



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor

FROM: Elizabeth H. Tyler, FAICP, Director, Community Development Services Department

DATE: February 4, 2010

SUBJECT: AN ORDINANCE APPROVING ADDITIONAL CHANGES AND MODIFICATIONS TO THE CITY OF URBANA AND URBANA/CHAMPAIGN/CHAMPAIGN COUNTY HOME CONSORTIUM FY 2008-2009 AND FY 2009-2010 ANNUAL ACTION PLANS

Description

On the agenda of the February 8, 2010 meeting of the Urbana City Council Committee of the Whole is an Ordinance Approving Additional Changes and Modifications to the City of Urbana and Urbana/Champaign/Champaign County HOME Consortium FY 2008-2009 and FY 2009-2010 Annual Action Plans. As lead agency for the Urbana HOME Consortium, City of Urbana staff has worked with the other Consortium members (the City of Champaign and Champaign County) to identify changes that need to be made to the City of Urbana and Urbana HOME Consortium Annual Action Plans for multiple fiscal years.

The Amendment was posted on the City website on January 5, 2010 for a 30-day public comment period. A public hearing was held on January 20, 2010 in the Urbana City Council Chambers, and a second took place on February 5, 2010 at the same location. No public comments were received at the January 20, 2010 meeting, and any input received at the February 5, 2010 meeting will be provided to Council at its February 8, 2010 Committee of the Whole meeting.

Issues

The issue is whether the Urbana City Council should approve the Ordinance.

Background

The proposed amendments are needed to reflect project funding and program changes that have occurred since the approval of the Annual Action Plans (AAP) and previous Amendments for FY 2008-2009 and FY 2009-2010. The Department of Housing and Urban Development (HUD)

regulations require that in the event significant changes to projects or programs described the Annual Action Plans occur, the plans shall be amended to reflect the changes.

Included in the proposed modifications are:

- An amendment to allocate unobligated FY 2009-2010 Urbana HOME Consortium funds to a Consortium-wide Tenant Based Rental Assistance (TBRA) Program run by Champaign County; and
- An FY 2008-2009 and 2009-2010 amendment reprogramming Champaign County HOME Program Income to a new Lot Acquisition Program and to the County's existing Full Home Rehabilitation Program.

The City of Urbana and Urbana HOME Consortium Consolidated Plan for FY 2005-2009 sets forth a process that must be followed in order to amend Annual Action Plans. The City is required to give notice of public hearings regarding any substantial amendment. In order to provide opportunity for the public comment regarding the proposed AAP Amendments, two public hearings regarding the proposed amendments were held in Urbana on January 20, 2010 and February 5, 2010. In addition, a 30-day public comment period was held from January 5, 2010 to February 4, 2010. No public comments were received at the January 20, 2010 meeting, and any input received at the February 5, 2010 meeting will be provided to Council at its February 8, 2010 Committee of the Whole meeting.

PROPOSED HOME PROGRAM AMENDMENTS

The proposed amendments to reallocate HOME funding are needed to address program viability as well as remain in compliance with HUD commitment deadlines. Following is a summary of the proposed HOME Program Amendments:

1. URBANA HOME CONSORTIUM No Limits Tenant Based Rental Assistance (TBRA) Program Reallocated HOME Funds: \$106,025

The funding for this activity was available as a result of an increase in the HOME funding amount budgeted for FY 2009-2010 and for HOME funding allocated by the Department of Housing and Urban Development for FY 2009-2010. The Urbana HOME Consortium proposes to allocate \$106,025 in federal HOME funding to a Consortium-Wide Tenant Based Rental Assistance Program that will be administered by Champaign County (Champaign County Regional Planning Commission).

2. CHAMPAIGN COUNTY HOME PROGRAM Lot Acquisition Program Reallocated HOME Funds: \$14,500

Champaign County proposes to revise their budget and reprogram HOME funds acquired as program income. Funding will be allocated to a new Lot Acquisition Program. The

lot(s) acquired with these funds will then be donated to a non-profit agency for the development of affordable housing opportunities.

**3. CHAMPAIGN COUNTY HOME PROGRAM
Whole House Rehabilitation Program
Reallocated HOME Funds: \$10,805**

Champaign County proposes to revise their budget and reprogram HOME funds acquired as program income. Funding will be allocated towards the existing Whole House Rehabilitation Program.

Options

1. Approve the Ordinance.
2. Approve the Ordinance with changes.
3. Do not approve the Ordinance.

Fiscal Impacts

The proposed amendments to the Annual Action Plans will not change the amount of HOME funding provided to the City by HUD. There is no fiscal impact to the City budget.

Recommendations

At its January 23, 2010 regular meeting, the Urbana Community Development Commission voted unanimously to forward the Ordinance to the Urbana City Council with a recommendation for approval. City staff recommend Council approve the Ordinance.

Memorandum Prepared By:

Jen Gonzalez
HOME Coordinator

Attachments:

1. AN ORDINANCE APPROVING ADDITIONAL CHANGES AND MODIFICATIONS TO THE CITY OF URBANA AND URBANA/CHAMPAIGN/CHAMPAIGN COUNTY HOME CONSORTIUM FY 2008-2009 AND FY 2009-2010 ANNUAL ACTION PLAN
2. PROPOSED AMENDMENT TO CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2008-2009 AND FY 2009-2010 ANNUAL ACTION PLANS
3. January 26, 2010 unapproved minutes from the regular meeting of the Urbana Community Development Commission.

ORDINANCE NO. 2010-02-007

AN ORDINANCE APPROVING ADDITIONAL CHANGES AND MODIFICATIONS TO THE CITY OF URBANA AND URBANA/CHAMPAIGN/CHAMPAIGN COUNTY HOME CONSORTIUM FY 2008-2009 AND FY 2009-2010 ANNUAL ACTION PLANS

WHEREAS, the City of Urbana has been designated an entitlement city under the Federal Housing and Community Development Act of 1974, as amended, and as such is eligible for Community Development Block Grant (hereinafter "CDBG") and Home Investment Partnership Funds (hereinafter "HOME") funds upon proper submittal being made to the United States Department of Housing and Urban Development (hereinafter "HUD"); and

WHEREAS, the Urbana City Council previously approved ordinances authorizing submittal to HUD of the Annual Action Plans for FY 2008-2009 and FY 2009-2010 that included proposed budgets for the HOME Programs and HUD subsequently approved the said Annual Action Plans; and

WHEREAS, on January 4, 2010, the City of Urbana published on the City website a notice of a 30-day public review period regarding said proposed budgetary amendments to the Annual Action Plans for FY 2008-2009 and FY 2009-2010; and

WHEREAS, on January 20, 2010 the City of Urbana, the Grants Management Division of the Community Development Services Department, as lead entity for the Urbana HOME Consortium, held a public hearing on the proposed amendments; and

WHEREAS, on January 22, 2010 the City of Urbana published on the City website a notice of a second public hearing regarding said proposed budgetary amendments to the Annual Action Plans for FY 2008-2009 and FY 2009-2010; and

WHEREAS, on February 5, 2010 the City of Urbana, the Grants Management Division of the Community Development Services Department, as lead entity for

the Urbana HOME Consortium, held a second public hearing on the proposed amendments; and

WHEREAS, at its January 26, 2010 meeting, the Urbana Community Development Commission recommended adoption of the amendment by the Urbana City Council; and

WHEREAS, the City Council now finds it necessary and appropriate to amend the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plans for FY 2008-2009 and FY 2009-2010.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That the City of Urbana, as lead entity for the Urbana HOME Consortium, hereby approves the amendments to the City of Urbana and Champaign/Urbana/Champaign County HOME Consortium Annual Action Plans for FY 2008-2009 and FY 2009-2010, in substantially the same form as such amendments are referenced in the attachment hereto.

Section 2. That the Mayor of the City of Urbana is hereby designated as the authorized representative of the City of Urbana to take any action necessary in conjunction with said attached amendments to the Annual Action Plans for FY 2008-2009 and FY 2009-2010, and any prior approved Annual Action Plan or Amendment, including, without limitations, to execute any documents necessary to commit applicable HOME funds to the projects, submittal of the Annual Action Plan Amendment to the HUD-Regional Field Office and provision of such additional information as may be required.

PASSED by the City Council this _____ day of _____,
_____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
_____.

Laurel Lunt Prussing, Mayor

City of Urbana and Urbana HOME Consortium



Proposed Amendment to FY 2008-2009 and FY 2009-2010 Annual Action Plans

Prepared by:
City of Urbana
Community Development Services
Grants Management Division
400 South Vine Street
Urbana, IL 61801
217.384.2447

Approved by Urbana City Council Ordinance No. _____

**PROPOSED AMENDMENT TO CITY OF URBANA and URBANA HOME
CONSORTIUM FY 2009-2010 ANNUAL ACTION PLAN**

The Urbana HOME Consortium proposes to amend the HOME Program budget for Champaign County in the FY 2009-2010 Annual Action Plan to allocate unobligated available HOME funding to the project budget outlined below.

URBANA HOME CONSORTIUM – HOME Program

The funding for this activity was available as a result of an increase in the HOME funding amount provided by the Department of Housing and Urban Development. The Urbana HOME Consortium proposes to allocate \$106,025 in federal HOME funding to a Consortium-Wide Tenant Based Rental Assistance Program that will be administered by Champaign County (Champaign County Regional Planning Commission).

The following are proposed budget changes or programs to be added in the FY 2009-2010 Annual Action Plan:

CHAMPAIGN COUNTY – HOME Program

Tenant Based Rental Assistance (TBRA) Program

HOME funds will be used in conjunction with special purpose programs, such as the Champaign County Regional Planning Commission No Limits Program, to provide affordable housing assistance to low-income residents of Champaign County within the boundaries of the Urbana HOME Consortium. The participating clients follow a team-approved plan for achieving self-sufficiency. Participating clients make co-payments toward rent (not to exceed 30% of the household income), based on their approved self-sufficiency plan. **\$106,025 (\$106,025 HOME; \$26,506 Local Match Required).**

<u>Champaign County HOME Funds</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
FY 09-10 Unobligated Funds	\$ 106,025	\$ -0-	-0-
FY 09-10 TBRA Program	\$ -0-	\$ 106,025	\$106,025
Total			\$ 106,025

**PROPOSED AMENDMENT TO CITY OF URBANA and URBANA HOME
CONSORTIUM FY 2008-2009 and FY 2009-2010 ANNUAL ACTION PLANS**

Champaign County proposes to revise their budget and reprogram \$25,305 in HOME funds acquired as program income. Funding will be allocated to a Lot Acquisition Program as well as to the existing Whole House Rehabilitation Program.

CHAMPAIGN COUNTY – HOME Program

Lot Acquisition - New Program

Funding will be used to acquire and clear land for future redevelopment as affordable housing. Eligible costs include acquisition, demolition, and clearance of the land. Lot will be available for non-profit agencies or CHDO to develop into affordable housing units. Properties to be acquired will be located in the jurisdiction of the Urbana HOME Consortium.

\$14,500 HOME

Goal 2, Strategy 1, Activity 1

Citation – [24 CFR 92.206(d)]

Environmental – Assessment Required

Whole House Rehabilitation Program

Champaign County will use its share of HOME funds to provide rehabilitation assistance to both investor-owned properties, as well as single-family owner-occupied projects. It is anticipated the primary program focus will be on single-family owner-occupied rehabilitation.

~~**\$ 101,074 (\$79,539 HOME; \$21,535 Match)**~~

\$ 111,885 (\$90,350 HOME; \$21,535 Match)

Goal 1, Strategy 1, Activity 3

Citation - [24 CFR 92.206(a)(2)]

Environmental – Assessment Required

<u>Champaign County HOME Funds</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>
FY 08-09 Housing Rehab Program	\$ 79,545	\$ 90,350	10,805
FY 09-10 Lot Acquisition Program	\$ 0	\$ 14,500	14,500
Total			25,305



UNAPPROVED INCOMPLETE
MINUTES
COMMUNITY DEVELOPMENT COMMISSION MEETING
Tuesday, January 26, 2010, City Council Chambers
400 South Vine Street, Urbana, IL 61801

Call to Order: Chairperson Cobb called the meeting to order at 7:00 p.m.

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

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

Commission Members Absent: Jerry Moreland

Others Present: John Schneider, Kelly Hartford, Jennifer Gonzalez, Randy Burgett and Connie Eldridge, Community Development Services; Sheila Ferguson & Lisa Benson, Mental Health Center (MHC) of Champaign County; Katrin Klingenberg & Keihly Moore, Ecological Construction Laboratory (e-co lab); Tami Tunnell, A Woman's Fund (AWF); Janice McAteer, Developmental Services Center (DSC); Aaron P. Smith, Homestead Corporation; Beverly Huffman, Habitat for Humanity of Champaign County; James Harris.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the November 24, 2009 minutes of the Community Development (CD) Commission. Commissioner Vidoni moved to approve the minutes, and Commissioner Silvis seconded the motion. The motion carried unanimously.*

Petitions and Communications: None.

Staff Report: Mr. Schneider provided updates and distributed a staff memorandum. Due to weather conditions, the Neighborhood Meeting at King School was rescheduled for Thursday, January 28, at 7:00 pm. The Department of Housing and Urban Development (HUD) closed out the City of Urbana's Consolidated Annual Performance and Evaluation Report (CAPER) for Fiscal Year (FY) 2008-2009. There were no findings. HUD also indicated the City should use last year's funding allocation when preparing the budget for the Annual Action Plan for FY 2010-2011. City Council approved the Analysis of Impediments to Fair Housing Choice 2010 with some changes. Mr. Schneider and Commissioner Roof recently attended a Downstate Illinois Economic Workshop, which was a collaboration among local government entities and the University of Illinois. The Single Audit recently completed for the City CDBG program resulted in no findings.

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 Annual Action Plans** – Mr. Schneider stated this amendment is to allocate \$106,025 in federal FY 2009-2010 HOME funds that were allocated by HUD in excess of the amount budgeted in

the AAP. The Urbana HOME Consortium decided the best use of these additional funds was for a Consortium-Wide Tenant Based Rental Assistance (TBRA) Program that will be administered by Champaign County. The amendment also reallocates \$25,305 of Champaign County's HOME program income to its Whole House Rehabilitation Program (\$10,805) and a new program, Lot Acquisition (\$14,500).

Commissioner Vidoni asked about feedback concerning the reallocation of funds for the TBRA Program. Mr. Schneider noted there was no attendance at the first of two public hearings; however, this was discussed during the Consolidated Plan Neighborhood Hearings. Commissioner Vidoni wondered if the amount of funding (\$106,025) was meeting the needs articulated at earlier public hearings. Mr. Schneider responded Champaign County has a waiting list for the TBRA Program, and this action was "going in the right direction." Since 2005 the total of all funds allocated for the TBRA Program will be close to \$500,000.

In response to Commissioner Roof, Mr. Schneider described Champaign County's No Limits Program, which will receive TBRA funds. Case workers work with clients to achieve self-sufficiency. Participants make rental co-payments based on a percent of their income. Mr. Schneider will invite Darlene Kloepfel, Champaign County Regional Planning Commission (RPC), to attend a CD Commission meeting and explain this program.

In response to Commissioner Diana, Mr. Schneider stated the lot identified for acquisition is zoned for a duplex and is located in the Dobbins Downs subdivision. This is in unincorporated Champaign County. This will be the first Community Housing Development Organization (CHDO) project done in Champaign County.

Commissioner Vidoni 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 FY 2009-2010 Annual Action Plans. Commissioner Francis seconded the motion, and the motion carried unanimously.

An Ordinance Authorizing the Sale of Certain Real Estate (1405 West Beslin Street) – Randy Burgett explained this property will be donated to Habitat for Humanity. In June 2009 the seller purchased the property taxes and then contacted the City of Urbana. City purchased the property with Community Development Block Grant (CDBG) funds and then worked to release the outstanding liens. This is a solution to a long standing vacant problem property, which was neglected since the death of the owner in 1995.

Since the City transferred the adjacent lot (1405 ½ West Beslin Street) to Habitat in 2008, there are several options. Habitat must decide whether to build two single family homes on the two half lots, or build one duplex or a large single family house on the larger lot. The deadline is December 2012. Chairperson Cobb asked if all liens were removed. Mr. Burgett answered yes, the City has clear title to the property.

Commissioner Michelson moved to recommend to City Council approval of an Ordinance Authorizing the Sale of Certain Real Estate (1405 West Beslin Street) to Habitat for Humanity. Commissioner Bengtson seconded the motion, and the motion carried unanimously.

Review of Community Development Block Grant (CDBG) grant applications for funding for Fiscal Year 2010-2011 to be included in the FY 2010-2011 Draft Annual Action Plan –

Kelly Hartford announced that three agencies submitted a total of four applications, and the copies include staff's scoring. Agency representatives then presented their applications to the CD Commission.

A Woman's Fund – Foundation repair, Heating Ventilation and Air Conditioning (HVAC) system replacement – Tami Tunnell, Executive Director of A Woman's Fund, distributed a project budget and a bid proposal for drainage issues at A Woman's Place (emergency shelter) from R&D Ground Services. The application is to complete the drainage project, repair the foundation, install a ground swale, add gutters and downspouts, install two sump pumps, replace the water heaters, and upgrade the HVAC system. The priority is addressing the drainage issue and augmenting the work already done.

Commissioner Vidoni was concerned that AWF's two previous projects with the City of Urbana were not closed out. Ms. Tunnell explained the work was completed on the first project, while the second needed to be rebid to be compliant with the American with Disabilities Act (ADA). Commissioner Vidoni stressed that HUD needs timely completion of projects.

Ms. Tunnell clarified that although AWP will accept clients of any income, most recent clients have had extremely low incomes. In response to Commissioner Michelson, she noted the shelter and administrative offices total 12,000 square feet. There are 10 bedrooms which hold 40 people at one time. Commissioner Diana requested clarification of the amounts. Ms. Tunnell reviewed the figures and noted this was a verbal estimate, not a bid.

Prairie Homes, Inc. – Interior Repairs to Hartle Group Home – Janice McAteer, Director of Development, explained that Prairie Homes is the managing corporation for the Developmental Services Center (DSC) group home in Urbana. Because the group home is a HUD project, HUD required a separate managing corporation that supports the mission of the DSC. She invited commissioners to visit the group home.

Funds will be used to redo the kitchen, which has not been upgraded for 20 years. Because the current sink and dishwasher are still good, they will be reinstalled. Also, the toilets will be replaced with heavy duty flushing toilets.

In response to Commissioner Michelson, Ms. McAteer reviewed DSC's financial situation in light of the State of Illinois lack of payments to social service agencies. DSC has minimized costs and has a line of credit to operate. DSC may need to lower services and further reduce staff rather than close its doors.

Mental Health Center (MHC) of Champaign County – Lincolnshire Adult Group Home – Sheila Ferguson, CEO, reviewed both applications. The MHC will replace the roof and do foundation work on the front brick facing wall. Due to confusion about the 25% match, she clarified that the total project cost is \$29,594, and the requested amount is \$22,196. This house, which was purchased in 1995, is a 24 hour group home. It serves residents of both Champaign and Urbana, and there are few vacancies.

Mental Health Center of Champaign County – Elm Street Supported Apartments, Urbana – Ms. Ferguson clarified (also due to confusion about the 25% match) the total project cost is \$27,205, and the requested amount is \$20,404. The request is to replace windows and doors in the apartment. The apartments have provided affordable housing to eight clients since the building was purchased in 1999. She reviewed the location of the apartment and the number of windows and doors to be replaced.

Commissioner Michelson believed there were enough funds to fully fund both MHC applications. Mr. Schneider reviewed staff’s recommendations, which were based on feedback and percent of Urbana residents served. Staff reduced the amount in the projected budget for the Lot Acquisition Program to accommodate the social service agency requests. Not every municipal government is funding every social service agency. After reducing the requests (based on the information regarding the inclusion of match in the original requests) staff calculated the recommended CDBG allocations. The Lincolnshire project would receive \$13,318, which is based on assisting 60% of Urbana residents served, and the Elm Street project would receive \$20,404 based on 100% Urbana residents served.

Commissioner Roof asked about the City’s lot inventory for the CHDOs, program delivery, and carryover funds. Mr. Schneider noted the City only owns lots for the Kerr Avenue project and has conveyed all other lots to the nonprofit organizations for affordable housing development. The amount of program delivery is exactly the same as last year’s. \$100,000 is being carried over for lot acquisition, possibly to acquire properties for the Housing Authority’s redevelopment of Dunbar Court. Staff would recommends any remaining CDBG funds be added to lot acquisition to acquire other properties that become dilapidated or vacant.

Noting AWF’s match calculation was not correct, Commissioner Diana suggested recalculating their grant amount. 32% of their revised project would be about \$36,480. There was discussion on whether funds should be allocated for lot acquisition or for the social service agencies. Noting the agencies are facing hard times, Commissioners Vidoni, Francis and Roof preferred to allocate any additional funds to the agencies rather than lot acquisition. Mr. Schneider stated the CD Commission can recommend different amounts. Ms. Ferguson added that a group home’s calculation of Urbana residents reflects only a moment in time and that it would be better to consider the number served over time.

Mr. Schneider discussed how CDBG funding is intended to benefit citizens of Urbana and suggested looking “at the big picture.” There was discussion on whether the agencies would receive funds from the City of Champaign, the State of Illinois or the Federal Government. Ms. Ferguson remarked because the MHC owns apartment buildings and houses, they are able to draw on a line of credit during these times.

Commissioner Michelson moved to recommend that the City of Urbana fund the Mental Health Center’s two applications at 100% of their request as follows: \$22,196 for Lincolnshire Adult Group Home in Champaign and \$20,404 for Elm Street Supported Apartments in Urbana. Commissioner Vidoni seconded the motion. There was discussion on whether HUD would accept the funding allocations and the importance of correct figures on the applications. Although he agreed with Commissioner Diana’s concern with the applications, Commissioner

Vidoni remarked these funding decisions reflected deliberations of Urbana citizens. The motion carried with 7 ayes, 1 no. The motion carried.

There was discussion whether the motion included the application for Prairie Homes Hartle Group Home, the amount of funding for A Woman's Fund, and whether percentage of Urbana population should be considered. Commissioner Diana remarked that when you abandon the percentage on one application, you abandon the percentage on all. Chairperson Cobb clarified that the motion was only for funding the MHC applications, and the recalculated amount of funding for AWF was \$34,290.

Commissioner Francis moved that it was the sense of the CD Commission that (1) any surplus funds be applied to the already decided areas of need for A Woman's Place and Prairie Homes Hartle Group Home, and (2) no additional funds be added to the already allocated sums for land acquisition. Commissioner Vidoni seconded the motion. It was clarified that Prairie Homes application was presented with 25% match. The motion carried unanimously.

Review of HOME Investment Partnership (HOME) Program grant applications for funding for FY 2010-2011 to be included in the FY 2010-2011 Draft Annual Action Plan – Mr. Schneider announced that Jennifer Gonzalez was promoted to the HOME Grant Coordinator position. Ms. Gonzalez introduced the HOME applicants.

Ecological Construction Laboratory (e-co lab) - Katrin Klingenberg and Keihly Moore reviewed their two applications. Ms. Klingenberg noted e-co lab's application for CHDO Operating Funds was marked as conditional because they had not submitted their invoices to the City. E-co lab has merged with a nonprofit national organization and has been reorganized.

Referencing e-co lab's application for CHDO Project Funds for the Kerr Avenue Affordable Passive House Development, Ms. Klingenberg stated the Kerr Avenue project was very important. It provides an example that high performance building can be done at close to the standard costs of typical construction. The first phase has 23 units, and e-co lab has started discussions with the developer. However, e-co lab cannot apply for additional funding unless the City commits HOME funds to the project. Ms. Moore added it was more cost effective and efficient to develop townhomes.

In response to Commissioner Roof, Ms. Klingenberg stated e-co lab has submitted its quarterly reports to the City. She also discussed e-co lab's hesitancy to move forward with new affordable home construction due to the current economy and difficulty finding a qualified homebuyer. Commissioner Roof asked if e-co lab had abandoned their plan to pre-sell future single family homes. Ms. Klingenberg answered no; e-co lab would do its best to find a homebuyer for a very narrow niche market. Although they have received calls, e-co lab has not started an extensive marketing campaign. She discussed reducing the cost of the homes. Due to market difficulties, e-co lab is considering multi-family retrofits.

Commissioner Vidoni stated that he concurred with the HOME Consortium's recommendation not to provide any funding for the Kerr Avenue project at this time. Even an experienced CHDO such as Homestead Corporation can get overwhelmed with very large projects. Ms. Klingenberg said that e-co lab would be a consultant to the actual developer.

In response to Chairperson Cobb, Ms. Klingenberg reviewed e-co lab's past grant applications with other grantors. She noted those grantors ask for a contract in place before committing their funds, and they would not provide any guarantees. It is a very competitive process, with grants usually going to larger developments.

In response to Commissioner Diana, Ms. Klingenberg explained that e-co lab has merged with Passive House Institute US, an Illinois nonprofit agency that was established parallel to e-co lab. This larger umbrella can apply for Building America funding beyond what e-co lab can raise in the community. E-co lab is a program under the 501(c)3 umbrella. There was discussion about whether the merger affected e-co lab's CHDO status. Although staff needed more information about this merger, Mr. Schneider believed it was similar to Urban League's CHDO, Urban League of Champaign County Development Corporation. Habitat for Humanity's anticipated CHDO status would be a similar arrangement.

Commissioner Roof inquired about e-co lab's organizational structure. Ms. Klingenberg stated it would stay the same with the same board of directors. She planned to move from Executive Director to President of the Board of Directors. E-co lab was looking to hire a full time Executive Director to work on increasing capacity.

In response to Commissioner Roof, Mr. Schneider indicated that the HOME Consortium was holding some CHDO Operating Funds in anticipation of Habitat becoming a CHDO.

Homestead Corporation of Champaign County - SECTION TO BE COMPLETED

Commissioner Francis moved that the CD Commission approve the HOME funding allocation as outlined in the staff memorandum without any changes. The recommendation is as follows:

- *CHDO Project Funds – Ecological Construction Laboratory \$0*
- *CHDO Operating Funds – Ecological Construction Laboratory \$22,500 (conditional)*
- *CHDO Operating Funds – Homestead Corporation \$22,500*
- *Reserved CHDO Operating Funds for a new CHDO - \$11,403*

Commissioner Michelson seconded the motion, and the motion carried unanimously.

Study Session: Katrin Klingenberg of e-co lab provided information related to energy cost savings of the e-co lab houses compared to homes constructed using other types of energy saving methods. The e-co lab house (Passiv Haus) saves approximately \$1,500 each year in energy costs over standard construction models.

Adjournment: Chairperson Cobb adjourned the meeting at 9:18 p.m.

Recorded by Connie Eldridge