

COMMUNITY DEVELOPMENT ACT ADVISORY COMMITTEE
(CDAAC)
Minutes
November 9, 2006
DRAFT

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

Members Present: Charley Coss, Chair; Dave Kinsey, Vice Chair; Shirley Coleman;
Doris Jackson; Jennifer Mills; Susan Oakes; Pegg Osowski;
Mildred Smith

Members Excused: Mark Fricke, Kathy Steppenwolf

City Staff: David C. Thomas, Neighborhood Development Specialist; Amy
Thomas, Recording Secretary

CALL TO ORDER

Mr. Coss called the meeting to order at 6:30 p.m.

AGENDA (November 9, 2006)

There were no changes to the agenda.

Ms. Jackson, supported by Ms. Osowski, moved approval of the November 9, 2006 CDAAC agenda. With a voice vote, the motion carried unanimously.

MINUTES (October 12, 2006)

There were no changes to the minutes.

Mr. Kinsey, supported by Ms. Coleman, moved approval of the October 12, 2006 CDAAC minutes. With a voice vote, the motion carried unanimously.

CITIZEN COMMENTS ON NON-AGENDA ITEMS

None

COMMUNICATIONS/MEMBERS REPORTS

Ms. Jackson commented that there have been no new applications from people wanting to serve on CDAAC. Mr. Thomas advised that CDAAC is still in need of two at-large members and a representative from the Fairmont Neighborhood. He commented that the

Community Planning and Development Department has the more boards and commissions than any other department in the city. Jeff Chamberlain, the Director of Community Planning & Development, suggested doing a special appeal listing all of the boards and commissions, and requesting that people apply to fill the vacant positions.

Mr. Coss commented that a person may only sit on one board/commission at a time, and Mr. Thomas advised that it is up to the discretion of the City Commission.

Mr. Kinsey stated that he attended another NEZ (Neighborhood Enterprise Zone) meeting. Jeff Chamberlain, Andrea Augustine and other city staff are working on the numbers to present to the City Commission. The primary areas for recommendation to the NEZ are locations in the Vine, Northside and Eastside Neighborhoods. There will be a second tier of areas to be designated because they don't want to start the programs all at once. Edison will be included in the second tier.

OLD BUSINESS

Draft Conflict of Interest Policy – S. Coleman, M. Fricke, J. Mills

Mr. Thomas advised that the sub-committee met to discuss the CDAAC conflict of interest policy. There are two possible additions to the policy: 1. No two people from the same organization can be members of CDAAC at the same time. 2. A member of CDAAC should not be writing grants (to be presented to CDAAC) for another organization to which they belong.

Mr. Coss pointed out that if a CDAAC member were involved in such a situation, they would abstain from voting on the grant at the CDAAC meeting. Accordingly, there would be no conflict of interest. Ms. Mills mentioned that this had been Mr. Fricke's concern at the sub-committee meeting, but he was not present at the CDAAC meeting to further discuss this issue. Mr. Fricke was concerned that a person on the CDAAC board would be more likely to write a grant that would be approved by CDAAC. This might allow someone to serve his/her own agenda. Mr. Coss commented that such a person might have an advantage. However, he pointed out that there is a limited pool of people to choose from when filling seats on boards and commissions.

Ms. Osowski stated that she was in a similar situation when she was the Director of the Vine Neighborhood Association. She had an assistant sign the grant and, when CDAAC voted on the grant, Ms. Osowski abstained from voting. Ms. Mills commented that people on the committee offer their skills, but that she didn't know the history of this particular issue. Ms. Osowski commented that all of the CDAAC members agree on the rules for conducting business, and they know each other's backgrounds. The objective is to not have CDAAC stacked with members who are getting grants from CDAAC.

Ms. Jackson inquired as to how a determination would be made regarding who should leave CDAAC if there are already two people from the same organization serving on CDAAC. Ms. Jackson stated that she and Ms. Steppenwolf are both from the Eastside Neighborhood; which one of them would leave CDAAC? Ms. Coleman advised that Mr. Fricke had been concerned that an organization could have multiple members on CDAAC and, therefore, have an advantage. Ms. Jackson commented that in order to be on the CDAAC board, an applicant must be approved by CDAAC and the City Commission. Ms. Steppenwolf is on the Eastside Neighborhood board and she's the Eastside representative to CDAAC. Ms. Jackson lives in the Eastside Neighborhood but is not currently on the board; she is an at-large member of CDAAC. Mr. Coss commented that the CDAAC bylaws state that there must be one member from each CDBG eligible neighborhood serving on CDAAC.

Mr. Kinsey advised that he had the same issue as Ms. Osowski with regard to the Edison Neighborhood Association, when he was requested to sign the grant application for that neighborhood. Ms. Oakes stated that she has a similar situation with My Own Home, but she doesn't sign the documents for that organization. Ms. Mills commented that Mr. Fricke was more concerned with someone writing the grant with the objective of getting more funds from CDAAC for their organization. Maybe it isn't necessary to reword the document for the rare case of someone trying to get on CDAAC with that purpose. She commented that CDBG funds are intended to get people involved. The explicit link doesn't have to be protected. Ms. Mills mentioned that it could be the treasurer or vice president who would sign the documents for the organization.

Mr. Thomas mentioned that a lot of grants are ghost-written; nowhere on the grant application does it say, "written by." He stated that his interpretation was as follows: once the grant applications are received by CDAAC, if "Jane Doe" submitted paperwork, and she's sitting across the table, the other CDAAC members might feel pressured to not refuse her request. Ms. Coleman commented that Mr. Thomas' version of the conflict of interest policy seems to cover the necessary information.

Ms. Jackson stated that the issue is that no two people from the same organization can be on CDAAC. That's why Ms. Jackson is an "at-large" member of CDAAC rather than a representative from the Eastside Neighborhood. Ms. Mills advised that she thought this issue was covered without inserting the suggested change from the sub-committee. If the CDAAC member abstains from voting, the conflict is taken care of during the voting process. She added that she chose to be on CDAAC to support mental health issues in the community, but that she could abstain from voting on issues that pertain to mental health. People become involved with CDAAC to support their community, and it is important to not eliminate that aspect.

Further discussion followed as to the appropriate wording for the conflict of interest policy. Ms. Osowski commented that a neighborhood organization could potentially

send their chair and co-chair and another person from the neighborhood to serve on CDAAC in an attempt to get more funds. Mr. Coss suggested changing the wording to state that no more than two people from one organization can serve on CDAAC at the same time. Ms. Mills pointed out that if too many people abstain from voting, there might not be enough people to vote on the grant. Mr. Coss suggested that no more than one at-large person from an organization be allowed to serve on CDAAC. Mr. Kinsey stated that he was not in favor of adding this clause. CDAAC would know if the person applying to serve on CDAAC was from a particular organization; adding the clause would be too restrictive.

Discussion followed with regard to the fact that having more than two people from one organization applying to be on CDAAC would definitely cause CDAAC and city staff to look closely at the situation. Ms. Jackson inquired if there had been a problem in the past with too many people from one area serving on CDAAC. Mr. Thomas stated that KNHS had inadvertently stacked the CDAAC board in the past because their members were available to serve on CDAAC. Ms. Mills inquired of Mr. Thomas if he thought the proposed language should be inserted in the CDAAC bylaws, and he stated that he thought it was not necessary.

Ms. Jackson mentioned that there has been a problem in the past with filling boards; she inquired if KNHS members were recruited because of that reason. Mr. Thomas stated that CDAAC was configured differently at that point. Neighborhoods received funding through CDBG, but that is no longer the case.

Ms. Jackson, supported by Ms. Oakes, moved that there should be no recommendation for how many people should be holding membership on CDAAC, and to strike amendment #1 as suggested by the subcommittee. With a voice vote, the motion carried unanimously.

Mr. Kinsey, supported by Ms. Oakes, moved to strike amendment #2 as suggested by the subcommittee. With a voice vote, the motion carried unanimously.

CDBG Allocation History – PY2003 – PY2006

Mr. Thomas stated that Mr. Fricke had requested information regarding the compliance history of CDBG recipients. Mr. Thomas provided documentation from 2003 through 2006 showing the compliance history of the 92 organizations that were funded. He provided a brief review of the information. City staff provides more review of projects while other organizations may just write a check, but didn't monitor the project afterward.

Ms. Mills inquired if CDBG funds were provided to the KYDN (Kalamazoo Youth Development Network). Mr. Thomas stated that the KYDN is a coalition of 15 or 20

organizations. They were advised by city staff that the responsibilities are different when dealing with CDBG funds as opposed to the other city funds they had received in the past. Mr. Thomas stated that “gf” stands for general fund dollars, not CDBG dollars. The general fund is not supported with CDBG money.

Mr. Thomas referred to the drawing/chart that he made pertaining to compliance issues, and provided a brief explanation of the information provided. Of the organizations that were funded by CDAAC, 15% had compliance issues. Of the organizations funded by KYDN, 43% were non-compliant. Under special initiatives, 33% were non-compliant. The numbers show that CDAAC has a good record of accountability.

Ms. Mills inquired if the number of organizations applying for CDBG funds has decreased since the rules became more stringent. Mr. Thomas responded in the affirmative. He added that having compliance issues in the past would not disqualify an organization from reapplying for CDBG funds.

Mr. Thomas referred to the information on the last page of the report regarding KNNHC (Kalamazoo Northside Nonprofit Housing Corporation). He stated that there have been productivity issues with that organization. KNNHC was non-compliant after 3 monitoring reviews. There were missed reports and missed deadlines, and they will no longer receive funds after December 31, 2006. Ms. Jackson inquired as to what would happen with the funds that were left over. Mr. Thomas advised that the KNNHC is trying to redefine itself. There should be funds available after December 31st to be reallocated. The funds were mishandled when the administrative costs were paid up front.

Ms. Jackson inquired if city staff would be authorized to not fund requests submitted by KNNHC. Mr. Thomas stated that the three active board members met with Mr. Thomas and Mr. Chamberlain. The CDBG funds were their last funding source. Mr. Thomas advised the KNNHC members that it is helpful to have some experience when dealing with CDGB funds. City staff advised them to approach the Community Foundation or LISC to start over, and then contact city staff at a later date. There may be additional funds from KNNHC that CDAAC will have to reallocate in the future. An organization would be required to return any unused HOME funds to HUD, but CDBG is based on the entire allotment of CDBG funds to the city. There can't be anymore than 1.5 million under annual allocation on hand at any time. There should be no problem in that regard where KNNHC is concerned.

CDAAC Motion of July 6, 2006

Mr. Thomas stated that Commissioner Cooney had advised that he would report back to CDAAC with an update on this matter. Mr. Thomas advised that he had not yet heard from Commission Cooney.

NEW BUSINESS

Mr. Coss suggested assigning the subcommittees to review the CDBG grant applications that are due in December.

The CDAAC members volunteered/were assigned to subcommittees as follows:

Public Services

Sue Oakes
Jennifer Mills
Mildred Smith
David Kinsey
Shirley Coleman
Doris Jackson

Housing

Pegg Osowski
Mark Fricke
Kathy Steppenwolf

CDAAC members suggested that cuisine from Ample Pantry be provided for the next meeting or that pizza be provided, in accordance with the tradition established in prior years.

Mr. Thomas advised that the CDBG grant applications are to be turned in to city staff by 5:00 p.m. on December 4th. CDAAC must render decisions on the grant applications by the first week in February.

Ms. Mills volunteered to be the chair of the Public Services subcommittee, and Ms. Osowski volunteered to be the chair of the Housing subcommittee.

Ms. Oakes, supported by Ms. Coleman, moved to accept the subcommittees as presented. With a voice vote, the motion carried unanimously.

CITIZEN COMMENTS

None

ADJOURNMENT

Mr. Kinsey, supported by Ms. Oakes, moved to adjourn the November 9, 2006 CDAAC meeting. With a voice vote, the motion carried unanimously.

The meeting adjourned at 7:45 p.m.

Submitted by: _____
(Recording Secretary)

Dated: _____

Reviewed by: _____
(Staff Liaison)

Dated: _____

Approved by: _____
(CDAAC Chair)

Dated: _____