

**COMMUNITY DEVELOPMENT ACT ADVISORY COMMITTEE
(CDAAC)
Minutes
January 25, 2007
DRAFT**

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

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

City Staff: Jeff Chamberlain, Director, Community Planning & Development; David Thomas, Staff Liaison; Amy Thomas, Recording Secretary

CALL TO ORDER

Mr. Coss called the meeting to order at 6:35 p.m. He thanked the subcommittees for all of their hard work reviewing the applications.

ROLL CALL

The recording secretary completed roll call and determined that all of the CDAAC members were present.

AGENDA (January 25, 2007)

There were no changes to the agenda.

Ms. Steppenwolf, supported by Mr. Kinsey, moved approval of the January 25, 2007 CDAAC agenda as presented. With a voice vote, the motion carried unanimously.

MINUTES (December 14, 2006)

There were no changes to the minutes.

Mr. Fricke, supported by Mr. Kinsey, moved approval of the December 14, 2006 CDAAC minutes as submitted. With a voice vote, the motion carried unanimously.

CITIZEN COMMENTS ON NON-AGENDA ITEMS

There were no citizen comments on non-agenda items.

Subcommittee Reports: Housing

Ms. Osowski, Chair of the Housing subcommittee, thanked the other members of the subcommittee for all of their hard work. She stated that the members were well prepared when they arrived at the meeting. Some of the members had utilized the worksheets but others had not. Ms. Osowski suggested that city staff provide some training about the worksheets during the next round of funding. Funding decisions were based on the five priorities stated in the Consolidated Plan. B.R.I.C.K. Housing, LLC and Northwind were determined not eligible for CDBG funds because they are limited liability corporations. Following are the organizations which applied for housing/public services funds and the amounts the subcommittee and city staff by consensus are recommending for each of those organizations:

<u>Applicant</u>	<u>Project</u>	<u>CDAAC/Staff Recommendation</u>
B.R.I.C.K. Housing, LLC	Edison Milwood Pointbreak	\$0
Disability Resource Center of Southwest Michigan	Ramp Up Program – HOUSING	\$11,000
Douglass Community Assoc.	Home Repair – HOUSING	\$80,000
Edison Neighborhood Assoc.	A+ Plus Exterior Home Improvement Help	\$0
Housing Resources, Inc.	Rickman House Security	\$0
Kalamazoo Neighborhood Housing Services	Comprehensive Neighborhood Revitalization – HOUSING	\$400,000
Kalamazoo Valley Habitat For Humanity	Affordable Housing Program	\$45,000
My Own Home, Inc.	Housing Acquisition and Renovation Project	\$80,000
Northside Association for Community Development	HOME heating project	\$27,379
Northwind/Hilltop 2006 LDHA Limited Partnership	Northwind/Hilltop	\$0
Open Door/Next Door Shelters	Residence Program for Working	\$0
Senior Services, Inc.	Senior Home Repairs	\$115,000

Ms. Mills inquired as to why the Edison Neighborhood Association's request was not funded. Ms. Steppenwolf advised that the subcommittee questioned how the Edison Neighborhood Association would fund the rest of the project; they had to match what they received. Mr. Fricke stated that there were also concerns regarding the CDBG-requirements the participants would have to go through in order to participate. Also, the program they proposed is not unique, and was viewed as potentially duplicative.

Ms. Mills mentioned that Edison received no funding but the Douglass Community Association received \$80,000, and that she just wondered why that decision had been made. Mr. Fricke explained that Edison is new to this process. However, the Douglass Community Association has had experience in dealing with the CDBG process. The subcommittee decided it would be best to not divide the funds between two organizations doing basically the same thing. Since Edison had no track record, the funds were awarded to Douglass. Mr. Coss also mentioned that Douglass does work in other areas. Therefore, it was suggested that the dollars could be most effectively utilized by the Douglass Community Association.

Ms. Jackson mentioned that with shrinking dollars, new programs would have a hard time finding funding. Mr. Fricke stated that the subcommittee was looking for a good track record and proven results. They also wanted to avoid redundancy.

Mr. Fricke referred to the application from Open Door/Next Door Shelters. He stated that there was no problem with the program but there were concerns regarding output, i.e., levels of benefits to be derived. There were similar concerns regarding the proposal from HRI. The request from HRI pertained to the installation of security cameras at the Rickman House to help prevent prostitution and drug dealing. The subcommittee couldn't define the application as a housing request and, therefore, it was not funded. Mr. Coss inquired if the request from HRI was only for the installation of electronic equipment and not for personnel. Mr. Fricke responded in the affirmative. Mr. Chamberlain added that the request pertained to replacement of existing equipment, which is old and needs updating.

Public Services

Ms. Mills provided the following information regarding the organizations who applied for CDBG funding and the amounts that the Public Services subcommittee and city staff are recommending by consensus for each of those organizations:

<u>Applicant</u>	<u>Project</u>	<u>CDAAC/Staff Recommendation</u>
Boys and Girls Clubs Of Greater Kalamazoo	Teen Services and Programs	\$0
Catholic Family Services	The ARK – Teen Homelessness	\$ 5,000
Douglass Community Assoc.	Youth and Adult Services	\$ 5,000
Ecumenical Senior Center	Senior Center Funding	\$ 5,000
Fair Housing Center of Southwest Michigan	Fair Housing Education, Enforcement and Advocacy	\$21,400
Hispanic American Council, Inc.	Hispanic Liaison Program	\$10,000
Housing Resources, Inc.	Housing Stabilization Program	\$25,000
Kalamazoo Drop-In	Free Child Care for Infants,	\$ 8,000

Child Care Center	Toddlers, and Preschoolers	
Legal Aid of Western Michigan	Housing Legal Assistance	\$ 5,000
Local Initiatives Support Corporation	Sustainable Community Initiative	\$21,400
Northside Economic Potential Group	Self Employment Initiative	\$0
Open Door/Next Door Shelters	Open Door/Next Door Combined Program	\$10,000
Professional Development & Training Center of Southwest Michigan	Employment Placement Coordinator	\$0
YWCA of Kalamazoo	Domestic Assault Program	\$25,000

Ms. Mills advised that the subcommittee focused on funding local initiatives rather than groups that could more easily obtain financial support from other sources. This was the rationale behind the decision to not fund the program submitted by the Boys and Girls

Club, since they have an opportunity to obtain funding on a national level. A similar program offered by the Douglass Community Association was funded because more services are offered through that organization. CDBG funding to Legal Aid was reduced due to their ability to leverage funds from larger organizations. LISC and the Fair Housing Center also had funding from other sources.

Ms. Osowski questioned if it was worth city staff's time to monitor such a small grant (\$5,000). Discussion followed with regard to whether or not it was worthwhile for an organization to receive only a small percentage of the total amount requested. Mr. Thomas advised that he hadn't done a cost analysis of staff time yet. Federal dollars tend to serve as a stamp of approval for some organizations, and that helps them leverage more funds from other sources. Mr. Thomas stated that, so far, none of the applicants have declined CDBG money that was offered to them; they adjust according to the amount that is awarded to them. He added that he worded the legal contacts to show units of service to be provided.

Mr. Fricke expressed support for the rationale used regarding the funding decision for the Boys and Girls Club. He inquired as to the status of the Douglass Community Center. Ms. Mills advised that there has been a turn over of administration in that organization. The general consensus is that they are strong enough to meet the requirements. There is only a small amount of funding available for public services. Ms. Mills advised that fourteen organizations requested funds in this category and none of them were fully funded. The focus was on funding strong programs and Ms. Mills suggested leaving the funding as is.

Mr. Coss inquired if there was a possibility of transitional funds that could be utilized in that program. Mr. Thomas stated that he was not in a position to answer that question at this point. He added that KNNHC has to show receipts by the end of January in order to

close out their CDBG participation with the City of Kalamazoo. There are no indications of other reprogrammed funds at this time. Mr. Coss suggested that if funds were freed up later, maybe they could be used to fund other programs that CDAAC/city staff feels strongly about. He suggested the possibility of a standby list for programs that might be funded in this manner. Mr. Fricke commented that if funds become available they would be distributed to projects that had not already been fully funded. Programs didn't receive funding because they didn't qualify, not because there were not enough funds.

Mr. Jackson inquired as to the projections for the amount of HUD funding available to the city. Mr. Chamberlain stated that city staff's projections last year were within a few hundred dollars of what the city actually received from HUD. The additional funds received were distributed to some projects that came before the City. Ms. Mills suggested that it might be beneficial to have a short list of priorities if there is a history of additional funds coming in. Ms. Osowski inquired if the Boys and Girls Club could be funded if additional money became available. Ms. Mills responded that they did qualify but the subcommittee felt they could levy funds elsewhere. She inquired as to how CDAAC has dealt with similar situations in the past. Mr. Fricke stated that CDAAC didn't have much input in the past because they were advised by city staff and the City Commission as to where the funds should go.

Ms. Jackson inquired as to where the reprogrammed funds from KNNHC would be going. Mr. Thomas advised that a determination has not yet been made as to where those funds will go, and that City staff were not certain about how much funding would be unused. He commented that funds from KNNHC are designated for housing needs and cannot be utilized for public services. There is a cap on dollars that can be used to fund projects in each category. Mr. Chamberlain stated that one possibility for reprogrammed funds would be use by the city's anti-blight team for rehab projects. Mr. Kinsey requested clarification on how that money could be used. Mr. Chamberlain advised that the money could be used for board-ups and emergency repairs, etc. The money would be used to reimburse the city for repairs done to houses with non-responsive owners.

Mr. Fricke questioned if reprogrammed funds would go through CDAAC. He mentioned the house that was rehabbed with CDBG money and commented that, when it was sold CDAAC was told how the proceeds would be utilized. He inquired if CDAAC would be directed to provide reprogrammed funds to organizations that had already gone through the funding process. Ms. Jackson commented that CDAAC is only an advisory board. She questioned the importance of CDAAC in the scope of the overall decision-making process after the initial round of funding has been determined for the bulk of the CDBG money that is available.

Ms. Mills requested clarification regarding the process for distribution of funds coming back to CDAAC. Mr. Thomas advised that CDAAC's input is critical. After the subcommittees make their decisions, new situations might arise for which CDBG funds can be used. Ms. Jackson inquired as to how important CDAAC is with regard to the additional funding coming in. Mr. Chamberlain stated that the City Commission takes CDAAC's input seriously. He provided the following clarification with regard to the

terminology used to describe HUD funds: When HUD (CDBG) funds are loaned on the purchase of a house, etc., the money repaid on the loan would be defined as program income. There are not many instances when this occurs, since these loans are five-year forgivable loans (if the owner stays in the house for five years, the loan is treated as a grant and the owner would not have to repay the money). If the house is sold, the proceeds would be reprogrammed to another project. If an organization only spends a portion of the CDBG money they receive, the remainder of the money is referred to as reprogrammed funds.

Mr. Fricke suggested that it might be helpful to have a direct link between CDAAC and the City Commission. It would be helpful to know the thoughts of the City Commission and CDAAC hasn't had that opportunity for about the last six months.

Mr. Kinsey inquired if the reprogrammed funds could be distributed at the discretion of the City Commission with a public hearing. Mr. Chamberlain advised that the funds would be handled as a budget adjustment by resolution of the City Commission. Discussion followed with regard to the possibility of CDAAC having input if that were to happen. It was suggested that CDAAC members not provide public comment at the City Commission meeting under those circumstances. Mr. Chamberlain stated that it would be clear as to how the funds would be used, and CDAAC should be consulted in this regard. Ms. Coleman commented that if there were a substantial amount of reprogrammed funds to be discussed, then it would seem appropriate to consult CDAAC. Otherwise, she suggested allowing the elected public officials to decide the outcome of the funds.

Mr. Fricke expressed concern that the group of applicants who have already been through the process should get preference if more funds become available. The funds should not be distributed to an organization that hasn't been through the process. Ms. Mills mentioned that Mr. Chamberlain's comments indicated that CDAAC will be included in this process in the future. Mr. Chamberlain stated that if a worthy program materialized mid-year, and the City Commission needed to look for funding at that point, it would be helpful to remain flexible with regard to funding decisions. That was the case a couple of years ago with the Summer Youth Program that was funded with program income from the sale of the house.

Ms. Coleman inquired as to when the decisions on the grants would be considered final. Mr. Thomas stated that there will be a hearing in front of the City Commission on February 19th. If CDAAC's recommendations are accepted by the City Commission, the decisions will be final at that point. Ms. Coleman inquired as to the disbursement of funds after that point. Ms. Jackson commented that the system is already in place for CDAAC to review additional funds that become available after February 19th. However, she felt that, in the past, CDAAC had been left out of the loop after that point. Ms. Mills suggested trusting the knowledge of others and leaving the decision to the City Commission at that point. Mr. Chamberlain stated that if information became available, it would be shared with CDAAC.

Mr. Fricke requested staff input regarding the recommendations made by CDAAC. Mr. Thomas stated that he read the grant applicants, and that his opinions were in line with those expressed by CDAAC. Mr. Chamberlain also concurred with CDAAC's assessment of the applications. The applicants usually understand of the circumstances when they have an opportunity to compare the portion of grant money they received with the total amount available. He added that not awarding grants less than \$5,000 is probably wise due to the amount of staff time it takes to monitor even a small grant. He added that the City Commission will be grateful for the work accomplished by CDAAC since it reflects a great deal of thought.

Mr. Coss inquired if the housing subcommittee would like to recommend any projects in the event additional funds become available later in the year. Members of the subcommittee indicated that they would prefer not to make a recommendation at this point.

Ms. Jackson requested that the CDAAC members reveal their affiliations for the record.

Pegg Osowski – Vine Neighborhood representative

Jennifer Mills – member at large

Shirley Coleman – Stuart Neighborhood representative

Mildred Smith – Northside Neighborhood representative

David Kinsey – Edison Neighborhood representative

Doris Jackson – member at-large, Eastside Neighborhood, KNHS board

Kathy Steppenwolf – Eastside Representative

Sue Oakes – member at large, My Own Home

Mark Fricke – member at large

Charley Coss – member at large

Mr. Thomas mentioned that he serves on the advisory board for the Fair Housing Center, but that he is not a voting member.

There being no further comments, Mr. Coss requested motions on the subcommittee recommendations.

CDAAC Housing Subcommittee Report

Ms. Steppenwolf, supported by Mr. Kinsey, moved to recommend to the City Commission, approval of the funding recommendations made by the CDAAC Housing Subcommittee. With a voice vote, the motion carried unanimously.

CDAAC Public Services Subcommittee Report

Mr. Fricke, supported by Ms. Mills, moved to recommend to the City Commission, approval of the funding recommendations made by the CDAAC Public Services Subcommittee. With a voice vote, the motion carried unanimously.

Mr. Coss advised that the recommendations would be forwarded to the City Commission for the February 19, 2007 City Commission meeting, which will begin at 7:00 p.m. Mr. Coss requested that the CDAAC subcommittee chairs be present at that meeting. He also encouraged the rest of the CDAAC members to attend.

NEW BUSINESS

None

CITIZEN COMMENTS

None

ADJOURNMENT

Mr. Kinsey, supported by Ms. Steppenwolf, moved to adjourn the January 25, 2007 CDAAC meeting. With a voice vote, the motion carried unanimously.

The meeting adjourned at 7:40 p.m.

Submitted by: _____
(Recording Secretary)

Dated: _____

Reviewed by: _____
(Staff Liaison)

Dated: _____

Approved by: _____
(CDAAC Chair)

Dated: _____