



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Community Development Commission

FROM: Elizabeth H. Tyler, AICP, Director

DATE: November 18, 2005

**SUBJECT: COMMUNITY HOUSING DEVELOPMENT ORGANIZATION ANNUAL
RECERTIFICATION – URBANA LEAGUE OF CHAMPAIGN COUNTY
DEVELOPMENT CORPORATION**

Description

Included in the agenda for the November 22, 2005 meeting of the Community Development Commission is a Resolution to recertify the Urban League of Champaign County Development Corporation (ULCCDC) as an Urbana HOME Consortium Community Housing Development Organization (CHDO) for FY2005-2006.

Issues

The issue is whether the Community Development Commission should recommend approval of the Resolution to the Urbana City Council.

Background

As a participant in the HOME Investment Partnerships Program, the Urbana HOME Consortium is committed to soliciting, fostering, certifying and supporting local organizations wishing to provide affordable housing services as Community Housing Development Organizations (CHDOs). The Consortium provides ongoing support for these organizations in the form of technical assistance, funding, monitoring, and other guidance. As part of this relationship, HUD regulations require that CHDOs undergo an annual review to verify their continued eligibility for CHDO status.

Grants Management Division staff recently completed such a review of the Urban League of Champaign County Development Corporation (ULCCDC) and found that the ULCCDC meets eligibility standards in all but one minor requirement. The ULCCDC by-laws do not contain required language describing a HUD mandated provision that not more than one-third of the members of the Board of Directors of a CHDO may be from the Public Sector, as per HUD definition of Public Sector and Public Officials (see attachment).

Staff has advised ULCCDC of the need to amend its by-laws to include the required provision. Through verbal communication with staff, Jean Algee, Director of Urban League of Champaign County Development Corporation, has stated that the needed amendment will be submitted for ULCCDC Board approval at its meeting scheduled for December 20, 2005.

Based on this response, and the history of ULCCDC as a successful CHDO in the community,

staff recommends the conditional approval of the Urbana League of Champaign County Development as a Community Housing Development Organization for the Urbana HOME Consortium for FY 2005-2006. The condition for this approval would be that an amendment be made to ULCCDC's by-laws instituting the provision described above be approved by the Board of Directors at the December 20, 2005 meeting. Following that meeting, ULCCDC will provide, to the City, documentation of board approval of said amendment. In the event that this does not occur by January 17, 2005, the recertification of ULCCDC as a CHDO will be suspended.

Options

1. Recommend the Resolution as written to City Council
2. Recommend the Resolution with amendments to City Council.
3. Do not recommend the Resolution to City Council.

Fiscal Impacts

The designation of the Urban League of Champaign County Development Corporation as a Community Housing Development Organization would allow ULCCDC to apply for Urbana HOME Consortium funding from the two CHDO set-aside sub-funds. The set-aside amount for CHDO Project Funds (or CR for "CHDO Reserve"), and CHDO Operating Funds (CO), is mandated and restricted by HUD regulations. The FY 2005-2006 Annual Action Plan approved by City Council on April 18, 2005 includes allocations to these sub-funds in accordance with HUD regulations. Therefore, the approval of this Resolution would have no change in the Fiscal Impact on the City.

Recommendations

Staff recommends that the Community Development Commission forward a favorable recommendation to City Council for this Resolution.

Memorandum Prepared By:

Erin J. Bullok
HOME Grants Coordinator
Grants Management Division

Attachments:

Excerpt from HOME Base, a HUD-produced guidance manual

A Resolution Authorizing the Certification of a Community Housing Development Organization for the Urbana HOME Consortium for FY2005-2006

RESOLUTION NO. _____

**A RESOLUTION CERTIFYING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION
FOR THE URBANA HOME CONSORTIUM FOR FY2005-2006**

Urban League of Champaign County Development Corporation

WHEREAS, The City Council of the City of Urbana, Illinois, has found and determined that certification of the Urban League of Champaign County Development Corporation as a Community Housing Development Organization for the Urbana HOME Consortium for FY2005-2006 is desirable and necessary to carry out one of the corporate purposes of the City of Urbana, to wit: implementation of Strategies and Objectives to Address the Affordable Housing Needs of Low and Moderate Income Households described in the *Urbana HOME Consortium and the City of Urbana Consolidated Plan for Program Years 2005-2009*,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the Urban League of Champaign County Development Corporation (ULCCDC) be identified and certified as a Community Housing Development Organization (CHDO) for the Urbana HOME Consortium for FY2005-2006, and as such, be eligible to request specific HOME funds set aside for use by CHDOs, under regulations set forth by the U.S. Department of Housing and Urban Development.

Section 2. That said certification and the benefits afforded by it be in effect until June 30, 2006, or until such time that Council be informed of conditions necessitating a change in the status of ULCCDC as a CHDO.

PASSED by the City Council this _____ day of _____,
_____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
_____.

Laurel Lunt Prussing, Mayor