

# MINUTES

## COMMUNITY DEVELOPMENT BOARD MEETING

**August 18, 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, August 18, 2009.

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

**Members absent:** Gary Rankin.

**Also present:** Rudy Jones, Community Development Director; Nancy Gulick, Community Development Coordinator; Steve Schmitt, City Council Liaison; Ann Northey, Administrative Secretary; Zach Clabby, Home Owner.

### **A. APPROVAL OF THE AGENDA.**

**It was moved by Micky Johnson and seconded by Elsie Duncan to approve the agenda. Motion carried.**

### **B. APPROVAL OF THE MINUTES FOR THE REGULAR MEETING ON JULY 21, 2009.**

**It was moved by Jim Carstensen and seconded by Elsie Duncan to approve the minutes for the regular meeting on July 21, 2009 and place them on file. Motion carried.**

### **C. OLD BUSINESS.**

#### **1. Forgivable Mortgage Addendum, Loan Repayment – Clabby.**

Rudy Jones indicated Mr. Zach Clabby originally received \$5,000 in down payment assistance in May of 2006. Mr. Clabby requested and received a subordination to refinance and make some home improvements in March 2009. The home improvement was to be completed by June 26, 2009 or the forgivable loan was to be converted to a repayable mortgage with the terms of \$4,000 being amortized over 60 months at 8% annually. Rudy indicated Mr. Clabby's provided some receipts, but failed to provide additional receipts and information.

Chairman Johnson explained the Forgivable Mortgage Addendum required the additional work to be done within 90 days of the subordination.

Rudy stated some of the home improvements were taken care of but Mr. Clabby wanted to do additional home repairs that have yet to be accomplished.

Zach Clabby indicated there are numerous home improvements items yet to be completed on his home, including a bathroom. Mr. Clabby stated he completed the roof by himself with the help of friends to save on the cost.

Chairman Johnson explained the Board's goal is to work with homeowners to improve the housing stock and invest in the community. Addressing Mr. Clabby, the Chairman stated, it is not our intent or desire to have you repay the funds, however, procedures are in place to protect those funds allocated to the City.

The Board is willing to work out a solution for our mutual benefit. The Chairman asked Mr. Clabby what would be a fair time period to finish the work and provide receipts to Rudy to finalize your request?

Mr. Clabby indicated he could have the rest of the improvements made by the end of the year, if the Board would grant him an extension.

Board members agreed to support Mr. Clabby's efforts to improve the home, and uphold the idea of extending the Forgivable Mortgage Addendum timeframe through the end of the year.

**Following discussion it was moved by Elsie Duncan and seconded by Jim Carstensen to grant a four-month extension through December 31, 2009 to Zach Clabby to finalize his home improvements at 301 Downing Avenue. Motion carried.**

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

Rudy Jones explained 22 units have been committed to be built under this program with two developers. John Roof has four units underway and two are 60% complete with interior work beginning. He is now prepping the sites for two more units.

Rudy noted on the Summerland project the Environmental documentation is being reviewed with the State. Additional documentation will be submitted tomorrow to the State Historic Preservation Office (SHPO) and they have up to 30 days to conduct their review and make a determination. We are in constant dialogue with these agencies and it is possible for this project to get underway within two weeks.

Chairman Johnson stated when this project first came out there were some issues from residents about the Summerland Project, have those concerns died down?

Rudy stated members of the Planning Department, Mayor and Council members went out and met with some of the residents and thoroughly explained the project. The contractor also met with the residents to explain their goals. There have been no new concerns expressed within the last few months. Rudy stated once we receive the approval from SHPO we will be ready to have the contractor proceed.

Chairman Johnson inquired that this project has been going on for quite a few months, what has been the delay in getting this approved?

Rudy stated, typically other staff would handle these details, however with their workloads, he didn't want to burden them so he has been working to complete the necessary paperwork on this project. Rudy expressed the process may have taken longer than usual.

Jim Carstensen inquired on the status of the Common Bond project?

Rudy stated they are preparing to have another community meeting to pick the process back up. They are looking at a Fall or Spring construction date.

## **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.

#### **4. Subcommittee Recommendation – Multi-Family Rental Housing Application.**

Rudy stated this is a mute point now, however, there may be additional funds offered from the state at a later date.

Bernie Stroh asked Steve Schmitt why the Council turned down this chance for funding?

Steve Schmitt, Council Liaison responded he did not vote in favor of this application, noting the case had been made that we really did not qualify for these funds since we did not lose any multi-family rental units in the floods.

Bernie Stroh indicated the State said we were eligible and encouraged us to apply. We did have the flood go through, even though no multi-family rental units were lost.

Steve Schmitt indicated the prevailing signs showed we did not qualify for the funds, so why go through a lot of time and effort. Basically, we were informed that staff did not have the time to respond to this application.

Bernie Stroh suggested staff should have at least applied for these funds.

Discussion ensued on staff burden and the Chairman commented that it seems we are asking staff to administer all these additional programs with the same number of employees. He stated at some point in time, without hiring additional personnel, things are going to get bogged down. When we have the one-time grants, why can't we out-source these funds to some of our nonprofits so we are not putting the burden on our staff. If we subcontract with another party the city can still utilize these funds, but we are not over-burdening our staff or hiring people that won't be needed when the grants are done.

The Chairman noted, the staff has been at capacity for some time, but there must be a way we can go after funding sources without turning our back. Waterloo has some economic issues and this does provide opportunities for these grants. The Chairman noted this is a discussion item he would like to pursue further.

Rudy Jones indicated some items can be contracted out, but there is a limited clientele to handle these grants locally. We have used INRCOG on occasion, however, they have their own programs. Rudy explained how this has complicated some recent components of the buyout program.

Chairman Johnson said we hate to turn our backs on funds coming down through the stimulous programs, simply, due to lack of available staff. Other Board members agreed that it is critical for the department to pursue these opportunities and convey the need for staffing to the City Council.

Rudy Jones explained that we do shift workloads, but we've worked months to get a position filled for the Rehabilitation Department. This has created additional burdens due to all the flood activity channeled through that department. Hiring Dave Keidel part-time for about 20 hours per week for approximately three months has helped with some of the inspection work that is required. We are trying to modify the rehabilitation specialist position to incorporate other activities so we can re-advertise for a new position.

Chairman Johnson suggested discussions be conducted with INRCOG, Operation Threshold, Eastside Ministerial Alliance or any other entity to determine if they would be willing to administer any grant funds that staff cannot manage so the funds can be channeled into the community.

Rudy Jones stated, we will and we have done this. We have partnered with Cedar Falls and INRCOG to come up with additional lead training as one area and some new contractors were put on board. We have met extensively with INRCOG and the City of Cedar Falls because they are doing some of the same activities. Unfortunately, we do not have the process that allows us to quickly turn around hiring for a new position.

Jim Carstensen indicated it is only good stewardship on our part to look into this, as about 10-15% of the stimulus funds have been released, and there will be 80-85% additional funding yet to go....we must be prepared and ready to handle the funds that may come our way.

Mickye Johnson indicated he deals with the Iowa Finance Authority and there will be additional funds coming through. We need to look now at strategies and be proactive so we can make it happen.

Chairman Johnson said we need to figure out how we can partner with some entity, as the Council will not allow you to hire additional staff.

Jim Carstensen indicated that Barb Grant from Operation Threshold was adamant about the need for new rental housing in Waterloo. We may have a natural segue with Operation Threshold to work cooperatively to accomplish this goal.

Rudy Jones indicated that is why Operation Threshold was the recent recipient of the Homelessness Grant, because they are a good partner.

Chairman Johnson also suggested Eastside Ministerial Alliance, if they were ready to be a participant. He stated, this is critical so that we don't let these funds go to waste.

Mickye Johnson stated, it is critical for us to develop other partnerships and this may not come overnight, but if we have them in line, then these large sums of money would not need to be turned down.

Chairman Johnson stated, as a long-time Board member, there have been good and bad years dealing with Operation Threshold. Therefore, it is good to have more than one partner for accountability.

Nancy Gulick indicated, when we applied for the lead grant, we wrote into the grant that we would hire two people. When those people were hired, they understood the term of their employment was for only three years, so this is certainly a possibility. We are receiving stimulus monies, so we should be providing jobs.

The Chairman stated hiring additional staff when administration funds are available isn't a problem, but we cannot be reactive about this as there is probably more funding coming down the stream.

Bernie Stroh stated, we must be able to say yes to these programs and go after them.

Rudy Jones stated he agreed with everything that is being stated, but we've experienced many difficulties to get staff in place in our department, for whatever reason. Rudy stated we just don't get the attention that

we need to for our day-to-day operation. He noted this has been a factor on our five-year and one-year action plans. That process was initiated last August, and because of lack of cooperation we lost four months time because we are not taken seriously throughout the course of the year.

Jim Carstensen stated there are graduate students from UNI who could be utilized, and also from the University of Iowa. These are business school graduates that we might be able to tie into their services.

Rudy stated UNI students have been utilized in the past, but it wasn't an external factor that delayed the process, it was more internal.

Chairman Johnson indicated if you have internal blocks, you might need to side step them and out-source these activities. Chairman Johnson indicated the Board's job is not to micro-manage the process, but we are here to offer broad guidance and try to get people in place that are trustworthy.

Bernie Stroh stated when there are programs with administrative funds available, we must jump on these opportunities.

Rudy stated we agree wholeheartedly, but not only myself, but my staff can attest to the fact that sometimes we are put up against delays within other departments to get even our routine processes accomplished.

Chairman Johnson asked if this item should be discussed further at the next Board meeting, and whether it is worth the time to discuss these issues with INRCOG, UNI or Operation Threshold.

It was the consensus of Board members that staff should pursue additional help so funding sources being allocated through the stimulus programs are not turned down.

#### **NEW BUSINESS:**

##### **1. Endorse Rehabilitation Contracts for July 2009. (Report attached.)**

**It was moved by Jim Carstensen and seconded by Mickye Johnson to endorse the Rehabilitation Contracts for July 2009 as presented.**

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

##### **2. Rehabilitation Forgivable Loan Percentage Schedule.**

Nancy Gulick indicated the rehabilitation forgivable loan repayment schedule was set at a different percentage than the downpayment assistance forgivable loan schedule. Nancy recommended the board utilize the same percentage schedule for all forgivable loans, at 100%, 80%, 60%, 40% and 20% for repayment.

**It was moved by Bernie Stroh and seconded by Jim Carstensen to adopt the new percentage schedule of 100%, 80%, 60%, 40% and 20% for repayment on all rehabilitation loans from this time forward. Motion carried.**

**E. DISCUSSION ITEMS:**

**1. Rehabilitation Specialist Position.**

Rudy Jones indicated we are revising the job description for the Rehabilitation Specialist in order to add in additional functions. We are hoping to include the acquisition and rehabilitation tasks to make this a full time position.

Nancy Gulick indicated we have received Release of Funds for the stimulus CDBG-R funds, for roofs and rehabilitation. We have received Release of Funds for the Homelessness Prevention and Rapid Re-Housing Funds, which will be going to Operation Threshold to administer, and we have received Release of Funds for our annual entitlement of CDBG funds. HOME program funding is still on hold for review.

**F. ADJOURN MEETING**

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

Respectfully submitted,

Elsie Duncan, Secretary