

MINUTES OF A SPECIAL JOINT STUDY SESSION

COMMUNITY DEVELOPMENT COMMISSION AND URBANA CITY COUNCIL

DATE: Tuesday, February 26, 2002

DRAFT

TIME: 7:30 p.m.

PLACE: Council Chambers, 400 South Vine Street, Urbana, Illinois 61801

Commission Members Present: Fred Cobb, Chris Diana, Robert Lewis

Commission Members Absent: Alice Englebretsen, Michael Holly, Gigi Paquin, Anne Heinze Silvis, Dennis Vidoni

Council Members Present: Danielle Chynoweth, Milton Otto (Arrived after meeting had started), Esther Patt, Ruth Wyman

Council Members Absent: James Hayes, Laura Huth, Joseph Whelan

Staff Present: Randy Burgett, Housing Rehabilitation Coordinator; Deborah Roberts, Deputy City Clerk, Bob Grewe, Grants Management Division Manager; Teri Hayn, Planning Secretary; Michael Loschen, Grants Coordinator II (HOME Program); Libby Tyler, Community Development Director

Others Present: Mickie Bailot, Sheryl Bautch, Steve Clark, Sheila Ferguson, Sandy Lewis, Jim Rose, Patty Smith

1. CALL TO ORDER

Mayor Satterthwaite called the joint study session to order at 7:30 p.m.

2. INTRODUCTORY REMARKS – Mayor Satterthwaite

Mayor Satterthwaite stated that since there were not quorums for either the Community Development Commission or for the City Council, they could not take formal action to approve the minutes from January 22, 2002. However, the Commission and Council members in attendance could hold a discussion on the agenda items. He noted that the intent of the meeting was to review some of the applications for the Community Development Block Grant (CDBG) and the HOME Program, to establish a general discussion about the pros and cons of each of the applications received, and review staff recommendations.

Community Development Commissioners, City Council Members, city staff and citizens introduced themselves. During the introduction, Sandy Lewis requested that the Public

Participation portion of the meeting be moved ahead of the other agenda items. City staff, Commissioners, and Council Members mutually agreed that would be okay.

3. PUBLIC PARTICIPATION

Sandy Lewis, of Provena Behavioral Health, expressed her gratitude for the City of Urbana's support in the past for requests from the Mental Health Center. Provena Behavioral Health has made it a commitment to develop housing for individuals with serious mental illness and mental disabilities. Many of those homes would not be available without the help of the City of Urbana.

Ms. Lewis mentioned that a request was submitted this year by Provena Behavioral Health to keep up with the repairs of two of their facilities. This request has become more critical due to the reductions for the Office of Mental Health in the state budget. There will be a 5.5% reduction beginning in FY2003. There are plans to close the state operative facility in Peoria, which means that the burden of housing local individuals will increase traumatically.

Sheila Ferguson, of Provena Behavioral Health, added that the request was partially for an egress on a group home on Cottage Grove, which currently houses three ladies and partially for the repairs of a staircase in the facility on Elm Street. Supporting the request would also help with some minor expansion.

4. SUMMARY OF JANUARY 29, 2002 JOINT STUDY SESSION AND PROCESS FOR PREPARING ANNUAL ACTION PLAN – Bob Grewe

Bob Grewe, Grants Management Division Manager, recapped the highlights of the discussion at the last meeting, which was held on January 29, 2002. He mentioned that the "Selection & Prioritization of Affordable Housing Program Activities" was one of the topics of conversation. He pointed out the three program areas related to housing, which were as follows: 1) Strategies to Address Homelessness, 2) Affordable Housing Strategies, and 3) Public Housing Strategies. He mentioned that the other topics of discussion included the general reproduction of the posters and the dot exercise. Mr. Grewe then opened up the meeting to the Community Development Commissioners to recall what they remembered from the previous meeting.

Commissioner Cobb remembered that there were a limited number of votes. If a Commissioner/Council member voted for a few applications to be granted, then he/she would use up all his/her votes. That would not indicate what that person thought about the remaining requests. Commissioner Cobb felt that a different system should be used to allow more votes to represent what each Commissioner/Council member thought of all the requests. Mayor Satterthwaite responded that nothing was set in stone. The exercise was used to get an indication of what the Commissioners and Council members were thinking of.

Councilperson Patt brought up that other than redevelopment at Lakeside Terrace, the requests that got the next highest votes were as follows: 1) replacing lost housing, 2) develop multi-family rental housing for extremely low-income people, and 3) increase number of affordable housing units for extremely low-income people. It was a recurring theme of high interest. It is probably the one area where the City has not done a lot. She felt it was one of the priorities, and so do many other people. Mayor Satterthwaite commented that there were a number of related affordable strategies for person under 30% Median Family Income (MFI). Replacing lost

housing and some of the others were not as specific for people under 30% MFI. He felt that there were other affordable housing strategies that needed a lot of support as well.

Ms. Tyler mentioned that when looking at the strategies, she noticed that a number of votes on the public housing speak to the fact that should have been under one strategy. That was the one place to vote for that; whereas, some of the other affordable housing strategies could be found in similar strategies. She thought it would be interesting to group them into more or less discreet program areas. That was the reasoning for that exercise. It shows a little more of a spread between public housing and overall housing availability.

Commissioner Lewis questioned whether the goal, in terms of the strategies, was to provide low-income housing? Mr. Grewe replied yes. There are three program areas. There are another nine or better in the Consolidated Plan that have not even been touched on.

5. SUMMARY OF APPLICATIONS SUBMITTED – Bob Grewe

Mr. Grewe reviewed the Summary of CDBG Program and HOME Program applications for FY 2002-2003. He explained that it was divided into two parts. The top half was CDBG applications, and the bottom half was HOME applications.

6. STAFF RECOMMENDATIONS FOR FY 2002-2003 ANNUAL ACTION PLAN – Grants Management Division Staff

Mr. Grewe presented the staff recommendations, which were as follows:

- Historic East Urbana Neighborhood Association: *Staff felt was appropriate.*
- United Citizens and Neighbors: *Staff was concerned about two open grants that had been provided and continuing dialog of the Community Development Commission about being able to continue to document capacity, and that the organization is pursuing new activities.*

Mayor Satterthwaite inquired as to what was meant by two open grants. Mr. Grewe responded that there were two existing grants that have not been completed as of yet. Staff needs to be more pro-active to remind organizations to keep the money moving. Housing and Urban Development (HUD) will continue to keep on staff about performance. Moving money is a big part of HUD's performance criteria.

Ms. Tyler asked if the funds had been expanded or if it was the activities associated with the organization? Mr. Grewe replied that it was a little of both. The application was about expanding membership. The trouble staff had quantifying was how to do that. Is expanding membership a capacity building activity? The spirit of the Neighborhood Organization Grant (NOG), when it was established, was about legal fees, startup money, and to get some mailings to get the neighbors together. It was about starting the group, not carrying the group for an indefinite period of time.

Councilperson Patt asked about the HUD guideline? Mr. Grewe stated that the HUD guidelines are more specific about capacity building. Councilperson Patt asked how the guidelines were defined? Mr. Grewe responded that the guidelines were sent out with a packet this year. It

would have to be a quantifiable, measurable activity. Staff had asked HUD if developing and sending out a newsletter meet capacity building. HUD had responded that it was not. Developing and sending out a newsletter was considered to be implementation in HUD's opinion.

Commissioner Lewis commented that there was an extensive discussion about the role of the City relative to the NOGs. NOGs are community organizations that were started within the community, and the initial concept was to get them started to assist in the community and bring about some continuity among the people of the community and to bring issues to City Council to try and address the needs of the community. HUD regulations with regard to capacity building were somewhat nebulous in nature. They were not specific enough to try and communicate that to the NOGs, which left it open-ended. The questions asked by the Commission were as follows: 1) What is the role of the City relative to NOGs after they are started? 2) Should the City let the NOGs fend for themselves? 3) Should the City support the NOGs to some degree? A community organization like that is relatively small in nature. Their ability to bring in additional grants with HUD hiring someone else to do it and having the capabilities to build that capacity internally with grant writing and those types of things was pretty difficult. Those were not considered initially. Now they become a reality. NOGs are limited in how far they can go because of their size.

Councilperson Patt inquired as to whether the City could fund on-going operations in neighborhood groups under Public Services? Mr. Grewe replied yes. Councilperson Patt stated that maybe the idea would be to use NOGs to fund startups and consider using Public Services to fund continuing support of the organizations. Commissioner Diana commented that there are all kinds of ways to support neighborhood groups. More importantly was that HUD was saying that we could not continue to support neighborhood groups with NOGs. The thing to be cautious with the Public Service Funding is that there is a limit. Mayor Satterthwaite mentioned that the Neighborhood Clean-Up and the Transitional Housing was originally funded by the Public Service. Now they have to be funded by another source.

Councilperson Patt stated that she read through the draft of the Annual Action Plan, and between the CDBG and the HOME listings there is a listing called "Carryover Activities". She specifically inquired about the \$30,800 available for Public Services listed under those Carryover Activities. She asked if that money would be carried over to FY 2003 or is it money that had not been spent as of yet? Mr. Grewe answered that the carryover was money that had just not been spent yet during the current fiscal year. He added that Ms. Rasmussen had talked about getting the bills in to be paid and getting those projects done.

Councilperson Wyman questioned why street construction and street lighting improvements were not included in the Capital Improvement Plan (CIP) instead of being funded by CDBG? Mayor Satterthwaite responded that those improvements were included in the CIP. Councilperson Wyman then asked why the City was using CDBG money to pay for capital improvements? Mike Loschen, Grants Coordinator II (HOME Program) responded that was part of the HOME match. Under the HOME Program, the City has to provide 25% of the dollar spent from local funds. Therefore, the City draws the HOME matching funds from the CIP. In order to replace those dollars, the City funds an infrastructure project with CDBG every year.

Councilperson Patt inquired as to why the match comes from CDBG if the match requirement is for the HOME Program? Mayor Satterthwaite replied that if you look at CDBG and HOME together, then there are some programs that can be funded by multiple funding sources. If the City pays for projects under CDBG, then that would free up other monies under CIP that could be used for affordable housing programs. Mayor Satterthwaite then gave an example.

Councilperson Patt asked what could the money be spent on to satisfy HUD that the City has met the HOME match? Mr. Loschen answered that the match has to be local dollars spent on HOME eligible projects. Mayor Satterthwaite explained that the City takes money from the CIP to use for HOME eligible projects and replaces that money with CDBG money.

Councilperson Patt questioned if this applied to Community Housing Development Organization (CHDO)? Mr. Loschen replied that CHDOs have to provide their own match. They usually acquire that through grants (i.e. Federal Home Loan Bank, Illinois Housing Development Authority) or through some of their own private fund-raising efforts.

Commissioner Lewis described a matrix system that was used in the past. It was a way to track grants coming into the City and source for matching funds. It was developed in each one of the grant areas. It was done for the general public, so that when they came to make a request, they would understand what the requirements were. Councilperson Wyman stated that she would be interested in seeing an old copy to help her understand this a little better.

Councilperson Chynoweth asked if staff had looked in other areas of the budget to fund street construction and light replacement other than CDBG funds? Mayor Satterthwaite explained that the City's money came from the CIP fund. The CIP was just being held. There is no net gain and no net lost to the CIP fund.

Councilperson Chynoweth then asked what the problem would be with paying for matching HOME funds out of the general revenue? Mayor Satterthwaite replied that there would be no problems if there were money in the general revenue. There are no reserves left.

Ms. Tyler stated that the percent of funding is much less than previous years, and the requests are higher. As a result, the City can only fund 24% of the requests. Staff struggled with this and developed the goal that if a request is not fully funded or not funded at a significant level, then staff wanted to have an alternative. Mr. Grewe added that what it boils down to is that staff believed that the Prairie Center and Lakeside Terrace seemed to be priorities. The balance was trying to make the most of the remaining amount. It was difficult.

Councilperson Wyman questioned whether the City could switch some of the Un-Programmed Funds from CDBG to the HOME Program? Mayor Satterthwaite commented that part of the \$100,000 in the Un-Programmed Funds was to be used for infrastructure and homeownership programs in Savannah Green and other new construction.

Councilperson Patt asked if it was the Community Development Commission's decision or staff recommendation to make the Prairie Center and Lakeside Terrace the top priorities? Mr. Grewe answered that it was staffs' recommendation. Councilperson Patt inquired if the funding for Lakeside Terrace would be used to explore what could be done? Mr. Grewe replied that was correct. The funding would be used to look at scenarios that would lead to decision-making.

Councilperson Patt noted her concerns regarding what say the City has about what the Lakeside Terrace can do. If the Housing Authority can disregard what the City of Urbana wants, then the City may be funding the tearing down of affordable housing. Is the City's consent necessary for anything or can they redevelop without the City's consent? At what point does the City stop funding this effort if it is not going in the direction that the City wishes? Mayor Satterthwaite stated that it would be very difficult for them to redevelop without the City's consent. Councilperson Wyman asked if there could be an agreement, which included certain stipulations about replacement, etc.? Mayor Satterthwaite replied that a model could be created using the criteria that the City sets out.

Councilperson Chynoweth inquired as to what the criteria was used in forming the recommendation about funding the Prairie Center and Lakeside Terrace? Also, she noticed that newer groups were being funded, and older groups were not. She asked if the City was developing certain organizations and then leaving them to go under? Ms. Tyler responded that there is so little money to go around. Staff looked at all the individual applications and the different organizations as to whether they were getting additional funding from somewhere else or whether they met the criteria.

Mr. Grewe talked about the funding for Lakeside Terrace Residents Council to build a playground from the Social Service Funds. Councilperson Patt remembered that the City believed that they would be providing funds for summer youth jobs, not a playground. Traditionally, the purpose of Social Service funding was to fund those types of activities that other funds will not. Ms. Tyler commented that there are recreation funds available as well.

Councilperson Patt asked what funds did staff perceive that the Mental Health Center had access to that the Prairie Center would not? Mr. Grewe replied that it boiled down to the Prairie Center wanting to embark on a relocating and a new facility. Mayor Satterthwaite asked what Prairie Center wanted to do? Councilperson Patt stated that they want to combine two facilities into one. Ms. Tyler added that it would be an opportunity to reuse a building on Philo Road. It is a one-time opportunity that makes a lot of sense from a plan view standpoint. Mayor Satterthwaite researched and found that Prairie Center is requesting \$200,000 from Champaign. He asked what area the Prairie Center served? Mr. Loschen responded that the Prairie Center serves at least Champaign, Ford, Vermilion, and part of Coles County. Mayor Satterthwaite commented that traditionally in the past when the City of Urbana has helped fund joint projects with the City of Champaign, the City of Urbana generally funds at a level of \$1.00 for every \$2.00 from the City of Champaign. He mentioned that the City of Urbana should work very closely with the Prairie Center and the City of Champaign on this project. The idea is that we do not want either Urbana or Champaign to fund a disproportionate share for what is an area-wide resource.

Mayor Satterthwaite discussed some of the applications being considered for funding under the Un-Programmed Funds. Those applications included the following: First Time Homebuyers Program requested by the Urban League's Lease to Own Program, the Illinois Center for Citizen Involvement (ICFCI), and Property Acquisition. Mr. Grewe pointed out the Tenant-Based Rent Assistance Program, which was funded in the past under Property Acquisition, will run its course this year; however, in order to keep it in FY2003, it will need to be addressed. Mayor Satterthwaite asked if the Property Acquisition currently had any funding. Mr. Grewe stated that the carryover portion of the draft plan showed that there was a good chunk of money. However,

HOME Build 4 will need to be funded, and if there is any money left, Habitat and District 116 are always looking for lots. There are sufficient funds to satisfy our current obligations. Mayor Satterthwaite commented that as the City funds ICFCI, we should look at property acquisitions costs as well. Mr. Grewe added that the City might also look for ways to add other subsidies to the property acquisition.

Mayor Satterthwaite asked what programs would not be able to be funded under the current draft plan? Mr. Grewe mentioned that the City would not be able to help fund HOME Build 5. The City would not be able to help fund the new housing construction of five units. Mayor Satterthwaite asked what the average amount was of the cost to buy and clear a lot and have it ready for CHDO? Mr. Loschen replied that the amount was just a little under \$25,000.

Councilperson Patt questioned whether staff was proposing for FY2003 not to spend any more money on property acquisition? Mr. Grewe replied that he would rather get ahead of the property acquisition scenario.

Mayor Satterthwaite mentioned that the total funding available for the Un-Programmed applications are \$123,263. Basically, the question is whether the City wants to continue with the same priorities as in the past? How should the City divide the Un-Programmed Funds up between the two requests?

Councilperson Patt requested clarification as to the breakdown of the 15% that CHDO matches for the Urban League. Mr. Loschen explained that \$90,000 would be eligible for the Urban League. The \$22,500 is the amount that CHDO requires the Urban League to match. Councilperson Patt asked if there were restrictions on where the money could come from to match CHDO? Mr. Loschen stated that there were some restrictions. For example, the money cannot come from federal funds.

Commissioner Lewis reiterated the idea of reviving the MATRIX system. It would clarify all of this for everyone. The MATRIX system would tell where the dollars come from, how they are allocated, what percentage the applicants are getting, what the matches are, and where the matches are coming from. Mr. Grewe asked from the public standpoint did the MATRIX system help on the decision-making or on the front end with understanding how money is available. Commissioner Lewis replied that it helped with preparing the grants and tuning it to the specific areas.

Councilperson Patt inquired if any of the applications from Mental Health Center or the Prairie Center could be HOME eligible programs? Mr. Loschen replied that staff has not found a way to do that as of yet. Even though some of them are housing related, with the HOME regulations, the entire structure has to be brought up to the current building code. The City would have to go in and complete a full building assessment. This is not a CDBG regulation.

Councilperson Wyman inquired as to how much an inspection would cost if the City wanted to fund the Mental Health Center through the HOME Program? Mayor Satterthwaite replied that paying for inspections would take money away from other activities. Mr. Loschen added that there would be some restrictions on the income eligibility of people living in the group home. Commissioner Diana stated that he felt in some cases the inspection would be a good idea. However, sometimes inspections will cost quite a bit more depending on what might need to be

done to get a building up to code. Ms. Tyler suggested that staff could go back and review the HOME applications for its feasibility. Mr. Grewe commented that in addition to staff reviewing the applications, it might be best if staff asks applicants about the status of the buildings.

Councilperson Patt commented that the Mental Health Center facility would be fairly new construction. The facility was built in 1996 or 1997, so it is already under the new building code. The Building Safety Division annually inspects it.

Councilperson Otto questioned whether HOME funds have to be spent on construction or related activities or would the City have the flexibility to fund the Housing Authority with their projects? Mr. Loschen answered that HOME regulations prevent HOME dollars from being used on any Housing Authority owned properties. If there would be a private development portion of the larger picture of the redevelopment, then HOME dollars could be used to fund part of that.

Mr. Grewe talked about the applications pending that are listed under the Un-Programmed Funds. He reviewed the applications from the Urban League and from ICFCI. Councilperson Wyman questioned if there was a way to specify that the funding was to target towards benefiting persons below 30% MFI? Mr. Grewe responded that could be stipulated in the agreements.

Commissioner Diana vaguely remembered that there was some difficulty with the last project of ICFCI in that they had a hard time finding buyers for the very low-income housing. Mayor Satterthwaite stated that the City could open up the First Time Homebuyer to that category of buyers.

Councilperson Chynoweth asked Mr. Grewe to speak more about how the criteria has changed between last year and this year in terms of shifts and preferred requirements. Mr. Grewe stated that there are more people looking at what staff is doing. Councilperson Chynoweth commented that there wasn't so much of a change in criteria as there was more dotting the i's and crossing the t's. Mayor Satterthwaite mentioned that HUD and City staff discovered last year that the City was using an inappropriate category of funding for the Neighborhood Cleanups. It would not have been a big concern except that the category where HUD wanted it funded by had a cap. The City of Urbana had gone over that cap. Mr. Grewe commented that the City has HUD looking at their work. Meanwhile, HUD has Congress looking over their shoulder. Therefore, they do not want anything out of alignment.

Commissioner Lewis brought up that the City was not clear on the overlap in grants. Mr. Grewe stated that was one reason why he cut the text into two separate parts: CDBG and HOME.

Councilperson Patt inquired as to whether there was any carryover in the Social Service Grants from last year in the CDBG money? Mayor Satterthwaite responded by saying that Carol Elliot monitors the Social Service Grants.

Commissioner Cobb asked if the excess or unspent funds have to remain in the category that they started in? Mayor Satterthwaite replied no. Any excess or unspent funds go back into the CDBG pool. Councilperson Patt added that the City's portion of Social Service funding stays earmarked for Social Service for subsequent years.

Commissioner Cobb asked Mr. Grewe to talk about the Davis-Bacon requirements in terms of costs. Mr. Grewe commented that the prevailing wage is used on most of the public projects. The City interviews the staff to ensure that the employees are making their wages. He added that right now staff is in a regulatory administrative chain and trying to find ways to be able to do four projects instead of a dozen. Commissioner Lewis asked if there was a cutoff in terms of dollars associated with Davis-Bacon requirements? Mr. Grewe replied yes, and that it was \$2,000.00.

Mayor Satterthwaite reminded the Commissioner and the Council members that staff was still waiting for some direction for the \$100,000 of Un-Programmed Funds. Commissioner Lewis felt that the one with the greatest potential to benefit the community should get a higher percentage. Mr. Grewe mentioned that staff's analysis reflected that ICFCI's program brought in new tax dollars and does leverage other money. Mayor Satterthwaite commented that each program has different advantages. Mr. Grewe clarified that with regards to the Urban League, the City would end up with three units instead of five. Councilperson Wyman stated that she would like to see, whichever programs that the pending funds go to, staff target the groups or households with 30% and maybe even 50% to help out the lower-incomes. The City could help out people with a lot more money, but that would not be matching the priorities of the City. Councilperson Patt commented that the Urban League has already gotten the majority of the CHDO funds. The Urban League is not creating new affordable housing opportunities. They are helping people with bad credit purchase a home sooner, because the Urban League buys the house for a participant. In order to be a participant, a person has to pay the same exact amount of money that he would pay if he were buying the house himself. The only difference is who has the mortgage. Whereas, the Property Acquisition for Homestead and ICFCI would be money spent on new housing opportunities for people who cannot afford to buy a home.

Commissioner Diana pointed out that there are two more popular were New Construction of Affordable Housing and Expand Homeownership among Urbana Residents. Although the Urban League will expand homeownership among residents, it does nothing for new construction. However, the Homestead and ICFCI programs will accomplish both.

Mayor Satterthwaite asked regarding new construction if ICFCI and the Urbana League were helping existing Urbana residents or people moving to Urbana? Realistically, ICFCI and Urban League should be helping people who already reside in Urbana to get a new home. Does the City make current residency a requirement? Councilperson Patt stated that according to the Comprehensive Housing Affordability Housing Strategy, the City's plan was to increase the percentage of households in Urbana that over-occupied. The idea was to create more Urbana homeowners, not necessarily making more residents of Urbana. Mayor Satterthwaite added that the City wants to benefit Urbana residents first with the City's funding. Mr. Grewe commented that the agreements stipulate that the homes must be located in Urbana. Councilperson Patt suggested that staff research the Urban League's records for this past year to find out how many of the people who received assistance lived in Urbana prior to receiving that assistance. She mentioned that both the Urban League and ICFCI help both the City of Urbana and the City of Champaign. The City of Urbana might not want to stipulate in the agreement that the funding from the City of Urbana be used only on existing residents of Urbana. It would be interesting though to find out how many Urbana residents received benefits from this program.

Ms. Tyler suggested that staff do another allocation of funds based on the comments from this meeting. Councilperson Patt felt that the Commissioners and Councilpersons had expressed concern about the applications from Mental Health Center and Family Service and how decisions are made.

Commissioner Diana noticed that many of the projects that the City has funded each year are becoming more long-range projects. That is something that is important for the City to get a handle on. Where do these projects go? The Urban League is a three-year program. He felt that once the City committed funds to a project and when the project needs more money, and then the City will likely have to kick additional funds into the project to get it completed. Therefore, the City needs to get a handle on how many multi-year or long-range projects it will fund. The flexible pool of money that will be there to use for funding will get less every year.

Councilperson Chynoweth stated that if staff or the Community Development Commission does re-tweak the figures, then she would like to get a sense of what kind of dollars the City would need for Property Acquisition to support five units of new housing construction. She also would like to know what the City would lose if they did not support the additional \$30,000 to the Urban League. Councilperson Patt replied that two fewer families would be served if the City did not fund the additional \$30,000 to the Urban League. She asked if those five units were in addition to the thirteen units being funded by the \$90,000? Mr. Grewe replied that those five units were included in the thirteen units. Councilperson Chynoweth asked why the request for the additional \$30,000 then? Councilperson Patt explained that the \$90,000 comes from CHDOs and the other \$30,000 would come from the City of Urbana.

Councilperson Patt questioned if the City could use HOME money for Property Acquisition? Mr. Loschen replied yes. Councilperson Patt asked if the City could take the whole \$130,000 (pending requests) and use it for FY 2004 Property Acquisition? Commissioner Diana replied yes.

Ms. Tyler asked about a percentage cut off of everything? Councilperson Wyman stated that she did not like that idea. Councilperson Patt recommended taking another look at the Mental Health Center application. Mayor Satterthwaite questioned where to get the money from to support the Mental Health Center? Commissioner Diana replied that it could come out of the Un-Programmed Funds. Mayor Satterthwaite commented that would leave less for ICFCI. Mr. Grewe added that the City could replace a CDBG activity with the funding for the Mental Health Center. Ms. Tyler stated that she felt there was enough guidance for staff to do another pass through of the Annual Action Plan.

Commissioner Lewis noted that eliminating programs had been discussed as well. All the applicants need some kind of funding, but at some point in time, the City will need to look at the best value for the dollar. This might force some organizations to look into other financial sources.

7. ADJOURNMENT

Mayor Satterthwaite adjourned the meeting at 9:50 p.m.