



APPROVED by CD Commission 1-26-10
MINUTES
COMMUNITY DEVELOPMENT COMMISSION MEETING
Tuesday, November 24, 2009, City Council Chambers
400 South Vine Street, Urbana, IL 61801

NOTE: A General Public Hearing on the preparation of the City of Urbana and Urbana HOME Consortium Consolidated Plan for Fiscal Years (FY) 2010-2014 was held immediately before this meeting. Chairperson Cobb opened the hearing at 7:03 p.m. and closed it at 7:52 p.m. Minutes of this public hearing are attached.

Call to Order: Chairperson Cobb called the meeting to order at 7:53 p.m.

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

Commission Members Present: Fred Cobb, Janice Bengtson, George Francis, Theresa Michelson, Brad Roof, Anne Heinze Silvis, Dennis Vidoni

Commission Members Absent: Chris Diana, Jerry Moreland

Others Present: John Schneider, Jennifer Gonzalez and Connie Eldridge, Community Development Services; Durl Kruse; Esther Patt, Champaign-Urbana (C-U) Tenant Union; Katrin Klingenberg, Ecological Construction Laboratory (e-co lab); Belden Fields; Julie Watkins; Edward Bland, Jr. and Patty Smith, Housing Authority of Champaign County.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the September 22, 2009 Community Development (CD) Commission minutes. Commissioner Vidoni moved to approve the minutes, and Commissioner Francis seconded the motion. Referencing page 4, fourth paragraph, last sentence, Commissioner Roof clarified that his comment was based on e-co lab's current contract with the City. The contract indicated that e-co lab would pre-sell their homes. It had been conveyed to the CD Commission that e-co lab would move forward in a different manner to avoid the past issue on Fairview Avenue. Commissioner Vidoni changed his motion to accept the minutes with this modification, and Commissioner Francis seconded it. The motion carried unanimously.*

Petitions and Communications: None.

Staff Report: Mr. Schneider provided an abbreviated staff report. The Fall 2009 Neighborhood Cleanup was a successful event. The following was distributed: an updated schedule for FY 2010-2014 Consolidated Plan and FY 2010-2011 Annual Action Plan; Notice of a 30 Day Public Comment Period and Public Hearing for Analysis of Impediments to Fair Housing Choice; a directory of Who's Who in Government from the Champaign County League of Women Voters 2009-2010.

Old Business: None.

New Business: **An Ordinance Approving Further Modifications to the City of Urbana and Urbana/Champaign/Champaign County HOME Consortium FY 2008-2009**

and FY 2009-2010 Annual Action Plans – Mr. Schneider reviewed the process to amend Annual Action Plans and the proposed amendments. There are three proposed HOME Program amendments: (1) Urbana HOME Consortium—Super Energy Efficient Modular Single Family Home (FY 08-09 Community Housing Development Organization [CHDO] Operating Funds) Reallocated HOME Funds \$16,836; (2) City of Urbana HOME Program—Kerr Avenue Sustainable Development (FY03-04, 04-05, 05-06 Entitlement Funds) Reallocated HOME Funds: \$174,000; (3) City of Champaign HOME Program—Acquisition Rehab Program (FY 09-10 Entitlement Funds) Reallocated HOME Funds \$200,000.

HOME CHDO funds originally programmed for the now closed Urban League of Champaign County Development Corporation (ULCCDC) are being reallocated to e-co lab, which needed more funds to develop its second home. The Department of Housing and Urban Development (HUD) requires that at least 15% of HOME funds be allocated to CHDO reserve projects. In response to Commissioner Roof, Mr. Schneider clarified the CHDO operating funds will be used for a CHDO project. Referencing the term “CHDO Reserve,” Chairperson Cobb asked about the actual term how the funds were being held. Mr. Schneider replied this was HUD’s technical term. Participating jurisdictions are required to set aside 15% of HOME funds for CHDOs to use for CHDO projects.

Kerr Avenue Sustainable Development is a City of Urbana Council goal. HOME funds originally allocated for the property acquisition are available because funds from Fairlawn Village loan repayment were used to pay for the acquisition. HOME funds may only be used within a certain timeframe for property acquisition. Although the economy has affected progress of the development, the City is setting aside funds for that project.

The City of Champaign City Council approved the relocation of its HOME Program funds from Full Home Improvement to Acquisition Rehab. In response to Commissioner Vidoni, Mr. Schneider explained that Champaign will use HOME funds to rehab houses and will try to keep the affordability period under five years.

Commissioner Roof moved to recommend to City Council approval of an Ordinance Approving Further Modifications to the City of Urbana and Urbana/Champaign/Champaign County HOME Consortium FY 2008-2009 and 2009-2010 Annual Action Plans. Commissioner Silvis seconded the motion, and the motion carried unanimously.

An Ordinance Approving and Authorizing a Second Amendment to an Urbana HOME Consortium Community Housing Development Organization Agreement (Ecological Construction Laboratory – Super Energy Efficient Home FY 2007-2008) – Mr. Schneider explained this is the actual administrative action to amend the CHDO Developer Agreement with e-co lab for an Affordable Passive House at 1302 West Dublin Street, Urbana.

Commissioner Roof asked for clarification of the total cost of the house (\$172,000) and the amount of subsidy (\$117,500). Katrin Klingenberg, Executive Director of e-co lab, explained the goal was to start at that price. Based on previous experience, e-co lab is looking for opportunities to bring down the cost to \$100,000. There was discussion on the square foot price of \$130 and how it compared with e-co lab’s homes on Fairview Avenue. Ms. Klingenberg noted the Fairview homes had higher costs due to being held longer. Homeway Homes has been

working with e-co lab to design and produce modular homes that construction would be within a two months period.

In response to Commissioner Roof, Mr. Schneider stated that e-co lab's houses at 1005 and 1007 West Fairview appraised at \$125,000. Commissioner Roof was concerned about the cost of Homeway homes versus stick built construction. Ms. Klingenberg stated the benefits of modular construction get better the more that are produced. A very small house does not benefit as much from mass production. E-co lab would like the product to proceed as soon as possible, and this funding is for immediate issues. Due to the assumption that e-co lab builds a prototype house, there are issues finding developers and investors for affordable housing. In Europe, affordable housing must be built to higher standards.

Commissioner Roof was concerned about building expensive houses and having to subsidize them. Considering the market value of neighboring houses, he requested further analysis on the "path to getting this affordable." Mr. Schneider requested data on the cost savings for utilities. Commissioner Vidoni felt that e-co lab is a good project for the community from an environmental and conservation perspective.

Commissioner Vidoni left the meeting at 8:17 p.m.

There was discussion on the cost per square foot, cost effectiveness, and market value of Homestead homes. Commissioner Roof requested more data. Ms. Klingenberg noted the cost per square foot looks higher because it is based on usable interior space. The passive homes have much thicker walls. Commissioner Francis felt that numbers make a point, and e-co lab should describe the money saved by lower utility costs. Commissioner Michelson thought of this project as a prototype on the cutting edge. There will be future economy of scale. Commissioner Roof agreed; however, he requested more evidence for future contracts.

Commissioner Michelson moved to recommend to City Council approval of an Ordinance Approving and Authorizing a Second Amendment to an Urbana HOME Consortium Community Housing Development Organization Agreement (Ecological Construction Laboratory – Super Energy Efficient Home FY 2007-2008). Commissioner Francis seconded the motion, and the motion carried unanimously.

Mr. Schneider requested the order of the agenda be changed to accommodate the members of the audience. *Commissioner Francis moved to change the order of the agenda by placing New Business Item D before New Business Item C. Commissioner Michelson seconded the motion, and the motion carried unanimously.*

A Resolution Authorizing the Mayor to Execute a Certification of Consistency for the Housing Authority of Champaign County Five-Year Plan FY 2010-2014, and the Annual Plan for Fiscal Year 2010 – Mr. Schneider stated that Grants Management Division staff compared the Housing Authority's plan with the City's current Consolidated Plan. HUD no longer requires the Housing Authority to submit the City of Urbana's Certification of Consistency; rather, it must be kept on file.

The new plan is structurally different from the old plan. Section 5.2 includes accomplishments of the Five-Year Plan, one being the demolition of public housing units at Lakeside Terrace. The

redevelopment, now known as Crystal View Townhomes, is currently underway, and Certificates of Occupancy have been issued for the first four buildings. Section 7.0 discusses the future redevelopment of Dunbar Court in Urbana. Attachment 9 discusses strategies for addressing housing needs. The Housing Authority's Five Year Plan FY 2010-2014 and the Annual Plan for FY 2010 is consistent with the City of Urbana's Consolidated Plan.

The Public Housing Authority (PHA) Plan Update includes changes from the last Annual Plan. The actual language on housing for extremely low-income persons is taken verbatim from the City's Consolidated Plan.

Chairperson Cobb noted the City of Urbana's plan does not allow discrimination against those who have been incarcerated. However, Attachment 5.2, page 3 of the Housing Authority's Plan refers to criminal background checks. Ed Bland, Executive Director of the Housing Authority, stated this is required by federal law. He discussed the origin of this federal law, which was put into place in the 1990s. While some Housing Authorities check the past 10-15 years, the Housing Authority of Champaign County checks only the past five years.

Chairperson Cobb questioned how this would be consistent with the City of Urbana's Consolidated Plan. Mr. Bland stated most of their funding was federal; therefore, the Housing Authority must follow federal guidelines. Mr. Schneider noted the language prohibiting discrimination among those who have been incarcerated was in the Urbana Human Rights Ordinance, but not in the Consolidated Plan. Federal law supersedes other laws. There was discussion on whether this deviation was acceptable. Which regulations apply depends on the type of funding.

In response to Chairperson Cobb, Mr. Schneider said the Housing Authority will incorporate any comments received before the end of the comment period.

In response to Commissioner Michelson, Mr. Bland confirmed the Housing Authority has reduced the vacancy turn-around time from 149 to 18 days because they are requiring more accountability in getting it done. He reviewed the Section 8 waiting list, which currently has 1500 families. This list is closed, with a projected opening in 2013-2014. The Public Housing waiting list for two, three or four bedrooms will open in 2012. The waiting list for one-bedroom units for persons 50 years old or older has a shorter waiting list.

There was discussion on how changing income affected a person's position on the waiting list. Once a year the Housing Authority sends a letter to everyone on the list to confirm or remove persons. When an applicant reaches the top of the list, the Housing Authority must confirm his/her income. If the applicant is over income, the Housing Authority removes him/her from the list. The Housing Authority pays the entire rent for those families with zero income.

Referencing the community's immediate needs, Commissioner Roof inquired if the Housing Authority could update the waiting lists more frequently. Mr. Bland described the large pool of applicants and how the process could become unmanageable. Priority is based on date and time of application.

The Housing Authority is purchasing 24 housing units in the City of Champaign and purchasing seven acres in Rantoul to build additional units. The bulk of the housing units are in

Champaign/Urbana. The Housing Authority would like to provide housing for families in other parts of Champaign County.

In response to Commissioner Michelson, Mr. Bland explained how persons with Section 8 vouchers may use those vouchers anywhere in the United States. There is a process where the Housing Authority either bills or receives bills from other Housing Authorities for Section 8 vouchers.

Commissioner Michelson asked about landlords refusing Section 8 vouchers. Mr. Bland replied the Housing Authority inspects rental properties and regulates rent amounts. For example, because the Housing Authority rents are lower than the market rent in the campus town area, no families with Section 8 vouchers live in that area.

Commissioner Silvis moved to recommend to the Mayor approval of a Resolution Authorizing the Mayor to Execute a Certification of Consistency for the Housing Authority of Champaign County Five-Year Plan FY 2010-2014, and the Annual Plan for Fiscal Year 2010. Commissioner Francis seconded the motion, and the motion carried unanimously.

An Ordinance Approving the Analysis of Impediments to Fair Housing Choice for the City of Urbana 2010 – Jennifer Gonzalez, HOME Program Grants Associate, gave a PowerPoint presentation on the *Analysis of Impediments*. HUD requires any community that receives Community Development Block Grant (CDBG) funds to prepare this report. She reviewed the resources used, including updated data from the American Community Survey, 2005-2007. The report defined impediments and identified four different categories. The last *Analysis of Impediments* was completed in 2003-2004. There will be a public hearing on December 8, 2009, with comments accepted until December 21, 2009.

There is difficulty in tracking accessible units in the community. Although PACE (Persons Assuming Control of Their Environment) tracks accessible units, there is a need for landlords and realtors to keep the lists up-to-date. Also, the City of Urbana offers an Access Grant Program for moderate income renters and homeowners.

Another impediment is landlords unwilling to translate housing documents. One suggestion is to work with the University of Illinois to create lease templates in different languages.

Todd Rent, the City of Urbana's Human Relations Officer, stressed the need for agencies to collaborate and streamline their marketing and education efforts in the community.

The last impediment is housing affordability and age of housing stock, which can burden homeowners. There are lead paint and energy issues.

In response to Commissioner Michelson, Ms. Gonzalez described how some organizations offer consultant testing for discrimination. Esther Patt, Champaign-Urbana Tenant Union Executive Director, would like this type of testing. However, few local organizations can do this, and consultants are expensive. Commissioner Michelson stated she did not want tax funds used for this purpose. Ms. Gonzalez noted the University of Illinois is a good resource and can offer technical assistance.

In response to Chairperson Cobb, Ms. Gonzalez explained that it was safer to stay with 2000 Census data rather than use estimates. As new data becomes available, the report can be updated.

Although she felt it was not good for landlords to discriminate, Commissioner Michelson questioned the use of undercover action to find discrimination. Ms. Gonzalez mentioned landlords discriminating against families with children and educating tenants as to when they should file a complaint. Chairperson Cobb asked about an alternative process that would be effective. Commissioner Michelson was concerned about City staff using their limited time and resources to do discrimination testing. Commissioner Silvis felt if the remedy was education, the funds were better spent on education.

There was discussion on why discrimination testing was included, whether or not there was a precedent, whether this method was used in other circumstances, and the consequence of “catching” a landlord who discriminates. Commissioner Francis stated if illegal activity was discovered, there was an obligation to report it.

Commissioner Silvis emphasized education for tenants so they understand when they are being discriminated against. Ms. Gonzalez indicated that Todd Rent also stressed education. Chairperson Cobb suggested getting feedback from the Legal and Human Relations Division as to the accuracy of the wording. Rather than saying “will consider,” Mr. Schneider suggested “could consider.” In response to Chairperson Cobb, Mr. Schneider explained staff would work with the Human Relations Officer in serious situations where tenants do not know their rights.

Commissioner Roof inquired about a source of funding and scope of cost. Mr. Schneider did not know if these activities would be eligible for HOME funds and indicated staff would have to work with Mr. Rent. Ms. Gonzalez added that Mr. Rent has reviewed and edited this report.

Debate continued on whether changing the wording from “would” to “could” would make the program ineffectual. Commissioner Michelson was uncomfortable with an undercover testing situation. Although she did not like it, Commissioner Bengtson felt if it was important, testing should be handled in some way.

Commissioner Roof moved to amend the language on page 10, third paragraph, to read “The City could consider undertaking a tailored testing program and/or education program of its own...” There were questions on who would be educated, the timing of testing, and gathering additional data. Chairperson Cobb suggested leaving testing out. Commissioner Roof decided to strike this motion and replace it with a new motion.

Commissioner Roof moved to recommend to City Council approval of the Analysis of Impediments to Fair Housing Choice 2010 with the following change: to amend the language on page 10, third paragraph, Impediment: Inefficient Complaint System, to read, “The City could consider undertaking a program of its own to minimize consulting expenses. He clarified that “tailored testing” would be deleted and “will” be changed to “could.” Commissioner Silvis seconded the motion. The motion carried with 5 ayes, 1 no.

In response to Commissioner Roof, Mr. Schneider will ask e-co lab if they have a buyer for the house to be constructed at 1302 West Dublin Street, Urbana. Mr. Schneider will email the answer.

Adjournment: Chairperson Cobb adjourned the meeting at 9:30 p.m.

Recorded by Connie Eldridge

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ATTACHMENT: Minutes from General Public Hearing on Tuesday, November 24, 2009, 7:00 pm, Urbana City Building, on the preparation of the City of Urbana and Urbana HOME Consortium Consolidated Plan for Fiscal Years (FY) 2010-2014.

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