



**APPROVED
MINUTES
COMMUNITY DEVELOPMENT COMMISSION
Tuesday, May 25, 2004, City Council Chambers**

Call to Order: Chairperson Cobb called the meeting to order at 7:06 p.m.

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

Commission Members Present: Fred Cobb, Chris Diana, Robert Lewis, Theresa Michelson, Nancy Quisenberry, Anne Heinze Silvis, Umesh Thakkar, Dennis Vidoni

Commission Members Absent: Joanna Shisler

Others Present: Bob Grewe, Libby Tyler, Randy Burgett and Connie Eldridge, Community Development Services; Cole Kirkpatrick, Bob Spencer.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the April 6, 2004 Special Meeting minutes. Ms. Eldridge noted that Libby Tyler should be included as present. Commissioner Quisenberry noted a correction on page six, fourth paragraph. The second line should read, "...Urbana School District and if the Urbana School District has been in these discussion." Commissioner Lewis moved to approve the corrected minutes, and Commissioner Thakkar seconded the motion. The motion carried unanimously.*

Chairperson Cobb asked for approval or corrections to the April 27, 2004 meeting minutes. This included a public hearing on the Draft Lakeside Terrace Redevelopment Plan. Commissioner Thakkar moved to approve the minutes, and Commissioner Lewis seconded the motion. The motion carried unanimously.

Petitions and Communications: None.

Staff Report: Mr. Grewe thanked commissioners for participating in the tour of housing rehabilitation projects. He noted this program has been a cornerstone of the Grants Management Division for many years.

Mr. Grewe distributed copies of the City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2004-2005. City Council approved this plan and the amendments to the FY 2003-2004 and FY 2002-2003 Annual Action Plans on May 3.

Neighborhood Cleanup, which was held on May 8, was successful. The volume of junk was similar to past cleanups.

The City of Urbana is narrowing the list of candidates for the Grants Coordinator II position.

The Committee of the Whole suggested a number of adjustments to the Lakeside Terrace Redevelopment Plan, and staff will make these minor changes. Last month Mr. Grewe presented the draft plan to the Housing Authority Board. On May 27 the Mayor will share the plan's details with the Housing Authority Board. Ms. Tyler added that the Urbana School District Board asked for a presentation on the redevelopment plan.

A small committee is working to create a program for the Department of Housing and Urban Development's (HUD) American Dream Downpayment Initiative (ADDI). Staff has asked lenders and credit counselors for advice on making the program viable, fair and equitable. Mr. Grewe anticipated this would be presented to the CD Commission in August. Staff will also review the Annual Action Plan to see if changes are needed. \$150,000 for homebuyer assistance will be available for Champaign, Urbana and unincorporated Champaign County.

Chairperson Cobb asked if the redevelopment of Lakeside Terrace was on track and if there would be funds for demolition. Mr. Grewe noted that a key component is HUD's approval for demolition, which the Housing Authority anticipated receiving soon. The Housing Authority will rework last year's application and resubmit it. Mr. Grewe believed that everything was on track.

Commissioner Thakkar thanked staff for the tour of housing rehabilitation projects and suggested placing housing rehabilitation project photos on the City's website. He wanted persons to be aware of the different projects supported by the City of Urbana. Mr. Grewe agreed that the photos do say a lot. Staff has discussed how to promote the program while maintaining its confidential nature. The goal is to pick projects without making people uncomfortable about their participation. Commissioner Thakkar felt participants would want to showcase the program and their collaboration with the City of Urbana. This should generate more participation.

Noting that the Lakeside Terrace Redevelopment Plan involves \$2,000,000 of HOME funds and \$2,600,000 of CDBG funds over a six-year period, Commissioner Vidoni requested a summary of where the funds were coming from. Ms. Tyler explained that the City of Urbana's portion, including CDBG and HOME funds, is \$900,000. There may be other HOME funds from the state and Champaign. The initial proposal for the larger tax credit was up to \$4,500,000, not including property acquisition. Because this was more than the City could get done in 11 years, staff looked for more partners and tools. Staff then considered a more reasonable allocation, which is just under \$1,000,000 of CDBG and HOME funds over four years. This leverages \$20,000,000 of funding from the State of Illinois, Illinois Housing Development Authority, Federal Home Loan Bank, plus private and other funding sources. This includes the Housing Authority's project based vouchers and HUD replacement funds. Ms. Tyler stated this is more equitable formula to reach goals for replacement and allows the City to continue other affordable housing programs in the City's Consolidated Plan, including the rehabilitation program. The City has budgeted the Lakeside Terrace Redevelopment Plan over the next four Annual Action Plan years.

Assuming that CDBG and HOME funds would have been used elsewhere, Commissioner Vidoni asked where the funds were shifted from. Ms. Tyler said that the Housing Authority was not involved in the earliest planning. After Mr. Bland became the Executive Director of the Housing

Authority, project based vouchers were maximized. HUD replacement formula and relocation vouchers were also included. In addition, Homestead Corporation has significantly increased its ability to attract other funding sources, and Brinshore Development's proposal was more realistic. Ms. Tyler said the most significant change was the Housing Authority's new leadership and knowledge of other financial resources.

Commissioner Lewis stated the original plan was one-sided. There was discussion with City Council relative to how they were viewing the plan. The conclusion was that if more entities were involved in the process, the redevelopment would be a more viable project.

Mentioning the guidance of the CD Commission, Ms. Tyler discussed the change in policy and viewpoints. City Council accepted project based vouchers as an acceptable vehicle for affordable replacement housing. City Council was concerned with maximizing the affordability period and extending it beyond HUD's requirements. The question was whether there had to be new physical units. The project required flexibility on what a replacement unit was.

Commissioner Vidoni asked what the City of Urbana would do with \$268,000 of HOME funding in FY 2004-2005 if it was not allocated for Lakeside Terrace redevelopment. Mr. Grewe answered that the City would have considered new proposals. Ms. Tyler added the City would have considered the next affordable housing project, such as the Eads at Lincoln Subdivision closeout. The City has had to be creative to continue funding other programs such as housing rehabilitation. Incorporating the two current Community Housing Development Organizations (CHDOs) into the Lakeside Terrace project will prevent the CHDOs from losing capacity.

Concerning the initial redevelopment plan, Ms. Tyler listed the City's concerns: (1) the City could not afford it, (2) what would the plan mean for the other housing providers, (3) what would the plan mean for other housing programs and the existing neighborhoods. Ms. Tyler felt the City of Urbana would be able to continue current programs and achieve Lakeside Terrace redevelopment. Commissioner Lewis added that the net result of this activity would be an increase of affordable housing for the City of Urbana.

If the funds were not used for Lakeside Terrace redevelopment, Mr. Grewe said the City would have acquired available properties in anticipation of the next plan to develop affordable housing. If Lakeside Terrace was delayed, the City could fund infrastructure improvements for the recently purchased properties. Noting that the City used to do more housing rehabilitation, Ms. Tyler noted the funds could have been used for this program. The timing of the Lakeside Terrace project was convenient. The redevelopment would have been much tougher to fund if the City were in the middle of another development project.

Noting that 90 families from Lakeside Terrace would be displaced and only 24 families would return, Commissioner Quisenberry asked how the choices would be made. Ms. Tyler responded that the decision rests with the Housing Authority. All families will receive relocation vouchers. Some may live elsewhere for one year and then chose to return. Families with Section 8 Tenant Vouchers may also return to Lakeside Terrace, potentially resulting in more than 24 families returning. Ms. Tyler believed there were several families interested in returning to Lakeside

Terrace. Commissioner Lewis stated that the federal government has very specific guidelines for the relocation process.

Old Business: Commissioner Thakkar suggested the CD Commission develop a plan to encourage local artists to create a mural for a wall in the City Council Chambers. He suggested replacing the City's seal with a mural or collage that reflected the City of Urbana's diversity. Mr. Grewe said that although it was an interesting idea, Grants Management Division's focus is on programs to benefit the low to moderate income population. Noting the Art in the Park is getting closer to completion, Ms. Tyler suggested starting with the Mayor and City Council, as this would be their decision. Commissioner Silvis added that CDBG and HOME funds are to be directed to people in need. The question is how to pay for the mural, which would mean redirecting funds from another program.

New Business: None.

Adjournment: Chairperson Cobb adjourned the meeting at 7:41 p.m.

Recorded by Connie Eldridge

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