



*APPROVED by CD Commission 2-26-08*  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION**  
**Tuesday, January 29, 2008, City Council Chambers**

**Call to Order:** Chairperson Cobb called the meeting to order at 7:02 p.m.

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

**Commission Members Present:** Fred Cobb, Chris Diana (arrived 7:07 pm), George Francis, Theresa Michelson, Brad Roof, Anne Heinze Silvis

**Commission Members Absent:** Dennis Vidoni

**Others Present:** John Schneider, Kelly Hartford, Janel Gomez and Connie Eldridge, Community Development Services; Jim Rose, Homestead Corporation; Tami Tunnell, A Woman's Fund; Dale Morrissey, Developmental Services Center; Jean Algee, Urban League of Champaign County Development Corporation; Michael Parkinson.

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

**Petitions and Communications:** None.

**Staff Report:** Mr. Schneider provided updates and distributed the following: a staff briefing memorandum dated January 29, 2008; a Program Year Review Letter, Fiscal Year (FY) 2006 from the Department of Housing and Urban Development (HUD) received on January 3, 2008; an Amended Consolidated Plan FY 2005-2009 letter from HUD received on January 22, 2008; a notice of FY 2008-2009 program funding allocations from HUD received on January 23, 2008.

The City of Urbana received \$4,810.52 in repayment of the mortgage for 506 East Illinois Street, Urbana.

Grants Management Division (GMD) staff provided training on Community Development Block Grant (CDBG) and HOME Program applications for funding for not-for-profit agencies. GMD staff also held neighborhood meetings to gather input for the FY 2008-2009 Annual Action Plan (AAP).

The Annual Housing Fair, which will be held at the end of Money Smart Week, is scheduled for Saturday, April 12 at the Champaign Public Library.

The Housing Authority wants to purchase an eight unit building in Urbana.

Staff is expecting an official letter from HUD announcing the approval of the City of Urbana's Notice of Funding Availability (NOFA) for Homeless Families in Transition.

GMD staff is working with the Urbana Park District on the purchase and demolition of the house at 911 North Lincoln Avenue. The house will be demolished, and King Park will be expanded.

Mr. Schneider distributed the Kerr Avenue Model Sustainable Community Master Plan Report by Farr and Associates. Jeff Engstrom will review this report at the February Community Development (CD) Commission meeting. In response to Commissioner Francis, Mr. Schneider said these are single family zero lot line housing units.

In response to Commissioner Michelson, Kelly Hartford explained that the City's Transitional Housing Program helps families become self-sufficient. At the end of the two year program, residents "graduate" and find other housing.

**Old Business:** None.

**New Business:** **Review Community Development Block Grant (CDBG) applications for FY 2008-2009 to be included in the FY 2008-2009 Draft Annual Action Plan** – Of the six CDBG applications received by the City of Urbana, Ms. Hartford stated that two were not for public facilities and improvements, and therefore were not eligible for funding. Representatives from each agency will give presentations and answer questions on their applications. Staff's memorandum included a summary and the expected CDBG budget. In response to Commissioner Roof, Mr. Schneider explained that CDBG funds are available to not-for-profit organizations that benefit low- to moderate-income individuals in Urbana. Ms. Hartford considered the six applications a high response. The national objectives for CDBG funds include slum and blight removal, urgent need, or benefit for low- to moderate-income persons. The following applications fit under the low- to moderate-income category.

**A Woman's Fund – Building Repairs** - Tammy Tunnell, Executive Director of A Woman's Fund, explained that A Woman's Place (AWP) is the domestic shelter to help victims escape violence. The shelter is usually the last option for many individuals who fall below the poverty line. Half-way through their fiscal year, AWP has sheltered 158 clients for 5,042 nights, with over 50% coming from the City of Urbana. Future projections are for 350 clients. Ms. Tunnell thanked the City of Urbana for past funding used to repair the shelter's windows. This application is to correct the slope of the yard away from the building due to water entering the shelter, repair the chimney, and sand and refinish the dining room floor. Chairperson Cobb inquired if this amount of funding would take care of these problems. Ms. Tunnel answered yes; AWP is also providing a 25% match. Commissioner Francis remarked that AWP was doing a terrific job.

**C-U Independence – Fire Sprinkler Installation** – Dale Morrissey, Chief Executive Officer (CEO) of Developmental Services Center (DSC), explained that DSC is a not-for-profit agency that provides services for developmentally disabled and delayed clients. He gave a history of how the agency addresses needs. DSC operates seven group homes, with each home providing 24 hour support. DSC also provides training and support for others who live independently. Eighteen years ago HUD provided funding for C-U Independence, but required a separate agency and board of directors. CU Independence contracts with DSC to manage the program, and Mr. Morrissey is the volunteer CEO. C-U Independence allows residents to pay 35% of

their income, with HUD subsidizing the remainder. DSC receives state funding to pay for staff to teach life skills. Of the original 24 residents, five to six are still there. Every year two to five people graduate to independent living.

Last year the City of Urbana passed an ordinance requiring buildings like C-U Independence to install sprinklers, even though this was not required when the building was built. Mr. Schneider added completion is required within five years from the date of the ordinance. Mr. Morrissey has requested bids and will seek out matching funds from either DSC or HUD.

In response to Commissioner Francis, Mr. Morrissey received a bid of \$96,000 for the project, which he must confirm will meet federal Davis Bacon requirements. There was discussion about the impact of receiving only \$36,000 in grant funds. Mr. Schneider noted that the Cities of Urbana and Champaign have worked together in the past to help with funding. Staff has only recommended full funding of two CDBG applications due to commitments to other phased projects in the City of Urbana's Consolidated Plan, i.e., Harvey Street and Kerr Avenue projects.

Commissioner Roof asked when the ordinance was passed, if there was a penalty for not complying, and if other organizations would request similar funds. Mr. Morrissey responded that it was passed less than six months ago, and he did not know about penalties. Stating this should apply for new housing, Commissioner Francis asked if it was customary for the City of Urbana to make requirements without providing funding. Mr. Schneider said this was a Building Safety Life Safety issue that City Council that was implemented with the ordinance adopting the International Building Code. Mr. Morrissey wondered if the City could allocate money over a few years. Because the federal government may remove funding, Mr. Schneider said it was not permissible to allocate funds ahead of time. However, if applied for in the next year the City could consider allocating funds from that fiscal year, such as was done for the Francis Nelson Health Center. Also, it will take a while to get this project running.

Commissioner Michelson inquired if the City of Champaign was likely to fund this project. Mr. Schneider answered no, the City of Champaign is also experiencing funding cuts and will not fund any agency projects next fiscal year.

Commissioner Francis felt since this was a city-initiated problem, the City should address this. Commissioner Roof asked if the City Council provided any funding to meet these requirements. Mr. Schneider mentioned "looking at the big picture" and the commitments in the City's Consolidated Plan. There was discussion on whether to spend the funds this year, hold them for next year, expending funds in a timely manner, finding other funding sources, and possibly amending the City's Annual Action Plan (AAP). Chairperson Cobb remarked that the CD Commission has the option of making its own recommendations. Commissioner Michelson felt the five year mandate was long enough for DSC to find other funding. If the City fully met DSC's request for \$72,000, then other programs would not receive funding.

Mr. Schneider briefly reviewed the projected CDBG budget with reduced funding for the Emergency Grant/Access Grant (EG/AG) programs. The remaining balance leaves \$54,284 for Kerr Avenue and other infrastructure projects.

In response to Commissioner Roof, Mr. Morrissey state the contractor was ready to move forward now. Mr. Schneider stated that DSC can get estimates, but federal regulations require a public bidding process. In response to Commissioner Michelson, Mr. Morrissey said DSC is required to provide match funds of \$24,000, which he must find from other organizations or additional fund raising. Commissioner Francis inquired if this interfered with DSC's normal operations. Mr. Morrissey replied this happens all the time, especially with State of Illinois, and DSC is constantly juggling services.

**Center for Women in Transition (CWIT) – (1) Heating, Ventilation, Air Conditioning (HVAC) and (2) Remodel** – John Sullivan, Executive Director of CWIT, stated this application for \$15,500 in CDBG funds is to remove old radiators and install a new HVAC system in the Evans house located at 506 East Church Street, Champaign. Women and children live in this older house, which was built in the 1900's. The window air conditioning units, which are difficult to maintain and expensive to run, also prevent emergency egress. Last summer CWIT's computer server "died" because the room was too hot.

Noting that boilers are more efficient than gas forced air, Chairperson Cobb asked about the high maintenance cost for the boilers with radiators. Mr. Sullivan replied the higher costs applied more to the air conditioning. Mr. Schneider asked about the age of the boiler and last month's power bill. Mr. Sullivan said this was about the whole package to heat and cool the building. If the air conditioning is installed, then a new forced air heating system would need to be installed. Commissioner Diana asked about additional costs for asbestos removal and redoing airflow in the building. Mr. Sullivan said they would follow all guidelines. In response to Commissioner Roof, Mr. Sullivan stated the attic spaces are insulated and there are double glazed windows. He did not know the estimated savings for this project. Mr. Schneider added that federal regulations require any project costing more than \$2,500 to meet Davis Bacon (prevailing wages) requirements. Ms. Hartford remarked the funds would not be available until after July 1, 2008.

Mr. Sullivan discussed CWIT's second application requesting \$22,336 in CDBG funds to complete the conversion of an existing duplex into a single dwelling for four single women. CWIT, which has only seven beds for transitional housing for homeless women, receives 20 applications per month. Because of the great need to house single women, CWIT's board decided to take a mortgage to expand its services. This house will be a stepping stone for single women coming from the other houses. The women will still be under CWIT's umbrella before becoming independent. CWIT has received the following commitments: Champaign Rotary - \$30,000; First Presbyterian Church of Urbana - \$30,000, First Presbyterian Church of Champaign \$3,400; private donations - \$8,000. The final cost of conversion may change due to many factors.

Mr. Sullivan noted it was hard to determine the location of a woman's community, since many live in a car or on someone's sofa. Mr. Schneider noted that HUD and the Illinois Environmental Protection Agency (EPA) require testing for lead based paint, and this may require additional funds. In response to Commissioner Francis, Mr. Schneider said the lead paint abatement law also applies to women of childbearing age.

Commissioner Roof asked about the estimated value of the house and why CWIT decided to rehab rather than demolish and build new. Mr. Sullivan explained that the CWIT Board of

Directors made the decision to purchase and rehab the duplex. Commissioner Diana remarked that rehabbing a structure on an odd lot has one set of regulations, while new construction has different regulations that may prevent any construction on that lot. Referencing Attachment 1, he asked about the unshared costs. Mr. Sullivan explained that unshared costs were dumpsters, demolition, etc. He presumed the architect's estimates for shared costs would be the floors, dry wall. The bad flooring was discovered after the project estimate was created. Mr. Schneider added that sometimes the residential rate applies when Davis Bacon is involved. The project must be bid publicly.

Although the duplex is located in Champaign, Commissioner Michelson felt the ultimate goal is to house four homeless women. Rather than rehabilitating an older house, she wondered about purchasing a different house. Mr. Schneider noted the duplex was located on the same block with CWIT's other houses. Mr. Sullivan stated since there had been drug dealing in the duplex, CWIT wanted to control the area. It was important to create a campus with security cameras to control the environment.

Commissioner Roof, who supported the idea of demolishing the duplex, asked what CWIT would do if they did not receive funding. Mr. Sullivan stated that CWIT was committed to its original plan. Mr. Schneider commented that new construction would be more costly. Commissioner Michelson understood CWIT's overall plan and why they would choose to rehabilitate an older building. Commissioner Francis noted that \$96,000 would not build much.

**Review HOME Program Community Housing Development Organization (CHDO) operating requests and HOME Program grant applications for funding for Fiscal Year 2008-2009 to be included in the FY 2008-2009 Draft Annual Action Plan** – Janel Gomez stated there would be changes to the HOME application process next year to remove redundancies. She reviewed the overall Urbana HOME Consortium budget, which allocated 15% for CHDO-administered projects (estimated at \$175,030). There were three applications for these funds. 5% of the annual HOME allocation is set aside for CHDO operating expenses, and the City received three applications. Ecological Construction Laboratory (e-co lab) is only requesting CHDO operating funds since they will be completing their FY 2007-2008 CHDO project in FY 2008-2009. E-co lab is also working with Habitat for Humanity on construction of energy efficient homes.

**Ecological Construction Laboratory (e-co lab)** – No representative.

**Urban League of Champaign County Development Corporation (ULCCDC)** - Jean Algee, President, reviewed their application for CHDO operating funds (\$20,000) and Urban League's Principal Reduction Lease Purchase Program (\$60,000 for CHDO project funds) to purchase four homes. The Lease Purchase Program helps people with credit issues get into permanent housing sooner. The Urban League works with them for two years so that the participants can become credit-worthy and then buy back their rental home from the Urban League. The City of Urbana's grant funds, which pass through the Urban League, reduce the cost of the home for the homebuyer. Urban League requires monthly credit counseling, budgeting and home maintenance workshops. Mr. Schneider added this program is structured so that the HOME funds eventually become a grant. If a homebuyer does not stay in the house during the entire affordability period, that homebuyer must repay a portion of the grant.

In response to Chairperson Cobb, Ms. Algee explained that Urban League is requesting a lower amount of CHDO project funds due to its reduced staffing. \$60,000 will provide funding for four projects. Urban League staff is also working on the Affordable Six Project, and they wanted to be realistic in what they could accomplish. Ms. Algee noted the CHDO operating funds help support the Urban League staff.

**Homestead Corporation** – Jim Rose, Executive Director, announced that he will retire at the end of March 2008. Homestead has submitted three applications in FY 2008-2009. Their request for CHDO operating funds (\$20,000) is for salaries and provides support for their office. Homestead has operated Homestead Apartments (a single room occupancy unit for low income individuals) for ten years and is committed to keep it affordable for another 20 years. Homestead continues to operate its Affordable Homeownership Program. However, their Single Family Affordable Rental Program was running at a loss and became a burden for Homestead, so they sold the properties. They may become involved in a different rental program.

Homestead has requested \$156,000 of CHDO project funds for its Affordable Homeownership Program (AHP). These funds will help construct two to three homes, with \$60,000 will be used for lot acquisition. The Cities of Champaign and Urbana do not always have available lots on which not-for-profit agencies may build housing. The agencies must go into the marketplace to find lots.

Homestead has also requested \$30,000 of CHDO project funds for its AHP - Douglass Park Infill Subsidy Increase. These project funds will be added to last year's CHDO funds for the Douglass Park project. Homestead will complete one house, with the closing set for March 3, 2008. Homestead has not had other buyers for the remaining two homes on the lots in Champaign. He reviewed their application and marketing process. Because the subsidy is much less than that provided in the past, potential homebuyers did not have enough income to qualify for loans. Currently a homebuyer receives \$22,500 to purchase a \$120,000 home. Unfortunately, this mortgage is higher than families can afford. Homestead is requesting an additional \$30,000 to reduce the selling price so the houses are more affordable. Ms. Gomez added that e-co lab and Homestead must work very hard to find qualified families in a small income range.

Ms. Gomez clarified that page 4, line 2 of the memorandum should read "2-3 single family homes."

Mr. Rose is requesting funds so that Homestead's new Executive Director will not be delayed in developing housing. Commissioner Francis asked about problems finding potential buyers. Ms. Gomez explained that only homebuyers with household income at or below 80% may purchase these homes. Commissioner Francis asked if these homes were being built for nonexistent customers. Mr. Rose answered no; potential homebuyers must have lower incomes. For example, Homestead's current buyer is below 50% Median Family Income (MFI). When several different subsidies are included, the homebuyer can afford to purchase the house. In the past, Homestead built nine homes, each subsidized at \$35,000. Current subsidies are lower. In response to Commissioner Francis, Mr. Rose explained that Homestead bids out construction costs, and the housing slump does not affect the cost of new construction.

Commissioner Francis questioned the wisdom of building new houses when there are older homes on the market. Mr. Schneider reviewed the federal government's purpose for the HOME Program—to provide funding for affordable housing opportunities through rehabilitation or new construction. Homestead does in-fill development on existing vacant lots in target area neighborhoods. The HOME Program provides homeownership opportunities for households at 60% MFI. Energy efficient construction, rehabilitating existing houses, and making houses visitable are other concerns. Mr. Rose added the subsidy for completion of Eads Subdivision had averaged \$28,000 per house.

In response to Commissioner Roof, Mr. Rose said that the cost per square foot is \$87, with lots donated by the cities. Homestead has had to downsize its houses to fit on the lots. Potential buyers are excited to purchase these three bedroom, two bathroom homes on crawlspaces. Mr. Rose stated that Homestead builds good houses, and they will hopefully find two buyers soon.

Mr. Rose, who has been the Executive Director of Homestead Corporation for six years, thanked the CD Commission for its continued support over the years.

Mr. Schneider clarified that \$175,030.00 is the amount of CHDO Reserve for CHDO Project Funds. The HOME Consortium Technical Committee, consisting of the Cities of Urbana and Champaign and Champaign County, met to consider and recommend funding allocations for each CHDO. Any amount above the minimum CHDO 15% set aside will reduce each community's allocation for its own HOME programs.

In response to Commissioner Diana, Ms. Gomez said that e-co lab will complete construction of the house at 1007 West Fairview, Urbana in late March. Because e-co lab's buyer backed out, they must now find a new homebuyer. Mr. Schneider added that e-co lab had project grant funds from last year.

Noting the CHDOs do the same thing but from a different perspective, Commissioner Francis asked how wise it was to push the "green aspect" for low-income housing rather than support other programs with better results. Another approach would be to give tax rebates. While Mr. Schneider understood his concern, he noted that City Council policies support inclusionary and affordable housing. With so much farmland available for development, this is hard to control. He suggested Commissioner Francis discuss his concerns with City Council.

Referencing e-co lab's green houses, Commissioner Michelson commented that the extremely low energy costs help homeowners to maintain ownership. This is attractive because mortgage costs are expensive. Ms. Gomez added that the demand for green building is increasing, and e-co lab is finding ways to reduce the cost of building their houses. E-co lab is also working on technology to retrofit older houses.

Commissioner Diana remembered the CD Commission discussing this at length in the past, and commissioners were not unanimous in support. However, our community is looking for additional CHDOs for housing development. Green housing is popular with City Council. The biggest obstacle is that, concerning home mortgages, financial institutions do not make large allowances for operating costs versus household income. Ms. Gomez remarked that HUD is also

pushing energy efficient mortgages that consider the cost of energy savings in an energy efficient home.

Commissioner Francis felt if operating expenses were low, the chance of mortgage default would be reduced. Therefore the banks should give better rates. Mr. Schneider replied that, as a result of the recent housing market, lenders are doing more to protect themselves and are providing mortgages based on new credit scores.

There was discussion about whether to consider each application separately or all at once. In response to Commissioners Francis and Michelson, Mr. Schneider felt that Council would not support using all of the unallocated CDBG funds (\$54,284.56) for the agencies' projects. The City must also consider funding public facilities, infrastructure, and the Kerr Avenue project. Although staff has provided its recommendations, he cannot speak for Council. Commissioner Silvis remarked that allocating more than staff's recommendation (\$66,607.39) would create other issues. Mr. Schneider added that the City's budget was tight.

Referencing C-U Independence's application, Commissioner Francis stated that since the City created the issue, the City should meet this need at 100%. There was discussion on how much to allocate and available options. Commissioner Diana commented the CD Commission serves in an advisory capacity, and it was traditional to consider the big picture. Commissioner Michelson supported staff's recommendations. Commissioner Francis said the CD Commission had a right and obligation to consider each request, and the CD Commission should not necessarily rubberstamp staff's recommendations. Chairperson Cobb agreed and suggested considering each application individually. The CD Commission should decide based on the value of the organization and the amount requested. He felt it was OK to add more funds, if needed.

*Commissioner Michelson moved to recommend that the City of Urbana approve \$4,107.39 in CDBG funds for A Woman's Fund to be used for building repairs. Commissioner Francis seconded the motion, and the motion carried unanimously.*

Commissioner Francis noted that City Council had not requested the unallocated CDBG funds, and he suggested allocating those funds to the agencies.

*Commissioner Francis moved to recommend that the City of Urbana provide full funding (\$22,336) in CDBG funds to the Center for Women in Transition for renovation of the duplex at 304 North Fifth Street, Champaign. In response to Commissioner Michelson, Commissioner Francis indicated he would recommend increasing the funds for each agency. Commissioner Roof mentioned the issue about funding a house in Champaign. Commissioner Francis said he was not worried whether the house was in Champaign or Urbana. Mr. Schneider clarified that the City of Champaign would not fund any public service projects for any community in FY 2008-2009; however, Champaign City Council may change that. Coupled with federal funding cuts, Mr. Schneider said staff recommends having \$54,284 for projects allocated in the Consolidated Plan. Although the City should fund public facilities for not-for-profit agencies, he stated the City must also focus on its CD Target Area.*

Commissioner Diana asked why staff recommended \$11,000. Mr. Schneider replied it was a worthy project, and the City wanted to assist in providing additional capacity. However, the



facility is not on line yet, and CWIT would need to raise other funds. Commissioner Silvis noted that some agencies are taking the initial step for fund raising by requesting “seed money” from the City of Urbana. As such, these projects are not the total responsibility of the City of Urbana. Chairperson Cobb reminded commissioners that there was a motion for full funding.

*Chairperson Cobb stated the motion failed for lack of a second.*

*Commissioner Roof moved to recommend that the City of Urbana not provide any funds to the Center for Women in Transition for renovation of the duplex at 304 North Fifth Street, Champaign. Chairperson Cobb stated the motion failed for lack of a second.*

In response to Commissioner Diana, Mr. Schneider explained that when the City of Urbana commits funds, the City pays out on a pro-rata share to insure that the project is complete.

*Commissioner Francis moved to recommend that the City of Urbana provide \$11,000 to the Center for Women in Transition for renovation of the duplex at 304 North Fifth Street, Champaign. Commissioner Diana seconded the motion. The motion carried with five ayes, one nay.*

*Commissioner Michelson moved to recommend that the City of Urbana provide \$15,500 in CDBG funds to the Center for Women in Transition for installation of a new HVAC system at the Evans House (506 East Church Street, Champaign). Commissioner Francis seconded the motion. The motion carried with five ayes, one nay.*

*Commissioner Francis moved to recommend that the City of Urbana provide full funding (\$72,000) in CDBG funds to C-U Independence for fire sprinkler installation at its facility located at 610 East Kerr Avenue, Urbana. There was discussion on the amount of time given to comply with the ordinance, what other agencies would be affected, when those agencies could apply for funds, and other uses for the CDBG funds. Commissioner Roof felt there was time to comply with the ordinance, while Commissioner Francis felt there was a clear need now. Noting that \$72,000 may not be the total needed, Commissioner Michelson was willing to provide \$50,000 in CDBG funds. Commissioner Francis accepted this as a friendly amendment to his motion. Commissioner Michelson seconded the amended motion.*

There was further discussion on the application process and whether or not other agencies would be affected. Mr. Schneider explained that through the Consolidated Plan process, City Council approved certain projects. The City of Urbana must look at the agencies’ needs while reserving funds for Consolidated Plan projects, such as infrastructure improvements and housing projects such as Kerr Avenue Project. While Commissioner Roof felt C-U Independence was a good project, he was concerned that other agencies might need funds as well. Because there is a four year period in which to comply, he did not feel an urgent need to fund it. Commissioner Diana remarked the ordinance was passed with the intention that sprinklers should be installed. Commissioner Francis felt this was delaying a safety issue, while Commissioner Roof noted that City Council allowed four years to comply. In response to Commissioner Francis, Mr. Morrissey said he will look for other sources of funding and, if needed, he will apply for future funding from the City of Urbana. *Chairperson Cobb stated the motion to provide \$50,000 in CDBG funds to C-U Independence for fire sprinkler installation carried with four ayes, and 2 nays.*

*Commissioner Michelson moved to recommend that the City of Urbana provide \$30,000 in HOME Program Community Housing Development Organization (CHDO) Project Funds to Homestead Corporation of Champaign-Urbana for their Affordable Housing Project - Douglass Park Infill Subsidy Increase. Commissioner Roof seconded the motion. In response to Commissioner Francis' concern, Ms. Gomez said that the marketing problem was recent. Mr. Rose added that Homestead has seven potential buyers with lower incomes, so additional subsidies would help them afford the mortgages. Commissioner Diana noted that changing the amount of funding for Homestead would affect the other CHDOs. Mr. Schneider discussed the CHDOs' requests for funding and approximately when they would need the funds. HOME regulations allow two years to commit HOME funds and five years to spend those funds. The motion carried unanimously.*

*Commissioner Silvis moved to recommend that the City of Urbana provide \$85,000 in HOME Program CHDO Project Funds to Homestead Corporation for their Affordable Homeownership Program. Commissioner Roof seconded the motion. Commissioner Francis inquired about the \$60,000 to purchase lots. There was discussion on possible donation of lots, location, acquisition of in-fill lots, and subsidizing the purchase. Commissioner Francis questioned whether the agencies should be building "spec" houses. Mr. Schneider replied that the City of Urbana requires agencies to have a buyer before starting construction. Since the number of foreclosures has increased, Commissioner Francis wondered why the City and not-for-profit agencies are not purchasing those houses. The motion carried unanimously.*

*Commissioner Diana moved to recommend that the City of Urbana provide \$60,000 in HOME Program CHDO Project Funds to Urban League of Champaign County Development Corporation for their Principal Reduction Lease Purchase Program. Chairperson Cobb noted this program was successful and had no problems. Commissioner Francis seconded the motion, and the motion carried unanimously.*

Mr. Schneider briefly reviewed the history of CHDO Operating Funds. Homestead is the oldest CHDO, followed by Urban League and then e-co lab. To help with capacity building, the Urbana HOME Consortium has front loaded CHDO operating funds when a new CHDO was created. Homestead and Urban League received capacity building funds, and now e-co lab is in a learning curve and is still building their program. The Urbana HOME Consortium recommended that all CHDOs be treated similarly. Noting that e-co lab did not send a representative, Commissioner Francis asked about their accomplishments. Mr. Schneider replied that e-co lab constructed and sold one super energy efficient owner-occupied house. Although the first house took a long time to build, e-co lab is learning how to speed up the construction process. Ms. Gomez added that e-co lab is also very active providing education on passive solar homes. Commissioner Michelson commented that Katrin Klingenberg has applied for funds and given presentations to the CD Commission in the past. She felt that e-co lab was not disrespecting the CD Commission by not sending a representative that they may be out of town providing training which happens often.

Referencing e-co lab's private cash donations, Commissioner Francis asked if e-co lab could raise more funds. Chairperson Cobb said the concept of energy efficient construction is a pioneer, and he asked for other fund-raising suggestions. Commissioner Roof asked if one

CHDO needed funds more than another. Mr. Schneider replied that each agency desperately needs the funding. In the past there have not been three functioning CHDOs. Commissioner Diana remembered a very lengthy discussion last year on funding CHDOs. Ms. Gomez stated that each CHDO can use more than the proposed \$16,835. If there was a larger amount of funding, it would make more sense to divide it differently. Mr. Schneider stated that the Urbana HOME Consortium Technical Committee recommended these amounts.

*Commissioner Silvis moved to recommend that the City of Urbana provide \$16,835 in HOME CHDO Operating Funds to each of the following CHDOs: Ecological Construction Laboratory, Homestead Corporation, and Urban League of Champaign County Development Corporation. Commissioner Michelson seconded the motion, and the motion carried unanimously.*

**Adjournment:** Chairperson Cobb adjourned the meeting at 9:47 p.m.

Recorded by Connie Eldridge

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*APPROVED by CD Commission 2-26-08*