

**CITY OF URBANA
COMMUNITY DEVELOPMENT COMMISSION
Tuesday, April 24, 2001, City Council Chambers
Minutes**

Commission Members Present: Fred Cobb, Chris Diana, Jon Liebman, Gigi Paquin, Anne Heinze Silvis, Dennis Vidoni

Commission Members Absent: Robert Lewis

Others Present: Bob Grewe, Mike Loschen, Karen Rasmussen, and Connie Eldridge, Community Development Services; Jerry White, Champaign Community Advocacy and Mentoring Resources.

Call to Order: Chairperson Cobb called the meeting to order at 7:14 p.m. A quorum was present.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the March 27, 2001 minutes. Commissioner Vidoni requested the following change to page 4, fourth paragraph: "Commissioner Vidoni proposed for discussion whether it was better to pass the current Annual Action Plan and then later amend it." Commissioner Silvis moved to approve the minutes as corrected. Commissioner Liebman seconded the motion. The motion carried unanimously.*

Chairperson Cobb asked for approval or corrections to the April 3, 2001 minutes. Commissioner Paquin moved to approve the minutes, and Commissioner Vidoni seconded the motion. The motion carried unanimously.

Staff Report: Mr. Grewe distributed an outline of staff activities for the past month. In reviewing HUD's annual consultation, Mr. Grewe noted HUD wants the City of Urbana to update the Analysis of Impediments to Fair Housing Choice. He also briefly touched on lead-based paint requirements. City staff will participate in the Champaign Urbana Community Reinvestment Group's Housing Fair at Lincoln Square Mall on April 28. Also, Neighborhood Cleanup is scheduled for May 5. Mr. Grewe asked commissioners for input to help evaluate the effectiveness of past projects and future proposals. The HOME Consortium will also address program evaluation, funding and its own by-laws.

Staff will begin the planning process on the King Park Neighborhood Center. Chairperson Cobb asked who would be involved with the planning process. Mr. Grewe reviewed past efforts and noted the process would begin in-house and then involve others.

Urbana School District 116 will not exchange lots with Illinois Center for Citizen Involvement. (ICfCI) In response to Commissioner Vidoni, Mr. Grewe explained the Urbana School District has invested time preparing their lot and did not want to adversely impact their educational mission by exchanging lots.

Petitions and Communications: None.

Old Business: Draft FY 2001-2002 Annual Action Plan (CDBG and HOME budgets)

– Mr. Grewe distributed a copy of ICfCI’s letter to the mayor. The letter summarizes ICfCI’s opposition to the CHDO portion of the Draft FY 2001-2002 Annual Action Plan.

Mr. Grewe summarized comments from the April 23 Committee of the Whole meeting on the Draft FY 2001-2002 Annual Action Plan. There was concern about basic needs to meet critical housing needs of extremely low- and very low-income households. A council member requested Urban League change the focus of their lease/purchase program from low/moderate income households to low-income households. Mr. Grewe stated Jean Algee from Urban League has agreed to the change. Another proposed change was to provide ICfCI with an additional \$6,000 to subsidize another very low-income household. Mr. Grewe noted that Councilperson Patt was concerned about the funding being directed away from new housing construction to housing rehabilitation. She felt new housing construction delivers more benefits to the City of Urbana. Also, Councilperson Patt felt the lack of funding in the Annual Action Plan for new housing construction was a radical departure from the plan and that City Council was not advised early enough in the planning process.

Mr. Grewe reviewed Councilperson Hayes’ comments on the King Park Neighborhood Center. There was a sense of council that although funding was diverted from the King Park Neighborhood Center for other projects, the project was not dead or removed. The planning process will ensue.

Commissioner Vidoni added the Committee of the Whole debated the lot acquisition process. He remembered the committee’s concern with the Annual Action Plan’s emphasis on moderate- to low-income households. Ms. Rasmussen explained that the term “low- to moderate-income” is all-inclusive. Noting the Consolidated Plan focuses on the most needy and most at risk persons, Ms. Rasmussen reviewed the Median Family Income (MFI) Limits for Champaign County. She felt a planning document should be as broad as possible within the framework of its goals while the subrecipient agreements with the organizations should be more specific and detailed. Commissioner Diana agreed and added the more restrictive a program or plan, the more it must be amended to meet the original purpose. Chairperson Cobb remarked that this approach has a track record of serving the targeted population.

Ms. Rasmussen said the Consolidated Plan, which guides Grants Management Division’s programs, targets the Community Development Target Area and low-income individuals and families. Commissioner Vidoni stated that programs for very low-income persons seemed important to City Council. Ms. Rasmussen replied the City of Urbana uses 90 percent of its federal funds to serve low- and very low-income persons. In fact, staff must report numbers served to the Department of Housing and Urban Development (HUD). Discussion continued on federal regulations and whether to target only extremely low-income households. Commissioner Diana felt if City Council intended to serve lower-income households, the Annual Action Plan should be written to reflect this. Commissioner Silvis supported the need for flexibility and felt the current limits were acceptable. Commissioner Vidoni believed that adding the concept of very low-income persons would help the Annual Action Plan. Discussion continued on changing the wording of the program descriptions.

Ms. Rasmussen explained HUD's definitions for income: less than 30 percent is Extremely Low-Income; 30 to 50 percent is Very Low-Income; 51 to 80 percent is Low-Income. Mr. Grewe suggested the Department of HUD definitions of low and moderate-income households be forwarded to City Council in the form of a memo. Ms. Rasmussen wondered about adding the definitions to the Annual Action Plan. Commissioners considered a variety of possibilities. Rather than adding to the Annual Action Plan, Commissioner Liebman preferred a memo to City Council that listed HUD's income definitions and explained each level includes all lower income levels. Commissioner Diana agreed. Commissioner Vidoni felt the concern was not just the wording—it was also about policy. Should the City of Urbana target and emphasize extremely low- and very low-income levels?

Mr. Grewe discussed identifying priorities and focusing on a particular segment of the population. This could be added to the invitation to apply for funding. Discussion continued on expressing priorities and evaluating applications. Mr. Grewe mentioned HUD's recommendations for targeting populations and focusing funds. Commissioner Diana added the plan as currently written does not restrict programs for very low-income persons. Commissioner Liebman noted there is a difference between eligible and targeted persons. The Consolidated Plan, which should be flexible, determines eligibility; the agreement determines the target.

Commissioner Diana said a specific change in direction of the Consolidated Plan should have come earlier in the planning process. Chairperson Cobb added the opinions of the communities involved should also be reflected.

Commissioner Silvis requested page 2 of the introduction be corrected to reflect the correct schedule of meetings. Ms. Rasmussen said the Draft Annual Action Plan includes changes from the Community Development Commission meeting on April 3. City Council began discussion of the Draft Annual Action Plan at its Committee of the Whole meeting on April 23. Discussion continued on how the changes impact the deadlines.

Commissioner Diana moved to recommend to City Council the Draft FY 2001-2002 Annual Action Plan with a revision of the introduction to clarify dates of the meetings. Staff is to include a supplement explaining the income schedule as it applies to the classifications. Commissioner Silvis seconded the motion. The motion carried unanimously.

New Business: Amendment to Memorandum of Understanding for Tenant Based Rent Assistance Agreement with the Housing Authority – Mr. Loschen reviewed the memorandum of understanding that extends the program for the next three years. He clarified that the HOME funds require the \$85,480 match. In response to Chairperson Cobb, Mr. Loschen summarized concerns about client participation and program changes. One change was to reduce the residency requirement in a transitional housing unit from six to three months. Mr. Grewe reviewed discussions with the City of Urbana's Transitional Housing Coordinator. She mentioned that Tenant Based Rent Assistance (TBRA) clients must rent in Urbana, which has a tighter rental market. There needs to be further discussion on how to use more program funds. Chairperson Cobb asked if these issues will be addressed under this memorandum. Mr. Grewe explained this amendment enhances the agreement to keep the program going until it can be re-examined. Chairperson Cobb asked if the Transitional Housing Coordinator was comfortable with this amendment. Mr. Loschen answered yes.

Commissioner Silvis moved to recommend to City Council approval of the Amendment to the Memorandum of Understanding between the City of Urbana and the Housing Authority of Champaign County for administration of the Tenant-Based Rent Assistance Program. Commissioner Diana seconded the motion. The motion carried unanimously.

Release of liens associated with Small Rental Properties Program at 402 West Oregon Street – Commissioner Vidoni inquired on what basis the liens are being released. Mr. Grewe answered this matter has been on-going since last fall. In November 2000 Carol Baker, Business Manager with the Urbana School District 116, April Getchius and Bob Grewe met to discuss the Leal School expansion, which would include 402 West Oregon Street. The school district would have incurred additional costs with the liens from the Small Rental Properties Program (SRPP).

Mr. Loschen stated the project had two periods governing the affordability of rents. HOME regulations require a five-year period of affordability, which has been met. The Illinois Housing Development Authority has a seven-year period of affordability, which the land use agreement stipulated. Since this case has met the federal guidelines and the project has a public purpose, the State of Illinois is willing to forgive the remainder of its lien. The purpose of the release is to get clear title to the property and reduce the cost to the Urbana School District.

In response to Commissioner Diana, Mr. Loschen explained this is a four unit vacant building directly across from Leal School. At one point the owners proposed to move 402 West Oregon to the location at 401 West Oregon. However, there were zoning and planning department issues. Chairperson Cobb asked what were the negatives. Mr. Loschen replied the loss of four affordable rental units in the City of Urbana. Chairperson Cobb asked about the consequences if the liens were not released. Noting the funds return to the State of Illinois, Mr. Loschen replied the cost of the property would probably be that much higher.

Commissioner Diana stated the issue of property liens was not approached in the beginning of the project. He was concerned about the loss of affordable rental properties and that there was no hearing on the impact of this release. Chairperson Cobb agreed, noting the Community Development Commission gets information near the end of an action. He requested that the Community Development Commission be included in the decisions at an earlier point.

Commissioner Silvis moved to recommend to City Council approval of the release of liens associated with the Small Rental Properties Program at 402 West Oregon Street. Commissioner Liebman seconded the motion. The motion carried with five ayes, one no.

Adjournment: Chairperson Cobb adjourned the meeting at 8:40 p.m.

Recorded by Connie Eldridge