

**COMMUNITY DEVELOPMENT ACT ADVISORY COMMITTEE**  
(CDAAC)  
August 14, 2008  
Minutes  
*DRAFT*

Development Center, Conference Rm. #1  
445 W. Michigan Ave.  
Kalamazoo, MI 49007

Members Present: Shirley Coleman, Chair; Charley Coss; Buddy Hannah; David Kinsey, Trent Hines

Members Excused: Wade Allen; Kris Kronlein; Mildred Smith

Members Absent: David Bills; Mike Bracy

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

**PUBLIC HEARING:**

**PY2007 Consolidated Annual Performance and Evaluation Report (CAPER)**

Mr. Thomas advised that the public hearing is required by the Department of Housing and Urban Development (HUD) as a means of providing public information regarding the use of federal dollars by the City of Kalamazoo. This public hearing covers Program Year 2007, June 1, 2007 through May 31, 2008. Details of the Program Year are outlined in the CAPER, a written report compiled by city staff. Mr. Thomas stated that a copy of the CAPER is currently available at the front desk of Community Planning and Development, 445 W. Michigan Avenue. The deadline for public comment on any activity covered in the CAPER is August 22<sup>nd</sup>.

For the benefit of the new CDAAC members, Mr. Thomas provided a brief overview of the city's five-year Consolidated Plan upon which the CAPER is based. Mr. Thomas explained that Program Year 2007 is the third year of this five-year Plan. The CAPER is used as a yearly scorecard for HUD to make sure that the city is on track with the goals outlined in the Consolidated Plan. City staff is required to submit the CAPER to HUD by August 31<sup>st</sup>.

(6:35 p.m. – Mr. Coss arrived.)

The Executive Summary provides a general outline of information included in the CAPER. Mr. Thomas provided a brief review of the Executive Summary, which includes the following information:

The CAPER provides information to both the general public and federal government regarding activities which used Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) funding received from the U.S. Department of Housing and Urban Development (HUD). During Program Year 2007, the City of Kalamazoo received the following entitlement funds from HUD:

Community Development Block Grant (CDBG):	\$1,888,768
HOME Investment Partnership (HOME):	682,933
Emergency Shelter Grants (ESG)	80,734

Each of these funding sources has different priorities and objectives to be achieved with federal funds.

In Program Year 2007, there were 38 subrecipients of these federal funds. Those subrecipients must report to the City of Kalamazoo regarding the federal dollars they have expended and the funds they have leveraged using federal dollars. In addition to these funds, the City of Kalamazoo and its subrecipient partners realized \$372,386.26 in CDBG-generated program income (income generated from federal funds) in PY2007. City staff must report to HUD by August 31<sup>st</sup> with details of how these funds were used.

The City of Kalamazoo has targeted six low-income neighborhoods within the city to receive a majority of these funds. Those neighborhoods are as follows: the Eastside Neighborhood, Edison Neighborhood, Fairmont Neighborhood, Northside Neighborhood, Stuart Neighborhood, and the Vine Neighborhood. Mr. Thomas provided a brief explanation of how HUD defines the term "low-income," that is, a household earning 80% or less of the Area Median Income.

Mr. Thomas advised that the Executive Summary provides details regarding the City of Kalamazoo's substantial efforts regarding code enforcement and anti-blight in the six targeted neighborhoods. During PY2007, the Anti-Blight Team initiated 67 new abandoned residential structure cases, conducted 67 initial inspections, 181 re-inspections, identified 73 cases of vacant buildings open to casual entry, and oversaw 24 condemnations. Four original owners (15 occupants) rehabilitated and returned to their houses and 24 houses became certified rental properties. Five owners had their properties demolished privately, and the city demolished another 15 homes and 4 substandard garages. The city acquired and rehabilitated 512 Lawrence Street.

Mr. Thomas advised that the City of Kalamazoo had begun the process of developing a comprehensive neighborhood strategy entitled A+ Neighborhoods program during PY2007. This program focuses on reutilization of tax-reverted properties, code enforcement, housing code assistance funds, capacity building, and tax relief to revitalize neighborhoods.

Mr. Thomas advised that the State of Michigan provides information to municipalities in Michigan regarding foreclosures on properties with delinquent taxes. If the city has federal dollars invested in any of those properties, that would increase the likelihood that the city would try to obtain the property through the tax foreclosure sale process. When the city obtains these properties, they pay the back taxes and bring the property up to code.

Mr. Coss inquired if it would be possible to utilize some of those properties for economic development. Mr. Thomas advised that the Economic Development Department reviews the properties that become available each year. Their most recent focus has been the Riverfront Redevelopment area. Mr. Coss stated that he thought this might provide an opportunity for a small business to rehab one of the tax-foreclosed properties and, therefore, help satisfy the economic development objective specified in the Consolidated Plan.

Mr. Hannah inquired as to what would happen with the properties that were rehabbed by the City of Kalamazoo. Mr. Thomas advised that the housing market was different a couple of years ago. The city has an inventory of rehabbed houses to sell, but to date only three of the houses have sold. Mr. Coss inquired if any incentives have been given to help sell these properties. Mr. Thomas stated that incentives have been given to real estate agents, but that has not been overly successful so far.

Mr. Thomas stated that in PY2007 the city started the K-HARP (Kalamazoo Housing Assistance Repair Program). This program has \$125,000 of CDBG money for limited exterior home repairs for low-to-moderate income home owners with housing code violations. Each applicant can receive up to \$7,500 as a deferred loan for exterior home repairs. The applicant would need to repay the loan only when/if the property changes hands or it is turned into a rental unit. City staff is currently working with seven property owners who have received these funds.

The City of Kalamazoo has also researched and developed a strategic Neighborhood Enterprise Zone (NEZ) tax-relief plan for targeted areas of the city to encourage new development and rehabilitation of existing housing stock. The NEZ can provide up to 12 years of tax relief, and is intended to help revitalize specific areas of the city. The tax relief will apply to both new construction and rehabilitation projects. On August 18<sup>th</sup>, the NEZ report will be reviewed by the City Commission. On September 2<sup>nd</sup>, the City Commission will hold a public hearing regarding this program.

Mr. Thomas referred to the 3<sup>rd</sup> page of the CAPER, which provides details of the PY2007 federal fund expenditures by the City of Kalamazoo. Between June 1, 2007 and May 31, 2008, the city funded 41 activities with \$2,653,435 in HUD funds. Following is a breakdown of those funds and how they were spent:

Total Federal Funds:		\$2,652,435
CDBG:	\$1,888,768	
HOME:	\$ 682,933	
ESG:	\$ 80,734	
Total Activities Funded:		41
CDGB:	31	
HOME:	5	
ESG:	5	

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Mr. Thomas explained that if a subrecipient finished a program after June 1<sup>st</sup>, the activity would be reported in the current program year, but it would be noted that funds from the prior program year had been used. Accordingly, the numbers reported are exact expenditure figures, but will not tie out to the program year figures. Mr. Thomas explained that the primary focus of CDBG funding is to provide decent housing. The focus of HOME funds is specifically for housing construction, rehab, or tenant based rental assistance. Emergency Shelter Grant (ESG) funds are used for the benefit of the homeless populations. Mr. Thomas provided the following statistics regarding how these funding sources were utilized by the City of Kalamazoo in PY2007:

Funds Reported on (includes some PY2006 payouts and Program Income)

CDBG:	\$2,338,302.49
HOME:	\$ 564,063.96
ESG:	\$ 70,734.00

Total Federal Funding for Affordable Housing:	\$1,986,385.67
Total Number of Units Assisted:	617 housing units
Number of Rehabbed Housing Units:	165
Number of Households Assisted to Secure Affordable Housing	519
New Affordable Housing Units	7

Total Funds for Public Services and ESG:	\$333,986
Total People Assisted:	34,090
Youth Assisted:	9,283
Others:	24,807

Total Funds for Homelessness:	\$338,821.96
2,543 individuals/households were assisted	
33,729 nights of shelter were provided	
66 households received emergency utility shutoff prevention assistance	

Total leveraged funds:	\$7,482,346
Ratio of Federal: Leveraged Funds =	\$1:\$2.82

Mr. Thomas provided a brief review of the five priorities and the programs that were funded under each program in PY2007. Following are the highlights of that overview:

1. A Commitment to Use a Substantial Amount of Funding for Affordable Housing.

CDBG:

Housing Resources, Inc.	\$ 25,000.00	383 persons assisted
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Kalamazoo Neighborhood Housing Services (KNHS)	\$199,042.48	13 purchase/rehab
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(Overlap of PY2006 program pd. In PY2007)

KNHS (PY2007)	\$561,817.67	23 units:
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5 purchase/rehab  
 4 SF site prep.  
 14 Holding Costs Program  
 Delivery Administration

Local Initiatives Support Corp (LISC)	\$ 23,961.53	11 CDC's
My Own Home	\$ 80,000.00	1 house; 4 rental units
<u>HOME:</u>		
Kalamazoo Area Housing Corporation (Rosewood Single Family)	\$ 93,383.00	3 Single Family units

**Totals:** **\$983,304.68 43 units**  
 (38% of CDBG and HOME) 383 persons  
 11 CDC's

2. Maintenance, Rehabilitation, and Weatherization for Income Eligible Home Owners.

CDBG:

KNHS (overlap of PY2006 program paid in PY2007)	\$ 35,989.26	1 homeowner rehab
KNHS (PY2007)	\$202,182.33	33 units: 1 homeowner rehab 6 lead grants 4 DPA's 10 roofs replaced 10 furnaces
City Anti-Blight Team/Code Enforcement	\$411,683.39	438 units
Disability Resource Center	\$ 11,499.94	6 ramps
Douglass Community association	\$ 74,347.07	29 units
My Own Home	\$ 80,000.00	4 rental units
Senior Services, Inc. Home Repair	\$115,000.00	36 units
Kalamazoo Valley Habitat for Humanity	\$ 45,000.00	3 units
Northside Assoc. for Community Development	\$ 27,379.00	26 units

**Totals:** **\$1,003,080.99 574 units**  
 (39% of CDBG and HOME)

3. Infrastructure Rehabilitation to Accommodate Special Needs Populations, Including Easier Access to Sidewalks, Ramps, and Other Public Rights of Way.

CDBG:

Kal-Haven Accessible Trailway	\$17,979.55	Accessible, pedestrian path
<u>Other</u>	\$350,000	State of Michigan CDBG

\$ 97,797      Kalamazoo General Funds

(The City of Kalamazoo, in partnership with Kalamazoo County, utilized \$350,000 of State of Michigan (MEDC) CDBG funds, matched with \$97,797 of City of Kalamazoo General Funds to enhance 1,700 linear feet of South Burdick Street in Census tract 11.00, Block Groups 1, 2 and 3.)

**Totals:** **\$465,776.55    2 activities**

4. Neighborhood Based Economic Development, Micro Enterprise Development, Community Development, and Retail Development.

CDBG Program Income:

City of Kalamazoo:

Small Business Revolving Loan Fund (CDBG Program Income)	\$50,551.69	1 loan; 11 FTE jobs
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**Totals:** **\$50,551.69    11 L/M persons**

Mr. Thomas commented that there have not been many applicants in this category. There were two applicants in this category last year, but neither of them qualified to receive HUD funding.

5. Public Services with a Focus on Youth Recreation Programming and Crime Prevention Programming.

CDBG

Catholic Family Services – the ARK Shelter	\$ 5,000.00	29 youth; 239 nights of shelter
City of Kalamazoo – Park & Recreation	\$ 19,595.00	7,235 youth
City of Kalamazoo – Public Safety – 3 Officers	\$150,100.00	589 activities
Douglass Community Association: Youth Program	\$ 4,995.00	180 youth
Ecumenical Senior Center	\$ 5,000.00	156 seniors
Fair Housing Center of Southwest Michigan	\$ 21,400.00	555 served
Hispanic American Council – Hispanic Liaison	\$ 10,000.00	1,299 served
Kalamazoo Drop-In Child Care Center	\$ 8,000.00	69 youth served
Legal Aid of Western Michigan	\$ 5,000.00	221 served
Open Door/Next Door Shelters	\$ 10,000.00	68 served; 2,622 Nights of shelter
YWCA – Domestic Assault Shelter	\$ 25,000.00	605 served; 14,202 nights of shelter

HOME

Housing Resources, Inc. – PY2006 TBRA (drawn in PY2007, but not counted in totals for program year)	\$200,000.00	124 households
Housing Resources, Inc. – PY2007 TBRA	\$182,216.46	111 households
YWCA – PY2007 TBRA	\$ 23,464.50	21 Households

ESG

Catholic Family Services – The ARK	\$ 10,000.00	203 youth; 1,936
HRI Family Shelter	\$ 20,734.00	321 families; 4,769 Nights of shelter
Salvation Army: Utility Shutoff Prevention	\$20,000.00	66 households
YWCA Domestic Assault Shelter	\$20,000.00	802 person; 9,963 nights of shelter
Kalamazoo County Emergency Shelter	Incomplete Project	
<b>Totals:</b>	<b>\$540,504.96</b>	

6. Other – Administration and Monitoring

CDBG:

City of Kalamazoo – CDBG Administration \$329,437.67

HOME:

City of Kalamazoo – HOME Administration \$ 65,000.00

**Totals:**

**\$394,437.67**

(15% of CDBG and HOME)

Mr. Thomas referred to Table 46, the Summary of Specific Plan Objectives for the PY2007 CAPER. He stated that the goals the consultants suggested are listed in the second column under expected units. Of the 21 Specific Plan Objectives on Table 46, the City met or exceeded the annual target goals for 14, or 67% of them.

Mr. Coss inquired if there could be a grant process to bid out seminars for principals of businesses, and if that would qualify under the economic development category. Mr. Thomas advised that the project would have to be more tangible than that. He stated that on October 9<sup>th</sup>, the Northside Minority Business Alliance has scheduled an open trade day. City staff may have representatives at this event to provide information about the small business revolving loan fund available through the Economic Development Department.

Mr. Hines inquired as to whom he could contact about data he has collected regarding infrastructure and barriers. Mr. Thomas suggested that Jeff Chamberlain, Director; Bob Petrick, Building Official, Community Planning and Development, and Bruce Merchant, Director of Public Services might be interested in that information. Mr. Hines advised that the thematic map he has shows where there are issues that need improvement, such as curb cuts, lighting disrepair, posted speed limits, etc. Mr. Thomas stated that Shahid Abbas, an Engineer for the City of Kalamazoo, might also be interested in this information.

**REGULAR MEETING**

A quorum was not present and the regular meeting could not be called to order. Accordingly, official business scheduled on the August agenda is postponed until the next CDAAC meeting.

Mr. Coss mentioned that there had been some discussion in the past regarding a “super quorum” which would be a half or one-third quorum of CDAAC members who could be convened to approve minutes and other routine items that need to be taken care of. Mr. Thomas stated that he would discuss that possibility with the City Clerk’s office.

Mr. Thomas advised that a question has been posed to HUD regarding whether or not the Kalamazoo Gospel Mission can hire based on a person’s religious background. City staff is still awaiting an answer from the Washington D.C. HUD office.

Mr. Thomas stated that city staff received two applications from people who stated they are willing to serve on any city board and he inquired if the nominating committee would like to proceed with interviews. There were no objections to proceeding with interviews. However, Mr. Coss suggested that it might be preferable to interview applicants who have specified an interest in CDAAC.

Mr. Thomas stated that the City Commission had set aside \$70,000 for the summer youth initiative last year, and that CDAAC might be asked to assist with the distribution of these funds again. Mr. Thomas will confirm this information with the City Manager’s office. October 15<sup>th</sup> was the previous deadline for applications to be submitted for this program.

The meeting ended at 7:30 p.m.

Submitted by: \_\_\_\_\_  
(Recording Secretary)

Dated: \_\_\_\_\_

Reviewed by: \_\_\_\_\_  
(Staff Liaison)

Dated: \_\_\_\_\_

Approved by: \_\_\_\_\_  
(CDAAC Chair)

Dated: \_\_\_\_\_