. To add additional medical providers, FNHC must add additional exam rooms.

Commissioner Michelson asked what would happen if the building's owner decided not to continue the lease after CHIC remodeled the building. Ms. Dunn replied that CHIC would enter into a long-term lease for a minimum of ten years with options to lease for another two five-year periods. Although the initial outlay is expensive, the cost of the build-out will be amortized over 10-20 years. CHIC considered buying or constructing a facility; however, the cost was over \$4,000,000, which was well beyond its ability to afford.

Chairperson Cobb asked if CHIC discussed a lease option with the owner. Ms. Dunn said this has not been discussed with the owner. One problem is that the building is located in a strip mall. CHIC would consider purchasing the individual building only. Commissioner Diana asked if this was a standalone facility. Ms. Goldberg said the building is part of the Pioneer Shopping Center and shares common walls.

Commissioner Silvis inquired about public transportation. Noting the building is located at the corner of Prospect Avenue and Bloomington Road, Ms. Dunn described how the Mass Transit District (MTD) would make route adjustments. Because the parking lot is so large, buses can enter the lot to drop off riders.

**Staff Report:** Mr. Grewe distributed a memorandum, reviewed items approved by City Council, and provided updates. The Housing Authority is requesting proposals for the Section 8 Project Based Assistance. The City of Urbana's Lakeside Terrace Redevelopment Plan uses the Section 8 Project Based Assistance Plan to help create replacement units.

Due to changes with the TIMES Center, staff is working with other agencies to identify alternative homeless shelters in the event of severe weather.

The Center for Women in Transition (CWIT) held its groundbreaking ceremony, which will help with the timely expenditure of CDBG funds.

Staff attended the Department of Housing and Urban Development's (HUD) HOME training on monitoring. In the past staff has struggled with this due to time constraints. Now there are new tools for more effective programming.

Staff will prepare a new timeline for completion of the Five Year Consolidated Plan and Annual Action Plan FY 2005-2006. The special meeting scheduled for December 7 will not be held. Staff will continue to hold focus group meetings. Mr. Grewe noted the comments from the focus groups are reflecting the same priorities as the current Consolidated Plan.

**Old Business:** Referencing last meeting, Chairperson Cobb said it was important for the MTD to provide bus service for low-income persons to travel to major employers. He requested this be included in the Consolidated Plan. Commissioner Lewis mentioned in-kind service. Mr. Grewe agreed and would contact the MTD regarding concerns with shift workers getting to work.

**New Business:** **A Resolution Authorizing the Mayor to Execute a Certification of Consistency for the Housing Authority of Champaign County (HACC) Five-Year Plan FY 2005-2009 and Annual Agency Plan FY 2005** – Mr. Grewe noted this was the Housing Authority's annual request and summarized staff's comments. The HACC carried over the City of Urbana's comments from the FY 2004 Plan. Mr. Grewe stated it should be clear that replacement units at Lakeside Terrace would be quasi-public housing units rather than public housing units. It was staff's understanding that a private developer would own and operate all new housing units.

The Housing Needs table uses the most current data from HUD's Comprehensive Housing Affordability Strategy (CHAS) dataset. This is also the same data that the City of Urbana and the Urbana HOME Consortium use to prepare their Consolidated Plans.

Mr. Grewe noted that the HACC will use a different methodology to address eligibility and requested more clarification. In FY 2004 the HACC would process and verify applications upon submission. However, in FY 2005 the HACC plans to process applications when a client reaches a certain point in the wait list.

One large change from 2004 to 2005 is the HACC's intent to pursue demolition of Dorsey Homes, Dunbar Court and Columbia Place. Another change is the section on Designating Public Housing for the Elderly. The HACC plans to designate Washington Square, Columbia Place, Youman Place, and Steer Place for occupancy only by the elderly.

No City of Urbana funds are committed to these strategies except for the earlier designation of HOME and CDBG funds to the Lakeside Terrace Redevelopment Plan.

Commissioner Vidoni asked about the implications of the demolition of units and changing the designation to only senior units. Mr. Grewe answered that the City of Urbana has been interested in retaining housing units. More information is needed about the planned demolition since some of the units are not in Urbana. Commissioner Vidoni inquired whether there was a potential for a net loss, and Mr. Grewe felt this might be possible. Ed Bland, Executive Director of the Housing Authority, stated this would not be a net loss. For example, although Lakeside Terrace is demolishing 99 units, 100 units will be constructed on-site during the redevelopment. Also, the Housing Authority will receive an additional 70 vouchers plus replacement dollars to build 14-15 additional units. This almost doubles the housing inventory. Besides rebuilding hard structure, the soft structure provides tenants with vouchers to rent in the public sector. Last year the Housing Authority paid \$7,000,000 in rent subsidies to landlords in Champaign/Urbana.

Mr. Grewe inquired if the demolition of Dorsey Homes, Dunbar Court, and Columbia Place would follow a similar replacement model. Mr. Bland answered yes. Burch Village, which currently has 67 units, will be replaced with 50 units on-site, 47 vouchers, plus 10-12 replacement units. The Housing Authority will follow the same model for any public housing development that is demolished. This may almost double affordable housing units. Mr. Bland said this was a "win-win" situation that would bring revenue into the local economy.

Commissioner Michelson asked if current public housing includes buildings for childcare and recreation. Mr. Bland replied that there are some recreational activities, such as the Boys and Girls Club, at some sites. With the voucher process and families moving into the larger community, families may take advantage of the same social programs in existing neighborhoods. Commissioner Michelson wondered if there were studies indicating where Section 8 vouchers were being used. Mr. Bland noted that the Section 8 Program has 1200 vouchers in Champaign County, while there are only 596 public housing units. The Section 8 Program, which has a larger budget than public housing, has doubled the public housing program.

Noting that Lakeside Terrace has 99 units, Commissioner Silvis remarked that the Housing Authority would be short with only 70 vouchers. Mr. Bland responded that the Housing Authority would receive 70 replacement vouchers but also has an inventory of existing vouchers. Commissioner Silvis asked if 99 vouchers would be immediately available upon demolition. Mr. Bland answered that some families have decided to move to other public housing communities.



Also, some units will be vacant by the time the relocation process is started. For example, the average stay in Lakeside Terrace is less than three years although the buildings have been there over 50 years.

Referencing Lakeside Terrace, Commissioner Silvis asked if Don Moyer Boys and Girls Club would have a facility at the redeveloped site. Mr. Bland answered no; this will be a mixed income community. The families will mainstream into the broader fabric of the total community. Commissioner Silvis supposed that children would use after-school programs at their own schools, and Mr. Bland agreed. He added that many children are currently using these after-school programs.

Referencing the proposed demolition, Commissioner Quisenberry inquired what would happen to the elderly tenants. Mr. Bland explained that although the Housing Authority was positioning itself through this five-year plan, there is no guarantee that the demolition will occur. The Housing Authority cannot apply for demolition funds unless the project is included in the Five-Year Plan. Commissioner Quisenberry asked if the Housing Authority would rebuild on those sites, and Mr. Bland replied yes. The Housing Authority would also receive Section 8 vouchers and replacement dollars to build new units in other areas of Champaign County.

Commissioner Shisler wondered how long it takes a Section 8 voucher holder to find housing. Mr. Bland responded that families from Burch Village took 45 days. He noted that landlords call the Housing Authority every day wanting to add properties into its program. Also, the vouchers may be used anywhere in the United States, Puerto Rico and Guam. Mr. Bland added that two families became homeowners through the Section 8 Homeownership Program and Urban League's budget counseling.

Mr. Grewe asked how designation of a housing unit for only elderly would impact the tenants. Mr. Bland said that all residents of Washington Square, Columbia Place, Youman Place and Steer Place are 50 years or older. Historically this has been the primary age group at these sites since elderly persons do not like mixed age populations. HUD regulations allow "Senior Designation for Buildings." Designating these buildings as elderly is one way to give a comfort level for the elderly. The Housing Authority has one building, Skelton Place, which has a mixed age population from ages 18 and older. Commissioner Diana questioned what portion of the elderly population currently lives in those units. Mr. Bland responded that there are 596 units with 320 families living at Steer Place, Washington Square, Youman Place, and Columbia Place. Over half of the Housing Authority's residents who are 50 and older live in those units.

Commissioner Diana wondered if there was a long-range concern with housing concentrated on one demographic. Mr. Bland replied that senior buildings have very few problems, with the major concern when a tenant grows old and frail. The Housing Authority is considering designating some floors as assisted living and applying for state funds.

Mr. Bland encouraged commissioners to visit the Housing Authorities properties.

In response to Commissioner Diana, Mr. Bland said the quality of the units is good; however, the Housing Authority is constantly trying to upgrade them. Commissioner Diana was concerned

with long-range consideration over a period of years. He mentioned past practice of “warehousing the poor” and did not want to “warehouse the old.” Mr. Bland stated that HUD now gives Housing Authorities more flexibility because HUD likes mixed income communities. Senior buildings across the country now have a holistic blend of incomes.

Chairperson Cobb commented that Lakeside Terrace currently has 99 units and is being considered for redevelopment with 100 units. He asked if past concerns about density were still being considered. Mr. Bland said that even though there will be 100 units, there was and will still be a lot of open green space. The newer designs make better use of the land than earlier designs.

Chairperson Cobb remarked that vouchers reduce density since people move away. Mr. Bland said that families might return to Lakeside Terrace if they desire. However, when families receive vouchers and move to other neighborhoods, they become part of that community. Studies show that when families live in other neighborhoods and have different role models, their incomes rise. Their desires and ambition go in a different direction, such as furthering their education.

In response to Mr. Grewe, Mr. Bland agreed the designation for elderly occupancy is more of a housekeeping matter. The Housing Authority started but never completed the process for designation of those particular buildings. People have moved into those buildings assuming that a certain population lived there.

Referencing the demolition portion of the Five-Year Plan, Mr. Grewe requested the Housing Authority add language so no housing units would be lost. If the Housing Authority demolishes the properties, the Housing Authority should pursue a redevelopment plan using available funding to replace the units. Mr. Bland agreed and said the Housing Authority will add language indicating the demolition plans would be similar to those for Lakeside Terrace and Burch.

Commissioner Lewis stated that HUD requires housing authorities to include language for possible demolition in the five-year plans even before applying for funding. Mr. Bland agreed and explained if the Housing Authority had not included future demolition of Lakeside Terrace in the past Five-Year Plan, the process would be much longer.

In response to Commissioner Diana, Mr. Grewe asked for clarification about the Housing Authority verifying applications upon submission (Annual Plan FY 2004) versus at a later date (Annual Plan FY 2005). Mr. Bland answered that although a person may apply today, the Housing Authority may not reach them for a year or two. HUD regulations state that prior to housing a family, their income information is good for only 90 days. Commissioner Michelson asked if this type of screening was done for Section 8. Mr. Bland answered yes, and there is also a criminal background check (local, state and nationwide). There are federal mandates to meet before the Housing Authority can issue a Section 8 voucher or offer public housing.

Referencing the Champaign County Board’s disparity study, Chairperson Cobb asked if the study would make it easier for the Housing Authority to involve minority contractors. Mr. Bland said that HUD requires the Housing Authority to report on usage of minority contractors. The

Housing Authority works hard to hire minority contractors since HUD can sanction it if it does not. The Housing Authority tries to go beyond the minimum requirements. Chairperson Cobb said it appeared the study would not make much difference since the Housing Authority will include minority contractors. Mr. Bland agreed. Chairperson Cobb asked how the Housing Authority was protected from lawsuits where a majority contractor might say a minority contractor was hired in violation of fair selection procedures. Mr. Bland answered that when the Housing Authority requests proposals, there is a federal procurement process that meets all federal and state requirements. The Housing Authority records when the contract is issued and monitors pay scales for the various disciplines. Chairperson Cobb wondered if the Housing Authority supported the disparity study, and Mr. Bland said absolutely.

In response to Commissioner Silvis, Mr. Grewe recommended the Housing Authority's Five-Year Plan FY 2005-2009 is now consistent with the City of Urbana's Consolidated Plan. He recommended a comment on replacement units and is comfortable with the rest.

*Commissioner Vidoni moved to recommend to City Council approval of a resolution authorizing the Mayor to execute a Certificate of Consistency for the Housing Authority of Champaign County Five-Year Plan FY 2005-2009 and Annual Plan FY 2005. Approval is pending a statement from the Housing Authority concerning demolition and replacement of units at Dorsey Homes, Dunbar Court, and Columbia Place that is consistent with the Redevelopment Plan for Lakeside Terrace. Commissioner Thakkar seconded the motion. In response to Chairperson Cobb, Mr. Bland agreed and will provide the information tomorrow. The motion carried unanimously.*

Chairperson Cobb commented that the City of Urbana uses wording that requires minority participation and wondered if it would be beneficial for the City to encourage or participate its own disparity study. This would make it easier to use minority businesses and contractors. Chairperson Cobb thought this would be good for the City of Urbana to consider. Historically the City has not had very much minority contractor participation. He believed the disparity study protects against legal challenges when the City selects minority contractors.

Commissioner Lewis requested Chairperson Cobb describe the disparity study. Chairperson Cobb explained this is a study of the utilization of minority businesses in the area. It will show how minorities have been systematically excluded from a large amount of business in the area for different reasons. He said once it is indicated that there is a situation where things need to be made level, then something has to change so that minority contractors get their fair share of work. The disparity study will determine what percentage of work this should be. Participants would be legally protected if there were a set-aside program for minority participation. Since Champaign County is doing a disparity study, Chairperson Cobb felt the City of Urbana should look into this and perhaps reap benefits.

Commissioner Shisler suggested getting information from Champaign County's study. Commissioner Lewis said there was an important aspect of contract administration concerning government contracts. He said it was difficult getting numbers where they should be. There are a lot of compliance issues, and a lot of tracking goes on when you have contracts in excess of \$25,000. The Office of Business and Management at the federal level is contemplating changing

those numbers up to \$100,000. However, it is up to local municipalities to adopt those kinds of changes. For example, it is easier to work on small contracts. For Champaign County it is difficult to get the numbers to be in compliance with federal guidelines. Commissioner Lewis did not know the reasons; however, he felt it was due to the number of contractors. If the thresholds were higher, this would be a better opportunity to bring in minority contractors due to less paperwork.

Commissioner Quisenberry felt this was an issue for City Council, and Chairperson Cobb agreed. Commissioner Michelson suggested a study session to learn more and understand why the County is creating the study. Chairperson Cobb stated that one of the CD Commission's original objectives was to get minority contractors working in the target areas. He felt this has dropped by the wayside. Although the City has used minority contractors on some projects, he felt that there have not been many significant projects. Commissioner Vidoni asked if there was a way to study this matter. Chairperson Cobb responded that while the City Council would have to do this, the CD Commission could make recommendations. Commissioner Vidoni felt this was consistent with the CD Commission's mission.

There was discussion about placing this issue on future agendas, amount of time needed, and whether there should be a joint study session with City Council. Chairperson Cobb suggested talking with Human Relations Officers for the Cities of Champaign and Urbana and at the University of Illinois. Chairperson Cobb will get information to city staff.

**Adjournment:** Chairperson Cobb adjourned the meeting at 9:09 p.m.

Recorded by Connie Eldridge

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*APPROVED by CD Commission 1-25-05*