



*APPROVED by CD Commission 2/22/11*  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION MEETING**  
**Tuesday, January 25, 2011, City Council Chambers**  
**400 South Vine Street, Urbana, IL 61801**

**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, Janice Bengtson, Chris Diana, Theresa Michelson, Jerry Moreland, Anne Heinze Silvis, Dennis Vidoni

**Commission Members Absent:** George Francis

**Others Present:** John Schneider, Kelly Hartford, Jennifer Gonzalez, and Connie Eldridge, Community Development Services; Katrin Klingenberg, Ecological Construction Laboratory; Tom DiGiovanni, Newhouse Development Company; Sheila Ferguson and Lisa Benson, Community Elements (formerly Mental Health Center of Champaign County); Stephanie Bond, Gabe's Place Apartment and Main Street Properties; John Sullivan and Andy Harmon, Center for Women in Transition; Mike Doyle, University of Illinois YMCA; Nikki Kopmann, Developmental Services Center (DSC); Janice Mitchell and Misty Bell, Urbana Neighborhood Connections; Beverly Huffman and Maurice Bouslog, Champaign County Habitat for Humanity and Neighborhood Alliance for Habitat; Aaron P. Smith, Homestead Corporation of Champaign-Urbana; Carol McKusick.

**Approval of Minutes:** *Chairperson Cobb asked for approval or corrections to the December 21, 2010 minutes. Commissioner Michelson 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 a staff briefing memorandum dated January 25, 2011. The Department of Housing and Urban Development (HUD) notified the City that the Homeless Families in Transition grant was renewed. HUD's Office of Labor Relations performed a remote monitoring on Davis Bacon Prevailing Wage Act for two of the City's Community Development Block Grant (CDBG) projects. HUD did not renew the State of Illinois Department of Public Health's Get the Lead Out (GLO) funding, so there will not be funds for the City's GLO Program. Mr. Schneider was not sure why this area's regional GLO application was denied, since it was the first denial in many years.

**Old Business:** None.

**New Business:** **An Ordinance Approving Further Modifications to the City of Urbana and Urbana/Champaign/Champaign County HOME Consortium FY 2006-2007, FY 2007-2008, and FY 2008-2009 Annual Action Plans (*Community Elements TBRA FY***

**2010-2011**) – Jen Gonzalez reviewed the proposed amendment, which is to reallocate \$190,149 of Champaign County’s carryover HOME funds to Community Elements (formerly Mental Health Center) Tenant Based Rent Assistance (TBRA) Program. Due to low demand, Champaign County has not used their HOME funds, which were originally allocated for their Whole House Rehabilitation Program. Community Elements will use these reallocated funds to provide affordable housing assistance to low-income residents of Champaign County, in conjunction with supportive services, within the boundaries of the Urbana HOME Consortium.

In response to Commissioners Michelson and Roof, there was discussion on the timely expenditure of HOME funds and whether these funds needed to be spent in FY 2010-2011. Mr. Schneider reviewed HUD regulations for HOME funds, which must be committed within two years and expended within five years. Regardless of the Annual Action Plan (AAP) year, HOME funds are on a “first in, first out” basis from oldest to newest. Although the HOME Consortium regularly expends HOME funds, there is a need to stay ahead. HOME Consortium and County staff have been discussing revisions to the County’s Housing Programs funded with HOME and the potential for adding property acquisition/rehab.

Sheila Ferguson, CEO of Community Elements, explained the name change was to communicate that their agency provides a full range of services. Also, Community Elements has received Supportive Housing funds to continue their programs, unlike other state funds.

*Commissioner Vidoni moved to recommend to City Council approval of an Ordinance Approving Further Modifications to the City of Urbana and Urbana/Champaign/Champaign County HOME Consortium FY 2006-2007, FY 2007-2008, and FY 2008-2009 Annual Action Plans (Community Elements TBRA FY 2010-2011). Commissioner Michelson seconded the motion, and the motion carried unanimously.*

**An Ordinance Authorizing the Execution of a Real Estate Option and Contract for the Sale of Certain Real Estate to Ecological Construction Laboratory (e-co lab) for Affordable Housing Development (401, 401 ½ and 403 East Kerr Avenue)** – Mr. Schneider explained the potential for the Kerr Avenue project to create a rent-to-own development that would allow low-income renters to purchase units in the development after the 15 year tax credit compliance period expires. Tom DiGiovanni of Newhouse Development Co. is working with e-co lab on this project. Mr. DiGiovanni reviewed the pre-application process for Illinois Housing Development Authority (IHDA) tax credits. If IHDA approves e-co lab’s pre-application, City Council must consider this matter before IHDA’s April 15<sup>th</sup> application deadline.

In response to Commissioner Roof, Mr. Schneider reviewed e-co lab’s developer agreement to create 48 units, which are affordable to households at or below 60% Median Family Income (MFI). A ten year Regulatory Land Use Agreement is also required. The properties would be transferred to the purchasers after 15 years. New HOME regulations require a 20 year affordability period, regardless of the amount of HOME funding in a project. E-co lab will request project funding later.

In response to Commissioner Diana, Mr. Schneider stated this option is similar to the Crystal View Townhomes project, and the City’s Legal Division will review it. Chairperson Cobb asked

how the option was written. Mr. Schneider replied the Legal staff will review final details before submittal to Council scheduled for February 28. The pre-application for Low Income Housing Tax Credits was due January 10, 2011; if pre-application is approved, the full application submission deadline is April 15, and e-co lab would be notified later when IHDA makes the determination if the project would receive tax credit allocation.

In response to Commissioner Vidoni, Mr. Schneider stated that e-co lab's HOME application is contingent on several items: whether the Urbana HOME Consortium has enough money to fund the entire application; e-co lab's search for a new Executive Director; and whether or not the project receives IHDA tax credits. The HOME Consortium would not recommend approval unless these things are in place.

Mr. DiGiovanni gave a PowerPoint presentation on the Kerr Avenue project, The Villas at Highlands Crossing. This affordable housing community will be built to meet the Passive Housing Building Energy Standards, using e-co lab's current technology for dramatic energy savings. E-co lab wants to create a national model. There will be 48 units, consisting of two, three and four bedrooms. An independent market study supports the demand for these units. Because the units would be significantly below market price, there would be an affordability period. Nebraska Investment Finance Company had a similar project, and it was successful.

*Commissioner Vidoni moved to recommend to City Council approval of an Ordinance Authorizing the Execution of a Real Estate Option and Contract for the Sale of Certain Real Estate to Ecological Construction Laboratory for Affordable Housing Development (401, 401 1/2 and 403 East Kerr Avenue). Commissioner Michelson seconded the motion, and the motion carried unanimously.*

**Review Community Development Block Grant (CDBG) grant applications for funding for Fiscal Year 2011-2012 to be included in the FY 2011-2012 Draft Annual Action Plan –** Applicants gave brief presentations and answered questions. Dollar amounts indicate requested amount of CDBG funds.

**C-U Independence, Urbana – \$60,000 for new flooring and paint sprinkler system -** Nikki Kopmann, Developmental Services Center (DSC) stated this facility, which is in Urbana city limits, houses 24 low-income adults with developmental disabilities. Projected cost is \$80,000. The sprinkler system was installed in response to a requirement of an Urbana City ordinance amending the fire code in March 2007. Painting will complete this project. DSC will get formal bids and follow Davis Bacon requirements.

**Center for Women in Transition (CWT) - A Woman's Place, Urbana – \$18,231.75 to install sprinklers –** John Sullivan, Executive Director for the past four years, stated the request is for 100% funding of this life safety issue. During the merge with A Woman's Fund, CWT had a structural report done for A Woman's Place Shelter, which needs \$350,000 in repairs. The shelter has five transitional housing units and five individual units. The number of Urbana residents served is based on past records and projected future residents.

**Center for Women in Transition (CWT) - Forbes House, Champaign – \$15,000 for kitchen remodel** – This is to replace a very old kitchen.

**University YMCA at the University of Illinois, Urbana – \$13,100 for accessibility renovations to men’s and women’s restrooms** – Mike Doyle, Executive Director, explained this facility does not have a gym or a pool. Rather, it serves as a gathering place to encourage civic engagement project. Their board is committed to making this 80 year old facility fully accessible. Phase 1 included installing an elevator. Phase 2 will make lower level bathrooms fully accessible as well as install reduced flow toilets. Total cost is \$55,000. Of the 2,000 persons who use the facility each day, 40% are Urbana residents.

**Mental Health Center of Champaign County Housing Corporation – Carroll Avenue Supported Apartments, Urbana – \$3,275 to upgrade lights in kitchen and bathroom of each unit** – Lisa Benson stated this 16 unit building opened in 1994 and serves an extremely low-income population. Residents range from 20 to 65 years, and all have psychiatric disabilities. The project is to upgrade standard T-12 cool white florescent lamps to T8 energy efficiency. Project cost is \$4,430. There was discussion on anticipated energy savings, type of lighting, life expectancy of the lamps, and reusing the fixtures. According to Sheila Ferguson, the City of Champaign provides funding only for projects in facilities located in Champaign.

**Urbana Neighborhood Connections Center, Urbana – \$2,000 for replacement of floor covering** – Janice Mitchell, Founder and Director, stated this was their first request for CDBG funding. The center is located in the old Harley Davidson building on Main Street in Urbana. There is no paid staff; volunteers provide three programs: academic support, parental programs and a recreational fitness program to 35-80 students and their parents. Their primary mission is the educational component, which provides academic enrichment services to neighborhood children. Misty Bell clarified their request is for \$1,999. Ms. Mitchell invited commissioners to tour their facility.

**Review HOME Program grant applications for Fiscal Year 2011-2012 to be included in the FY 2011-2012 Draft Annual Action Plan (AAP)** – Mr. Schneider stated the HOME Technical Committee has not yet made its funding recommendations. The CD Commission will consider those recommendations at its February 22, 2011 meeting.

**Urbana Entitlement Funds – \$83,967.60 for Rental Rehabilitation of Main Street Properties The 1507 East Washington Project** – Mr. Schneider clarified that if funded, the amount would be taken from the City of Urbana’s HOME allocation for projects. Stephanie Bond, Main Street Properties, reviewed their proposal to rehab 36 rental units. There are three buildings on the lot, which is located behind Monicals Pizza. She discussed past crime, their contract with Pioneer Hybrid to house migrant workers, and potential for future use. The units, which are 800 square feet each, are affordable and structurally sound, but need new flooring and cabinets to attract their target market. Main Street Properties, which has owned the property for seven years, has reroofed the buildings and has a one to two year timeline for improvements. Ms. Bond is aware of the Davis Bacon wage requirements.

**HOME Community Housing Development Organization (CHDO) Reserve (for projects) and CHDO Operating funds:**

**Champaign County Neighborhood Alliance for Habitat (CCNAfH) - \$100,000 for operating funds and \$315,000 for CHDO Project *Home Builds – 2011 & 2012 Build Season*** – Beverly Huffman, Executive Director of Habitat for Humanity of Champaign County, reviewed their application to become a CHDO. Habitat has built 57 homes for low-income families in our community. All families go through an extensive process that includes sweat equity, financial planning, home maintenance, and helping build their own home. Due to its volunteers, Habitat is able to build houses at the rate and expense it does.

Habitat's outlay for construction expenses is \$70,000 per house, which does not include any operating costs. Their request will provide funding for nine houses at \$35,000 per house. Habitat builds three to four houses a year, but could build up to six per year. Because they have not banked any lots, Habitat will need lots from the cities. There was discussion on the availability of lots in Urbana, Champaign, and Champaign County.

In response to Commissioner Vidoni, Ms. Huffman stated the national organization recognizes the CHDO model for local Habitats. Many large Habitat affiliates are already CHDOs.

CCNAfH is also requesting \$100,000 for operating funds. Habitat is short this year for operating expenses, and only has an intern to work with volunteering. There was discussion on the process to become a CHDO. CCNAfH is waiting for the Internal Revenue Service (IRS) to approve its 501(c)(3) application to become a not-for-profit and has applied for certification as a CHDO.

In response to Commissioner Roof, Ms. Huffman explained how CCNAfH will contract with Habitat. Mr. Schneider described how HOME funds allow for a developer fee and stated that Habitat's 501(c)(3) application is the last CHDO requirement to be met. CCNAfH will address single-family home development for households at or below 50% Median Family Income (MFI). Other CHDOs are at 60-80% MFI. There is an expectation that the CHDOs will work together and refer families to each other. Mr. Schneider reviewed the policy for funding startup CHDOs. The HOME Consortium may allocate CHDO operating funds from last year and this year to Habitat as well as provide CHDO operating funds to the other CHDOs.

**Homestead Corporation - \$25,000 for operating funds and \$180,000 for CHDO Project *Single Family New Construction*** – Aaron Smith, Executive Director, noted the Crystal View Townhomes project was completed at the end of June 2010. Occupancy rate is 99%. Now Homestead is searching for qualified homebuyers for its Single Family New Construction Program. However, more persons are looking for assistance with affordable rental units. The CHDO set-aside funds will be used to subsidize the costs of three single-family homes. Because potential homebuyers have lower incomes, they must find other funding. Homestead will also need three lots on which to build.

Homestead's request for operating funds is similar to their requests in past years.

**Ecological Construction Laboratory - \$40,245 for operating funds and \$528,000 for CHDO Project *The Villas at Highlands Crossing (401-403 Kerr Avenue)*** - Katrin Klingenberg, Secretary to the Board of Directors, and Tom DiGiovanni, a CPA with Newhouse Development Co., reviewed e-co lab's applications. Mr. DiGiovanni clarified the potential energy savings on the Kerr Avenue project. The request for operating funds is similar to last year's amount. Ms. Klingenberg discussed e-co lab's search for an executive director, which may take two months. There was discussion on the special qualifications, requirements and experience needed to be executive director. Noting the different skill sets for managing a 48 unit project versus constructing it, Commissioner Diana suggested hiring two persons.

In response to Commissioner Roof, Mr. DiGiovanni explained that Newhouse Development Co. is the co-developer, with the project being owned by e-co lab. Because e-co lab is currently understaffed, Newhouse Development has agreed to take on additional tasks such as compliance reports. While he supported e-co lab's concept, Commissioner Vidoni was concerned about e-co lab going from single family to multi-family development. There was discussion on this issue and the plan to hire third party on-site management that is certified through IHDA.

There was discussion on the timing of the CD Commission's recommendations for CDBG and HOME funding in relation to the Draft FY 2011-2012 AAP. The HOME Technical Committee has yet to make their funding recommendations. Concerning Congressional funding of CDBG, Urbana's HUD representative suggested basing the FY 2011-2012 CDBG budget on last year's funding amount, although there may be cuts.

Chairperson Cobb noted it would be helpful for staff to explain their recommendations when those differed from the applicants' requests. Mr. Schneider stated that staff's recommendations are based on number of Urbana residents served. Also, points are assigned on programs that meet the Consolidated Plan goals and strategies. There was discussion on how to adjust amounts of funding if the CDBG allocation amount is reduced. Mr. Schneider clarified that the AAP is always developed contingent on the amount of funding received from the federal government.

*Commissioner Vidoni moved that the Community Development Commission approve staff's recommendations for Community Development Block Grant funds based on current Department of Housing and Urban Development funding recommendations. The stipulation is that if the amount of CDBG funding received by the City of Urbana is changed, the CD Commission will revisit these funding amounts. Also, CDBG funding for the Urbana Neighborhood Connections Center is revised to \$1,999.00, per the applicant's request. Commissioner Michelson seconded the motion.*

Referencing the homeless housing best practices presentation at the December 21, 2010 meeting, Commissioner Roof asked if there were any programs to address the lack of family emergency housing. Referencing CDBG regulations, Mr. Schneider noted the City looks to the Salvation Army and United Way to provide emergency family housing. The City of Urbana recently used its Consolidated Social Service Funds (CSSF) to relocate Hanford Inn residents due to fire code issues.

There was discussion on the importance of painting a sprinkler system versus installing one. Commissioner Roof wanted to reduce the amount of CDBG funding for C-U Independence's painting project in order to fully fund Center for Women in Transition's sprinkler installation project. Commissioner Diana noted the projects were being funded proportionately to the number of Urbana residents. A decision to not consider proportion would affect all projects. There was discussion on whether proportion was a Council funding goal or recommendation. Commissioner Diana remembered that C-U Independence had originally requested more CDBG funds when they were first required to install the sprinklers a few years ago. The CD Commission has never penalized organizations for requesting additional funds to complete their projects. Chairperson Cobb encouraged commissioners to vote according to their principles.

Commissioner Roof suggested reducing funds for property acquisition. There was discussion about the need to purchase properties so the CHDOs may build affordable housing. Mr. Schneider reviewed the inventory of lots currently owned by the City. Also, the Housing Authority will soon be requesting properties for redevelopment of Dunbar Court.

In response to Commissioner Vidoni, Ms. Hartford stated that C-U Independence's project to paint the sprinklers was eligible under CDBG regulations.

*Commissioner Vidoni's motion on Community Development Block Grant funds carried with eight ayes, and one no.*

**Adjournment:** Chairperson Cobb adjourned the meeting at 9:28 p.m.

Recorded by Connie Eldridge

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