



## DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

*Grants Management Division*

### **m e m o r a n d u m**

**TO:** Elizabeth H. Tyler, AICP, City Planner/Director

**FROM:** John Schneider, Manager, Grants Management Division

**DATE:** May 19, 2006

**SUBJECT:** **Community Housing Development Organization Certification – Ecological Construction Laboratory**

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### **Description**

Included on the agenda for the May 23, 2006 meeting of the Community Development Commission is a Resolution to certify Ecological Construction Laboratory (*e-co lab*) as an Urbana HOME Consortium Community Housing Development Organization (CHDO) for FY2006-2007.

### **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 that wish 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. In keeping with this commitment, staff has been working with *e-co lab* to assist them in their pursuit of CHDO status.

In order to become certified as a CHDO, an organization must meet specific criteria established by HUD. The cornerstone of these is that the organization “...has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons...” (24 CFR 92.2). Other criteria include the organization’s legal status, structure and capacity.

Until recently, *e-co lab* lacked the documentation indicating that some of the structural and organizational criteria of CHDO status had been met, because it was a relatively new organization. Grants Management has worked with *e-co lab* staff to ensure that *e-co lab*’s articles of incorporation and by-laws were modified appropriately to qualify as a CHDO. Additional documents, such as a strategic plan, a community participation plan, and a five-year prospectus, were formulated by *e-co lab* staff and provided to the City in order to complete the documentation process.

Consequently, *e-co lab* now meets the HUD-established criteria for a Community Housing Development Organization and is fully compliant with the requirements necessary to grant the organization status as a CHDO.

## **Options**

The Community Development Commission can pursue the following 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 *e-co lab* as a Community Housing Development Organization would allow the organization 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), are mandated and restricted by HUD regulations. During the approval process for the FY 2006-2007 Annual Action Plan, staff recommended to CDC and City Council that *e-co lab* be awarded an allocation from the CHDO Operating sub-fund. This was approved by both CDC and City Council, with the provision that *e-co lab* achieve CHDO status prior to the beginning of the 2006-2007 fiscal year. The approval of this Resolution would have no Fiscal Impact on the City.

## **Recommendations**

Staff recommends that the Community Development Commission forward to City Council a recommendation to approve the Resolution certifying Ecological Construction Laboratory as a Community Development Housing Organization.

**Memorandum Prepared By:**

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Erin J. Bullok  
HOME Grants Coordinator  
Grants Management Division

## **Attachments:**

A Resolution Authorizing the Certification of a Community Housing Development Organization for the Urbana HOME Consortium for FY2006-2007

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION CERTIFYING A COMMUNITY HOUSING DEVELOPMENT ORGANIZATION  
FOR THE URBANA HOME CONSORTIUM FOR FY2006-2007

(Ecological Construction Laboratory)

WHEREAS, The City Council of the City of Urbana, Illinois, has found and determined that certification of the Ecological Construction Laboratory as a Community Housing Development Organization for the Urbana HOME Consortium for FY2006-2007 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 Ecological Construction Laboratory be identified and certified as a Community Housing Development Organization (CHDO) for the Urbana HOME Consortium for FY2006-2007, 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, 2007, or until such time that Council be informed of conditions necessitating a change in the status of Ecological Construction Laboratory 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 \_\_\_\_\_,  
\_\_\_\_\_.

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Laurel Lunt Prussing, Mayor