

COMMUNITY DEVELOPMENT ACT ADVISORY COMMITTEE
(CDAAC)
Minutes
March 3, 2005

The Development Center
445 W. Michigan Ave., Suite 101
Conference Room #1

Members Present: Pegg Osowski, Chair; Mark Fricke, Vice Chair; Tristan Brown; Shirley Coleman; Charley Coss; Doris Jackson; Susan Oakes

Members Excused: David Kinsey

Members Absent: Eric Miles; MonaLisa James, Jurel Fullerton

Guests: David Juarez, City Commissioner

City Staff: David Thomas, Neighborhood Development Specialist; LouAnn VanDenBos, Recording Secretary

CALL TO ORDER

Ms. Osowski called the meeting to order at 6:30 p.m.

ROLL CALL

It was determined during roll call that the aforementioned members were present.

PUBLIC HEARING

Presentation and Input on Draft PY2005 Annual Action Plan

Mr. Thomas advised that the Annual Action Plan is one of five (5) annual reports tied to the five-year Consolidated Plan. Copies of the Draft Plan were provided to the CDAAC members. The public hearing is required as a means of providing a 30-day period for public comment on the Plan. The final Plan must be submitted by city staff to HUD by April 15. The notice for tonight's public hearing was posted in the newspaper on February 16. The draft Plan will be available at the downtown branch of the Public Library and at the front counter of the Development Center for public review.

Mr. Thomas gave a brief overview of the Draft Annual Action Plan. The City of Kalamazoo will be receiving a total of \$2,789,515 federal entitlement funds. These funds will be distributed as CDBG and HOME funds. Mr. Thomas advised that \$215,000 of the \$250,000 of the general fund dollars have been committed to the creation of the housing trust fund. KNHS will have program income estimated at \$510,000, which they

will be using for housing activities during the year. Additional figures will be added to the draft plan as they become available and then the Plan will be submitted to HUD.

Mr. Fricke mentioned that the housing trust fund has not yet been created. He inquired if the \$250,000 seed money for the housing trust fund would be held in escrow or put into an interest-bearing account. Mr. Thomas stated that he did not have information on how that would be handled but the money has been committed for the proposed trust fund.

Mr. Coss stated that he was under the assumption that the trust fund would be funded at a rate of \$50,000 per year over a five-year period. Mr. Thomas stated that it was a one-time commitment of \$250,000, which is a prerequisite for the matching funds.

Mr. Thomas stated that there are no reprogrammed funds expected from last year.

Mr. Thomas provided to the CDAAC members a breakdown of how the \$3,039,515 in block grant funds would be spent. Included in that number are funds for administration, planning, public services, projects and HOME funds. The five Consolidated Plan priorities are incorporated into the Annual Action Plan. Mr. Thomas advised that after each of the five priorities is a list of how many of the CDBG funded projects address each priority.

Mr. Thomas referred to page four of the Plan which states that \$488,359 has been allotted for HOME projects. More specifics will be added at a later date showing which projects contributed to this total.

Following is the list of five priorities from the Consolidated Plan, the number of projects and the amount to be funded under each category.

1. A commitment to use a substantial amount of funding for affordable housing.
(7 projects @ \$966,822)
2. Maintenance, rehabilitation, and weatherization for income eligible homeowners.
(8 projects @ \$1,125,547)
3. Infrastructure rehabilitation to accommodate special needs populations, including easier access to sidewalks, ramps, and other public rights of way (1 project @ \$10,000)
4. Neighborhood based economic development, micro enterprise development, community development, and retail development (4 projects @ \$235,000).
5. Focus on youth recreation programming and crime prevention programming (22 projects @ \$431,959).

Details on these projects are available in the Draft PY2005 Annual Action Plan.

Mr. Thomas advised that the five priorities don't address administrative costs. However, CDBG and HOME administrative funds are used for staffing at the city. Accordingly, those funds are listed as CDBG and HOME administration on page 13 of the draft.

These 43 projects represent next year's activities beginning June 1, 2005 through May 31, 2006. Further details will be added with regard to program dollars and HOME funds. Each activity will also have an individual sheet of its own pertaining to census tracts and actual units of service provided. This will allow city staff to do a better job of monitoring and tracking the performance base.

Mr. Coss inquired if there would be a redefinition of census tracts to determine how the CDBG funds would be allocated. He advised that his neighborhood includes two block groups within the Census Tract; one falls within CDBG requirements and the other one doesn't. Will there be a change that will affect those tracts? Mr. Thomas advised that the changes will not affect that situation. The Low-to-Moderate income status of the area would only come into play if there was an infrastructure project that would be of area benefit. Area benefit is confined to either a census tract or the block group within the census tract where there is at least 51% low to moderate income persons. This could apply to the CDBG eligible group within Oakwood but not for the entire neighborhood. Housing activity is not defined by area benefit but by income of the household receiving the benefit. Accordingly, low-income property owners can receive the services of KNHS, HRI, Senior Services, etc.

Mr. Fricke inquired if city staff could provide a similar breakdown of projects under each priority during the next funding round. Mr. Thomas responded in the affirmative. He also mentioned that at the time decisions were being made on distribution of CDBG funds during the last funding round, the Consolidated Plan priorities had not yet been finalized.

Ms. Osowski inquired if funds that had been allocated to housing could be redistributed to public services? Mr. Thomas stated that HUD allows no more than 15% of CDBG funds for public services. Eighty-five percent of the funds are to be used for other eligible activities, including housing-related programs, administration, planning and infrastructure.

Mr. Coss inquired if the monies for administration were taken from the 85% or the 15%. Mr. Thomas stated that the administrative costs are part of the 85%. Up to 20% of CDBG funds and up to 10% of HOME funds can be used for administrative costs.

Mr. Fricke inquired if the 10% was a ceiling set by the city. Mr. Thomas advised that the 10% limit was a federal requirement. He commented that the \$50,000 projected use from HOME funds did not meet the 10% ceiling of the \$732,000 of available HOME funds.

Discussion followed with regard to the public hearing in front of the City Commission with regard to the allocation of CDBG funds. Mr. Thomas advised that he held meetings the week before the City Commission meeting to speak with CDBG applicants. This year was the first time such a strategy had been implemented. The meetings allowed applicants the chance to obtain answers to their questions prior to the public hearing. The CDAAC members advised that the process ran much more smoothly at the city commission level this year.

There being no public comments, nor any further CDAAC comments on the Draft PY2005 Annual Action Plan, the public hearing was closed.

APPROVAL OF AGENDA (March 3, 2005)

There were no changes to the agenda.

Ms. Jackson, supported by Ms. Oakes, moved approval of the March 3, 2005 CDAAC agenda. With a voice vote, the motion carried unanimously.

MINUTES (February 3, 2005)

Mr. Fricke requested that the following change be made to the minutes: page 7, paragraph 3 should read: "Mr. Fricke commented that the Fair Housing Center of Southwest Michigan program was similar to what was offered by the Western Michigan Legal Services. Ms. Jackson commented that the Western Michigan Legal Services program provides help to people who have been evicted from rental housing. The Fair Housing Center provides anti-discriminatory help to people who are looking for housing."

Ms. Coleman, supported by Mr. Coss, moved approval of the February 3, 2005 minutes as amended. With a voice vote, the motion carried unanimously.

CITIZEN COMMENTS ON NON-AGENDA ITEMS

None

COMMUNICATIONS/MEMBERS' REPORTS

Several of the CDAAC members commented that they had received correspondence from LISC after the allocations were made. Discussion followed with regard to the inappropriateness of applicants contacting individual CDAAC members to discuss their applications.

OLD BUSINESS

None

NEW BUSINESS

Nominating Committee Update

Pegg Osowski, Mark Fricke, Jurel Fullerton, Doris Jackson & Susan Oakes expressed interest in serving another term on CDAAC. The term will expire on March 31, 2008. This information will be forwarded to the City Commission for approval.

Mr. Coss inquired if there was a report on the status of David Anderson and Mr. Thomas advised that there was not. Ms. Oakes advised that she had spoken with Mr. Anderson and his is still interested in being a member of CDAAC.

Mr. Brown, supported by Ms. Coleman, moved to recommend to the City Commission that Pegg Osowski, Mark Fricke, Jurel Fullerton, Doris Jackson & Susan Oakes be appointed to a second term on the Community Development Act Advisory Committee (CDAAC). With a voice vote, the motion carried unanimously.

Ms. Osowski inquired if there were any nominations for Chair of CDAAC.

Ms. Jackson, supported by Mr. Coss, moved to recommend to the City Commission that Mark Fricke be appointed as Chair of CDAAC. With a voice vote, the motion carried unanimously.

Ms. Osowski inquired if there were any nominations for Vice-Chair of CDAAC.

Mr. Fricke, supported by Ms. Oakes, moved to recommend to the City Commission that Charley Coss be appointed as Vice Chair of CDAAC. With a voice vote, the motion carried unanimously.

CITIZEN COMMENTS

None

ADJOURNMENT

Ms. Coleman, supported by Ms. Oakes, moved to adjourn the March 3, 2005 CDAAC meeting. With a voice vote, the motion carried unanimously.

The meeting adjourned at 7:20 p.m.

Prepared by: _____

Dated: _____

Reviewed by: _____

Dated: _____

Approved by: _____

Dated: _____