



Legislation Text

File #: 17-172, **Version:** 1

ACTION REQUESTED:

Communication from the City Manager and Community Development Director with a Request to APPROVE \$302,738.00 in HUD HOME FUNDS to HABITAT FOR HUMANITY GREATER PEORIA AREA for the Construction of Three (3) New, Affordable, Single-Family, Owner-Occupied Homes Located in the 900 and 1000 Blocks of NORTHEAST MONROE. (Council District 1).

BACKGROUND:

UPDATE: This item was deferred as a local resident filed an opinion that the construction of these houses would cause an adverse effect on the neighborhood. Because of the objection, the City followed the appropriate federal requirements and requested that the Advisory Council on Historic Preservation provide a comment on the objection. On July 13, the ACHP responded to the City (complete letter attached). In the response, the ACHP rendered the following decision:

"The City appears to have carefully considered the properties that are within the district and that contribute to its integrity. The City also has provided multiple examples of other properties within the surrounding area that are one or two stories. As such, it appears that the construction of a 1.5 story property which will conform to the SOI's Standards is unlikely to alter any of the characteristics of the district that qualify it for inclusion in the National Register of Historic Places. Accordingly, the ACHP believes that the City has appropriately applied the criteria of adverse effect to this undertaking, and the finding of "no adverse effect" is correct."

The Illinois State Historic Preservation Officer (SHPO) concurs with this decision. As such, the project has met appropriate federal and state requirements and can move forward.

On an annual basis, the City of Peoria receives HOME funds from the US Department of Housing & Urban Development (HUD). Fifteen percent (15%) of the total annual HOME allocation must be set aside for Community Housing Development Organization (CHDO) activities. As a part of the 2016 Budget, City Council approved the allocation of \$302,738 as CHDO set aside funds for the 2016 program year. This allocation exceeds the required 15% set aside amount of the total HOME funds for CHDO activities.

Per HOME regulations, CHDOs are private, nonprofit, community-based, service organizations that have paid staff with the capacity to develop affordable housing for the community they serve. To maintain status as a CHDO, an organization must recertify annually to ensure they continue to meet HUD's requirements for CHDO status.

On October 8th and 9th, 2016, the City published notice for CHDO certification. A CHDO Certification Application was made available to interested organizations. Three organizations submitted CHDO applications forms: 1) Peoria Opportunities Foundation (POF), 2) Habitat for Humanity Greater Peoria Area and 3) Peoria Citizens Committee for Economic Opportunity, Inc. (PCCEO). All three organizations were eligible and certified by the City as CHDOs.

On February 17, 2017, City staff released a notice of funding availability and request for project proposals to the three above organizations. In order to aid CHDO's in their long term planning and development, HUD

guidance suggests making funding available conditioned on future years' allocations. Consistent with this guidance, the notice of available funds pertained to 2016, 2017 & 2018 allocations. Habitat for Humanity was the only CHDO to submit a project proposal for the 2016 program year funding.

The Habitat for Humanity project consists of three new construction homes at 1030 NE Monroe, 1020/1022 NE Monroe (lots to be combined), and 912 NE Monroe. Habitat will also construct a privately funded home at 1029 NE Madison in addition to the three HOME-funded builds. The construction will occur on currently vacant residential parcels. The structures have been designed to be consistent with the existing structures on the blocks in which they are located; three of the builds will be 1.5 story and one will be 2-story.

Federally supported undertakings are subject to a review process pursuant to Section 106 of the National Historic Preservation Act as enforced under title 36, part 800 of the Code of Federal Regulations. The proposed project falls within the North Side Historic District, a national historic district and is subject to an assessment for adverse effects on the historical character of the area. City staff have included multiple organizations in this process and have sought comment from the public, the local Historic Preservation Commission and the Illinois Historic Preservation Agency. City staff have made an initial determination of no adverse effect and will have a final response from all consulting parties by close of business on June 26, 2017. Should any party not concur with the City's initial determination, City staff will request that this item be deferred.

Habitat for Humanity has a strong track record of providing quality and well-designed affordable housing for the Peoria community in recent years. Proposed renderings are attached for each build. Any major changes to these designs (garage orientation, height of structure, etc.) that might cause inconsistency with the character of the area are not expected and would require further review. Minor changes consistent with the character of the area and enhancements suggested during but not required as part of the Section 106 review (additional windows, dormer windows, etc.) may occur and would not require further review. Paint colors will be selected from a generally accepted historic color palette.

FINANCIAL IMPACT: 2016 CHDO set aside funds, in the amount of \$302,738 will be awarded to Habitat for Humanity, a certified CHDO.

NEIGHBORHOOD CONCERNS: Concerns regarding design of the homes have been received primarily during a public hearing hosted by the Historic Preservation Commission. The developer has agreed to make changes to the designs consistent with these concerns. The developer agreed to include a 2-story instead of 1.5-story at 1029 NE Madison after public comment was made regarding the adjacent 2-story structures. The developer agreed to include exposed masonry/foundation work on the side of the homes rather than extending siding to ground level after receiving public comments on this issue. City staff have made an initial determination of no adverse effect and will have a final response from all consulting parties by close of business on June 26, 2017. Should any party not concur with the City's initial determination, City staff will request that this item be deferred. A complete record of public comment prior to the City's initial determination is on file with City staff, including responses to each comment.

IMPACT IF APPROVED: Three (3) new, affordable, single-family, owner-occupied homes will be constructed using CHDO funds and a fourth will be constructed with private financing.

IMPACT IF DENIED: Three (3) new, affordable, single-family, owner-occupied homes will not be constructed using CHDO funds and another project will have to be identified in order to expend CHDO funds. The fourth build that is privately financed will most likely not take place.

ALTERNATIVES: None identified at this time

EEO CERTIFICATION NUMBER: 03135-150630

WHICH OF THE GOALS IDENTIFIED IN THE COUNCIL'S 2014 - 2029 STRATEGIC PLAN DOES THIS RECOMMENDATION ADVANCE?

1. Attractive Neighborhoods with Character: Safe and Livable

WHICH CRITICAL SUCCESS FACTOR(S) FROM THE COMPREHENSIVE PLAN DOES THIS RECOMMENDATION IMPLEMENT?

1. Reinvest in neighborhoods.

DEPARTMENT: Community Development