



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Elizabeth Tyler, AICP, City Planner/Director

FROM: Bob Grewe, AICP, Manager, Grants Management Division

DATE: November 21, 2003

SUBJECT: **A Resolution Authorizing the Mayor to Execute a Certification of Consistency for the Housing Authority of Champaign County 2004 Annual Agency Plan**

Description

The Housing Authority of Champaign County (HACC) has indicated that in order to submit their 2004 Annual Plan, a Certification of Consistency must be executed by the City of Urbana, indicating that the Plan is consistent with the City of Urbana and Urbana HOME Consortium Consolidated Plan for Program Years 2000-2004.

The HACC has requested that this certification of Consistency be provided by December 15, 2003.

Issues

The principal issue is to determine that the Housing Authority of Champaign County's (HACC) FY 2004 Annual Plan is consistent with the City of Urbana and Urbana HOME Consortium Consolidated Plan for Program Years 2000-2004 and to adopt a resolution authorizing the mayor to execute the Certification of the PHA Plan's Consistency with the Consolidated Plan.

Background

The request for the Certification of Consistency is an annual request from the Housing Authority of Champaign County.

This year's consideration of the Certification of Consistency is of particular interest, since the Housing Authority of Champaign County, along with City of Urbana staff, have been working to develop and evaluate alternatives for the redevelopment of Lakeside Terrace.

Efforts are being made to finalize the preparation and analysis of three (3) redevelopment alternatives for

Lakeside Terrace. The following is summary of the alternatives:

Alternative 1. - Meet 80% Replacement Goal for PHA Units

This alternative provides for the replacement of 80% of the current public housing units at Lakeside Terrace. This is consistent with the goals of the Consolidated Plan. However, early indications are that this alternative will necessitate a very large amount of public subsidy investment, of which the City of Urbana would be identified as paying a large share of this subsidy.

Alternative 2. - Meet Less Than 80% Replacement Goal for PHA Units

This alternative provides for less than 80% replacement of the current public housing units at Lakeside Terrace. While this alternative may not be entirely consistent with the Consolidated Plan, early indications are that the required public subsidy would be substantially less than Alternative 1.

Alternative 3. - No Financial Assistance From the City of Urbana

This alternative is being developed to provide a scenario for the redevelopment of Lakeside Terrace, without any significant financial assistance from the City of Urbana. Staff believes this alternative is essential in order to fully gain an understanding of the range of available options and the related outcomes of each.

Last year, in the course of reviewing the Housing Authority of Champaign County's 2003 Annual Plan, City Council requested a number of changes to the plan in order for the plan to be fully consistent with the Consolidated Plan. City Council also recommended a number of changes that provided the most current information and data contained in the Annual Plan.

The Housing Authority staff has indicated that page 54, Section 18, Other Information, Item C. Statement of Consistency with the Consolidated Plan, bullet #4, is the appropriate location in the Annual Plan to add actions or comments in order for the Consolidated Plan of the jurisdiction to support the PHA Plan. Staff has identified the following actions and comments from the 2003 Annual Plan that should be included in this section and made part of the 2004 Annual Plan in order to recommend that the Certification of Consistency be approved:

The City of Urbana supports the efforts of the HACC in its mission to provide safe, decent and sanitary housing for all. The Urbana FY2000-2004 Consolidated Plan (Summary of Recommendations) includes the following polices and statements that should be inserted into the HACC Annual Plan for FY 2004:

AFFORDABLE HOUSING; in part "Additional subsidies for extremely low-income and very low-income tenants are needed, such as tenant-based rent assistance, assistance with security deposits and first month's rents, and use of low-income housing tax credits".

PUBLIC HOUSING; in part “Subsidized housing is greatly needed throughout Champaign County. However, family units owned and managed by the Housing Authority of Champaign County are generally considered last-resort housing due to poor living conditions. In the short-term family complexes should be renovated to ensure safe living conditions.

If redevelopment of Lakeside Terrace and Dunbar Court is possible, without a significant reduction in the total number of permanent, subsidized housing units that are affordable to the lowest income families with children in the community, the City of Urbana will work with the Housing Authority of Champaign County to develop a HOPE VI application for the redevelopment of Lakeside Terrace and Dunbar Court to create a mixture of public housing, rental or homeownership units and residents representing a mix of income. The city will assist in developing a plan which partners with the private sector to use private dollars to leverage HOPE VI or other Federal funds, to replace the demolished units with a combination of new on-site units, scattered-site units and Section 8 rent subsidies.

Although Section 8 vouchers or certificates may be used to relocate households living at these complexes at the time of redevelopment, at least 80% of demolished units will be replaced with permanent, subsidized housing units that will be affordable to extremely low-income families with children, irrespective of their income.

The City of Urbana submits the following additional comments and provisions related to the redevelopment of Lakeside Terrace:

With regard to replacement units related to the redevelopment of Lakeside Terrace in Urbana, in order to maintain consistency with the City of Urbana’s Consolidated Plan, the HACC recognizes the need to maximize the number of units that will be made available for families below 30% MFI. Should the City of Urbana provide substantial funding toward the redevelopment of Lakeside Terrace, the HACC will provide for the maximum number of units for families at or below 30% MFI within the expanded redevelopment area and that those units not provided on site could be provided at scattered-sites, so that no fewer than 80% of demolished units are replaced with permanent, subsidized housing units that will be affordable to extremely low-income families with children.

With regard to the predevelopment planning efforts for Lakeside Terrace, City of Urbana staff, have been actively involved in the process and have provided guidance and direction throughout the planning process. Should the City of Urbana provide substantial funding toward the redevelopment of Lakeside Terrace, the HACC will adopt the following goal: The maximum number of affordable housing units are to be developed within the Lakeside Terrace

redevelopment area and additional housing can be developed off-site in scattered site developments for persons below 30% MFI, so that no fewer than 80% of demolished units are replaced with permanent, subsidized housing units that will be affordable to extremely low-income families with children, irrespective of their income, which is consistent with the Consolidated Plan.

The City of Urbana will not provide substantial funding for the demolition of Lakeside Terrace units without a viable redevelopment plan, which is consistent with the provisions of the Consolidated Plan for the replacement of these units.

[End of requested insert]

Additional Comments

In the course of reviewing the Annual Plan, staffed noted the following concerning information and data referenced in the Plan.

The Housing Needs of Families in the Jurisdiction by Family Type table on page 7 contained data nearly identical to the 2003 Plan.

The Housing Needs of Families on the Waiting List for Public Housing table on page 8 reflected a significant increase from the previous year. In 2003 the total number of persons on the Public Housing Waiting List was 9 families. The 2004 Plan indicates that 262 families are on the Public Housing Waiting List.

The Housing Needs of Families on the Waiting List for Section 8 tenant-based assistance table on page 9 has not yet been completed. Last year the table indicated that 125 families were on this waiting list. It seems likely that the 2004 table will see an increase in the number families on this waiting list, since 1,339 families applied for Section 8 tenant-based assistance.

The amount of Federal Grants noted in the Financial Resources table on page 14 indicates that the Public Housing Operating Fund increased from \$1,391,842 to \$1,630,228. However, in FY 2004 there is no funding for the Public Housing Drug Elimination Program. Total budget increased \$1,725,505 from \$10,403,603 to \$12,129,108. HACC staffed provided the following updates to this table:

1.(a) \$1,630,228.00

1.(b) \$1,120,555.00

1.(e) \$6,938,996

In regard to admission preferences, page 22, Item (4)(b)(2.), involuntary displacement is

checked as a former federal preference. This box was not checked in the 2003 Annual Plan. HACC staff have indicated that this box will be checked in the final draft and that this change will be reflected under Section 3(B)(4) (b) (3) also on pages 22 and 23.

On page 27, item (g.), both the yes and no boxes are checked. HACC staff has indicated that this box will be checked “no” in the final draft.

Also on page 27, (2.)(1.), there is no indication of how flat rents are determined. In the 2003 Plan, boxes 1 and 3 were checked. HACC staff has indicated that boxes 1 and 3 will be checked in the final draft.

The table on page 30 reflects that units or families served at the beginning of the year decreased by 100 units. However, Section 8 Vouchers increased by 181.

In regard to accessibility concerns, the Annual Plan states that the HACC, through its efforts in the redevelopment of Burch Village and Lakeside Terrace will meet Federal requirements of 5% of all units to the needs of persons with disabilities, including 2% for hearing impaired and 2% for visually impaired. In addition, so long as the topography permits all ground floor units shall meet the State of Illinois laws and local ordinances related to visitability.

Staff believes that the second sentence should be removed, since topography is not a limitation to meeting state and local ordinances. HACC staff agrees with this and this sentence will be removed in the final draft.

Fiscal Impacts

No immediate fiscal impact has been identified, as no city funds are committed to strategies outlined in the FY 2004 Annual Agency Plan.

However, should the City make additional investments of CDBG, HOME or other City funding into the redevelopment of Lakeside Terrace, the HACC Annual Plan for FY 2004 and the City’s Consolidated Plan will help provide a framework for the redevelopment effort.

Recommendations

Community Development Services staff has determined that by addressing the suggested changes

and inserting the provisions referenced in this memorandum, the Housing Authority's Annual Plan Fiscal Year 2004 would be generally consistent with the Urbana HOME Consortium and City of Urbana CONSOLIDATED PLAN for Program Years 2000-2004.

Staff recommends that the Community Development Commission forward a favorable recommendation to Urbana City Council concerning the resolution authorizing the mayor to execute HUD form 50075, Certification by State or Local Official of the PHA Plans Consistency with the Consolidated Plan. However, this recommendation to Council should be contingent on the Housing Authority agreeing to make the changes and including the provisions referenced in this memorandum.

Memorandum Prepared By:

Bob Grewe, AICP
Grants Management Division, Manager

Attachments:

Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan

A Resolution Authorizing the Mayor to Execute a Certification of Consistency for the Housing Authority of Champaign County 2004 Annual Plan.

Housing Authority of Champaign County Annual Plan Fiscal Year 2004

**Certification by State or Local Official of PHA Plans Consistency with
the Consolidated Plan**

I, Tod Satterthwaite the Mayor of Urbana, Illinois certify
that the Five Year and Annual PHA Plan of the Housing Authority of Champaign Coun is
consistent with the Consolidated Plan of the Urbana HOME Consortium prepared
pursuant to 24 CFR Part 91.

Signed / Dated by Appropriate State or Local Official

RESOLUTION NO. _____

**A Resolution Authorizing the Mayor to Execute a Certification of Consistency
for the Housing Authority of Champaign County 2004 Annual Plan.**

WHEREAS, the City of Urbana has been designated lead entity for the Urbana HOME Consortium in accordance with the Cranston-Gonzales National Affordable Housing Act of 1990, as amended; and

WHEREAS, on May 8, 2000 the Urbana City Council adopted the *URBANA HOME CONSORTIUM AND CITY OF URBANA CONSOLIDATED PLAN FOR PROGRAM YEARS 2000-2004*; and

WHEREAS, the U.S. Department of Housing and Urban Development, Office of Public and Indian Housing Notice: PIH-99-33 (HA) requires that state or local government certification of consistency must be made by the appropriate state or local officials that the PHA Plan is consistent with the Consolidated Plan; and

WHEREAS, the Urbana Community Development Services staff, have reviewed the Housing Authority of Champaign County's *Annual Plan for Fiscal Year 2004* and found the Plan to be consistent with the *URBANA HOME CONSORTIUM AND CITY OF URBANA CONSOLIDATED PLAN FOR PROGRAM YEARS 2000-2004*,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

Section 1. That HUD form 50075 Certification by State and Local Officials of PHA Plans Consistency with the Consolidated Plan, as attached hereto and incorporated herein by reference, is hereby approved, and

Section 2. That the Mayor is hereby designated as the authorized representative of the City of Urbana and the Urbana HOME Consortium to execute HUD form 50075 Certification by State and Local Officials of PHA Plans Consistency with the Consolidated Plan.

PASSED by the City Council this _____ day of _____,
_____.

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
_____.

Tod Satterthwaite, Mayor