



APPROVED with corrections by CD Commission 3-25-08
MINUTES
COMMUNITY DEVELOPMENT COMMISSION
Tuesday, February 26, 2008, 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, Chris Diana, George Francis, Brad Roof, Anne Heinze Silvis, Dennis Vidoni

Commission Members Absent: Theresa Michelson

Others Present: John Schneider, Kelly Hartford, Janel Gomez, Jeff Engstrom and Connie Eldridge, Community Development Services; Jim Rose and Aaron P. Smith, Homestead Corporation.

Approval of Minutes: *Chairperson Cobb asked for approval or corrections to the January 29, 2008 minutes. Commissioner Francis moved to approve the minutes, and Commissioner Roof seconded the motion. The motion carried unanimously.*

Petitions and Communications: Jim Rose introduced Aaron P. Smith, his replacement as Executive Director of Homestead Corporation. Commissioner Vidoni thanked Mr. Rose for Homestead's accomplishments and helping commissioners understand affordable housing. Mr. Rose stated that Homestead appreciates the Community Development (CD) Commission's help to accomplish Homestead's mission.

Staff Report: Mr. Schneider distributed a letter from the Ecological Construction Laboratory (e-co lab) which thanked the CD Commission for providing them with Community Housing Development Organization (CHDO) operating funds for FY 2008-2009. E-co lab staff were unable to attend the January CD Commission meeting. Besides housing construction, e-co lab focuses on education on the value of highly energy-efficient construction.

Staff Presentation: Kerr Avenue Model Sustainable Community Master Plan Report by Farr Associates - Jeff Engstrom, Neighborhood Planner. Mr. Engstrom stated there are two phases to the Kerr Avenue Project. This report concludes Phase I, the design concept. The Kerr Avenue Project stemmed from a City Council goal to create a national model neighborhood that is sustainable, affordable, and uses only 10% standard energy consumption. The City purchased derelict properties and in 2006 issued a Request For Proposal (RFP) for the basic design of the neighborhood. After choosing Farr Associates, the City held a two-day Design Charrette in May 2007 that was attended by City staff, elected officials and the public.

Mr. Engstrom reviewed the two design concepts, which include geothermal, shared recreation and community gardens. There is a variety of homes styles for the 46-48 units. Plan A locates

the street to the west, while Plan B leaves the hill intact with the street to the east. City Council supported Plan B over Plan A. In both plans the housing units were smaller, more affordable, shared walls and had a more square shape to keep them energy efficient. These are standard designs and may not end up in the final product.

Mr. Engstrom distributed a replacement page 25, which revised the table on energy modeling. When Farr Associates reran the energy analysis, they looked at whether the house faced south, shared walls with a duplex and included ultra-energy efficient appliances. They considered the different types of housing and found that the e-co lab passive solar house was best in terms of energy efficiency. Commissioner Francis asked if the straw bale house was seriously considered, and Mr. Engstrom answered yes. Commissioner Francis was concerned with mold issues.

At the request of staff, Farr Associates recalculated the different infiltration rates, indicating overall only a 27% reduction of energy costs. The consultants did not agree since they received anecdotal reports that 35-50% is possible. Farr Associates felt energy efficiency could go up to 75% if solar hot water heaters and geothermal systems were included. The models could not reach 90%.

Mr. Engstrom mentioned the best management practices for stormwater, including rain gardens and permeable pavers for parking lots.

This report recommends that the City of Urbana remain involved and provide extra incentives for affordability. The City should require Leadership in Energy and Environmental Design (LEED) Neighborhood Development Certification and embrace diverse construction methods. City Council wants this development to be a showcase of energy efficiency using different technologies. Mr. Engstrom noted the development would require a street connection to the Housing Authority's Crystal View townhomes. In Phase II the City will select a developer to create the final design, build and market the homes.

Commissioner Roof inquired about the target price of the homes. Mr. Engstrom said last year's market study showed a price range of \$115,000-\$157,000. Mr. Schneider added that all housing must be affordable for families at 80% Median Family Income (MFI) because federal money is already involved in the project. He discussed marketing, interest in sustainable housing, and finding buyers in the 80% MFI range. Because the developer must be willing to incorporate these issues, Mr. Schneider felt local nonprofit organizations may want to do this.

Commissioner Francis stated that the "fruit salad approach" did not help with economy of scale. A builder may offer a lower bid if their company has the entire project. He mentioned concerns with factory-built housing, formaldehyde, proper foundations, and windstorms. Commissioner Francis inquired if the houses had basements, and Mr. Engstrom answered no. Mr. Engstrom added that factory-built houses are not approved under the City of Urbana's current building codes. Mr. Schneider described the factory-built homes in the Taylor Thomas Subdivision in Champaign. The City of Champaign required the builder have the architect, electrical engineer, and building safety inspectors from their region certify that the houses met current code standards. Some walls and wiring remained exposed for local inspections. These homes are the

quickest to build and cost the least. Noting the photo of a factory-built home on page 6 of the report, Mr. Engstrom added that Doug Farr thought cities were “behind the times” concerning factory-built homes.

Commissioner Diana mentioned his concerns about the energy analysis, noting that a 90% reduction was a lofty goal. The bar was not set very high if one was using standard energy consumption. He felt it was presumptuous to showcase energy savings if they are not better than conventional homes. Referencing his many years as a consultant, Commissioner Diana felt there was a lot of “puff” in this analysis and not a lot of solid fact. Commissioner Francis added that good construction could also achieve these goals. Commissioner Diana did not see the unit costs reflecting the extra solar or geothermal aspects and felt there should be a better balance in terms of affordability. Mr. Schneider responded that certain items were optional because the City was concerned about the overall cost. This is a holistic approach to sustainability—using green materials, permeable pavers, keeping infrastructure to a minimum width, and maximizing green space. The goal of energy efficiency will be adjusted to be more realistic. Commissioner Diana agreed, and felt there was a need to balance hard construction costs versus theoretical energy savings.

Commissioner Vidoni stated the bottom line was affordability. If the project can get X amount of increase, this is a net gain, provided the units are affordable. Commissioner Francis stated these units should be compared to more recent housing development in southeast Urbana in order to improve the comparison. Commissioner Roof noted the numbers to run the house seemed low. Mr. Schneider stated that because the amount of energy use was subjective to who was using it, it was hard to nail down. The City’s approach was to insure minimum levels of insulation, orientation of housing, 90% efficient furnaces, geothermal option, etc. Commissioner Francis suggested the development share centralized geothermal heating and cooling.

Chairperson Cobb wanted to know if records would be kept to compare actual use with preconstruction estimates. Mr. Engstrom said the project will be built in phases, so the project managers can learn from the previous phase. Noting all costs were in dollars, Commissioner Silvis suggested keeping records in terms of thermal units. Due to rising annual costs, it is hard to make comparisons.

Mr. Schneider distributed and reviewed a staff briefing memorandum dated February 26, 2008.

Janel Gomez provided an update on Money Smart Week, April 6-12. This week-long community-wide event includes 70 classes on a wide range of topics. The kickoff event is a media breakfast at the Champaign Public Library on April 4.

Old Business: Commissioner Francis commented that Ann Arbor, our sister city, was experimenting with Light Emitting Diodes (LED) streetlights, and he suggested the City look at this.

New Business: **Review Draft City of Urbana and Urbana HOME Consortium Annual Action Plan (AAP) for Fiscal Year (FY) 2008-2009** – Mr. Schneider provided an overview of the AAP and its purpose. The AAP is the budget component of the Consolidated Plan, which is

a five-year plan that is submitted to the Department of Housing and Urban Development (HUD). There is a process to gather information, hold public hearings, and submit to HUD. In 2009 staff will begin the process of creating the Consolidated Plan for FY 2010-2014. The AAP explains to HUD how the City will implement the strategies and goals of the Consolidated Plan.

The Executive Summary provides an overall view of the Community Development Block Grant (CDBG) and HOME Program projects. This plan includes projects discussed at the January CD Commission meeting. Mr. Schneider discussed the City's survey of blighted structures in the CD Target Area. Staff will inform property owners on available programs in order to beautify the neighborhoods, help those who need help, and meet the Consolidated Plan goals. Vacant structures may be sold to the City, which would then demolish structures and donate the lots for affordable housing.

Mr. Schneider reviewed the CDBG budget, which included \$118,000 for reprogramming from earlier programs. The City will not know its actual available amount for carry-over and reprogramming until June 30. Program income is expected to decrease every year. Twenty percent (20%) may be used for administrative and staffing costs.

Commissioner Vidoni asked what funds would be reprogrammed. Mr. Schneider explained that over the past few years there have been fewer requests for Emergency Grants, Access Grants and Senior Repair Grants. Also, only a few people requested assistance with the Scottswood Drainage Project. Commissioner Vidoni remembered HUD's requirement for timely expenditure of grant funds. Mr. Schneider described how staff was encouraging agencies to draw down their funds as soon as possible. Carryover funds for the redevelopment of Lakeside Terrace may cause a problem, while expending funds for the Harvey Street project will help.

Mr. Schneider discussed administrative funds for the HOME and CDBG programs. Because funds were reduced for Neighborhood Cleanup, the City may have to use Neighborhood Improvement Funds (NIF) or other sources. Also, funds were reduced for the Consolidated Social Service Fund. Program delivery represents actual staff costs. The City's Get the Lead Out (GLO) Program has received funding for another eight houses. The recent CD Target Area property survey will help with property acquisition. Public Facilities are the grant requests from the not-for-profit agencies. The reserve is for capital improvement projects such as Kerr Avenue.

In response to Commissioner Francis, Mr. Schneider said the \$200,000 was a subtotal of the Housing Related Programs. Commissioner Diana asked if the carryover for Lakeside Terrace were FY 05-06 and FY 07-08. Mr. Schneider answered yes; allocations are: \$50,000 CDBG in FY 05-06; \$50,000 HOME FY 06-07; \$50,000 HOME FY 06-07; \$50,000 CDBG FY 07-08.

Kelly Hartford provided an overview of the City of Urbana's Transitional Housing (TH) Program. There are five units (three owned by the City and two leased from Carle) for homeless families with children. The main goal is to help families become self-sufficient at the end of the two-year program. When there is a vacancy, the City accepts applications from families at the local shelters. The program is not "first-come, first-served." Rather, staff interviews the applicants to see which family will best succeed in the program.

In response to Commissioner Vidoni, Ms. Hartford said she worked with families on their life skills and also referred them to agencies such as Crisis Nursery, CU Public Health, etc. for other programs. She also encourages the TH residents to stay connected to their support systems. Mr. Schneider mentioned Ms. Hartford's background at Family Service and her work with the Salvation Army, Center for Women in Transition, and A Woman's Fund through the City's Supportive Housing Program. He thanked Carle for providing two houses for the TH Program at no cost (except maintenance).

In response to Commissioner Roof, Mr. Schneider clarified that staff costs include all benefit costs. Commissioner Vidoni wondered if the TH Program was different four or five years ago. Mr. Schneider answered no; it was the same program. In response to Commissioner Diana, Ms. Hartford said that programming costs included water and utilities. Residents pay a minimum of \$40 per month, which is considered program income. Commissioner Roof asked how the program's success was measured. Mr. Schneider said the performance measurements were included in the Consolidated Annual Performance and Evaluation Report (CAPER), which is sent to HUD.

Commissioner Francis asked if the CD Commission provided funds for the Victory Park redevelopment. Mr. Schneider indicated the City provided \$15,600 in CDBG funds to install a water line in Victory Park. Commissioner Francis felt Victory Park was one reason the Urbana Park District's referendum failed.

Mr. Schneider reviewed the HOME Program budget. The City of Urbana is the lead entity of the Urbana HOME Consortium, which also includes the City of Champaign and Champaign County. Urbana staff is working with them to reprogram remaining funds from completed programs. The total HOME Program revenues are \$1,318,745, and include funds for the American Dream Downpayment Initiative (ADDI). The City of Champaign and Champaign County have decision-making ability on their share of the HOME funds.

Mr. Schneider discussed the City of Urbana's HOME projects (Owner-Occupied Housing Rehabilitation, Kerr Avenue Redevelopment, and Program Delivery). Noting the cost of new housing construction at \$115,000-\$150,000, Commissioner Francis asked about lowering this for homebuyers. Mr. Schneider said the City would provide an average subsidy of \$28,000 to \$35,000, which makes the house more marketable for homebuyers in the 80% MFI range.

Commissioner Roof asked about the source of match funds. Mr. Schneider said those come from the City's Capital Improvement Program (CIP). The City's policy has been if it invests money from the CIP into cash match for the Urbana HOME projects, then Grants would commit CDBG funds for capital improvement in the CD Target Area. Commissioner Roof asked about private funding. Mr. Schneider said the City can use Illinois Housing Development Authority (IHDA) funds; however, some have a 40 year affordability period. Staff is looking for other sources of match.

Commissioner Roof wondered about a line item for private donations. Mr. Schneider felt this would be difficult for the City to do. Rather, the not-for-profit agencies that the City works with

can do this. Commissioner Vidoni asked if this was prohibited. Although Mr. Schneider was not sure about a prohibition, he questioned the feasibility. Commissioner Roof suggested creating a marketing budget to market programs. Commissioner Francis commented that mixing tax funds with charity would not work well. He felt it would be awkward to ask taxpayers to donate to the City. Ms. Gomez noted that funding was more likely to come from other grant sources, such as the State of Illinois.

Commissioner Roof mentioned checking with private organizations for grant funds. Mr. Schneider felt many sources were not intended for housing. As the availability of funds shrinks, the applications would become very competitive. Because the City would be competing against not-for-profit agencies, he did not think the City should do fund-raising. Mr. Schneider will check HUD regulations and with the City Legal Department about requesting donations.

The Draft AAP is available for public review for 30 days. Staff will accept comments, and there will be a public hearing at the beginning of the March CD Commission meeting. Although the CD Commission is advisory, City Council may decide to change some recommendations. The AAP is passed by resolution and is due in HUD by May 15.

Adjournment: Chairperson Cobb adjourned the meeting at 8:50 p.m.

Recorded by Connie Eldridge

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