



*UNAPPROVED*  
**MINUTES**  
**COMMUNITY DEVELOPMENT COMMISSION MEETING**  
**Tuesday, March 27, 2018, City Council Chambers**  
**400 South Vine Street, Urbana, IL 61801**

**Call to Order:** Chairperson Cobb called the regular meeting to order at 7:03pm.

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

**Commission Members Present:** Michael Braun, Anne Heinze-Silvis, Chris Diana, Karin Hodgkin-Jones, Rev. Robert Freeman, James Winston, Abdulhakeem Salaam, Fred Cobb and Jerry Moreland.

**Commission Members Excused/Absent:** None.

**Others Present:** Kelly Mierkowski, Matt Rejc and Don Ho, Community Development Services; Janel Gomez, Neighborhood Services from City of Champaign

**Approval of Minutes:** Chairperson Cobb asked for approval or corrections to the February 27, 2018 minutes. Commissioner Salaam moved to approve the minutes as written and Commissioner Hodgkin-Jones 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 or after a particular item is presented, no one from the audience stepped forward to speak.

**Staff Report:** Kelly Mierkowski, Grants Management Manager, provided a brief overview of the staff report provided to the Commissioners that evening, which included HUD activities, staff activities, meetings attended, the FY 18-19 Annual Action Plan process, the upcoming Consolidated Social Service Fund process, and various projects and programs. The Grants Management Division (GMD) was recently awarded \$55,000 for the Abandoned Property Program.

**Old Business:** Chairperson Cobb asked if there was any old business. No old business items were presented for discussion.

**New Business**

**A RESOLUTION APPROVING CERTAIN HOME INVESTMENT PARTNERSHIP PROGRAM LOAN DOCUMENTS BETWEEN THE CITY OF URBANA AND BRISTOL PLACE RESIDENCES, LP.**

Mr. Rejc explained why the City of Urbana is working with a project in the City of Champaign. The reason is that it is undertaken as part of the Urbana HOME Consortium and HOME funds are received by the City of Urbana on behalf of the Urbana HOME Consortium, which is made up of the City of Urbana as lead entity and two sub-recipients, which are the City of Champaign and unincorporated Champaign County.

The City of Urbana administers HOME funds. The City is responsible for sub-granting the funds to the City of Champaign and Champaign County and making sure the funds are used properly. In light of guidance from HUD received during the 2015 HOME monitoring and among other reasons, rather than instructing Champaign staff on how to perform subsidy layering and underwriting which can be done by the City of Urbana, GMD decided to go ahead with the City of Urbana as the lead entity to administer this project rather than sub-granting the funds to the City of Champaign. Since the City of Urbana recently undertook new construction rental activities at Highland Green, GMD staff already have procedures in place for this type of activity.

Bristol Place is a proposed 90-unit mixed-income rental housing development that the Illinois Housing Development Authority (IHDA) approved for Low-Income Housing Tax Credits (LIHTC), which provides the primary financing mechanism. The project is projected to have over \$23 million in development costs. The developer requested \$415,452 in HOME Investment Partnerships Program (HOME) funds from the Urbana HOME Consortium (Consortium). All HOME funding used to support this development originates from the City of Champaign's proportion of HOME funds from the FY 2016-2017, FY 2017-2018, and pre-award FY 2018-2019 funds. No funding from the City of Urbana would be affected. If these funds are not used for this project, then they would be used for whole house rehabilitation activities in the City of Champaign.

This is a multi-layered development and there are many different funding sources. The main financing source is the tax credits, but they are also getting a construction loan, a loan from the Illinois Infrastructure Fund (\$2.2 million), a loan from Freddie Mac, funding from the Federal Home Loan Bank of Chicago's Affordable Housing Program (\$750,000), and funding from the Housing Authority of Champaign County. The Housing Authority of Champaign County has also pledged to provide project-based vouchers to 84 of the 90 units in the development, which will mean that each of those 84 units must be rented to low-income households. At least five of the remaining units will be leased at market rates, and one unit may be used for on-site management.

The HOME funds are critical to the project and provide the development team with the capacity to construct the Bristol Park project. Since low-income rental development budget is usually tight, these funds are essential to the success of the project and enable the developers to complete the Bristol Park redevelopment.

The Bristol Park redevelopment site is referred to in the FY 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan as a target area. The use of these funds for the project will help to fulfill the City of Champaign's stated desire in the Consolidated Plan for redevelopment of the area, and will leverage additional private-sector funds to complete the redevelopment, which is a goal of the HOME program.

There will be no fiscal impact on the City General Fund, as the \$415,452 in HOME proposed to be provided to Bristol Place Residences, LP through these agreements would consist of Federal grant funding allocated to the City of Champaign for HOME eligible projects. No funding allocated for use in the City of Urbana will be used in this agreement, and no activities undertaken in Urbana will be affected by this commitment in any way. The commitment of HOME funds to this project is also critical to meeting the current HOME commitment requirement by July 31, 2018. Funds not committed by July 31, 2018 would be in danger of being retracted by HUD.

Construction of affordable housing at the Bristol Park site has been a goal of the City of Champaign for many years and that goal has been expressed in various Urbana HOME Consortium documents, including the FY 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan, as well in associated annual action plans. The need for affordable housing is significant in both the City of Urbana and the City of Champaign. The addition of affordable housing in Champaign will help to decrease the demand for affordable rental units in both communities and help to provide decent, safe, and affordable housing to low-/moderate-income households in the community.

Mr. Rejc mentioned that the attached documents are draft documents. Both the City attorneys and the developer's attorney are reviewing the documents so they are subject to change but they contain the HOME requirements which are required. The Resolution does not force the City to sign anything. They simply allow the Mayor to sign the agreement assuming that the developer meets all of the HOME restrictions and regulations.

Staff recommends that the Community Development Commission forward the Resolution to the Urbana City Council with a recommendation for approval.

Commissioner Diana expressed his concerns over the per-unit cost of this project, which is approximately \$265,000 and asked for more information about the project. Ms. Gomez explained that the developer will have to take a lower rent to run these properties. Sixty-five units are single-family homes which will be a lease purchase program that anyone who enters the contract at fifteen years will be able to purchase the property. The multi-family agreement is still not done yet. The remaining units are multifamily units which will remain rental for the life of the low-income housing tax credits and likely would be sold. The development could keep it to sell to the Housing Authority or someone else who would reapply for a 4 percent tax credits and maintain the affordability of the complex. She said that she does not have all the information with her, but she can put the developer in touch with the Commission.

Mr. Rejc added that as part of HOME underwriting procedures, the City has to make sure that costs are reasonable and comparable to other rental developments in the area. The contracts

would not be signed if there are glaring red flags and one of comparisons that he has looked at is the Highland Green development which was completed in 2016. It was a 33-unit development and cost about \$7.7 million, or about a third of the number of units and a third of the total development cost of Bristol Place. He said these two projects were comparable and he thought that the relatively high per-unit costs are just the cost of doing good low-income rental properties.

Chairperson Cobb asked when the completion date is and if there would be units set aside for veterans. Ms. Gomez said that it is an 18-month project and the clock will start as soon as the agreements are signed, which is expected to happen on May 21. There will be no units set aside for veterans.

Commissioner Freeman moved to recommend approval of the Ordinance as written. Commissioner Heinze-Silvis seconded the motion. The motion carried unanimously.

Chairperson Cobb asked if there are any financial benefits to the City of Urbana such as personnel costs. Mr. Rejc explained that the City of Urbana receives the total admin allocation of the entire consortium to undertake this work.

**AN ORDINANCE APPROVING AN AMENDMENT TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM (URBANA/CHAMPAIGN/CHAMPAIGN COUNTY) FY 2015-2019 CONSOLIDATED PLAN**

Ms. Mierkowski stated the proposed amendment involves updating the Citizen Participation Plan and the Geographic Priorities Section. When the FY 2015-2019 City of Urbana and Urbana HOME Consortium Consolidated Plan was submitted in May of 2015 to HUD and was approved, it provided five-year goals and strategies for using our Community Development Block Grant and HOME funds. The Consolidated Plan requires the City to develop and follow a detailed citizen participation plan. GMD had a process but not necessarily a plan. For this reason, the Grants Management Division (GMD) decided to update the citizen participation plan.

Even though HUD has pushed back the due date for the Assessment of Fair Housing, which originally prompted an examination of the City's citizen participation plan, the GMD has decided to go ahead regardless and update the citizen participation plan as well as the geographic priority section, which implements the Community Development Target Map that was recently updated. Because of the updated Target Area map, the GMD needs to update this section as well. The amendment is available for a public comment through April. If this amendment is approved then the agreement would be presented to the City Council next month for approval and then go to HUD.

There's no direct impact to city funds either general or federal. However, because of the revised target area, it would mean that funding could be used in the new areas of our target map. Programmatically, the updated citizen participation plan actually clarifies the steps that GMD needs to ensure sufficient resident input on proposed plans, reports, and amendments.

Staff recommends that the Community Development Commission forward the Resolution to the Urbana City Council with a recommendation for approval.

Chairperson Cobb asked if there is any significant changes and who would be working on the wording. Ms. Mierkowski said that specifically, the proposed amendment actually lists the different pages that in the consolidated plan so it updates the executive summary. There's a section to participation that will be updated and it is more for clarifying of the process. One change would allow the GMD to approve non-substantial amendments internally. If a proposed amendment is substantial, then the GMD would need to go through a certain process. The wording has been established and it is similar to existing participation plan. GMD staff just added more about the non-substantial amendments because there was not a process for that type of amendment.

Commissioner Diana moved to recommend approval of the Ordinance as written. Commissioner Salaam seconded the motion. The motion carried unanimously.

**A RESOLUTION APPROVING THE TRANSFER OF VOLUME CAP IN CONNECTION WITH PRIVATE ACTIVITY BOND ISSUES, SINGLE-FAMILY MORTGAGE REVENUE BONDS, AND RELATED MATTERS (Private Bond Cap Allocation – Assist Programs, Series 2018)**

**A RESOLUTION APPROVING THE TRANSFER OF VOLUME CAP IN CONNECTION WITH PRIVATE ACTIVITY BOND ISSUES, SINGLE-FAMILY MORTGAGE REVENUE BONDS, AND RELATED MATTERS (Private Bond Cap Allocation – EIEDA, Series 2018)**

Ms. Mierkowski said that after looking at different options, GMD contacted the Illinois Housing Development Authority (IDHA) to see if they needed any bond cap which they could then put toward downpayment assistance. IDHA never contacted GMD stating if they needed the bond cap or not, so GMD decided to give half of the cap amount to the Assist Mortgage Credit Certificate program and the other half to Eastern Illinois Economic Development Authority (EIEDA).

A private activity bond is a tax-exempt bond issued by a local or state government for the purpose of financing a project owned and operated by a private user. Private activity bonds are issued to finance various types of facilities, including multifamily housing projects and single-family homes. Private Activity Bonds issued by the City are special obligations and do not constitute a debt or indebtedness of the City and do not give rise to a charge against the general credit or taxing power of the City. This year, the State of Illinois raised the per capita to \$105 per person, so the City has a total of \$4,331,250 in bond cap authority which could be sent to another entity to be utilized.

GMD has been giving to EIEDA for multi-family housing or housing related to not-for-profit and to the Illinois Assist Program for not-for-profit mortgage certificate credits. According to the attachment with the memo, there were a total of 21 loans totaling almost \$2.7 million dollars.

The loans are listed by zip code and there is also a map in there. The Assist Program is a very effective program. For EIEDA, they have at least \$8.3 million set aside for a multifamily housing and will have at least \$10 million after the transfer.

Staff recommends that the Community Development Commission forward the Resolution to the Urbana City Council with a recommendation for approval.

Chairperson Cobb asked how certain it is that none of the bonds will be going to back to the state or another entity. Ms. Mierkowski said that it is very certain. She explained that there is a process that the state has established. By passing the Resolution, City Council can authorize the GMD to submit a letter State before May 1 to ensure that the bonds are passed to their intended entities.

Commissioner Heinze-Silvis added that it is not the funds, but the ability to provide that level of funding and tax-free bonds, so it is not the same as giving money. The City is just giving their allocation on the tax-free bonds which is based on population. She said that this is a difficult topic to understand.

Commissioner Braun moved to recommend approval of the Resolution as written. Commissioner Salaam seconded the motion. The motion carried unanimously.

**Study Session:** No items for this agenda.

**Adjournment:** Seeing no further business, Chairperson Cobb adjourned the meeting at 7:47 p.m.

Recorded by

*Don Ho*

Grants Compliance Specialist,  
Grants Management Division

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