

MINUTES

COMMUNITY DEVELOPMENT BOARD MEETING

October 20, 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, October 20, 2009.

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

Absent: Elsie Duncan

Also present: Nancy Gulick, Community Development Coordinator; Mark Boesen, Manager of Rehabilitation Services; Noel Anderson, Community Planning & Development Director; Steve Schmitt, City Council Liaison; Ann Northey, Administrative Secretary; and Kevin Shaw, Pillar-to-Post.

A. APPROVAL OF THE AGENDA AS AMENDED.

It was moved by Mickye Johnson and seconded by Bernie Stroh to amend the agenda to add under OLD BUSINESS Item 4. Participation on Rehabilitation and Emergency Repair Programs and add Item 4. under NEW BUSINESS: Select Subcommittee to discuss new and on-going programs. Motion carried.

B. APPROVAL OF THE MINUTES FOR THE REGULAR MEETING ON SEPTEMBER 15, 2009.

It was moved by Bernie Stroh and seconded by Jim Carstensen to approve the minutes for the regular meeting on September 15, 2009 and place them on file. Motion carried.

C. OLD BUSINESS.

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

Nancy Gulick indicated one closing is scheduled for October 30, 2009 at 309 Monroe Street.

Mark Boesen reported the Summerland Park project is progressing. He stated the contractor is completing the finishing work on one unit, the drywall in another one and there are five dwellings in various stages of completion. A foundation was poured on the sixth one last week. These homes are all pre-sold.

It was the consensus of the Board to keep this item on the agenda for updates each month.

2. Update status of the Section 108 Loan Guarantee.

Noel Anderson stated that Crystal Distribution is moving forward with their project, the environmental review is nearing completion and HUD in D.C. is reviewing the loan documents. Noel added the loan may be approved within the next month.

Chairman Johnson indicated this item would remain on the agenda until finalized.

Mickye Johnson inquired if there were other opportunities for the Section 108 Loan?

Noel indicated staff has been brainstorming on that idea, but they are hoping to get through the Crystal Loan before pursuing other prospects.

3. Update on Tax Credit Projects.

Nancy Gulick reported that Common Bonds has completed their environmental review and requested release of funds from the state. They are hoping to have land acquisition by December 15, 2009.

Nancy Gulick commented that Liberty Manor did get their gap funding for the tax credits through IFA and will be progressing on their project.

Noel Anderson mentioned two other tax credit projects that did not come to the Board.

4. Participation on Rehabilitation and Emergency Repair Programs.

Nancy Gulick stated a Board member requested discussion on more homeowner participation in the Rehabilitation and Emergency Repair loans. Nancy distributed information derived from the last Rehabilitation Subcommittee meeting (approx. 4/24/08) on suggested homeowner participation. Nancy stated, to her knowledge, these suggestions have not been presented to the full Board.

Bernie Stroh stated we are the only major entity in Iowa that does not have homeowner participation to stretch the monies. We run out of funds every year and the subcommittee believes this would be a way to extend those funds.

Nancy recalled, that Rudy was checking with the banks on their participation to approve the loans. Discussion continued on which bank would be servicing the loans.

Mickye Johnson asked that an update be provided at the next meeting on the status.

Mark Boesen asked if the Rehabilitation Subcommittee could meet before the next Board meeting to review this and go through the program again. Mark noted, with the current economic atmosphere, we should look at some of the participation levels. He also asked if Emergency Repairs over the \$4,000 limit could have low-interest loans available to cover the additional costs. On large roof projects the homeowners are trying to come up with the cost or we are not doing their roof. Many jobs are not getting done, as the homeowner cannot provide the funds. Banks will not process their loans, but if we had a loan program and could arrange for loan payments at \$50.00-\$75.00 a month on those going over our threshold, we would be able to assist a few more households.

The Rehabilitation Subcommittee members were Gary Rankin, Mickye Johnson and Bernie Stroh.

Gary Rankin indicated previous discussions were not in favor of in-house loan financing, as we did not have the personnel and time commitment to manage it.

The Chairman noted this was done before, but not very well.

Mark Boesen explained that we had a Board attorney, Bill Smith, years ago who made many contacts and spent countless hours trying to collect on the past due accounts. Our Board at that time would not foreclose on any low-income homeowners, for not making their payment. In many instances, we were the 2nd or 3rd mortgage on the property.

Gary Rankin indicated we should not be in the business of loaning money unless we have intentions of getting it back, and if not, then it is a grant.

Bernie Stroh stated that was the idea of getting the bank involved.

Nancy indicated we used to receive approximately \$100,000 a year in program income from our loans and we are missing out on that opportunity to assist other clients.

Chairman Johnson indicated, the Board would need to pursue collection of these loans, and if at least 50% are collectible, that provides more funding for the program. We also need to determine that this action would not be a drain on staff time.

Nancy stated we were inquiring to get a bank to prepare the paperwork up front and set up the loan payments, and then we could service them through our office. Nancy noted having the bank do the preliminary work would give us an idea up front what the homeowner could afford to pay. Nancy stated we could always do deferred loans on the rehabs. If the house was sold, or the owner dies or moves, then the funds are paid back to us.

Chairman Johnson inquired if this proposal is what the committee was recommending? Bernie Stroh stated a lot of work and discussion went into this proposal. Discussion continued on the current economic climate, the fiduciary responsibility of the Board to extend funds as far as possible and the need for the Rehabilitation Subcommittee to review the whole proposal again, and discuss the option of offering low-interest loans on Emergency Repairs that exceed the \$4,000 limit.

Gary Rankin stated the other issue is whether the staff can follow through and put the program into action. This has not been a priority because of the other programs the past year.

Chairman Johnson stated it seems to be a consensus to table action on this proposal for one month.

It was moved by Bernie Stroh to table action on this item and give the subcommittee time to revisit the information along with members of the staff and report back with a final recommendation. Motion seconded by Jim Carstensen. Motion carried.

D. NEW BUSINESS:

1. Approve Analysis of Impediments to Fair Housing.

Nancy Gulick stated this is the final product from the consultants, Mullin & Lonergan. She noted they have provided good data and suggestions that the Board may wish to carry out.

Chairman Johnson indicated he agreed the data was interesting, however some recommendations were general in nature.

Nancy indicated we are asking the Board to approve this document for submission to the City Council for adoption, and then it will be sent to HUD.

Chairman Johnson commented on the notations made concerning the Human Rights Commission.

Nancy Gulick stated we are required to do an Analysis of Impediments to Fair Housing, and we are required to do Fair Housing, however, we are not required to fund the Human Rights Commission.

Chairman Johnson asked if we were adopting this to be passed on to the Council or are we adopting it and the recommendations in it? Who will be in charge of implementing these recommendations?

Nancy responded that some of the changes should be implemented. These are obviously recommendations, but some of the things we can change. Once approved by the City Council, HUD will simply acknowledge that we have complied with the provision to provide this document.

Discussion continued on whether we were approving or accepting the information provided. Chairman Johnson indicated we need a motion to accept the report and submit it to City Council. Questions arose on who would enforce the recommendations set forth in the Analysis of Impediments to Fair Housing.

It was moved by Jim Carstensen and seconded by Bernie Stroh to accept the Analysis of Impediments to Fair Housing and pass it on to the City Council for their approval and submission to HUD. Motion carried.

Chairman Johnson asked if there were recommendations from the Board to deliver this information to other departments or staff, or utilize this as reference only.

Councilman Steve Schmitt suggested a Work Session with the City Council to discuss the recommendations set forth by the consultant.

It was moved by Jim Carstensen and seconded by Micky Johnson to encourage and request a Work Session with the City Council to review the recommendations set forth in the Analysis of Impediments to Fair Housing. Motion carried.

2. Award Contract Single Family New Construction Unit Production – Property Inspection.

Nancy Gulick indicated that Requests for Proposals were submitted to five contractors. One proposal was received from Kevin Shaw, Pillar-To-Post. Mr. Shaw also provided a contract for signature. The Neighborhood Stabilization Program and New Construction programs require inspections on the new construction homes.

Bernie Stroh asked what kind of inspection was going to be done. Nancy responded that she could not provide an answer at this time, but would research it.

Chairman Johnson inquired if HOME inspections were regulated through the state. Kevin Shaw indicated that it was not regulated. Many questions arose concerning the type of inspection, the need for it if building codes were met, and other health and safety issues. Mr. Shaw stated his interpretation from Rudy Jones was to look for any oversights in the construction process.

Gary Rankin stated, if we are required to do this inspection and this is the only proposal received, then he moved to approve the contract in the amount of \$375.00 per unit for a total of 22 new construction homes. Motion seconded by Bernie Stroh.

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

3. Endorse Rehabilitation Contracts for September 2009. (Report attached.)

It was moved by Micky Johnson and seconded by Jim Carstensen to endorse the Rehabilitation Contracts for September 2009 as presented.

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

4. Select Subcommittee to discuss new and on-going programs.

Nancy Gulick explained that Rudy asked for a subcommittee to discuss new and on-going programs. Bernie Stroh asked how many members and what programs? Nancy explained it would probably be three members and discussion would include the New Construction Program.

Jim Carstensen stated we have been a six person Board for some time and it becomes increasingly difficult to make meetings. We would definitely like to get the 7th member appointed to our Board, and this is a plea to the City Council, as it is hard to get a quorum if someone is absent.

Chairman Johnson indicated that he agreed. He noted that both he and Rudy have discussed this matter with the Mayor and for whatever reason, this is not getting done. It may be the job of the next Mayor to get this accomplished. We are a small Board, so should we have additional subcommittees or should we bring these issues to the whole Board to discuss.

It was decided that Bernie Stroh, Jim Carstensen and Eric Johnson would be willing to serve on a separate subcommittee at the request of Rudy to review programs and issues. Nancy Gulick indicated she would discuss this with Rudy upon his return to see if the items could be placed on the Board agenda instead.

E. DISCUSSION ITEMS:

1. Homelessness Prevention Quarterly Report.

Nancy reported that Operation Threshold has seen quite a number of clients in a one-month period, so the need is definitely there.

2. Rehabilitation Specialist Position.

Nancy reported the Human Resources Department is working on the process and we will advertise statewide for applicants.

3. Proposed Schedule for FY2011 Application Process.

Chairman Johnson referred to the schedule and reviewed the dates as follows:

October 23, 2009 is the beginning of the notification process, sending out letters to past recipients and applicants and those who have contacted us throughout the year.

November 6, informational forum is at the Center for the Arts for interested applicants and subrecipients.

December 31st is the application deadline. The Board's first public hearing will be held on January 12th, which is the second Tuesday. This change is necessary due to the Martin Luther King holiday and the fact the City Council will meet on our regular third Tuesday in the Council Chambers.

During January and early February, the subcommittee will actively meet to review applications and provide a recommendation to the full Board at the February 16th meeting. We will hold another hearing on Feb. 16th to adopt the recommendations for the 30-day comment period, followed by submission to the City Council.

Nancy Gulick indicated the past few years we have asked the subcommittee to meet prior to the first public hearing, so applications can be briefly reviewed and any questions that arise may be addressed by the applicants at the first hearing.

H. ADJOURN MEETING

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

Respectfully submitted,

Nancy Gulick, Secretary Pro-Tem