



MINUTES
COMMUNITY DEVELOPMENT COMMISSION
Tuesday, June 24, 2003, City Council Chambers

Minutes approved by CD Commission on 7-22-2003

Call to Order: Chairperson Cobb called the meeting to order at 7:16 p.m.

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

Commission Members Present: Fred Cobb, Chris Diana, Alice Englebretsen, Umesh Thakkar, Dennis Vidoni

Commission Members Absent: Robert Lewis, Joanna Shisler, Anne Heinze Silvis,

Others Present: Bob Grewe, Ella Coleman, Connie Eldridge, Community Development Services.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the April 22, 2003 minutes. Commissioner Diana moved to approve the minutes, and Commissioner Thakkar seconded the motion. The motion carried unanimously.*

Chairperson Cobb asked those commissioners who were present at the last meeting if the meeting summary from May 27, 2003 was accurate. When Commissioners Diana and Thakkar responded yes, Chairperson Cobb noted it was the consensus of those present that the notes were accurate.

Referencing the May 27 meeting, Commissioner Vidoni requested clarification of the concern for setting precedent using staff to help non-profit organizations. He believed City staff frequently helps non-profit organizations. Also, Commissioner Vidoni was concerned about comments regarding a neighborhood organization's potential gain from maintaining property values. He stated that every neighborhood's mission statement would directly or indirectly include a goal to maintain property values. Commissioner Vidoni surmised the issue involved a neighborhood organization owning property and using government funds. He supported United Citizens and Neighbors' (UCAN's) efforts to maintain and increase property values.

Commissioner Diana reviewed the discussion on May 27 about City Council's transfer of \$28,000 from the City of Urbana's Whole House Rehabilitation Program to UCAN. He had questioned whether UCAN could legally administer this type of fund based on their status. Also, Commissioner Silvis had pointed out that 501(c)3 status requires members of an organization not own property near the area targeted for federally funded rehabilitation. It is possible the members could personally gain from the rehabilitation. The discussion that ensued involved the impact of City Council's decision. According to Commissioner Diana, the concern was not UCAN doing the housing rehabilitation but the possible lack of separation and how the funds were structured. Commissioner Diana referenced UCAN's record keeping and commissioners' suggestion that UCAN partner with an agency that had the legal status to provide structure.

Commissioner Vidoni felt the first sentence on page 2, paragraph 1 needed a qualifier. Commissioner Diana explained his concerns on how UCAN would be able to administer it to avoid jeopardizing their 501(c)3 status. If UCAN did not have the staff to administer it, this could be a problem. If the City of Urbana ran the housing rehabilitation program using funds earmarked for UCAN, there is a gray area on who is doing it. Commissioner Vidoni felt a blanket statement did not make sense and asked about the context. Commissioner Diana replied the first sentence was tied to the second sentence.

Commissioner Vidoni asked about Commissioner Silvis' comments about a neighborhood organization's potential gains from maintaining neighborhood property values. He restated that every neighborhood organization would be interested in maintaining property values. Commissioner Diana believed the term "personally" should be added. Commissioner Diana had been concerned about the Department of Housing and Urban Development's (HUD's) interpretation of the relationship between City staff and a shell organization under the auspices of a non-profit organization. Commissioners had asked staff for clarification. Mr. Grewe described researching neighborhood-based organizations websites. There is a very extensive section in these grant agreements about non-profit status, conflict of interest and any potential gains. It appears that other communities have checked these constraints. The websites discussed neighborhood improvements and infrastructure improvements to improve property values. Mr. Grewe agreed that the earlier discussions seemed counter-intuitive to the mission of maintaining or increasing a neighborhood's property values. He noted that the City's new agreement with UCAN will have a conflict of interest of clause and will be clear about City staff's role during rehabilitation.

Commissioner Diana added that the sticky issue was UCAN not being able to afford an annual audit. Without an audit there is very little to verify. He remembered that Homestead Corporation was willing to administer the funds and be a pass-through organization.

Petitions and Communications: None.

Staff Report: Mr. Grewe distributed a brief outline. He reviewed the following: Affordable Housing Fair, Analysis of Impediments to Fair Housing Choice, and Notice of Funding Availability (NOFA) for Shelter Plus Care.

Ms. Rasmussen provided an update on the Continuum of Care. HUD's current emphasis for homeless persons is to provide permanent housing. There is very little funding for emergency shelters, and there are limited funds for transitional housing. Homeless Families in Transition is a program that provides housing and supportive services for homeless individuals and families up to 24 months. Families work through budget, education, job issues—anything that holds a family back from a self-sufficient lifestyle. In 1994 City of Urbana staff wrote the grant for Homeless Families in Transition. Initially this contributed to new construction at A Woman's Place, renovation of Forbes House at Center for Women in Transition (CWIT), renovation of two single-family houses and two apartments for the Salvation Army Stepping Stone Shelter. Later the two apartments were changed out for another housing unit. Under this program there are now three single-family houses at Salvation Army, two group homes at CWIT, and five bedrooms at A Woman's Place. This grant, which is in its eighth year, will end June 30, 2004. At that time the renewal, which will be for two years, will be in place.

Ms. Rasmussen described the Shelter Plus Care I and II permanent housing programs. Shelter Plus Care provides tenant based rental assistance for persons with disabilities who are homeless. The targeted disabilities are mental health, substance abuse, developmental disabilities, and persons with HIV/Aids. Prairie Center, Developmental Services Center, Provena Behavioral Health and Greater Community Aids Project (GCAP) participate in this program. Initially Shelter Plus Care I was a five-year program with a one-year extension. Now it is on an annual renewal basis, and staff must write a grant request annually. There are two years left on Shelter Plus Care II. Next year staff must begin the annual grant request for renewal of Shelter Plus Care II.

There are 38 one and two-bedroom units between the two programs for single persons and households. Ms. Rasmussen reviewed some of the program's successes: many people have been kept sober, remained on medications, have jobs, and some have graduated from the program. Three drug-free babies were born. Clients pay 30 percent of their annual income for rent, with this program picking up the remainder of the rent. Because some long-term participants are earning more income, they are growing toward self-sufficiency and able to pay more of their actual rent.

Ms. Rasmussen reminded commissioners the recent collaborative initiative is the same type of program. Shelter Plus Care funds are outside the Continuum's pro-rata. Congress allocates funds for the McKinney-Vento Act, which is first divided among the states and then within each state among the Continuums of Care. The Urbana/Champaign Continuum of Care has \$273,000 which does not include Shelter Plus Care. This is for renewals or any new programs. The program can provide permanent housing without jeopardizing its opportunity to write grants for new programs or to continue transitional housing programs.

The Urbana/Champaign Continuum of Care is looking for new permanent housing projects. HUD will match the Continuum's pro-rata dollar-for-dollar up to \$500,000 if the Continuum prioritizes permanent housing projects, such as another Shelter Plus Care project. There is a \$250,000 bonus for renewals.

Ms. Rasmussen reviewed the renewal for Homeless Management Information Systems (HMIS). The program may need to purchase hardware for the not-for-profit agencies and to staff the database.

Mr. Grewe remarked the Continuum of Care service providers reach a consensus on where to use funding. There is a lot of give and take, depending if one organization is ready this year while another organization prepares for a project.

Ms. Rasmussen stated the Continuum of Care does a "gaps analysis" to determine available housing programs and community needs. This includes a homeless survey to determine the number of beds needed for emergency shelters and transitional housing. The Continuum of Care includes all of Champaign County.

Chairperson Cobb asked if this grant would double the 38 units. Ms. Rasmussen replied no. The Continuum of Care has \$273,000 available in its pro-rata. If there was a permanent housing project that would cost \$200,000, the Continuum of Care would commit \$100,000 as first

priority from its pro-rata and then use HUD's \$100,000 bonus. This would leave \$173,000 in the Continuum's pro-rata to allocate to other programs.

Chairperson Cobb inquired about possible units. Ms. Rasmussen answered that Prairie Center will receive funds to renovate five bedrooms at their Hill Street facility, which could possibly be made into permanent housing. Provena Behavioral Center may purchase another group home for permanent housing but has not yet located the property. The Salvation Army wants to buy adjacent property, demolish the two houses, and build a combination emergency shelter and transitional housing for families. The Continuum could fund the transitional housing portion; however, it would not qualify for the bonus. The other two programs would be permanent housing.

Mr. Grewe added that the City of Urbana is the only municipality doing this. Usually this is done by the Housing Authority or another non-profit organization. This grant has brought in \$5,000,000 in funding over the years.

In response to Commissioner Vidoni, Ms. Rasmussen stated there are 38 scattered units at varied locations, with Prairie Center adding five more. Approximately 20-25 landlords participate. She clarified the Shelter Plus Care I renewal is for 20 of the 38 units. Any new units would be another application.

Chairperson Cobb remarked that the program appears to work well. Mr. Grewe responded that Ms. Rasmussen has worked with the program for many years.

Returning to Staff Report, Mr. Grewe said the City of Urbana is waiting for the Illinois Housing Development Authority (IHDA) to roll out the Home Equity Loan Program.

City Council has approved the HOME Consortium renewal and the Amendment to Homestead's CHDO Agreement for Rental Development. Commissioner Diana asked if there were any changes to the HOME Consortium regarding the City of Champaign. Mr. Grewe replied no, all parties were in the HOME Consortium. During renewal staff may revisit the intergovernmental agreement to improve the operation. As lead entity the City of Urbana executes Subrecipient Agreements with the City of Champaign and Champaign County.

Mr. Grewe distributed photos of housing construction by Homestead Corporation at Eads at Lincoln Subdivision.

HOME Consortium staff has reviewed sample documents and agreements from ICF Consulting on the HOME Consortium policies and procedures. There are four agreements in draft form. The Intergovernmental Agreement provides for Urbana, as lead entity, to enter into Subrecipient Agreements with the City of Champaign and Champaign County. The Homebuyer Agreement will include HUD's regulatory wording for enforcement provisions. The Rehabilitation Specialist Service Agreement involves regulations for Urban League to run part of the Whole House Rehabilitation Program. Rental Development includes efforts focused on addressing HOME regulatory details.

Staff continues to meet with the Housing Authority and their developer, Brinshore Michaels, to discuss Lakeside Terrace Redevelopment. In response to Commissioner Vidoni, Mr. Grewe said

there was no formal timeline but the developer was sharing anticipated project costs. He noted the City will be discussing next year's budget in the fall.

Noting the CD Commission made many changes to the Analysis of Impediments to Fair Housing, Commissioner Thakkar asked if City Council has looked at the document. Mr. Grewe will send out the Analysis of Impediments with changes highlighted and will provide a memo outlining the edits.

Old Business: None.

Chairperson Cobb distributed City of Urbana lapel pins to the commissioners. Referencing expiration of his term as commissioner, Chairperson Cobb indicated his willingness to remain on the commission. However, he suggested someone else become chairperson.

New Business: **Proposed Changes to HOME-funded Tenant Based Rent Assistance (TBRA) Program** – Mr. Grewe reviewed how persons moved from Transitional Housing (TH) Programs into the TBRA Program. The TBRA Program, which began in 1995, was to provide rental assistance for persons enrolled in CDBG-funded TH programs. Persons may participate in TH programs for up to two years and then enroll in TBRA for another two years. The hope is that the persons will move toward self-sufficiency. Staff noted that participation has been limited. One reason might be TBRA's two-year limit versus a Section 8 voucher, which is more permanent. Another reason might be the case management component. Due to the rate of turnover among case managers and volunteers, another framework to pass on the information might be needed. In an attempt to increase interest and activity, the City of Urbana allocated an additional \$40,000 last year.

Noting many persons have problems getting Section 8 vouchers, Commissioner Diana asked if the requirement for case management was a major reason the TBRA Program was not used. Ella Coleman has not pinpointed a major reason why clients have not used it more extensively. She noted many persons want to live independently without case management; however, their decisions have resulted in their current situation. She believed another problem was marketing—how the program is shared with others. Other issues are: lack of security deposits, lack of rental housing for large families, credit problems, and the requirement the units be in the City of Urbana.

In response to Commissioner Diana, Ms. Coleman said a client may be in the TBRA program and still be on the waiting list for Section 8. Because housing for both TBRA and Section 8 programs must be inspected and approved, a TBRA client may transfer to Section 8 without moving to another unit.

Mr. Grewe stated this was an opportunity to review the TBRA Program to increase participation. One idea to expand the pool of eligible persons was to include a separate category of "special needs populations" such as persons from the Shelter Plus Care environment.

Commissioner Vidoni requested more information on the program's process. Ms. Coleman explained that a client from one of ten local Transitional Housing Programs would ask his/her case manager about TBRA. If the client was in good standing (paying rent, cooperating with case manager, etc.), the case manager would recommend that client to Ms. Coleman. After the

client completes the application, Ms. Coleman interviews the client to discuss guidelines and contacts the case manager. The approved application is forwarded to the Housing Authority, which administers the program. The client then looks for his/her own housing and selects a case manager with whom to work. After the City of Urbana and the Housing Authority have inspected and approved the property, the client may move in.

Commissioner Vidoni asked if transitional housing programs were providing enough clients. Ms. Coleman answered yes, there was a breakdown at that point. Many agencies use Ameri-Corps workers as case managers, and they stay for only one year with the agencies. Often the next Ameri-Corps worker is not aware of the TBRA Program. Ms. Coleman added that some clients find it frustrating to find housing due to their personal situations. Commissioner Thakkar asked about the participating TH Programs and which program participated the most. Ms. Coleman responded that most clients come from the City of Urbana's TH Program. Mr. Grewe added that although TBRA seemed to be a natural progression, there were both program and personal issues.

Commissioner Diana inquired about the difference between TBRA and Section 8 Programs from a landlord's perspective. Ms. Coleman believed the tenant's responsibility and payment to the landlord are the same. However, as a client moves from TH to TBRA, the client accepts more responsibility such as paying for utilities.

Chairperson Cobb questioned how the information was disseminated. Ms. Coleman sends out announcements when spaces are available and holds meetings to notify case managers. Some clients learn about the program from other clients.

Commissioner Diana remembered the main purpose of the initial TBRA Program was to provide additional housing for a few years while a client completed training or education. Ms. Coleman did not believe TBRA was directly related to education or taking up a trade. She noted that many clients are recently employed and are trying to maintain their jobs. Their goals seem to be cleaning up their credit histories rather than attending school or getting a different job.

Commissioner Diana asked if the job services, trade unions, or Parkland College promoted the availability of the TBRA Program. Mr. Grewe and Ms. Coleman were not aware of this. The focus has been on TH Programs. Ms. Coleman added some clients have received an education while in TH and TBRA programs.

Commissioner Thakkar asked if fair housing issues were being addressed through this program. Mr. Grewe discussed the selection process and noted that HUD will allow programs to be tailored to serve certain populations. However, the program cannot discriminate along the fair housing lines. Commissioner Thakkar wondered if fair housing issues applied to this program. Discussion continued on why some clients had trouble renting. Ms. Coleman noted that most landlords are requesting credit histories. Unfortunately, most of the homeless population has credit history problems.

Commissioner Thakkar was concerned about fair housing issues after a client gets a place. He also asked about the client's access to appropriate resources. This was one reason why Mr. Grewe wanted to keep the requirement for case management and encourage clients' participation.

Chairperson Cobb wondered about receiving a list of TH participants and then directly mailing them information on TBRA. Ms. Rasmussen mentioned the need for confidentiality. In response to Chairperson Cobb, Ms. Coleman said she already sends mailings to the TH Programs. Ms. Coleman added that many clients are not eligible or will not go through the entire process.

Commissioner Vidoni asked where the process tended to break down. Ms. Coleman responded that every situation is different. Some clients lose eligibility in their TH Program, lose their employment, return to the city they came from, etc. Noting these clients have many difficulties in their lives, Mr. Grewe questioned what was considered acceptable and successful. The goal is to provide rental assistance for lower-income participants.

Commissioner Diana asked if the requirement to rent properties in Urbana was a drawback. Ms. Coleman agreed the requirement was somewhat limiting. Because these are Urbana funds, Ms. Coleman noted it did not seem reasonable to rent in other communities. Considering the expanded list of eligibility, Commissioner Diana wondered if the groups more closely tied to Urbana would stay in Urbana. Mr. Grewe added if a family was based in Champaign, they usually preferred to rent in Champaign. However, the requirement to rent in Urbana means the City's Housing Inspector can inspect it for safety.

Commissioner Vidoni asked if the breakdown in using the program was unique to the City of Urbana and if other communities had similar problems. Although Mr. Grewe had researched other communities, he did not find information on participation levels. Ms. Coleman added the TBRA Program was different from other communities' programs.

Ms. Coleman believed if the TBRA Program was opened to other Special Populations, there might be more participation.

Chairperson Cobb questioned how much difference the recommendations would make. Mr. Grewe discussed the expansion to include Prairie Center and Developmental Services Center. Staff sensed a rental deposit program could help but did not have figures to support this. Noting many programs provide assistance only after a person has become homeless, Mr. Grewe wondered about a housing prevention program that offers help before homelessness. Staff learned that IHDA offers such a program, but more research is needed. Mr. Grewe said the question is what will make an impact in rental assistance.

The programs from other communities used funds other than HOME funds, which must be used only for permanent housing programs and not for emergencies. Commissioner Diana pointed out that ineligibility of HOME funds for case management tied to a program that requires case management may explain why the program is not functioning the way it should. Agencies that are providing this program must allocate some of their own funds to administer a program that is not theirs. Mr. Grewe believed funds for City staff could be provided under CDBG but wanted to be clear about HUD's perspective. Likewise, Ms. Rasmussen explained that Shelter Plus Care requires the participating agencies to provide case management in order to receive rent assistance. Mr. Grewe noted it is not out of the ordinary to have a division of programming.

Mr. Grewe clarified the requirement for good standing was changed earlier; however, program guidelines had not been updated.

Another change was moving from first-come, first-served to prioritization based on likelihood of self-sufficiency. Commissioner Vidoni felt a statement of criteria or reference on prioritization was needed. Mr. Grewe agreed and mentioned discussions with the Housing Authority about prioritization of their Section 8 waiting list, which has only two categories. Ms. Coleman also noted the interview process helps understand a client's potential.

Commissioner Thakkar stated there are diversity issues due to the very diverse groups that will participate. He felt the program should indicate that applications are being prioritized in terms of diversity. Commissioner Diana thought a diversity requirement may be in conflict with the stated prioritization on ability to become self-sufficient. He felt neither was better or worse. By prioritizing based on likelihood of becoming self-sufficient and opening the pool to a wider number of categories, there is a risk of eliminating some categories from consideration. For example, a frail elderly person will not likely become self-sufficient. Commissioner Thakkar agreed and suggested the phrase "potential of becoming self-sufficient." Discussion continued on whether first-come, first-served would be better. Commissioner Diana noted the phrase "self-sufficiency" in some circumstances could be discriminatory. Ms. Coleman said the definition of self-sufficiency could be similar to "comparing apples to oranges." In Transitional Housing success is measured in many different ways.

Mr. Grewe wondered about creating a pool similar to Section 8 where there is not much prioritization. Rather than keeping the TBRA application list open all the time, he suggested opening and closing the list to create more interest.

Under Section 5.0 Commissioner Thakkar suggested holding an open house or a forum and inviting people to learn about the program. This would create diversity from the bottom up. He felt distribution of information was a more passive approach.

In response to Chairperson Cobb, Mr. Grewe said staff would develop these ideas. Rather than selecting a client based on the likelihood of success, Chairperson Cobb suggested establishing a threshold so a number of people could reach it. He felt this would be fairer than selecting only the best qualified.

Commissioner Vidoni suggested a few editing changes. He thanked Mr. Grewe and Ms. Coleman for explaining the TBRA Program.

Chairperson Cobb asked for the definition of elderly. Ms. Rasmussen answered that HUD does not determine that definition. City staff has discussed this definition many times and has set the age limit for participation in Senior Repair Service at 62 years.

Commissioner Diana liked the suggestion of a threshold for different ways of qualifying. He suggested considering areas where clients could qualify, for example meeting four of six areas. This way a client would not have to match all areas to qualify for the program. This would add diversity to the selection. Mr. Grewe agreed and referenced the Consolidated Plan, which spells out more definitive special needs areas.

Adjournment: Chairperson Cobb adjourned the meeting at 8:52 p.m.

Recorded by Connie Eldridge

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