



APPROVED by CD Commission 10-26-04
MINUTES
COMMUNITY DEVELOPMENT COMMISSION
Tuesday, September 28, 2004, City Council Chambers

Call to Order: Chairperson Cobb called the meeting to order at 7:04 p.m.

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

Commission Members Present: Fred Cobb, Robert Lewis, Anne Heinze Silvis, Umesh Thakkar, Dennis Vidoni

Commission Members Absent: Chris Diana, Theresa Michelson, Nancy Quisenberry, Joanna Shisler

Others Present: Bob Grewe and Connie Eldridge, Community Development Services; Jim Rose, Homestead Corporation.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the August 24, 2004 minutes. Commissioner Thakkar moved to approve the minutes, and Commissioner Silvis seconded the motion. The motion carried unanimously.*

Staff Report: Mr. Grewe distributed a staff briefing memorandum and a City of Urbana Fall 2004 Leaf Collection flyer.

Referencing last meeting, Commissioner Vidoni asked about the possible 8% interest rate for the American Dream Downpayment Initiative (ADDI). Mr. Grewe mentioned his discussion with the lenders about the interest rate gap. The lenders indicated that there could be some instances where a homebuyer would only qualify for a mortgage with a slightly higher interest rate. This would be due to the homebuyer's credit rating. The HOME Consortium felt that 2.5% above the Illinois Housing Development Authority (IHDA) rate was appropriate but still prevented predatory lending. This was confirmed at the real estate financing class that City staff recently attended.

Chairperson Cobb asked if an 8% mortgage was for a riskier loan. Mr. Grewe explained that this gives lenders the latitude with the wide variety of loan packaging: Veterans Administration (VA), Federal Housing Administration (FHA), and the homebuyer's own funds. The HOME Consortium did not want to prevent a homebuyer from participating if they did not qualify for the IHDA mortgage rate.

Commissioner Vidoni asked if staff monitored the mortgage rate. Mr. Grewe answered that whenever IHDA changes its first-time homebuyer interest rates, IHDA will fax and e-mail this information to the cities and lenders. The ADDI program references the basic IHDA rate, which can be lowered by buying points. In response to Commissioner Vidoni, Mr. Grewe stated that Erin Bullok, City of Urbana Grants Coordinator, thoroughly reviews all ADDI applications from the lenders and confirms the interest rate and household income. Commissioner Lewis noted the

mortgage interest rate was just lowered. Mr. Grewe felt that the IHDA interest rate should respond to that.

Commissioner Vidoni inquired if Eads Street Development Corporation submitted a mission statement for its Neighborhood Organization Grant (NOG) application. Mr. Grewe apologized for the omission and noted that its mission was to assist with developing affordable housing in the target areas of Champaign and Urbana. For the NOG application, City staff requested that Mr. Johnson focus on Urbana. This was carried forward into the grant agreement.

Mr. Grewe noted that City Council discussed whether some NOGs fit the guidelines for geographic boundaries. The Eads Street Development Corporation and Ecological Construction Laboratory NOG applications were more open-ended and focused on the entire target area. However, City Council did approve all NOG agreements.

Mr. Grewe announced that the Department of Housing and Urban Development (HUD) has funded the Illinois Department of Public Health, which, in turn, will provide funding for the City of Urbana's Get the Lead Out (GLO) Program. The City will address lead based paint issues in 12 houses over a two-year period.

The American Dream Downpayment Initiative (ADDI) Program is now available, and one first-time homebuyer has already received ADDI assistance. Staff will need to schedule training for lenders concerning lead based paint issues. In response to Commissioner Vidoni, Mr. Grewe explained that many lenders had pending loans and had been waiting for the program to begin. There will be more public relation announcements.

The City of Urbana forwarded its Consolidated Annual Performance and Evaluation Report (CAPER) to HUD. CD Commissioners will receive a copy at the next meeting.

The Grants Management Division's newsletter, *Neighborhood News*, was mailed to residents in the Community Development Target Area. It highlights upcoming open houses and public hearings for residents and social service agencies.

Neighborhood Cleanup will be held on Saturday, October 16. One change to the bid process is the requirement that vendors provide tonnage, not just the number of dumpsters. Some vendors are interested in bidding by tonnage rather than volume.

Mr. Grewe gave a PowerPoint presentation on HUD's guidelines for creating a five-year Consolidated Plan. City staff just returned from a two-day workshop on creating this plan. In the past this was an open-ended process; however, HUD now has provided an electronic template and wants performance measurements to be integrated. This application will provide HUD a more common format to compare documents from other entitlement communities.

Commissioner Lewis remarked that HUD is linking the government entities for cross-reference. Public Housing uses a similar format, and the intergovernmental agreement forms also include a linkage. Mr. Grew agreed, and added this will help HUD to monitor whether communities are doing what they planned to do.

Mr. Grewe gave the example of the needs tables. For example, HUD will question why a certain program received funding if that community's Consolidated Plan did not indicate a need. He added that the Consolidated Plan could be amended to reflect changing needs. HUD wants thoughtful deliberation of its investments. He noted that these tables were included in the previous Consolidated Plan, but now they are in electronic format. Mr. Grewe reviewed the process from identifying needs to setting goals over time. Although CDBG and HOME funding cannot address every need, this process helps a community understand the dynamics of its housing needs. The Continuum of Care took this approach when creating its Ten Year Plan to End Chronic Homelessness.

In response to Commissioner Lewis, Mr. Grewe said the City could simply submit the worksheet; however, a good narrative is essential to explain the tables. Commissioner Lewis inquired about the levels of criteria input. Mr. Grewe replied that local communities determined the amount and extent of input based on their sources. He felt the City of Urbana had a good plan with including focus groups, etc.

Petitions and Communications: Commissioner Thakkar gave a PowerPoint presentation on "Some Housing Exhibits of Interest." (*See attached photos and information.*)

The Smithsonian's Cooper-Hewitt National Design Museum in New York has an exhibit of FutureShack. FutureShack is a 22 foot long shelter that can be assembled in a day for refugees or persons displaced by natural disasters. It is entirely solar powered, is created from readily available materials, and may house a family of four for a few days or months.

The National Building Museum, formerly the Pension Bureau, is located in Washington, DC. Many diverse groups visit and study here. There is an exhibit on Samuel Mockbee and the Rural Studio on Community Architecture, which is in Hale County, Alabama. Architectural students work with the future homeowner to design housing using materials found in the community. Each new group of students will build on the work of others. Mr. Grewe noted the Rural Studio has been featured on public television.

Another exhibit at the National Building Museum was on affordable housing around the country. To be considered affordable, a household must spend no more than 30% of its income on housing. Roseland Ridge Apartments in Chicago, IL is an example of affordable housing.

Old Business: None.

New Business: **Community Development Block Grant (CDBG) Subrecipient Agreements – Homestead Corporation – Provena Behavioral Health at the Mental Health Center** – Mr. Grewe stated the agreement with Homestead Corporation is for \$3,935 for roofing improvements to rental housing. The agreement with Provena Behavioral Health was for \$2,000 for flooring improvements to its supported group home in east Urbana. Provena had requested additional funds; however, these activities were not eligible. The agreements are identical to last year's CDBG programs. The only changes are the dollar amounts and scope of work.

Chairperson Cobb asked if the roof improvements meant repair or to make it better. Jim Rose responded that the roof was repaired when the home was originally purchased. Homestead has spent money over the years repairing the flat portion of the roof. Homestead's new insurance

provider recommended that Homestead replace it as soon as possible. In response to Chairperson Cobb, Mr. Rose indicated the roof has been leaking. Homestead will replace the entire roof before the winter season.

Referencing the agreement with Provena Behavioral Health, Chairperson Cobb questioned the need for the floor repair. Mr. Grewe answered that the floor has deteriorated and may be a tripping hazard. He clarified that the funds for these projects were already budgeted in the Annual Action Plan.

Commissioner Vidoni asked what determines the order the agreements come before the Community Development Commission. Mr. Grewe replied that there are several factors, with the agreements being worked into the City's work plan as staff can get to them. Urban League was on a fast track and had a closing, so its agreement was prepared earlier. Other projects are not so time-sensitive. Also, it is easier to consider agreements incrementally. Staff must balance the need of the subgrantees versus other city work activities.

Commissioner Lewis moved to recommend to City Council approval of the Community Development Block Grant Agreements with Homestead Corporation (Project No. 04-05_05) and with Provena Behavioral Health at the Mental Health Center (Project No. 04-05_06). Commissioner Thakkar seconded the motion. The motion carried unanimously.

Commissioner Lewis commented that the Urbana School Health Center will open at the Urbana High School this fall. Commissioner Silvis remembered the Champaign-Urbana Public Health District had applied for City funding, but did not receive any. Mr. Grewe mentioned discussions with the Public Health District about CDBG funding and the public nature of the facility. It was difficult to quantify that the necessary percent of low/moderate income individuals would benefit. Also, the project was delayed from their initial application. Commissioner Lewis asked if there was any City participation, and Mr. Grewe indicated there were no requests for funding. Commissioner Silvis added the Health Center is in the process of getting approvals and clearance. Local health care providers are providing the funding.

Mr. Rose stated that Homestead Corporation has a website up and running due to volunteer help from PrairieNet. It is: www.prairienet.org/homestead

Mr. Rose also mentioned the CIVITAS open house/grand opening will be held on October 1, 2004. This is a collaboration of the University of Illinois working with local organizations. Commissioner Silvis will forward the e-mail announcement to the commissioners.

Adjournment: Chairperson Cobb adjourned the meeting at 7:54 p.m.

Recorded by Connie Eldridge

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Attachments: Photos of FutureShack and National Building Museum

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