



~~UNAPPROVED~~
MINUTES

Approved by CD Commission
1-24-12

COMMUNITY DEVELOPMENT COMMISSION MEETING
Tuesday, November 22, 2011, City Council Chambers
400 South Vine Street, Urbana, IL 61801

Call to Order: Chairperson Cobb called the meeting to order at 7:05 p.m.

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

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

Commission Members Absent: George Francis

Others Present: Kelly H. Mierkowski, Jennifer Gonzalez, Randy Burgett and Connie Eldridge, Community Development Services; Sheila Dodd, Habitat for Humanity.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the Special Meeting Minutes from July 12, 2011. Commissioner Vidoni noted a correction and clarification on page 3, last paragraph. The first two sentences should be replaced with the following: "Commissioner Vidoni felt this was a good option, concept and program. He stated our greatest weakness with HUD is our lack of timeliness in expenditures of our funds. He also asked about the number of Urbana residents who might use the facility."*

Commissioner Vidoni clarified that this project exemplifies the problem of using proportionality of Urbana residents to determine amount of funding for a project. There may be examples of higher or lower proportions, yet the Community Development (CD) Commission may choose to support it. Commissioner Roof moved to approve the minutes as corrected. Commissioner Michelson seconded the corrected minutes, and the motion carried unanimously.

Petitions and Communications: None.

Staff Report: The following was distributed: Staff Briefing Memorandum dated November 22, 2011; Schedule for Adoption of the FY (Fiscal Year) 2012-2013 Annual Action Plan (July 1, 2012 through June 30, 2013); flow charts on program funding for Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Supportive Housing Program (SHP) funds; Urbana HOME Consortium timeline concerning Habitat for Humanity; flyer on City of Urbana Home Improvement Programs; CDBG Public Facilities/Improvements Requirements for Subrecipient Progress Report form; Consolidated Social Service Funding (CSSF) Pool CDBG Quarterly Report form; and the 2011-2012 Champaign County League of Women Voters *Who's Who in Government*.

Kelly Mierkowski reviewed the staff report, which highlighted Department of Housing and Urban Development (HUD) activities, City Council approvals, staff projects and training. Staff submitted the Consolidated Annual Performance Evaluation Report (CAPER) for FY 2010-2011

to HUD and is waiting for HUD's response. The City of Urbana, City of Champaign and Center for Women in Transition (CWT) are working on a grant application for Illinois Housing Development Authority (IHDA) for permanent supportive housing.

Commissioner Roof inquired about the findings and concerns in the recent HUD audit of the Supportive Housing Program (SHP). Ms. Mierkowski reviewed the issues and noted all have been addressed. Although only the Center for Women in Transition (CWT) was audited, all program changes will also apply to the Salvation Army.

Staff is working with the Housing Authority of Champaign County (HA) in the redevelopment of public housing at Dunbar Court. In response to Chairperson Cobb, Ms. Mierkowski described her trip with HA officials to visit the Benoit Group in Atlanta. The Benoit Group's housing units would appear to fit well in many neighborhoods. Also, there was friendly interaction between the residents and the Benoit Group Vice President, who conducted the tours.

Commissioner Vidoni congratulated Kelly Mierkowski on her permanent appointment as Manager of Grants Management Division.

Old Business: None.

New Business: **Fiscal Year (FY) 2012-2013 Annual Action Plan Schedule** – Ms. Mierkowski reviewed the schedule for allocating CDBG and HOME funds. Commissioners are invited to attend the application training sessions for social service agencies. Staff requested the January 24, 2012 CD Commission meeting be rescheduled for January 31, 2012.

There was discussion on the timing of agency presentations, follow-up questions, and CD Commission approval of the projects. Commissioner Roof preferred that agencies present their applications and answer questions at one meeting, with a second meeting to vote on the projects. Chairperson Cobb noted the CD Commission reviews the AAP in February and could vote on the projects then. Commissioner Roof felt by that point, the CD Commission tended not to rewrite the AAP. He would like more time to discuss the projects before making funding recommendations. Ms. Mierkowski suggested the agencies present their applications on January 24, 2012, with a Special CD Commission meeting for follow-up questions and staff's preliminary funding recommendations on January 31, 2012.

Update on Grants Management Division (GMD) Grants and Programs: HOME Investment Partnerships (HOME) Program Members Projects – Jen Gonzalez, HOME Grants Coordinator, reviewed the status of Urbana HOME Consortium Members projects. Community Elements is modifying its Tenant Based Rental Assistance (TBRA) Program to accept larger families in order to spend funds in a more timely manner. Champaign County Regional Planning Commission (CCRPC) is also restructuring its Whole House Rehabilitation Program for the same reason.

Community Housing Development Organizations (CHDOs)--Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance) – Ms. Gonzalez reviewed efforts to identify any potential conflict of interest due to Sheila Dodd being appointed Executive

Director for Habitat. The Urbana HOME Consortium had signed agreements with Beverly Huffman, Executive Director of Neighborhood Alliance, before her resignation. Neighborhood Alliance is currently under contract to build four single family homes as part of their Affordable Homeownership Program.

Sheila Dodd, new Executive Director for Habitat, reviewed her work history in affordable housing with the Cities of Urbana and Champaign. Neighborhood Alliance will finish its first CHDO house at 901 North Division Avenue, Urbana, with the dedication ceremony on December 16. Neighborhood Alliance has a commitment to complete three other homes. The Board of Directors will approve the participating families in January.

Ms. Dodd explained her decision to apply for the Executive Director's position with Habitat for Humanity. She is sensitive to concerns of conflict of interest. Once she decided to apply, Ms. Dodd no longer attended Urbana HOME Consortium Technical Committee meetings and had no further discussions about projects or funding. It is her understanding that Neighborhood Alliance will have to wait one year from October 28, 2011 before receiving additional HOME funding. Also, Neighborhood Alliance must complete homes in order to receive additional funds. Ms. Gonzalez reviewed the timeline of events and the Urbana HOME Consortium's determination there was no conflict of interest. She requested feedback from the CD Commission, which she will provide to the HOME Technical Committee.

Commissioner Vidoni congratulated Ms. Dodd and asked about a "firewall" between Habitat and its CHDO, Neighborhood Alliance. Ms. Dodd will research this and noted she is taking a HUD and University of Illinois CHDO Managerial Certification class. Habitat is not the only organization with a spinoff CHDO. There needs to be a clear legal division between the two entities.

CHDO—Ecological Construction Laboratory (e-co lab) – Ms. Gonzalez reviewed efforts to certify e-co lab as a CHDO. The Internal Revenue Service (IRS) provided a letter stating that e-co lab, as an LLC under Passive House Institute US (PHIUS), can adopt the tax exempt status of the parent organization. Because Katrin Klingenberg has been focused on the educational component, Ms. Gonzalez did not believe the CHDO application would be ready in December. However, this needs to be addressed before January 31, 2012 to avoid a timeliness issue with HUD. PHIUS, E-co lab's umbrella organization, has funded and constructed a new passive solar house at 1302 West Dublin Street. Commissioner Roof asked if the house has been sold, and Ms. Gonzalez replied no. e-co lab has asked the City of Urbana to help find a buyer. Also there is a sewer line problem, which will cost additional money to resolve.

Commissioner Roof inquired about HUD's deadline for expending HOME funds. Ms. Gonzalez noted the Urbana HOME Consortium needs to commit CHDO funds by January 31 and spend them by August 2013. HUD allows two years to commit funds, with one year to spend funds. Although e-co lab had signed a contract in 2009 to construct a duplex, those funds may be returned to the funding pool and be used by other CHDOs. However, Neighborhood Alliance may not apply for any funds until October 28, 2012, and Homestead Corporation, another CHDO, is already fully committed. If CHDO funds are returned to the pool, there is a concern that no CHDO would be able to use them.

CHDO—Homestead Corporation – Homestead will construct three houses rather than five as originally planned. Homestead is also constructing Center for Women in Transition’s project at 510 East Beardsley, Champaign.

Commissioner Diana questioned whether e-co lab, as a separate LLC, was required to have a separate 501(c)3. Ms. Gonzalez clarified that for taxing purposes e-co lab is a disregarded entity, not a separate LLC. She discussed other CHDO certification requirements, such as providing an audit, staff capacity, and having a separate board, that e-co lab must meet. In response to Commissioner Michelson, Ms. Gonzales explained that Katrin Klingenberg is Executive Director of e-co lab and works for PHIUS. Due to staff turnover, there is no assistant. There was discussion on what CHDO funds were expended and which funds were being held.

Commissioner Roof inquired about reallocating unobligated CHDO funds. Ms. Dodd stated the Urbana HOME Consortium could request HUD waive the one year time period if Neighborhood Alliance could expend the funds. She felt it was better to request the waiver than to lose the CHDO funds. Commissioner Roof expressed his frustration with setting funds aside for e-co lab but they are not performing. Ms. Gonzalez noted if a CHDO does not use its project funds, the Urbana HOME Consortium did not have an obligation to provide CHDO operating funds.

Referencing affordable homeownership versus affordable rental, Commissioner Roof asked about moving support to rental based assistance. Ms. Gonzalez explained that was a different type of program. While regulations permit CHDOs to rehab rental units, the local CHDOs do not offer this type of program nor does it match their visions. Ms. Gonzalez mentioned the Aspen Court Rental Rehabilitation Project, the apartments at 1507 East Washington Street, and the creation of a program manual for a Rental Rehabilitation Program. The Tenant Based Rental Assistance (TBRA) provides tenants with direct subsidies for their rent, while Rental Rehabilitation brings housing units up to code and includes rent limits. A Rental Rehab Program may be more appropriate if the housing units are in poor shape.

Commissioner Michelson asked about the mandates for rental rehabilitation. Ms. Gonzalez discussed HUD’s high and low rent limits, subtracting the cost of utilities from the rent, and how the number of people in a unit affects the subsidy. There was discussion on market rents for Aspen Court and Gabe’s Place versus subsidized rents. Aspen Court’s rental rehab units must meet affordability requirements for five years.

There was discussion on the Aspen Court Rental Rehabilitation Project. Commissioner Roof asked if the number of police visits was down. Ms. Gonzalez responded the Aspen Court Project is not completed yet. Final inspections were approved for 8 of the 11 units, and renters need to move in. Commissioner Roof was concerned about the kind of return for the investment of HOME funds and asked if there was a way to measure this. Commissioner Michelson noted there are many factors with problem properties, and occupancy rate is a huge one. It may not be possible to measure the effect of rehabbing 11 units in a 146 apartment complex. Ms. Gonzalez reminded commissioners that crime prevention is not an objective of the HOME Program; rather, it is to create a suitable living environment and promote affordable housing.

City of Urbana Owner Occupied Housing Rehabilitation (HOME funds). Emergency Grants (EG), Access Grants (AG) and Senior Repair Service (CDBG funds) – Randy Burgett, Housing Rehabilitation Coordinator, stated these programs have remained the same for the last few years. Five Owner Occupied Housing Rehabilitation projects have been approved. Two are in progress, one had a bid opening this afternoon, and the remaining two have contractor site visits scheduled next week.

There has been an increase in requests for Senior Repair Service, EGs and AGs. Seven EGs have been completed this fiscal year. Examples are replacing failed furnaces and water heaters as well as repairing collapsed sewer lines. The Senior Repair Service provides smaller “handyman” repairs to help seniors and disabled persons remain in their homes. Examples include repairing faucets, storm doors, and gas lines. Eleven projects have been completed, with six more projects in process. Mr. Burgett believed the economy is the reason for the increased requests for help. Staff receives calls from many people not in the City limits, and they are redirected to other programs.

Public Service—Neighborhood Cleanup – This program is also reflecting the economy, with the amount of junk and metals collected lower than in previous years. Approximately 9-12% of the 2,500 households in the Community Development Target Area participate in the spring and fall cleanups.

In response to Commissioner Vidoni, Mr. Burgett said there was about a 10% increase in requests for housing rehabilitation and other programs. Program participants tell their neighbors, and the *Neighborhood News* helps inform residents about City programs. Also, residents in Census Tract 56 are participating in higher numbers.

With the purchase of three lots this year, there are five buildable lots for the CHDOs to construct affordable housing. Commissioner Vidoni asked how many funds remained for lot acquisition. Mr. Burgett answered there is enough to purchase two to three lots.

Public Service—Consolidated Social Service Funding (CSSF) – Ms. Mierkowski stated that Cunningham Township provided additional funds for an overall increase in funds this fiscal year. All CDBG agreements have been signed, and a copy of the report that agencies are required to submit has been distributed.

Public Service—Transitional Housing (TH) Program – Ms. Mierkowski reviewed the process of informing agencies of vacancies, processing applications, and interviewing families. Last spring there were 28 applications and 18 interviews for three TH openings, as the participating families had met their goals and moved into permanent housing, such as Section 8. Currently, two families are attending Parkland. The City owns three single family houses scattered throughout Urbana and leases two units from Carle, for a total of five units. The TH Program accepts homeless families with children; the minimum being one adult over 18 years old and one child under 18 years. The goal is for families to become self-sufficient by the end of the two

year program. The families set their goals, for example to pay off debt, return to school, or get better jobs.

Public Facilities - Agencies submit reports when their project is completed. Community Elements has completed their Carroll Avenue project and is in the process of closing it out.

Supportive Housing Program (SHP) – This program is renewed through the Continuum of Care submitting a NOFA (Notice of Funds Available) to HUD. The City of Urbana administers the SHP grant and submits an Annual Progress Report to HUD. SHP provides operating and supportive services funds to Center for Women in Transition (CWT) and the Salvation Army. However, there will be changes with the next grant renewal in October 2012. CWT has requested that they administer its portion of the grant, while Salvation Army preferred the City of Urbana continue to administer its portion.

Also, the Salvation Army is working with the Veterans Administration (VA) in Danville on a new program to provide services and beds for homeless veterans at the Salvation Army's Stepping Stones Shelter. Salvation Army has requested the City of Urbana administer this program. Commissioner Michelson asked about gains and losses of administrative funds. Ms. Mierkowski believed the loss of SHP admin funds will be offset by administering the Salvation Army VA Program. Because CWT has many different grants with HUD, it will be easier for CWT to combine them.

Chairperson Cobb inquired if reports submitted to HUD were available for public view. Ms. Mierkowski answered the reports were available, with the NOFA applications on HUD's website.

In response to Chairperson Cobb, Mr. Burgett clarified the Home Improvement Program flyer was updated with the new income limits. Also, because the State of Illinois did not receive HUD funds for Phase V of the Get the Lead Out (GLO) Program, that particular program is closed.

Adjournment: Chairperson Cobb adjourned the meeting at 8:35 p.m.

Recorded by Connie Eldridge

Connie Eldridge

~~UNAPPROVED~~

Approved by C.D. Commission
1-24-12