

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

**Commission Members Present:** Fred Cobb, Chris Diana, Alice Englebresten, Robert Lewis, Gigi Paquin, Dennis Vidoni

**Commission Members Absent:** Michael Holly, Jon Liebman, Anne Heinze Silvis

**Others Present:** Bob Grewe, Randy Burgett, Connie Eldridge, and Mike Loschen, Community Development Services; Jerry White, Champaign County Advocacy and Mentoring Resources; Gayle Adkisson and Judi Jones, Urban League of Champaign County; Esther Patt, Urbana City Council; Nancy Greenwalt, United Citizens and Neighbors (UCAN).

**Call to Order:** Chairperson Cobb called the meeting to order at 7:10 p.m. A quorum was present.

**Approval of Minutes:** Chairperson Cobb asked for approval or corrections to the June 26, 2001 minutes. Commissioner Vidoni moved to approve the minutes. Commissioner Paquin seconded the motion. The motion carried unanimously.

**Staff Report:** Bob Grewe distributed the staff report, an updated list of CD Commissioners, and flyers on the City of Urbana's first-time homebuyer assistance programs.. The Department of Housing and Urban Development (HUD) is reviewing the 1998 Consolidated Annual Performance and Evaluation Review (CAPER). HUD is concerned about funding Neighborhood Cleanup under interim assistance, which is to address immediate problems until a permanent remedy is found. Also, some activities in the Senior Repair Service are more related to maintenance than rehabilitation. These corrections will require changes to the 1999 and 2000 CAPERs.

Mr. Grewe announced the next Eads at Lincoln Homeowners Association meeting will be held Tuesday, August 14, 2001 at 7:00 p.m. Staff will explain the build-out of the subdivision and get citizen input on the lots that are not buildable.

Ms. Rasmussen attended the IDIS Reporting Workshop. She learned more about HUD's accounting system and how HUD looks at performance and program evaluation.

Commissioner Lewis inquired about HUD's concerns with public service monies and the long-term implications. Mr. Grewe replied the city must meet HUD's interpretations. Commissioner Lewis asked if there was another avenue to fund Neighborhood Cleanup. Mr. Grewe answered that there are many activities under public service, and staff is working with HUD on this.

Mr. Loschen distributed a memo on the Champaign County Property Auction and requested this be added to the agenda. It was the consensus of the Community Development Commission to include this on the agenda.

**Petitions and Communications:** None.

**Old Business:** Chairperson Cobb referred to the Community Development (CD) Commission's motion for the Consolidated Social Service Agreements on June 26, 2001. Mr. Grewe noted the mayor was appreciative, but he had not received any other feedback. Esther Patt, Urbana City Council, asked for clarification of the commissioners' concerns. Chairperson Cobb quoted, "*However, the Community Development Commission took exception (1) to the process by which the agreements were brought to the Commission, and (2) to the subsequent allocation of funding related to the significance of programs in compliance with the Annual Action Plan.*" Chairperson Cobb disagreed with the amount of funding provided to the agencies. Commissioner Lewis commented this was based on past history and felt the CD Commission did not have much input in the process. Ms. Patt agreed and gave a history of the Consolidated Social Service funding process. She suggested the CD Commission either pull CDBG public service funds from the consolidated pool or find a way to provide input and specific direction. Commissioner Diana questioned the purpose of the CD Commission concerning CDBG funds if the commission simply "rubberstamps" the funding. Commissioner Lewis clarified the commission agreed with the technical aspects. Ms. Patt discussed "rubberstamping" and encouraged commissioners to improve communication. Chairperson Cobb interpreted this to mean the City Council would be open to change, and Ms. Patt agreed.

**New Business:** **Amendment #2 to the Agreement with Illinois Center for Citizen Involvement (ICfCI) or the completion of the Eads at Lincoln Subdivision:** Mr. Loschen discussed how the replat resulted in one lot being lost. This agreement reduced the number of lots being donated to ICfCI from six to five. Also changed was the disbursement of the downpayment grants. The full \$70,000 is still available; however, the grants are disbursed on a first-come, first-served process. Any remaining funds will be put toward next year's CHDO projects.

Commissioner Vidoni asked for clarification about an average for the funds. Mr. Loschen replied this change gives ICfCI more flexibility if it cannot find clients in the low- and very low-income ranges. On page 3 of the agreement, Commissioner Diana asked why the term "other miscellaneous developer's fees" had not been changed to reflect last meeting's decision. Mr. Loschen replied this was a grammatical oversight. Reflecting on HUD's concern about allowable expenses, Commissioner Diana requested the fees should be listed.

*Commissioner Diana moved to recommend approval to City Council Amendment #2 to an Agreement with the Illinois Center for Citizen Involvement regarding the construction of homes in the Eads at Lincoln Subdivision with the noted change. Commissioner Lewis seconded the motion. The motion carried unanimously.*

**Agreement with the Urban League of Champaign County Development Corporation for the Principal Reduction Lease-Purchase Program:** Mr. Loschen explained this agreement is for Urban League's Homebuyer Program and uses HOME funds from both the previous and current fiscal years. This program is available to clients in Urban League's credit counseling program. \$15,000 is used per house. Urban League will purchase a house and then rent the house to participants. After two or three years, the participants may purchase the house from

Urban League. Participants pay a monthly maintenance fee for inspection and escrow for downpayment and closing costs. If the client does not purchase the house, a new family is chosen. There will be four homes in Urbana and five in Champaign. This program uses Urbana HOME and HOME CHDO dollars.

Chairperson Cobb asked if there were any negatives. Mr. Loschen said he has high hopes for this new program. Judy Jones, a credit counselor from the Urban League, answered commissioner's questions. Commissioner Diana asked about families who participated in the program for three years but were unsuccessful. Ms. Jones remarked that hopefully the families being chosen would qualify. Commissioner Diana remembered a similar past program with amortization. Ms. Jones said the program is designed so clients may purchase the house earlier if they can afford it. In response to Commissioner Diana, Ms. Jones replied that Urban League is working closely with Busey Bank. Commissioner Vidoni asked if there was any difficulty getting clients. Ms. Jones said no; approximately 219 clients have expressed interest in the program.

*Commissioner Englebresten moved to recommend approval to City Council the Agreement with the Urban League of Champaign County Development Corporation for the Principal Reduction Lease-Purchase Program (FY2001-2002). Commissioner Lewis seconded the motion. The motion carried unanimously.*

**Agreement with Urban League of Champaign County for Owner-Occupied Rehabilitation Program** – Mr. Burgett stated this agreement is a recommendation to the mayor rather than City Council. This agreement, which will rehabilitate four houses, is similar to the current program. Urban League personnel are doing an excellent job. Two rehabilitation projects have been completed, and one will be finished before the contract expires. The flat fee of \$2,000 per project has remained the same for the last two years. If the rehabilitation project does not proceed, then Urban League is reimbursed on an hourly basis. Jean Algee, Urban League, has agreed to keep costs at the same level despite lead-based paint issues.

*Commissioner Vidoni moved to recommend approval to the mayor of the Contract for Technical and Advisory Planning Services – Housing Rehabilitation Program – with the Urban League of Champaign County. Commissioner Paquin seconded the motion. The motion carried unanimously.*

**Property Disposition to Habitat for Humanity, 1202 West Beslin Street:** Mr. Loschen gave a brief description of the property that is located at the corner of Fairview Avenue and Beslin Street. City staff relocated the tenants and demolished the house. The City of Urbana has held the property until Habitat for Humanity requested it. Habitat for Humanity plans to build on the lot next April. Chairperson Cobb stated this was a win-win situation. Mr. Loschen agreed, noting this returns a house to the tax rolls.

*Chairperson Paquin moved to recommend to City Council the disposition of surplus city-owned property, 1202 West Beslin Street, to Habitat for Humanity for housing construction. Commissioner Vidoni seconded the motion. The motion carried unanimously.*

**Property acquisition for affordable housing, 808 North Romine Street:** Mr. Loschen reviewed how the property owner approached city staff about purchasing this property. This one story house is located on Romine Street north of Provena Covenant hospital. The owner will accept the appraised value of \$17,000. The City of Urbana will demolish the house and donate the lot to a non-profit agency. Total estimated costs including demolition would be \$28,250.

In response to Chairperson Cobb, Mr. Loschen noted this is similar to other property acquisitions. If there were problems with asbestos, this would increase the demolition costs. Discussion continued on property appraisals and value of a property with the additional liability of asbestos.

*Commissioner Lewis moved to recommend to City Council acquisition of the property at 808 North Romine Street. Commissioner Vidoni seconded the motion. The motion carried unanimously.*

**Illinois Department of Public Health (IDPH) Grant Agreement for Lead Hazard Reduction activities in conjunction with Owner-Occupied Rehabilitation Program:** Mr. Burgett reviewed the grant agreement, which will require a budget amendment. He described how the Cities of Urbana and Champaign, Champaign County, and the Village of Rantoul have worked together concerning HUD's new lead-based paint hazard reduction requirements. This agreement provides that the City of Urbana will work with the Champaign-Urbana Public Health District to provide lead-based paint hazard identification, reduction, and clearance testing services to eligible clients for two housing units. Mr. Burgett discussed licensing of contractors and noted they must now be licensed lead abatement contractors.

Commissioner Diana presumed the Village of Rantoul was not involved because it was not a member of the Urbana HOME Consortium. Mr. Burgett replied yes; however, staff has kept them informed. Commissioner Diana asked who was the lead agency. Mr. Burgett said there was a separate contract with each government entity and the IDPH. Mr. Grewe noted previous grants were for lead work only. Staff suggested using the money with housing rehabilitation. The State of Illinois approves of using these funds to leverage other program funds. Mr. Burgett noted at this time there are few children identified as lead poisoned in the area. Mr. Grewe said staff would target units with children.

Stating this was a draft agreement, Mr. Burgett discussed the changes to the final agreement. One change eliminated the requirement to rehabilitate only homes with children. Commissioner Vidoni questioned the wording in section 3.3.2 of the agreement. Mr. Burgett talked about contractor training and said the agreement would increase funding to \$2,000 for reimbursing four contractors for their license fees at \$500.00 each. Commissioner Vidoni was apprehensive about approving a draft agreement that did not include all changes. Discussion continued on approving a draft agreement. Mr. Burgett suggested calling a special meeting if IDPH needed a signed agreement before the next regular CD Commission meeting. Chairperson Cobb noted this agenda item would be held over to the August meeting.

**Review Neighborhood Organization Grant (NOG) Program:** Mr. Grewe reviewed expectations of neighborhood organizations, their capacity, and their value to the community.

He provided information on the City of Champaign's neighborhood program, which is not funded with federal dollars. He discussed ideas to enhance and improve the NOG program. One major concern is if the NOG program is consistent with HUD's regulations. Mr. Grewe reviewed CDBG-eligible activities that state funds may be used for creating a neighborhood organization but not actually running it. Once established, a neighborhood group must apply for other types of funding rather than NOG funds.

Commissioner Vidoni remarked the Annual Action Plan indicated neighborhood organization was limited to capacity building. He asked if there were other ways the CD Commission could support neighborhood groups. He believed the City of Urbana should support neighborhood groups. Mr. Grewe will review the Annual Action Plan, but noted there is a 20 percent administrative cap.

Nancy Greenwalt, an employee of United Citizens and Neighbors (UCAN), addressed the CD Commission. She has been involved with UCAN since 1994 and has been employed by UCAN for the last 18 months. She stated UCAN would like to participate in discussions that review the NOG guidelines. Ms. Greenwalt questioned how current NOG guidelines violate the Department of HUD's regulations. She does not believe they do. She discussed how UCAN built capacity with its current housing rehabilitation project. Ms. Greenwalt asked if the time limit for funding was a federal or local decision. Mr. Grewe replied it was a city restriction. Ms. Greenwalt read a letter from Anne Nye (see attached), UCAN treasurer, which discussed UCAN's budget, dues, and monthly expenses. Ms. Nye's letter requested the City of Urbana provide funding for neighborhood groups beyond startup. Ms. Greenwalt felt neighborhood groups are a good investment and help carry out the city's purposes. They bring neighborhood issues to the city's attention. Noting many private funders are only interested in large projects, Ms. Greenwalt suggested the City of Urbana and the CD Commission look at how long they want a neighborhood group to last. She added that UCAN has had to meet very stringent funding standards.

Commissioner Vidoni believed this is one of the most important endeavors and supported nurturing neighborhood groups. Chairperson Cobb asked about dues. Ms. Greenwalt said dues are \$12 per year per household and discussed donations, garage sales and possible business support. When Chairperson Cobb asked about violating HUD guidelines, Ms. Greenwalt replied funds were spent to support the goals listed in B 1-5. Commissioner Paquin asked about membership and the housing rehabilitation project. Ms. Greenwalt replied 125 households receive UCAN's newsletter, and approximately 8-12 persons attend regular monthly meetings. The rehabilitated house on North Gregory Street will be available for sale in early August.

Commissioner Diana felt the CD Commission supported UCAN; however, the problem is to find the correct way to fund their program. While he believed the current activities comply with capacity building, he discussed the difference between preparation and implementation. Ms. Greenwalt was concerned about competing with larger non-profit agencies for Consolidated Social Service Funding. She believed the City of Urbana should support neighborhood groups beyond initial startup. Commissioner Vidoni disagreed with the interpretation of capacity building. Commissioner Lewis added that UCAN was the first neighborhood group, and the City

of Urbana is still grappling with the issues of defining neighborhood groups. He also mentioned HUD regulations may be ambiguous.

Ms. Greenwalt stated the results of a recent survey indicate residents support UCAN. The neighbors feel UCAN is working for their best interests. Commissioner Lewis is open to dialogue with UCAN. He saw the need for feedback from neighborhood organizations and felt the City of Urbana should support neighborhood groups. Chairperson Cobb remarked the city should match the funding source with the needs of the neighborhood group. The CD Commission may need to consider other funding sources.

Mr. Grewe said staff is currently reviewing guidelines and general requirements. Some points to consider are: (1) Documentation of the neighborhood—how do citizens recognize they are part of a group? (2) Measure of performance—before and after to show level of accomplishment. (3) Matching funds—if more neighborhood organizations compete for limited dollars, what other resources are available? (4) Time period of participation. He noted some communities fund neighborhood organizations with funds other than federal. It is a challenge to identify the needs and match to the funding sources. Staff will continue with an analysis and get HUD's input. The Neighborhood Organization Grant will be on each month's agenda. Commissioner Lewis added that since the Department of HUD initiated this program several years ago, HUD should have additional guidance.

Chairperson Vidoni questioned the three-year maximum funding. Mr. Grewe explained that capacity building historically meant providing funds for organization and then moving to other funding sources. Chairperson Cobb remembered the CD Commission decided on a three-year limit to encourage different groups to get started. Ms. Greenwalt asked if a group is working for a neighborhood and has provided leadership, what benefit is the time limit? She noted no other groups have requested NOG funding. Commissioner Vidoni did not see the necessity for time limits if the funds were put to good use. He was interested in the organizations' initiatives, productivity, and good use of funds. Ms. Patt remarked there is confusion between startup and capacity building, with startup being one type of capacity building. She believed capacity building was about a group developing capacity to do more. Ms. Patt believed the three year limit was due to anticipation of additional neighborhood groups.

Mr. Grewe questioned the ways to measure the neighborhood's skills, resources and systems. Commissioner Lewis suggested a group like UCAN could partner with the City of Urbana and take on projects like the King Park Neighborhood Center. The groups could also work with the Urbana School District. There is an opportunity for tremendous growth and for a significant impact on the community.

Commissioner Diana remarked the regulations differentiate between planning and administration. The NOG funds may not be used for annual operating funds.

Chairperson Cobb stated the CD Commission appeared sympathetic to UCAN's position; however, more information was needed on capacity building and implementation.

**Champaign County Property Auction:** This item was added to the agenda at the beginning of the meeting. Mr. Loschen said both Habitat for Humanity and Illinois Center for Citizen Involvement brought this auction to his attention. The Champaign County Collector has taken possession of several properties, some within the City of Urbana limits. Three properties could possibly be acquired: 1405 West Beslin Street, 1209 West Beech Street, and the vacant lot at the corner of Beslin Street and North Romine Street. Mr. Loschen noted the property at 1405 West Beslin is a half lot with the adjoining half lot being owned by a different person. The City would need to acquire both lots to create a buildable lot. The other two lots are buildable now. Staff discussed the property acquisitions with the City's legal department. Discussion continued on existing liens, appraised value, and measurement of the lots. Mr. Loschen proposed spending no more than \$6,000 for a vacant lot, which is the average appraised value.

*Commissioner Lewis moved to authorize city staff to proceed with the property acquisitions based on the guidelines presented and pending review by the City's legal department. Commissioner Vidoni seconded the motion. The motion carried unanimously.*

**Adjournment:** Chairperson Cobb adjourned the meeting at 9:37 p.m.

Recorded by Connie Eldridge

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Attachment: February 26, 2001 letter from Anne Nye, UCAN treasurer, to the Community Development Commission