

COMMUNITY DEVELOPMENT ACT ADVISORY COMMITTEE
(CDAAC)
Minutes
July 10, 2008
Draft

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

Members Present: Shirley Coleman, Chair; Mildred Smith, Vice Chair;
Wade Allen; David Bills; Trent Hines; David Kinsey;
Kris Kronlein

Members Excused: Buddy Hannah

Members Absent: Michael Bracy; Charley Coss

Guests: None

City Staff: David Thomas, Neighborhood Development Supervisor;
Jackie Petto, Recording Secretary

CALL TO ORDER

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

Mr. Thomas requested everyone introduce themselves for the benefit of Mr. Bills, our newest CDAAC member.

AGENDA (July 10, 2008)

There were no changes to the agenda.

Mr. Kinsey, supported by Ms. Kronlein, moved approval of the July 10, 2008 CDAAC agenda as submitted. With a voice vote, the motion carried unanimously.

MINUTES (May 8, 2008)

There were no changes to the minutes.

Mr. Kinsey, supported by Ms. Kronlein, moved approval of the May 8, 2008 CDAAC minutes as submitted. With a voice vote, the motion carried unanimously.

CITIZEN COMMENTS ON NON-AGENDA ITEMS

None.

COMMUNICATION/MEMBERS' REPORTS

Ms. Kronlein advised the Nomination Committee has received no new applications for the two vacant CDAAC seats – an At-Large vacancy and the Vine neighborhood representative vacancy.

Mr. Thomas advised Ms. Steppenwolf is no longer continuing on CDAAC as an Eastside representative, and he has contacted the Eastside Neighborhood Association to verify this. There has been no progress to nominate a new Eastside representative. After discussion as to whether or not Mr. Hannah could switch from an At-Large member to serve as an Eastside representative instead, Ms. Coleman advised that the neighborhood associations choose their own approved representatives for CDAAC nominations, and Mr. Hannah would need to be approved as such.

Mr. Kinsey and Mr. Hines had no news to report.

Ms. Coleman then discussed the Stuart neighborhood's monthly newsletter. They are currently having yard sales as well as conducting an annual neighborhood clean up. She advised on Saturday, July 19, 2008, the Stuart neighborhood will host a garden walk for residents. Additionally, she advised they have a new board.

Mr. Thomas then discussed foreclosure group meetings that have been occurring in the city, which he has attended. This group includes members of LISC, KNHS, HRI, the County Treasurer, Vice Mayor McKinney, and other City staff. He said the group is now beginning to break ideas down into viable strategies. The group's focus consists of three areas:

1. **Prevention** for people with a risk for foreclosure – This includes credit repair and other strategies, with MSHDA possibly assisting.
2. **Longer term prevention** for people with bad loan situations, including restructuring or refinancing. This is for people who need help from non-commercial, specialized lenders who are more forgiving. Assistance resources may include LISC, MSDHA, and the Community Foundation.
3. **Community Development** – Addresses impacts of foreclosure on the city, including a rise in property vacancies. More homes are open to casual entry due to vacancy, and crimes are then being committed in those homes.

Mr. Thomas then described some of the strategies the group has discussed: LISC is considering a national contract to help set up property holding companies with Kalamazoo as one of the pilot sites and MSHDA funds for prevention. Additionally, KNHS may spearhead a loan program similar to the HOP (Housing Opportunity

Program) which involves local lenders. Community reinvestment funds which must go back in to the community may be another strategy.

Mr. Thomas advised that the group has also worked on creating a detailed map to show areas affected by foreclosure in a quantifiable way in order to determine areas that need more help than others, and to gauge success of piloted programs. The Edison neighborhood, north side and east side are the most affected areas of the city at this time. Mr. Thomas advised the group's ideas and strategies are now tight, specific, and progress is being made.

Mr. Thomas stated 25% of homes affected by foreclosure are rentals. Unfortunately, as the *owner* of the rental unit is in foreclosure, the *tenants* often aren't given adequate time to vacate and find new places to live. There is currently no law stating owners have to notify tenants of foreclosure. Ms. Kronlein commented that Michigan is behind regarding tenant rights.

Ms. Smith then added that the Northside Association for Community Development hosted a yard sale and started a new youth alternative community. They will be holding a block party on Saturday, July 19, 2008 from noon to 5 p.m. in their parking lot. Representatives from youth-oriented groups will gather there to disseminate information, and guest speakers will present. They also have a new greenhouse around the garden that was planted last summer, as well as a rooftop garden. She advised the water park has not yet opened due to the contractors' vacations, and is now scheduled to open on July 12.

OLD BUSINESS

PY2008 Emergency Shelter Grants

During the May 8, 2008 CDAAC meeting, recommendations were agreed upon for ESG funding, and were then sent to the city commission. Mr. Thomas advised the recommended funding was approved, and agreements were drafted and sent. He advised the Kalamazoo Gospel Mission brought their agreement back due to questions regarding their hiring practices. Regulations set forth by HUD state organizations funded with federal money must not discriminate regarding religious choices. It is currently unclear at this time whether or not this applies to hiring practices for faith-based groups. The Kalamazoo Gospel Mission does not discriminate against clientele. Mr. Thomas has contacted HUD Detroit, who is obtaining clarification from HUD Washington.

The Kalamazoo Gospel Mission also has an agreement with the County. Mr. Allen inquired as to the County award, which Mr. Thomas advised was likely general dollars and that the language in the contract was acceptable by the County.

Mr. Bills then asked why the County hadn't applied for ESG. Mr. Thomas advised the County still has not used PY2007 funds at this time. The County requested \$10,000 for rehabilitation at their overnight emergency shelter for rehab work. The matching funds

they hoped would be available weren't, so they were uncertain if they should begin the work without having the funds to complete it. Under ESG, however, they have 24 months to expend the money, giving them more opportunity to develop a new plan.

There was further discussion about why the Salvation Army did not apply for ESG this year, the answer to which is still unclear.

NEW BUSINESS

PY2007 CAPER Preliminary Review

Mr. Thomas advised next month we will hold a public hearing on the Consolidated Annual Performance and Evaluation Report (CAPER), which is the end of the year report to HUD outlining how PY2007 funding was used. Mr. Thomas handed out a preliminary report that he is in the process of completing containing the following information.

From June 1, 2007 to May 31, 2008, \$2,652,435 of federal funds was given to the City of Kalamazoo by HUD for distribution. Of that, \$1,888,768 was Community Development Block Grant (CDBG) funding, \$682,933 was HOME funding, and \$80,734 was ESG funding. An additional amount (yet to be determined) was generated as program income by KNHS, the City's Small Business Revolving Loan Fund, and the Rehab Program. The total of all the funding was \$3,016,435. The preliminary report then shows how those funds were distributed as follows with a focus on particular priorities:

- The following **CDBG** funds were distributed with a focus on **affordable housing**:

Kalamazoo Valley Habitat for Humanity	\$ 45,000	3 new sites; 1 acquisition for rehab
Kalamazoo Neighborhood Housing Services (portion of a \$400,000 award for this priority)	\$ TBD	20 housing units
My Own Home	\$ 80,000	609 S. Park; 4 units
Housing Resources, Inc.	\$ 25,000	383 households assisted
Local Initiatives Support Corporation	\$ 21,400	TBD

- The following **HOME** funds were distributed with a focus on **affordable housing**:

HOME CHDO Rehabilitation KNHS	\$132,131
HOME CHDO New Development KNHS	\$ 45,000
HOME CHDO Rehabilitation HRI*	\$ 44,385

(*Mr. Thomas stated this is for predevelopment work in preparation of a large project at the Rickman House, which houses Michigan's first elevator.)

- The following **CDBG** funds were distributed with a focus on **maintenance, rehabilitation, and weatherization for income eligible home owners:**

Kalamazoo Neighborhood Housing Service, Inc. (portion of a \$400,000 award for this priority)	\$ TBD	23 units: 10 roofs, 9 furnaces, 4 lead abates
Kalamazoo Neighborhood Housing Service, Inc. - Anticipated Program Income	\$364,000	TBD
Douglass Community Association - Home Repairs	\$ 80,000	22 units
Senior Service, Inc. - Home Repair for the Elderly	\$115,000	36 units; 161 projects
Anti-Blight Team/Code Enforcement	\$366,798	TBD
Northside Association for Community Development	\$ 27,379	26 units
City of Kalamazoo K-HARP Blight Abatement	\$ TBD	7 units

- The following **CDBG** funds were distributed with a focus **on infrastructure rehabilitation to accommodate special needs populations, including easier access to sidewalks, ramps and other public rights of way:**

Disability Resource Center - 6 ramps	\$ 11,000	
South Burdick St. Enhancements (State of Michigan CDBG @ \$350,000; City of Kalamazoo General Funds @ \$150,000)	\$500,000	

- With a focus on **neighborhood based economic development, micro enterprise development, community development, and retail development**, the City of Kalamazoo's **Small Business Revolving Loan Fund** funded Sprouting LLC's restaurant, generating 20 full time employees (15 of which were low income people) and \$40,000.

- The following **CDBG** funds were distributed with a focus on **youth recreation programming and crime prevention programming:**

City of Kalamazoo - Public Safety - 2 Officers	\$150,100	
City of Kalamazoo - Parks and Recreation	\$ 18,670	
Catholic Family Services - The ARK	\$ 5,000	29 youth; 239 nights of care
Douglass Community Association - Youth and Adult Services	\$ 5,000	180 youth; 425 attendance
Ecumenical Senior Center	\$ 5,000	172 seniors
Fair Housing Center of Southwest Michigan	\$ 21,400	177 cases

Hispanic American Council - Hispanic Liaison	\$ 10,000	1,229 assisted
Kalamazoo Drop-In Child Care Center	\$ 8,000	69 households; 220 youth
Legal Aid of Western Michigan	\$ 5,000	221 assisted
Open Door/Next Door Shelters (Supportive Services)	\$ 10,000	68 people; 2,622 nights
YWCA - Domestic Assault Shelter	\$ 25,000	605 people; 13,028 nights

- The following **HOME funds** were distributed with a focus on **youth recreation programming and crime prevention programming:**

Housing Resources, Inc.- Family Self-Sufficiency	
Tenant Based Rental Assistance (TBRA)	\$200,000
YWCA - TBRA	\$ 45,000

- The following ESG funds were distributed with a focus on **youth recreation programming and crime prevention programming:**

Catholic Family Services - The ARK	\$ 10,000	203 youth; 1,936 nights
HRI - Family Shelter	\$ 20,734	
Kalamazoo County Emergency Shelter	\$ 10,000	
Salvation Army - Utility Assistance	\$ 20,000	66 households
YWCA Domestic Assault Shelter	\$ 20,000	

- The following funds were distributed for **administration and monitoring** purposes:

CDBG:

City of Kalamazoo - CDBG Administration	\$312,890
City of Kalamazoo - Neighborhood Improvement	\$ 30,815

HOME:

City of Kalamazoo - HOME Administration	\$ 65,000
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Mr. Thomas then stated the public hearing will be held August 14, 2008 and it will be posted in the Kalamazoo Gazette that the draft report is available. The report must be delivered to HUD by August 31, 2008.

County Clerk

Mr. Kinsey then announced that he will be running for County Clerk in the upcoming November election.

CITIZEN COMMENTS

None.

ADJOURNMENT

Ms. Smith, supported by Mr. Allen, moved to adjourn the July 10, 2008 CDAAC meeting. With a voice vote, the motion carried unanimously.

The meeting adjourned at 7:18 p.m.

Submitted by: _____ Dated: _____
(Recording Secretary)

Reviewed by: _____ Dated: _____
(Staff Liaison)

Approved by: _____ Dated: _____