



APPROVED by CDC 2-22-11
MINUTES
COMMUNITY DEVELOPMENT COMMISSION MEETING
Tuesday, February 22, 2011, City Council Chambers
400 South Vine Street, Urbana, IL 61801

Call to Order: Chairperson Cobb called the meeting to order at 7:04 p.m.

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

Commission Members Present: Fred Cobb, Janice Bengtson, Chris Diana, George Francis, Jerry Moreland, Anne Heinze Silvis, Dennis Vidoni

Commission Members Absent: Theresa Michelson, Brad Roof

Others Present: John Schneider, Kelly Hartford, Jennifer Gonzalez, and Connie Eldridge, Community Development Services Department; University of Illinois students: Ji Hong Hwang, Yiy Jie Lin, Kyra Bando, LaTonya Hazelwood, Latonya Jones.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the January 25, 2011 minutes. Commissioner Silvis moved to approve the minutes, and Commissioner Moreland seconded the motion. The motion carried unanimously.*

Petitions and Communications: None.

Staff Report: Mr. Schneider provided updates and distributed a staff briefing memorandum dated February 22, 2011. Today the City received a letter from the Department of Housing and Urban Development's (HUD) approving the grant for Homeless Families in Transition FY2010-2011. Staff has been working on the Draft Annual Action Plan (AAP) as well as monitoring subgrantees. The Annual Housing Fair will be held on Saturday, February 22, 2011, from 8:30 am to 2:00 pm in the Champaign City Building. There are workshops on home maintenance, first time homebuyers and successful landlord/tenant relationships.

Old Business: None.

New Business: **Draft City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) Annual Action Plan FY 2011-2012** – Mr. Schneider reviewed the procedure and timeline to create the Annual Action Plan. The Community Development (CD) Commission will approve the Draft AAP at its rescheduled regular meeting on Tuesday, March 29, 2011.

At this time, the City does not know HUD's FY 2011-2012 allocation amounts for either Community Development Block Grant (CDBG) or HOME Investment Partnerships (HOME) Program funds. If there are major cuts to the CDBG program, the City would have to revise the AAP. The challenges concerning the HOME Program are that its Community Housing

Development Organizations (CHDOs) have not been able to perform due to the housing market bubble. There may be timeliness issues for commitment of funding.

Mr. Schneider reviewed the HOME budget concerning CHDO Reserve Set-Aside funds and CHDO Operating Set-Aside funds. HOME requires 15% of the annual allocation to be CHDO reserve funds, which must be allocated to CHDOs. The proposed budget is based on last year's amounts. Habitat for Humanity has formed Champaign County Neighborhood Alliance for Habitat (CCNAfH) and requested Internal Revenue Service (IRS) expedited approval of the CCNAfH 501(c) 3 application in order to become a new CHDO. Illinois Housing Development Authority (IHDA) notified Ecological Construction Laboratory (e-co lab) and Newhouse Development Company that their preapplication for the Kerr Avenue project was denied. They are appealing the decision. The real estate sales option for this project will not be presented to City Council if there is no project funding.

Kelly Hartford reviewed the CDBG budget and City programs. Administration funds are capped at 20% of the current allocation and 20% of Program Income. Likewise, Public Service funds are capped at 15%. Funding remained the same for the City's Emergency/Access Grant, Urbana Senior Repair, and Public Service Programs. New programs are listed under Public Facilities and Improvements.

Mr. Schneider clarified that infrastructure projects were included in the Consolidated Plan. Staff works closely with Public Works and sets aside funding for a few years in order to partially fund these projects. The City receives CDBG Program Income from older CDBG projects when homeowners sell their homes and repay City mortgages.

Commissioner Vidoni discussed his and Commissioner Roof's visit to the CU Independence group home to review their project for painting the sprinkler system. He noted the pipes were very ugly, stood out, and crisscrossed the building. They also visited the Neighborhood Connections Center on Main Street to look at the flooring. He felt this was an impressive operation. Commissioner Vidoni stated that Commissioner Roof had questions about proportionality and supporting one operation versus another.

Chairperson Cobb questioned the amount of City funds, as compared to CDBG funds, that were used for infrastructure projects. Mr. Schneider stated that most of these projects use combined funding. An example was the CDBG-R project for Green Street, which used \$125,097 of CDBG funds to leverage over \$650,000 of City funds. CDBG funds are used in the CD Target Area. Also, the Capital Improvement Program is used as cash match for HOME projects.

Jen Gonzalez stated the FY 11-12 HOME budget is based on 2010 funding amounts. She noted none of the proposed CHDO projects are shovel-ready. Also, the HOME Technical Committee is discussing whether or not to allocate to any additional TBRA funds to Champaign County, which still has Tenant Based Rental Assistance (TBRA) funds available. The City of Champaign is continuing with the same programs.

The City of Urbana will use its HOME funds for the Whole House Rehabilitation Program. The remaining balance may be used for either Rental Rehabilitation or Kerr Avenue Sustainable

Development. With IHDA denying e-co lab's application for funding, the Kerr Avenue project may not proceed. Mr. Schneider discussed the City using a portion of its HOME allocation for a TBRA Program, rental rehabilitation of East Washington Street apartments or establishing a Small Rental Properties Program. Rehabilitating five or fewer units means fewer federal regulations apply. Staff needs to determine if there is a market for this program.

In response to Commissioner Vidoni, Mr. Schneider discussed the City's Whole House Rehabilitation Program and noted there has never been a problem obligating HOME funds. Each year the City rehabs four to six owner-occupied homes in the Whole House Rehabilitation Program, and an average of 20 homes for its Emergency Grant/Access Grant programs. Access Grants may also be used on rental properties. He discussed the CDBG projects for public facilities, Transitional Housing (TH), and Consolidated Social Service Fund (CSSF). Mr. Schneider gave a brief history of how HOME funds were used and the City's past Small Rental Rehabilitation Program. By the March 29th meeting, staff hopefully will know HUD's allocation of CDBG and HOME funds for Urbana, so the CD Commission may make its recommendations.

Adjournment: Chairperson Cobb adjourned the meeting at 7:50 p.m.

Recorded by Connie Eldridge

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