



APPROVED by CDC 5-23-06
MINUTES
COMMUNITY DEVELOPMENT COMMISSION
Tuesday, March 28, 2006, 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, Theresa Michelson, Nancy Quisenberry, Joy Ready, Anne Heinze Silvis, Umesh Thakkar, Dennis Vidoni

Commission Members Absent: Chris Diana

Others Present: Elizabeth Tyler, Randy Burgett and Connie Eldridge, Community Development Services; Laura Huth, Habitat for Humanity.

Public Hearing on the Amendment to the City of Urbana and Urbana HOME Consortium Annual Action Plan (AAP) Fiscal Year (FY) 2005-2006: Chairperson Cobb declared the public hearing open at 7:06 p.m. He stated the purpose of the public hearing was to provide an opportunity for the public to provide input and comments regarding a Proposed Amendment to the City of Urbana and Urbana HOME Consortium Annual Action Plan for Fiscal Year 2005-2006. Notice of this public hearing was published on February 25, 2006 in the *Champaign-Urbana News-Gazette*.

Chairperson Cobb invited members of the public to come forward and express their views regarding the proposed Amendment to the Annual Action Plan. No one spoke. Chairperson Cobb closed the public hearing at 7:08 p.m.

Public Hearing on City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2006-2007: Chairperson Cobb declared the public hearing open at 7:09 p.m. He stated the purpose was to provide the public an opportunity for input and comments regarding the FY 06-07 AAP. Notice of this public hearing was published in the News-Gazette on February 25, 2006.

Chairperson Cobb invited members of the public to come forward and express their views regarding the proposed Annual Action Plan FY 2006-2007. No one spoke. Chairperson Cobb closed the public hearing at 7:10 p.m.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the February 28, 2006 minutes. Commissioner Quisenberry moved to approve the minutes, and Commissioner Michelson seconded the motion. The motion carried unanimously.*

In response to Commissioner Vidoni, Ms. Tyler clarified that the Department of Housing and Urban Development (HUD) has a funding formula that limits funding for public service programs to 15% of the current Community Development Block Grant (CDBG) allocation and 15% of the prior year's program income. The CDBG funds are combined with Cunningham

Township funds and City of Urbana general funds to make up the Consolidated Social Service Funding Program.

Petitions and Communications: None.

Staff Report: Ms. Tyler welcomed Joy Ready as a new member of the Community Development Commission. Ms. Ready is a resident of the CD Target Area.

Ms. Tyler noted that the City of Urbana received official approval of its Consolidated Plan FY 2005-2009 from HUD.

Ms. Tyler reviewed the transfer of 1209 West Beech Street to Homestead Corporation. Because the project completion schedule was changed, the transfer could not wait for the next Community Development (CD) Commission meeting. Staff took this minor change directly to City Council.

Randy Burgett discussed Grants Management Division's (GMD) recruitment of minority and women-owned contracting businesses. He noted it is difficult to get and keep good contractors for the housing rehabilitation programs because of the bidding process. Referencing the advertising efforts, Chairperson Cobb asked if GMD did any other outreach for minority contractors and if GMD was satisfied with the results. Since the most recent advertising effort, Mr. Burgett said that of the eight contractors who first contacted him, four came to GMD's office for more information. Two of the four completed GMD's Contractor Application for General Contractors and Subcontractors, and those applications are being verified.

Chairperson Cobb asked if GMD set goals for minority and female participation. Mr. Burgett said that GMD did not set goals; rather GMD tries to encourage all contractors to participate. Besides advertising, GMD uses word-of-mouth by asking applicants for the City's housing programs if they are working with a contractor. Unfortunately, many smaller contractors do not have the required insurance, licenses, liability issues, etc. When some contractors see the City's requirements, many chose not to participate. The City of Urbana also offers contractor training such as lead paint abatement; but again many chose not to participate.

Referencing HUD's Minority and Women-Owned Business Enterprise (MBE/WBE) report, Commissioner Vidoni noted that there was not one Black American contractor on the list. Mr. Burgett said there were no Black American contractors on GMD's bidders' list, but there were women and other minority contractors. Commissioner Vidoni did not imply malintent; however, he wanted to set goals and directions. There simply are not many minority contractors in Champaign County that participate in any of the construction programs. The advertising quantity and quality looked good; yet it did not translate into increased numbers.

Commissioner Vidoni stated a goal of Grants Management Division and Community Development (CD) Services Department should be to get more qualified minority contractors. He suggested the City provide coaching or do something else to help minorities qualify. Ms. Tyler stated this was a City of Urbana goal. Because GMD has very small contracts, this probably limits the pool of interested contractors. Also lead certification requirements have made it difficult to work with smaller contractors. City Council is currently working with the Human Relations Officer to encourage more minority participation in city contracts. Ms. Tyler

felt staff was doing a lot considering the regulations and the small number of contracts. She noted that the City of Urbana is a small piece of the picture in the community.

Mr. Burgett noted that two years ago there were three additional minority contractors on the bidders list. Since then, one contractor's business has grown, and that contractor does not do smaller jobs. The other two contractors bid on projects. However, the fact that a contractor is on the bidder's list does not mean that contractor would get a particular job. Housing rehabilitation projects are awarded by low bid.

Chairperson Cobb believed the City of Urbana and Community Department should set goals based on the availability. Besides advertising and soliciting, he suggested sending surveys to minority contractors to see what would help them get involved. There should be more outreach to help minority contractors become competitive. He suggested other creative means such as linking two contractors together, one as prime contractor and a minority as a subcontractor. This way the minority contractor could use the general contractor's credentials.

Mr. Burgett said that many general contractors employ minority employees. Because the MBE/WBE report reflects payments to contractors and subcontractors, information on minority employees would not be shown. Chairperson Cobb mentioned the University of Illinois setting a methodology to bring in minority contractors.

Commissioner Silvis remarked care should be taken to determine the objective. It is important to be fair and equitable on how city business is shared among contractors in the community. She mentioned her concerns with collaboration and suggested carefully determining what the goals mean and if it would change the way business is done. It is important to change opportunities for contractors in the community instead of focusing on forms. Rather than using surveys and forms which are time-consuming, Commissioner Thakkar suggested having open houses for minority contractors to encourage discussion and open dialog.

In response to Commissioner Michelson, Mr. Burgett stated the Whole House Rehabilitation Program is the largest project at \$25,000. The general contractor then hires several subcontracts for heating, roofing, and plumbing. The City of Urbana has a standard requirement for workman's compensation and a \$1,000,000 comprehensive liability. Contractors do not have to carry pollution liability unless they are doing lead paint abatement.

Referencing the Housing Authority's list of minority contractors, Commissioner Michelson noted there were very few local contractors from which to choose. If those contractors do not fill out the City's Contractor Application, she did not understand what else the City should do. Commissioner Quisenberry asked if staff has done any comparisons among cities the size of Urbana. Mr. Burgett answered no, and added it is hard to find a good working pool of contractors. Chairperson Cobb asked about the City of Champaign. Mr. Burgett responded that almost all contractors are on the bidding lists for the Cities of Urbana, Champaign, and Champaign County.

Chairperson Cobb asked staff to consider what method could be devised to help minority contractors, especially African American contractors. Ms. Tyler suggested working with the City's Human Relations Officer, creating a survey, and offering educational opportunities. She noted the City of Urbana is currently reviewing its contracting procedures.

Ms. Tyler announced the Housing Fair at Lincoln Square Village on April 8, the Ecological Construction Laboratory's roof raising at 1105 West Fairview Avenue, Urbana, and Neighborhood Cleanup on May 13. Also, United Citizens and Neighbors (UCAN) provided their membership information.

Old Business: None.

New Business: At the request of Ms. Tyler, Chairperson Cobb changed the order of new business and proceeded with the disposition of properties.

Ordinance to Convey Certain City-Owned Properties to Habitat for Humanity for Affordable Housing Development (1310 West Dublin Street, 708 North Goodwin Avenue, and 1105 North Goodwin Avenue) – Mr. Burgett stated that the City of Urbana purchased 708 North Goodwin last year. The two other properties were already in the City's portfolio. Habitat for Humanity plans to construct new single family residences on these properties, and currently a Habitat client is looking at one lot. These donations will give Habitat's clients a choice of lots for housing construction.

The City of Urbana has worked with Habitat for Humanity for many years. Habitat has constructed 15 homes near King School, East Water Street, and Woodland Park in Urbana. Donating these lots will support Habitat's affordable housing program. The property conveyance is similar to earlier ones.

Because Habitat for Humanity plans a Homebuilder Blitz in Urbana in 2007, the City of Urbana will need to find more properties. The City will transfer properties by recording a warranty deed; however, the City will hold a quit claim deed in escrow. Habitat has two years in which to build a home on the property. There is a ten year affordability period, which means the property must be maintained for a low-income household. Staff recommends the transfer of these properties to Habitat.

Chairperson Cobb noted this would eliminate any maintenance costs incurred by the CDBG program and asked if there were any other expenses. Mr. Burgett replied no; the property was purchased in the past. The only costs have been mowing.

Commissioner Vidoni recused himself from voting due his relationship with Habitat for Humanity.

Commissioner Thakkar moved to recommend to City Council approval of an Ordinance to Convey Certain City-Owned Properties to Habitat for Humanity for Affordable Housing Development (1310 West Dublin Street, 708 North Goodwin Avenue, and 1105 North Goodwin Avenue). Commissioner Michelson seconded the motion, and the motion carried unanimously.

FY 2005-2006 City of Urbana and Urbana HOME Consortium Annual Action Plan – Ms. Tyler stated this is the annual cleanup and reconciliation of the Annual Action Plan. This process reflects the reality of the current budget year. Major changes are highlighted in the memo. One major change is the elimination of the administrative budget breakdown. Staff

found in past audits that this was more cumbersome in the Annual Action Plan. The City of Urbana has a detail budget, and HUD does not require this.

HUD regulations now require each project cite the appropriate goal, strategy and activity number from the Consolidated Plan that applies to that project.

\$35,000 of CDBG funds were reprogrammed to assist Frances Nelson – Community Health Improvement Center with developing its new facility in Champaign. This is in addition to \$20,000 of CDBG funds that was set aside. Ms. Tyler noted this represented the City of Urbana’s fair share. Frances Nelson is also working with United Way and the City of Champaign to fund the project.

Staff recommended deletion of the following carryover activities: Habitat for Humanity New Housing Construction (\$5,000 CDBG), King Park Neighborhood Center (\$2750 CDBG), and New Construction of Transitional Housing and Educational Facility for Center for Women in Transition (CWIT) (FY 02-03)(\$100,000 CDBG). Habitat for Humanity was not able to expend funds due to the conflict of interest; however, it will “catch up” with its Homebuilder Blitz in 2007. In response to Chairperson Cobb, Ms. Tyler explained that HUD required a two year waiting period to access City of Urbana funds due to a member of Urbana City Council becoming Executive Director of Habitat. Although there was an active group a few years ago, the funds for the King Park Neighborhood Center have not been used. If not reallocated, there will be a timeliness issue. Because CWIT’s project was paid out from a previous year, staff is removing the line item for FY 05-06. This was just a matter of timing. Also, the specific Consolidated Social Service Fund grants were added.

Changes to the HOME budget include HUD’s request for more specific information regarding the HOME Resale or Recapture provisions. Staff recommended deletion of \$72,610 for Homestead’s Rental Housing Development because this project is not feasible for Homestead at this time. These funds would be reallocated to Unprogrammed Project Funds, with the hope of using these funds for Lakeside Terrace Replacement Housing.

In response to Chairperson Cobb, Ms. Tyler said there is not a precise timeframe on using the unprogrammed funds. CDBG funds are more time-sensitive than HOME funds. These funds have been reprogrammed into FY 06-07.

Referencing the community’s past effort on the King Park Neighborhood Center, Chairperson Cobb inquired if funds could be earmarked in the future for a new center. Ms. Tyler explained that the funds had been a placeholder for many years, and they had not been used. There is no group to work with the City on expenditure of these funds. Instead the funds will be reallocated for Lakeside Terrace Redevelopment. If the King Park Neighborhood Center “gains steam,” then the City can allocate more funds.

Referencing the deletion of Homestead’s Rental Housing Development, Commissioner Ready asked if these funds would be used for low income housing. She was concerned about the loss of low income housing units across the nation when there is still a great need for such housing. Ms. Tyler explained that HOME funds may only be used for affordable housing. These particular funds will support the Lakeside Terrace Redevelopment Project, which is very low income.

Commissioner Vidoni supported the reallocation of funds from the King Park Neighborhood Center. He also felt the CD Commission should look at this in the future.

Referencing the removal of the administrative line item breakdown, Commissioner Vidoni felt it was useful for the CD Commission to see the breakdown. He wondered what precipitated this change and why. Ms. Tyler responded that this was at the suggestion of the new Grants Management Division Manager. As a result of monitoring visits, staff decided it was more efficient to have gross amounts and not always have to make minor adjustments based on actual costs. Commissioner Vidoni asked if percentages changed. Ms. Tyler replied there would have been changes in the past year due to vacancies and reassignments. Commissioner Vidoni did not think the breakdown should be removed.

In response to Commissioner Silvis, Ms. Tyler said the breakdown is still in the City's budget and will also be provided in staff memorandums. There was discussion on staff preference versus audit concerns. Because the AAP had not been reconciled, the way the auditor reviewed the Annual Action Plan was different than expected.

Commissioner Vidoni inquired how often the CD Commission looked at the budget. Ms. Tyler explained that the CD Commission works off the AAP, with the City of Urbana budget being much longer. Chairperson Cobb asked how readily available this information would be if it was removed from the AAP. Ms. Tyler stated that the City's budget was on line, and staff could provide the CD Commission with a budget printout of different sections.

Commissioner Quisenberry remarked that the amended CDBG table showed salaries and administrative expenses are capped at 20% per HUD's requirement. She felt that no further information was necessary.

Commissioner Silvis saw the AAP as a way to get the gist of what the City of Urbana is doing. She felt the figure that reflects the total amount of administrative expense is appropriate for the AAP. Ms. Tyler explained the problem is that the AAP changes and even small discrepancies need to be reconciled. It caused problems having that level of detail in a document that is not supposed to be this fluid. City auditors see the AAP as a budget for HUD funds. If the City does not precisely follow it, then there is a need to amend the AAP. Ms. Tyler noted the detailed information did not go away; it just did not appear on the summary page. The suggestion to remove the administrative breakdown came from considering how the City of Champaign does this and from the auditor's review.

Commissioner Vidoni had planned to vote against this change due to principle. However, in light of what was said, he understood this level of detail to be a handicap. He understood the rationale and now supported the change.

Commissioner Michelson moved to recommend to City Council approval of Amendment 1 to the City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2005-2006. Commissioner Thakkar seconded the motion, and the motion carried unanimously.

City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2006-2007 – Ms. Tyler explained this was the final version of the same document from last month. It incorporated the changes recommended by the CD Commission.

Commissioner Michelson moved to recommend to City Council approval of the City of Urbana and Urbana HOME Consortium Annual Action Plan FY 2006-2007. Commissioner Thakkar seconded the motion, and the motion carried unanimously.

Ms. Tyler stated the new business items would go to Committee of the Whole on April 10, with final action by City Council on April 17.

Commissioner Thakkar welcomed the newest commissioner, Joy Ready. Ms. Ready grew up in the area and owned a bridal shop near Busey Bank. She is currently working at the University of Illinois and has started her masters in Urban Planning. Ms. Ready, who ran a non-profit Kings Club International Ministries at Lakeside Terrace, is very interested in community development.

Adjournment: Chairperson Cobb adjourned the meeting at 8:15 p.m.

Recorded by Connie Eldridge

C:\word\CDC Minutes\2006\March 28, 2006 CDC Minutes

APPROVED by CDC 5-23-06