



APPROVED
MINUTES
COMMUNITY DEVELOPMENT COMMISSION MEETING
Tuesday, March 22, 2016, City Council Chambers
400 South Vine Street, Urbana, IL 61801

PUBLIC HEARING - March 22, 2016 @ 7:00 P.M.:

Chairperson Cobb stated that prior to the regular meeting there would be a public hearing, which began at 7:04pm. The purpose of the public hearing is to provide an opportunity for the public to provide input and comments regarding the proposed City of Urbana and Urbana HOME Consortium Annual Action Plan for FY 2016-2017. Notice of the public hearing was placed on the City website on March 8, 2016, along with a notice that the public comment period would begin March 22, 2016 for 30 days. He then declared the public hearing open for comments, if anyone desires to express their views regarding the proposed Annual Action Plan for FY 2016-2017, please come forward and be recognized.

Ms. Mierkowski noted that the proposed budgets for CDBG and HOME had not been included in the draft AAP and reviewed it with the Commissioners. Chairperson Cobb asked if anyone was interested in the budgets for the AAP would they have access to this information, and Ms. Mierkowski stated that the information would be placed on the City website with the draft AAP.

Seeing no further comments regarding the draft Annual Action Plan, Chairperson Cobb declared the public hearing closed. Ms. Mierkowski noted that the final AAP would be brought to the Commission and Council for approval in April, for submission to HUD in May.

Call to Order: Chairperson Cobb called the regular meeting to order at 7:10pm.

Roll Call: Kelly H. Mierkowski called the roll. A quorum was present.

Commission Members Present: Fred Cobb, Janice Bengtson, Anne Heinze-Silvis, Lauren Karplus, and Lisabeth Searing

Commission Members Excused/Absent: Brian Cunningham, Chris Diana, and Jerry Moreland

Others Present: Kelly H. Mierkowski and Matt Rejc, Community Development Services.

Approval of Minutes: Chairperson Cobb asked for approval or modifications to the February 23, 2016 minutes. Commissioner Karplus moved to approve the minutes as written and Commissioner Silvis seconded the motion. Chairperson Cobb made note of the term "FY 1415" regarding an agreement and Ms Mierkowski explained that it was short for FY 2014-2015, which began July 1, 2014 and ended June 30, 2015. The motion carried unanimously.

Petitions and Communications: Chairperson Cobb asked if there was any written communication to the Commission; there were none.

Audience Participation: Chairperson Cobb stated that audience members could speak if they so wished, no one from the audience stepped forward to speak.

Staff Report: Kelly H. Mierkowski, Grants Management Division Manager, provided a brief overview of the staff report provided to the Commissioners that evening, which included HUD activities, staff activities, meetings attended, and various projects and programs. Commissioner Karplus asked what is the Community Reinvestment Group, and Ms. Mierkowski explained that it is a group made up of lenders, the Cities, Habitat, Parkland College, Land of Lincoln Legal Assistance, as the lenders per the Community Reinvestment Act (CRA) are to use funds towards community development and affordable housing in the community. They sponsor a Homebuyers Seminars at Parkland and do a Housing Fair. Chairperson Cobb gave an example about the CRA and getting a loan from the bank.

Old Business:

A Resolution Certifying a Community Housing Development Organization for the Urbana HOME Consortium (Habitat February 2016)

A Resolution Approving and Authorizing the Execution of an Urbana HOME Consortium Community Housing Development Organization Agreement (Habitat CHDO Developer FY 2015-2016)

Ms. Mierkowski noted that Mr. Rejc would be presenting on the agenda item and that Ms. Dodd from Habitat was also there to answer any questions. Chairperson Cobb asked for clarification that there were two items listed, the certification and the agreement, and Mr. Rejc stated that he would be presenting the items together. Ms. Mierkowski commented that both agenda items could be presented together as well as voted on together, in an omnibus fashion.

Mr. Rejc stated the HOME Partnership Act dictates that Community Housing Development Organizations (CHDOs) need to be certified prior to having any agreement with the lead entity for the HOME Consortium. In this case, we are required to certify Habitat for Humanity of Champaign County as a CHDO, prior to actually approving the agreement with them. Habitat first became a CHDO in 2011 and the CHDO certification form has been changed somewhat since that time. We appreciate Habitat's patience in working with us on this process and that is one of the major changes that needs to be done every time we distribute or commit funds to a CHDO. It is also much more extensive and copies were distributed of all the material Habitat provided.

The amount of the contract that commits the funds is \$97,962, which is the amount of the 15% set aside for FY 2015-2016, the total amount of that cap that we are required to give to CHDOs per HUD regulations. The breakdown of how the funds are spent per each address is provided in the original memo that was sent before the prior meeting. Two properties are in Champaign, and one is in Urbana, the reason for that being that the CHDO funds can be spend throughout the entire HOME Consortium. That is generally how the CHDO funds are distributed. The timeline for each property is also detailed in the application. As this is HOME funds, no City general funds will be used as part of this agreement and committing these funds will also substantially help in reducing our HOME commitment shortfall for HOME funds that we need to have committed by July 31, 2016. Mr. Rejc stated that staff recommends the Community Development Commission forward both resolutions to the Urbana City Council with a recommendation for approval, and asked if there were any questions.

Ms. Mierkowski commented that this agenda item was under Old Business because last month we were still waiting on the certification application from Habitat; it was recommended to forward the agenda item to this meeting in order for Habitat to complete the application. The Certification was submitted and reviewed by Staff. Chairperson Cobb clarified what is a CHDO, and Mr. Rejc apologized for not doing so in his presentation.

Chairperson Cobb asked Ms. Dodd from Habitat if she wished to speak or clarify anything, and Ms. Dodd gave an update regarding the properties. Commissioner Silvis asked about the makeup of the Board and if it was required to represent all the members of the Consortium, as Urbana is not shown to be represented by the Board. Mr. Rejc stated that certification applies throughout the whole Consortium so residence in the City of Urbana is not required for CHDO certification; Ms. Dodd stated one of the Board members who recently moved to Savoy was a long time Urbana resident.

Chairperson Cobb asked for a motion to approve, modify, or deny these resolutions. Ms. Mierkowski noted that the two resolutions could be voted on together. Chairperson Cobb stated that as long as the certification was acceptable to Staff, because it has been signed by other required parties; staff agreed. Commissioner Searing made a motion to forward the resolutions to City Council with a recommendation for approval, Commissioner Karplus seconded; motion carried unanimously.

New Business:

Private Activity Bond Cap

A Resolution Evidencing the Intention of the City of Urbana, Champaign County, Illinois, To Transfer Volume Cap in Connection with Private Activity Bond Issues, Single-Family Mortgage Revenue Bonds; and Related Matters (Private Bond Cap Allocation - EIEDA, Series 2016)

A Resolution Evidencing the Intention of the City of Urbana, Champaign County, Illinois, To Transfer Volume Cap in Connection with Private Activity Bond Issues, Single-Family Mortgage Revenue Bonds; and Related Matters (Private Bond Cap Allocation – Illinois Assist, Series 2016)

Ms. Mierkowski began the presentation by stating that this agenda item was before the Commission the previous month and was approved by the Commission; however after that particular meeting, David Rasch with Illinois Assist contacted the City, and stated in a letter attached to the memo, that the housing market was really strong last year in Urbana and that funding is now available; he asked if we would consider ceding part or all of our bond cap to that program. Staff reviewed the information and how many loans originated in Urbana, etc., and so felt this would be a good use of the bond cap. Since this item had not gone to Council yet, Ms. Mierkowski felt that staff could bring the item back to the Commission to ask that instead of one entity receiving the bond cap, it would be ceded to two entities, with 50% to each. Ms. Mierkowski also noted that memo was updated with more information about the bond cap, as it was not clear if the Commissioner's questions were answered the previous month about this agenda item.

Ms. Mierkowski also stated that Andrew Hamilton, Executive Director for EIEDA was contacted about recent projects completed in the community with the bond cap. He responded that two projects in recent years had used bond cap, one in 2012 for the old Howard Johnson hotel on State Street in Champaign using \$11,000,000 in bonds, and in 2014 \$20,000,000 in bonds were issued for the redevelopment of

Joanne Dorsey public housing split into two complexes for LIHTC purposes, Providence at Sycamore Hills (92 units) and Providence at Thornberry (200+ units), as well as the number of jobs created and retained which was 28. The bond cap was therefore used in the community and the City should be able to access the bonds for its housing developments. Chairperson Cobb asked for clarification in that it would not limit any activity in Urbana and Ms. Mierkowski stated that it would not.

Ms. Mierkowski stated that it will not have a financial affect on the City as both entities would be taking the risks by the City ceding the bond cap to other parties; however, the City would benefit from the activity. Staff recommends that the Commission forward the resolutions to the City Council with a recommendation for approval, to cede 50% of the bond cap to Illinois Assist and 50% to EIEDA. Commissioner Searing asked why the split was 50-50 and Ms. Mierkowski stated it was because there were two parties that had contacted the City. If three parties had asked for the bond cap, staff would have reviewed and if viable entities, staff would have recommended that the bond cap be split three ways.

Commissioner Karplus asked how Urbana residents would become aware of the Assist program, and Ms. Mierkowski stated that the marketing information submitted with the letter would be announced at the next CRG meeting to let the lenders know as they are the ones who will access the program, as well as being placed on the City website that the program is available.

Chairperson Cobb asked for a motion to approve, modify, or deny the resolutions being forwarded to Council. Commissioner Silvis made a motion to forward the resolutions to the City Council with a recommendation for approval, Commissioner Searing seconded; motion carried unanimously.

Emergency Solutions Grant

Resolution Approving a Subrecipient Agreement (FY 2015-2016): Champaign County Regional Planning Commission

Mr. Rejc began his presentation, stating that this resolution concerns an additional subrecipient agreement to our most recent grant, the Emergency Solutions Grant (ESG) with the Illinois Dept. of Human Services. As a refresher on how ESG works, the local shelters in the area are able to apply through the Champaign County Continuum of Care (CoC) for ESG funds and agencies that are either approved for or request fewer than \$25,000 are assigned to the City of Urbana as a subrecipient, and the City will handle the administration of those grants. ESG funds can be used for a variety of different purposes that emergency shelters might use them for. The City also receives a portion of administration funds for handling the administration of the grant. In 2015, three agencies were originally proposed for receiving ESG funds, they were Community Elements, Crisis Nursery, and The Salvation Army. A portion of the funds were set aside (\$12,396.59) for direct street outreach which was to be allocated at a later time as per City staff and the CoC's recommendation.

Since that time, the Champaign County Regional Planning Commission has taken steps to initiate a program entitled Centralized Intake, which is a program that creates a single point of intake for homeless individuals in Champaign County, rather than having a coordinated intake system which currently exists. Agencies will communicate with each other and will direct homeless individuals that they come in contact with, with agencies that would be most appropriate to them.

In this case, the funding that the City is allocating through the subrecipient agreement would fund a case manager at CCRPC who would be in charge of directing homeless individuals who come to their attention to other agencies, but would create a centralized point where homeless individuals would be referred initially. As a result of CCRPC taking these steps in this direction, both City staff and the CoC have agreed that Centralized Intake should be provided the direct street outreach funds. As mentioned before, these funds are state funds and would have no financial impact on City general funds. Staff recommends that this resolution be forwarded to Council with a recommendation for approval.

Ms. Mierkowski added that the funds originate with HUD to the State of Illinois, Dept. of Human Services, who then makes the funds available to shelters and agencies who serve the homeless population. These funds are now coordinated through local continuums of care, who make the decision on who gets funded from the allocation provided by DHS. The process has begun for next year's allocation, where the Continuum of Care has solicited applications for the ESG funding due next month. The Executive Committee will review the applications and decide who gets funded, based on certain criteria that has been set. Those agencies who receive over \$25,000 can be directly administered by the DHS, those under the threshold are to be administered by another entity. The City of Urbana has already stated that it would administer the grant on behalf of agencies who were funded but may not meet the \$25,000 threshold set by DHS.

Ms. Mierkowski also pointed out, with regard to Centralized Intake, that the person who is the focal point is and should be aware of the openings at the various agencies who serve the homeless in the community in order to make referrals to those agencies for appointments. This is to avoid having people calling around to all the agencies to see about an opening, now there will be a central person for people to contact, who can then send them to the appropriate place.

Commissioner Searing asked if Centralized Intake is appropriate to fund with street outreach funds, and Ms. Mierkowski stated that the regulations clearly state what activities are appropriate and eligible under each type of funding, i.e. for street outreach, essential services, and operations. Ms. Mierkowski stated that the definitions could be sent if further information was needed. Commissioner Searing stated that staff judgment was acceptable and asked if HUD defined it that way, to which Ms. Mierkowski agreed, through the HEARTH Act. Staff makes sure that agency activities are eligible under the regulations and fit the criteria.

Chairperson Cobb asked if there was any opposition to this agreement and staff stated there was not. CCRPC will be submitting an application to DHS for next year's funds for this program. There is no opposition to this agreement or the use of funds for this purpose. Chairperson Cobb then asked for a motion to approve, modify, or reject the resolutions being forwarded to Council. Commissioner Silvis moved to forward the resolution to the Council with a recommendation for approval, Commissioner Bengtson seconded; motion carried unanimously.

CDBG

CDBG Public Service Funding Priorities as part of the Consolidated Social Service Funding Pool (FY 2015-2016)

Mr. Rejc began his presentation by mentioning that he would be brief and that this is fairly routine for the Commission, which is completely in regards to the CDBG portion of the Consolidated Social

Service Funding pool, which is anticipated to be \$5,000 of CDBG funds that will be contributed to the larger Consolidated Social Service Fund and because it is Federal funding, it falls under HUD's purview and their regulations, which stipulate that certain priorities need to be established for how those funds are distributed to social service agencies. As a reminder, last year the first priority was youth and seniors, the second priority was homelessness, and the third priority was special (needs) population. Those funds were then distributed to PACE and CCRPC. Several options are also available, there are a number of priorities mentioned in the Consolidated Plan. This has no bearing on City general funds, and staff recommends at this time the same priorities for the CDBG portion of the Consolidated Social Service fund.

Chairperson Cobb asked if these priorities remain the priorities that cover the most people, and staff agreed. Staff stated that about 45-50 applications are received from about 30-35 agencies. Most agencies that apply could probably fall under one of the priorities, so it does give staff a wider range of agencies to choose from. Chairperson Cobb asked for a motion to approved these funding priorities as suggested by staff. Commissioner Karplus made the motion to approve the priorities as recommended by staff, Commissioner Searing seconded; motion carried unanimously.

Study Session: No items for this agenda.

Adjournment: Seeing no further business, Chairperson Cobb adjourned the meeting at 7:50pm.

Recorded by

Kelly H. Mierkowski
Manager, Grants Management Division

APPROVED