

**HOUSING AND COMMUNITY DEVELOPMENT ACT COMMITTEE
MINUTES OF PUBLIC MEETING**

Tuesday, April 21, 2009
EVANSTON CIVIC CENTER
7:30 P.M. – Room 2404

MEMBERS PRESENT: Sarah Breen, Coleen Burrus, Ald. Jean-Baptiste, Ald. Rainey, Crawford Richmond

PRESIDING OFFICIAL: Ald. Rainey, Chair

STAFF PRESENT: Sarah Flax

I. CALL TO ORDER/DECLARATION OF QUORUM

Ald. Rainey called the meeting to order at 7:50pm, there being a quorum

II. APPROVAL OF MINUTES OF MARCH 24, 2009 MEETING.

Ald. Jean-Baptiste moved approval, Crawford Richmond seconded the motion; the minutes were approved as submitted.

III. FAÇADE PROJECT PROPOSAL: 708 GREENLEAF STREET

The committee originally considered this request for funds at the March 24 meeting and held off on voting in order to get Ald. Bernstein's input, as the property is in the 4th Ward. Ald. Bernstein was not in attendance, but had contacted Ald. Rainey to provide his input so that a decision could be made at the meeting. Ald. Bernstein does not oppose Ms. O'Leary's plan to improve her property, but does not support use of CDBG funds for the project because there is controversy in the neighborhood about commercialization; some residents would like it to be exclusively residential. Staff explained that the property is zoned MUE, which does not allow retail but does allow office use. This was communicated to Ms. O'Leary by email to ensure she is aware of the zoning issue. Members of the committee reiterated concern about investing federal funds in the project because it is not currently occupied by a business and questioned whether this is the most effective use of funds. Ald. Jean-Baptiste moved to deny CDBG funding from the Neighborhood Façade Program for the project; Coleen Burrus seconded the motion and it was approved unanimously.

IV. 1817 CHURCH STREET DISPOSITION – RFP DISCUSSION/APPROVAL

Revisions to the RFP were discussed and the following changes will be made: "Dempster" changed to "Church" on p. 5; first sentence under section V. Conditions for Conveyance of Title will be deleted. It was agreed that dates when interested parties could view the property would be added when the RFP release date has been determined; open houses could be a mechanism for accomplishing this. Other organizations and individuals that should receive the RFP with a cover letter asking them to refer to potential interested parties they may know were discussed and the list will be expanded to include them. Sarah Breen and Coleen Burrus will provide any additional individuals and organizations; the RFP will also be sent to the Evanston Westside Citizens District Council.

Ald. Jean-Baptiste moved that the RFP be submitted to Legal for review/finalizing prior to submission to City Council for approval, Coleen Burris seconded the motion and it was approved unanimously.

V. COMMUNICATION:

A. 2009 ALLEY PAVING PROJECT

Staff reviewed the proposed use of CDBG Alley Paving funds to reduce the special assessments for property owners on two alleys, warrant numbers 1501 and 1502. A majority of property owners affected by warrant 1502 (alley north of Greenwood and east of Grey) had initially voted in favor of the paving project, but changed their votes when they learned the-per unit cost was estimated at approximately \$5,700. This is substantially higher than assessments for most alleys in the CDBG Target Area and could create a financial burden to property owners not eligible for the Alley Special Assessment Assistance program. Staff proposed using CDBG Alley Paving funds in the amount of \$89,229 along with CIP funds to reduce the portion of the paving that would be paid by special assessments. 75% of those funds would be used for #1502, reducing the per-unit assessment to \$3,609.73 and 25% would be used for #1501, reducing the per-unit assessment to \$3,601.45.

Ald. Jean-Baptiste moved approval of the proposal to use \$89,229 in CDBG Alley Paving funds to pave the two alleys (1501 and 1502) and reduce the maximum per-unit special assessments as noted above. Sarah Breen seconded the motion and it was approved unanimously.

B. ALLEY SPECIAL ASSESSMENT ASSISTANCE – HARDSHIP CASE

Staff described a recent application for Alley Special Assessment Assistance for a property on Dempster St, warrant number 1486. Household is income eligible (three in HH with income under \$33,000) and is no longer able to make annual payments of over \$600. Committee members asked if past payments had been made and if taxes had been paid. Staff confirmed that earlier payments had been made and would confirm that taxes were paid. Ald. Jean-Bapatiste moved approval to pay the remaining principal of this special assessment pending confirmation that taxes had been paid and that property owner can pay interest due so that the lien is removed; Coleen Burris seconded the motion and it was approved unanimously.

C. HOMELESSNESS PREVENTION & RAPID RE-HOUSING PROGRAM

The City has been allocated \$801,460 in funds on a formula basis by HUD through the Homelessness Prevention and Rapid Re-Housing Program, part of the American Recovery and Reinvestment Act of 2009. The City must file a substantial amendment to its 2008 Action Plan with HUD regarding its planned use of funds by May 18, HUD must respond/approve the plan by early July and the City must have subgrantee agreements signed by September 29, 2009. This funding may be used to pay rent and utilities to prevent households from becoming homeless and for rent and other subsidies to help homeless households achieve stable housing; no funds may be used for mortgage payments. Staff briefly outlined the City's plan to use the resources of the Evanston Continuum of Care; Connections for the Homeless will be a primary subgrantee for case management and for direct payments for rent and utilities based on their capacity and expertise with these

functions for the State prevention Program. Other agencies may provide case management, credit repair, housing locator services, etc.; RFP or RFQ will be used to identify specific agencies. The committee discussed limitations on who could be helped based on HUD income requirements of serving HHs at or below 50% AMI. The limitation of using no more than 5% of the grant on administrative expenses was also discussed. Staff explained that many expenses usually considered administrative are considered program delivery costs; staff will work with agencies providing services to ensure that costs are appropriately categorized. Health & Human Services will manage HPRP with support from Planning staff. HPRP will be reviewed at the Human Services Committee meeting on 5/5/09 and go to City Council for approval on 5/11/09.

VI. CITIZEN/STAFF COMMENT

NEIGHBORHOOD STABILIZATION PROGRAM PLANNING

Staff provided a brief update on the plan to apply for NSP funding to the State of Illinois to purchase foreclosed and abandoned residential properties in areas of Evanston defined by the State of Illinois as areas of highest need based on the rate and number of foreclosures and predatory loans. As with HPRP, these funds may not be used to keep homeowners from foreclosure, but if awarded, can be used to return foreclosed and vacant properties to productive use as housing for households at or below 120% AMI, a higher income level than CDBG and other federal housing programs and could be an important tool to stabilize neighborhoods hardest hit by the foreclosure crisis. Discussion included how properties would be selected, how decisions such as whether properties should be demolished, rehabbed for rental or ownership, etc. would be made and who would handle purchases. Committee members expressed concern that aldermen whose wards are affected need to be involved in the planning. Staff explained that with a scattered site plan such as this, types of properties and their disposition would be included in the plan rather than individual properties. If awarded funding, the City would identify and assess properties available and make those determinations prior to acquisition.

The City's plan to apply for NSP funding will go to Planning & Development and City Council on 4/27/09; the application requires City Council to pass a resolution approving the City to apply for funding. Application is due at the State of Illinois on 5/4/09.

VII. ADJOURNMENT

There being no further business, the meeting was adjourned at 9:17pm.

Respectfully submitted,
Sarah K. Flax, CDBG Grants Administrator