



*APPROVED by CD Commission 11-27-07*  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**Tuesday, September 25, 2007, 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, George Francis, Theresa Michelson, Brad Roof, Anne Heinze Silvis

**Commission Members Absent:** Chris Diana, Dennis Vidoni

**Others Present:** John Schneider, Kelly Hartford, Janel Gomez and Connie Eldridge, Community Development Services; Tami Tunnell, A Woman's Fund; Jean Algee, Urban League of Champaign County Development Corporation; Stephen Capela, Charlotte O'Donnell, Rebecca Burgstahler

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the August 28, 2007 minutes. Commissioner Michelson moved to approve the minutes, and Commissioner Francis seconded the motion. The motion carried unanimously.*

**Petitions and Communications:** None.

**Staff Report:** Mr. Schneider distributed a staff briefing memorandum and provided project updates. The City is waiting to hear if the Department of Housing and Urban Development (HUD) approved an extension to October 30, 2007 for submitting the Consolidated Plan Amendment. City Council is scheduled to approve this minor modification at its October 16, 2007 meeting.

Mr. Schneider reviewed the submission of the Consolidated Annual Performance and Evaluation Report (CAPER) to HUD. Other activities were the Neighborhood News newsletter, Neighborhood Cleanup, and the Integrated Disbursement Information System (IDIS). Referencing HOME programs, staff closed on one Urban League Lease Purchase Program project, which used the remainder of Fiscal Year (FY) 2005-2006 money. This was also the last project to receive \$20,000 and have a ten year affordability period. Staff has provided technical assistance to Ecological Construction Laboratory (e-co lab), City of Champaign, and Homestead Corporation on various projects. Also, staff closed on one American Dream Downpayment Initiative (ADDI) property.

Referencing CDBG programs, staff worked with the Urbana Park District on the Victory Park water line. Mr. Schneider reviewed the housing rehabilitation projects for Emergency/Access Grants, Senior Repair Service, and Whole House Rehabilitation. The Illinois Department of Public Health (IDPH) completed on-site monitoring of the City's Get the Lead Out (GLO)

Program. The City has been approved for Phase Five GLO funding. Staff has also provided technical assistance to e-co lab on the construction of the passive solar house at 1007 West Fairview.

**Old Business:** None.

**New Business:** **A Resolution Approving an Amendment to the City of Urbana and Champaign/Urbana/Champaign County Urbana HOME Consortium FY 2005-2009**

**Consolidated Plan** – Kelly Hartford stated that a recent review of the City’s Consolidated Plan showed that it did not contain required language on addressing housing needs of victims of domestic violence, specifically victims of dating violence, sexual assault and stalking. Although this language had not been in the Consolidated Plan, the City of Urbana has provided both Consolidated Social Service and Supportive Housing funds for many years to A Woman’s Place (the local domestic violence shelter). This amendment, which is minor, provides that specific language. Ms. Hartford described the public review, comments received, and the public hearing.

Chairperson Cobb inquired how this was omitted. Ms. Hartford explained that HUD had not required this language when the Consolidated Plan was originally created. Mr. Schneider mentioned the steady support for A Woman’s Place and other shelters, even though the language was missing.

Tami Tunnell, Executive Director of A Woman’s Place, had attended the public hearing and voiced her support. She stated that although the language was not previously in the Consolidated Plan, this was not a problem because the City of Urbana has historically supported their programs.

*Commissioner Michelson moved to recommend to City Council approval of a Resolution Approving an Amendment to the City of Urbana and Urbana HOME Consortium FY 2005-2009 Consolidated Plan. Commissioner Roof seconded the motion, and the motion carried unanimously.*

It was the consensus of the Community Development (CD) Commission, at the request of Janel Gomez, to group the next two agenda items in omnibus fashion.

**An Ordinance Approving an Amendment to an Urbana HOME Consortium Community Housing Development Organization Agreement (Urban League of Champaign County Development Corporation Lease Purchase Program FY 2006-2007)**

**An Ordinance Approving an Amendment to an Urbana HOME Consortium Community Housing Development Organization Agreement (Urban League of Champaign County Development Corporation Lease Purchase Program FY 2007-2008)**

Ms. Gomez reviewed the discussions at the August 28, 2007 CD Commission meeting on amending these developer agreements. Jean Algee, President of the Urban League of Champaign County Development Corporation, had noted a steep drop in participation in its Lease Purchase Program. The Urban League had found the ten year affordability period a

deterrent to participation. Because these are starter homes, many people do not want to stay in them for ten years. The amendments will reduce the amount of HOME funds from \$20,000 to \$14,999 per project, with a corresponding reduction of the affordability period from ten to five years.

Mr. Schneider noted that reducing the amount of assistance per unit would allow the program to be expanded by two more units assisted. The total amount of HOME funds (\$120,000) would now help eight units. He added that the remaining balance from FY 2006-2007 after its five projects are completed can be used in 2007-2008 program.

Referencing the earlier change from five to ten years, Commissioner Roof inquired if the motivation was to keep housing stock affordable longer. Mr. Schneider answered yes, homes in Urban League's Lease Purchase Program are in the affordable range, and City Council wanted them to remain affordable. Commissioner Roof asked about the optimum amount of assistance to help the largest number of households. Mr. Schneider explained that the initial thought at the time was to keep assistance at \$14,999 per unit and extend the affordability period to ten years. However, there was no real incentive for the homebuyer. HOME Program regulations allow for a maximum assistance of \$14,999 for the five-year affordability period. Mr. Schneider indicated it was possible to reduce the amount of assistance per unit, but the amount would need to be workable for the Lease Purchase Program.

Jean Algee added that HUD's affordability period jumps to ten years if the amount of HOME assistance goes over \$14,999. The Urban League had wanted to maximize the amount of funding because (1) their clients already have credit issues, and (2) Urban League needs the maximum amount of assistance for the program's timeframe. In response to Mr. Schneider, Ms. Algee stated the maximum assistance was never lower than \$14,999. During the redevelopment of Lakeside Terrace, City Council's focus was to keep as many housing units affordable as possible. Mr. Schneider asked about reducing the amount of assistance. Ms. Algee said that \$14,999 is very helpful. Lease-Purchase clients may not pay more than \$100,000 for a home. If the amount of assistance is lower, this will be another "brick wall" for them.

Mr. Schneider described recent housing market changes, rising costs and interest rates. Commissioner Roof wondered if this amount was optimal or if it was better to reduce the amount of assistance and help more families. Commissioner Michelson remarked that if the assistance was reduced to \$10,000, Urban League's clients may not be able to afford the homes. Ms. Algee stated that Urban League started this program due to predatory lending practices. Urban League wants their clients to "clean up" their credit so that they can go to any lender and get a mortgage. Ms. Gomez added that the Lease Purchase Program serves a certain subset of the population. This program bridges the gap between what lenders are willing to loan risky clients.

Mr. Schneider noted that additional Community Housing Development Organization (CHDO) project funds are available. If the Urban League completed the eight projects, they could request more funds. Mr. Schneider felt the amount of available funding was not the main issue.

Commissioner Roof asked about the pool of potential houses, the price range, assistance, and how the amount of assistance was set. Mr. Schneider explained that the minimum and maximum

amounts were prescribed by HUD. When the Lease Purchase Program was created, the idea was to provide the most amount of funding for a five year affordability period. Typical households in the program have incomes up to 80% of Median Family Income and credit problems. The HOME assistance helps these persons to be more bankable. Mr. Schneider noted that 41 Lease Purchase projects were completed in the past. The HOME Program's focus is to provide affordable housing opportunities. There are other sources of funds for other homebuyers. He would not recommend reducing the amount of subsidy below \$14,999 per house.

*Commissioner Francis moved to recommend to City Council approval of the following:*

- 1. An Ordinance Approving an Amendment to an Urbana HOME Consortium Community Housing Development Organization Agreement (Urban League of Champaign County Development Corporation Lease Purchase Program FY 2006-2007).*
- 2. An Ordinance Approving an Amendment to an Urbana HOME Consortium Community Housing Development Organization Agreement (Urban League of Champaign County Development Corporation Lease Purchase Program FY 2007-2008).*

*Commissioner Silvis seconded the motion, and the motion carried unanimously.*

In response to Commissioner Roof, Ms. Gomez will forward the e-mail on Money Smart Week. All interested parties are invited to attend the planning meeting on October 23, 2007.

**Adjournment:** Chairperson Cobb adjourned the meeting at 7:40 p.m.

Recorded by Connie Eldridge

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