



APPROVED by CD Commission 4/25/12
MINUTES
COMMUNITY DEVELOPMENT COMMISSION MEETING
Tuesday, March 27, 2012, City Council Chambers
400 South Vine Street, Urbana, IL 61801

Public Hearing on the Proposed City of Urbana & Urbana HOME Consortium Annual Action Plan (AAP) for Fiscal Year (FY) 2012-2013: Chairperson Cobb called the public hearing to order and declared it open at 7:01 p.m. The purpose of this public hearing was to receive input on the proposed AAP for FY 2012-2013. Notice of the public hearing was published on Saturday, February 23, 2012 in Champaign-Urbana's *News-Gazette*, posted on the City of Urbana's website, and mailed and emailed to various social service agencies and interested citizens.

Robin Arbiter stated the Lierman Neighborhood Action Committee (LNAC) supports the Draft FY 2012-2013 AAP, which has set aside funds to construct new or reconstruct older streetlights in the LNAC neighborhood.

Eric Trusner stated all City plans should clearly address, in writing, issues such as Americans with Disabilities Act (ADA), Fair Housing Act, Architectural Barriers act, Visitability, Section 504 of the Rehab Act, and Urbana's Human Rights Ordinance.

Chairperson Cobb adjourned the public hearing at 7:10 p.m.

Public Hearing on the Proposed Amendment to the City of Urbana & Urbana HOME Consortium Annual Action Plans for FY 2009-2010 and FY 2010-2011 – Spring 2012 HOME County Tenant Based Rental Assistance (TBRA): Chairperson Cobb called the public hearing to order and declared it open at 7:11 p.m. The purpose of this public hearing was to receive input on the proposed Amendments to the City of Urbana and Urbana HOME Annual Action Plans (AAP) for FY 2009-2010 and FY 2010-2011. Notice of the public hearing was posted on the City of Urbana's website, and mailed and emailed to various social service agencies and interested citizens on March 13, 2012. Written comments are also welcome through Wednesday, April 11, 2012.

The Urbana HOME Consortium proposes to reallocate \$98,117.95 in Champaign County HOME funds from Champaign County's Whole House Rehabilitation Program to its No Limits Tenant Based Rental Assistance (TBRA) Program. Darlene Kloepfel, Director of Social Services at CCRPC, briefly reviewed their Whole House and TBRA Programs and explained why the funds were being reallocated to the TBRA Program.

Chairperson Cobb adjourned the public hearing at 7:15 p.m.

Call to Order: Chairperson Cobb called the regular meeting of the Community Development Commission to order at 7:16 p.m.

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

Commission Members Present: Fred Cobb, Janice Bengtson, Chris Diana, George Francis, Theresa Michelson, Jerry Moreland, Brad Roof, and Anne Silvis

Commission Members Absent: Dennis Vidoni

Others Present: Kelly H. Mierkowski, Jennifer Gonzalez, Connie Eldridge, and Matt Murphy, Community Development Services Department; Robin Arbiter, Lierman Neighborhood Action Committee (LNAC); Eric Trusner, Kerrie Lee Dunn, and Paula Vanier, Persons Assuming Control of Their Environment (PACE); Aaron P. Smith, Homestead Corporation; Janice McAteer, Developmental Services Center (DSC); Darlene Kloepfel, Champaign County Regional Planning Commission (CCRPC)

Approval of the Minutes: *Chairperson Cobb asked for approval or corrections to the February 28, 2012 Community Development (CD) Commission meeting minutes. Commissioner Roof noted that he was present at this meeting. Commissioner Silvis moved to approve the corrected minutes, and Commissioner Michelson seconded the motion. The motion carried unanimously.*

Petitions and Communications: None.

Staff Report: Ms. Mierkowski distributed a staff memorandum dated March 23, 2012 and introduced Matt Murphy, CD Associate. The Department of Housing and Urban Development (HUD) is now requiring all entitlements to include information on Emergency Solutions Grants (ESG) in their AAPs. The Continuum of Care for Champaign County will meet this requirement. The City of Urbana has chosen Brinshore Development L.L.C. and Homestead Corporation as developer for the Kerr Avenue Sustainable Development Project.

There is a new State of Illinois law concerning the Open Meetings Act. All commission members must receive training, which is offered on-line, and be certified before December 31, 2012.

April 9-14 is National Community Development Week. City Council, the Mayor, and the CD Commission will sign letters of support to restore Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) program funding. The letters will be submitted to Congress.

Ms. Mierkowski distributed the score sheets used to evaluate the CDBG Public Facilities applications.

Old Business: **An Ordinance Approving the City of Urbana and Urbana HOME Consortium (Champaign/Urbana/Champaign County) Annual Action Plan for Fiscal Year 2012-2013** – Ms. Mierkowski stated that since HUD funding allocations have not changed, the Draft FY 2012-2013 AAP contains the same programs and funding recommendations as presented to the CD Commission on February 27, 2012. Any CD Commission recommendations different from those of staff will be included in the memorandum to City Council.

Chairperson Cobb asked if any other agencies, such as Center for Women in Transition (CWT), made any further funding requests since the last meeting. Ms. Mierkowski answered no. She clarified that CDBG's estimated total allocation including carryover for FY 12-13 is \$462,750. If the City received additional funds, those would be listed under Unobligated Funds.

Estimated carryover, which is \$185,006, is allocated to Property Acquisition in Support of New Construction (\$54,689) and Other Capital Improvement Projects (\$130,317). Because there are only a few lots available for donation to the Community Housing Development Organizations (CHDOs), staff will be purchasing additional lots.

Referencing the score sheets for the CDBG applicants, Commissioner Roof questioned the scoring system used to guide funding decisions. There was discussion on the scoring for CWT's Evans House and Community Elements' Elm Street Apartment applications plus documenting the number of Urbana residents served as compared to the total number served. Commissioner Silvis asked how the CD Target area would affect the scoring. Ms. Mierkowski explained that the CD Target Area is based on the percentage of low and moderate income households in the City. HUD's national objective focuses on target areas where at least 51% low- and moderate-income persons are served. Commissioner Silvis remarked that staff was using both categories to determine an application's benefit to Urbana. Ms. Mierkowski stated that the City of Champaign does not have a CD Target Area; rather, they go by neighborhood planning areas.

Commissioner Francis felt the weighting of location versus type of repair was not persuasive. Repairing a roof was more essential to him than doing interior work to the living areas. He felt that CWT's applications for Evans House Roof and A Woman's Place Living & Dining Rooms would be about equal. Commissioner Michelson mentioned the point system and bonus points. Chairperson Cobb suggested a study session to modify the rating system for weighting.

Commissioner Roof mentioned the different amounts of cost reasonableness. Because of reduced funding, only one of the three CDBG applications may receive funding. Commissioner Roof proposed funding CWT's Evans House Roof Project rather than Community Elements Elm Street Supported Apartments Project. Commissioner Michelson wondered if CWT had other funding to cover the cost of roof repair. Commissioner Roof noted CWT would have to repair the roof, no matter what.

Commissioner Roof moved to recommend that the Center for Women in Transition Evans House Roof Project receive \$15,665 in CDBG funds rather than providing funding to Community Elements Elm Street Supported Project. Commissioner Francis seconded the motion. Chairperson Cobb suggested making this contingent upon CWT still needing this amount of funding. Commissioner Roof accepted this as a friendly amendment.

Commissioner Diana was concerned that commissioners change their minds every time they receive new information. He noted the Evans house serves only four persons, with more persons being served at A Woman's Place and Elm Street Supported Apartments. While he was in favor of changing the scoring system later, Commissioner Diana stated the agencies submitted the applications under this system, and the scoring system should not be ignored.

Commissioner Roof viewed the scoring system as one tool to reach a decision rather than as absolute criteria. Other factors should be considered. In response to Commissioner Michelson, Ms. Mierkowski said this was the first time the commissioners had seen the score sheets. Commissioner Diana added that he had seen this before, just not this cycle. Commissioner Francis noted all applicants would have received the same score except for location and asked when these were completed. Ms. Mierkowski replied the score sheets, which are HUD forms, would have been done

shortly after receiving the applications. Chairperson Cobb remarked that government can develop implementing regulations for a weighting system.

Given that Champaign and Urbana are so close in proximity, Commissioner Roof considered the social service benefit to be area-wide rather than by municipality. Commissioner Bengtson commented that the City of Champaign is totally different, and she did not see how HUD could be ignored. Ms. Mierkowski stated that the City of Urbana receives CDBG funds to serve Urbana residents. The City of Champaign also receives CDBG funds for their residents; however, they have other priorities for their funds.

Chairperson Cobb called for a vote on the above motion. There were 6 nays and 2 ayes. The motion did not pass.

Jen Gonzalez reviewed the HOME portion of the FY 2012-2013 AAP. Referencing the HOME CHDO applications memorandum, Ms. Gonzalez reviewed the CHDO operating and project funding. Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance) submitted the only application for CHDO Project Funds; however, the Urbana HOME Consortium is still waiting for HUD to respond to its exception request and cannot fund the organization at this time.

Three CHDO Operating Fund applications were received: \$23,840 from Ecological Construction Laboratory (e-co lab); \$25,000 from Homestead; and \$28,250 from Neighborhood Alliance. Because e-co lab has carryover funding of \$19,310 from its last allocation of CHDO Operating FY 10-11, and Neighborhood Alliance has a carryover of \$25,528 from FY 11-12, the Technical Committee did not recommend funding them at this time. The Technical Committee also decided to reallocate Carryover CHDO Operating Funds from FY 2009-2010, 2010-2011 and 2011-2012 to Homestead Corporation in the amount of \$25,000. FY 2012-2013 HOME Operating Funds will be allocated later. Before considering additional funding, the Technical Committee is waiting for e-co lab to be re-certified as a CHDO after July 15, 2012.

Ms. Gonzalez reviewed the City of Champaign and Champaign County's HOME Programs. The City of Urbana will use its HOME funds to continue the Owner-Occupied Housing Rehabilitation Program, which completes five to six whole house rehab projects per year. Other possibilities for HOME funds are: Acquisition-Rehab Program, Purchase-Rehab-Resell Program, and Kerr Avenue Sustainable Development. If the developer for the Kerr Avenue project receives Low Income Housing Tax Credits, the City may then choose to allocate HOME funds. Ms. Eldridge clarified that, after the applicant list is closed, whole house rehabilitation projects are prioritized as follows: Households with the lowest income and houses in most need of repair go to the top of the list. If an urgent repair need arises, staff may use other programs such as Emergency Grants or Senior Repair Service Grants to address that need.

Commissioner Michelson moved to recommend to City Council approval of an Ordinance Approving the City of Urbana and Urbana HOME Consortium Annual Action Plan for FY 2012-2013. Commissioner Bengtson seconded the motion. There were seven ayes and one nay, and the motion carried.

New Business: An Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Homestead

Corporation of Champaign-Urbana CHDO Operating FY 2012-2013) – Ms. Gonzalez stated the HOME Technical Committee voted to approve Homestead’s application and provide full funding. The HOME Consortium has had a strong relationship with Homestead since FY 1998-1999. Aaron Smith, Executive Director, reviewed Homestead’s current and future projects. Homestead has closed on the house constructed at 1109 North Gregory Street, Urbana, and has secured a buyer for 1107 North Gregory Street. Their project with CWT at 510 East Beardsley Avenue, Champaign is in progress. This project will transition families from CWT to a house. Homestead also hopes to have a third project in Champaign soon.

Homestead Corporation and Brinshore Development L.L.C. were chosen as developers for the Kerr Avenue Sustainable Development Project. If their application for Low Income Housing Tax Credits is approved by the Illinois Housing Development Authority (IHDA), Homestead will then redevelop the Kerr Avenue site.

Ms. Gonzalez clarified that this agreement represents Homestead’s CHDO Operating Funding for FY 2012-2013; however, the funds are coming from past years

Commissioner Diana moved to forward to City Council approval of an Ordinance Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization (Homestead Corporation of Champaign-Urbana CHDO Operating FY 2012-2013). Commissioner Moreland seconded the motion, and the motion carried unanimously.

An Ordinance Approving Modifications to the City of Urbana and Urbana/Champaign/Champaign County HOME Consortium FY 2009-2010 and FY 2010-2011 Annual Action Plans – Spring 2012 HOME County Tenant Based Rental Assistance (TBRA) – Ms. Gonzalez referred to Darlene Kloeppel’s summary during the earlier public hearing. Because HOME funds must be spent in a timely manner, staff has worked with Champaign County to determine how to use the leftover funds. Champaign County will reallocate its HOME funds as follows: \$26,297.95 from FY 2009-2010 Whole House Rehabilitation to the FY 2009-2010 TBRA Program; and \$176,877 from FY 2010-2011 Whole House Rehabilitation to the FY 2010-2011 TBRA Program. This reallocation followed the process for a substantial amendment.

Commissioner Michelson moved to forward to City Council approval of an Ordinance Approving Modifications to the City of Urbana and Urbana/Champaign/Champaign County HOME Consortium FY 2009-2010 and FY 2010-2011 Annual Action Plans – Spring 2012 HOME County Tenant Based Rental Assistance (TBRA). Commissioner Diana seconded the motion, and the motion carried unanimously.

A Resolution Evidencing the Intention of the City of Urbana, Champaign County, Illinois to Transfer Volume Cap in Connection with Private Activity Bond Issues, Multi-Family Revenue Bonds; and Related Matters (Private Activity Bond Cap Allocation – EIEDA, Series 2012) – Ms. Gonzalez stated that each year the City of Urbana is allowed to cede its Private Activity Bond Cap Allocation, since the City does not usually issue its own bonds. In the past, the City has ceded the bond cap to AssistUrbana, a homebuyer assistance program which has lagged because the bond market has been slow. It is being replaced by the Assist MCC Program, which offers down payment and mortgage credit certificate financing products. This new program does not need the City’s bond cap for the 2012 cycle, nor does the IHDA MCC Program. If funds are not ceded to another issuer, then they are returned to the State of Illinois.

Eastern Illinois Economic Development Authority (EIEDA), created by the State of Illinois to promote economic development, requested the City cede its bond cap to its organization. An example of a project currently financed through EIEDA is the Eden Supportive Living Facility located at the former Howard Johnson building in downtown Champaign will be converted to a multi-family development project that will serve young, disabled adults.

Paula Vanier, an Urbana resident and an employee of PACE, does not support the Eden Supportive Living Facility. She indicated that, to live in this development, a resident must be able to get himself or herself into and out of bed. Ms. Gonzalez stated there is no other option for the bond cap except to return it to the State of Illinois. The City of Champaign is ceding funds to this project, but the City of Urbana's bond cap will likely not be used for this project because it already has enough bonds through the City of Champaign's allocation.

Kerrie Lee Dunn, an Urbana resident and a board member of PACE, was concerned that persons with disabilities be considered and have access during the decision making process for all projects in the AAP. Chairperson Cobb remarked that anything that has an impact on people with disabilities should be particularly looked at, and Ms. Dunn agreed. Persons with disabilities make up 20% of the population and also support the local economy. Ms. Vanier stated that anyone at any time might become disabled.

Ms. Gonzalez noted that projects using federal funds must follow federal regulations. The bond cap system has a board that reviews projects that are brought to them. Commissioner Moreland suggested that City staff channel communication between PACE and EIEDA. Ms. Gonzalez will look into the public process for this project.

Commissioner Michelson moved to recommend to City Council approval of a Resolution Evidencing the Intention of the City of Urbana, Champaign County, Illinois to transfer Volume Cap in Connection with Private Activity Bond Issues, Multi-Family Revenue Bonds; and Related Matters (Private Activity Bond Cap Allocation – EIEDA, Series 2012). Commissioner Bengtson seconded the motion, and the motion carried unanimously.

An Ordinance Authorizing the Execution and Delivery of an Intergovernmental Cooperation Agreement and Certain Documents in Connection Therewith; and Related Matters (Assist MCC Program) – Ms. Gonzalez said this was the second part of the bond cap discussion. Stern Brothers & Company is offering a new program that offers a Mortgage Credit Certificate (MCC) product. Homebuyers who participate in this program will receive federal tax credit for the life of their mortgage. This effectively reduces the homeowner's monthly payment; however, it is not received until the homeowner files his/her federal income taxes. This program is different from the earlier AssistUrbana, which provided down payment and closing cost assistance.

Chairperson Cobb asked if there was anything negative about this program, and Ms. Gonzalez answered no. For a certain period of time, the bond cap is reserved for homebuyers in Urbana. After that, the funds become available statewide. Ms. Gonzalez reviewed the example of the tax savings.

There was discussion on if a homebuyer can transfer the credit if he/she refinances, whether or not income eligibility could be maintained, and that homebuyers must understand this process and claim the credit on their tax returns.

Commissioner Silvis moved to recommend to City Council approval of an Ordinance Authorizing the Execution and Delivery of an Intergovernmental Cooperation Agreement and Certain Documents in Connection Therewith; and Related Matters (Assist MCC Program). Commissioner Francis seconded the motion, and the motion carried unanimously.

CDBG Public Service Funding Priorities as part of the Consolidated Social Service Funding (CSSF) Pool – Ms. Mierkowski stated that the CD Commission determines the priorities for the CDBG portion of the CSSF Pool. CDBG funds are combined with City of Urbana and Cunningham Township funds to create this pool, which totaled \$316,900 for the current fiscal year. Due to HUD’s funding reductions, only \$9,000 in CDBG funds are available, as compared to last year’s CDBG contribution of \$12,500. Grants staff and Carol Elliott, Cunningham Township Supervisor, review the applications and determine which are eligible for CDBG funding and match the priorities. CDBG funds provide partial funding, with the remainder coming from other sources.

In response to Chairperson Cobb, Ms. Mierkowski explained that staff refers to CD Commission’s order of importance. Greater Community Aids Project (GCAP) is an example of the category Special Needs Populations, which relates to disability and health.

There was discussion on the category of CDBG funding Neighborhood Connections Center received in the past and might receive in the future. Commissioner Roof questioned how agencies were assigned CDBG funding categories. Noting the City received 55 applications from 30 agencies, Ms. Mierkowski said some applications may be placed under different categories. Those agencies that receive other HUD funding would likely be candidates for CDBG funding. Commissioners Michelson and Silvis suggested following staff’s recommendations so not as to create bottlenecks.

Commissioner Silvis moved to recommend that staff choose the CDBG Public Service Funding Priorities as part of the Consolidated Social Service Funding (CSSF) Pool as follow: (1) Youth/Seniors; (2) Homelessness; and (3) Special (Needs) Populations. Commissioner Michelson seconded the motion, and the motion carried unanimously.

Adjournment: Chairperson Cobb adjourned the meeting at 9:17 pm.

Recorded by Connie Eldridge

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