



*APPROVED by CDC 6-27-06*  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**Tuesday, May 23, 2006, 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, Theresa Michelson, Anne Heinze Silvis, Umesh Thakkar, Dennis Vidoni

**Commission Members Absent:** Chris Diana, Nancy Quisenberry, Joy Ready

**Others Present:** John Schneider, Erin Bullok, Randy Burgett, Kelly Hartford and Connie Eldridge, Community Development Services.

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the March 25, 2006 minutes. Commissioner Thakkar moved to approve the minutes, and Commissioner Silvis seconded the motion. The motion carried unanimously.*

**Petitions and Communications:** None.

**Staff Report:** John Schneider announced that the City of Urbana had received a letter from the Department of Housing and Urban Development (HUD) that stated the City has met its timeliness test for expenditure of Community Development Block Grant (CDBG) funds. The City's current CDBG grant is for \$535,000, and the City's ratio is 1.0, which is below the 1.5 threshold.

Mr. Schneider reviewed City Council approvals for Amendment 1 to Fiscal Year (FY) 2005-2006 Annual Action Plan, FY 2006-2007 Annual Action Plan, sale of three properties to Habitat for Humanity, and an ordinance revising the budget for the Get the Lead Out (GLO) Program. Staff has submitted the FY 2006-2007 Annual Action Plan to HUD.

Mr. Schneider referenced a memorandum to City Council regarding the advisability of a Paint Program. At this time staff advises against this program due to HUD requirements, lack of funding, and liability issues.

Mr. Burgett will represent the City of Urbana at the Senior Health Fair, sponsored by Carle Foundation for Seniors, on May 31 at Lincoln Square Village. There will be a booth with information regarding the City's Senior Repair Service and Access Grant Programs.

Ms. Bullok previewed the upcoming Lender Training Workshop for Downpayment Assistance Programs that she will be conducting. This workshop will help lenders better understand government requirements. A representative from the Illinois Housing Development Authority (IHDA) will also attend and recruit lenders for IHDA's programs. Ms. Bullok reviewed the

City's first-time homebuyers' resource packet and summarized the homebuyer programs in the area. A homebuyer can combine some programs for more funding.

Ms. Bullok also provided a synopsis of what the City of Urbana has done over the last few years, particularly the American Dream Downpayment Initiative (ADDI) Program. 21 homebuyers have purchased homes through this program, with two more pending. Most homebuyers fall within 50-80% of the area's Median Family Income limits. There was also information on household demographics, lender participation, available funds, etc.

Chairperson Cobb inquired about property tax breaks for these programs. Ms. Bullok responded that the City's Build Urbana Program, which rebates the difference between the total property tax rate in Urbana and Champaign, is an incentive for new construction. However, if a homebuyer receives federal assistance, that homebuyer may not participate in Build Urbana.

In response to Commissioner Michelson, Ms. Bullok clarified that a homebuyer may use ADDI funds to purchase property in unincorporated Champaign County. There is a lot of affordable housing on the outskirts of Champaign/Urbana. Although ADDI funds may not be used in Rantoul, a homebuyer may use Champaign County's Assist Program to purchase anywhere in the county. ADDI, Assist Urbana and IHDA funds may be used within the City of Urbana.

Mr. Schneider added that ADDI uses HOME funds, Assist Urbana is funded through the City's bond cap, and the Home Equity Loan Program (HELP) is funded through IHDA. In FY 04-05 the City ceded its bond cap to Lakeside Terrace Redevelopment, and FY 06-07 bond cap funds have been ceded to Prairie Winds. HUD regulations apply to ADDI, while the State of Illinois uses different guidelines for income and purchase price.

Commissioner Vidoni commented that this was the most readable and comprehensive review of the City's homebuyer programs that he has seen.

Mr. Schneider reviewed the Environmental Review process for the Annual Action Plan.

Ms. Bullok gave a short presentation on the 6<sup>th</sup> Annual Housing Fair, which was held at Lincoln Square Village Mall on April 8. The fair offered nine different workshops in three tracks: homebuyer, home maintenance and fair housing. 25 vendors, including lenders, nonprofit groups, homebuyer services, the Cities of Champaign and Urbana, and Champaign County, participated. The fair received good press, and attendance was higher this year. A memorial photo for John Lee Johnson, an advocate for affordable housing, was featured. The 7<sup>th</sup> Annual Housing Fair will be Saturday, March 31, 2007.

Commissioner Thakkar inquired about offering a smaller version of the Housing Fair in the fall. Ms. Bullok stated the housing fair is sponsored by the Community Reinvestment Group (CRG). The CRG has other outreach activities such as a monthly Homebuyer Seminar at Parkland College. It is also offering new credit seminars designed to help people understand and maintain good credit. The City of Champaign staff also offers home maintenance workshops throughout the year.

Mr. Schneider added this was the best housing fair yet. It is traditionally offered in the spring when people begin to look for homes. It is extremely difficult to find a day to hold it, and it takes a lot of work to put it together. The goal is to get potential homebuyers in the door to learn about the process of buying a home.

In response to Commissioner Vidoni, Ms. Bullok said the fair may be expanded by offering workshops twice during the day, increasing the number of vendors, and holding additional activities the week preceding the Saturday fair. Another idea is to combine the fair with the Home Parade, with the Annual Housing Fair focusing on more accessible, affordable housing.

Chairperson Cobb inquired about the Home Show at the Assembly Hall. Ms. Bullok noted that many of the same vendors attend both events. However, the Home Show targets a different audience—those who want to refinance for home remodeling. The Housing Fair focuses on people on the threshold of buying their first home.

Mr. Schneider stated that Homestead Corporation has closed on the property at 1603 West Healey, Champaign. Homestead is completing construction of the house on North Busey, Urbana and will soon begin construction on a house on Beech Street in Urbana.

City staff has attended training on HUD's new Relocation Act. Ms. Hartford is working with City Council on the Consolidated Social Service Funding. The Champaign County Regional Planning Commission is now the lead agency on the Continuum of Care Notice of Funding Availability (NOFA). Ms. Bullok is working with members of the HOME Consortium concerning policies and procedures.

Mr. Burgett announced another successful Neighborhood Cleanup on Saturday, May 13. Residents dropped off enough junk to fill 25 dumpsters (20 yards each) plus 5 metal recycling dumpsters. 270 vehicles came through the two sites, with 56 more participants than Fall Cleanup. This meant that 12% of the neighborhood participated. Mr. Burgett believed the increased numbers were due to the increased size of the Community Development Target Area. Mr. Schneider added that Men's SAFE House provided volunteers at King School to help unload cars and trucks. Commissioner Vidoni commented that two different news shows featured Neighborhood Cleanup.

Ms. Bullok provided an update on the Community Housing Development Organizations (CHDOs). Homestead is working on their affordable homeownership project, and construction of the Ecological Construction Laboratory's passive solar house is progressing. Ms. Bullok proposed a site visit to some of these properties this summer.

Commissioner Thakkar referenced an article on Millennium Park in Chicago. The article mentioned Chicago's focus on sustainable ecological development and how this helped Chicago's economy. Chicago is leading the nation in creating sustainable ecological development. Commissioner Thakkar suggested that the City continue to consider this type of development. Mr. Schneider noted that the City of Urbana has put out a Request for Proposal for the Kerr Avenue project, and he hoped this would attract developer/architectural proposals for sustainability and green design projects.

**Old Business:** Chairperson Cobb referenced earlier discussions on minority contractors. Commissioner Vidoni briefly reviewed how he, Chairperson Cobb, Commissioner Michelson met and exchanged e-mails with Mr. Burgett concerning the lack of minority contractor participation in CD projects. They have contacted Urban League, the Housing Authority, and Extension personnel to gather more information.

*Commissioner Vidoni moved to recommend this Ad Hoc Committee become an official subcommittee of the Community Development Commission. Commissioner Thakkar seconded the motion. The motion carried unanimously.*

There was discussion about the title of this subcommittee, with Commissioner Michelson suggesting Minority Contractor Exploration Subcommittee. She noted they were exploring the issue and trying to find information. For example, the Housing Authority's list of minority contractors is three years out of date. Commissioner Michelson felt that as the committee explores this, they will find many issues that impact involvement of minority contractors. She felt that creating an up-to-date list of minority contractors would be very helpful to all agencies.

Mr. Schneider said that the City of Urbana regularly reports to HUD on the participation of minority- and female-owned contracting companies for the City's rehabilitation programs. He stated that the CD Commission has undertaken this initiative to research ways to attract more contractors and to understand what obstacles prevent this.

Although the CD Commission understood there was minority and female contractor participation, Chairperson Cobb clarified the concern and primary focus was to attract African American contractors. The CD Commission noted that African American contractors were absent from the minority report, and those who were on the list could not be utilized for different reasons. Chairperson Cobb suggested that prime contractors could utilize minority contractors as subcontractors. Subcontractors would not be required to have the same qualifications as the prime contractors. He proposed forming a list of minority subcontractors so that prime contractors would have a pool from which to choose.

Commissioner Michelson added that the Urban League did not have any updated information. Chairperson Cobb said the subcommittee would send out a brief survey to minority contractors on the current list to see if they are still viable.

**New Business: An Ordinance Authorizing the Sale of Certain Real Estate (1110 West Hill Street, Urban League Lease-Purchase Program)** – Mr. Burgett explained that, due to the tight time schedule, this ordinance was taken to the Committee of the Whole on May 22 with the condition that the Community Development Commission must review and approve this. The Committee of the Whole approved this sale and forwarded it to City Council for approval on June 5.

Mr. Burgett stated this was a pilot project. The City of Urbana purchased this property in 2005 when a county administrator, who was handling an estate, brought this information to the City. The City had started to rehabilitate the property when Urban League contacted the City about a potential client who was interested in this property. The contractor will be finished by the end of

the month. Urban League's client, who is in their Lease-Purchase Program, has worked with the contractor on finishing the property.

Mr. Burgett noted that Urban League has received \$80,000 in funds from the City of Urbana in FY 2005-2006. The sale of this property will help the City provide funds for other housing projects. Mr. Schneider commented that this project has gone well. He referenced a similar project in another city where the house remained vacant for over a year. Mr. Schneider felt this was a unique opportunity to prevent an older home from remaining vacant and deteriorating. Urban League's buyer is excited to be purchasing this home.

In response to Commissioner Vidoni, Mr. Burgett said the City of Urbana purchased this property for \$29,000. The City cleared brush, removed an old shed, and spent \$55,000 rehabilitating the house. The total expense will be about \$92,000, with the after-rehab value being \$75,000. The loss on this project is comparable to the cost of donating for affordable housing providers.

*Commissioner Michelson moved to recommend to City Council approval of an Ordinance Authorizing the Sale of Certain Real Estate (1110 West Hill Street, Urban League Lease-Purchase Program). Commissioner Thakkar seconded the motion, and the motion carried unanimously.*

**Ordinances Approving a Supportive Housing Program Subrecipient Agreements Between (1) the City of Urbana and A Woman's Place, (2) the City of Urbana and Center for Women in Transition, and (3) the City of Urbana and Salvation Army Services, Inc.** – Ms. Hartford explained that this was a standard subrecipient agreement. Due to HUD's monitoring visit last summary, the agreement must include and define the different costs such as supportive services and operations. All three Supportive Housing Program agreements are the same except for the amount designated for each agency. Chairperson Cobb noted there was no fiscal impact to the City's budget.

*Commissioner Michelson moved to recommend to City Council approval of an Ordinance Approving a Supportive Housing Program Subrecipient Agreement Between the City of Urbana and A Woman's Place. Commissioner Thakkar seconded the motion, and the motion carried unanimously.*

*There was discussion as to whether this motion applied to all three Supportive Housing Ordinances. Mr. Schneider stated the agreements were identical except for the funding amounts, and he suggested approving the ordinances omnibus. Chairperson Cobb clarified that this motion also applied to the following: An Ordinance Approving a Supportive Housing Program Subrecipient Agreement Between the City of Urbana and Center for Women in Transition, and An Ordinance Approving a Supportive Housing Program Subrecipient Agreement Between the City of Urbana and Salvation Army Services, Inc. There was consensus among the CD Commission.*

**A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2006-2007 (Ecological Construction Laboratory) (e-co lab)**– Ms. Bullok noted the CD Commission had decided to allocate funding to e-co lab in the FY 06-

07 Annual Action Plan. However, this was contingent upon *e-co lab* receiving CHDO status before the start of the fiscal year. *E-co lab* has met the requirements, and it is now ready for the CD Commission to approve its status as a certified CHDO. Commissioner Vidoni congratulated *e-co lab* and city staff for achieving CHDO status.

*Commissioner Vidoni moved to recommend to City Council approval of a Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium for FY 2006-2007 (Ecological Construction Laboratory). Commissioner Thakkar seconded the motion, and the motion carried unanimously.*

Commissioner Thakkar commented that *e-co lab* has always responded quickly to his e-mails. Commissioner Michelson added that an Urbana High School student interned with *e-co lab* recently. Chairperson Cobb noted that this project is very energy efficient; however, the house is more expensive than conventional housing. Commissioner Michelson remembered Katrin Klingenberg explaining the construction costs were a tradeoff because the energy costs were so incredibly low. Once the materials are more common and in demand, the cost of constructing the house will go down. Ms. Bullok added that *e-co lab's* staff was in Germany at a International Passive House Institute.

Referencing the City's Lease Purchase Program's first success, Commissioner Vidoni asked what could be learned and repeated. He requested the City or Urban League provide an update in the future. Mr. Schneider stated, "Timing is everything." There was good timing for the purchase, rehabilitation and sale, especially since the buyer wanted a house in that location. There must be an available house in a good location for this program to work well.

**Adjournment:** Chairperson Cobb adjourned the meeting at 8:10 p.m.

Recorded by Connie Eldridge

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