

MINUTES

COMMUNITY DEVELOPMENT BOARD MEETING

July 21, 2009

The regular meeting of the Community Development Board was held in the City Council Chambers, 715 Mulberry Street, Waterloo, Iowa, and called to order by Chairman Eric Johnson, at 4:00 p.m. on Tuesday, July 21, 2009.

Members present: Jim Carstensen, Elsie Duncan, Gary Rankin, Bernie Stroh and Eric Johnson.

Members absent: Micky Johnson.

Also present: Rudy Jones, Community Development Director; Nancy Gulick, Community Development Coordinator; Steve Schmitt, City Council Liaison; Ann Northey, Administrative Secretary; Barb Grant, Executive Director Operation Threshold; Tim Jamison, Waterloo/Cedar Falls Courier and another interested citizen.

A. APPROVAL OF THE AGENDA.

It was moved by Jim Carstensen and seconded by Elsie Duncan to approve the agenda. Motion carried.

B. APPROVAL OF THE MINUTES FOR THE REGULAR MEETING ON JUNE 16, 2009.

It was moved by Bernie Stroh and seconded by Jim Carstensen to approve the minutes for the regular meeting on June 16, 2009 and place them on file. Motion carried.

C. OLD BUSINESS.

1. FY2010-2014 Five-Year Consolidated Plan and FY2010 One-Year Action Plan

Rudy Jones explained the City Council held a public hearing on July 6, 2009 and authorized approval of the five-year and one-year action plans as presented by the Board subcommittee. These plans have now been submitted to HUD and we await their review and approval. Rudy noted the FY2010 programs should begin on or before September 1, 2009.

2. Update on State of Iowa, New Construction Unit Production Application.

Rudy Jones indicated due to flood activities, the state received applications from eligible municipalities for new construction housing. Waterloo submitted two proposals for a total of 22 units of New Construction. The contract was approved by the City Council and will be forwarded to the State. Rudy noted the Environmental Review process is being finalized which will allow construction to begin within the next 30-45 days. Rudy noted Mr. Roof is constructing on sites with prior environmental approval, and therefore can begin construction right away. He noted that hopefully, at the end of this project, we will provide 22 new units ranging from \$120,000 to \$180,000, minus the \$30,000 homeowner subsidy.

3. Update status of the Section 108 Loan Guarantee.

Rudy asked to postpone discussion, as Noel Anderson, Community Planning & Development Director, was not present at this time.

Gary Rankin now present.

4. Update on RFP's – Homelessness Prevention and Rapid Re-Housing Program.

Nancy Gulick, Community Development Coordinator, indicated Homelessness Prevention and Rapid Re-Housing Program (HPRP) applications were received from Seeds of Hope, Jesse Cosby Center, YWCA, Salvation Army and Operation Threshold. Three Board members met with Nancy to review the applications on June 25th and it was concluded that Operation Threshold would best utilize these funds over the next three years. HUD has given us approval for our Substantial Amendment.

Chairman Johnson inquired about the proposals and how the funds will be utilized by Operation Threshold.

Nancy indicated there were two different programs sponsored through the Recovery Act. One is for Rapid Re-Housing to help people get back into a house or apartment if they are homeless. The other program is Rental and Utility Assistance, and certain criteria must be met to qualify for this assistance. All people receiving assistance must meet the 50% or lower income guidelines. All applicants must receive counseling services, verification of their income, and apartment inspections must meet habitable and housing quality standard specifications. Nancy noted the award is approximately \$570,000 for these programs and Operation Threshold will receive approximately \$565,000 for the three-year grant.

Chairman Johnson inquired if this dollar amount was applied over three years, or an award of this amount every year for three years.

Nancy indicated 60% must be spent the first two years and 100% the last year, so this is the total amount.

Chairman Johnson indicated these funds will provide good assistance for the community.

Barb Grant indicated a benefit in applying for this program is that they will be able to combine service areas with the Iowa Finance Authority and make a larger impact in the area.

Gary Rankin questioned the 18-month time frame on this assistance and how long an applicant would be under this program, whether funds would be depleted.

Nancy Gulick indicated once a client is identified, they should be able to estimate how long they will need to obligate those funds.

Barb Grant indicated, they would probably identify the worst-case scenario for the family and recertify them every 3 months, or as needed. Barb Grant noted their staff did attend the HUD training for this program and a statewide assessment will be made.

D. NEW BUSINESS:

1. Endorse Rehabilitation Contracts for June 2009. (Report attached.)

Jim Carstensen inquired about the backlog on Emergency Repairs.

Rudy Jones indicated we are constantly getting calls for emergency assistance. There are approximately 40-50 roof cases on hold right now. The entire emergency backlog may be close to 75 individual cases from our last report. This is the time when there is more demand for housing assistance. The rehab department staff currently have a workload that equals the work of an entire year.

It was moved by Jim Carstensen and seconded by Bernie Stroh to endorse the Rehabilitation Contracts for June 2009 as presented.

On roll call: Jim Carstensen, Elsie Duncan, Gary Rankin, Bernie Stroh and Eric Johnson voted Aye. Nays: None. The Chairman declared the motion carried.

2. Subordination Request – Iowa Mortgage Solutions, Inc. – Escobar.

Chairman Johnson indicated a subordination request had been received from Iowa Mortgage Solutions on a rehabilitation forgivable loan for Valentin and Robin Escobar of 1119 Sycamore Street.

Bernie Stroh indicated most of this request is for consumer debt, and we have had a standing policy that we would not subordinate for this reason.

Discussion was held on how the yearly percentages were being reduced, noting rehabilitation five year mortgages are reduced at 100-75-50-25-10 percent and different from downpayment mortgages that are reduced at 100-80-60-40-20 percent.

It was moved by Bernie Stroh and seconded by Elsie Duncan to deny the subordination request. Motion carried unanimously.

3. Subcommittee Review of Multi-Family Rental Housing Applications.

Rudy Jones indicated as part of the State's flood recovery efforts, a new activity was proposed for multi-family rental housing, geared toward communities that lost a number of rental units. The City of Waterloo did not lose multi-family rental units during the flooding, however, we were encouraged to consider this program. The program is set up whereby construction assistance is provided up to \$60,000 per unit, up to 12 units maximum, and this would be in the form of a five-year forgivable loan. The subcommittee, Micky Johnson, Gary Rankin and Jim Carstensen reviewed six proposals last week that came in, and we received another application after the review. Some of the applications listed proposed development locations and some did not. This is a short timeframe process, and we will come back to the Board with the results of our review.

Chairman Johnson asked if this was part of our standard CDBG funding, or is this a special grant?

Rudy indicated this is CDBG Supplemental funding, which is part of the flood recovery efforts, and the program was geared primarily toward communities that lost multi-family rental housing during the flood, however, as part of the state's program they opened the application process up to all cities interested in applying.

Chairman Johnson inquired whether we are interested in utilizing these funds?

Rudy indicated this is partially why it was opened up for subcommittee review, to see whether we wanted to entertain other proposals. Rudy stated, again, Waterloo did not lose any units of this type, however it does not preclude us from applying for the funding if we chose to pursue them.

Bernie Stroh inquired what happens if we don't chose them, do we lose an opportunity for these funds.

Rudy stated we will not be penalized for not utilizing these funds, and we will keep on with the current activities that are underway.

Bernie Stroh commented, but we would lose the opportunity to receive the money.

Rudy indicated, yes we would lose the funding.

Bernie Stroh asked, why would we not pursue these funds?

Rudy stated this funding is primarily set up to replace units that were lost. Part of the discussion within the subcommittee was to evaluate what the current rental needs are, and there are two or three new programs coming on board with the tax credit projects. Rudy indicated we have a greater need to construct single family units versus multi-family units, and we are not desirous of saturating the community with additional units.

Bernie Stroh asked if this program could be shifted to single family rental housing?

Rudy indicated no, as the intent of the program is for multi-family housing.

Gary Rankin indicated this program is not rehab it is new construction.

Rudy stated we just haven't found a need for the multi-family rental housing. The tax credit projects will each provide approximately 40 units each. Total consideration of these seven proposals with up to 12 units maximum, would put another 70 units on the market. Rudy noted current reports indicate there is a definite need for single-family housing and rental and utility assistance.

Considerable discussion continued on the primary funding sources received in the past few months; Disaster Recovery, housing crisis funding - Neighborhood Stabilization, and the Stimulus funds with several programs.

Gary Rankin indicated this is a very attractive program from a developer's standpoint, however, what is the likelihood of the application being approved on the state level if we don't have the lost units?

Rudy stated this question was posed to IDED staff and they indicated they would entertain our application and thought we could work out the best details for our situation. We have some parameters, but there is latitude for the program.

Barb Grant indicated that we may have not lost a lot of multi-family units, but we did lose rental housing units. She noted in discussing the homelessness issues with the local Homeless Coordinating Board, there are horrible rental houses within the community that do not pass the HQS standards. If we could put some new rental units in the community it would improve the housing status.

Nancy Gulick asked Barb Grant if she felt there will still be a need after the three tax credit projects are constructed.

Barb Grant responded yes, as there are so many housing units that have horrible living conditions.

Bernie Stroh indicated, if there is not some kind of rehab plan the neighborhoods will be blighted with these older rental units.

Rudy indicated that Rental Rehabilitation has been an eligible activity which we have not entertained every year. Landlords must commit 50% of the cost with HOME dollars to complete their project, and then affordability becomes a question.

Rudy indicated the subcommittee would entertain these applications, however staff must check on affordability, income verification, etc. in terms of affordable units. Inspections are conducted. There is only project delivery costs per unit for staff to oversee.

Gary Rankin indicated it is hard to review applications and determine which ones are best, when no site has been identified. He indicated that on some scale there is a need for this housing and getting the dollars into the community to put contractors to work is positive.

Rudy indicated staff is looking for some direction from the Board. We would entertain one to three projects, but we also have flood recovery and the new construction projects coming on board. The stimulus projects are coming in with tough time frames to utilize the funding.

Jim Cartstensen indicated consensus from the subcommittee was to go ahead with several of these multi-family rental projects and prioritize the applications. Rudy stated we would not commit funds to those applicants that did not indicate a specific site for their project.

Rudy indicated these projects will be presented to the City Council on July 27th for their concurrence so it can be forwarded to the state before July 31st. Rudy indicated we have an opportunity to receive some funding, if not all that we request.

Gary Rankin and Jim Carstensen indicated we should proceed to apply for these funds. Rudy indicated the subcommittee needs to prioritize these applications for presentation to the City Council.

Rudy indicated he would be out of town the remainder of the week, but will package the recommendation for the Council.

It was moved by Elsie Duncan and seconded by Gary Rankin to concur with the recommendation of the subcommittee to submit the Multi-Family Rental Housing application to the City Council for approval and submission to the state.

On roll call: Jim Carstensen, Elsie Duncan, Gary Rankin, Bernie Stroh, and Eric Johnson voted Aye. Nays: None. The Chairman declared the motion carried.

Chairman Johnson indicated Noel Anderson is now present and directed the Board's attention to **Item C.3 Update status of the Section 108 Loan Guarantee.**

Noel Anderson indicated the 70/30 commitment had been met and we are working on the contracts for Crystal Distribution as they are committed to doing their expansion project.

4. Initiate CAPER process and set date of hearing for September 15, 2009.

Rudy Jones indicated its time to begin the process to complete the Consolidated Annual Performance Evaluation Report (CAPER). This is our year-end report on all activities and must be submitted to HUD by September 30, 2009. A public hearing is required for citizen input on the annual CAPER report.

It was moved by Bernie Stroh and seconded by Elsie Duncan to set the date of hearing for September 15, 2009 on the FY2009 CAPER. Motion carried.

E. DISCUSSION ITEMS.

1. Grant Allocation Report. (Report attached.)

Chairman Johnson indicated a summary sheet has been prepared to highlight the grant activities being conducted through the Community Development office. Chairman Johnson asked that an additional item of interest would be to include the administrative funds on each activity.

Some discussion followed concerning the projects and programs being administered. Rudy Jones stated with all the programs being initiated by the federal government there will be additional funding streams coming our way in the future.

2. Rehabilitation Specialist Position.

Rudy Jones advised that David Keidel has been hired as a part-time, temporary rehabilitation specialist to work approximately 3 months to conduct inspections. We hope to revamp the rehabilitation specialist job description to allow for new applicants to apply and hopefully fill the position. The current process does not allow us to hire unless the applicant is on a certified list for that position.

Chairman Johnson indicated that one of the keys to utilizing these grant funds is to be staffed appropriately to handle the available resources and if we are not staffed appropriately, then there will be opportunities missed. The Chairman indicated to Rudy that it's his responsibility to notify the Council so they understand there are administrative costs allowed, but we need staff in place to handle it, whether they are short or long term positions.

F. ADJOURN MEETING

With no further business to come before the Board, the Chairman adjourned the meeting.

Respectfully submitted,

Elsie Duncan, Secretary