



APPROVED
MINUTES
COMMUNITY DEVELOPMENT COMMISSION MEETING
Tuesday, July 26, 2016, City Council Chambers
400 South Vine Street, Urbana, IL 61801

Call to Order: Chairperson Cobb called the regular meeting to order at 7:06pm.

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

Commission Members Present: Fred Cobb, Chris Diana, Lauren Karplus and Jerry Moreland

Commission Members Excused/Absent: Brian Cunningham, Anne Heinze Silvis, and Janice Bengtson

Others Present: Kelly H. Mierkowski, Matt Rejc and Don Ho, Community Development Services. Aaron Smith, Homestead Corporation Executive Director.

Approval of Minutes: Chairperson Cobb asked for approval or corrections to the June 28, 2016 minutes. Commissioner Karplus moved to approve the minutes as written and Commissioner Moreland seconded the motion. 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.

Old Business:

AN ORDINANCE AUTHORIZING THE SALE OF CERTAIN REAL ESTATE (401-403 E. KERR AVENUE)

Mr. Rejc explained that 401-403 E Kerr are the parcels upon which the Highland Green development is intended to be situated. The parcels are currently city-owned property. The City has owned them for some time with the expectations that the property would be used for Affordable Housing. The developer is nearly in the final stages of preparing the finances and getting close to committing to the development. The time has come to transfer the property to the development team, so they can begin construction as soon as possible. In accordance with Section 2.118 with the Urbana City Code, a public hearing is required for the sale of any real estate. There will be a public hearing on the sale at the Council Meeting on August 1, 2016 at 7PM. The Council is looking for recommendation from the Community Development Commission on this proposed ordinance. A critical part of the development is making sure that the developer has the property in order to begin construction.

Chairperson Cobb mentioned the previous conversation about allocating additional funds for the development. Is there any issue that has come up requiring more funding or any other obstacles that we have not foreseen? Mr. Rejc stated that there have not been any requests for additional funding. GMD is fully aware of the rising construction costs for the developer, so GMD would certainly entertain other requests for funding if those requests were made. The commitment [to Highland Green] has helped the Consortium meet the HOME commitment deadline. The agreement has been signed and GMD is able to commit almost \$300,000 from the HOME fund and is still planning to commit about \$200,000 from the CDBG fund. Ms. Mierkowski added that GMD is not aware of any other requests for additional funding at this time.

Commissioner Karplus asked about the construction timeline from the developer perspective. Aaron Smith, the director of Homestead Corporation of Urbana-Champaign, explained that the construction would be finished in spring or early summer. The developer is planning to complete a set first, and then have them occupied while they are finishing the rest of the project. The developer hopes to finish the project as soon as possible before the winter.

Chairperson Cobb entertained a motion to either forward the Resolutions to Council with a recommendation for approval, forward the resolutions with to Council with a recommendation for approval with changes, or to not forward for approval. Commissioner Diana motioned for approval of the Resolution, Commissioner Karplus seconded the motion; the motion carried.

New Business:

A RESOLUTION APPROVING HOME LOAN DOCUMENTS BETWEEN THE URBANA HOME CONSORTIUM AND HIGHLAND GREEN, LLC.

A RESOLUTION APPROVING A CDGB INFRASTRUCTURE AGREEMENT BETWEEN THE CITY OF URBANA AND HIGHLAND GREEN, LLC.

Mr. Rejc stated that GMD introduced at the previous CDC meeting the HOME developer agreement that has recently been executed between the Urbana HOME Consortium and Highland Green, LLC. The Consortium committed \$291,580 to the project and that was done in advance of the developer financial closing to meet the Consortium's HOME commitment deadline. Meeting this commitment deadline was a critical component. Now the agreement has helped the Consortium to commit the money, GMD wants to bring forward the loan documents that will require the approval of the City Council to transfer the HOME funds to the developer in the form of a loan. It is the requirement of the developer using the low-income housing tax credit. The documents that will need to be implemented to insure it takes the form of a loan are the HOME Land Use Restrictions that ensure that the developer obeys the rules associated with the HOME program and those rules tied to the land. In addition, a promissory note, which is a standard legal document that goes along with conveying funds, tied to the property.

The City intended to use both HOME and CDBG fund at the same time. However, because of the HOME Commitment Deadline, GMD decided to commit the HOME funds more quickly and earlier. The HOME funds have now been committed; we can start working on CDBG. There are several drafts of CDBG documents, which are included in the packets. The City has not committed CDBG money formally, but these documents when executed will do that.

These include CDBG infrastructure agreement that will formally commit us to providing CDBG funds to the project, the mortgage, and promissory note that will tie the fund to the developer. When these documents are conveyed to the developer, the exchange will become legal. These documents are required to make sure the funds reach the developer; HOME funds for the construction and CDBG for the infrastructure. As mentioned before, the developer is looking to financially close in August when GMD hopes to bring this back before them for final approval.

Chairperson Cobb asked if anyone has expressed any opposition to this action. Ms. Mierkowski stated nobody has expressed any concerns or objections to Council. The Highland Green Project developer came and presented the project to Council and Council was eager to move forward. Commissioner Diana asked if there is any required waiting time after the public hearing. Mr. Rejc explained just a single public hearing is required and the sale can take place at any time following the public hearing. Commissioner Diana asked what the process would look like if there were any comments or objections during the public hearing period. If so, would there be any delay associated with HUD? Ms. Mierkowski said that she would look into this issue and make sure everything is accounted for. Mr. Rejc added that there is no HUD deadline or delay. The HOME Consortium has been able to commit the money to meet the deadline. Chairperson Cobb asked who would be monitoring the project to make sure they will meet all the requirements. Ms. Mierkowski stated that the Grants Management Division would be monitoring the whole process.

Chairperson Cobb entertained a motion to either forward the Resolutions to Council with a recommendation for approval, forward the resolutions with to Council with a recommendation for approval with changes, or to not forward for approval. Commissioner Karplus motioned for approval of the Resolution, Commissioner Moreland seconded the motion; the motion carried.

A RESOLUTION AMENDING AN EMERGENCY SOLUTIONS GRANT SUBRECIPIENT AGREEMENT (ROSECRANCE TIMES CENTER FY 2015-2016)

Mr. Rejc stated that this resolution is similar to what was brought to CDC not too long ago related to Tenant Based Rental Assistance. When Community Elements transitioned to Rosecrance, agreements were still made with Community Elements. Legally, it has become difficult to transfer funds to formerly Community Elements, now Rosecrance because they are a different entity at this point. GMD is working to make sure that the FY16-17 ESG funds are made to the correct entity. There is no amendment required for FY16-16 ESG funding. However, there is still one payment left that the City needs to make to Rosecrance.

In order to that, GMD is currently working with the Legal Department on how to properly construct this amendment. GMD is in the process of that, but needs approval from Council so that GMD can change that amendment to allow funds to flow back properly to Rosecrance, formerly Community Elements. The ESG Grants funded through the original amendment is for the Community Elements/Rosecrance Times Center. It is a shelter for men and currently going through some changes, but this agreement is to reimburse the expenses that they have already incurred. It will allow them to recoup the expenses that they have made on the Times Center.

Commissioner Diana asked if this is a sign-able agreement. Mr. Rejc explained that GMD is working with the Legal Department to make sure the agreement is sign-able. According to the City Attorney, if Community Elements still exists as some form of legal entity, perhaps this could ease the process of the funding agreement. Then the City may still be able to make payments to Community Elements.

Assuming that the agreements cannot be assigned, and it should be assigned to Rosecrance, GMD will need to work with the Legal Department on this: Commissioner Diana added it would be impossible to assign something that does not exist anymore. Ms. Mierkowski mentioned that GMD is going to have a meeting to CE to discuss more about merger and all the different programs that are affecting. She did check with DHS and asked them for their opinion. In their opinion, having the agreement state Rosecrance, formerly known as Community Elements is good enough. GMD will try to have the agreement ready next month. Chairperson Cobb asked if this is similar to when contractors go out of business and re-service with different names? Do the same people run the previous business? Ms. Mierkowski explained that they would have the same people, but different titles. Rosecrance is based in Rockford, Illinois and they have different facilities around the state. This is a part of their network of different facilities.

Chairperson Cobb entertained a motion to either forward the Resolutions to Council with a recommendation for approval, forward the resolutions with to Council with a recommendation for approval with changes, or to not forward for approval. Commissioner Moreland motioned for approval of the Resolution, Commissioner Karplus seconded the motion; the motion carried.

CONSOLIDATED SOCIAL SERVICE FUNDING POOL CDGB SUBRECIPIENT AGREEMENTS FOR FY 2016-2017

Ms. Mierkowski stated these are agreements that we have with two agencies that have applied for CSSF and that we look at to make sure that they fit the priorities the commission has chosen back in March. At the March 22 meeting, the Commission has Senior and Youth Homelessness and Special Needs Population. The Regional Planning Commission's Youth Assessment Center (YAC) hits the Youth priority. The Person Assuming Control of their Environment (PACE) hits the priority for Homelessness and Special Needs population. As a part of the Social Service funding, GMD monitors the fund through CDGB. Both the agencies receive both City and CDBG funds. We will need these agreements per HUD. There is no impact to the City Budget or CDBG budget because the funding was included in the Annual Action Plan.

Chairperson Cobb entertained a motion to either forward the Resolutions to Council with a recommendation for approval, forward the resolutions with to Council with a recommendation for approval with changes, or to not forward for approval. Commissioner Karplus motioned for approval of the Resolution, Commissioner Moreland seconded the motion; the motion carried.

Study Session: No items for this agenda.

Adjournment: Seeing no further business, Chairperson Cobb adjourned the meeting at 7:44 p.m.

Recorded by

Don Ho
Grants Compliance Specialist, Grants Management Division

APPROVED