

COMMUNITY DEVELOPMENT ACT ADVISORY COMMITTEE
(CDAAC)
December 13, 2018
Minutes

**Community Room, City Hall
241 West South Street
Kalamazoo, MI 49007**

Members Present: Bill Wells, Margaret Wilson, Annie Sprague, Amina Shakir, Candice Howell, Jennette Tarver, Ken Nichols

Members Absent: Tami Rey

City Staff: Dorla Bonner, Community Investment Manager; Venessa Collins-Smith, Compliance Specialist; Beth Cheeseman, Code Administration Clerk/Cashier

CALL TO ORDER

Ms. Sprague called the meeting to order at approximately 6:33pm.

ROLL CALL

Ms. Cheeseman conducted roll call of CDAAC members and determined quorum existed.

APPROVAL OF AGENDA

Ms. Wilson supported by Ms. Howell , moved to accept the December 13, 2018 agenda. A voice vote was taken and the motion passed.

APPROVAL OF MINUTES

Ms. Wilson, supported by Ms. Howell, motioned to approve the November 8, 2018 minutes. A voice vote was taken and the motion passed.

CITIZEN COMMENTS ON NON-AGENDA ITEMS

None

OLD BUSINESS

None

NEW BUSINESS

Subcommittees

Ms. Sprague opened the conversation about subcommittees.

Mr. Ken Nichols shared that he accepted new position at Henry Ford College in Detroit. He will not be moving right away, but won't be able to take on too much as far as CDAAC is concerned.

The Committee determined that the Nominating Committee and Membership Committee were the same entity.

Ms. Collins-Smith reviewed Nominating Committee members: Ms. Margaret Wilson, Ms. Amina Shakir, and Ms. Dana Underwood. Ms. Underwood is no longer on CDAAC and needed to be replaced.

Ms. Sprague, supported by Ms. Wilson, moved to appoint Candice Howell to the Nominating Committee. Ms. Howell agreed. A voice vote was taken and approved unanimously.

Ms. Bonner shared that they do have two applications that need to be reviewed. She said she will get them to the committee for review and then they can meet in January.

Ms. Sprague reviewed who was currently on the Affordable Housing Committee. She listed them as follows: Ms. Annie Sprague, Ms. Dana Underwood, Ms. Candace Howell, Mr. Ken Nichols and Ms. Tami Rey.

Ms. Bonner recommended waiting until the Consolidated Plan was completed before they finalized any other committees. She indicated they would then know what committees they need. Ms. Bonner shared that they may not need an Affordable Housing Committee if LISC does all of affordable housing activities.

Ms. Sprague said that the Affordable Housing Committee used to be called the Applications Committee. She suggested they go back to that name.

Ms. Howell asked for clarification regarding LISC doing the affordable housing. Ms. Bonner explained they are trying to keep from having multiple programs doing the same things. She said they want to interject CDAAC activities into LISC's programs. Ms. Bonner said if LISC handles the affordable housing, there is more flexibility because they do not have to follow HUD

requirements. She said in a perfect world LISC would do affordable housing and they would use CBDG funds for infrastructure.

Ms. Shakir asked what income level LISC uses for affordable housing. Ms. Bonner said they use the same as the City – the HUD requirements. She said they are trying to get everyone to use the City's Area Median Income (AMI) because HUD's median income is much higher. Ms. Bonner stated that the Analysis of Impediments is trying to show everyone the reality (difference) between what HUD says is average income and what is really happening in Kalamazoo.

Ms. Bonner shared that LISC has an agreement with the Land Bank for two small houses on the East Side, and they are selling them to folks for 80-120%. Habitat for humanity is doing six houses. Habitat focuses on 60% AMI and below. She said the City is using HOME funds for rent to own projects with KNHS and two homes with Habitat. LISC also has an agreement with KNHS to do home owner repairs/rehabs based at 80% and below. LISC can go up to 100% AMI with home owner repair in the core neighborhoods. Ms. Bonner indicated that a lot of people over 80% AMI and don't qualify for any programs. She said that in Kalamazoo 80% AMI is still not moderate income.

Ms. Bonner reminded Committee members that next year for HUD dollars, they gave permission for them to extend another year in order to work on the Consolidated Plan and the Analysis of Impediment Plan. They are committed to the first year of the Consolidated Plan to do the things they are already doing. She believes it will be beneficial if LISC is able to do the affordable housing projects. Ms. Howell expressed concern that affordable housing dollars are shifting to 80% and above AMI and not 60% and below. Ms. Bonner reassured that even though they are not HUD regulated, they have an agreement with the City they will not do over 80%. Ms. Sprague agreed with Ms. Howell that it is not affordable, but also not illegal.

Ms. Bonner reported they have been doing the Government Alliance for Race and Equity with the Michigan Department of Civil Rights (GARE) project to write their Analysis to Impediments to Fair Housing Plan. They have been doing engagement activities to see why people aren't getting housing. She said that one of their recommendations is that the City develops a definition of what affordable housing is in Kalamazoo.

Ms. Bonner shared that MSHDA created the term workforce housing, which is 80% and up. When developers use that, they can get MSHDA money. She did say that some developers are including 80% and below. She shared that they are unable to do inclusionary zoning, which would mean requiring a private developer to have mixed-income housing. However, they can set some stipulations if they get money from them.

Ms. Wilson said that she feels they are at a point where they need to figure out how to make the most of their little pot of money. She suggested a meeting to make goals of what to do with the money.

Ms. Collins-Smith stated a goals meeting would have to be done immediately. She already has goals written based on what's already been discussed. Ms. Bonner suggested they go back to handbook and look specifically at HOME eligible projects. They can give input to staff via

email. They shared that Ms. Collins-Smith is writing the ConPlan and Ms. Bonner is writing the Analysis of Impediment. Ms. Collins-Smith said that first she will write the plan, CDAAC will look at it, and there will need to be a public hearing which will be noticed to the public. They will try to make sure it is before the City Commission no later than the first meeting in May. Ms. Collins-Smith settled on a deadline of December 20, 2018 by 2:00pm for input to be emailed to her.

Ms. Sprague suggested, and all agreed, that it is best to use broad goals in the Consolidated Plan.

There was a discussion around the example of putting rental in the Consolidated Plan. Ms. Howell, Ms. Wilson, and Ms. Sprague expressed concerns about helping private landlords. Ms. Bonner assured them that she knows of good landlords who rent low-income and can't afford to get it fixed. Ms. Sprague suggested only landlords who make 80% or below AMI would be eligible to rehab a property. Mr. Nichols suggested helping with something like weatherization, which wouldn't necessarily add value to the property, but would lower renters' bills.

Ms. Bonner said because they don't have to develop specific projects for this first year action plan, they can work on the Consolidated Plan. Once they know the Consolidated Plan goals, they can think about 20-21 year and what they can do to hit those goals. She said they are going to push LISC to do home buyer assist.

Ms. Wilson asked what CDAAC committee members think about putting a limitation of below 80% across the board. Ms. Howell said she prefers 80% and below. Ms. Bonner reminded them they still need to get a standard for Kalamazoo which equals where Kalamazoo is. She said the HUD regulations say 70% of your funds have to be spent on 80% or lower, and then you still have 30% to give to those above 80%. She felt that if they use the standard they have right now, they would miss too many people. Ms. Sprague said she likes the idea of a lower percentage, but suggested they look at the data first. Ms. Bonner reminded that the population they serve needs to be in the Consolidated Plan or they will have to do a substantial amendment. Ms. Sprague suggested they write it as affordable housing in the Consolidated Plan, but then they as a Committee give extra points to applicants. Ms. Bonner agreed that is a good way to do that. She encouraged them to make it as strong as it can prior to getting to the commission.

Ms. Bonner said they will ask to have a work session with the City Commissioners before they vote on it and get their feedback. She said it is important to make sure all the plans speak to each other, especially the SPK plan.

COMMUNICATIONS/MEMBERS' REPORTS/STAFF UPDATES

SPK Calendar

Ms. Bonner shared the SPK Calendar.

January 7 and 28 – starts at 12:30pm at the Community Room at City Hall

February 4 and 18 – starts at 12:30pm

She shared that SPK has three Goal Teams who are writing the plan based on the Shared Prosperity Goals. The teams are: Good Jobs team, Strong Families team, and Children and Youth team. Ms. Bonner believes the SPK plan will go to the City Commission about the same time as CDAAC's plan.

Ms. Bonner shared that Ms. Dana Underwood sent an email to her resigning from CDAAC. She said the Neighborhood Association will try to find a replacement, but there will probably be a vacancy for a while.

Ms. Bonner said she hopes the Analysis to Impediments will be ready for them to review in January. She said they want to take it to the City Commission before the Consolidated Plan.

The CDAAC Consolidated Plan's public hearing should be in March – which could be done either here or at the City Commission. Staff will give Committee members a timeline for 2019 in January.

Ms. Bonner stated that if any Committee members are interested in City budget discussions, they should watch the website because they are going on right now. There are a lot of housing projects going on and some are really affordable. She shared that the most exciting one will have HUD home dollars. That is at the Creamery site at Edison Neighborhood (on Portage and Lake) and that will have a 24-hour YWCA child care facility. Ms. Bonner said they got tax credits, a couple hundred dollars of home money, reduced taxes on housing portion, and 30% of the units are 30% or below.

Ms. Sprague offered that another thing the City can do is consider its own voucher. Ms. Bonner asked Committee members to consider the questions she always asks: who can do it? Is there anyone in the community doing it or someone we can partner with?

Mr. Nichols offered that he has been pressing employers to pay more. He indicated that vouchers sound good, but are not sustainable. He challenges employers by asking them how many of their employees are homeless or couch surfing.

Conversation then turned to employment taxes in the City, how the majority of employees in Kalamazoo don't live in the City or add to the tax base, why the City received FFE money, and how almost 50% of land in Kalamazoo is non-taxed because it is non-profit.

CITIZEN COMMENTS

None

ADJOURNMENT

Ms. Wilson, supported by Ms. Sprague, moved to adjourn the meeting. A voice vote was taken and passed. The meeting adjourned at 7:50pm.

Submitted by: Beth Cheeseman
(Recording Secretary)

Dated: 4/24/19

Reviewed by: Dorle Bonner
(Staff Liaison)

Dated: 4/24/19

Approved by: Dani Ray
(CDAAC Chair/Vice Chair)

Dated: 4.24.19