

**COMMUNITY DEVELOPMENT ACT ADVISORY COMMITTEE
(CDAAC)
Minutes
December 14, 2006**

City of Kalamazoo, Development Center
445 W. Michigan Ave., Suite 101
Kalamazoo, MI 49007

Members Present: Charley Coss, Chair; David Kinsey, Vice Chair; Shirley Coleman; Mark Fricke; Doris Jackson; Sue Oakes; Pegg Osowski; Mildred Smith; Kathy Steppenwolf

Members Excused: Jennifer Mills

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

Guests: Donald Roberts, Managing Attorney from Legal Aid

CALL TO ORDER

Mr. Coss called the meeting to order at 6:35 p.m.

AGENDA (December 14, 2006)

There were no changes to the agenda.

Ms. Osowski, supported by Mr. Kinsey, moved approval of the December 14, 2006 CDAAC agenda as presented. With a voice vote, the motion carried unanimously.

MINUTES (November 9, 2006)

There were no changes to the minutes.

Mr. Kinsey, supported by Ms. Coleman, moved approval of the November 9, 2006 CDAAC minutes as submitted. With a voice vote, the motion carried unanimously.

CITIZENS' COMMENTS ON NON-AGENDA ITEMS

None

COMMUNICATIONS & MEMBER'S REPORTS

Ms. Smith announced that the NACD (Northside Association for Community Development) purchased land north of the building they currently occupy. The NACD plans to have an agricultural learning center near the corner of Park and North Streets.

Mr. Coss inquired if the NACD had partnered with other organizations on this project. Ms. Smith stated that the NACD would be working with Communities in Schools to utilize part of the grant money that is available for this program.

Mr. Kinsey stated that the Edison Neighborhood Association has been meeting over the past couple of weeks to discuss revision of their strategic plan. Mr. Kinsey stated that he was elected President of the Edison Neighborhood Association during their recent election of officers.

OLD BUSINESS

Motion from July 6, 2006 CDAAC meeting – population growth for Kalamazoo

Mr. Thomas advised that he is unaware of any update on this matter.

Committee Assignments

Mr. Fricke inquired as to why there are 6 people on the public services subcommittee and only 3 people on the housing subcommittee. Ms. Jackson and Ms. Oakes stated that they made a request to be on the public services subcommittee because they are on housing boards and they want to avoid conflict of interest.

Mr. Coss stated that Ms. Smith requested that she be moved from the public services subcommittee to the housing subcommittee. He inquired if the subcommittees would like to discuss their schedules. Mr. Thomas provided a timeline showing important dates in January and February regarding the deadlines to be met by CDAAC and city staff during the current round of funding. The CDAAC meeting on January 25th will be in lieu of the regularly scheduled CDAAC meeting of January 11th. Also, the February 19th CDAAC public hearing in front of the City Commission will be held in lieu of the regularly scheduled CDAAC meeting of February 8th. The City Commission would vote to accept the recommendations from CDAAC at the February 19th meeting. After the CDAAC recommendations are accepted by the City Commission, city staff will have until the end of May 2007 to finalize the legal documents/agreements for the use of federal dollars by the subrecipients. Staff would then be ready for the program year, which starts on June 1, 2007.

Subcommittee schedules were discussed and the following dates and times were established: The public services subcommittee is scheduled to meet on January 8th, 17th and 18th at 5:30 p.m. in conference room #1 at the Development Center. Members of the public services subcommittee are as follows: Jennifer Mills, Chair; Doris Jackson;

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Shirley Coleman; David Kinsey; Sue Oakes, Charley Coss, Ex-Officio. The housing subcommittee is scheduled to meet on January 10th and 11th at 5:30 p.m. in conference room #1 at the Development Center. The members of the housing subcommittee are as follows: Pegg Osowski, Chair; Mark Fricke; Kathy Steppenwolf; Mildred Smith; Charley Coss, Ex-Officio.

Mr. Thomas provided binders with copies of the applications to be reviewed by the subcommittees. The applications were due at the office of Community Planning and Development by 5:00 p.m. on Monday, December 4, 2006. Included in the binders is a four-year history of all organizations that received CDBG funding during that time period, along with an analysis of how those funds were used. All of the grant applications (housing and public services) are included in the binders distributed to both of the subcommittees. The first half of the binder is housing applications; the second half is the public services applications. The financial audits and resumes will be on the table if anyone needs to look at them. Each application has a staff review sheet in front of it. Also included in the binders is an index of who applied for funding this year, along with a three-year record of what the applicants have proposed in funding and outputs.

Ms. Jackson inquired if all of the applications were CDBG eligible, and Mr. Thomas advised that they were not. Ms. Jackson inquired as to the budget for the money to be appropriated, other than the budget for the whole organization. Mr. Thomas stated that there are three budgets for each proposal: 1. The actual CDBG project-specific budget; 2. The agency budget for program year 2006; and 3. The projected agency budget for 2007. Mr. Thomas stated that there were a total of 26 applications this year; there were 32 applications last year. There were 12 housing applications this year, which is the same number as last year. There was a decrease in the number of public services applications submitted this year.

Mr. Fricke commented that four of the housing applications were from new sources this year. Mr. Thomas referred to the discussion at last month's meeting regarding KNNHC (Kalamazoo Northside Non-Profit Housing Corporation). That organization is non-operational at this point so they were not expected to submit an application this year. Mr. Thomas stated that there is an 18% reduction in the number of applications this year, but there is a 12% increase in the amount of money requested. In 2005 there were requests totaling 1.85 million. In 2006 the requests totaled 2.1 million. Of that amount there were \$1,757,000 in housing requests, but two of the requests were not CDBG eligible. The ineligible organizations include B.R.I.C.K. Housing, LLC, which is a limited partnership rather than a non-profit. An economic development microenterprise project is the only category in which a for-profit organization would be eligible for CDBG funds. The other ineligible application was for Northwinds Hilltop Limited Housing Partnership. Those applications are clearly marked in the binders. There were \$1.1 million in requests but only \$758,379 available. Only 69% of the requested amount is available.

Mr. Coss inquired if the applicants are required to have a 501(c)(3). Mr. Thomas advised that a for-profit organization may receive federal HOME funds, but, with the exception of economic development projects, only non-profits may receive CDBG funds.

There were 20 requests in the public services category last year and only 14 this year. The requests for public services totaled \$468,405 last year; the total for this year was \$338,480. All of the public services applications were eligible, but one applicant could not complete the documentation and withdrew. There are \$330,980 in requests but only \$140,798 available, which is about 43% of what has been requested.

Mr. Fricke inquired if anyone had ever figured out the staff time involved in monitoring the sub-recipients. As an example, he questioned the investment of \$15,000 or \$20,000 of staff time to monitor a \$5,000 grant. Ms. Jackson mentioned that \$1,000 can make or break an organization and it is important to consider that; some of the requests have been that small in the past. Mr. Kinsey commented that \$5,000 was the smallest grant CDAAC was being asked to consider during this round of funding. Ms. Jackson stated that for a non-profit, every dollar counts. This is especially true when the funds are being used for leveraging. Mr. Thomas advised that he had not heard a dollar amount at which it is not worth it for the non-profits to receive funding. He stated that he would work on establishing the cost of staff review since that is a factor.

Ms. Oakes inquired if it would be possible to review the scoring information. Mr. Thomas advised that he could e-mail that information to the CDAAC members. He added that the scoring information has not changed from last year. Ms. Jackson requested a quick review of the point system. Mr. Thomas referred to the matrix sheet and stated that there is a series of criteria to be considered. The new application matches the criteria. In the past, the scoring system utilized numbers from 0 through 5. It is up to the subcommittees to determine how their group's scoring system will be interpreted.

CITIZENS' COMMENTS

Mr. Roberts stated that he is a resident of the City of Kalamazoo, and that he attended the CDAAC meeting to learn more about the funding process.

Mr. Coss noted that CDAAC has now had over 20 continuous quorum meetings.

ADJOURNMENT

Mr. Kinsey, supported by Mr. Coss, moved to adjourn the December 14, 2006 CDAAC meeting. With a voice vote, the motion carried unanimously.

Submitted by: _____ Dated: _____
(Recording Secretary)

Reviewed by: _____ Dated: _____
(Staff Liaison)

Approved by: _____ Dated: _____
(CDAAC Chair)