



*APPROVED BY CD Commission 4-24-07*  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**Tuesday, March 27, 2007, City Council Chambers**

**Public Hearing on the Amendments to the City of Urbana and Urbana HOME Consortium Annual Action Plans (AAP) Fiscal Years (FY) 2003-2004, 2004-2005, 2005-2006, 2006-2007:**

Chairperson Cobb called the public hearing to order at 7:07 p.m. No one spoke. Chairperson Cobb then closed the public hearing at 7:08 p.m.

**Public Hearing on the Proposed City of Urbana and Urbana HOME Consortium Annual Action Plan for FY 2007-2008:** Chairperson Cobb called the public hearing to order and declared it open at 7:09 p.m. No one spoke. Chairperson Cobb then closed the public hearing at 7:09 p.m.

**Call to Order:** Chairperson Cobb called the meeting to order at 7:10 p.m.

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

**Commission Members Present:** Fred Cobb, Chris Diana, Anne Heinze Silvis, Umesh Thakkar, Dennis Vidoni

**Commission Members Absent:** Theresa Michelson, Joy Ready

**Others Present:** John Schneider, Kelly Hartford and Connie Eldridge, Community Development Services Department; Jim Rose, Homestead Corporation of Champaign-Urbana; Janice McAteer, Developmental Services Center; Darlene Kloeppel, Champaign County Regional Planning Commission; Eileen Gebbie and Carla Barnwell, Habitat for Humanity; Katrin Klingenberg, Ecological Construction Laboratory (e-co lab); Rashidi Overstreet, Urban League of Champaign County Development Corporation; Janel Gomez.

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the February 27, 2007 minutes. Commissioner Vidoni moved to approve the minutes, and Commissioner Silvis seconded the motion. The motion carried unanimously.*

**Petitions and Communications:** Eileen Gebbie, Habitat for Humanity, announced the May 2008 Homebuilder's Blitz in Urbana. Habitat, which plans to build three homes in one week, will use professional and volunteer help. Commissioner Vidoni inquired about getting lots in Urbana. Ms. Gebbie answered that Habitat has two lots already and is working with the City of Urbana to acquire a lot at Eads and Gregory. Commissioner Thakkar congratulated Habitat for its good work and inquired about student involvement. Ms. Gebbie noted there is a strong chapter at the University of Illinois (U of I). This chapter has a regular pattern of raising funds one year and then building the house the second year. U of I students will also help with Habitat's houses being built in Champaign this summer.

Mr. Schneider noted that Habitat originally proposed to build four houses during Urbana's Blitz. Although this was reduced to three, there is still HOME funding for a fourth house. Staff will also continue to look for available vacant lots that are affordable and available for purchase. In addition to the Homebuilder Blitz, Ms. Gebbie said Habitat would also be building a home on North Cottage Grove.

Chairperson Cobb asked what was considered an affordable lot. Mr. Schneider explained that depended on resources. There could be a push to purchase existing dilapidated housing. Staff has encouraged Habitat to get homeowners to donate lots directly to Habitat. Even so, acquiring a property with a dilapidated structure would mean additional costs for demolition. Mr. Schneider estimated that vacant lots could cost \$15,000-\$20,000 each.

**Staff Report:** Mr. Schneider provided updates and distributed the following: a memorandum dated March 23, 2007 on Proposed Amendments for Multiple Year Annual Action Plans, an Urbana HOME Consortium memorandum on Community Housing Development Organization (CHDO) Requests for Additional Project Funding (FY 07/08), and a staff briefing memorandum.

The Department of Housing and Urban Development (HUD) notified the City of Urbana about the conditional funding for the Supportive Housing Program (SHP). This renews the funding for the Homeless Families in Transition, which is sponsored by A Woman's Place, Center for Women in Transition, and the Salvation Army. The City will complete the technical submission (overall budget) to HUD for approval.

The Super Notice of Funding Availability (NOFA) for the Continuum of Care grant application is due June 8. City staff is working with the Champaign County Regional Planning Commission (RPC) and other agencies on this application.

At its April 24, 2007 meeting, the CD Commission will review budget amendments to the Annual Action Plans for FY 2003-2004, 2004-2005, 2005-2006, and 2006-2007. RPC will reallocate HOME funds for a Tenant Based Rent Assistance (TBRA) Program. The City of Urbana will make budget corrections to the HOME funding for the City's Whole House Rehabilitation Program per the auditor's suggestion. Also the City will reallocate some funds from City Redevelopment to Kerr Avenue Development Planning. The City of Champaign will reallocate HOME funding for the Douglass Park Infill Project. The City of Urbana will use unobligated carryover Community Development Block Grant (CDBG) funds for the Harvey Street/Gregory Street sidewalks and street improvements project.

Staff will be closing on three American Dream Downpayment Initiative (ADDI) loans. The ADDI Program is very popular in the City of Champaign, and most of Champaign's ADDI funds are used. First-time homebuyers may receive up to 5% downpayment assistance if their household is at or below 80% of the Median Family Income (MFI). The City of Urbana administers the ADDI Program through the Urbana HOME Consortium.

Staff will hold a closing to transfer 1110 West Hill Street from Urban League's Lease Purchase Program to the current resident. This property was also in the City of Urbana's Purchase/Rehab/Resell Program.

Randy Burgett has been working with the Urbana Fire Department on its Carbon Monoxide (CO) Detector Program. Grants Management Division's Senior Repair Service Program has installed 12 CO detectors, and the Fire Department delivered 27 more detectors.

Mr. Schneider attended the Introduction to the National Incident Management Training (NIIMS). Commissioner Thakkar asked if this included bird flu or disease issues. Mr. Schneider said the training was geared toward the need for structure and to determine what is needed in each situation.

**Old Business:** None.

**New Business:** **Review of Annual Action Plan (AAP) for FY 2007-2008** – Mr. Schneider stated that HUD awarded \$478,079 in CDBG funds to the City of Urbana and \$1,041,394 in HOME funds to the Urbana HOME Consortium. Both CDBG and HOME funds are lower than original projections. The ADDI Program received \$23,528 in HOME funds, which is the same as last year. The City of Urbana, City of Champaign and Champaign County have prorated shares of HOME funds based on population.

Staff was asked to reconsider the amount of funding set aside for Public Services. By using Neighborhood Improvement Funds (NIF) for the King Park portion of Neighborhood Cleanup, the Consolidated Social Service Funding pool was increased from \$15,000 to \$16,500. The total CDBG budget, which includes unobligated carryover and program income, is \$530,345.

The AAP includes funding for the Harvey Street/Gregory Street sidewalks. The recent application for the Crystal View Townhomes (Lakeside Terrace Redevelopment) Project did not receive tax credit funding. The developer will re-submit the application, which will hopefully be approved in the next round of funding.

Mr. Schneider noted the CDBG budget is consistent with past budgets. There is a 20% cap on administration and a 15% cap on public service. The cap is based on the actual grant amount.

Mr. Schneider reviewed the HOME portion of the AAP. The Urbana HOME Consortium has been encouraging CHDOs to use more funding from the CHDO project funding pool to develop their capacity rather than depending on CHDO operating funds. CHDO operating funds should be used to develop new CHDOs. A good example was e-co lab. Because e-co lab was a new CHDO, last year they received a little higher funding than the other two CHDOs. This year all CHDOs received the same amount of CHDO operating funds.

Mr. Schneider reviewed the Urbana HOME Consortium memo concerning the Homestead's and Urban League's requests for additional project funding. Homestead is requesting an additional \$15,000 to develop three affordable homes in the Douglass Infill Project. Urban League discovered their Affordable 6 Program will need an additional \$6,000 per house to develop on-site sewer connections and to subdivide the property. The total amount that can be allocated for CHDO project funds is \$312,418 (not including CHDO match). Commissioner Vidoni asked about the unallocated funds. Mr. Schneider answered that the earlier Draft AAP included

\$52,000 CHDO project funds that were not allocated. CHDO operating will be funded at \$17,356 for standard operating, staffing, educational items, etc.

Commissioner Thakkar supported e-co lab's energy efficient approach. Since the City of Urbana is funding these CHDOs, e-co lab should translate their approach so that other developers can use them. Mr. Schneider stated that Urban League's builder discussed energy efficiency and going beyond the standard to Energy Star rated at the January CDC meeting. Commissioner Thakkar saw CHDO project funds as a way to encourage CHDOs to focus on energy efficiency early in the process. Mr. Schneider noted that e-co lab, Urban League and Homestead are beginning to work together and combine expertise to be more effective.

In response to Commissioner Diana, Mr. Schneider said the unallocated CHDO project funds should be FY 2006-2007 (typo- indicated as FY2007-08 in the Proposed AAP). HUD checks a two-year average to determine if at least 15% of HOME funding is for CHDO projects. The City wants to meet this goal and to direct funding to new affordable housing projects.

The total amount of HOME funds available for City of Urbana projects is \$276,379 for Owner-Occupied Housing Rehabilitation and Lakeside Redevelopment. There will be some carryover projects, such as Habitat for Humanity. Although the projects may not be completed, there will be match obligations. Because of the increased CHDO project funds, this reduces the amount of HOME funds available to each consortium member.

Chairperson Cobb asked for more clarification on the higher developer fees. Mr. Schneider answered this was part of the CHDOs request for an increase. Historically the CHDOs have functioned on shoestring budget and depended only on CHDO operating funds for development preparation costs. This has caused them problems. The developer fee is an opportunity for them to recover the upfront costs of developing affordable housing. The fees are still much lower than the State of Illinois' standard of 12%. Examples of use of funds from increased developer fees would be for Habitat for Humanity and Homestead Corporation additional costs to change the standard design of their houses to fit the smaller lots that are now available.

Chairperson Cobb asked if the CHDOs increased use of the developer fees, and Mr. Schneider answered yes. Homestead has requested an additional \$15,000, which represents a 9% developer fee. Urban League did not ask for more developer fees. Urban League is requesting an additional \$36,000 for engineering and survey costs plus estimated storm and sanitary sewer fees.

Referencing his many years on the CD Commission, Commissioner Vidoni did not remember any discussions on developer fees until last month. He wondered why this topic had not been brought up before, and also asked about the standard 12% developer fee. Mr. Schneider answered that tax credit projects such as Crystal View Townhomes allow 12% developer fees. Otherwise developers will not be interested in a project. There seems to be an idea that non-profit corporations must work on a very tight budget. HUD wants the CHDOs to build capacity so they can provide in the community what the federal government has traditionally done. This is seed money to help the CHDOs grow. The developer fee helps pay for staff. In the past CHDOs have not asked for the full amount of a developer fee, which is a fairly new concept.

The Urbana HOME Consortium has met to discuss how to get more funding and help the CHDOs grow.

Katrin Klingenberg, Executive Director of e-co lab, was surprised to hear that HOME funding was available for developer fees. She did not know there was an opportunity to do this. In response to Commissioner Thakkar, she stated that e-co lab is struggling to implement the energy efficient technologies. E-co lab would like a little more support and an opportunity to apply for more funds.

Mr. Schneider noted that this was discussed at length at the last CD Commission meeting. E-co lab could apply for the remaining \$6,418 in unallocated CHDO reserve funds. Ms. Klingenberg mentioned that e-co lab has submitted an invoice, which has a developer fee of only 3%, and has not yet received the funds. Mr. Schneider said that there was a need for better communication between eco-lab and the City. Mr. Schneider stated that developer fees are not paid out at the beginning when a project has not been started. Mr. Schneider will ask Randy Burgett to arrange a meeting with e-co lab within the next week.

Commissioner Thakkar stated that he is a big supporter of e-co lab. He was interested in a dialog between e-co lab and other projects because it is vital to have energy saving programs. He felt e-co lab had a responsibility to help other developers benefit from this technology. Ms. Klingenberg agreed; however, e-co lab has been operating on a shoestring. It has been very difficult to make the program work, and more financial funding would help. The project has been stalled due to funding problems.

Commissioner Thakkar asked about federal funding. Ms. Klingenberg noted that e-co lab has applied to the Federal Home Loan Bank (FHLB), several technology grants, and one of the Building America partners. However, the Champaign/Urbana community is the major support of program. E-co lab is trying to find volunteers to push the project ahead. The technology is there; however, if there was more access to prefabrication, it would move quickly.

Commissioner Vidoni asked if e-co lab was requesting monetary or other types of support. Ms. Klingenberg reviewed e-co lab's early efforts to apply for grants, questions on the amount requested, and how city staff helped in the past. E-co lab learned after their first project that there are funds available for the homebuyer but not for the developer. This was a learning process. There are concerns about very tight funding, pioneering technology, and "sticking our necks out."

Chairperson Cobb inquired about meetings with other CHDOs. Mr. Schneider reviewed the Annual Action Plan schedule and process, and changes to the budget. Chairperson Cobb suggested that when there are changes to the original plan, all CHDOs should be notified. Mr. Schneider agreed and discussed how to provide funding for e-co lab. Commissioner Diana had no objection to allocating the additional funding to e-co lab; however, he felt that e-co lab should provide a written request like the other CHDOs. Commissioner Thakkar agreed.

*Commissioner Vidoni moved to recommend to City Council approval of the FY 2007-2008 Annual Action Plan with the provision that, upon written request from Ecological Construction*

*Laboratory for additional funds, the request be approved if it meets the unallocated amount. Commissioner Thakkar seconded the motion, and it carried unanimously.*

**Priorities for CDBG Funding – Consolidated Social Service Grants** – Kelly Hartford reviewed the application process for the Consolidated Social Service Funding Pool, which combines City of Urbana general funds, Cunningham Township general funds, and City of Urbana CDBG Public Service funds. Applications are due April 13, 2007.

Federal regulations require that CDBG funds be used for purposes consistent with needs identified in the Consolidated Plan and the Annual Action Plan. The CD Commission can determine the priorities for the CDBG funding, and Ms. Hartford reviewed the programs that were funded last year.

Chairperson Cobb preferred a recommendation that would allow flexibility. Mr. Schneider commented that the CD Commission could pick one or more priorities. Commissioner Silvis suggested having enough choices to allow a variety of programs for CDBG funding. Commissioner Diana noted that some priorities, such as Lead Based Paint, could be covered under an umbrella rather than being specific.

Chairperson Cobb suggested establishing six categories and then determining priorities. Commissioner Thakkar remarked that categories could be combined. Chairperson Cobb suggested Affordable Housing and Services & Training for Low & Moderate-Income Persons. Commissioner Thakkar offered Public Facilities. Ms. Hartford noted that Public Facilities would be bricks and mortar projects, while Public Service funds are for salaries. In response to Commissioner Silvis, Mr. Schneider said that bricks and mortar projects are eligible for the earlier CDBG funding applications. There was discussion about the type of facilities, and Mr. Schneider suggested community rather than public. Commissioner Thakkar agreed.

Commissioner Thakkar proposed another category to be Seniors/Youth Infrastructure. In response to Commissioner Silvis, Ms. Hartford explained that Special Populations meant disabled persons versus age groups. Commissioner Thakkar mentioned Homelessness, and Chairperson Cobb stated that the commissioners agreed on this.

After discussion, Commissioner Thakkar proposed Barriers to Energy Efficient Housing. Mr. Schneider added that broader categories allow for more flexibility in funding. Commissioner Silvis asked how the category Barriers to Affordable Housing was different from Affordable Housing and Services. Mr. Schneider noted that some agencies provide services to assist clients with credit issues. There was discussion whether special populations included homelessness. It was the general consensus that homelessness was a separate population.

Commissioner Thakkar proposed Affordable Housing as the top priority. Commissioner Vidoni did not agree and felt that these funds were for different priorities such as people and specific populations. Commissioner Silvis proposed making Special Populations a high priority, and Commissioner Thakkar agreed.

Mr. Schneider described how Kelly Hartford will work with Carol Elliott from Cunningham Township to determine whether applications are eligible for CDBG funds or the general pool. These priorities will help determine which applications receive CDBG funding.

*Noting the CD Commission was in consensus, Chairperson Cobb listed the funding priorities for the CDBG Public Service Funding: (1) Affordable Housing, (2) Special Populations, (3) Seniors/Youth, (4) Services and Training for Low- and Moderate-Income Persons, (5) Homelessness, and (6) Community Facilities. Commissioner Silvis moved to forward this priority list to the City Council, and Commissioner Thakkar seconded the motion. The motion carried unanimously.*

**Adjournment:** Chairperson Cobb adjourned the meeting at 8:26 p.m.

Recorded by Connie Eldridge

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