



APPROVED
MINUTES
COMMUNITY DEVELOPMENT COMMISSION MEETING
Tuesday, June 28, 2016, City Council Chambers
400 South Vine Street, Urbana, IL 61801

Call to Order: Chairperson Cobb called the regular meeting to order at 7:07pm.

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

Commission Members Present: Fred Cobb, Chris Diana, Janice Bengtson and Jerry Moreland

Commission Members Excused/Absent: Brian Cunningham, Anne Heinze Silvis, and Lauren Karplus

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

Approval of Minutes: Chairperson Cobb asked for approval or corrections to the May 24, 2016 minutes. Commissioner Diana 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: None

New Business:

A RESOLUTION APPROVING MODIFICATIONS TO THE CITY OF URBANA AND URBANA HOME CONSORTIUM FY 2013-2014 AND FY 2014-2015 ANNUAL ACTION PLAN (HIGHLAND GREEN)

The first resolution is for the Urbana HOME Consortium to propose an amendment to the Annual Action Plans (AAPs) to accommodate the Highland Green Project. Ms. Mierkowski stated that per the consolidated plan and citizen participation within the consolidated plan, an AAP amendment is needed when the Consortium allocate more funding to a project, add a project, or make any kind of substantial changes to budgets or to the AAP. The Consortium has found carry-over funds from FY13-14 and FY14-15 from HOME Investment Partnership Program (HOME) and Community Development Block Grant (CDBG) that were not included in the AAP. The purpose of this resolution is to present the changes to the Community Development Commission and to review and send to Council with a recommendation for approval. The amendment has to be approved by Council before the Consortium can submit the amendment to HUD. Ms. Mierkowski then showed the available carryover funds from HOME and CDBG grants that will be used for the Highland Green Project.

Commissioner Bengston asked if the City still owns the property. Does the City have to set aside the money until the sale is complete? How much is Brinshore committing to the project? Ms. Mierkowski and Mr. Rejc explained that the City still hasn't transferred the property. The Consortium is allowed to commit the money and enter into IDIS (Integrated Disbursement Information System) and to provide the developer with the funding before actually transferring the property. The Consortium was able to report to HUD that they were able to commit almost \$300,000 to this project. Brinshore is supporting about \$7 million of other funds that they have raised on their own. These funds are gap funding filling in what they do not have access to with their current funds.

Chairperson Cobb confirmed his understanding from reading that the money is needed because some more work needs to be done than was initially anticipated. Are there are some items that were not initially anticipated that have to be addressed? Mr. Rejc then asked if Chairperson Cobb was talking about the developer side or something else. Chairperson Cobb explained that he was talking about the other \$291,000 needed to cover items that were not initially identified. Mr. Rejc stated that the developer's budget and costs continue to rise. GMD noticed through their budget that they don't have much surplus reserved for contingency. With that in mind, GMD thought it was appropriate to contribute the Consortium's federal funds to supplement the funding that they have brought to the table. Ms. Mierkowski commented that the Consortium already had Kerr Avenue Sustainable Development in the AAP and what GMD was trying to increase the amount of money into that project plans because of the carryover funds.

Commissioner Bengston asked if the City had any buyers. Mr. Rejc responded by saying that Brinshore is the developer that has been chosen for his project Ms. Mierkowski explained that the City had a Request for Proposals about three years ago and several developers applied. The City had a committee that was formed to determine which of the developers were going to be chosen. Brinshore was chosen by the by the group made of different employees in the Community Development Department and some other departments. It was a city-wide event and the City chose them based on the information that they provided such as the number of units and the costs. They have been trying since then to get the low income housing tax credits which is why it has taken them a little longer than expected.

Commissioner Diana commented on the memo that the numbers in the upper section of the memo were not clear. Ms. Mierkowski explained that they were the funds that the Consortium had use Program Income instead of the Entitlement Fund. As a result, those funds are now available and add up to the \$291,580. She took the full \$158,360.26 and zeroing out that line, then took the \$149,991 and subtracted \$16,763.26. That amount plus 158,360.26 should equal the \$291,520. Commissioner Diana commented that it was not presented that way in the memo. He pointed out that all numbers were positive and there were no deductions. He recommended to make changes to the memo in order to prevent any confusion or misunderstanding.

Commissioner Bengston commented on the multi-use path. What happened to the funding? Mr. Rejc explained that the developer is planning a connection between the proposed development Highland Green and the neighboring Crystal View Townhomes. The developer developed both properties so they're trying to increase accessibility between the two as much as possible but there's actually an elevation difference between the two which is making it somewhat difficult. Ms. Mierkowski commented that Mr. Rejc misunderstood Commissioner Bengston's question. She explained that the multi-use path is complete and that's why the fund was showing \$0. She added that the neighborhood

was very excited about the project and it was a success. She noted that the numbers weren't clear and she would make the necessary changes for the next memo.

Commissioner Moreland commented that he was asked a question from the same neighborhood. A number of residents are interested in connecting one of the area apartments to Philo Road. Ms. Mierkowski asked if it was the Aspen Court and Urbana Townhomes area. She added that it was also considered a part of the project. The Lierman Neighborhood Action Committee had mentioned during some of the meetings with the developer and the City about that project. The date of the project is still yet to be determined. The City would definitely be looking at that because it was something that the neighborhood wanted.

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

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

Mr. Rejc began by suggesting that the ordinance should be moved to the next meeting. After discussing with the developer and the developer's attorney, Grants Management Division (GMD) thought that it would be best to give the give them more time to review all the documents and that GMD would undertake the actual transfer of the property closer to when they anticipate closing in August. Mr. Rejc mentioned that GMD will be able to sign the HOME agreement which will meet the commitment deadline for HOME. Besides the HOME commitment deadline, the Consortium does not face any other deadlines or any other HUD imposed issues. Therefore, it's better to hold off on transferring property until a later date when the developer and their attorneys are far more comfortable doing so. Mr. Rejc recommended continuing this item in the next meeting by making this old business.

Chairperson Cobb then asked some questions about these properties. Who is actually going to pay for this property? Who was going to give the City the money? Will it be a sale? Mr. Rejc stated it would be a sale. GMD is still working on the structure of that and also since the developer is a consortium of Homestead, the Housing Authority and Brinshore. GMD is still working with the Legal Division to finalize exactly what the property needs in order to be transferred and what kind of a price goes along with that although the amount will be minimal. It is effectively a donation but the structure is a sale.

Study Session: No items for this agenda.

Adjournment: Seeing no further business, Chairperson Cobb adjourned the meeting at 7:37 p.m.

Recorded by

Don Ho
Grants Compliance Specialist, Grants Management Division

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