

MINUTES

COMMUNITY DEVELOPMENT BOARD MEETING

September 15, 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, September 15, 2009.

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

Also present: Rudy Jones, Community Development Director; Nancy Gulick, Community Development Coordinator; Noel Anderson, Community Planning & Development Director; Steve Schmitt and Quentin Hart, City Council Liaison; Donna Lesyshen, Waterloo Housing Partnership Coordinator; Ann Northey, Administrative Secretary; Jan Smith, Wells Fargo Home Mortgage; and Antoinette Johnson, Home Owner.

Chairman Johnson indicated there has been a request to move New Business Item F2 - Subordination Request for Antoinette Johnson, 714 Quincy Street to the top of the Agenda.

A. APPROVAL OF THE AGENDA AS AMENDED.

It was moved by Jim Carstensen and seconded by Gary Rankin to amend the agenda to move item F2 Subordination Request for Antoinette Johnson of 714 Quincy to the top of the agenda. Motion carried.

Jim Carstensen inquired about the five-year plan and whether funds had been received to start the CDBG and HOME programs in September.

Rudy Jones indicated the CDBG funds have been released and word from our HUD representative is that HOME funds will be released soon.

B. APPROVAL OF THE MINUTES FOR THE REGULAR MEETING ON AUGUST 18, 2009.

It was moved by Bernie Stroh and seconded by Elsie Duncan to approve the minutes for the regular meeting on August 18, 2009 and place them on file. Motion carried.

Chairman Johnson asked Board members to move to NEW BUSINESS: Item F2.

F. NEW BUSINESS:

2. Subordination request for Antoinette Johnson, 714 Quincy Street.

Chairman Johnson noted a request to subordinate the forgivable loan for Antoinette Johnson has been submitted by Wells Fargo Home Mortgage for a new loan in the amount of \$93,500. The Chairman noted that on page six there is an itemized list of what is to be paid.

Jan Smith from Wells Fargo indicated this includes the house and car payments and basically the request is to improve her cash flow. Board members questioned the status of several other debts listed.

Chairman Johnson stated the Board usually does not subordinate or refinance for consumer debt. However, several factors may alter this action, i.e. the length of time left on the loan, and improving cash flow for the homeowner. It would seem under these circumstances we could consider the request at this time.

Further discussion occurred and Jan Smith stated part of the homeowner's debt included the cost to build the garage, which was over \$20,000.

Bernie Stroh advised that a credit card is a terrible way to finance a garage and hoped that the lender had counseled the homeowner on this issue.

It was moved by Gary Rankin to approve the subordination request for Antoinette Johnson at 714 Quincy Street. Motion seconded by Jim Carstensen.

On roll call: Jim Carstensen, Elsie Duncan, Gary Rankin, Bernie Stroh, and Eric Johnson voted Aye. Mickye Johnson abstained, as the homeowner is a relative. The Chairman declared the motion carried.

Antoinette Johnson stated when she purchased her house she did not get the \$17,000 from Operation Threshold like everybody else got for new construction and feels this is unfair treatment.

Board members did not understand Antoinette Johnson's concern and Donna Lesyshen was asked to explain. Donna Lesyshen indicated she could not comment, as she wasn't sure what happened with Ms. Antoinette Johnson's file.

Chairman Johnson directed attention back to the agenda for two public hearings.

ITEM C. PUBLIC HEARING: Consolidated Annual Performance and Evaluation report FY2009.

It was moved by Mickye Johnson and seconded by Elsie Duncan to receive and place on file the affidavit for proof of publication for the Notice of Public Hearing as published in the Waterloo Courier on Sunday, August 30, 2009. Motion carried.

It was moved by Jim Carstensen and seconded by Gary Rankin to open the public hearing. Motion carried.

Rudy Jones indicated we were a bit late in getting our annual and five year plan activities in motion this year. We are starting to see a swing of the financial pendulum with some increases in funding, much different than the last few years.

Chairman Johnson inquired if any information on the C.A.P.E.R. needed to be reviewed and Rudy Jones stated there was nothing unusual to report.

Nancy Gulick clarified that the C.A.P.E.R. covers all the activities for the past year, FY2009 year-end Annual Performance Report.

Chairman Johnson requested additional comments and noted for the record that there were no citizens present in the audience.

It was moved by Mickye Johnson and seconded by Gary Rankin to close the public hearing. Motion carried.

It was moved by Bernie Stroh and seconded by Jim Carstensen to submit the FY2009 Consolidated Annual Performance and Evaluation Report to the City Council on September 21, 2009. Motion carried.

D. PUBLIC HEARING: Funding Levels for Economic Development Initiative Grant – Chamberlain site.

It was moved by Elsie Duncan and seconded by Gary Rankin to receive and place on file the affidavit for proof of publication for the Notice of Public Hearing as published in the Waterloo Courier on Sunday, August 30, 2009. Motion carried.

It was moved by Jim Carstensen and seconded by Gary Rankin to open the public hearing. Motion carried.

Rudy Jones noted we were awarded Economic Development Initiative funds in the amount of \$380,000 to be used towards the demolition of the Chamberlain site. The budget will be \$38,000 for administrative costs and \$380,000 to demolish the site.

Chairman Johnson noted a \$3,000 discrepancy from the legal notice in the paper and the breakdown of the project budget. Nancy Gulick indicated this was a possible error that she would correct prior to submission to Council. We are allowed 10% of the award for administrative costs.

Bernie Stroh inquired if bids have been requested or if there is an engineering estimate on the cost for demolition of the Chamberlain site.

Noel Anderson reported there is not an estimate available. Noel stated that asbestos survey and asbestos removal bid documents would need to be done prior to demolition. We may need to hire a consultant to do this as it becomes very specific. He noted that Howard R. Greene Company has worked on previous phases of this project.

Noel Anderson reported on the vast amount of demolition and clean up for the Chamberlain site, and whether these funds would accomplish all that is proposed for demolition through the Reuse Plan. Noel stated much of the manufacturing space has been demolished, but we anticipate a great deal of asbestos on the office site.

The Chairman asked for additional comments and indicated no audience available.

It was moved by Bernie Stroh and seconded by Elsie Duncan to close the public hearing. Motion carried.

It was moved by Mickye Johnson and seconded by Elsie Duncan to submit the recommendation to the City Council for the use of \$380,000 of EDI funds under Grant No. B-09-SP-IA-0191 for the demolition of the Chamberlain Site.

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

Bernie Stroh questioned who would administer this activity. Rudy Jones stated this has not been determined as yet, however, Louis Starks will possibly assist in the oversight.

E. OLD BUSINESS.

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

Rudy Jones indicated clearance has been received for both developers to start work on their new construction projects. John Roof has two units underway and nearly 60% complete and started site work on two other units. Plans are to hopefully close on one of these units by the end of this month or early October. We will be performing third party inspections to assure requirements are met. Rudy noted the developer; Iowa Contractor Services has begun preparations at the Summerland Park site. Representatives from the State, Governor's Office, Rebuild Iowa Office and others will visit these sites next week for a press conference. Periodic updates would be provided on these projects.

2. Update status of the Section 108 Loan Guarantee.

Noel Anderson stated that Crystal Distribution is moving forward with their plans to build a 45,000 square foot cold storage warehouse facility, estimated at \$4.1 million. The Section 108 Loan will be for \$2.2 million, based on job creation and retention of about 44 employees and bringing back employees that were laid off. Noel also reported on the storage losses at Crystal Distribution due to the flood of 2008. Currently, the Omaha HUD office is determining the eligibility of this project and contacts have been made between the Washington, D.C. office and Crystal Distribution concerning details of the loan documents. Noel anticipates this action will be completed within the next few weeks.

Chairman Johnson indicated Community Development is the ultimate guarantor of these Section 108 funds. Noel Anderson stated he is very confident this project will come together, especially with the proven track record of Crystal Distribution in working with the city. The Chairman requested that Noel report back to the Board when a signed contract has been finalized. Noel Anderson also commented that the City is working with the Economic Development Administration on a \$700,000 grant to provide new lift stations in two specific areas near the project site, where flooding occurred in 2008.

3. Update on Tax Credit Projects.

Nancy Gulick indicated some stimulus funding was available for tax credit gap projects. Common Bond (East Waterloo Family Housing) has their tax credits approved, but Liberty Manor does not, so they are going before the Iowa Finance Authority the end of September.

Jim Carstensen inquired when Common Bond would begin construction. Nancy noted plans are for late fall or early spring construction.

NEW BUSINESS:

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

Chairman Johnson inquired if the lack of rehabilitation cases was due to the gap in funding?

Rudy Jones indicated the rehabilitation staff is still focusing mainly on flood recovery activities, however, will soon start to shift efforts from owner/occupied units to the single-family rental units that have

sustained damage. Activities are picking back up on Emergency projects, as the annual allocation has been awarded.

It was moved by Mickye Johnson and seconded by Elsie Duncan to endorse the Rehabilitation Contracts for August 2009 as presented.

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

G. DISCUSSION ITEMS:

1. **Administration of New Grant Programs.** Rudy Jones asked to discuss Item No. 2 first.

2. Rehabilitation Specialist Position.

Rudy Jones indicated we have revised the job description for the Rehabilitation /Relocation Specialist in order to add in acquisition activities. We hope this new position will be submitted to Human Resources within the next 30 days. Staff will review the approach to the new funding streams – moving out of flood recovery back into more stable workloads with the rehabilitation process.

Rudy noted the next funding stream process to address will be the Neighborhood Stabilization Program grant for \$850,000. He noted the Environmental Reviews are being conducted on potential sites. Currently staff is working on this and rehabilitation funds will be directed toward the acquisition of properties.

Chairman Johnson inquired if the City Attorney's office could assist in some of these functions, i.e. the acquisition of some properties.

Rudy Jones noted we would utilize the service of the attorney and also rely on current staff with expertise in legal matters, as well.

1. Administration of New Grant Programs.

Rudy stated with all the funding streams at the start of flood recovery, we have to commend our staff for overseeing and executing those primary activities. Jumpstart 1, Jumpstart 2, and Jumpstart 3, New Construction activities, the Homelessness Grant, Neighborhood Stabilization Grant, and the EDI Grants. We have a temporary clerical employee who has picked up many of the initial eligibility requirements. We are also working aggressively on qualifying applicants for the new construction program.

Rudy noted that once the Rehabilitation/Relocation Specialist position is filled, we would begin the process to hire a long-term part-time employee to help administer some of these grants. Most of these responsibilities are currently spread-out throughout our current staff.

Chairman Johnson indicated at the last meeting we discussed there is only so much you can do internally, and if funds are available, we need to explore partnerships to utilize these funding sources.

H. ADJOURN MEETING

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

Respectfully submitted,

Elsie Duncan, Secretary