



Community Planning and Development

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Community Development Act Advisory Committee (CDAAC)

Minutes

December 15, 2022

Community Room, City Hall

5:30 p.m.

Members Tami Rey, Candice Howell, Tiffany Burns, James Martin, Stephanie Vallar, Chelsea Viere, and Tiyan Williams

Absent Nathan Browning, Megan Campanile, Joseph Hawver

City Staff Sharilyn Parsons, Housing Development Project Coordinator
Julie Johnston, Community Development Compliance Specialist II
Mackenzie Rosenberg-Scholte, Compliance Specialist
Alex Hoffmann-Zobel, Community Investment Secretary

Call to Order

Ms. Rey called the meeting to order at 5:32 p.m.

Roll Call (Quorum 5)

Mr. Hoffmann-Zobel conducted a roll call of CDAAC members and determined quorum existed.

Approval of Agenda

Ms. Burns motioned to approve Agenda as presented at 5:32 p.m. and James Martin seconded. A voice vote was taken and the motion passed.

Approval of Minutes

Mr. Martin noted that Candice Howell arrived late to the last meeting and therefore needed to be included as a present member of the previous meeting. Ms. William's commented on the previous minutes, stating most sentiments were captured but wanted the language to represent more accurately what she had meant regarding programs and their involvement with historically marginalized groups. These changes were acknowledged, and Ms. Viere made a motion to approve the minutes as amended at 5:35, seconded by Ms. Burns.

Public Comments on Non-Agenda Items

None

Old Business

a. HOME-ARP Application Update

Ms. RS noted that HOME applications were due the day prior to the current meeting. Additionally, the update presented today included an overview of the applicants to be interviewed. She noted that the City of Kalamazoo received 5 applications but some of these applicants did not have the current infrastructure to handle funding of this type. Ms. RS announced that it is the recommendation of the staff to go forward with 2 of the applicants listed. She believed some of the organizations who applied could be ready in the future, but as of the time of the current meeting, New Genesis and ISK are the recommended options moving forward.

Gesturing towards the applications provided to CDAAC, Ms. RS notes that this is just a cursory overview of the viable applicants and emphasized the need to go through the process of deliberation between these applicants quickly as the timeline for these funds is very short. The next steps of the process will involve interviews in early January, allocations for the funds written and published by the end of January, public comment, approval by CDAAC, and finally City Commission approval by March.

Mr. Martin asked if staff has interviewed these applicants yet. Ms. RS responded that staff has not but the CDAAC subcommittee plans to interview them in early January. Additionally, Mr. Martin asked who will decide how these funds are being split. Ms. Rosenberg-Scholte answers Mr. Martin by recommending the application subcommittee makes that determination.

Ms. Rey asked why there was an application minimum in the NOFA. Ms. Rosenberg-Scholte notes that this was a detail put in place by City staff to lessen the administrative burden of these funds given the design of the program by HUD, namely the lack of features such as subsidies for development projects. Ms. Rey follows up by clarifying that application minimums are therefore not a HUD requirement -- Ms. RS agrees.

Ms. Rey asked if she will be able to see the applicants that the city does not recommend. Ms. RS notes that she had not considered an interest in the applications of unqualified candidates but is happy to share the information as it is public. Ms. Rey requested Ms. RS expand on why these candidates are considered unqualified at this time. Ms. RS states that they are not established non-profits and therefore do not have the infrastructure to manage these federal dollars.

Ms. Viere asked if the funds are a 10 year or 15-year commitment. Ms. RS distinguishes between a development project, which would have a 15-year commitment and these funds which are a 4-year program. Ms. Rey asked if the non-profits would have the full 4 years to get ready. Ms. RS responded that they will not and the funds need to be ready to be received by the subrecipients immediately. Ms. Williams added to this line of questioning by asking if there is any time for the programs to become operational within that 4-year period. Ms. RS carefully demarcates between an established organization creating a new program to manage these funds and the applicants who were deemed underqualified, as they are not currently established in a way that can manage the creation of a program in such a short period of time.

Ms. Rey asked what an organization needs exactly per HUD requirements to qualify for funding. Ms. RS asked Ms. Johnston to explain the HOME requirements, as they are the same as the requirements for HOME-ARP. Ms. Johnston explained that they need to be a 501c3 non-profit, they must have HOME underwriting requirements met, such as staff capacity, budget management, and ability to properly manage a reimbursement program.

Ms. Williams asked how the city plans to help the applicants who are not currently qualified – either through providing resources or through city mentorship. Ms. Johnston responded that CPED will meet

with any applicants to explain the criteria that goes into the city's determination process, as well as help understand HUD rules and document management. However, Ms. Johnston added that city staff does not have the capacity or understanding to assist prospective subrecipients in the programming of their own organizations. Ms. RS followed Ms. Johnston by noting that staff has spent extensive time with HOME-ARP applicants in explaining the application requirements and answering questions via email, and that this special funding has greater strings attached to it than normal HUD funding which makes it difficult for smaller organizations to apply and meet the expectations of HUD. Ms. Rey asks how so many applications were submitted that did not qualify when there was a pre-submittal training program. Ms. RS responded that there is only so much information that can be provided beforehand and if there are still errors at the time of application, it is on the applicant.

Ms. Williams interjects and notes that what stands out is that there are both requirements from HUD and requirements imposed by the city, which can be difficult for new subrecipients to follow. Ms. Williams is concerned that this can be a large barrier for subrecipients and becomes an equity issue when established organizations have an apparent advantage when applying for funding. Ms. Rey emphasized Ms. Williams' point and added that the whole reimbursement process is an equity issue when only larger subrecipients will have the capacity to go through a reimbursement process. Ms. Rey adds that this ought to be something looked at by the Cities' Diversity, Equity, and Inclusion department as this policy puts out small subrecipients that don't have the funding or resources to do the paperwork. Ms. RS responds that to her knowledge reimbursement is a HUD requirement which is why the city must expect this as a requirement from subrecipients. Ms. Rey replied saying it is not and Kalamazoo County has, at the level of the board that Ms. Rey is a part of, eliminated that process. Ms. RS adds that, at least for HOME-ARP funds and CDBG, there is a reimbursement requirement. Ms. Williams adds that the issue at hand is how can policies be modified so that there is a more robust pool of candidates for funds such as these. Ms. Johnston returned to the discussion about the change of policy at the county regarding reimbursement processes and wonders if that could be found. Ms. Rey responded saying it likely cannot be found readily but she will find the information and share it.

Ms. Howell asked what financial criteria a non-profit has to meet to qualify for funding like this. She notes that there are currently subrecipients that do not have the capacity to do the things they applied for and the money sits without having the opportunity to go out into the community. Ms. Rey says the real issue is the policies in place preventing these smaller organizations from applying, such as minimum application requirements and the request for reimbursement system. Ms. Howell agrees, but clarifies that these are issues that should be addressed beforehand and not at this later stage in the application process. Ms. Rey responded that she also agrees it is too late in this application cycle to make these changes, but the systemic issues need to be fixed if future applicant pools are going to be filled with more than just large subrecipients that have a history working with the city. Ms. Howell stated that smaller subrecipients shouldn't be applying for funds that they don't qualify for and a possible solution could be a partnership with LISC and the city to help work with small subrecipients until they have the capacity to apply for some of the larger programs that are available. Ms. Johnston interjects and notes that the department has been working on putting out fires from the previous administration but are getting to a place where we can be open to creating new trainings and prepare smaller organizations for HUD funding. Additionally, it is not our place to determine how they should run their programs, but we can help them understand how to move through the elaborate processes that are in place for special funding. Ms. Williams agreed that this is the correct direction to go in and adds that these are the sorts of conversations that need to be had in order to eliminate barriers to application before getting this far in the application process. Mr. Martin commented that this interview process itself could help these subrecipients that did not receive funding this application cycle by learning from their shortcomings and increase capacity accordingly.

Ms. Howell asked if it would be possible to put a training program in place before the next CDBG/HOME application cycle. Ms. Johnston responded that this is certainly something that can be done and is something she is looking at putting into place as soon as possible.

New Business

a) 2023 Meeting Dates Approval

Ms. Johnston notes that the group needs to review the meeting dates for the next year and approve them. Additionally, the only two meetings that would not be meeting on the 4th Thursday of the month is November and December.

Tiffany Burns motions to approve meeting agenda for 2023 at 6:03. Stephanie Vallar seconds the motion. A voice vote is taken and the motion is approved.

Communications/Members' Reports/Staff Updates

Mr. Martin asks about the recent Eastside project announcement. Ms. Burns responded explaining that it is six apartment units and an 1800 square foot retail space. Ground has recently been broken on the project. It will be located at East Main and Southworth.


Ms. Rey asked about quarterly reports from the Graphic Packaging Company. Eric Cunningham is responsible for these reports. Mr. Martin asked if the subcommittee of CDAAC that was responsible for receiving quarterly reports from Graphic Packaging was disbanded, as there has been no news of a new report. Ms. Johnston said she will ask Antonio Mitchell about this.

Public Comments

None

Adjournment for New Member Training

Ms. Rey motioned to adjourn the meeting at 6:08 p.m.

 2-1-23

 1/26/23