



*APPROVED by CD Commission 1-31-06*  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**Tuesday, December 27, 2005, City Council Chambers**

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

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

**Commission Members Present:** Chris Diana, Theresa Michelson, Umesh Thakkar, Dennis Vidoni

**Commission Members Absent:** Fred Cobb, Nancy Quisenberry, Anne Heinze Silvis

**Others Present:** John Schneider, Erin Bullok, and Connie Eldridge, Community Development Services; Jim Rose, Homestead Corporation; Dennis Roberts, Urbana City Council.

**Approval of Minutes:** *Acting Chairperson Diana asked for approval or corrections to the November 22, 2005 minutes. Commissioner Vidoni noted that on page 3, second line, the word "success" should be changed to "successful." Commissioner Michelson moved to approve the minute with the correction, and Commissioner Thakkar seconded the motion. The motion carried unanimously.*

Referencing the Scottswood Area Stormwater Funding, Commissioner Vidoni asked if City Council discussed the Community Development (CD) Commission's concerns on the use of Community Development Block Grant (CDBG) funds. Mr. Schneider said that Brandon Bowersox, Alderman for Ward 4, did note the CD Commission's concerns. The City Council decided to set aside CDBG funds only for single family, owner-occupied residents who are (1) outside the target area, and (2) income qualified. Commissioner Vidoni felt the main concern was with the City using CDBG funds as a source of emergency funding. Mr. Schneider noted that the City regularly uses CDBG funds for infrastructure improvements, which qualify under CDBG regulations. This one-time proposal is to relieve households of the additional cost since households outside city limits will receive similar benefits.

Acting Chairperson Diana echoed Commissioner Vidoni's concern regarding use of CDBG funds for programs that would normally fund from other City sources. Mr. Schneider will reinforce the CD Commission's concerns during the Annual Action Plan process.

**Petitions and Communications:** None.

**Staff Report:** Mr. Schneider introduced himself as the new Grants Management Division (GMD) Manager. He distributed and reviewed a letter from the Department of Housing and Urban Development (HUD) on the City's Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year (FY) 2004-2005. HUD recognized the City's efforts for

hosting two workshops on Ethics and Conflicts of Interest, investing considerable CDBG funding for access grants, providing funding for the expansion of Center for Women in Transition (CWIT), and providing HOME funds for first time homebuyer assistance. HUD also provided an Assessment Report that indicated Urbana's CDBG and HOME programs comply with the statutes and operating regulations. Mr. Schneider added that GMD staff has worked hard to accomplish this while being short-staffed.

The Neighborhood Meeting on January 10, 2006 at 7 p.m. has been moved from the City Council Chambers to the Second Floor Conference Room.

Habitat for Humanity provided a flyer in Spanish on its upcoming housing meetings.

Staff mailed GMD's winter newsletter, *The Neighborhood News*, on December 16.

Staff is working on HUD's review of the Consolidated Plan for FY 2005-2009.

Ms. Bullok mentioned a webcast on green development on December 7. There were interesting aspects to green development that have not been included in preliminary projects. Ms. Bullok will provide a downloaded a copy of the slideshow to interested commissioners.

Referencing HUD's letter on the CAPER, Acting Chairperson Diana asked if there was anything that was a concern. Mr. Schneider said HUD is not really concerned; rather HUD was asking for clarification. Some bookkeeping was updated during the CAPER submission.

**Old Business:**        **CD Commission Bylaws** – Mr. Schneider noted there were a few minor language changes such as changing “Chairperson” to “Chair.”

Referencing Article III, Section 2, Commissioner Vidoni asked under what circumstances the CD Commission held closed sessions in the past. Acting Chairperson Diana remembered that closed sessions were held if there were pending financial arrangements, back tax issues, or personal issues on property transactions stating that in those cases, the CD Commission went into closed session to discuss what price to offer and then returned to open session.

*Commissioner Michelson moved to recommend adoption of the revised Urbana Community Development Commission Bylaws dated December 21, 2005. Commissioner Thakkar seconded the motion. The motion carried unanimously.*

Commissioner Vidoni said that reviewing the bylaws gave him a better sense of the CD Commission's mission. He felt the CD Commission should review the bylaws more frequently than in the past. Acting Chairperson Diana suggested a mandatory review every three years, with new commissioners getting an overview. Mr. Schneider said a review cycle could be scheduled.

**New Business:**        **Community Housing Development Organization (CHDO) Annual Recertification – Homestead Corporation** – Ms. Bullok stated this recertification is similar to last month's recertification of Urban League.

Staff has engaged in outreach to 75 non-profit organizations in the area to solicit additional CHDOs.

Ms. Bullok stated that Homestead Corporation has fulfilled all requirements, and staff recommends that Homestead be recertified as a CHDO within the Urbana HOME Consortium. Acting Chairperson Diana asked if it was easy to comply with these requirements. Jim Rose, Executive Director of Homestead Corporation, answered yes. Certain things had changed over time, and Ms. Bullok made absolutely certain that all conditions were met.

Mr. Rose added that 2005 was a difficult year for Homestead Corporation, due to two unexpected fires in their properties. Homestead started late in their project to develop single family homes, and City staff worked with Homestead to ensure it was headed in the right direction. Mr. Rose said that Homestead has made some progress but needed to make more.

*Commissioner Vidoni moved to recommend to City Council approval of a Resolution to Recertify Homestead Corporation as a Community Housing Development Organization (CHDO). Commissioner Thakkar seconded the motion. The motion carried unanimously.*

**Ordinance Approving a Second Amendment to a City of Urbana CDBG Subrecipient Agreement Neighborhood Organization Grant (NOG) for Historic East Urbana**

**Neighborhood Association (HEUNA), Project No. 0405-01** – Mr. Schneider explained that HEUNA received a NOG of \$1250 to be used before June 2005. HEUNA decided to purchase neighborhood signs and requested an extension to December 31. Staff recommended the agreement be extended to April 30, 2006 to allow time for City Council approval and contingencies.

Commissioner Vidoni inquired what the initial \$1250 was for. Ms. Bullok replied that HEUNA wanted to use the remainder of NOG funds with additional fundraising to purchase specialty signs. Commissioner Thakkar asked what HEUNA would do with the extra four months. Mr. Schneider answered that HEUNA was working with the City's Public Works Department to complete the project.

Acting Chairperson Diana commented that this project appeared to be borderline operational versus capacity building. He remembered that gray areas were a concern a few years ago and cautioned that NOG funds be used as designated. Mr. Schneider said HEUNA's goal is to build a neighborhood community, and these signs are intended to provide neighborhood identity.

*Commissioner Michelson moved to recommend to City Council approval of an Ordinance Approving a Second Amendment to a City of Urbana CDBG Subrecipient Agreement Neighborhood Organization Grant (NOG) for Historic East Urbana Neighborhood Association (HEUNA), Project No. 0405-01. Commissioner Thakkar seconded the motion. The motion carried unanimously.*

**Ordinance Approving a Second Amendment to a City of Urbana CDBG Subrecipient Agreement for Family Service of Champaign County, Project No. 0405-07** – Mr. Schneider

stated this agreement was originally approved in FY 04-05 to make bathrooms accessible in Family Service's building. Because Family Service did not receive enough other funding, it requested and was granted a change for replacement windows. The current amendment includes standard language as requested by the City Auditor.

Commissioner Vidoni stated that projects need to be completed in order to meet HUD's timeliness. Acting Chairperson Diana asked if Family Service was comfortable with a May 2006 deadline. Mr. Schneider replied that staff recommended extending the amendment to May rather than a shorter timeframe to avoid having to amend the agreement again. He noted HUD's concerns if a project goes over several years and City staff's goal to expend funds within the same fiscal year. However, some projects do not receive other committed funds as planned, for example Disabled Citizens Foundation and its Illinois First Grant. Acting Chairperson Diana mentioned the delay citing the process of working through the CD Commission and City Council.

Mr. Schneider stated that, as part of the new Annual Action Plan process, the City wants to fund projects that are ready to go now, rather than set aside City funds for projects that are waiting for other funding. The City will work with agencies if there are other mitigating circumstances. However, HUD is changing to performance measures, and it is critical to show how the money is being spent. Congress has approved funding cuts of 9% to CDBG and 5% to HOME funds.

*Commissioner Vidoni moved to recommend to City Council approval of an Ordinance Approving a Second Amendment to a City of Urbana CDBG Subrecipient Agreement for Family Service of Champaign County, Project No. 0405-07. Commissioner Thakkar seconded the motion, and the motion carried unanimously.*

**Resolution Authorizing the Mayor to Execute a Certification of Consistency for Housing Authority of Champaign County (HACC) Five-Year Plan for FY 2005-2009 and Annual Plan for FY 2006** – Due to the Housing Authority needing certification by early 2006, Mr. Schneider said this resolution was taken directly to City Council. The CD Commission is also welcome to provide comments. The HACC will include all comments in its final plan.

The HACC included information in its Annual Plan FY 2004 at the request of the Urbana City Council, and this will remain in the FY 2005-2009 Plan and in the Annual Plan FY 2006. However, housing authorities across the United States are changing in order to be more financially able to assist their clients. The HACC is considering converting 25% of its public housing units to Project Based Section 8 Units. The difference is \$700/month in assistance to one of these units.

In response to Commissioner Michelson, Mr. Schneider said the federal government provides more funds for Project Based Section 8. If the HACC transfers units to Project Based Section 8, the HACC as a landlord would receive more money. Commissioner Michelson asked if the federal government gives more money for Section 8 vouchers and less money in total. Mr. Schneider said this provides the HACC with more ability to serve its clients at the local level. Commissioner Michelson was concerned with federal funds for low income persons being cut.

Mr. Schneider noted the HACC has to leverage more funds and be more creative to compete for federal funds.

Commissioner Michelson asked who provides oversight of Section 8 housing. Mr. Schneider replied that the HACC is responsible and uses HQS standards.

The Housing Authority is considering changing its name to the Housing and Development Authority of Champaign County. This would more accurately reflect the current organization.

The waiting list system will be changed to a site-based waiting list to allow the applicants to select where they want to live. HUD will soon require all housing authorities to implement a project based accounting system. There was discussion about changes to the waiting list. Acting Chairperson Diana noted when an area switches from community-wide to site-based, there can be problems if a person is on multiple waiting lists. There could be trouble keeping an accurate headcount, or a person could lose seniority if moved to another list. He felt it was good to have a primary and secondary choice, and Commissioner Thakkar agreed. Mr. Schneider will convey these concerns to the HACC.

Referencing deconcentration of poverty, Commissioner Michelson wanted to know how the HACC oversees Section 8 vouchers. What happens when 50% or more low-income persons chose to relocate to the same area? Mr. Schneider did not know if the HACC had that obligation. Once a voucher is provided, a client can get housing wherever it is available. As long as the approved housing passes inspection, the client may move in. Ms. Bullok added that HACC did not allow the number of vouchers at any apartment complex to exceed 20% of the number of units. When that threshold has been approached, the HACC has steered applicants away from that apartment.

Commissioner Michelson has found flyers advertising apartments that will accept Section 8 vouchers on cars in grocery store parking lots. Ms. Bullok responded that the HACC will not necessarily allow the applicant to take a Section 8 voucher to a particular complex. Once an applicant locates a unit, the HACC reviews the lease and physically inspects the unit. If an apartment building has reached its limit, the Section 8 counselor will advise the applicant to look elsewhere. Also, there are many other reasons why a unit would be ineligible.

Mr. Schneider noted that certain communities (not Urbana) allow discrimination based on an applicant's income source. Because some companies own properties in Champaign and Urbana, the flyers advertise vacancies area-wide.

Mr. Schneider encouraged commissioners to e-mail their comments to him, and he would convey their concerns to City Council. When the City receives the final version, Mr. Schneider will e-mail it to the commissioners.

**Study Session – Inclusionary Housing** – Mr. Schneider mentioned the research done by the GMD intern, the Planning Advisory Service, and the forum attended by Erin Bullok and Randy Burgett in Schaumburg on December 14.

Ms. Bullok gave a brief overview of the forum, “How to Make Mixed Income Housing Work – A Conversation With Mayors and Builders,” sponsored by Roosevelt University which provided three successful case studies of mixed income housing developments in the Chicago suburban area. The forum, which included elected officials, community development staff and housing developers, discussed hurdles, what was learned, strategies and successes. The case studies did not readily apply to Urbana because, although the hourly wages for unskilled labor did not differ much, the housing costs are three to five times higher than Urbana. It is more critical for the communities around Chicago to use inclusionary housing so that the low-income workforce may live closer to work. One key factor was the need to balance quotas on developers with an increase in unit density to make the project feasible.

The three sites were Timber Court Development in Arlington Heights, Woodstock Commons in Woodstock, and Hometown Aurora in Aurora. Timber Court was an apartment development; Woodstock Commons was a condominium development. It appeared that Woodstock would only allow low-income housing to exist in this one place. Hometown Aurora was single family homes with an entire neighborhood based on affordable housing design. The drawback was in order to make this model cost effective, the community had to commit to 1,000 units.

Acting Chairperson Diana asked about construction costs versus wage and housing costs. Ms. Bullok did not know the per unit construction costs. Acting Chairperson Diana said the property and prevailing wage costs in the suburbs would require a large number of units. He wondered if this plan could be done on a smaller scale in this area.

There was discussion on the size of the communities, which are larger than Urbana. Acting Chairperson Diana mentioned the quota versus density discussion. This would not apply to our area in the same way because there are many adjacent opportunities in the Chicago area. Ms. Bullok mentioned finding a balance between the number of affordable units versus an increase in the density allowance. The incentives need to be worthwhile.

In response to Commissioner Vidoni, Ms. Bullok said the median wage and housing costs of various communities in the United States were compared. She noted that although housing costs are four times higher than Champaign/Urbana, the wages in the Chicago area are not four times higher. There was little discussion about the differences in downstate.

Mr. Schneider said staff was continuing to gather information. It will take a lot of creativity to make inclusionary housing work here, because much depends on what adjacent communities do. Federal funds may be cut; however, one possibility may be a tax credit program through the state. There are programs where employers can assist employees to build houses. Ms. Bullok mentioned models where an extended area adopts requirements to prevent an exodus of construction from one municipality to another. This is usually found in large urban areas with very high property costs and a large variety of wage earners, such as Fairfax County, VA. The Urbana HOME Consortium, which consists of the Cities of Champaign and Urbana and Champaign County, may consider this. In response to Acting Chairperson Diana, Ms. Bullok is not aware of any inclusionary housing efforts by the Village of Rantoul. However, she has regular discussions on affordable housing with Rantoul staff.

*Commissioner Michelson left the meeting at 8:24 p.m.*

Dennis Roberts indicated his interest in inclusionary housing and felt this was a thoughtful interaction. He knew a City Council member in Aurora and would ask him about Aurora's example. Mr. Roberts has talked with Ed Bland from HACC about affordability and suggested a fact finding event in the spring. He hoped to get information from local non-profit housing organizations and wanted to see something come from these discussions. He did not want to make developers upset; rather, he was looking for a way to interest developers. Ms. Bullok stated it was important for municipalities to have a plan in place before approaching developers. It would be good to include developers in the brainstorming session and then get back to them later in the process.

Mr. Roberts agreed that Champaign/Urbana is different than the Chicago suburbs. Mr. Schneider said the Planning Advisory Service may provide information on what other areas similar to ours are doing for inclusionary housing. Mr. Roberts was looking for a way to generate enthusiasm and city support.

Commissioner Thakkar asked about the vacancies on the CD Commission and felt it would be good to include lower-income persons. Mr. Schneider will follow up on this.

**Adjournment:** Acting Chairperson Diana adjourned the meeting at 8:31p.m.

Recorded by Connie Eldridge

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