



*APPROVED with corrections by CD Commission 3/27/12*  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION MEETING**  
**Tuesday, February 28, 2012, 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:** Kelly Mierkowski called the roll. A quorum was present.

**Commission Members Present:** Fred Cobb, Janice Bengtson, Chris Diana, Jerry Moreland, Anne Heinze Silvis, Dennis Vidoni, Brad Roof

**Commission Members Absent:** George Francis, Theresa Michelson

**Others Present:** Kelly Mierkowski, Jennifer Gonzalez, and Jenell Hardy, Community Development Services; Liam Weber, Chris Fahey, Grace Kenney, and Patrick Clark, University of Illinois.

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the January 24, 2012 Community Development (CD) Commission meeting minutes. Commissioner Vidoni moved to approve the minutes, and Commissioner Bengtson seconded the motion. The motion carried unanimously.*

*Chairperson Cobb asked for approval or corrections to the January 31, 2012 CD Commission Special Meeting minutes. Commissioner Silvis moved to approve the minutes, and Commissioner Bengtson seconded the motion. The motion carried unanimously.*

**Petitions and Communications:** None.

**Staff Report:** Kelly Mierkowski distributed a staff report dated February 28, 2012. The Department of Housing and Urban Development (HUD) CPD Representative Cynthia Lopez sent a letter stating all findings were satisfied for the Supportive Housing Program /Homeless Families in Transition monitoring review of the past year. The renewal of the Supportive Housing Program (SHP) grant will begin March 1, 2012.

Ms. Mierkowski reviewed Grants Management Division staff activities, Community Development Block Grant (CDBG) timeliness, and results of the City audit.

**New Business:** **Draft City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) Annual Action Plan (AAP) Fiscal Year (FY) 2012-2013** – Ms. Mierkowski briefly reviewed the grant reductions for CDBG and HOME Investment Partnerships (HOME) funds. HUD has been reducing the amount of funding over the past few years.

The Draft AAP is available for a 30 day public comment period, with a public hearing scheduled at the next CD Commission meeting on March 27, 2012. The Draft AAP will be submitted to City Council for approval in April and to HUD in May.

Jenell Hardy discussed the CDBG portion of the AAP—projected HUD allocation, program income, the 20% cap on Administration, and the 15% cap on Public Service. Funds have also been allocated to Affordable Housing Programs and Public Facilities & Improvements. Due to reduced funding, staff is recommending that only Community Elements – Elm Street Supported Apartments receive funding. This program received the highest score. Ms. Mierkowski explained how the CDBG carryover for the City’s Capital Improvements and Infrastructure projects serves as match for the HOME Program. In response to Commissioner Vidoni, Ms. Hardy reviewed the CDBG application rating system and noted that Community Elements served a higher percentage of Urbana residents. Other factors are the nature of the project, how it relates to HUD’s national objective, and priorities set by the CD Commission.

Ms. Mierkowski discussed how the application rating system related to the CDBG regulations and Urbana’s CD Target Area. Commissioner Roof commented that the first two CDBG applications addressed cosmetic issues as compared to the Center for Women in Transition’s (CWT) application for roof replacement. Ms. Mierkowski responded that in the past the City of Urbana has been able to fund most applications; however, reduced funding means the application rating system has become more important. Commissioner Roof preferred CWT’s Evans House project over the other proposed CDBG projects.

Chairperson Cobb inquired about the possibility of funding CWT’s program from other sources, such as program income. Ms. Mierkowski explained that the City receives program income when a homeowner repays his mortgage with the City or from Transitional Housing (TH) rental payments. There is no guarantee that the City will receive any mortgage repayments in any fiscal year.

Chairperson Cobb asked about the possibility of other grant funding. Ms. Mierkowski stated the current budget reflects staff’s recommendations based on current funding. She also mentioned the City’s contract with Salvation Army to administer a grant for homeless veterans from the Department of Veteran’s Affairs.

Referencing the total cost of the CWT’s Evans House project, Commissioner Roof asked how likely this project would proceed as compared to the other CDBG projects. Ms. Mierkowski clarified that staff’s funding recommendations were based on the rating system. Commissioner Silvis referred to a life safety category on the score sheet that would reflect the urgency of a project. Ms. Mierkowski noted projects are evaluated based on how they relate to the City’s Consolidated Plan goals. Another consideration is how well an agency completed its past projects.

Chairperson Cobb asked if staff had notified the applicants about the funding recommendations. Ms. Hardy answered no, because the decision is not final. Both staff’s and the CD Commission’s funding recommendations will be forwarded to City Council in April. The agencies will be notified after City Council makes a final determination. Ms. Gonzalez added that staff has forwarded links to the Draft AAP to all agencies, so they are likely aware of staff’s recommendations.

Staff will provide commissioners with a copy of each CDBG applicant’s score sheet. Ms. Hardy explained how the score sheets were created based on CDBG regulations for eligible and ineligible

activities, the City's Consolidated Plan, and priorities. Commissioner Roof stated the score sheet is one way to evaluate a project, but it is not the only way, and he felt there should be a method to consider other factors.

Jen Gonzalez reviewed the HOME portion of the AAP. The Cities of Urbana, Champaign and Champaign County, the entities that make up the Urbana Home Consortium, are discussing how HOME administration funds will be prorated. Also at this time, no Community Housing Development Organizations (CHDO) have applied for CHDO Reserve (project) Funds. She is in contact with the CHDOs regarding this issue and has extended the deadline until March 7.

Ms. Gonzalez updated commissioners on the conflict of interest issue with Champaign County Neighborhood Alliance for Habitat. Sheila Dodd, former City of Champaign employee, is now the Executive Director with Habitat for Humanity of Champaign County. Due to the close relationship between Neighborhood Alliance and Habitat, there was a perceived conflict of interest. The City of Urbana's Committee of the Whole has recommended approval of a resolution authorizing submission of an exception request to HUD. This request will allow Habitat to carry out current contracts with the Urbana HOME Consortium and apply for future funding. In response to Commissioner Diana, Ms. Gonzalez indicated that HUD has not yet ruled on the City's earlier determination that there was no conflict of interest. HUD requested the City complete an exception request, and she is hopeful that HUD will resolve this issue soon.

Homestead Corporation and Ecological Construction Laboratory (e-co lab) are expected to submit applications for CHDO Operating Set-Aside Funds before the March 7<sup>th</sup> deadline. While this is optional, the HOME Consortium has always provided this funding to the CHDOs.

Ms. Gonzalez is continuing to work with the CHDOs on the following projects in Urbana: 1302 West Dublin Street (e-co lab); 1109 West Gregory Street (Homestead); and 1107 West Gregory Street (Homestead). Homestead will not start construction on 1107 West Gregory until they have a homebuyer.

Ms. Gonzalez reviewed the City of Champaign and Champaign County HOME projects. In response to Commissioner Diana, Ms. Gonzalez clarified that the HOME administrative funds, which are listed on page 37, have not yet been prorated for Champaign or the County. The County plans to evenly divide its FY 2012-2013 HOME allocation between Housing Rehabilitation and Tenant Based Rental Assistance (TBRA) Program. Also, at the next CD Commission meeting, there will be an amendment to transfer Champaign County's HOME funds for FY 2009-2010 and FY 2010-2011 from Housing Rehabilitation to TBRA. This will help with timely expenditure of HOME funds.

The City of Urbana will continue to fund Owner-Occupied Housing Rehabilitation, while keeping other program options open.

Commissioner Vidoni questioned whether or not there will be any viable CHDO projects. Ms. Gonzalez felt that Homestead did not apply for CHDO funds because it was waiting for the City's decision on selecting a developer for the Kerr Avenue project. If Homestead was selected, this would affect whether or not they would do any other CHDO projects. Since e-co lab is still working on 1302 West Dublin, she did not know if they would apply for CHDO funds.

Neighborhood Alliance may apply, but if HUD does not approve the City's exception request, the HOME Consortium may not be able to fund them.

Referencing the public hearings on the AAP, Commissioner Vidoni wondered if the Lierman Neighborhood Advisory Committee (LNAC) could be a possible CHDO. Ms. Mierkowski answered no; they do not yet have 501(c)3 status. There was discussion on whether or not the LNAC would meet CHDO requirements and if there was a potential conflict of interest.

Noting public comments on neighborhood revitalization, Commissioner Vidoni asked if the City of Urbana could use HOME funds for neighborhood revitalization, as the City of Champaign does. Ms. Mierkowski explained that HOME funds are only one small part of Champaign's efforts, which involves urban renewal funds, acquiring properties under eminent domain, etc. Commissioner Vidoni remarked that Champaign's project was of a different scale.

Commissioner Vidoni inquired if the City had any plans to help the neighborhoods in the LNAC area and area north of Crystal View Townhomes. He felt their concerns were legitimate and were relevant to the AAP. Ms. Mierkowski replied that City staff attends the LNAC meetings, and the City has already worked on some of LNAC's concerns. The City used CDBG funds to acquire the property at the corner of Washington and Lierman. Future use of the property has not yet been determined.

In response to Commissioner Roof, Ms. Gonzalez said e-co lab updated its strategic business plan in its CHDO application, and she would provide commissioners a copy. After discussing concerns about e-co lab's performance, City Council approved e-co lab as a CHDO through July 15, 2012.

Chairperson Cobb asked about the required HOME match funds. Ms. Gonzalez explained there is a fair amount of match credit due to lot donation for the Crystal View Townhomes project. Staff has also been working with the City's Comptroller on this issue. The City has met its match obligation every year.

Ms. Mierkowski suggested commissioners submit any comments on the AAP to her before the CD Commission's March 27<sup>th</sup> meeting. Staff will also forward any updates to commissioners.

**Adjournment:** Chairperson Cobb adjourned the meeting at 8:01p.m.

Recorded by Connie Eldridge

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