



APPROVED by CD Commission 8-22-06
MINUTES
COMMUNITY DEVELOPMENT COMMISSION
Tuesday, June 27, 2006, City Council Chambers

Call to Order: Chairperson Cobb called the meeting to order at 7:10 p.m.

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

Commission Members Present: Fred Cobb, Chris Diana (participated by teleconference), Nancy Quisenberry, Joy Ready, Dennis Vidoni

Commission Members Absent: Theresa Michelson, Anne Heinze Silvis, Umesh Thakkar

Others Present: John Schneider, Erin Bullok, Kelly Hartford, and Connie Eldridge, Community Development Services; Jim Rose, Homestead Corporation; Katrin Klingenberg, Dave Stecher and Ian Schnack, Ecological Construction Laboratory (*e-co lab*); Jean Algee, Urban League of Champaign County Development Corporation.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the May 23, 2006 minutes. Commissioner Vidoni moved to approve the minutes, and Commissioner Ready seconded the motion. The motion carried unanimously.*

Petitions and Communications: None.

Staff Report: Mr. Schneider announced the City submitted the Amended Fiscal Year (FY) 2005-2006 Annual Action Plan (AAP) to the Department of Housing and Urban Development (HUD) on June 21. HUD has also approved the transfer of the Shelter Plus Care program from the City of Urbana to the Champaign County Regional Planning Commission (RPC), effective July 1, 2006. This was a result of staffing changes due to the retirement of the City's Transitional Housing Coordinator. Staff is working with the RPC on training and review of policies and procedures.

City Council approved certification of the Ecological Construction Laboratory (*e-co lab*) as a Community Housing Development Organization (CHDO). City Council also approved the City's Supportive Housing Programs subrecipient agreements with Center for Women in Transition (CWIT), A Woman's Place (AWP), and Salvation Army Services, Inc.

Staff distributed Amendment 1 to the FY 2005-2006 AAP and a recent Greenways Trails & Guide.

On June 14, 2006 Erin Bullok presented a workshop for mortgage lenders on the downpayment assistance programs available: American Dream Downpayment Initiative (ADDI), Assist, and Illinois Housing Development Authority (IHDA). A representative from IHDA also participated.

The City received proposals from developers for Kerr Avenue Redevelopment Project. The Community Development (CD) Commission will review information from the selected proposals at a later date.

Homestead Corporation closed on its new house at 809 North Busey Avenue, Urbana.

City staff is working with the Champaign County Regional Planning Commission (CCRPC) on the Notice of Funding Availability (NOFA) for the Continuum of Care.

City staff attended Community Development Block Grant (CDBG) training in mid-July. Staff from the Cities of Champaign and Urbana will hold CDBG training for subrecipients in mid-September.

Rehabilitation of 1110 West Hill Street, Urbana is completed. This house is the pilot project for the City's Purchase/Rehab/Resell Program. The closing took place on June 22, 2006, and the house is now occupied. This program generated funding, so there will be funds to purchase another property.

Staff is continuing to work with Habitat for Humanity to identify suitable lots for the proposed 2007 Home-Builder's Blitz. Habitat requested approximately \$75,000 in HOME funds from the FY 2006-2007 AAP. The City of Urbana recently conveyed three city-owned lots to Habitat. However, it will difficult to find additional vacant lots that are suitable for Habitat's program. Mr. Schneider mentioned covenant restrictions for the city-owned lots in the Eads Street Subdivision. This is an issue since Habitat's homes do not have garages, and the Eads Street subdivision requires two car attached garages. City staff will continue to work with Habitat on identifying suitable lots for the Blitz.

Old Business: None.

New Business: **HOME FUNDS**

- **A Resolution Certifying a Community Housing Development Organization (CHDO) for the Urbana HOME Consortium for FY 2006-2007 (Urban League of Champaign County Development Corporation)**
- **An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization (CHDO) Agreement (Urban League of Champaign County Development Corporation CHDO Operating FY 2006-2007)**
- **A Resolution Certifying a Community Housing Development Organization (CHDO) for the Urbana HOME Consortium for FY 2006-2007 (Homestead Corporation)**
- **An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization (CHDO) Agreement (Homestead Corporation of Champaign-Urbana CHDO Operating FY 2006-2007)**

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Erin Bullok stated that each CHDO would review their accomplishments.

Jean Algee, Director of Housing Programs at Urban League of Champaign County Development Corporation, briefly reviewed Urban League's Principal Reduction Lease Purchase Program. Of the three homes that Urban League purchased for this program, one home was in the City's Purchase/Rehab/Resell Program. Ms. Algee discussed the benefits of Urban League working with the City of Urbana's Purchase/Rehab/Resell Program. The homebuyer was able to make choices during the rehabilitation process, and the house was affordable with the lease purchase grant. Ms. Algee stated this was a great match between the Lease Purchase Program and the Purchase/Rehab/Resell Program, and she would like to do many more.

Urban League is providing property management for eight Lease Purchase homes and 30 rental units. Urban League completed the rehabilitation of 12 units at Urban Park Place at 302 East Park Street, Champaign. This is an apartment building with affordable rental units. Another building at 306 East Park is under construction. Urban League is using funds from the Cities of Urbana and Champaign, and Illinois Housing Development Authority (IHDA), and the Federal Home Loan Bank for this project. Ms. Algee invited commissioners to view the project. In response to Chairperson Cobb, Ms. Algee noted that first 12 units are filled, but Urban League is still taking applications for other 12 units.

Urban League is working with Hickory Point Bank to construct a new affordable single-family home under \$80,000 at 509 East Vine Street, Champaign. This will be an affordable home for another client. Urban League worked with the City of Champaign on lot acquisition.

Urban League provides credit counseling for 400 clients. These services have been needed in the community.

Jim Rose, Executive Director of Homestead Corporation, stated that Homestead's biggest accomplishment this year is construction of three new homes. In April Homestead completed construction of the first house on a lot donated by the City of Champaign. After purchasing a lot at 809 North Busey Avenue, Urbana, Homestead requested and received a major zoning variance to allow construction of its second house. This project is the first time that Homestead purchased a lot. In late May Homestead began construction of a third home on a lot donated by the City of Urbana at 1209 West Beech Street. The City of Urbana donated this lot to Homestead. The construction will be completed at the end of July with the homeowner in possession at the end of August. A major change is that Homestead, rather than the potential buyer, received construction loans for these three homes.

Homestead Corporation continues to manage Homestead Apartments, which is a 25 unit building for previously homeless men and women. Homestead received grant funds to purchase 15 replacement refrigerators and stoves. All appliances had been donated in 1997 by the Housing Authority from another building. Homestead has used some operating funds to sporadically replace some appliances.

Homestead spent several months rehabilitating a rental house that had a fire last spring. Because of the difference in insurance and cost to remodel, Homestead sold the property.

Mr. Rose was happy to work with the City of Urbana, especially on the last three homes. This program has helped homebuyers move into new affordable homes. Homestead stays in contact with the homebuyers after construction and works with the contractors to resolve any problems. Commissioner Vidoni mentioned past concerns with timeliness, but noted those issues appear to have been resolved. Mr. Rose answered yes; Urbana staff has worked with Homestead to help this program keep moving.

In response to Commissioner Ready, Mr. Rose said that, excluding the lot, the base price to construct a house is \$110,000. It does not include appliances. Homestead does not set the sales price; rather the contractor provides a bid. The final price for the house on Healey in Champaign was \$114,815 due to the last minute requirement to extend the driveway to the street. 809 North Busey cost \$116,815 because there was no sewer tap on the property. The contractor had to dig into the street to run a sewer line to the property. Mr. Rose anticipates the third home to cost \$115,000 or less.

After distributing copies of the Ecological Construction Laboratory's (*e-co lab*) year in review, Dave Stecher, Assistant Director, discussed their approach to housing construction. The premise of a passive house concept is, "What if you could heat your house with 1000 watts – the equivalent of a hair dryer?" Noting the United States' large energy dependence problems, *e-co lab* is working to implement changes in housing construction today. The goal is to minimize energy loss so that normal solar energy will provide 65% of the heating requirement. He reviewed key building issues, such as air tightness and air flow. Windows are a major source of energy loss.

Katrin Klingenberg, Executive Director of *e-co lab*, gave a slide presentation on the specifications of the house being constructed at 1005 West Fairview, Urbana. It is 1350 square feet with a loft. The foundation is entirely insulated, and there is a good envelope of insulation with 14 inch thick walls. Windows are triple pane with insulated frames, and the ventilation system is the newest on the market. The heating system is standard baseboard, and the hot water system is instantaneous. *e-co lab* uses a computer modeling sheet to verify the energy balance.

Ms. Klingenberg reviewed the floor plans, elevation and construction process. The project was delayed at the beginning due to the weather. TGI Lumber donated materials to e-co lab. Because this is a custom home, it was difficult to finance. *e-co lab* plans to pre-fab the wall panels in a factory in the future rather than framing at the site. Also, the contractor and volunteers had to become familiar with different techniques. She anticipated that building the next house would be easier. *e-co lab* anticipates closing on the house at the end of August.

Dave Stecher reviewed *e-co lab's* attendance at conferences, fund raising and outreach events. *e-co lab* will again host the International Passive House Open House in November. *e-co lab* is attempting to get large organizations interested in this concept. *e-co lab* is holding energy efficiency training sessions to all community members, contractors and housing developers. *e-co lab* also has a research partnership with IBACOS, which is a building science and engineering

firm. This is part of the Building America Program to increase energy efficiency in houses. Mr. Stecher noted that house at 1005 West Fairview will be on the Department of Energy's website.

In response to Commissioner Ready, Ms. Klingenberg said the cost of the house, excluding the lot, is \$132,000. The house will be purchased by a low-income family. Referencing the conferences, Commissioner Vidoni asked about others' interest since this house is for a low-income household. Ms. Klingenberg answered that they received great feedback, and other groups are also creating housing for low-income households.

Chairperson Cobb inquired about the temperature level inside the house as compared to the outside temperature. Mr. Stecher explained the heating requirement was based on this climate and was time constant. He discussed how the inside temperature felt to the occupants. Chairperson Cobb stated that *e-co lab* was doing great work that will be useful and contribute to energy efficiency.

Although the site visits have been postponed, Ms. Bullok encouraged commissioners to drive by the CHDO sites.

Ms. Bullok explained that the recertification process is an annual event for the CHDOs. Staff has determined that Urban League and Homestead Corporation meet HUD qualifications for CHDOs. The annual CHDO operating agreements commit funds to help organizations build capacity. CHDOs provide housing for low and moderate-income households in the area.

CHDOs are required to go through quarterly training, to keep current on best practices, and to understand HUD regulations. The Urbana HOME Consortium plans to offer local training, support and technical assistance to the CHDOs to provide them with the tools to be successful. One example was when staff from the Cities of Urbana and Champaign provided an income verification workshop.

The above referenced agreements commit funds to the CHDOs. These funds are separate from any projects taken on by the agencies. The FY 06-07 AAP commits HOME funds as follows: \$20,000 to *e-co lab*, \$16,237 to Urban League, and \$16,237 to Homestead Corporation.

Commissioner Quisenberry moved to recommend to City Council approval of the following:

- *A Resolution Certifying a Community Housing Development Organization (CHDO) for the Urbana HOME Consortium for FY 2006-2007 (Urban League of Champaign County Development Corporation)*
- *An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization (CHDO) Agreement (Urban League of Champaign County Development Corporation CHDO Operating FY 2006-2007)*
- *A Resolution Certifying a Community Housing Development Organization (CHDO) for the Urbana HOME Consortium for FY 2006-2007 (Homestead Corporation)*

- *An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization (CHDO) Agreement (Homestead Corporation of Champaign-Urbana CHDO Operating FY 2006-2007)*
- *An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization (CHDO) Agreement (Ecological Construction Laboratory CHDO Operating FY 2006-2007)*

Commissioner Vidoni seconded the motion. In response to Commissioner Vidoni, Ms. Bullok clarified the difference between CHDO operating and project funds. The above referenced agreements provide operating funds to the CHDOs for salaries, benefits, and rent. Project funds are committed separately, one example being the Urban League’s Lease Purchase Program. The motion carried unanimously.

CDBG FUNDS

An Ordinance Approving a Second Amendment to a City of Urbana Community Development Block Grant Program Agreement (Community Health Improvement Center – Frances Nelson Satellite Project No. 0506-AAP-02). Kelly Hartford explained this was the second amendment to the CDBG Subrecipient Agreement with the Community Health Improvement Center (CHIC). The first agreement allocated \$20,000 in CDBG funds from the FY 05-06 AAP to develop a new facility for the Frances Nelson Health Care Center in Champaign. An amendment to the FY 05-06 AAP allocated an additional \$35,000 in CDBG funds for this project, so the FY 05-06 total was \$55,000. This second amendment includes the additional funding of \$20,000 in CDBG funds from the FY 06-07 AAP. The total amount of funding allocated to CHIC – Frances Nelson for FY 05-06 and FY 06-07 is \$75,000.

In response to Chairperson Cobb, Mr. Schneider explained that these funds were already allocated in both the FY 05-06 AAP and FY 06-07 AAP. The funding comes from the federal government, so there is no fiscal impact to the City of Urbana. The funds have already been set aside. The \$35,000 from FY 05-06 was from unallocated funds.

Commissioner Vidoni moved to recommend to City Council approval of an Ordinance Approving a Second Amendment to a City of Urbana Community Development Block Grant Program Agreement (Community Health Improvement Center – Frances Nelson Satellite Project No. 0506-AAP-02). Commissioner Ready seconded the motion, and the motion carried unanimously.

An Ordinance Approving a Community Development Block Grant Subrecipient Agreement (Developmental Services Center, Project No. 0607-AAP-01) – Ms. Hartford stated this agreement provides \$2,888 in FY 06-07 CDBG funds to purchase and install one door opener for Developmental Services Center’s 24-hour group home. Chairperson Cobb asked if this was in the City’s budget, and Ms. Hartford replied yes.

Commissioner Ready moved to recommend to City Council approval of an Ordinance Approving a Community Development Block Grant Subrecipient Agreement (Developmental Services Center, Project No. 0607-AAP-01). Commissioner Quisenberry seconded the motion, and the motion carried unanimously.

Referencing the earlier HOME resolutions and ordinances, Commissioner Diana noted there was a typographical error on page 10 of the Urbana HOME Consortium Community Housing Development Organization Agreement – Homestead Corporation of Champaign-Urbana (CHDO Operating FY 2006-2007). The total expenses for the HOME Funded column should be \$16,237. Mr. Schneider stated that staff will correct this.

CDBG FUNDS – CONSOLIDATED SOCIAL SERVICE FUNDING

- **An Ordinance Approving a City of Urbana Community Development Block Grant Program Agreement (Champaign County Regional Planning Commission – Court Diversion Services, Project No. 0607-CSSP-01)**
- **An Ordinance Approving a City of Urbana Community Development Block Grant Program Agreement (Champaign County Regional Planning Commission – Senior Services, Project No. 0607-CSSP-02)**
- **An Ordinance Approving a City of Urbana Community Development Block Grant Program Agreement (Crisis Nursery of Champaign County, Project No. 0607-CSSP-03)**
- **An Ordinance Approving a City of Urbana Community Development Block Grant Program Agreement (Mental Health Center of Champaign County – Homeless Youth Program, Project No. 0607-CSSP-04)**

Ms. Hartford explained that the Consolidated Social Service Funding is made from a portion of CDBG funds, City of Urbana General Funds and Cunningham Township Funds. Urbana City Council determined the total amount of CDBG funds when it approved the FY 06-07 AAP. Ms. Hartford worked with Cunningham Township to determine which agencies and programs would receive CDBG funds.

Commissioner Vidoni remarked that historically the CD Commission would give guidance on priorities for this funding. He asked how the funding decisions were made. Ms. Hartford answered that because these agencies and programs had been funded in the past, they met HUD requirements. Mr. Schneider discussed the application and approval process and noted that City Council made the final funding decisions. He and Ms. Hartford identified those projects that were CDBG eligible and totaled \$20,000.

Noting this was not a large amount of money, Commissioner Vidoni remembered the CD Commission providing some direction. Commissioner Quisenberry asked why these agreements came back to the CD Commission since City Council determines the recipients. Mr. Schneider replied that the Consolidated Plan and Annual Action Plan require that the CD Commission approve CDBG and HOME agreements. City Council approved the entire funding amount and then let staff determine which agencies would receive CDBG funding.

Chairperson Cobb felt this was consistent with the AAP. He did not think the CD Commission would have a different decision at this point.

Commissioner Ready moved to recommend to City Council approval of the following:

- *An Ordinance Approving a City of Urbana Community Development Block Grant Program Agreement (Champaign County Regional Planning Commission – Court Diversion Services, Project No. 0607-CSSP-01)*
- *An Ordinance Approving a City of Urbana Community Development Block Grant Program Agreement (Champaign County Regional Planning Commission – Senior Services, Project No. 0607-CSSP-02)*
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- *An Ordinance Approving a City of Urbana Community Development Block Grant Program Agreement (Mental Health Center of Champaign County – Homeless Youth Program, Project No. 0607-CSSP-04)*

Commissioner Quisenberry seconded the motion. Chairperson Cobb commented that the CD Commission did not appear comfortable with this process. The motion carried unanimously.

Report of Minority Contractor Exploration Subcommittee - Chairperson Cobb noted the subcommittee has not met since the last meeting. The subcommittee plans to combine all different minority subcontractor lists into one single list and also to survey contractors. Another issue is to establish a minority contractor/subcontractor list to be included with the prime contractor bidding list. There was discussion on encouraging prime contractors to use minority subcontractors. Mr. Schneider mentioned Grants Management Division's list of contractors and subcontractors for the Urbana Senior Repair Program. Staff also provides HUD a report on participation of minority and female-owned businesses for HOME and CDBG projects for the Cities of Urbana, Champaign and Champaign County.

Mr. Schneider did not believe contractors should be told who to hire; rather, education and suggestions were the best processes. Chairperson Cobb agreed that this list was a resource. Mr. Schneider added that the biggest challenge is finding contractors willing to work with the City's programs. Contractors may start with the City, and then go to the University of Illinois or union work because it is more lucrative. Chairperson Cobb remarked that the new list will only broaden the pool of available contractors.

Adjournment: Chairperson Cobb adjourned the meeting at 8:28 p.m.

Recorded by Connie Eldridge