

**CITY OF URBANA  
COMMUNITY DEVELOPMENT COMMISSION  
Tuesday, October 23, 2001, City Council Chambers**

**Commission Members Present:** Fred Cobb, Chris Diana, Alice Englebresten, Michael Holly, Robert Lewis, Anne Heinze Silvis, Dennis Vidoni

**Commission Members Absent:** Jon Liebman, Gigi Paquin

**Others Present:** Bob Grewe, Connie Eldridge, and Mike Loschen, Community Development Services; Jeffery L. Ford, Habitat for Humanity; Nancy Greenwalt, United Citizens and Neighbors; Mary Anderson.

**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 September 25, 2001 minutes. Commissioner Silvis moved to approve the minutes, and Commissioner Vidoni seconded the motion. The motion carried unanimously.*

At the request of Bob Grewe, Chairperson Cobb changed the order of business.

**Petitions and Communications:** Jeff Ford, Executive Director of Habitat for Humanity, gave a slide presentation on Habitat's program. He thanked the Community Development Commission and city staff for the City of Urbana's support and noted that Habitat has built more homes in Urbana than in any area of Champaign/Vermilion Counties.

Habitat for Humanity, which is part of Habitat for Humanity International, was founded in 1976. This Christian-based program has built more than 100,000 homes around the world. Work is carried out through local affiliates, which build the homes, select the families and raise funds for the community. There are chapters at the University of Illinois and in Piatt County. Since 1991 Habitat has built 25 homes, with 17 built in the last four years. Two part-time staff and one student intern work with volunteers who donate a tremendous amount of time.

Habitat's mission is people helping people to eliminate poverty housing. It uses four methods: volunteer labor, home ownership through sweat equity, interest free loans, and Fund for Humanity. Volunteer labor makes the houses affordable, with 1400 persons volunteering for current fall activities. The program makes a 20-year interest free loan to a participating family. For example, a homeowner can purchase a home for less than \$400 per month, including real estate taxes, insurance and a maintenance free escrow account. The principal is placed in the Fund for Humanity, which is used to help finance the next home.

Mr. Ford said that Habitat used the following selection criteria for applicants: willingness to partner, ability to pay, and need for better housing. Families must donate 500 hours of volunteer labor, with the individual head of household donating 250 hours. Applicants must furnish a downpayment, show a manageable debt load and attend financial counseling. Habitat targets families making 25-50 percent of Median Family Income (approximately \$11,000 to \$25,000 per

year for a family of four.) Habitat also considers what percentage of family income is used to pay rent.

The typical Habitat home is three to four bedrooms, one bathroom, 1100 to 1200 square feet, and has a parking pad. The typical cost is \$55,000 for the price of materials and contracted labor. The three bedroom houses sell for \$38,500; four bedroom houses sell for \$42,500. The price of the home is based on 21 percent of a family's monthly income.

The goal is to build simple, decent homes for those in need. Mr. Ford described destitute living conditions in the world. It is estimated that 60 percent of lower income households in Champaign County have a housing cost burden, which is a rental burden over 21 percent. Approximately 18,000 people are living in poverty in Champaign County. Habitat's focus is to overcome the cycle of poverty and despair, which results in crime. They have seen great success as families have responded.

Mr. Ford stated Habitat provides "a hand up, not a handout." The Cities of Urbana and Champaign, Parkland College, University of Illinois, churches, businesses and organizations partner with Habitat to provide this program. Partnerships are critical to Habitat's goal of building eight to ten homes per year. It is crucial that Habitat receive lots to meet their goal. Mr. Ford noted the City of Urbana uses CDBG funds to purchase and clear lots. The city receives money back through increased real estate taxes. He noted other low-income housing providers, such as Illinois Center for Citizen Involvement, have also improved the neighborhoods.

Chairperson Cobb asked how Habitat's houses lasted as compared to contractor-built houses. Mr. Ford replied all houses are built to city codes, meet wind resistance specifications, have vinyl-clad windows, and siding. The homes, which use standard 2 x 4 construction, hold up well. Habitat is experimenting with a siding that is a concrete wood product.

Commissioner Englebresten asked about Habitat's houses with foam in the middle of the walls. Mr. Ford described the Park Street house that used this construction. It is very airtight, has a heated slab floor, and better window treatments. Habitat was experimenting with construction techniques to help families reduce energy costs. In response to Commissioner Diana, Mr. Ford explained the panel is made of particleboard, foam interior, and then another layer of particleboard.

Mr. Ford stated that Habitat observes all laws of selection set by city, county, state and federal government. Program participants own their homes, so Habitat has no control over their behavior. He said Habitat cannot select people based on what the neighbors think. One of the 25 families is a difficult neighbor, and Habitat is currently mentoring the family. In general, Habitat has found that homeowners take pride in their neighborhoods.

Commissioner Vidoni inquired about the maintenance fund portion of the house payment. Mr. Ford replied this is a savings account for the family. When the house needs repair, the family may request funds. Often volunteers help make the repairs.

**Staff Report:** Mr. Grewe distributed a memorandum and highlighted several items. The Department of Housing and Urban Development (HUD) is still working on staff's request for guidance concerning capacity building. HUD is requiring measurable standards. According to

the city's HUD representative, there are federal funds for training, and staff from HUD will visit a CHDO to do capacity building. Mr. Grewe was hopeful the October 26 teleconference with HUD would finalize the arrangements. He also requested the Department of HUD provide city staff with a professional trainer. There is not enough staff capacity to stop programs in order to re-engineer the programs.

Mr. Grewe distributed information from Indiana University on organizational management and assessing the health of organizations. The McKinzie Capacity Assessment Grid is a tool to help assess and improve organizations. He noted it is not easy to build capacity in the non-profit world, and staff would share the information with the partnering non-profit organizations.

Illinois Center for Citizen Involvement (ICfCI) did a good job of explaining their home design to the neighbors at the last Eads at Lincoln Subdivision meeting. Residents appreciated the information. Another meeting is scheduled for November 6.

**Old Business:**        **Review Neighborhood Organization Grant (NOG) Program** – Mr. Grewe discussed the Department of HUD's direction that reinforced the distinct line in program activity between planning/capacity building and implementation. One suggestion is to provide additional detail to the grantees regarding federal administrative requirements/restrictions. Since the Department of HUD is clear about the distinction, Mr. Grewe wondered about the possibility of City Council providing non-federal funds. The CDBG regulatory framework is cumbersome for small funds like the NOG. He suggested funding activities such as technical assistance, which is a separate funding activity that does not impact CDBG administration budget. Currently all NOG grants come from CDBG administration line item, which has a cap of 20 percent. Staff explained the three-year limit for NOG funds was to allow groups to build capacity and then move to other funding. Mr. Grewe suggested using CDBG funds for new capacity rather than for a certain number of years.

Commissioner Lewis noted there are not great numbers of people starting neighborhood organizations. He wondered what the city's role should be to support neighborhood groups. There is a minimum amount of money for programs, and it is difficult to build capacity while serving the community with minimum funding. Commissioner Lewis stated neighborhood organizations provide services to the community and asked what the City of Urbana could provide to keep these neighborhood groups viable. Commissioner Diana agreed, noting the question is how much does City Council want to support these groups. Commissioner Lewis said usually a core group keeps the neighborhood organization together with the bare minimum. He supported using CDBG funds to fund neighborhood organizations.

Because the NOG funds are limited and have very little time for capacity building, Commissioner Diana said sustaining funds need a separate approach. Commissioner Lewis remarked if the city wanted neighborhood groups, it must provide an incentive and help the groups with logistics. Chairperson Cobb suggested giving specific examples of what did or did not work to neighborhood groups. Commissioner Diana agreed.

Commissioner Vidoni asked how the NOG funds impacted the CDBG administrative budget. Mr. Grewe discussed the administrative cap, salaries, and other expenses. Commissioner Lewis remarked it was hard to distribute CDBG funds among the many non-profit organizations. Commissioner Vidoni felt it was unfortunate that the NOGs had to compete against larger

organizations. He felt the city should support neighborhood groups and requested the CD Commission create such a policy.

Commissioner Diana suggested that before budget considerations staff provide the CD Commission and City Council with more detailed information on the national objectives for compliance and technical assistance.

Nancy Greenwalt, United Citizens and Neighbors (UCAN), said the CD Commission appeared to understand UCAN's concern with funding. UCAN would like to discuss NOG funding when City Council considers the issue.

**New Business: Amendment to Agreement between the Urbana & Champaign Sanitary District and the City of Urbana Concerning Improvements to the Woodland Park Neighborhood** – Elizabeth Tyler gave a history of the Woodland Park Neighborhood Plan, which was adopted by the CD Commission in 1990. The plan resulted in an agreement with the Urbana & Champaign Sanitary District (UCSD) for property acquisition, clearance, and reconstruction of the UCSC service entrance. The agreement was adopted in 1994 and amended in 1997. The plan's primary goals have been achieved, and many parcels were rezoned to Conservation, Recreation, and Education (CRE). The zoning ordinance does allow sewage treatment plant as a use with a Special Use Permit in the CRE zone.

The UCSD is now requesting the agreement be amended to allow for westward expansion of a biosolids storage pad and construction of two pond facilities, which are a digester and a stormwater clarifier. This will be the extent of the 20-year physical improvements at the northeast plant. UCSD staff was not able to attend this CD Commission meeting because of a conflict with their own information meeting. The improvements, which are fairly extensive, address capacity and EPA requirements. Ms. Tyler noted the improvements will benefit the entire sanitary district.

The UCSD has completed a Long Range Facility Planning effort, which the Urbana City Council approved. However, the city had concerns about the financing component. The UCSD is proceeding with EPA review, the public process, and approval of the plan. To make the actual changes, the UCSD must return to the Plan Commission and City Council for a Special Use Permit. At that time the city would require a site plan and specific provisions to protect the neighborhood.

The proposed amendment concerns rezoning of properties and is consistent with existing zoning and land use designations for the area. One purpose of the agreement was to create a landscape buffer, which would remain with the extension. Ms. Tyler referenced the goals and objectives of the Comprehensive Plan, and noted the Comprehensive Plan map was amended to show this as an institutional area.

Ms. Tyler noted the CD Commission is the advisory body for this amendment to the agreement. The amendment does not go through the Plan Commission. Ms. Tyler described the summary of findings. The amendment is consistent with overall zoning of the Conservation, Recreation and Education district and Comprehensive Plan policies. The location is relatively distant from nearby residents and should not negatively impact the neighborhood. When the UCSD held a neighborhood meeting, residents had questions but did not raise any objections. The amendment

is also consistent with the UCSD Long Range Facility Plan and City Council's advisory approval of the facilities planning components. Ms. Tyler discussed options before the CD Commission and recommended approval of the proposed amendment.

Chairperson Cobb asked if residents expressed any concerns. Ms. Tyler replied the neighborhood attendance was not large, and those who attended asked for clarification on odors, on-going concerns, and land usage. There were no fiscal objections. Chairperson Cobb wondered if the improvements would make the odors better or worse. Ms. Tyler thought the new cover would help. Commissioner Diana remarked the cover would still need to be vented, so it would not impact odor one way or another. Ms. Tyler added the odor was dependent on weather conditions. Commissioner Lewis inquired about UCSD addressing OSHA regulations. Ms. Tyler responded there are many different regulations, such as EPA, OSHA, and building codes.

*Commissioner Holly moved to recommend to City Council approval of the Amendment to the Agreement between the Urbana & Champaign Sanitary District and the City of Urbana Concerning Improvements to the Woodland Park Neighborhood. Commissioner Diana seconded the motion. The motion carried unanimously.*

**Urbana HOME Consortium Community Development Organization Agreement HOMESTEAD Corporation Rental Project FY 2001-2002** – Mr. Loschen stated this standard HOME agreement designated \$118,000 of this year's HOME dollars to Homestead. Homestead must provide dollars to match. \$100,000 is reprogrammed money that would have been used to refinance the Single Room Occupancy (SRO) project. Instead the funds will be used to increase the number of single-family rental units for larger families. After rehabilitating one rental unit in Champaign and two in Urbana, Homestead will rent the units to large families from Section 8.

HOME regulations require the rents to be affordable for a minimum of ten years. There are also rental rate restrictions. Homestead will use the lower Section 8 rents rather than the HOME rents. Mr. Loschen noted Section 9 (a) Occupancy Restrictions should read, "The *three* houses in the Project rehabilitated with HOME and Match funds..." Commissioner Diana stated on page 2 of the agreement the paragraphs were incorrectly numbered.

*Commissioner Diana moved to recommend to City Council approval of the Urbana HOME Consortium Community Development Organization Agreement Homestead Corporation Rental Project FY 2001-2002 with the two proposed changes. Commissioner Englebresten seconded the motion. The motion carried unanimously.*

**Amendments to the FY 2001-2002 Annual Action Plan** – Mr. Grewe reviewed the proposed changes to the Annual Action Plan and discussed the 30-day public recommendation period. The changes are done at the amendment stage. He highlighted the following changes: property acquisition, CD sink fund provision, and streetlight replacement approved by City Council. The carryover line item for Transitional Housing was deleted because the funds were used. Neighborhood cleanup was moved from interim assistance to the public service category. Property maintenance funds were decreased and moved to a different category at the Department of HUD's request. A list of Social Service Funding Projects was added to the CDBG portion of the Annual Action Plan. Due to the Department of HUD's fluctuations, the HOME budget was increased by \$3,000, and the increase was divided among the HOME activities.

In response to Chairperson Cobb, Mr. Grewe explained the amendments were a matter of housekeeping. The Department of HUD has asked for revisions in the revised Annual Action Plan as a condition in approving the City's approach to address the 15 percent Public Service Activity cap. Commissioner Diana asked what rationale was used to divide the HOME budget. Mr. Grewe responded the activities were prorated amounts by direction of the HOME Consortium. The Consortium is in agreement with these allocations.

*Commissioner Lewis moved to recommend to City Council approval of the Amendments to the FY 2001-2002 Annual Action Plan. Commissioner Silvis seconded the motion. The motion carried unanimously.*

**Amendments to the FY 2000-2001 Annual Action Plan** – Mr. Grewe mentioned discussions from the beginning of the year with Illinois Center for Citizen Involvement (ICfCI). ICfCI outlined several difficulties completing the HomeBuild3 project, one being the City of Urbana's lack of timeliness in providing lots. The Annual Action Plan must be amended to provide ICfCI funds for these activities and to change the line item amount by more than 10 percent. Mr. Loschen explained \$15,2000 was to cover expenses of administrative functions—overhead, salaries. In FY 2000-2001 the city only funded six months worth of administrative/program delivery expenses. Now ICfCI is trying to finish the program and is building the last six houses. ICfCI had anticipated HomeBuild3 to be completed last December. Mr. Loschen noted the downside to the transfer is that the city will not be able to complete one half to one complete whole house rehabilitation. Mr. Grewe added the funds from the "Get the Lead Out" program will help offset loss of funding.

Chairperson Cobb asked if the amendment was worth it in terms of meeting program goals. Mr. Loschen replied yes, this is a CHDO agreement that will cover extra administrative/program delivery expenses incurred to complete the project. Chairperson Cobb inquired about other available sources of funds. Mr. Loschen said only five percent of the annual HOME allocation may be divided among all of the CHDOs for administrative costs. Each CHDO does not get five percent. As more CHDOs are added, there could be funding difficulties. Commissioner Diana asked if administrative funds from last fiscal year were being used to fund current activities. Mr. Loschen replied no; administrative overhead must match the same fiscal year. Subgrantees must provide receipts so city staff can process payments.

*Commissioner Silvis moved to recommend to City Council approval of the Amendments to the FY2000-2001 Annual Action Plan. Commissioner Diana seconded the motion. The motion carried unanimously.*

**Adjournment:** Chairperson Cobb adjourned the meeting at 8:58 p.m.

Recorded by Connie Eldridge