



*APPROVED by CD Commission 5-31-05*  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**Tuesday, April 26, 2005, City Council Chambers**

**Call to Order:** Chairperson Cobb called the meeting to order at 7:03 p.m.

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

**Commission Members Present:** Fred Cobb, Theresa Michelson, Nancy Quisenberry, Anne Heinze Silvis, Umesh Thakkar, Dennis Vidoni

**Commission Members Absent:** Chris Diana, Joanna Shisler

**Others Present:** Bob Grewe, Erin Bullok, Randy Burgett, Kelly Hartford and Connie Eldridge, Community Development Services; Andrea Rundell, United Way; Steve Ray, Development Services Center (DSC).

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the March 29, 2005 minutes. Commissioner Silvis moved to approve the minutes, and Commissioner Michelson seconded the motion. The motion carried unanimously.*

**Petitions and Communications:** None.

**Staff Report:** Mr. Grewe distributed a staff briefing memo. Since he is leaving to accept a position in Indiana, Mr. Grewe announced that Erin Bullok has been appointed as the Interim Manager of Grants Management Division. The City has already notified the Department of Housing and Urban Development (HUD).

The Urbana Champaign Continuum of Care Committee is continuing work on renewal efforts for the 2005 Notice of Funding Availability (NOFA). The funding shortfalls for Center for Women In Transition (CWIT), A Woman's Fund, and the Salvation Army were due to HUD not awarding a renewal of the 2004 NOFA.

Ms. Bullok, who had just returned from HUD-sponsored NOFA training, provided a brief summary. The NOFA is a grant application that the City of Urbana participates in as part of the Urbana Champaign Continuum of Care. HUD noted that grant requirements may change from year to year. Five other representatives from agencies in the Continuum also attended this training. All have a much broader understanding of the application process. There will be changes in this grant application process. For example, certain moneys will be less accessible due to the overall reduced amount of HUD funds. HUD is working with the Continuum to help address our community's needs. Because HUD must receive the Continuum's application by June 10, Continuum members will continue to meet weekly to prepare the grant application.

Mr. Grewe stated the City Council approved the Fiscal Year (FY) 2005-2006 Annual Action Plan on April 18, 2005 with changes. The code enforcement section was deleted, while Senior Repair, Access Grant and Emergency Grant Programs received more funding. The balance of

funds was originally for property acquisition; however, these funds are being set aside as unprogrammed funds. These funds may be used to reduce the shortfall of Supportive Housing Program funds at CWIT, A Woman's Fund and the Salvation Army. The seated Council hoped that the new City Council and City staff would consider this recommendation.

Another change was to delay the Harvey Street sidewalk improvements until next year when the street will also be improved. Public Works noted it might be difficult to do the sidewalks and then return later for street improvements. \$20,000 was reprogrammed for the Sunset Avenue Project.

City Council approved the FY 2005-2009 Consolidated Plan on April 18, 2005. The Community Development (CD) Target Area addition will now only include Block Group 1 of Census Tract 56, which was the area of greatest concern.

Mr. Grewe thanked the CD Commission and said he appreciated their ability to share diverse viewpoints in a respectful manner. Commissioner Thakkar congratulated Mr. Grewe and Ms. Bullok on their new positions. He enjoyed working with Mr. Grewe because he took the CD Commission's comments seriously. Commissioner Thakkar requested that the CD Commission and City Council make site visits to agencies that receive funding. Ms. Bullok noted this would be helpful to orient the new City Council on the concerns of the CD Commission. However, other City commissions may also want to work with City Council, so scheduling might prove difficult. Commissioner Quisenberry was concerned that joint visits will not allow enough time for commissioners to ask questions. Commissioner Michelson would like to visit blighted areas in Urbana. Chairperson Cobb thanked Mr. Grewe for being a receptive staff leader who has helped the CD Commission work through many issues. He also welcomed Ms. Bullok.

Commissioner Thakkar suggested the different City commissions and boards get together once a year since there are many overlapping activities.

Chairperson Cobb asked about staff forwarding the CD Commission's concerns about adding additional census tracts to the CD Target Area. Mr. Grewe noted that the staff memorandum to City Council included these concerns and reflected the CD Commission's perspective.

**City of Urbana Housing Rehabilitation Manual** – Mr. Grewe noted this manual needs to be renewed as it runs in conjunction with the Consolidated Plan. Staff will be creating a 2005-2009 Housing Rehabilitation Manual. Overall the manual has served well; however, some topics may need to be reviewed and funding levels changed.

Mr. Burgett briefly reviewed the manual, which includes five programs—Senior Repair Service, Emergency Grants, Access Grants, Grant/Deferred Loans, and Grant/Installment Loans. The Grant/Deferred Loans and Grant/Installment Loans are part of the Whole House Rehabilitation Program.

The current limit for a Senior Repair Service project is \$550. Staff would like to increase this amount because very few repairs can be completed for this amount or under. Mr. Burgett suggested the limit be below \$1,000 due to the City of Urbana's bidding process. The City has completed 32 Repair Service Projects to date.

There are 12 Emergency and/or Access Grant projects in process or completed. Also, two Grant/Installment Loans and four Grant/Deferred Loans are in process or completed. The City also has entered into an agreement with the State of Illinois for a Get the Lead Out (GLO) Program. This program is to reduce lead hazards in homes with children ages 6 and under. The City will receive almost \$100,000 of GLO funds, and this must also be included in the Rehabilitation Manual. Mr. Burgett added that Emergency and Access Grant funds may be used for the required 10% match.

Mr. Burgett distributed copies of the City's applications for housing rehabilitation. The Whole House and Emergency Grant applications are more in-depth than the application for Senior Repair. The Whole House Rehabilitation and Emergency Grant applications require third party verification, and the owner must provide more information. Because some companies do not respond quickly, verification of an application may take several weeks. After an application is approved, staff schedules code inspections and bids out the project. It may take one year to complete an entire project from start to finish.

The Whole House Rehabilitation Program is currently restricted to the City's CD Target Area. Other programs are city-wide. Mr. Burgett noted there were instances where a house outside the CD Target Area could benefit from the Whole House Rehabilitation Program. He suggested considering a ratio of one house outside the CD Target Area to five houses inside the area.

In response to Commissioner Michelson, Mr. Burgett said this has been a consideration when staff is processing an Emergency Grant application and notices the rest of the house is in bad shape. Staff is requesting the CD Commission consider this. Mr. Burgett felt this would not take anything away from the targeted area since Whole House Rehabilitation Projects are prioritized based on household size and income plus the housing inspection. If a house outside the target area was in worse shape than those on the prioritization list, staff would like to offer the Whole House Rehabilitation Program to that owner. The City does five to nine Whole House Rehabilitation Projects per year, and it has taken three years to go through the current prioritization list.

Commissioner Quisenberry suggested staff highlight the changes so commissioners are not required to read the entire manual. Mr. Burgett agreed.

Commissioner Vidoni asked for clarification about increasing the funding limits. Mr. Burgett proposed increasing Senior Repair Service from \$550 to \$800 per household per year. For example, to replace a water heater now costs a minimum of \$650. Because of Senior Repair Service funding limits, this would have to be processed as an Emergency Grant, which takes much longer.

Mr. Burgett stated that the funding limits for the Whole House Rehabilitation should remain the same due to lead-based paint requirements. Commissioner Vidoni asked if \$25,000 would be sufficient over the next five years. He noted there could be many changes, such as inflation, cost of materials and even the Median Family Income (MFI). Mr. Grewe remarked that HUD updates the MFI every year. Since the CD Target Area is basically the same, Mr. Burgett said that \$25,000 would be sufficient to rehabilitate the smaller houses that are common in the target area. If the CD Target Area was expanded to include larger houses, then more funds would be needed. However, the current program provides enough funding to address code issues and

include siding and windows. Also, the GLO Program provides additional funds to extend the amount of rehabilitation work on a house.

Mr. Grewe stated some houses are in such bad shape that they cannot be rehabilitated for \$25,000, and the City cannot proceed with the rehabilitation. Mr. Burgett noted the City was not able to rehabilitate two houses in the last three years for this reason. He added that the Building Safety Division does the code inspections and must consider structural issues. Commissioner Vidoni asked what happens if there is no housing rehabilitation. Mr. Burgett responded that the City may be able to offer an Emergency Grant for electrical or roof problems. Also, the owners are made aware of the major concerns for the house.

Staff has considered the possibility of a new program to purchase homes from persons who would like to move. Some elderly persons want to sell their homes to the City and move to an assisted living facility. The City would then rehabilitate the houses and sell those to income-eligible households. Mr. Grewe added this was one of the more interesting programs to consider. There is value in keeping persons in their homes. Points to consider would be relocating the tenants, contractors being able to work in an empty house, and finding a qualified buyer. HUD regulations must be considered. Mr. Burgett noted this would be a new section in the Housing Rehabilitation Manual. It would be different from the purchase/demolition line item.

Ms. Bullok discussed the shift of funds under the HOME Program. There is an allocation set aside as unprogrammed funds, for which staff is considering a variety of programs. Staff must review HUD regulations, create policies and procedures, and consider the budget. A purchase/rehab/resale program is one that staff has been considering. Ms. Bullok mentioned a few possibilities and noted some landlords quickly purchase houses within certain price ranges and then use those as rental housing. This program would be a way the City could help maintain single family homes. Staff would like to structure the manual for flexibility to offer optional programs if additional funding was available.

Referencing the funding limits of the Whole House Rehabilitation Program, Chairperson Cobb asked if staff would work with a homeowner to get a loan for the difference. Mr. Burgett answered that the City of Urbana will only accept second position for its mortgage in the Grant/Deferred Loan Program. Usually the homeowner already has a first mortgage when he or she is applying for the program. Where possible, the City works with Urban League to coordinate the weatherization and furnace programs. This pulls together different sources of funding for the rehabilitation project.

Chairperson Cobb inquired if staff worked with homeowners who applied for a mortgage for their portion of the rehabilitation. Mr. Burgett answered yes. Rather than getting a home improvement loan, Chairperson Cobb asked about homeowners arranging for refinancing of their entire loan amount. Mr. Burgett said although that decision was made by the banks, City staff worked with homeowners on different choices.

Mr. Burgett stated the main difference between the Grant/Installment Loan and Grant/Deferred Loan Programs was that the City placed a mortgage on the property for the Grant/Deferred Loan Program. With HUD funds being reduced, staff is considering creating a program where the homeowner would make monthly payments to the City of Urbana. If 15-20 households made a monthly payment, then there would be enough funds for another Whole House Rehabilitation.

**Old Business:** Commissioner Thakkar suggested visiting Ecological Construction Laboratory (ECO-LAB).

Ms. Bullok spoke with Kathy Sims, Executive Director of CWIT. CWIT's funding shortfall is down to \$32,000. The City is still cooperatively working with CWIT, A Woman's Fund and the Salvation Army to find other funding.

Chairperson Cobb asked about the status of another code enforcement person. Mr. Grewe said that when the Annual Action Plan was amended to remove \$53,000, code enforcement was removed. Because code enforcement has a bearing on housing rehabilitation and blighted areas, he suggested including an information session on a future agenda.

**New Business:** **An Ordinance Approving a Third Amendment to a City of Urbana Community Development Block Grant (CDBG) Subrecipient Agreement (Disabled Citizens Foundation Project No. 0304-06)** – Kelly Hartford reviewed the changes. The City of Urbana entered into an agreement with the Disabled Citizens Foundation (DCF) to make improvements to a job training facility. The agreement was extended two times. This third amendment will begin July 1, 2005 and terminate on March 31, 2006. Attachment C shows the change of site to 3102 Clark Street, Champaign.

Commissioner Vidoni asked how the project was proceeding. Steve Ray, Chief Financial Officer from Developmental Services Center (DSC), said DSC has signed a contract and expects approval of funding from other sources. Everything is ready to begin on August 1, 2005. Commissioner Vidoni asked about the building's rehabilitation. Mr. Ray said this included mostly minor outside renovations and a turn-around space for the Mass Transit District's (MTD) buses. The area for semi-tractor trailers would also be expanded. Commissioner Vidoni inquired if the building was ready. Mr. Ray answered yes; the building is already meets food quality standards. In response to Chairperson Cobb, Mr. Ray stated this project is within their budget.

Chairperson Cobb asked if there was a fiscal impact to the City. Mr. Grewe answered no, the funds are already budgeted. The City's timeliness requirement for CDBG funds has been met for May, and there is no problem carrying this project forward. Commissioner Thakkar asked if the City of Champaign was also contributing to this project. Mr. Ray answered yes; Champaign was contributing about \$45,000.

*Commissioner Vidoni moved to recommend to City Council approval of an Ordinance Approving a Third Amendment to a City of Urbana Community Development Block Grant Subrecipient Agreement (Disabled Citizens Foundation Project No. 0304-06). Commissioner Thakkar seconded the motion. Commissioner Thakkar requested that the City of Champaign's contribution be included in the memorandum to City Council, and Mr. Grewe agreed. The motion carried unanimously.*

Referencing the Seventh Annual Statewide Leadership Conference on June 8, 2005, Commissioner Quisenberry asked if the City provided funds for commissioners to attend. Mr. Grewe answered that in the past the City of Urbana has paid for some planning symposiums.

Commissioner Silvis announced if a participant did not have institutional support, scholarships would be available.

Commissioner Michelson liked the flyer for the Annual Housing Fair. Ms. Bullok said this was the main activity of the Community Reinvestment Group, and they have been increasing publicity with billboards throughout the community.

Mr. Burgett reminded commissioners of Neighborhood Cleanup on Saturday, May 14, 2005.

**Adjournment:** Chairperson Cobb adjourned the meeting at 8:01 p.m.

Recorded by Connie Eldridge

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