



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: Laurel Lunt Prussing, Mayor, City of Urbana

FROM: Elizabeth H. Tyler, FAICP, Community Development Director

DATE: February 23, 2012

SUBJECT: **A RESOLUTION AUTHORIZING THE SUBMISSION OF A REQUEST TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR AN EXCEPTION TO THE HOME INVESTMENT PARTNERSHIPS PROGRAM CONFLICT OF INTEREST PROVISION 24 C.F.R. 92.356**

Description

Included on the agenda of the February 27, 2012 meeting of the Committee of the Whole is a Resolution Authoring the Submission of a Request to the U.S. Department of Housing and Urban Development (HUD) for an Exception to the HOME Investment Partnerships (HOME) Program Conflict of Interest Provision 24 C.F.R. 92.356. The conflict in question involves Ms. Sheila Dodd, Executive Director of Habitat for Humanity of Champaign County (Habitat). Ms. Dodd formerly worked for the City of Champaign, which is a member of the Urbana HOME Consortium and Subrecipient of HOME funding. According to the federal guidelines established at 24 CFR 92.356, Ms. Dodd may not hold any contractual interest regarding HOME activities for one year after her tenure with the City of Champaign.

The Habitat Board of Directors oversees the Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance), a Community Housing Development Organization (CHDO) certified by the Urbana HOME Consortium. Neighborhood Alliance is currently under two contracts with the Consortium for HOME allocations of CHDO operating and project funds. In order to move forward with these contracts, the City is requesting an exception to the HOME provision 24 CFR 92.356 and must publicly disclose the nature of the conflict as part of the exception process.

Background

In 2010, former Habitat Executive Director Beverly Huffman worked closely with City of Urbana staff to form a Community Housing Development Organization (CHDO) in conformance with the HOME Program Rules and Regulations. After filing Articles of Incorporation with the State, Ms. Huffman requested a 501(c)(3) determination letter from the Internal Revenue Service in support of the organization's nonprofit status. This final piece to the CHDO application process was received in June, 2011 and was presented to the Urbana Community Development

Commission for CHDO certification on June 26, 2011. The Urbana City Council later approved Neighborhood Alliance as a CHDO by Resolution 2007-07-025R on July 18, 2011.

During the certification process, Consortium Members moved forward with funding allocations for CHDO project and operating proposals. On July 8, 2011, the HOME Technical Committee, which consists of members from the City of Champaign, Champaign County, and the City of Urbana, met to formally vote on proposed CHDO project and operating funding allocations for Fiscal Year (2011-2012). Among the allocations approved at the meeting were two contracts with the Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance). The first funding allocation approved provided for a \$140,000 subsidy to construct four (4) single-family units in the low-income target area. The second allocation provided for \$27,528 in operating funds to support administrative costs associated with these CHDO activities.

The proposed contracts were presented, along with the resolution certifying Neighborhood Alliance as a CHDO, to the Urbana City Council at its July 11, 2011 regular meeting of the Committee of the Whole. The proposed certification and contracts were forwarded for approval to the next City Council meeting on July 18, 2011 and were approved. Ms. Huffman signed the contracts as Executive Director of Neighborhood Alliance on July 27, 2011. Ms. Huffman later resigned from Habitat in August.

While still employed by the City of Champaign as Grant Compliance Coordinator, Ms. Sheila Dodd applied for the open position of Executive Director at Habitat on August 17, 2012. Ms. Dodd's duties as a Grant Compliance Coordinator for the City of Champaign included drafting and executing HOME agreements with program participants, logging the matching funds for HOME dollars spent, as well as input of project and activity data into the federal Integrated Disbursement & Information System. She had also previously worked as a part-time Community Development Associate for the City of Urbana to assist with daily tasks associated with the HOME Program. Her last day as a Community Development Associate was March 6, 2009.

Ms. Dodd was offered the Executive Director position with Habitat and announced her resignation from the City of Champaign on October 13, 2011. Her last day at the City of Champaign was October 27, 2011, and she then took up her responsibilities as Executive Director of Habitat on October 28, 2011.

Staff began researching the potential for a conflict under HUD rules and regulations in November, 2011. After compiling a timeline of events regarding the funding allocations made to Neighborhood Alliance, staff presented its progress at the November 28, 2011 regular meeting of the Urbana Community Development Commission. Staff then presented the issue to its legal counsel and was advised to inquire further with a HUD representative.

In accordance with HUD procedures regarding a potential conflict of interest, City Attorney Curt Borman performed a state and local legal review. An opinion letter was submitted to HUD on January 17, 2012 indicating that no state or local laws had been violated when Ms. Dodd took on her responsibilities as Executive Director of Habitat. HUD requested that an exception and supporting documentation be submitted for the potential conflict.

Nature of the Conflict

According to the federal guidelines for conflicts of interest in regards to the federal HOME Investment Partnerships Program found at 24 CFR 92.356, no employee of a Subrecipient may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement during their tenure or for one year thereafter. While Neighborhood Alliance is operated by the Board of Directors, due to the organization's close relationship with Habitat, Ms. Dodd's position with Habitat could potentially put her in a position to obtain a financial interest from the HOME activities currently under contract.

Exception Request

HUD allows participating jurisdictions to request an exception to the federal conflict of interest provision on a case-by-case basis when no state or local law has been violated, and the exception serves to further the effective and efficient administration of the participating jurisdiction's program. Several factors are considered when applying for an exception, including:

- Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;
- Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision making process with respect to the specific activity in question;
- Whether the interest or benefit was present before the affected person was in a position to receive HOME funds;
- Whether undue hardships will result either to the participating jurisdiction or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
- Any other relevant considerations.

Staff and Habitat are confident that each of the above considerations has been met. The collaboration between Habitat and Neighborhood Alliance allows for a much more affordable homeownership product otherwise unavailable as part of the Consortium's CHDO program. Neighborhood Alliance's Affordable Homeownership Program targets homebuyers at or below 60 percent of the Median Family Income (MFI), while the remaining certified CHDOs produce units that are marketed to homebuyers at or below 80 percent MFI. The program run by Neighborhood Alliance also utilizes volunteer sweat equity, which reduces the cost of construction. Currently, the average subsidy provided to participating CHDOs is approximately \$55,000 per unit, whereas Neighborhood Alliance produces units for a \$35,000 subsidy. Neighborhood Alliance is able to produce more homes with significantly less subsidy than has traditionally been required to effectively produce affordable units. This represents a significant cost benefit to the Consortium's HOME Program.

Ms. Dodd brings an exceptional level of expertise to the program, having worked with the HOME program since the Consortium was first formed. For over ten years she has provided financial education to patrons participating in the City of Champaign's programs. She is also a Certified HOME Specialist and has an in-depth knowledge of the HOME Program's rules and regulations. Having worked in the Champaign-Urbana area for an extended period of time, she is

well attuned to the needs of the low-income community. This community-specific knowledge, combined with her expertise in regards to the HOME Program, would otherwise not be available to Neighborhood Alliance.

Upon deciding to apply for the Habitat Executive Director position, Ms. Dodd immediately removed herself from any decision-making role in the Consortium. She no longer attended any HOME Technical Committee meetings. Due to the potential conflict of interest, Ms. Dodd has deferred to the Neighborhood Alliance Board of Directors regarding the organization's daily operations and program management. Neighborhood Alliance had a construction contract with Habitat to build the first of four units at 901 North Division, Urbana. Paul Zindars, Construction Manager for Habitat, completed the project on schedule and was recently approved by the Board as a part-time Executive Director of Neighborhood Alliance. Neighborhood Alliance is currently interviewing for an administrative position to assist with running its day-to-day operations.

In determining whether the contractual interest or benefit was present before Ms. Dodd took on her responsibilities as Executive Director of Habitat, Urbana staff presented a timeline of events (attached) at the Urbana Community Development Commission regular meeting on November 28, 2011. The timeline indicates that the funding allocations made to Neighborhood Alliance were in place before the potential for an open Executive Director position at Habitat was evident.

Perhaps most important to the City's application for an exception is the aspect of undue hardship that will result when weighed against the public interest served by avoiding the prohibited conflict. When Ms. Dodd took on the responsibilities as Habitat's Executive Director, 901 North Division was approximately 80 percent constructed. Neighborhood Alliance finished construction and completed the sale to the selected low-income buyer. As part of the contract executed with Neighborhood Alliance, the City provided \$19,830 in CHDO down payment assistance to the buyer to make the sale possible. The City has not been reimbursed through the federal Treasury account for the project due to the potential for a conflict, and Neighborhood Alliance has not been reimbursed for development subsidy promised as part of the project. These funds will have to be drawn from another source if the exception does not move forward.

In addition to the project completed, there are three homebuyers under contract for the remaining units promised as part of the CHDO contract signed by Neighborhood Alliance. These projects, and the expectant homebuyers, are on hold until the issue can be resolved with HUD. This presents a serious difficulty for the Consortium in meeting the two-year commitment requirements for HOME projects, which must be met by October, 2012. No HOME applications for CHDO projects have been received for this Fiscal Year to date, and if the City is unable to commit the funds that were allocated to Neighborhood Alliance the Consortium's shortfall will be increased by \$140,000. This will jeopardize future HOME grant allocations as a participating jurisdiction since Neighborhood Alliance will not be allowed to carry out its current contracts or any future allocations until after October 28, 2012.

Options

1. Approve the Resolution Authorizing the Submission of a Request to the United States Department of Housing and Urban Development for an exception to the HOME

Investment Partnerships Program Conflict of Interest Provision 24 C.F.R. 92.356.

2. Approve the Resolution with changes.
3. Do not approve the Resolution.

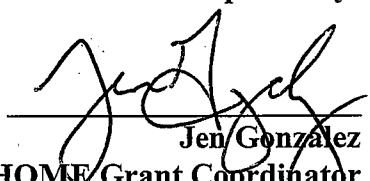
Fiscal Impacts

If the exception is not approved and the contract with Neighborhood Alliance is left uncommitted, the Consortium will see a shortfall that will jeopardize future HOME grant allocations County-wide. In addition, the \$19,830 provided for down payment assistance at 901 North Division must be reimbursed through a different source of funds since HOME funding would be ineligible if the exception were not approved.

Recommendations

Staff recommends that the City Council approve the Resolution.

Memorandum Prepared By:



Jen Gonzalez
HOME Grant Coordinator
Grants Management Division

Attachments:

1. A RESOLUTION AUTHORIZING THE SUBMISSION OF A REQUEST TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR AN EXCEPTION TO THE HOME INVESTMENT PARTNERSHIPS PROGRAM CONFLICT OF INTEREST PROVISION 24 C.F.R. 92.356
2. Timeline of events, presented to CDC on November 22, 2011
3. Code of Federal Regulations, Title 24, Volume 1, Part 92 HOME Investment Partnerships Program, Section 92.356 – Conflict of Interest provisions
4. *Relevant Minutes from the November 22, 2011 regular meeting of the Urbana Community Development Commission.*

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE SUBMISSION OF A REQUEST TO THE
UNITED STATES DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT FOR AN EXCEPTION TO THE HOME INVESTMENT
PARTNERSHIPS ("HOME") PROGRAM CONFLICT OF INTEREST PROVISION
24 C.F.R. 92.356**

WHEREAS, the Urbana HOME Consortium ("Consortium") was created to obtain federal grant funds from the Home Investment Partnerships ("HOME") Program of the United States Department of Housing and Urban Development ("HUD") for affordable housing initiatives in the local area; and

WHEREAS, the City of Urbana ("City") serves as lead entity of the Consortium; and

WHEREAS, Habitat for Humanity of Champaign County ("Habitat") organized the Champaign County Neighborhood Alliance for Habitat ("Neighborhood Alliance"), a separate 501(c)(3) organization, to expand affordable housing opportunities in the Consortium area as a Community Housing Development Organization (CHDO); and

WHEREAS, the City certified the Champaign County Neighborhood Alliance for Habitat ("Neighborhood Alliance") as a Community Housing Development Organization by Resolution 2011-07-025R on July 18, 2011; and

WHEREAS, the City executed a \$140,000 HOME agreement with the Champaign County Neighborhood Alliance for Habitat ("Neighborhood Alliance") to carry out HOME-assisted activities in the Consortium area in its capacity as a certified Community Housing Development Organization (CHDO) and a \$27,528 HOME agreement to support the operating activities of the CHDO; and

WHEREAS, Sheila Dodd, former employee of the City of Champaign, which is a member and subrecipient of the Consortium, left her position with the City of Champaign on October, 27 2011 to accept the job of executive director of Habitat; and

WHEREAS, due to the close working relationship between Habitat and Neighborhood Alliance, a conflict of interest may be present in accordance with HOME provisions found at 24 C.F.R. § 92.356; and

WHEREAS, the Consortium desires to seek an exception of said HOME provisions found at 24 C.F.R. 92.356(b) which prohibit an employee of a HOME subrecipient from obtaining a financial interest or benefit in a HOME-assisted activity, or having an interest in any contract, or the proceeds thereunder for one year after their tenure; and

WHEREAS, the acting city attorney has provided HUD with a legal opinion that concludes an exception to a prohibited federal conflict under the circumstances described herein would not be contrary to Illinois state or local law; and

WHEREAS, the Consortium, after due notice to the public, has presented the facts to the City Council for discussion and decision as to whether there is good cause to support a request for an exception to the conflict prohibition of 24 C.F.R. § 92.356; and

WHEREAS, the City Council has reviewed the facts and has determined that there is good cause to recommend pursuit of an exception; and

WHEREAS, the City Council finds that an exception to the conflict of interest provisions of 24 C.F.R. § 92.356 will serve to further the purposes of the HOME Program and the effective and efficient administration of the Consortium.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Urbana, Champaign County, Illinois, as follows:

Section 1.

The Community Development Services Department director is authorized to submit a request to HUD on behalf of the Consortium for an exception to the HOME conflict of interest prohibition of 24 C.F.R. § 92.356 to allow the Consortium to provide HUD funds to Neighborhood Alliance and is authorized to execute all necessary documents for said purpose.

Section 2.

The City Council hereby directs that the record of the discussion of this matter be reflected in the official minutes of the meeting.

Motion was made by Alderman _____, seconded by Alderman _____ that the Resolution be adopted.

PASSED BY THE CITY COUNCIL this ____ day of _____, _____.

Phyllis D. Clark, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Laurel Lunt Prussing, Mayor

URBANA HOME CONSORTIUM



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City of Urbana

City of Champaign

Champaign County

November 22, 2011

The Urbana HOME Consortium has received a letter from Ms. Sheila Dodd, former City of Champaign employee, informing the Consortium members of her recent employment with Habitat for Humanity of Champaign County. The City of Urbana, as lead entity of the Consortium, has undertaken an investigation to identify any potential conflict of interest leading up to her employment.

City of Urbana staff has compiled all known documentation regarding communications, meetings, and other pertinent information related to a potential conflict of interest. The timeline of events is as follows, and documentation is attached:

- July 1, 2010 – Beverly Huffman, Executive Director of Habitat for Humanity of Champaign County, emailed Jennifer Gonzalez, City of Urbana HOME Grant Coordinator, regarding the decision before the Habitat for Humanity Board of Directors as to whether or not they wished to create a subsidiary and pursue Community Housing Development Organization (CHDO) status.
- July 2, 2010 – Beverly Huffman, in an email correspondence, relayed the affirmative vote of the Board to first incorporate, then apply for 501(c)(3) with the Internal Revenue Service, and after that apply with the HOME Consortium for CHDO status. Bylaws and the Articles of Incorporation had been created at this point for the subsidiary, which was to be called Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance).
- November 29, 2010 – Jennifer Gonzalez invited Beverly Huffman to attend a HOME Application workshop at the Urbana City Building, to be held December 6, 2010.
- January 7, 2011 – Beverly Huffman applied for CHDO status with the Urbana HOME Consortium on behalf of Neighborhood Alliance. The only component missing from the application was the determination letter from the IRS stating that the organization is a 501(c)(3).
- June 9, 2011 – The minutes from the HOME Technical Committee meeting indicate that Neighborhood Alliance expected to receive nonprofit status by the end of the month. No agreement had been entered into at this point. The minutes show that Jennifer Gonzalez was charged with discussing the terms of a potential homebuyer program with Beverly Huffman to determine how much funding would be allocated and for what time frame. The original application submitted by Neighborhood Alliance requested funding to build nine (9) homes. Sheila Dodd noted during the meeting that the number of homes applied for was rather ambitious, as they still needed to build two homes for the City of Champaign at that time.
- June 17, 2011 – Neighborhood Alliance received its IRS approval letter as a 501(c)(3).
- July 1, 2011 – The City of Urbana deeded a lot over to Habitat for Humanity (901 N. Division Avenue, Urbana, IL) by signature of the Mayor.

- July 7, 2011 – Beverly Huffman submitted a funding letter to modify the original HOME application submitted by Neighborhood Alliance.
- July 8, 2011 – The HOME Technical Committee reviewed the CHDO Project and Operating Applications submitted by Homestead Corporation, Eco Lab, and Neighborhood Alliance. Sheila Dodd was present at this meeting. Beverly Huffman presented on behalf of Neighborhood Alliance. The presenters were excused from the meeting, and staff underwent discussion regarding the funding amounts. Included in the Consortium members' packets is a proposed project funding breakdown prepared by Jennifer Gonzalez. The Consortium members approved the funding amounts as proposed by the City of Urbana staff.
- Jul 14, 2011 – Habitat for Humanity held its regular Board meeting. (Note: Sheila Dodd does not sit on the Board and was not in attendance at this meeting or any other previous meeting) Beverly Huffman announced the funding amounts approved by the HOME Technical Committee. Later in the minutes, Ms. Huffman announced that she has agreed to take a position with Habitat for Humanity International in Americus, Georgia. She indicated that her last day with Habitat for Humanity would be sometime the following month.
- July 18, 2011 – The Urbana City Council passed a resolution approving Neighborhood Alliance as a certified CHDO for the HOME Consortium, as well as an Ordinance authorizing an allocation of Operating Funds in the amount of \$27,528, and an Ordinance authorizing allocation of Project funds in the amount of \$140,000.
- July 22, 2011 – Mayor Laurel Lunt Prussing executed the agreements associated with each ordinance. Beverly Huffman later signed the agreements on July 27, 2011.
- July 25, 2011 – The News Gazette published an article about Ms. Huffman resigning.
- October 13, 2011 – Sheila Dodd announced that she accepted the Executive Director position at Habitat for Humanity and that her last day at the City of Champaign will be 10/27/2011.
- October 28, 2011 – Sheila Dodd took on the title of Executive Director of Habitat for Humanity.

Based on the timeline above, staff is confident that no conflict of interest was present when the funding decisions for Neighborhood Alliance project and operating contracts were made at the July 8th, 2011 HOME Technical Committee meeting. The proposed funding amounts for each proposed project were made by City of Urbana staff prior to the meeting, and the remaining members of the Urbana HOME Consortium agreed to those amounts during the meeting. No announcement had been made by Beverly Huffman regarding her intent to resign from her position as Executive Director of Habitat for Humanity at the time of the meeting. While Sheila Dodd, representing the City of Champaign, was present at said Technical Committee meeting, she could not have foreseen the potential job opportunity at Habitat for Humanity since Beverly did not announce the change until one week later. Furthermore, after the funding decisions had been approved by the HOME Technical Committee, the City of Urbana (lead entity for the Urbana HOME Consortium) carried out the administrative process related to approving and executing each agreement. No changes were made to the funding amounts after the July 8, 2011 meeting.

[Code of Federal Regulations]
 [Title 24, Volume 1]
 [Revised as of April 1, 2004]
 From the U.S. Government Printing Office via GPO Access
 [CITE: 24CFR92.356]

[Page 622-624]

TITLE 24--HOUSING AND URBAN DEVELOPMENT

PART 92_HOME INVESTMENT PARTNERSHIPS PROGRAM--Table of Contents

Subpart H_Other Federal Requirements

Sec. 92.356 Conflict of interest.

(a) Applicability. In the procurement of property and services by participating jurisdictions, State recipients, and subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.

(b) Conflicts prohibited. No persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME

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funds or who are in a position to participate in a decisionmaking process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

(c) Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or subrecipient which are receiving HOME funds.

(d) Exceptions: Threshold requirements. Upon the written request of the participating jurisdiction, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. An exception may be considered only after the participating jurisdiction has provided the following:

(1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(2) An opinion of the participating jurisdiction's or State recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(e) Factors to be considered for exceptions. In determining whether to grant a requested exception after the participating jurisdiction has satisfactorily met the requirements of paragraph (d) of this section, HUD will consider the cumulative effect of the following factors, where applicable:

(1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which

would otherwise not be available;

(2) Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(3) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted activity in question;

(4) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c) of this section;

(5) Whether undue hardship will result either to the participating jurisdiction or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(6) Any other relevant considerations.

(f) Owners and Developers. (1) No owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official or consultant of the owner, developer or sponsor) whether private, for-profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project. This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

(2) Exceptions. Upon written request of a housing owner or developer, the participating jurisdiction (or State recipient, if authorized by the State participating jurisdiction) may grant an exception to the provisions of paragraph (f)(1) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME program and the effective and efficient administration of the owner's or developer's HOME-assisted project. In determining whether to grant a requested exception, the participating jurisdiction shall consider the following factors:

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(i) Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(ii) Whether the person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted housing in question;

(iii) Whether the tenant protection requirements of Sec. 92.253 are being observed;

(iv) Whether the affirmative marketing requirements of Sec. 92.351 are being observed and followed; and

(v) Any other factor relevant to the participating jurisdiction's determination, including the timing of the requested exception.

[61 FR 48750, Sept. 16, 1996, as amended at 62 FR 28930, May 28, 1997]



APPROVED
MINUTES
COMMUNITY DEVELOPMENT COMMISSION MEETING
Tuesday, November 22, 2011, City Council Chambers
400 South Vine Street, Urbana, IL 61801

Call to Order: Chairperson Cobb called the meeting to order at 7:05 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: Kelly H. Mierkowski, Jennifer Gonzalez, Randy Burgett and Connie Eldridge, Community Development Services; Sheila Dodd, Habitat for Humanity.

[...]

Community Housing Development Organizations (CHDOs)--Champaign County Neighborhood Alliance for Habitat (Neighborhood Alliance) – Ms. Gonzalez reviewed efforts to identify any potential conflict of interest due to Sheila Dodd being appointed Executive Director for Habitat. The Urbana HOME Consortium had signed agreements with Beverly Huffman, Executive Director of Neighborhood Alliance, before her resignation. Neighborhood Alliance is currently under contract to build four single family homes as part of their Affordable Homeownership Program.

Sheila Dodd, new Executive Director for Habitat, reviewed her work history in affordable housing with the Cities of Urbana and Champaign. Neighborhood Alliance will finish its first CHDO house at 901 North Division Avenue, Urbana, with the dedication ceremony on December 16. Neighborhood Alliance has a commitment to complete three other homes. The Board of Directors will approve the participating families in January.

Ms. Dodd explained her decision to apply for the Executive Director's position with Habitat for Humanity. She is sensitive to concerns of conflict of interest. Once she decided to apply, Ms. Dodd no longer attended Urbana HOME Consortium Technical Committee meetings and had no further discussions about projects or funding. It is her understanding that Neighborhood Alliance will have to wait one year from October 28, 2011 before receiving additional HOME funding. Also, Neighborhood Alliance must complete homes in order to receive additional funds. Ms. Gonzalez reviewed the timeline of events and the Urbana HOME Consortium's determination there was no conflict of interest. She requested feedback from the CD Commission, which she will provide to the HOME Technical Committee.

Commissioner Vidoni congratulated Ms. Dodd and asked about a "firewall" between Habitat and its CHDO, Neighborhood Alliance. Ms. Dodd will research this and noted she is taking a HUD

and University of Illinois CHDO Managerial Certification class. Habitat is not the only organization with a spinoff CHDO. There needs to be a clear legal division between the two entities.

[...]